

**PRELIMINARY OFFICIAL STATEMENT DATED MARCH 5, 2024**  
**BONDS TO BE SOLD TUESDAY, MARCH 12, 2024 AT 9:30 A.M. C.S.T.**

New Issues  
Book-Entry Only

Moody's Rating: " "

*In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the County, interest on the Bonds will be excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax except for certain corporations, as more fully described herein. For an explanation of certain tax consequences under federal law which may result from the ownership of the Bonds, see the discussion under the heading "Tax Matters" herein. Under existing law, the Bonds and the income therefrom will be exempt from all state, county and municipal taxation in the State of Tennessee, except Tennessee franchise and excise taxes. (See "Tax Matters" herein).*

**\$8,700,000\***  
**GILES COUNTY, TENNESSEE**  
**GENERAL OBLIGATION SCHOOL BONDS, SERIES 2024**  
**(ULT) (BANK QUALIFIED)**

Dated: Date of Issuance

Due: April 1, as shown below

Giles County, Tennessee (the "County") will issue its \$8,700,000\* General Obligation School Bonds, Series 2024 (the "Bonds") in fully registered form, without coupons, and, when issued, the Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds. Individual purchases of beneficial ownership interest in the Bonds will be made in book-entry form only, in denominations of \$5,000 or multiples thereof through DTC Participants. Interest on the Bonds will be payable semiannually on April 1 and October 1 of each year, commencing October 1, 2024\*, calculated on the basis of a 360-day year consisting of twelve 30-day months.

Payments of principal of and interest on the Bonds are to be made to purchasers by DTC through the Participants (as such term is herein defined). Purchasers will not receive physical delivery of Bonds purchased by them. See "The Bonds-Book-Entry-Only System." Principal of and interest on the Bonds are payable by the County to the corporate trust office of U.S. Bank Trust Company, National Association, Nashville, Tennessee, as registration and paying agent (the "Registration Agent").

The Bonds shall be subject to redemption at the option of the County at any time on or after April 1, 2032, at a price of par plus accrued interest to the redemption date. The Bonds are payable on April 1 of each year as follows:

Maturity (April 1)	Principal*	Interest Rate	Price or Yield	CUSIP Number	Maturity (April 1)	Principal*	Interest Rate	Price or Yield	CUSIP Number
2025	\$750,000				2030	\$880,000			
2026	790,000				2031	905,000			
2027	815,000				2032	930,000			
2028	835,000				2033	955,000			
2029	860,000				2034	980,000			

The Bonds will be "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the County. For the prompt payment of principal of and interest on the Bonds, the full faith and credit of the County are irrevocably pledged.

*The Bonds are offered when, as and if issued, subject to the approval of the legality by Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel, whose opinion will be delivered with the Bonds. Certain legal matters will be passed upon for the County by Chris Williams, Esq., counsel to the County. Stephens Inc. is serving as Municipal Advisor to the County. The Bonds, in book-entry form, are expected to be available for delivery through Depository Trust Company in New York, New York, on or about March 28, 2024\*.*

March \_\_, 2024

\* Preliminary and Subject to Change

THIS PRELIMINARY OFFICIAL STATEMENT AND THE INFORMATION CONTAINED HEREIN ARE SUBJECT TO CHANGE, COMPLETION OR AMENDMENT WITHOUT NOTICE. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. As of this date, this Preliminary Official Statement has been deemed "final" by the County for purposes of SEC Rule 15c2-12(b)(1) except for the omission of certain information permitted by SEC Rule 15c2-12(b)(1).

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended (collectively, the “Official Statement”) by Giles County, Tennessee (the “County”), is an Official Statement with respect to the Bonds described herein that is deemed final by the County as of the date hereof (or of any such supplement or amendment). It is subject to completion with certain information to be established at the time of the sale of the Bonds as permitted by Rule 15c2-12 of the Securities and Exchange Commission.

No dealer, broker, salesman or other person has been authorized by the County or by Stephens Inc. (the “Municipal Advisor”) to give any information or make any representations other than those contained in this Official Statement and, if given or made, such information or representations with respect to the County or the Bonds must not be relied upon as having been authorized by the County or the Municipal Advisor. This Official Statement does not constitute an offer to sell, or solicitation of an offer to buy, any securities other than the securities offered hereby to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful.

This Official Statement should be considered in its entirety and no one factor should be considered more or less important than any other by reason of its position in this Official Statement. Where statutes, reports or other documents are referred to herein, reference should be made to such statutes, reports or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

The information and expressions of opinion in this Official Statement are subject to change without notice and neither the delivery of this Official Statement nor any sale made under it shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date as of which information is given in this Official Statement.

**In making an investment decision investors must rely on their own examination of the County and the terms of the offering, including the merits and risks involved. No registration statement relating to the Bonds has been filed with the Securities and Exchange Commission or with any state securities agency. The Bonds have not been approved or disapproved by the Commission or any state securities agency, nor has the Commission or any state securities agency passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is a criminal offense.**

CUSIP data herein is subject to copyright 2014, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services (CGS), which is managed on behalf of The American Bankers Association by S&P Capital IQ. This information is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP numbers have been assigned by an independent company not affiliated with the County or the Underwriter and are included solely for the convenience of the registered owners of the applicable Bonds.

Neither the County nor the Underwriter is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the applicable Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

*The material contained herein has been obtained from sources believed to be current and reliable, but the accuracy thereof is not guaranteed. The Official Statement contains statements which are based upon estimates, forecasts, and matters of opinion, whether or not expressly so described, and such statements are intended solely as such and not as representations of fact. All summaries of statutes, Resolution, and reports contained herein are made subject to all the provisions of said documents. The Official Statement is not to be construed as a contract with the purchasers of any of the Bonds.*

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**Giles County, Tennessee  
222 West Madison Street  
Pulaski, Tennessee 38478**

**Officials**

Graham Stowe  
County Executive

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**Board of Commissioners**

David Adams  
Evan Baddour  
Rose Brown  
Brad Butler  
Erin Curry  
Shelly Goolsby  
Annelle Guthrie

Matthew Hopkins  
Gayle Jones  
Terry Jones  
James Lathrop  
Judy Pruett  
Roger Reedy  
Tim Risner

Matt Rubelsky  
Caleb Savage  
Joseph Sutton  
David Wamble  
Tracy Wilburn  
Joyce Woodard  
Maurice Woodard

**County Officials**

County Clerk  
Trustee

Carol Wade  
Tony Risner

**Counsel for the County**

Chris Williams, Esq.  
Pulaski, Tennessee

**Bond Counsel**

Bass, Berry & Sims PLC  
Nashville, Tennessee

**Registration and Paying Agent**

U.S. Bank Trust Company, National Association  
Nashville, Tennessee

**Municipal Advisor**

Stephens Inc.  
Nashville, Tennessee

**Underwriter**

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NOTICE OF SALE

GILES COUNTY, TENNESSEE

GENERAL OBLIGATION SCHOOL BONDS, SERIES 2024  
(ULT) (BANK QUALIFIED)

Notice is hereby given that the County Executive of Giles County, Tennessee (the "County") will accept a written bid or electronic bid for the purchase of all, but not less than all, of the County's **\$8,700,000\* GENERAL OBLIGATION SCHOOL BONDS, SERIES 2024** (the "Bonds") until:

**9:30 A.M. C.S.T. on Tuesday, March 12, 2024**

Written bids must be addressed and delivered to the County to the attention of the County Executive, 222 West Madison Street, Pulaski, Tennessee 38478. Electronic bids must be submitted to PARITY® via the BiDCOMP Competitive Bidding System. No other form of bid or provider of electronic bidding services will be accepted. Such bids are to be publicly opened and read at such time and place on said day. For the purposes of both the written sealed bid process and the electronic bidding process, the time as maintained by BiDCOMP/PARITY® shall constitute the official time with respect to all bids submitted. If any provisions of this Notice of Sale conflict with information provided by BiDCOMP/PARITY® as the approved provider of electronic bidding services, this Notice of Sale shall control. ***The sale of all or any series of the Bonds on Tuesday, March 12, 2024 may be postponed prior to the time bids are to be received and as published on I-dealProspectus.com. If such postponement occurs, a later public sale may be held at the hour and place and on such date as communicated via I-dealProspectus.com upon forty-eight hours notice.***

The Bonds will be dated the date of delivery. The interest rate or rates on the Bonds shall not exceed 5% per annum and shall be payable semi-annually on April 1 and October 1, commencing October 1, 2024. No bid for the Bonds will be considered for less than 99% of par nor more than 125% of par, as described in the Detailed Notice of Sale. In addition, each maturity of Bonds must be reoffered at a price of not less than 98% of the par amount of such maturity. The Bonds will mature on April 1 in the years 2025 through 2034, with term bonds optional, and will be awarded on the sale date by the County Executive to the bidder whose bid results in the lowest true interest cost on the Bonds. After opening the bids, the County reserves the right to adjust the principal amount of each maturity of the Bonds as described in the Detailed Notice of Sale.

The Bonds shall be subject to redemption at the option of the County at any time on or after April 1, 2032, at a price of par plus accrued interest to the redemption date.

The Bonds will be "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

**In the event that the competitive sale requirements of applicable Treasury Regulations are not met, the County will require bidders to comply with the "hold-the-offering-price rule" for purposes of determining the issue price of the Bonds.**

The Bonds and approving opinions of Bass, Berry & Sims PLC, Nashville, Tennessee, will be furnished at the expense of the County. Additional information, including the Official Statement and Detailed Notice of Sale, may be obtained from the undersigned at the office of the County Clerk, 222 West Madison Street, Pulaski, Tennessee 38478 or from Stephens Inc. Attention: Ashley McNulty, One American Center, 3100 West End Avenue, Suite 630, Nashville, Tennessee 37203, Telephone: (615) 279-4334; Fax: (615) 279-4351.

Graham Stowe  
County Executive

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## DETAILED NOTICE OF SALE

### GILES COUNTY, TENNESSEE

#### **\$8,700,000\* GENERAL OBLIGATION SCHOOL BONDS, SERIES 2024 (ULT) (BANK QUALIFIED)**

#### **Time and Place of Sale**

Notice is hereby given that the County Executive of Giles County, Tennessee (the "County") will accept a written bid or electronic bid for the purchase of all, but not less than all, of the **\$8,700,000\* GENERAL OBLIGATION SCHOOL BONDS, SERIES 2024** (the "Bonds") until:

**9:30 A.M. C.S.T. on Tuesday, March 12, 2024**

The written bids must be addressed and delivered to the County to the attention of the County Executive, 222 West Madison Street, Pulaski, Tennessee 38478. Electronic bids must be submitted to PARITY® via the BiDCOMP Competitive Bidding System. No other form of bid or provider of electronic bidding services will be accepted. Such bids are to be publicly opened and read at such time and place on said day. For the purposes of both the written sealed bid process and the electronic bidding process, the time as maintained by BiDCOMP/PARITY® shall constitute the official time with respect to all bids submitted. If any provisions of this Notice of Sale conflict with information provided by BiDCOMP/PARITY® as the approved provider of electronic bidding services, this Notice of Sale shall control. ***The sale of all or any series of the Bonds on Tuesday, March 12, 2024 may be postponed prior to the time bids are to be received and as published on I-dealProspectus.com. If such postponement occurs, a later public sale may be held at the hour and place and on such date as communicated via I-dealProspectus.com upon forty-eight hours notice.*** The Bonds will be awarded on such date by the County Executive of the County.

#### **Description of Bonds**

The Bonds will be issued in fully registered, book-entry form (except as otherwise provided herein), without coupons, be dated the date of delivery, be issued, or reissued upon transfer, in \$5,000 denominations or multiples thereof, as shall be requested by the purchaser or transferor thereof, as appropriate, and will mature and be payable on April 1 of each year as follows:

<u><b>Year (April 1)*</b></u>	<u><b>Bonds*</b></u>	<u><b>Year (April 1)*</b></u>	<u><b>Bonds*</b></u>
2025	\$750,000	2030	\$880,000
2026	790,000	2031	905,000
2027	815,000	2032	930,000
2028	835,000	2033	955,000
2029	860,000	2034	980,000

#### **Purpose and Authority of Bonds**

The Bonds are being issued to finance the (i) constructing, renovating and equipping of County school facilities; (ii) payment of legal, fiscal, administrative, architectural and engineering costs incident to any or all of the foregoing; (iii) acquisition of all property, real and personal, related to the foregoing; (iv) reimbursement to the appropriate fund of the County for prior expenditures for the foregoing costs, if applicable; and (v) payment of costs incident to the issuance and sale of the bonds. The Bonds are being

issued under the constitution and statutes of the State of Tennessee, including Sections 49-3-1001, et seq., and pursuant to Resolution duly adopted by the Board of County Commissioners of the County on February 20, 2024.

### **Registration and Depository Participation**

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. One Bond certificate for each maturity will be issued to the Depository Trust Company, New York, New York (“DTC”), and immobilized in its custody. The book-entry system will evidence beneficial ownership interests of the Bonds in the principal amount of \$5,000 and any integral multiple of \$5,000, with transfers of beneficial ownership interest effected on the records of DTC participants and, if necessary, in turn by DTC pursuant to rules and procedures established by DTC and its participants. The successful bidder, as a condition to delivery of the Bonds, shall be required to deposit the Bond certificates with DTC, registered in the name of Cede & Co., nominee of DTC. Interest on the Bonds will be payable semiannually on April 1 and October 1, beginning October 1, 2024, and principal of the Bonds will be payable, at maturity or upon redemption, to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments to beneficial owners of the Bonds by Participants of DTC, will be the responsibility of such participants and of the nominees of beneficial owners. The County will not be responsible or liable for such transfer of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

In the event that the book-entry only system for the Bonds is discontinued and a successor securities depository is not appointed by the County, Bond Certificates in fully registered form will be delivered to, and registered in the names of, the DTC Participants or such other persons as such DTC participants may specify (which may be the indirect participants or beneficial owners), in authorized denominations of \$5,000 or integral multiples thereof. In addition, if the successful bidder for the Bonds certifies that it has no present intent to reoffer the Bonds, the Bonds may be issued in fully registered form only. The ownership of Bonds so delivered shall be registered in registration books to be kept by U.S. Bank Trust Company, National Association, Nashville, Tennessee, as registration and paying agent (the “Registration Agent”), at its principal corporate office, and the County and the Registration Agent shall be entitled to treat the registered owners of the Bonds, as their names appear in such registration books as of the appropriate dates, as the owners thereof for all purposes described herein and in the Resolution authorizing the Bonds.

### **Optional Redemption**

The Bonds shall be subject to redemption at the option of the County at any time on or after April 1, 2032, at a price of par plus accrued interest to the redemption date.

### **Designation of Term Bonds**

The successful bidder for the Bonds shall have the option to designate certain consecutive serial maturities of the Bonds as one or more Term Bonds, each Term Bond bearing a single interest rate. If a successful bidder designates certain consecutive serial maturities to be combined into one or more Term Bonds, each Term Bond shall be subject to mandatory sinking fund redemption by the County at a redemption price equal to 100% of the principal amount thereof, together with accrued interest to the date fixed for redemption at the rate stated in the Term Bonds to be redeemed. Each such mandatory sinking fund redemption shall be made on the date on which a consecutive maturity included as part of a Term Bond is payable in accordance with the proposal of the successful bidder for the Bonds and in the amount of the maturing principal installment for the Bonds listed above for such principal payment date.

## **Security and Sources of Payment**

The Bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the County. For the prompt payment of principal of and interest on the Bonds, the full faith and credit of the County are pledged.

Under Tennessee law, the County's legislative body is authorized to levy a tax on all taxable property within the County, or a portion thereof, without limitation as to rate or amount, and a referendum is neither required nor permitted to set the rate or amount. For a more complete statement of the general covenants and provisions to which the Bonds are issued, reference is hereby made to the Resolution authorizing the Bonds.

## **Submission of Bid**

All bids submitted, electronic or otherwise, must be submitted as set forth under the heading **"Time and Place of Sale"**, set forth above.

A written bid for the Bonds must be enclosed in a sealed envelope bearing the name and address of the bidder, clearly and legibly marked on the outside "Bid for Bonds," and addressed and delivered to the following address:

Office of the County Executive  
222 West Madison Street  
Pulaski, Tennessee 38478

Written bids must be submitted on the applicable Bid Form included with the Preliminary Official Statement or on a reasonable facsimile thereof. Electronic bids for the Bonds must be submitted to PARITY® via the BiDCOMP Competitive Bidding System. An electronic bid made through the facilities of BiDCOMP/PARITY® shall be deemed an offer to purchase in response to the Notice of Sale and shall be binding upon the bidder as if made by a signed sealed written bid made to the County. To the extent any instructions or directions set forth in BiDCOMP/PARITY® conflict with the terms of the Detailed Notice of Sale, the Detailed Notice of Sale shall prevail. The County shall not be responsible for any malfunction or mistake made by or as a result of the use of electronic bidding facilities. The use of such facilities is at the sole risk of the bidders. Subscription to I-Deal's BiDCOMP/PARITY® Competitive Bidding System by a bidder is required in order to submit an electronic bid. The County will not confirm any subscription or be responsible for the failure of any prospective bidder to subscribe. Both written bids and electronic bids must be unconditional and received by the office of the County Executive and/or BiDCOMP/PARITY®, respectively, before the time stated above. Bidders shall be required to comply with the provisions regarding a Good Faith Deposit as described below in the section entitled "Good Faith Deposit". The County is not liable for any costs incurred in the preparation, delivery, acceptance or rejection of any bid, including, without limitation, the providing of a bid security deposit.

## **Form of Bids**

All bids for the Bonds must be for not less than all of the Bonds. Bidders must bid not less than 99% of par nor greater than 125% of par for the Bonds. Bidders must specify the interest rate or rates the Bonds are to bear in multiples of one-hundredth (1/100th) or one-eighth (1/8th) of one percent (1%), but no rate specified for the Bonds shall be in excess of 5% per annum. There will be no limitation on the number of rates of interest which may be specified for the Bonds, but one rate of interest shall apply to all the Bonds of a maturity. In addition, each maturity of the Bonds must be reoffered at a price of not less than 98% of the par amount of such maturity. Bidders may designate two or more consecutive serial maturities as one or more Term Bond maturities equal in aggregate principal amount to, and with mandatory redemption requirements corresponding to, such designated serial maturities. Bidders must specify the reoffering prices or yields of each maturity.

## **Revised Maturity Schedule and/or Bid Parameters**

The aggregate principal amount of the Bonds (the "Preliminary Aggregate Principal Amount") and the annual principal amounts of the Bonds (the "Preliminary Annual Principal Amounts" and collectively, with reference to the Preliminary Aggregate Principal Amounts, the "Preliminary Amounts") set forth in this Detailed Notice of Sale may be revised before the viewing of bids for the purchase of the Bonds, as may the bid parameters set forth herein. Any such revisions (in case of revised principal amounts, the "Revised Aggregate Principal Amount", the "Revised Annual Principal Amounts" and the "Revised Amounts") WILL BE GIVEN BY NOTIFICATION PUBLISHED ON [www.I-dealProspectus.com](http://www.I-dealProspectus.com) NOT LATER THAN 4:00 P.M., C.S.T. ON THE DAY PRECEDING THE RECEIPT OF BIDS. In the event that no such revisions are made, the Preliminary Amounts will constitute the Revised Amounts and will remain as stated in this Detailed Notice of Sale, and the bid parameters shall remain as set forth herein. BIDDERS SHALL SUBMIT BIDS BASED ON THE REVISED AMOUNTS AND BID PARAMETERS, IF ANY. Prospective bidders may request notification by facsimile transmission of any revisions in the Preliminary Amounts and bid parameters by so advising and faxing their telecopier number(s) to Stephens Inc., Municipal Advisor to the County, at (615) 279-4351 by 12:00 Noon, C.S.T., at least one day prior to the date for receipt of the bids.

## **Changes to Maturity Schedule**

The County reserves the right to change the Revised Aggregate Principal Amounts of the Bonds after determination of the winning bidder. The County may increase or decrease the Revised Annual Principal Amount of each maturity of the Bonds without limitation. Such changes, if any, will determine the final annual principal amounts of Bonds (the "Final Annual Principal Amounts") and the final aggregate principal amount of Bonds (the "Final Aggregate Principal Amount"). The Final Aggregate Principal Amount of the Bonds will not exceed \$8,700,000. Any changes beyond those described above will only be made with the consent of the winning bidder.

The dollar amount bid by the successful bidder will be adjusted to reflect any adjustments in the Final Aggregate Principal Amount of the Bonds. The interest rates specified by the successful bidder for the various maturities at the initial reoffering prices will not change. THE SUCCESSFUL BIDDER MAY NOT WITHDRAW THEIR BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES AS A RESULT OF ANY CHANGES MADE TO THE PRINCIPAL AMOUNTS WITHIN THESE LIMITS. The County anticipates that the Final Annual Principal Amounts of the Bonds and the Final Aggregate Principal Amount of the Bonds will be communicated to the successful bidder prior to the award of the Bonds. THE DOLLAR AMOUNT BID BY THE SUCCESSFUL BIDDER FOR THE PURCHASE OF THE BONDS WILL BE ADJUSTED TO REFLECT ANY CHANGE IN THE ANNUAL PRINCIPAL AMOUNTS BASED UPON THE

ASSUMPTION THAT THE COUPON RATES, REOFFERING PRICES, AND THE UNDERWRITER'S DISCOUNT (EXCLUDING ORIGINAL ISSUE DISCOUNT/PREMIUM) STATED AS A PERCENTAGE OF THE AGGREGATE PRINCIPAL AMOUNT, AS SPECIFIED BY THE SUCCESSFUL BIDDER WILL NOT CHANGE.

### **Basis of Award**

If an award is made, the Bonds will be awarded to the bidder whose bid results in the lowest true interest cost to the County as determined by reference to the Revised Aggregate Principal Amounts, prior to post-sale adjustments, as discussed in the paragraph above. The lowest true interest cost of the Bonds will be calculated as that rate which when used in computing the present worth of all payments of principal and interest on the Bonds (compounded semi-annually from the dated date of the Bonds) produces a value equal to the purchase price of the Bonds. For the purpose of calculating the true interest cost, the principal amount of Term Bonds scheduled for mandatory sinking fund redemption as part of a Term Bond shall be treated as a serial maturity in each year. Each bidder is required to specify its calculation of the true interest cost resulting from its bid, but such information shall not be treated as part of its proposal.

In the event that two or more of the bidders offer to purchase the Bonds at the same lowest true interest cost, the County Executive shall determine in his sole discretion which of the bidders shall be awarded the Bonds.

The County Executive reserves the right to waive any irregularity or informality in any bid, and to reject any or all bids, and notice of rejection of any bid will be made promptly. Unless all bids are rejected, award of the Bonds will be made by the County Executive on the sale date.

### **Good Faith Deposit**

The successful bidder is required to submit, in the manner described below, a good faith deposit (the "Deposit") in the amount of \$174,000 to secure the faithful performance of the terms of the bid to purchase a series of the Bonds. The Deposit will be delivered to the County by wire transfer or certified check for the prescribed amount. The Deposit may be provided in the form of:

1. **Federal Funds Wire Transfer.** A federal funds wire transfer submitted to the County or the County's Municipal Advisor by the successful bidder by 2:00 p.m. C.S.T. on the day of the sale provided the County awards the bid by 12:00 noon C.S.T. otherwise the wire shall be received not later than 11:00 a.m. C.S.T. on the next business day following the award. The County Executive reserves the right to adjust the time the deposit is to be received if there are problems with electronic transfers of funds or other acceptable reasons.
2. **Certified Check.** A bank certified check, bank cashier's check or a treasurer's check drawn upon an incorporated bank or trust company payable unconditionally to the order of the County. If a check is used, it must accompany a bid and be received by the time and date bids are required. If the successful bidder's Deposit is by check, the check will be deposited on the date of the sale.

Wire transfer instructions are available from Stephens Inc., Attn: Ashley McNulty, One American Center, 3100 West End Avenue, Suite 630, Nashville, Tennessee 37203, Telephone (615) 279-4334 or (615) 279-4338; Fax: (615) 279-4351. In the event the successful bidder fails to timely submit the Deposit, the award may be terminated by the County Executive, and the County Executive in his discretion may award the Bonds to the bidder whose bid results in the next lowest true interest cost to the County as the lowest complying bidder or hold a subsequent sale of the Bonds. The County shall have no liability to any bidder who fails to properly submit a Deposit.

The Deposit of the successful bidder will be deposited by the County and the proceeds thereof credited with no interest allowed thereon against the total purchase price to be paid for the Bonds upon their delivery or retained as and for full liquidated damages if the successful bidder fails to accept delivery of and pay for the Bonds. Checks of unsuccessful bidders will be returned promptly upon the award of the Bonds. If a successful bidder fails to timely make the Deposit for the Bonds, the award may be terminated in the discretion of the County Executive and the County shall be entitled to an amount equal to the Deposit as liquidated damages for failure of the successful bidder to comply with the terms of the award of the Bonds.

## **CUSIP**

The County's municipal advisor will request that the CUSIP Service Bureau assign CUSIP identification numbers to the Bonds, which numbers will be printed on the Bonds. The winning bidder will be responsible for the costs of assigning CUSIP numbers to the Bonds. Neither the failure to print a CUSIP number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with this Detailed Notice of Sale.

## **Establishment of Issue Price**

*General.* The winning bidder shall assist the County in establishing the issue price of the Bonds as more fully described herein. All actions to be taken by the County under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the County by the County's Municipal Advisor identified herein and any notice or report to be provided to the County may be provided to the County's Municipal Advisor.

*Anticipated Compliance with Competitive Sale Requirements.* The County anticipates that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

- the County shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- all bidders shall have an equal opportunity to bid;
- the County expects to receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- the County anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

*County Intention to Apply the Hold-the-Offering-Price Rule if Competitive Sale Requirements are Not Met.* In the event that the competitive sale requirements are not satisfied with respect to the Bonds, the County intends to treat the initial offering prices of the Bonds to the public as the issue price of the Bonds (the "hold-the-offering-price rule"), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity).

*Application of the Hold-the-Offering-Price Rule.* If the competitive sale requirements are not satisfied, then the successful bidder shall, on behalf of the underwriters participating in the purchase of the Bonds (i) confirm that the underwriters have offered or will offer each maturity of the Bonds to the public on or

before the date of award at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- the close of the fifth (5th) business day after the sale date; or
- the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder shall promptly advise the County when the underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

The County acknowledges that, in making the agreements and representations set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The County further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

*Definitions.* Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- “public” means any person other than an underwriter or a related party,
- “underwriter” means (A) any person that agrees pursuant to a written contract with the County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the

Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

- a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- “sale date” means the date that the Bonds are awarded by the County to the winning bidder.

*Issue Price Certificate.* The winning bidder will be required to provide the County, at closing, with an issue price certificate consistent with the foregoing.

### **Provision of Information for the Official Statement**

The successful bidders must furnish the following information to the County to complete the *Official Statement* in final form within 2 hours after receipt and award of the bids for the Bonds:

1. The initial offering prices or yields for the Bonds (expressed as a price or yield per maturity, exclusive of any accrued interest, if applicable);
2. Selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars, based on the expectation that all the Bonds are sold at the prices or yields as provided above);
3. The identity of the underwriters if the successful bidders are part of a group or syndicate; and
4. Any other material information necessary to complete the Official Statement in final form but not known to the County.

### **Official Statement**

The County will provide or cause to be provided to the successful bidder, either in electronic format or printed copies, the final official statement sufficient in quantity to enable the successful bidder to comply with SEC Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board. Said final official statements will be provided to the successful bidder not later than seven business days after the sale, or, if the County, or its Municipal Advisor, is notified that any confirmation requesting payment from any customer will be sent before the expiration of such period and specifying the date such confirmation will be sent the final official statements will be provided in sufficient time to accompany such confirmation.

## **Continuing Disclosure**

The County will, at the time the Bonds are delivered, execute a Continuing Disclosure Agreement in which it will covenant for the benefit of holders and beneficial owners of the Bonds to (i) provide certain financial information and operating data relating to the County not later than twelve months after each of the County's fiscal years (the "Annual Report"), (ii) provide timely notice of the occurrence of certain enumerated events and (iii) provide timely notice of failure to timely provide any required financial information of the County. The Annual Report (and audited financial statements, if filed separately) and notices described above will be filed by the County with the Municipal Securities Rulemaking Board ("MSRB") at [www.emma.msrb.org](http://www.emma.msrb.org) and with any State Information Depository established in the State of Tennessee (the "SID"). The specific nature of the information to be contained in the Annual Report or the notices of events will be summarized in the County's official statement to be prepared and distributed in connection with the sale of the Bonds.

## **Legal Opinion and Transcript**

The book-entry Bonds and the approving opinion of Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel (which will be delivered with the Bonds), together with the Bond transcript, including a certificate as to no litigation from the County dated as of the date of the delivery of the Bonds, will be furnished to the purchaser at the expense of the County. As set forth in the Official Statement and subject to the limitations set forth therein, bond counsel's opinion will include an opinion that interest on the Bonds will be (i) excluded from gross income for federal income tax purposes as it relates to the Bonds; and (ii) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Owners of the Bonds, however, may be subject to certain additional taxes or tax consequences arising with respect to ownership of the Bonds. For a discussion thereof, reference is hereby made to the Official Statement and the forms of opinions contained therein.

## **Bank Qualification**

The Bonds will be "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

## **Delivery and Payment**

The Bonds are expected to be ready for delivery within 28 days after the sale thereof, in book-entry form. At least five days' notice will be given to the successful bidder(s). Delivery will be made through the Depository Trust Company, New York, New York at the expense of the purchaser. Payment for the Bonds must be made in federal funds or other immediately available funds.

## **Further Information**

Copies of the Preliminary Official Statement may be obtained from the undersigned at the office of the County's Finance/Budget Director, 222 West Madison Street, Pulaski, Tennessee 38478, or from Stephens Inc., Attn: Ashley McNulty, One American Center, 3100 West End Avenue, Suite 630, Nashville, Tennessee 37203, Telephone: (615) 279-4334 or (615) 279-4338; Fax: (615) 279-4351.

Graham Stowe  
County Executive

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**GILES COUNTY, TENNESSEE**  
**\$8,700,000\* GENERAL OBLIGATION SCHOOL BONDS, SERIES 2024**

**OFFICIAL BID FORM**

The Honorable Graham Stowe  
County Executive  
222 West Madison Street  
Pulaski, Tennessee 38478

\_\_\_\_\_, 2024

For your legally issued, properly executed Giles County, Tennessee (the "County") \$8,700,000\* General Obligation School Bonds, Series 2024 (the "Bonds") and in all respects to be as more fully outlined in your Detailed Notice of Sale, which by reference is made a part hereof, we will pay you a sum of \$\_\_\_\_\_.

The Bonds will be dated the date of issuance, will mature on April 1 as shown below, and shall bear interest at the following rates:

<b>Maturity (April 1)*</b>	<b>Amount*</b>	<b>Interest Rate</b>	<b>Reoffering Price</b>	<b>Maturity (April 1)*</b>	<b>Amount*</b>	<b>Interest Rate</b>	<b>Reoffering Price</b>
2025	\$750,000	_____%	_____%	2030	\$880,000	_____%	_____%
2026	\$790,000	_____	_____	2031	\$905,000	_____	_____
2027	\$815,000	_____	_____	2032	\$930,000	_____	_____
2028	\$835,000	_____	_____	2033	\$955,000	_____	_____
2029	\$860,000	_____	_____	2034	\$980,000	_____	_____

Principal of and interest on the Bonds will be payable at the principal corporate trust office of U.S. Bank Trust Company, National Association, Nashville, Tennessee.

This bid is made with the understanding that the County will furnish without cost to the successful bidder the unqualified approving opinion of Bass, Berry & Sims PLC, Attorneys, Nashville, Tennessee, and the executed Bonds. We have exercised the option to designate two or more consecutive serial maturities as Term Bonds as set forth below:

Term Bond 1, due April 1, \_\_\_\_\_ includes the following maturities:

From April 1, \_\_\_\_\_ to April 1, \_\_\_\_\_.

Term Bond 2, due April 1, \_\_\_\_\_ includes the following maturities:

From April 1, \_\_\_\_\_ to April 1, \_\_\_\_\_.

<b>Firm Name</b>	
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In accordance with the terms of the Detailed Notice of Sale, we have or will make a good faith deposit for \$174,000 as set forth in the Detailed Notice of Sale, which is to be applied in accordance with the Detailed Notice of Sale. The good faith deposit may be provided in the form of:

1. **Federal Funds Wire Transfer.** A federal funds wire transfer submitted to the County or the County's Municipal Advisor by the successful bidder by 2:00 p.m. C.S.T. on the day of the sale provided the County awards the bid by 12:00 noon C.S.T. otherwise the wire shall be received not later than 11:00 a.m. C.S.T. on the next business day following the award. The County Executive reserves the right to adjust the time the deposit is to be received if there are problems with electronic transfers of funds or other acceptable reasons.
2. **Certified Check.** A bank certified check, bank cashier's check or a treasurer's check drawn upon an incorporated bank or trust company payable unconditionally to the order of the County. If a check is used, it must accompany a bid and be received by the time and date bids are required. If the successful bidder's Deposit is by check, the check will be deposited on the date of the sale.

Wire transfer instructions are available from Stephens Inc., Attn: Ashley McNulty, One American Center, 3100 West End Avenue, Suite 630, Nashville, Tennessee 37203, Telephone (615) 279-4334 or (615) 279-4338; Fax: (615) 279-4351. If a successful bidder fails to timely make the Deposit for the Bonds, the award may be terminated in the discretion of the County Executive and the County shall be entitled to an amount equal to the Deposit as liquidated damages for failure of the successful bidder to comply with the terms of the award of the Bonds. The County Executive in his discretion may award the Bonds to the bidder whose bid results in the next lowest true interest cost to the County as the lowest complying bidder or hold a subsequent sale of the Bonds. The County shall have no liability to any bidder who fails to properly submit a Deposit.

In the event this bid is accepted and should for any reason we fail to comply with the terms of this bid, said deposit will be forfeited by us as full liquidated damages; otherwise, said deposit will be credited against the purchase price of the Bonds at closing. In the event the County Executive fails to deliver the Bonds to us as described in the Detailed Notice of Sale, said deposit will be returned to us.

Accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2024

Respectfully submitted,

\_\_\_\_\_  
County Executive

\_\_\_\_\_  
Firm Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Telephone Number of Person to Submit Bid

The following is for information purposes only.

Total Interest Cost	
Plus discount or less premium, if any	
Net Interest Cost	
True Interest Rate (TIC)	

**(The calculations of Net Interest Costs and True Interest Rate and the Reoffering Prices are for information purposes only and do not constitute a part of this bid.)**

## Summary Statement

*This Summary is expressly qualified by the entire Official Statement, which should be viewed in its entirety by potential investors.*

<b>ISSUER</b> .....	Giles County, Tennessee (the "County").
<b>ISSUES</b> .....	\$8,700,000* General Obligation School Bonds, Series 2024 (the "Bonds").
<b>PURPOSE</b> .....	The Bonds are being issued to finance the (i) constructing, renovating and equipping of County school facilities; (ii) payment of legal, fiscal, administrative, architectural and engineering costs incident to any or all of the foregoing; (iii) acquisition of all property, real and personal, related to the foregoing; (iv) reimbursement to the appropriate fund of the County for prior expenditures for the foregoing costs, if applicable; and (v) payment of costs incident to the issuance and sale of the bonds.
<b>SECURITY</b> .....	The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the County. For the prompt payment of principal of and interest on the Bonds, the full faith and credit of the County are irrevocably pledged.
<b>DATED DATE</b> .....	Settlement Date.
<b>INTEREST DUE</b> .....	Each April 1 and October 1, commencing October 1, 2024.*
<b>PRINCIPAL DUE</b> .....	April 1, 2025* through April 1, 2034*.
<b>SETTLEMENT DATE</b> .....	_____, 2024* (use for bidding purposes).
<b>OPTIONAL REDEMPTION</b> .....	The Bonds, shall be subject to redemption at the option of the County at any time on or after April 1, 2032*, at a price of par plus accrued interest to the redemption date.
<b>RATING</b> .....	"“ by Moody’s Investor’s Service ("Moody’s") based on documents and other information provided by the County. The rating reflects only the view of Moody’s and neither the County, the Municipal Advisor nor the Underwriter makes any representations as to the appropriateness of such rating.

There is no assurance that such rating will continue for any given period of time or that it will not be lowered or withdrawn. Any such downward change in or withdrawal of the rating may have an adverse effect on the secondary market price of the Bonds. Any explanation of the significance of the ratings may be obtained from Moody’s. See "Rating" herein

<b>TAX MATTERS .....</b>	In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the County, interest on the Bonds will be excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax, except for certain corporations, as more fully described herein. For an explanation of certain tax consequences under federal law which may result from the ownership of the Bonds, see the discussion under the heading "Tax Matters" herein. Under existing law, the Bonds and the income therefrom will be exempt from all state, county and municipal taxation in the State of Tennessee, except Tennessee franchise and excise taxes. (See "Tax Matters" herein).
<b>BANK QUALIFICATION.....</b>	The Bonds will be "qualified tax-exempt obligations" pursuant to Section 265(b) of the Internal Revenue Code of 1986, as amended.
<b>REGISTRATION AND PAYING AGENT .....</b>	U.S. Bank Trust Company, National Association, Nashville Tennessee.
<b>MUNICIPAL ADVISOR.....</b>	Stephens Inc.
<b>UNDERWRITER.....</b>	_____.

## **Official Statement**

**Giles County, Tennessee**

### **\$8,700,000\* General Obligation School Bonds, Series 2024 (ULT) (Bank Qualified)**

#### **Introduction**

The Official Statement, including the cover page and appendices hereto, is furnished in connection with the issuance by Giles County, Tennessee (the "County") of \$8,700,000\* General Obligation School Bonds, Series 2024 (the "Bonds").

The Bonds are issuable under and in full compliance with the constitution and statutes of the State of Tennessee, including Sections 49-3-1001, et seq., Tennessee Code Annotated, and pursuant to Resolution adopted by the Board of County Commissioners of the County on February 20, 2024 (the "Resolution") authorizing the execution, terms, issuance and sale of the Bonds.

This Official Statement includes descriptions of, among other matters, the Bonds, the Resolution, and the County. Such descriptions and information do not purport to be comprehensive or definitive. All references to the Resolution are qualified in their entirety by reference to the definitive documents, including the forms of the Bonds included in the Resolution. During the period of the offering of the Bonds, copies of the Resolution and any other documents described herein or in the Resolution may be obtained from the County. After delivery of the Bonds, copies of such documents will be available for inspection at the County Executive's office. All capitalized terms used in this Official Statement and not otherwise defined herein have the meanings set forth in the Resolution.

#### **The Bonds**

##### **Description**

The Bonds are being issued to finance the (i) constructing, renovating and equipping of County school facilities; (ii) payment of legal, fiscal, administrative, architectural and engineering costs incident to any or all of the foregoing; (iii) acquisition of all property, real and personal, related to the foregoing; (iv) reimbursement to the appropriate fund of the County for prior expenditures for the foregoing costs, if applicable; and (v) payment of costs incident to the issuance and sale of the bonds.

The Bonds will be issued as fully registered book-entry Bonds, without coupons, in denominations of \$5,000 or any integral multiple thereof. The Bonds will be dated their date of issuance. Interest on the Bonds, at the rates per annum set forth on the cover page and calculated on the basis of a 360-day year, consisting of twelve 30-day months, will be payable semiannually on April 1 and October 1 of each year (herein an "Interest Payment Date"), commencing October 1, 2024\*.

The Bonds will mature on the dates and in the amounts set forth on the cover page.

##### **Registration and Payment**

The Bonds will be initially registered only in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. U.S. Bank Trust Company, National Association, Nashville, Tennessee (the "Registration Agent") will make all interest payments with respect to the Bonds on each Interest Payment Date directly to the registered owners as shown on the Bond registration records maintained by the Registration Agent as of

the close of business on the fifteenth day of the month next preceding the Interest Payment Date (the "Regular Record Date") by check or draft mailed to such owners at their addresses shown on said registration records, without, except for final payment, the presentation or surrender of such registered Bonds, and all such payments shall discharge the obligations of the County in respect of such Bonds to the extent of the payments so made. Payment of principal of the Bonds shall be made upon presentation and surrender of such Bonds to the Registration Agent as the same shall become due and payable. In the event the Bonds are no longer registered in the name of DTC or its successor or assigns, if requested by the Owner of at least \$1,000,000 in aggregate principal amount of the Bonds, payment of interest on such Bonds shall be paid by wire transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with the Registration Agent and written notice of any such election and designated account is given to the Registration Agent prior to the record date.

Any interest on any Bond which is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid by the County to the persons in whose names the Bonds are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: The County shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment, and at the same time the County shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest. Thereupon, not less than ten (10) days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the payment of such Defaulted Interest which date shall not be more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment to the registered owners. The Registration Agent shall promptly notify the County of such Special Record Date and, in the name and at the expense of the County, not less than ten (10) days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each registered owner at the address thereof as it appears in the Bond registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in the Resolution or in the Bonds shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of the County to punctually pay or duly provide for the payment of principal of and interest on the Bonds when due.

### **Book-Entry-Only System**

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate for each maturity of the Bonds will be issued for the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants'

accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has the following Standard & Poor’s rating: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC’s Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts, upon DTC’s receipt of funds and corresponding detail information

from Issuer or Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Registration Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of County or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the County or Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that County believes to be reliable, but County takes no responsibility for the accuracy thereof.

**THE COUNTY AND THE REGISTRATION AGENT HAVE NO RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; (II) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST ON THE BONDS; (III) THE DELIVERY OR TIMELINESS OF DELIVERY BY ANY PARTICIPANT OR ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO BONDHOLDERS; OR (IV) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC OR CEDE & CO. AS BONDHOLDER.**

#### **Optional Redemption\***

The Bonds maturing on or before April 1, 2032 shall mature without option of prior redemption, and Bonds maturing April 1, 2033 and thereafter, shall be subject to redemption prior to maturity at the option of the Municipality on April 1, 2032 and thereafter, as a whole or in part, at any time at the redemption price of par plus accrued interest to the redemption date.

#### **Mandatory Redemption\***

Subject to any credits as permitted by the terms of the Resolution, the County shall redeem Bonds maturing on April 1, \_\_\_\_, on the redemption dates set forth below opposite the maturity date, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the Board of County Commissioners in its discretion. If less than all the Bonds within a single maturity shall be called for redemption, the Bonds within a single maturity shall be selected determined by DTC, or such successor Depository, by lot or such other manner as DTC or such successor Depository, shall determine in the event the Bonds are being held under a Book Entry System. If not held under a Book Entry System and if less than all the Bonds of a maturity shall be called for redemption, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the

Registration Agent shall elect. The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

<u>Maturity</u>	<u>Redemption Date</u>	<u>Principal Amount to be Redeemed</u>
-----------------	------------------------	--

\*Final Maturity

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, the County may (i) deliver to the Registration Agent for cancellation Bonds of the maturity to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its mandatory redemption obligation for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (other than through mandatory redemption) and cancelled by the Registration Agent and not theretofore applied as a credit against any mandatory redemption obligation. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the County on such payment date, and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Bonds to be redeemed by mandatory redemption shall be accordingly reduced.

### **Notice of Redemption**

Notice of call for redemption shall be given by the Registration Agent not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Bonds for which proper notice was given. An optional redemption notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to affect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the County nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant will not affect the validity of such redemption. From and after any redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth in the Resolution. In the case of a Conditional Redemption, the failure of the County to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain Outstanding.

### **Security and Sources of Payment**

The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the County. For the prompt payment of principal of and interest on the Bonds, the full faith and credit of the County are irrevocably pledged.

Under Tennessee law, the County's legislative body is authorized to levy a tax on all taxable property within the County, or a portion thereof, without limitation as to rate or amount, and a referendum is

neither required nor permitted to set the rate or amount. For a more complete statement of the general covenants and provisions pursuant to which the Bonds are issued, reference is hereby made to the respective Resolution.

### **Remedies of Bondholders**

Under Tennessee law, any Bondholder has the right, in addition to all other rights:

(1) By mandamus or other suit, action or proceeding in any court of competent jurisdiction to enforce its rights against the County, including, but not limited to, the right to require the County to assess, levy and collect taxes adequate to carry out any agreement as to, or pledge of, such taxes, fees, rents, tolls, or other charges, and to require the County to carry out any other covenants and agreements, or

(2) By action or suit in equity, to enjoin any acts or things which may be unlawful or a violation of the rights of such Bondholder.

### **Discharge and Satisfaction of Bonds**

The Bonds may be discharged and defeased in any one or more of the following ways:

(a) By depositing sufficient funds as and when required with the Registration Agent, to pay the principal of and interest on such Bonds as and when the same become due and payable;

(b) By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and which has trust powers ("an Agent"; which Agent may be the Registration Agent) in trust or escrow, on or before the date of maturity or redemption, sufficient money or Defeasance Obligations, as hereafter defined, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice);

(c) By delivering such Bonds to the Registration Agent, for cancellation by it;

and if the County shall also pay or cause to be paid all other sums payable under the Resolution, or make adequate provision therefor, and by resolution of the Governing Body instruct any such Escrow Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest on such Bonds when due, then such Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the County to the holders of such Bonds shall be fully discharged and satisfied.

If the County pays and discharges the indebtedness evidenced by any of the Bonds in the manner provided in either clause (a) or clause (b) above, then the registered owners of such Bonds shall thereafter be entitled only to payment out of the money or Defeasance Obligations.

Defeasance Obligations are direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, which obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

## Plan of Financing

### Sources and Uses of Funds

The following table sets forth the sources and uses of funds in connection with the issuance of the Bonds.

#### Sources of Funds

Par Amount	\$ _____
Reoffering Premium (Discount)	_____
Total Sources	\$ _____

#### Uses of Funds

Deposit to Project Fund	_____
Costs of Issuance <sup>(1)</sup>	_____
Total Uses	\$ _____

(1) Includes all fees and expenses, including underwriter's discount and expenses

## Rating

The Bonds have been assigned a rating of "" by Moody's Investor's Service ("Moody's") based on documents and other information provided by the County. The rating reflects only the view of Moody's and neither the County, the Municipal Advisor nor the Underwriter makes any representation as to the appropriateness of such rating.

There is no assurance that such rating will continue for any given period of time or that it will not be lowered or withdrawn entirely. Any such downward change in or withdrawal of the rating may have an adverse effect on the secondary market price of the Bonds. Any explanation of the significance of the rating may be obtained from Moody's.

## Continuing Disclosure

The County will at the time the Bonds are delivered execute a Continuing Disclosure Certificate under which it will covenant for the benefit of holders and beneficial owners of the Bonds to (i) provide certain financial information and operating data relating to the County by not later than twelve months after the end of each fiscal year commencing with the fiscal year ending June 30, 2024 (the "Annual Report"), (ii) provide notice of the occurrence of certain enumerated events and (iii) provide timely notice of failure to provide any required financial information of the County. The Annual Report (and audited financial statements if filed separately) and notices described above will be filed by the County with the Municipal Securities Rulemaking Board ("MSRB") at [www.emma.msrb.org](http://www.emma.msrb.org) and with any State Information Depository which may be established in Tennessee (the "SID"). The specific nature of the information to be contained in the Annual Report or the notices of events is summarized below. These covenants have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b), as it may be amended from time to time (the "Rule").

In the past five years, the County has not failed to comply in any material respect with any previous undertakings with regard to the Rule.

## **Future Issues**

The County has no additional debt planned or authorized for new capital projects at this time.

## **Litigation**

The County, like other similar bodies, is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. After reviewing the current status of all pending and threatened litigation with its counsel, the County believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits which have been filed and of any actions or claims pending or threatened against the County or its officials in such capacity are adequately covered by insurance or by sovereign immunity or will not have a material adverse effect upon the County's financial condition.

As of the date of this Official Statement, the County has no knowledge or information concerning any pending or threatened litigation contesting the authority of the County to issue, sell or deliver the Bonds. The County has no knowledge or information of any actions pending or expected that would materially affect the County's ability to pay the debt service requirements of the Bonds.

## **Approval of Legal Proceedings**

Legal matters incident to the authorization and issuance of the Bonds are subject to the unqualified approving opinion of Bass, Berry & Sims PLC, Bond Counsel. A copy of the opinion will be available upon delivery of the Bonds. (See Appendix A). Certain legal matters will be passed upon for the County by Chris Williams, Esq., Counsel to the County.

## **Tax Matters**

### **Federal**

**General.** Bass, Berry & Sims PLC, Nashville, Tennessee, is Bond Counsel for the Bonds. Their opinion under existing law, relying on certain statements by the Issuer and assuming compliance by the Issuer with certain covenants, is that interest on the Bonds:

- is excluded from a bondholder's federal gross income under the Internal Revenue Code of 1986, as amended (the "Code"), and
- is not a preference item for a bondholder under the federal alternative minimum tax on individuals under the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2023.

The Code imposes requirements on the Bonds that the Issuer must continue to meet after the Bonds are issued. These requirements generally involve the way that Bond proceeds must be invested and ultimately used. If the Issuer does not meet these requirements, it is possible that a bondholder may have to include interest on the Bonds in its federal gross income on a retroactive basis to the date of issue. The Issuer has covenanted to do everything necessary to meet these requirements of the Code.

A bondholder who is a particular kind of taxpayer may also have additional tax consequences from owning the Bonds. This is possible if a bondholder is:

- an S corporation,
- a United States branch of a foreign corporation,

- a financial institution,
- a property and casualty or a life insurance company,
- an individual receiving Social Security or railroad retirement benefits,
- an individual claiming the earned income credit
- a borrower of money to purchase or carry the Bonds, or
- an applicable corporation, as defined in Section 59(k) of the Code

If a bondholder is in any of these categories, it should consult its tax advisor.

Bond Counsel is not responsible for updating its opinion in the future. It is possible that future events or changes in applicable law could change the tax treatment of the interest on the Bonds or affect the market price of the Bonds. See also "Changes in Federal and State Tax Law" below in this heading.

Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Bonds, or under State, local or foreign tax law.

***Bond Premium.*** If a bondholder purchases a Bond for a price that is more than the principal amount, generally the excess is "Bond premium" on that Bond. The tax accounting treatment of Bond premium is complex. It is amortized over time and as it is amortized a bondholder's tax basis in that Bond will be reduced. The holder of a Bond that is callable before its stated maturity date may be required to amortize the premium over a shorter period, resulting in a lower yield on such Bonds. A bondholder in certain circumstances may realize a taxable gain upon the sale of a Bond with Bond premium, even though the Bond is sold for an amount less than or equal to the owner's original cost. If a bondholder owns any Bonds with Bond premium, it should consult its tax advisor regarding the tax accounting treatment of Bond premium.

***Original Issue Discount.*** A Bond will have "original issue discount" if the price paid by the original purchaser of such Bond is less than the principal amount of such Bond. Bond Counsel's opinion is that any original issue discount on these Bonds as it accrues is excluded from a bondholder's federal gross income under the Internal Revenue Code. The tax accounting treatment of original issue discount is complex. It accrues on an actuarial basis and as it accrues a bondholder's tax basis in these Bonds will be increased. If a bondholder owns one of these Bonds, it should consult its tax advisor regarding the tax treatment of original issue discount

***Information Reporting and Backup Withholding.*** Information reporting requirements apply to interest on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's Federal income tax once the required information is furnished to the Internal Revenue Service.

## **Qualified Tax-Exempt Obligations**

Under the Code, in the case of certain financial institutions, no deduction from income under the federal tax law will be allowed for that portion of such institution's interest expense which is allocable to tax-exempt interest received on account of tax-exempt obligations acquired after August 7, 1986. The Code, however, provides that certain "qualified tax-exempt obligations", as defined in the Code, will be treated as if acquired on August 7, 1986. Based on an examination of the Code and the factual representations and covenants of the Municipality as to the Bonds, Bond Counsel has determined that the Bonds upon issuance will be "qualified tax-exempt obligations" within the meaning of the Code.

## **State Taxes**

Under existing law, the Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on interest on the Bonds during the period the Bonds are held or beneficially owned by any organization or entity, or other than a sole proprietorship or general partnership doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

## **Changes in Federal and State Tax Law**

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

### **Municipal Advisor**

Stephens Inc. is serving as Municipal Advisor to the County in connection with the issuance of the Bonds. Stephens Inc., in its capacity as Municipal Advisor, has relied on the opinion of Bond Counsel and has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal or state income tax status of the Bonds. The information set forth herein has been obtained by the County and other sources believed to be reliable. The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the County and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

### **Underwriting**

\_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, acting for and on behalf of itself and such other securities dealers as it may designate, will purchase the Bonds for an aggregate purchase price of \$\_\_\_\_\_, which is par, less \$\_\_\_\_\_ , plus net original issue premium of \$\_\_\_\_\_, less underwriter's discount.

The Underwriter may offer and sell the Bonds to certain dealers (including dealer banks and dealers depositing the Bonds into investment trusts) and others at prices different from the public offering prices stated on the cover page of this Official Statement. Such initial public offering prices may be changed from time to time by the Underwriter.

### **Forward Looking Statements**

The statements contained in this Official Statement, and in any other information provided that are not purely historic, are forward-looking statements, including statements regarding the expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available on the date hereof, and assumes no obligation to update any such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business and policy decisions, all of which are difficult or impossible to predict accurately and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement would prove to be accurate.

### **Miscellaneous**

Any statement made in this Official Statement involving matters of opinion and estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The execution and delivery of this Official Statement was duly authorized by the County.

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### Certificate of County Executive

I, Graham Stowe, do hereby certify that I am the duly qualified and acting County Executive of Giles County, Tennessee, and as such official, I do hereby further certify with respect to the Official Statement dated \_\_\_\_\_, 2024 issued in connection with the sale of the County's \$8,700,000\* General Obligation School Bonds, Series 2024 and to the best of my knowledge, information, and belief (a) the descriptions and statements contained in said Official Statement were at the time of acceptance of the winning bids and are on the date hereof true and correct in all material respects; and (b) that said Official Statement did not at the time of the acceptance of the winning bids and does not on the date hereof contain an untrue statement of a material fact or omit to state a material fact required to be stated where necessary to make the statements made, in light of the circumstances under which they are made, not misleading.

WITNESS my official signature this \_\_\_\_ day of \_\_\_\_\_, 2024.

/s/ \_\_\_\_\_  
County Executive

I, Carol Wade, do hereby certify that I am the duly qualified and acting County Clerk of Giles County, Tennessee, and as such official, I do hereby certify that Graham Stowe is the duly qualified and acting County Executive of said County and that the signature appended to the foregoing certificate is the true and genuine signature of such official.

WITNESS my official signature and the seal of said Giles County, Tennessee as of the date subscribed to the foregoing certificate.

/s/ \_\_\_\_\_  
County Clerk

(SEAL)

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## **APPENDIX A**

Form of Legal Opinion of Bass, Berry & Sims PLC, Attorneys,  
Nashville, Tennessee relating to the Bonds.



(Proposed Form of Opinion of Bond Counsel)

Bass, Berry & Sims PLC  
150 Third Avenue South, Suite 2800  
Nashville, Tennessee 37201

(Dated Closing Date)

We have acted as bond counsel to Giles County, Tennessee (the "Issuer") in connection with the issuance of \$8,700,000\* General Obligation School Bonds, Series 2024, dated the date hereof (the "Bonds"). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify such facts by independent investigation.

Based on our examination, we are of the opinion, as of the date hereof, as follows:

1. The Bonds have been duly authorized, executed and issued in accordance with the constitution and laws of the State of Tennessee and constitute valid and binding general obligations of the Issuer.

2. The resolution of the Board of County Commissioners of the Issuer authorizing the Bonds has been duly and lawfully adopted, is in full force and effect and is the valid and binding agreement of the Issuer, enforceable in accordance with its terms.

3. The Bonds constitute general obligations of the Issuer for the payment of which the Issuer has validly and irrevocably pledged its full faith and credit. The principal of and interest on the Bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the County.

4. Interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals under the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2023. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. The Issuer has covenanted to comply with all such requirements. Except as set forth in this Paragraph 4 and Paragraph 6 below, we express no opinion regarding other federal tax consequences arising with respect to the Bonds.

5. Under existing law, the Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on all or a portion of the interest on any of the Bonds during the period such Bonds are held or beneficially owned by any

organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership doing business in the State of Tennessee.

6. The Bonds are “qualified tax-exempt obligations” for purposes of Section 265 of the Code.

It is to be understood that the rights of the owners of the Bonds and the enforceability of the Bonds and the resolution authorizing the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds.

This opinion is given as of the date hereof, and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Yours truly,

**APPENDIX B**

Demographic and General Financial Information  
Related to the County



## GILES COUNTY, TENNESSEE DEMOGRAPHIC AND GENERAL FINANCIAL INFORMATION

Giles County is located near the center of the southern boundary of Tennessee. Pulaski, the county seat, is 70 miles south of Nashville and 40 miles north of Huntsville, Alabama. The County was established in 1809 and consists of approximately 619 square miles with the five incorporated communities of Ardmore with an estimated population of 1,219, Elkton with 538, Lynnville with 305, Minor Hill with 510, and Pulaski having 8,282. The County's economy is diversified, with commercial, industrial, service: and agricultural employment. The principal agricultural crops are corn, soybeans, and cotton.

### Demographic Data

#### Population

According to U.S. Census Bureau estimates, Giles County's population was 30,554 in 2022 reflecting a 32% increase since the 2010 Census and 4% increase since the 2020 census.

#### COUNTY-WIDE POPULATION

	<u>County</u>	<u>Tennessee</u>
1970 U.S. Census	22,138	3,926,018
1980 U.S. Census	24,625	4,600,252
1990 U.S. Census	25,803	4,890,626
2000 U.S. Census	29,453	5,703,719
2010 U.S. Census	29,409	6,355,518
2020 U.S. Census	30,340	6,926,091
2021 U.S. Census Estimate	30,403	6,963,709
2022 U.S. Census Estimate	30,554	7,048,976

Source: U.S. Census Bureau

#### Income and Housing

The per capita personal income and median housing values for Giles County over the last 10 years are as follows:

	<u>Giles County</u>	<u>Tennessee</u>	<u>% of State</u>
2013 Per Capita Personal Income	\$31,923	\$39,102	81.6%
2014 Per Capita Personal Income	\$32,782	\$40,230	81.5%
2015 Per Capita Personal Income	\$34,374	\$41,942	82.0%
2016 Per Capita Personal Income	\$35,558	\$42,943	82.8%
2017 Per Capita Personal Income	\$36,521	\$44,411	82.2%
2018 Per Capita Personal Income	\$36,945	\$46,452	79.5%
2019 Per Capita Personal Income	\$38,010	\$48,889	77.7%
2020 Per Capita Personal Income	\$40,340	\$51,928	77.7%
2021 Per Capita Personal Income	\$43,778	\$56,970	76.8%
2022 Per Capita Personal Income	\$44,637	\$58,292	76.6%

Source: Bureau of Economic Analysis, CA1-3 Personal Income Summary

## Median Housing Values

	<b>Giles County</b>	<b>Tennessee</b>	<b>% of State</b>
2013 Median Housing Value	\$124,000	\$165,000	75.2%
2014 Median Housing Value	\$136,950	\$166,000	82.5%
2015 Median Housing Value	\$141,500	\$175,000	80.9%
2016 Median Housing Value	\$140,000	\$185,000	75.7%
2017 Median Housing Value	\$139,800	\$196,800	71.0%
2018 Median Housing Value	\$139,900	\$210,000	66.6%
2019 Median Housing Value	\$155,000	\$226,000	68.6%
2020 Median Housing Value	\$172,450	\$244,900	70.4%
2021 Median Housing Value	\$199,500	\$283,410	70.4%
2022 Median Housing Value	\$224,900	\$325,000	69.2%

Source: Tennessee Housing Development Agency – This data reflects only the sales prices of new and existing homes that were sold in the respective years. This data may not be representative of the median value of all homes in the County or State.

## Economic Data

### Recent Developments

In 2021, PES Energize was awarded a \$23.1mm grant for fiber broadband expansion as part of a \$446,770,282 grant package for expansion of internet across Tennessee. County officials also elected to commit funds toward the project bringing the total budget to approximately \$33mm. The expansion project is expected to bring high speed internet to over 3,000 additional county residents.

In 2021, Frito- Lay announce a \$100mm investment in its Giles County operations, expanding both manufacturing and storage capacity. The expansion was expected to result in over 100 additional job in the County.

Windsor Molds, a leading automotive plastic molding company, announced in 2020 that they would be investing over \$3.5mm in a 37,500 square foot expansion of their Giles County operations, bringing an additional 40 jobs to the area.

## Major Employers

### CURRENT LIST OF TOP EMPLOYERS

Employer	Employees	Product/Service
Magnetti Marelli of Tennessee, LLC	698	Automotive Lights
Frito-Lay, Inc.	663	Snack Manufacturer
Giles County Board of Education	650	Education
Adient	268	Automotive Seating
Walmart Stores, Inc.	250	Retail
Saargummi Tennessee, Inc.	249	Automotive Product Manufacturer
Magotteaux, Inc.	197	Advanced Manufacturing
Hillside Hospital, LLC	190	Healthcare
Giles County Government	190	Government Services
University of Tennessee Southern	150	Higher Education

Source: Tennessee Department of Economic and Community Development.

## Labor Force, Employment and Unemployment Data

The labor force within the County has increased from 14,261 in 2014 to 14,895 in December of 2023, reflecting a 4% increase. As of December 2023, the County's unemployment rate was 2.9% compared to the State average of 3.5% and the U. S. average of 3.7%.

Year	Employment	Unemployment	Total Labor Force	Unemployment Percent		
				County	State	U.S.
2014	13,391	870	14,261	6.1%	6.6%	6.2%
2015	13,854	729	14,583	5.0%	5.6%	5.3%
2016	14,671	611	15,282	4.0%	4.8%	4.9%
2017	15,027	529	15,556	3.4%	3.8%	4.4%
2018	14,744	551	15,295	3.6%	3.5%	3.9%
2019	14,490	572	15,062	3.8%	3.3%	3.7%
2020	13,422	1,231	14,653	8.4%	7.5%	8.1%
2021	14,036	661	14,697	4.5%	4.5%	5.4%
2022	14,400	491	14,891	3.3%	3.4%	3.6%
2023	14,290	488	14,778	3.3%	3.3%	3.6%
December-23	14,463	432	14,895	2.9%	3.5%	3.7%

Source: Bureau of Labor Statistics

## Location and Transportation

The County is located near the center of the southern boundary of Tennessee. Pulaski, the county seat, is 70 miles south of Nashville and 40 miles north of Huntsville, Alabama. Interstate 65 runs north and south through the County. U.S. 31, 31A and 64 and State route 11, also serve the County. Rail Transport In addition to the good highway system, the CSX Transportation and TN Southern Railroads run through the County.

## Air Transport

The nearby Pulaski Abernathy Field handles corporate jets and pleasure craft. The Airport features a 5,000-foot

runway and AWOS-III (Automated Weather Observation Station). The Nashville Metropolitan Airport, the nearest commercial airport is just 70 miles away in Nashville and is served by over twenty airlines operating to over 100 markets averaging more than 580 flights daily.

### **Water Transport**

Forty miles south of the County, in Decatur, Alabama, is an inland port on the Tennessee River which offers access to the Ohio River, Tennessee River, Mississippi River, and the Gulf of Mexico and beyond.

### **Health Care**

Southern Tennessee Regional Health System Pulaski is part of the Southern Tennessee Regional Health System, a regional network of hospitals and healthcare services serving communities in southern Tennessee. Southern Tennessee Regional Health System Pulaski was formerly known as Hillside Hospital, which was acquired by LifePoint Hospitals of Brentwood, Tennessee and rebranded along with four other rural hospitals in south central Tennessee. The Hospital has 95 beds serving the County with 24 hour physician staffed ER, outpatient surgery, Chemotherapy, Occupational, Speech and Physical Therapy, maternity ward and a six bed ICU. The hospital employs approximately 190 employees.

### **Retail Trade**

The County's retail sales for 2022 were over \$550 million, up approximately 53% since 2012.

### **Higher Education**

The Tennessee College of Applied Technology - Pulaski is part of the statewide vocational technical program. The school curriculum offers preparatory training in general industrial skills, and its primary objectives are to provide local industry with trained worker and specialized training or retraining needed by existing and prospective employees.

In 2021, Martin Methodist College agreed to join the University of Tennessee System forming the University of Tennessee Southern. Martin Methodist College was originally founded in 1870. The UT Southern campus has approximately 930 enrolled students.

## Public Education

The Giles County School System is a county system administered by an appointed Director of Schools and a school board elected by popular vote. The County School System provides public education for grades kindergarten through twelfth grade as prescribed by the State. The enrollment of the County School System is presented below.

<b>AVERAGE DAILY MEMBERSHIP</b>	
<b>School Year</b>	<b>Giles County Schools</b>
2013-2014	3,905
2014-2015	3,830
2015-2016	3,861
2016-2017	3,811
2017-2018	3,699
2018-2019	3,595
2019-2020	3,608
2020-2021	3,484
2021-2022	3,500
2022-2023	3,409

Source: Tennessee Department of Education.

## Retirement Commitments

See page 60, Note H in Appendix C.

## Other Post-employment Benefits (“OPEB”)

See page 77, Note I in Appendix C.

## Government

Giles County government operates under the general laws and uniform structure for counties in Tennessee with a County Mayor, Highway Superintendent, Superintendent of Education, various county officials and a county legislative body.

As prescribed by state law, each county in Tennessee is required to hold an election every four years for the county legislative body members and other officials as required by the state constitution.

## REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

### State Taxation of Property; Classifications of Taxable Property; Assessment Rates

Under the Constitution and laws of the State of Tennessee, all real and personal property is subject to taxation, except to the extent that the General Assembly of the State of Tennessee (the “*General Assembly*”) exempts certain constitutionally permitted categories of property from taxation. Property exempt from taxation includes federal, state and local government property, property of housing authorities, certain low cost housing for elderly persons, property owned and used exclusively for certain religious, charitable, scientific and educational purposes and certain other property as defined under the *Tennessee Code Annotated*.

Under the Constitution and laws of the State of Tennessee, property is classified into three separate classes for purposes of taxation: Real Property; Tangible Personal Property; and Intangible Personal Property. Real Property includes lands, structures, improvements, machinery and equipment affixed to realty and related rights and interests. Real Property is required constitutionally to be classified into four sub-classifications and assessed at the rates as follows:

- (a) Public Utility Property (which includes all property of every kind used or held for use in the operation of a public utility, such as railroad companies, certain telephone companies, freight and private car companies, street car companies, power companies, express companies and other public utility companies), to be assessed at 55% of its value;
- (b) Industrial and Commercial Property (which includes all property of every kind used or held for use for any commercial, mining, industrial, manufacturing, business or similar purpose), to be assessed at 40% of its value;
- (c) Residential Property (which includes all property which is used or held for use for dwelling purposes and contains no more than one rental unit), to be assessed at 25% of its value; and
- (d) Farm Property (which includes all real property used or held for use in agriculture), to be assessed at 25% of its value.

Tangible Personal Property includes personal property such as goods, chattels and other articles of value, which are capable of manual or physical possession and certain machinery and equipment. Tangible Personal Property is required constitutionally to be classified into three sub-classifications and assessed at the rates as follows:

- (a) Public Utility Property, to be assessed at 55% of its value;
- (b) Industrial and Commercial Property, to be assessed at 30% of its value; and
- (c) All other Tangible Personal Property (including that used in agriculture), to be assessed at 5% of its value, subject to an exemption of \$7,500 worth of Tangible Personal Property for personal household goods and furnishings, wearing apparel and other tangible personal property in the hands of a taxpayer.

Intangible Personal Property includes personal property, such as money, any evidence of debt owed to a taxpayer, any evidence of ownership in a corporation or other business organization having multiple owners and all other forms of property, the value of which is expressed in terms of what the property represents rather than its own intrinsic value. The Constitution of the State of Tennessee empowers the General Assembly to classify Intangible Personal Property into sub-classifications and to establish a ratio of assessment to value in each class or subclass and to provide fair and equitable methods of apportionment of the value to the State of Tennessee for purposes of taxation.

The Constitution of the State of Tennessee requires that the ratio of assessment to value of property in each class or subclass be equal and uniform throughout the State of Tennessee and that the General Assembly direct the method to ascertain the value and definition of property in each class or subclass. Each respective taxing authority is constitutionally required to apply the same tax rate to all property within its jurisdiction.

### **County Taxation of Property**

The Constitution of the State of Tennessee empowers the General Assembly to authorize the several counties and incorporated towns in the State of Tennessee to impose taxes for county and municipal purposes in the manner prescribed by law. Under the *Tennessee Code Annotated*, the General Assembly has authorized the counties in Tennessee to levy an *ad valorem* tax on all taxable property within their respective jurisdictions, the amount of which is required to be fixed by the county legislative body of each county.

All property is required to be taxed according to its values upon the principles established in regard to State taxation as described above, including equality and uniformity. All counties which levy and collect taxes to pay off any bonded indebtedness are empowered, through the respective county legislative bodies, to place all funds levied and collected into a special fund of the respective counties and to appropriate and use the money for the purpose of discharging any bonded indebtedness of the respective counties.

### **Assessment of Property**

The function of assessment is to assess all property (with certain exceptions) to the person or persons owning or claiming to own such property on January 1 for the year for which the assessment is made. All assessment of real and personal property are required to be made annually and as of January 1 for the year to which the assessment applies. Not later than May 20 of each year, the assessor of property in each county is required to (a) make an assessment of all property in the county and (b) note upon the assessor's records the current classification and assessed value of all taxable property within the assessor's jurisdiction. The assessment records are open to public inspection at the assessor's office during normal business hours. The assessor is required to notify each taxpayer of any change in the classification or assessed value of the taxpayer's property and to cause a notice to be published in a newspaper of general circulation stating where and when such records may be inspected and describing certain information concerning the convening of the county board of equalization. The notice to taxpayers and such published notice are required to be provided and published at least 10 days before the local board of equalization begins its annual session.

## **Valuation for Property Tax Purposes**

The value of all property is based upon its sound, intrinsic and immediate value for purposes of sale between a willing seller and a willing buyer without consideration of speculative values. In determining the value of all property of every kind, the assessor is to be guided by, and follow the instructions of, the appropriate assessment manuals issued by the division of property assessments and approved by the State board of equalization. Such assessment manuals are required to take into account various factors that are generally recognized by appraisers as bearing on the sound, intrinsic and immediate economic value of property at the time of assessment. A property reappraisal was performed in 2022 and is reflected in the FY 2023 tax bills.

## SELECTED FINANCIAL INFORMATION REGARDING THE COUNTY

### General

The County accounts for its financial resources on the basis of funds and account groups, each of which is considered a separate accounting entity. The General Fund is the general operating fund of the County. Other funds include Special Revenue Funds, the General Debt Service Fund, Capital Projects Funds, Internal Service Funds and Trust and Agency Funds. For additional information regarding the component units, see Notes to the General Purpose Financial Statements contained in Appendix C hereto.

Revenues available to pay principal and interest on the Bonds are accounted for in the Debt Service Fund, and are derived from the collection of ad valorem taxes levied on all taxable property within the boundaries of the County. Primarily, amounts on deposit in the Debt Service Fund are used exclusively to pay the principal of and interest on the Bonds and other general obligation debt of the County. Included as Appendix C to this Official Statement are the General Purpose Financial Statements and notes thereto for the fiscal year ended June 30, 2023. Potential purchasers should read Appendix C in its entirety for more complete information concerning the County's financial position.

The County uses the modified accrual basis of accounting for all Governmental Funds, Expendable Trust Funds and Agency Funds. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized when the related fund liability is incurred. Funds where expenditures determine the eligibility for grants recognize revenue at the time of the expenditures. Grant proceeds received prior to meeting the aforementioned revenue recognition policy are recorded as deferred revenues. Principal and interest on general 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.

The primary revenue susceptible to accrual is revenue received from the State of Tennessee. Sales tax collected and held by the State at year-end on behalf of the County and its component units are also recognized as revenue.

All Proprietary Funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned and their expenses are recognized when incurred.

**FOR ADDITIONAL INFORMATION REGARDING THESE FUNDS, SEE NOTES TO THE ANNUAL FINANCIAL REPORT OF THE COUNTY FOR THE FISCAL YEAR ENDED JUNE 30, 2023, IN APPENDIX C HERETO.**

**SUMMARY OF OUTSTANDING COUNTY-WIDE DEBT**  
(As of June 30, 2023)

Original Issue Amount	Issue	Date Issued	Maturity Date	Interest Rate	Principal Outstanding June 30, 2023
<b>Bonds</b>					
8,700,000	Proposed General Obligation School Bonds, Series 2024	TBD	04/01/34	TBD	8,700,000
	Total Bonds				<u>\$ 8,700,000</u>
	Total Current Outstanding Debt				<u><u>\$ 8,700,000</u></u>

**COUNTY-WIDE DEBT STATEMENT**  
(Principal Outstanding as of June 30, 2023)

<b>Outstanding Debt</b>	
Total Current Outstanding Debt	\$ 8,700,000
<b>Gross Direct Debt</b>	\$ 8,700,000
Less: General Debt Service Fund Balance as of June 30, 2023	(482,983)
<b>Net Direct Debt</b>	<u>\$ 8,217,017</u>
<b>Net Overlapping Debt (as of June 30, 2023)</b>	
Ardmore (Portion in Giles County)	\$20,297
Elkton	0
Lynnville	0
Minor Hill	0
Pulaski	0
<b>Total Net Overlapping Debt</b>	<u>\$20,297</u>
<b>Overall Net Debt</b>	<u><u>\$8,237,314</u></u>

(1) As of 6/30/2023 and adjusted for Proposed General Obligation School Bonds, Series 2024.

(2) Preliminary, Subject to change.

Sources: Annual Financial Reports prepared by The Comptroller of the Treasury, Division of County Audit, for the year ending June 30, 2023, Giles County Department of Finance, and information from various cities.

**COUNTY-WIDE DEBT RECORD**

**There is no record of a default of payment of principal and interest from information available.**

### COUNTY-WIDE POPULATION

	<u>County</u>	<u>Tennessee</u>
1970 U.S. Census	22,138	3,926,018
1980 U.S. Census	24,625	4,600,252
1990 U.S. Census	25,803	4,890,626
2000 U.S. Census	29,453	5,703,719
2010 U.S. Census	29,409	6,355,518
2020 U.S. Census	30,340	6,926,091
2021 U.S. Census Estimate	30,403	6,963,709
2022 U.S. Census Estimate	30,554	7,048,976

Source: U.S. Census Bureau

### COUNTY-WIDE PER CAPITA DEBT RATIOS

Outstanding Debt	\$284.74
Gross Direct Debt	\$284.74
Net Direct Debt	\$268.93
Total Net Overlapping Debt	\$0.66
Overall Net Debt	\$269.60

### COUNTY-WIDE DEBT RATIOS

	<u>Assessed Value</u>	<u>Estimated Actual Value</u>
Property Values	\$923,968,042	\$3,362,607,280
Outstanding Debt to	0.94%	0.26%
Gross Direct Debt to	0.94%	0.26%
Net Direct Debt to	0.89%	0.24%
Total Net Overlapping Debt to	0.00%	0.00%
Overall Net Debt to	0.89%	0.24%

### COUNTY-WIDE DEBT TREND

Fiscal Year Ending	<u>06/30/23</u>	<u>06/30/22</u>	<u>06/30/21</u>	<u>06/30/20</u>	<u>06/30/19</u>
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The County has not had any outstanding debt for the last five fiscal Years.

Sources: Annual Financial Reports prepared by The Comptroller of the Treasury, Division of County Audit, for the years ending June 30, 2019 to 2023

**COUNTY-WIDE DEBT SERVICE REQUIREMENTS <sup>(1)</sup>**  
**Proposed General Obligation School Bonds, Series 2024**

<b>Yr. No.</b>	<b>Year Ended June 30</b>	<b>Principal</b>	<b>Percent Principal Retired</b>	<b>Interest</b>	<b>Total Debt Service Requirements</b>
1	2024				
2	2025	750,000		257,289	1,007,289
3	2026	790,000		215,748	1,005,748
4	2027	815,000		192,838	1,007,838
5	2028	835,000	36.67%	170,018	1,005,018
6	2029	860,000		147,473	1,007,473
7	2030	880,000		124,683	1,004,683
8	2031	905,000		101,363	1,006,363
9	2032	930,000		77,380	1,007,380
10	2033	955,000	88.74%	52,735	1,007,735
11	2034	980,000	100.00%	26,950	1,006,950
		<u>\$8,700,000</u>		<u>\$1,366,474</u>	<u>\$10,066,474</u>

(1) The County does not currently have any outstanding General Obligation Debt.

# **COUNTY-WIDE PROPERTY VALUATION AND PROPERTY TAX**

	<b>(Reappraisal)</b>				
<b>Fiscal Year</b>	<b>2022-2023</b>	<b>2021-2022</b>	<b>2020-2021</b>	<b>2019-2020</b>	<b>2018-2019</b>
<b>Tax Year</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>ESTIMATED ACTUAL VALUES</b>					
Residential & Farm	\$2,633,182,900	\$2,270,551,325	\$1,888,672,201	\$1,849,848,330	\$1,602,513,500
Commercial & Industrial	355,298,000	379,692,862	326,824,778	319,820,140	280,658,100
Personal Tangible Property	291,459,690	278,263,793	256,598,901	278,025,747	265,505,834
Public Utilities	82,666,690	59,566,818	64,959,927	63,838,928	68,936,761
<b>Total Estimated Actual Values</b>	<b>\$3,362,607,280</b>	<b>\$2,988,074,798</b>	<b>\$2,537,055,807</b>	<b>\$2,511,533,145</b>	<b>\$2,217,614,195</b>
Annual Percentage Change	12.53%	17.78%	1.02%	13.25%	1.20%
Estimated Per Capita Amount	\$110,055	\$98,282	\$83,621	\$85,192	\$75,342
<b>ASSESSED VALUES</b>					
Residential & Farm (at 25%)	\$658,326,880	\$426,779,600	\$417,426,025	\$408,845,950	\$400,657,850
Commercial & Industrial (at 40%)	142,119,200	114,181,240	115,565,240	113,088,400	112,263,240
Personal Tangible Property (at 30%)	87,437,952	69,728,322	69,059,395	77,134,878	79,651,798
Public Utilities (at 30%-55%)	36,084,010	26,000,916	28,355,008	27,865,692	30,090,896
<b>Total Assessed Values</b>	<b>\$923,968,042</b>	<b>\$636,690,078</b>	<b>\$630,405,668</b>	<b>\$626,934,920</b>	<b>\$622,663,784</b>
Annual Percentage Change	45.12%	1.00%	0.55%	0.69%	0.86%
Estimated Per Capita Amount	\$30,240	\$20,942	\$20,778	\$21,266	\$21,155
<b>Appraisal Ratio</b>	<b>100.00%</b>	<b>75.18%</b>	<b>88.40%</b>	<b>88.40%</b>	<b>100.00%</b>
<b>Assessed Values to Actual Values</b>	<b>27.48%</b>	<b>21.31%</b>	<b>24.85%</b>	<b>24.96%</b>	<b>28.08%</b>
<b>Total Property Tax Rate</b>	<b>\$1.9863</b>	<b>\$2.8247</b>	<b>\$2.8247</b>	<b>\$2.8247</b>	<b>\$2.8247</b>
<b>Taxes Levied</b>	<b>\$18,352,777</b>	<b>\$17,984,585</b>	<b>\$17,807,069</b>	<b>\$17,709,031</b>	<b>\$17,588,384</b>
<b>Collections</b>					
Current Fiscal Year	\$17,841,148	\$17,596,017	\$17,320,663	\$17,073,399	\$16,948,026
Percent Collected Current FY	97.21%	97.84%	97.27%	96.41%	96.36%

Sources: State Board of Equalization, 2018 - 2022 Tax Aggregate Report of Tennessee and Annual Financial Reports prepared by The Comptroller of the Treasury, Division of County Audit.

## COUNTY-WIDE TOP TAXPAYERS

<u>Business</u>	<u>Assessed Value</u>	<u>Assessed Value as a % of Total Assessment</u>
Wakefield Realty LLC	\$6,988,800	0.76%
Columbia of Pinellas	\$3,902,560	0.42%
First National Bank	3,414,760	0.37%
Hutton David Family Limited Partnership	2,416,120	0.26%
Bank Of Frankewing	1,875,000	0.20%
National Health Investors	1,762,720	0.19%
Brindley Holdings LP	1,476,320	0.16%
Tanglewood Apts LTD	1,451,680	0.16%
Kaur Ramanjit G	1,181,320	0.13%
Keestone Properties	1,058,480	0.11%

Source: State Division of Property Assessments

## COUNTY-WIDE FUND BALANCES

<u>Fiscal Years Ending</u>	<u>06/30/23</u>	<u>06/30/22</u>	<u>06/30/21</u>	<u>06/30/20</u>	<u>06/30/19</u>
<b>GOVERNMENTAL FUNDS</b>					
General Government Fund	\$16,835,226	\$16,723,322	\$10,949,357	\$12,969,021	\$12,553,408
Highway/Public Works Fund	2,074,239	2,103,258	1,956,012	1,274,545	1,519,399
Debt Service Fund	482,983	472,403	1,829,666	1,953,885	1,953,885
Special Revenue Funds	165,591	219,720	80,424	211,528	276,148
General Capital Projects Fund	4,828,162	5,634,134	4,425,144	2,748,953	1,477,184
Giles County Schools	10,375,165	13,005,101	10,008,116	9,103,872	7,692,605
Educational Capital Projects Fund	11,527,737	7,817,783	6,692,561	499,645	552,248
Total Governmental Funds	46,289,103	45,975,721	35,941,280	28,761,449	26,024,877

Sources: Annual Financial Reports prepared by The Comptroller of the Treasury, Division of County Audit, for the years ending June 30, 2019 - 2023 and County officials.

## COUNTY-WIDE LOCAL SALES TAX

<u>Fiscal Years Ending</u>	<u>06/30/23</u>	<u>06/30/22</u>	<u>06/30/21</u>	<u>06/30/20</u>	<u>06/30/19</u>
<b>Rate (Percent of retail sales)</b>	2.50%	2.50%	2.50%	2.50%	2.50%
<b>Distribution</b>					
General Fund	\$500,000	\$0	\$0	\$0	\$0
General Capital Projects Fund	853,044	1,223,539	1,015,345	799,718	715,877
General Purpose Schools Fund	6,132,075	5,959,548	5,235,227	4,438,454	4,254,490
<b>Total Amount Collected</b>	\$7,485,119	\$7,183,087	\$6,250,572	\$5,238,172	\$4,970,367
<b>% Increase</b>	4.20%	14.92%	19.33%	5.39%	7.30%

Sources: Annual Financial Reports prepared by The Comptroller of the Treasury, Division of County Audit, for the years ending June 30, 2019 - 2023 and County officials.

## **Bondholder Risks**

The purchase of the Series 2024 Bonds involves various risks and investment considerations. Certain of these risks and investment considerations are set forth in this section for convenience and are not intended to be a comprehensive compilation of all possible risk factors nor a substitute for an independent evaluation of the information presented in this Official Statement, including the appendices attached hereto.

Each potential purchaser of any of the Series 2024 Bonds should read this Official Statement, including the appendices attached hereto, in its entirety and consult such prospective purchaser's own investment, financial and legal advisor for a more complete explanation of the matters that should be evaluated and considered when purchasing the Series 2024 Bonds.

### **Epidemics, Pandemics and Public Health Emergencies**

The outbreak of epidemics, pandemics and other public health emergencies have the potential to materially disrupt the operations and financial condition of the County and the local economy. The spread of Covid-19, a respiratory disease caused by a novel strain of coronavirus, is an example of a recent public health emergency. The Covid-19 outbreak led to quarantines and social-distancing efforts that impacted government agencies, schools, businesses and other entities throughout the County and the State. Multiple vaccines and additional boosters for the virus were approved for distribution in the United States. The vaccines have had varying efficacy rates and studies suggest the efficacy rates may decline over time. While some studies suggest that the existing vaccines are effective against known variants of the virus, there is no assurance that future variants will not be resistant to current vaccines.

Given the evolving nature of the spread of the disease, and future diseases, and the behavior of governments, businesses, and individuals in response thereto, the Issuer is unable to predict the (1) extent or duration of the Covid-19 outbreak or other epidemics, pandemics or public health emergencies, (2) the extent or duration of any existing or future quarantines, business closures, travel restrictions or other measures relating to Covid-19 or other epidemics, pandemics or public health emergencies, and (3) whether and to what extent the Covid-19 outbreak or other epidemics, pandemics or public health emergencies will adversely affect the operations or financial condition of the Issuer.

### **Climate Change**

Numerous scientific studies have suggested that changing global weather patterns and extreme weather events may potentially disrupt government operations and economic conditions in impacted areas. Changing weather patterns can potentially increase the risk of higher temperatures, changes in precipitation, increased flooding, droughts and fires. The County cannot accurately predict the timing, extent or severity of any climate change and its impact on the County's operations and finances.

### **Cyber-Security**

The County utilizes various computer systems and network technology to perform many of its vital operations. Such operations often include the storage and transmission of sensitive information, and as a result, the County may be the target of cyberattacks attempting to gain access to such information. In addition to intentional attacks, information breaches may occur due to unintentional employee error. A successful cyberattack or unintentional breach may require the expenditure of an unknown amount of money or time to resolve, substantially interrupt municipal services and operations and subject the County to legal action. The County has no knowledge of, nor historical record of any successful cyber-security breach or related attack. Attempted cyber-security attacks, whether anonymous or targeted, occur on a periodic frequency that is not uncommon to organizations or agencies of similar characteristics. To mitigate against such risks, the County has instituted various policies and procedures to protect its network infrastructure, including a cyber-security training requirement for certain departments, as well as general cyber-security training and awareness for all employees. Despite the County's measures to safeguard its network infrastructure, there are no guarantees that such measures will be successful.

## **Changes in Federal and State Tax Law**

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing, where applicable, the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

**APPENDIX C**

Comprehensive Annual Financial Report of the County for the  
Fiscal Year Ended June 30, 2023





## ANNUAL FINANCIAL REPORT

### Giles County, Tennessee

*For the Year Ended June 30, 2023*

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



**DIVISION OF  
LOCAL GOVERNMENT AUDIT**

**ANNUAL FINANCIAL REPORT**  
**GILES 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***

***JEFF BAILEY, CPA, CGFM, CFE***  
***Audit Manager***

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

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## ***Summary of Audit Findings***

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

### ***Scope***

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

### ***Results***

Our report on the financial statements of Giles County is unmodified.

Our audit resulted in three findings and recommendations, which we have reviewed with Giles 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 AND FINANCE DIRECTOR**

- ◆ Deficiencies existed regarding a communications project.

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#### **OFFICES OF DIRECTOR OF SCHOOLS AND FINANCE DIRECTOR**

- ◆ The school department entered into a construction contract in violation of the Financial Management Act of 1981.

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#### **OFFICE OF TRUSTEE**

- ◆ Unresolved errors resulted in a cash shortage of \$553.



# INTRODUCTORY SECTION

## Giles County Officials

### June 30, 2023

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#### **Officials**

Graham Stowe, County Executive  
Barry Hyatt, Highway Commissioner  
Vickie Beard, Director of Schools  
Tony Risner, Trustee  
Tommy Hyatt, Assessor of Property  
Carol Wade, County Clerk  
Natalie Oakley, Circuit and General Sessions Courts Clerk  
Crystal Greene, Clerk and Master  
Tammy Helton, Register of Deeds  
Kyle Helton, Sheriff  
Elizabeth Moore-Sumners, Finance Director

#### **Board of County Commissioners**

Graham Stowe, County Executive, Chairman  
James Lathrop  
Erin Curry  
Joyce Woodard  
Terry Jones  
David Wamble  
Tracy Wilburn  
David Adams  
Annelle Guthrie  
Tim Risner  
Matthew Hopkins

Caleb Savage  
Roger Reedy  
Brad Butler  
Gayle Jones  
Matt Rubelsky  
Rose Brown  
Joseph Sutton  
Evan Baddour  
Shelly Goolsby  
Judy Pruett  
Tammy Mathis

#### **Board of Education**

Knox Vanderpool, Chairman  
LeAnn Gordon  
Chris McAlister  
Scooter Sumners

Willa Smith  
Mary McCloud  
Richie Brewer

#### **Financial Management Committee**

Graham Stowe, County Executive, Chairman  
Vickie Beard, Director of Schools  
Barry Hyatt, Highway Commissioner  
Erin Curry  
Judy Pruett  
Evan Baddour  
Tracy Wilburn

#### **Audit Committee**

David Wamble, Chairman  
Erin Curry  
David Adams  
Matthew Hopkins  
Brad Butler  
Evan Baddour  
Tammy Mathis

## FINANCIAL SECTION



JASON E. MUMPOWER  
*Comptroller*

## Independent Auditor's Report

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

To the County Executive and Board of County Commissioners:

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Giles 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 the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Giles County, Tennessee, as of June 30, 2023, and the respective changes in financial position, and the respective budgetary comparison for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Internal School Fund of the Giles County School Department (a discretely presented component unit), which represent 1.92 percent, 2.37 percent, and 3.49 percent, respectively, of the assets, net position, and revenues of the discretely presented component unit as of June 30, 2023. Those amounts were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to amounts included for the Giles County School Department's Internal School Fund, is based solely on the report of the other auditors.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Giles 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 Giles 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 Giles 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 Giles County's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

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

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Giles County's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the Other Capital Projects Fund, combining and individual fund financial statements of the Giles 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 Other Capital Projects Fund, combining and individual fund financial statements of the Giles 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 October 12, 2023, on our consideration of Giles 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 Giles 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 Giles County's internal control over financial reporting and compliance.

Very truly yours,



Jason E. Mumpower  
Comptroller of the Treasury  
Nashville, Tennessee

October 12, 2023

JEM/gc

# BASIC FINANCIAL STATEMENTS

## Exhibit A

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

	Primary Government Governmental Activities	Component Unit Giles County School Department
<u>ASSETS</u>		
Cash	\$ 0	\$ 982,498
Equity in Pooled Cash and Investments	23,638,240	18,865,795
Inventories	0	38,927
Accounts Receivable	4,882,383	148,000
Allowance for Uncollectible	(3,979,122)	0
Due from Other Governments	897,920	2,791,687
Property Taxes Receivable	11,591,355	6,709,184
Allowance for Uncollectible Property Taxes	(231,934)	(134,245)
Lease Receivable - Current	55,988	0
Lease Receivable - Long-term	207,012	0
Net Pension Asset - Teacher Retirement Plan	0	98,618
Net Pension Asset - Teacher Legacy Pension Plan	0	4,315,517
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	485,975
Capital Assets:		
Assets Not Depreciated:		
Land	367,929	621,198
Construction in Progress	1,650,000	2,495,665
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	4,550,938	11,456,908
Infrastructure	14,125,240	0
Other Capital Assets	3,412,727	2,307,446
Total Assets	<u>\$ 61,168,676</u>	<u>\$ 51,183,173</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension Changes in Assumptions	\$ 1,531,536	\$ 3,617,495
Pension Changes in Experience	869,226	1,168,472
Pension Changes in Proportion	0	294,598
Pension Changes in Investment Earnings	43,094	127,346
Pension Contributions After Measurement Date	697,097	1,512,495
OPEB Changes in Experience	0	630,322
OPEB Changes in Assumptions	56,981	415,047
OPEB Changes in Proportion	0	65,649
OPEB Benefits Paid After Measurement Date	13,447	366,716
Total Deferred Outflows of Resources	<u>\$ 3,211,381</u>	<u>\$ 8,198,140</u>

(Continued)

## Exhibit A

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

	Primary Government Governmental Activities	Component Unit Giles County School Department
<u>LIABILITIES</u>		
Accounts Payable	\$ 31,368	\$ 39,435
Payroll Deductions Payable	138,488	839,653
Other Withholding Taxes	0	12,614
Noncurrent Liabilities:		
Due Within One Year - Other	417,855	144,939
Due in More Than One Year - Other	1,037,520	6,469,135
Total Liabilities	<u>\$ 1,625,231</u>	<u>\$ 7,505,776</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 10,957,558	\$ 6,342,337
Deferred Leases Receivable	260,052	0
Pension Changes in Experience	128,030	855,859
Pension Changes in Proportion	0	54,985
OPEB Changes in Experience	195,934	1,669,057
OPEB Changes in Assumptions	215,892	828,162
OPEB Changes in Proportion	0	521,181
Total Deferred Inflows of Resources	<u>\$ 11,757,466</u>	<u>\$ 10,271,581</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 24,106,834	\$ 16,881,217
Restricted for:		
General Government	1,273,287	0
Finance	64,406	0
Administration of Justice	143,149	0
Public Safety	129,979	0
Public Health and Welfare	140,165	0
Capital Projects	1,861,018	0
Highway/Public Works	2,338,838	0
Education	0	3,383,610
Pensions	0	4,900,110
Unrestricted	<u>20,939,684</u>	<u>16,439,019</u>
Total Net Position	<u>\$ 50,997,360</u>	<u>\$ 41,603,956</u>

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

Exhibit B

Giles 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	Primary Governmental Activities	Component
					Unit
					Giles County School Department
Primary Government:					
Governmental Activities:					
General Government	\$ 2,024,685	\$ 308,183	\$ 15,455	\$ (1,701,047)	\$ 0
Finance	1,799,814	1,057,087	0	(742,727)	0
Administration of Justice	1,621,928	474,698	9,748	(1,137,482)	0
Public Safety	7,177,821	553,795	308,552	(6,315,474)	0
Public Health and Welfare	5,211,203	2,183,685	387,669	(2,639,849)	0
Social, Cultural, and Recreational Services	488,022	16,159	8,339	(463,524)	0
Agriculture and Natural Resources	286,324	0	19,250	(267,074)	0
Highways	5,195,010	4,200	2,821,189	(2,369,621)	0
Total Governmental Activities	\$ 23,804,807	\$ 4,597,807	\$ 3,570,202	\$ (15,636,798)	\$ 0
Total Primary Government	\$ 23,804,807	\$ 4,597,807	\$ 3,570,202	\$ (15,636,798)	\$ 0
Component Unit:					
Giles County School Department	\$ 41,670,558	\$ 1,824,995	\$ 5,565,856	\$ 0	\$ (34,279,707)
Total Component Unit	\$ 41,670,558	\$ 1,824,995	\$ 5,565,856	\$ 0	\$ (34,279,707)

(Continued)

Exhibit B

Giles County, Tennessee  
Statement of Activities (Cont.)

				Net (Expense) Revenue and Change in Net Position	
		Program Revenues			Component Unit
		Charges for Services	Operating Grants and Contributions	Primary Government Governmental Activities	Giles County School Department
Functions/Programs	Expenses				
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes				\$ 11,721,329	\$ 6,784,405
Local Option Sales Tax				1,358,044	6,162,600
Hotel/Motel Tax				233,373	0
Litigation Tax - General				103,894	0
Litigation Tax - Jail, Workhouse, or Courthouse				184,618	0
Business Tax				424,119	0
Wholesale Beer Tax				197,965	0
Other Local Taxes				32,929	0
Grants and Contributions Not Restricted to Specific Programs				1,054,083	25,611,909
Unrestricted Investment Income				492,651	7,291
Miscellaneous				41,927	17,391
Total General Revenues				<u>\$ 15,844,932</u>	<u>\$ 38,583,596</u>
Change in Net Position					
Net Position, July 1, 2022				<u>\$ 208,134</u>	<u>\$ 4,303,889</u>
				<u>50,789,226</u>	<u>37,300,067</u>
Net Position, June 30, 2023					
				<u>\$ 50,997,360</u>	<u>\$ 41,603,956</u>

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

## Exhibit C-1

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

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	Other Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>					
Equity in Pooled Cash and Investments	\$ 16,428,893	\$ 1,840,758	\$ 4,714,948	\$ 653,641	\$ 23,638,240
Accounts Receivable	4,882,383	0	0	0	4,882,383
Allowance for Uncollectibles	(3,979,122)	0	0	0	(3,979,122)
Due from Other Governments	180,900	502,586	214,434	0	897,920
Property Taxes Receivable	9,336,841	2,254,514	0	0	11,591,355
Allowance for Uncollectible Property Taxes	(186,823)	(45,111)	0	0	(231,934)
Leases Receivable - Current	55,988	0	0	0	55,988
Leases Receivable - Long-term	207,012	0	0	0	207,012
Total Assets	<u>\$ 26,926,072</u>	<u>\$ 4,552,747</u>	<u>\$ 4,929,382</u>	<u>\$ 653,641</u>	<u>\$ 37,061,842</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 30,081	\$ 0	\$ 0	\$ 1,287	\$ 31,368
Payroll Deductions Payable	111,365	27,011	0	0	138,376
Due to State of Tennessee	0	112	0	0	112
Total Liabilities	<u>\$ 141,446</u>	<u>\$ 27,123</u>	<u>\$ 0</u>	<u>\$ 1,287</u>	<u>\$ 169,856</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 8,826,317	\$ 2,131,241	\$ 0	\$ 0	\$ 10,957,558
Deferred Delinquent Property Taxes	306,657	74,047	0	0	380,704
Deferred Leases Receivable	260,052	0	0	0	260,052
Other Deferred/Unavailable Revenue	556,374	246,097	105,000	0	907,471
Total Deferred Inflows of Resources	<u>\$ 9,949,400</u>	<u>\$ 2,451,385</u>	<u>\$ 105,000</u>	<u>\$ 0</u>	<u>\$ 12,505,785</u>

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	Other Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>FUND BALANCES</u>					
Restricted:					
Restricted for General Government	\$ 1,273,287	\$ 0	\$ 0	\$ 0	\$ 1,273,287
Restricted for Finance	64,406	0	0	0	64,406
Restricted for Administration of Justice	71,998	0	0	71,151	143,149
Restricted for Public Safety	35,539	0	0	94,440	129,979
Restricted for Public Health and Welfare	140,165	0	0	0	140,165
Restricted for Highways/Public Works	0	2,074,239	0	0	2,074,239
Restricted for Capital Outlay	0	0	1,857,238	3,780	1,861,018
Committed:					
Committed for Social, Cultural, and Recreational Services	4,618,684	0	0	0	4,618,684
Committed for Agriculture and Natural Resources	300,000	0	0	0	300,000
Committed for Education	0	0	0	107,332	107,332
Committed for Capital Outlay	0	0	2,967,144	0	2,967,144
Committed for Debt Service	0	0	0	375,651	375,651
Assigned:					
Assigned for General Government	732,305	0	0	0	732,305
Unassigned	9,598,842	0	0	0	9,598,842
Total Fund Balances	<u>\$ 16,835,226</u>	<u>\$ 2,074,239</u>	<u>\$ 4,824,382</u>	<u>\$ 652,354</u>	<u>\$ 24,386,201</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 26,926,072</u>	<u>\$ 4,552,747</u>	<u>\$ 4,929,382</u>	<u>\$ 653,641</u>	<u>\$ 37,061,842</u>

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

Exhibit C-2

Giles 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 position (Exhibit A) are different because:

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 24,386,201
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 367,929	
Add: construction in progress	1,650,000	
Add: buildings and improvements net of accumulated depreciation	4,550,938	
Add: infrastructure net of accumulated depreciation	14,125,240	
Add: other capital assets net of accumulated depreciation	<u>3,412,727</u>	24,106,834
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: compensated absences payable	\$ (417,855)	
Less: net pension liability	(794,394)	
Less: net OPEB liability	<u>(243,126)</u>	(1,455,375)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.		
Add: deferred outflows of resources related to pension	\$ 3,140,953	
Less: deferred inflows of resources related to pension	(128,030)	
Add: deferred outflows of resources related to OPEB	70,428	
Less: deferred inflows of resources related to OPEB	<u>(411,826)</u>	2,671,525
(4) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>1,288,175</u>
Net position of governmental activities (Exhibit A)		<u>\$ 50,997,360</u>

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

## Exhibit C-3

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

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	Other Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>					
Local Taxes	\$ 11,643,097	\$ 2,299,277	\$ 853,044	\$ 0	\$ 14,795,418
Licenses and Permits	20,508	0	0	0	20,508
Fines, Forfeitures, and Penalties	50,518	0	0	49,941	100,459
Charges for Current Services	2,425,309	0	0	74,784	2,500,093
Other Local Revenues	727,390	5,785	0	10,840	744,015
Fees Received From County Officials	1,517,454	0	0	0	1,517,454
State of Tennessee	1,060,139	2,821,757	0	0	3,881,896
Federal Government	182,175	0	0	0	182,175
Other Governments and Citizens Groups	324,586	32,569	0	100	357,255
Total Revenues	\$ 17,951,176	\$ 5,159,388	\$ 853,044	\$ 135,665	\$ 24,099,273
<u>Expenditures</u>					
Current:					
General Government	\$ 1,500,368	\$ 0	\$ 0	\$ 0	\$ 1,500,368
Finance	1,667,762	0	0	4,438	1,672,200
Administration of Justice	1,401,731	0	0	114,299	1,516,030
Public Safety	6,466,766	0	0	60,477	6,527,243
Public Health and Welfare	4,710,458	0	0	0	4,710,458
Social, Cultural, and Recreational Services	314,756	0	0	0	314,756
Agriculture and Natural Resources	257,890	0	0	0	257,890
Other Operations	1,565,307	0	0	0	1,565,307
Highways	0	5,194,907	0	0	5,194,907
Capital Projects	0	0	1,659,016	0	1,659,016
Total Expenditures	\$ 17,885,038	\$ 5,194,907	\$ 1,659,016	\$ 179,214	\$ 24,918,175

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	Other Capital Projects	Other Govern- mental Funds	Total Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	\$ 66,138	\$ (35,519)	\$ (805,972)	\$ (43,549)	\$ (818,902)
Other Financing Sources (Uses)					
Insurance Recovery	\$ 45,766	\$ 6,500	\$ 0	\$ 0	\$ 52,266
Total Other Financing Sources (Uses)	\$ 45,766	\$ 6,500	\$ 0	\$ 0	\$ 52,266
Net Change in Fund Balances	\$ 111,904	\$ (29,019)	\$ (805,972)	\$ (43,549)	\$ (766,636)
Fund Balance, July 1, 2022	16,723,322	2,103,258	5,630,354	695,903	25,152,837
Fund Balance, June 30, 2023	\$ 16,835,226	\$ 2,074,239	\$ 4,824,382	\$ 652,354	\$ 24,386,201

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

Giles 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)		\$	(766,636)
(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	\$	4,370,668	
Less: current-year depreciation expense		<u>(3,018,971)</u>	1,351,697
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Less: deferred delinquent property taxes and other deferred June 30, 2022	\$	(1,374,507)	
Add: deferred delinquent property taxes and other deferred June 30, 2023		<u>1,288,175</u>	(86,332)
(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 compensated absences payable	\$	(115,451)	
Change in net OPEB liability		151,421	
Change in deferred outflows of resources related to pension		408,747	
Change in deferred inflows of resources related to pension		4,439,846	
Change in deferred outflows of resources related to OPEB		(3,298)	
Change in deferred inflows of resources related to OPEB		(118,913)	
Change in net pension asset		<u>(5,052,947)</u>	<u>(290,595)</u>
Change in net position of governmental activities (Exhibit B)		\$	<u>208,134</u>

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

## Exhibit C-5

Giles County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Fund  
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 11,643,097	\$ 11,543,824	\$ 11,484,865	\$ 158,232
Licenses and Permits	20,508	25,100	25,100	(4,592)
Fines, Forfeitures, and Penalties	50,518	87,350	87,350	(36,832)
Charges for Current Services	2,425,309	2,327,275	2,415,779	9,530
Other Local Revenues	727,390	258,250	259,790	467,600
Fees Received From County Officials	1,517,454	1,737,000	1,737,000	(219,546)
State of Tennessee	1,060,139	1,007,321	1,063,401	(3,262)
Federal Government	182,175	29,850	54,850	127,325
Other Governments and Citizens Groups	324,586	299,750	299,750	24,836
Total Revenues	\$ 17,951,176	\$ 17,315,720	\$ 17,427,885	\$ 523,291
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 60,242	\$ 93,591	\$ 93,591	\$ 33,349
County Mayor/Executive	263,625	279,576	279,576	15,951
County Attorney	51,106	75,000	75,000	23,894
Election Commission	280,254	317,219	317,219	36,965
Register of Deeds	190,204	206,434	206,434	16,230
Planning	4,330	8,096	8,096	3,766
County Buildings	650,607	534,475	1,107,664	457,057
<u>Finance</u>				
Accounting and Budgeting	556,614	546,213	587,775	31,161
Property Assessor's Office	402,309	453,907	453,907	51,598
Reappraisal Program	21,808	40,000	40,000	18,192
County Trustee's Office	244,134	247,538	255,538	11,404
County Clerk's Office	442,897	517,012	545,516	102,619
<u>Administration of Justice</u>				
Circuit Court	653,034	745,304	775,304	122,270
General Sessions Court	237,698	239,598	239,598	1,900
Chancery Court	224,542	246,375	246,375	21,833
Judicial Commissioners	43,626	44,881	44,881	1,255
Courtroom Security	242,831	265,741	265,741	22,910
<u>Public Safety</u>				
Sheriff's Department	3,190,591	3,120,331	3,315,331	124,740
Traffic Control	8,206	4,500	19,500	11,294
Administration of the Sexual Offender Registry	0	5,000	5,000	5,000
Jail	2,447,311	2,620,421	2,625,341	178,030
Juvenile Services	60,836	68,505	68,505	7,669
Rescue Squad	293,714	277,631	293,714	0
Other Emergency Management	364,456	371,722	421,870	57,414
County Coroner/Medical Examiner	101,652	92,324	101,824	172
Other Public Safety	0	1,950	1,950	1,950
<u>Public Health and Welfare</u>				
Local Health Center	51,674	69,650	69,650	17,976
Rabies and Animal Control	47,346	57,339	88,704	41,358
Ambulance/Emergency Medical Services	3,503,627	3,441,176	3,620,328	116,701
Other Local Welfare Services	78,250	10,000	80,400	2,150
Sanitation Management	275,750	315,175	315,175	39,425

(Continued)

## Exhibit C-5

Giles County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Fund (Cont.)

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Public Health and Welfare (Cont.)</u>				
Sanitation Education/Information	\$ 51,783	\$ 53,287	\$ 53,287	\$ 1,504
Waste Pickup	18,110	0	54,980	36,870
Convenience Centers	485,173	492,779	520,836	35,663
Other Public Health and Welfare	198,745	262,957	262,957	64,212
<u>Social, Cultural, and Recreational Services</u>				
Senior Citizens Assistance	20,000	20,000	20,000	0
Libraries	168,660	166,806	168,660	0
Parks and Fair Boards	43,771	33,213	48,699	4,928
Other Social, Cultural, and Recreational	82,325	72,812	94,505	12,180
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	152,974	170,085	170,085	17,111
Forest Service	2,032	3,100	3,100	1,068
Soil Conservation	102,884	104,009	104,009	1,125
<u>Other Operations</u>				
Industrial Development	51,670	51,670	51,670	0
Other Economic and Community Development	32,303	32,213	32,303	0
Airport	58,997	60,000	60,000	1,003
Veterans' Services	20,031	21,677	21,677	1,646
Other Charges	875,521	850,582	878,742	3,221
Contributions to Other Agencies	504,158	122,000	4,622,000	4,117,842
Employee Benefits	22,627	28,493	28,493	5,866
Total Expenditures	\$ 17,885,038	\$ 17,862,367	\$ 23,765,510	\$ 5,880,472
 Excess (Deficiency) of Revenues Over Expenditures	 \$ 66,138	 \$ (546,647)	 \$ (6,337,625)	 \$ 6,403,763
 <u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 45,766	\$ 0	\$ 0	\$ 45,766
Total Other Financing Sources	\$ 45,766	\$ 0	\$ 0	\$ 45,766
 Net Change in Fund Balance	 \$ 111,904	 \$ (546,647)	 \$ (6,337,625)	 \$ 6,449,529
Fund Balance, July 1, 2022	16,723,322	16,118,646	16,723,322	0
 Fund Balance, June 30, 2023	 \$ 16,835,226	 \$ 15,571,999	 \$ 10,385,697	 \$ 6,449,529

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

## Exhibit C-6

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,299,277	\$ 2,302,358	\$ 2,302,358	\$ (3,081)
Other Local Revenues	5,785	2,000	2,000	3,785
State of Tennessee	2,821,757	3,321,275	3,321,275	(499,518)
Other Governments and Citizens Groups	32,569	25,000	25,000	7,569
Total Revenues	<u>\$ 5,159,388</u>	<u>\$ 5,650,633</u>	<u>\$ 5,650,633</u>	<u>\$ (491,245)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 199,169	\$ 219,699	\$ 213,449	\$ 14,280
Highway and Bridge Maintenance	3,969,628	4,121,466	4,252,476	282,848
Operation and Maintenance of Equipment	678,978	794,337	882,837	203,859
Other Charges	202,649	209,542	214,782	12,133
Capital Outlay	144,483	1,130,000	1,021,675	877,192
Total Expenditures	<u>\$ 5,194,907</u>	<u>\$ 6,475,044</u>	<u>\$ 6,585,219</u>	<u>\$ 1,390,312</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (35,519)</u>	<u>\$ (824,411)</u>	<u>\$ (934,586)</u>	<u>\$ 899,067</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 6,500	\$ 0	\$ 0	\$ 6,500
Total Other Financing Sources	<u>\$ 6,500</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,500</u>
Net Change in Fund Balance	\$ (29,019)	\$ (824,411)	\$ (934,586)	\$ 905,567
Fund Balance, July 1, 2022	<u>2,103,258</u>	<u>1,538,459</u>	<u>2,103,258</u>	<u>0</u>
Fund Balance, June 30, 2023	<u><u>\$ 2,074,239</u></u>	<u><u>\$ 714,048</u></u>	<u><u>\$ 1,168,672</u></u>	<u><u>\$ 905,567</u></u>

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

Exhibit D-1

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

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash	\$ 2,148,828
Accounts Receivable	465
Due from Other Governments	842,184
Cash Shortage	<u>553</u>
Total Assets	<u>\$ 2,992,030</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	<u>\$ 842,184</u>
Total Liabilities	<u>\$ 842,184</u>
<u>NET POSITION</u>	
Restricted for Individuals, Organizations and Other Governments	<u>\$ 2,149,846</u>
Total Net Position	<u><u>\$ 2,149,846</u></u>

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

Giles 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	\$ 4,792,744
Fines/Fees and Other Collections	<u>9,047,163</u>
Total Additions	<u>\$ 13,839,907</u>
<u>DEDUCTIONS</u>	
Payment of Sales Tax Collections to Other Governments	\$ 4,745,091
Payments to State	4,305,681
Payments to Cities, Individuals and Others	<u>4,240,323</u>
Total Deductions	<u>\$ 13,291,095</u>
Net Increase (Decrease) in Fiduciary in Net Position	\$ 548,812
Net Position, July 1, 2022	<u>1,601,034</u>
Net Position, June 30, 2023	<u><u>\$ 2,149,846</u></u>

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

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## GILES COUNTY, TENNESSEE

### Index of Notes to the Financial Statements

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

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Giles 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 Giles County:

**A. Reporting Entity**

Giles County is a public municipal corporation governed by an elected 21-member board. As required by GAAP, these financial statements present Giles County (the primary government) and its component units. The financial statements of the Giles 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 Giles County School Department operates the public school system in the county, and the voters of Giles 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 Giles County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Giles County, and the Giles 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 Giles County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

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

Administrative Office:

Giles County Emergency Communications District  
P.O. Box 307  
Pulaski, TN 38478

**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 Giles 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 Giles 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.

Giles County issues all debt for the discretely presented Giles County School Department. There were no debt issues contributed by the county to the school department during the year ended June 30, 2023.

Separate financial statements are provided for governmental funds and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

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

Fund financial statements of Giles 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. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Giles County has no proprietary funds to report.

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

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

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

Fiduciary fund 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.

Giles 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.

**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.

**Other Capital Projects Fund** – This fund accounts for various capital projects and capital outlay for the county. Local taxes are the foundational revenue of this fund.

Additionally, Giles County reports the following fund types:

**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.

**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 Giles County.

The discretely presented Giles 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.

**Other Education Capital Projects Fund** – This fund is used to account for financial resources to be used for building construction and renovations.

The school department reports a nonmajor special revenue fund (Internal School Fund) which is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities. Collections from students and school activities are the foundational revenues of this fund. The current year (FY 23) report was not available from the auditor of the Internal School Fund in time for inclusion in this report. Therefore, the prior year balances (FY 22) are presented in this report. We do not believe using the prior year balances will affect the independent auditor's opinion on the Aggregate Discretely Presented Component Units. A more detailed reporting of the fund activities at each individual school may be found at <https://www.comptroller.tn.gov/office-functions/la/reports/find-other-audits.html>.

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

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

**1. Deposits and Investments**

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Giles County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Fund. Giles 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. Giles 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**

All ambulance and property taxes receivable are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for

uncollectible property taxes is equal to one percent of total taxes levied.

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

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

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

Lease receivables and deferred inflows of resources are recognized in the governmental funds and government-wide financial statements. At the commencement of a lease, a lease receivable is initially measured at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable and deferred inflow are reduced by the principal portion of lease payments received. Interest received from the lessee is recognized as revenue when received. Any accumulated interest on June 30 will result in accrued interest receivable in the governmental funds and government-wide financial statements.

### **3. Inventories**

Inventories of the Giles County School Department are recorded at cost, determined on the first-in, first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Inventories are offset in the nonspendable fund balance account in governmental funds.

**4. 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 Giles 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 Giles County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Giles 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.

**5. 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, 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 \$25,000 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	5 - 40
Other Capital Assets	3 - 20
Infrastructure:	
Roads	10 - 25
Bridges	40

## 6. 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 element, deferred outflows of resources, represents a consumption of net assets that applies to future periods 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 changes in assumptions, experience, proportion, and investment earnings; pension and OPEB contributions after measurement date; and OPEB changes in experience, assumptions, and proportion.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial element, inflows of resources, represents an acquisition of net assets that applies to future periods 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; leases receivable; pension changes in experience and proportion; OPEB changes in experience, assumptions, and proportion; 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.

## 7. Compensated Absences

### Primary Government

It is the county's policy to permit employees (excluding the highway department) to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since Giles County does 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 they have matured, for example, as a result of employee resignations and retirements.

### **Discretely Presented Giles County School Department**

It is the policy of the school department to permit certain 12-month employees to accumulate a limited amount of earned but unused vacation, which will be paid to employees upon separation from service. 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 they have matured, for example, as a result of employee resignations and retirements. The general policy of the school department permits all professional personnel (teachers) to accumulate an unlimited number of unused sick leave days. There is no liability for unpaid accumulated sick leave since the school department does not have a policy to pay any amounts when employees separate from service with the government.

## **8. 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, other postemployment

benefits, and pension liabilities, are recognized to the extent that the liabilities have matured (come due for payment) each period.

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

In the government-wide financial statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

The government-wide Statement of Net Position reports \$5,950,842 of restricted net position, of which \$617,217 is restricted by enabling legislation for construction, renovation, and courthouse security and \$585,378 is restricted by enabling legislation for courthouse maintenance and renovation.

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

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

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

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

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

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

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification represents fund balance that has not been assigned to other funds and 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.

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

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

#### **F. Other Postemployment Benefit (OPEB) Plans**

##### **Primary Government**

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

##### **Discretely Presented Giles 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 Giles 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 Giles 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 Giles County School Department**

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

## **III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

#### **A. Budgetary Information**

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

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

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

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

**B. Cash Shortage**

The Office of Trustee had a cash shortage of \$553 as of June 30, 2023. The county commission and county attorney are taking action to collect this cash deficit. Details of this cash shortage are discussed in the Schedule of Findings and Questioned Costs section of this report.

**IV. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

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

**Deposits**

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

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

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

### **Investments**

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

Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the Intermediate Term Investment Fund are reported both by the pool and the county at amortized cost using a floating net asset value. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

**Investment Balances.** As of June 30, 2023, Giles County had the following investments carried at amortized cost using a Stable Net Asset Value or fair value within the fair value hierarchy established by generally accepted accounting principles. All investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Giles County and the discretely presented Giles County School Department since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value or Amortized Cost
Investments at Amortized Cost:			
State Treasurer's Investment Pool	1 to 46	N/A	\$ 7,840,807
Investments at Fair Value:			
U.S. Treasury Bills	N/A	8-10-23	5,128,106
Total			<u><u>\$ 12,968,913</u></u>

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment by Fair Value Level	Fair Value 6-30-23			
U.S. Treasury Bills	\$ 5,128,106	\$ 5,128,106	\$ 0	\$ 0

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.

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

**Credit Risk.** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments, as previously explained. Giles County has no investment policy that would further limit its investment choices. As of June 30, 2023, Giles County's investment in the State Treasurer's Investment Pool was unrated.

Further information concerning the legal provisions, investment policies, investment types, and credit risks for the State Treasurer's Investment Pool can be obtained by reviewing the State of Tennessee Annual Comprehensive Financial Report at <https://www.tn.gov/finance/rd-doa/fa-accfin-ar.html>.

### **TCRS Stabilization Trust**

**Legal Provisions.** The Giles 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 Giles 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 Giles 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	\$ 150,655
Developed Market International Equity	N/A	N/A	68,036
Emerging Market International Equity	N/A	N/A	19,439
NAV - Private Equity and Strategic Lending	N/A	N/A	97,194
U.S. Fixed Income	N/A	N/A	97,194
Real Estate	N/A	N/A	48,597
Short-term Securities	N/A	N/A	4,860
Total			<u>\$ 485,975</u>

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

## B. Lease Receivable

On October 17, 2022, Giles County entered into a lease agreement for the use of the first floor of office space of the Annex Building. The lease is for five years, and the county will receive monthly payments of \$5,606. An initial lease receivable was recorded in the amount of \$300,060 during the current fiscal year. Giles County recognized \$37,060 in lease revenue and \$7,788 in interest revenue during the current fiscal year related to this lease. The lease has an annual interest rate of 4.75%. As of June 30, 2023, the lease receivable balance was \$263,000.

The future receipts of the lease receivable include:

Year Ending June 30	Annex Building		
	Principal	Interest	Total
2024	\$ 55,988	\$ 11,284	\$ 67,272
2025	58,707	8,565	67,272
2026	61,557	5,715	67,272
2027	64,544	2,728	67,272
2028	22,204	220	22,424
Total	<u>\$ 263,000</u>	<u>\$ 28,512</u>	<u>\$ 291,512</u>

**C. 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:				
Land	\$ 367,929	\$ 0	\$ 0	\$ 367,929
Construction in Progress	673,263	1,805,474	(828,737)	1,650,000
Total Capital Assets Not Depreciated	<u>\$ 1,041,192</u>	<u>\$ 1,805,474</u>	<u>\$ (828,737)</u>	<u>\$ 2,017,929</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 10,351,169	\$ 658,224	\$ 0	\$ 11,009,393
Infrastructure	48,808,211	2,063,707	0	50,871,918
Other Capital Assets	9,527,100	672,000	(83,996)	10,115,104
Total Capital Assets Depreciated	<u>\$ 68,686,480</u>	<u>\$ 3,393,931</u>	<u>\$ (83,996)</u>	<u>\$ 71,996,415</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 6,140,112	\$ 318,343	\$ 0	\$ 6,458,455
Infrastructure	34,895,173	1,851,505	0	36,746,678
Other Capital Assets	5,937,250	849,123	(83,996)	6,702,377
Total Accumulated Depreciation	<u>\$ 46,972,535</u>	<u>\$ 3,018,971</u>	<u>\$ (83,996)</u>	<u>\$ 49,907,510</u>
Total Capital Assets Depreciated, Net	<u>\$ 21,713,945</u>	<u>\$ 374,960</u>	<u>\$ 0</u>	<u>\$ 22,088,905</u>
Governmental Activities Capital Assets, Net	<u>\$ 22,755,137</u>	<u>\$ 2,180,434</u>	<u>\$ (828,737)</u>	<u>\$ 24,106,834</u>

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

**Governmental Activities:**

General Government	\$ 57,112
Finance	10,474
Public Safety	453,189
Public Health and Welfare	270,649
Social, Cultural, and Recreational Services	6,361
Agriculture and Natural Resources	9,714
Highways/Public Works	<u>2,211,472</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 3,018,971</u></u>

**Discretely Presented Giles County School Department - Governmental Activities**

	Balance 7-1-22	Increases	Decreases	Balance 6-30-23
Capital Assets Not Depreciated:				
Land	\$ 621,198	\$ 0	\$ 0	\$ 621,198
Construction in Progress	54,895	2,440,770	0	<u>2,495,665</u>
Total Capital Assets				
Not Depreciated	<u>\$ 676,093</u>	<u>\$ 2,440,770</u>	<u>\$ 0</u>	<u>\$ 3,116,863</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 34,527,382	\$ 393,738	\$ 0	\$ 34,921,120
Other Capital Assets	8,635,378	405,600	(11,100)	<u>9,029,878</u>
Total Capital Assets Depreciated	<u>\$ 43,162,760</u>	<u>\$ 799,338</u>	<u>\$ (11,100)</u>	<u>\$ 43,950,998</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 22,560,562	\$ 903,650	\$ 0	\$ 23,464,212
Other Capital Assets	6,317,040	416,492	(11,100)	<u>6,722,432</u>
Total Accumulated Depreciation	<u>\$ 28,877,602</u>	<u>\$ 1,320,142</u>	<u>\$ (11,100)</u>	<u>\$ 30,186,644</u>
Total Capital Assets Depreciated, Net	<u>\$ 14,285,158</u>	<u>\$ (520,804)</u>	<u>\$ 0</u>	<u>\$ 13,764,354</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 14,961,251</u></u>	<u><u>\$ 1,919,966</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 16,881,217</u></u>

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

**Governmental Activities:**

Instruction	\$ 957,057
Support Services	284,650
Operation of Non-instructional Services	<u>78,435</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 1,320,142</u></u>

**D. Construction Commitments**

At June 30, 2023, the county had an uncompleted construction contract of approximately \$4,950,000 in the Other Capital Projects Fund for upgrades to the county's communication network. Funding for these future expenditures is expected to be received from future revenues and available fund balance.

At June 30, 2023, the school department had an uncompleted construction contract of approximately \$9,708,058 in the Other Education Capital Projects Fund for renovations of Giles County High School. Funding has been received for these future expenditures.

**E. Interfund Transfers**

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

**Discretely Presented Giles County School Department**

Transfers Out	Transfers In		Purpose
	Other Education Capital Projects Fund	Nonmajor Governmental Funds	
General Purpose School Fund	<u>\$ 5,000,000</u>	<u>\$ 750,000</u>	Capital projects
Total	<u><u>\$ 5,000,000</u></u>	<u><u>\$ 750,000</u></u>	

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.

**F. Long-term Obligations**

**Changes in Long-term Obligations**

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

**Governmental Activities:**

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2022	\$ 302,404	\$ 394,547
Additions	579,207	45,753
Reductions	(463,756)	(197,174)
Balance, June 30, 2023	<u>\$ 417,855</u>	<u>\$ 243,126</u>
Balance Due Within One Year	<u>\$ 417,855</u>	<u>\$ 0</u>

	Pension Liability - Agent Plan*
Balance, July 1, 2022	\$ (4,258,553)
Additions	(803,905)
Reductions	<u>5,856,852</u>
Balance, June 30, 2023	<u>\$ 794,394</u>
Balance Due Within One Year	<u>\$ 0</u>

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

**Analysis of Other Noncurrent Liabilities Presented on Exhibit A:**

Total Other Noncurrent Liabilities, June 30, 2023	\$ 1,455,375
Less: Balance Due Within One Year - Other	<u>(417,855)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 1,037,520</u>

Compensated absences, other postemployment benefits, and pension liability will be paid from the employing funds, primarily the General and Highway/Public Works funds.

## **Discretely Presented Giles County School Department**

### **Changes in Long-term Obligations**

Long-term obligations activity for the discretely presented Giles County School Department for the year ended June 30, 2023, was as follows:

#### **Governmental Activities:**

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2022	\$ 113,104	\$ 6,145,362
Additions	224,038	871,816
Reductions	(192,203)	(962,221)
Balance, June 30, 2023	<u>\$ 144,939</u>	<u>\$ 6,054,957</u>
Balance Due Within One Year	<u>\$ 144,939</u>	<u>\$ 0</u>

	Pension Liability - Agent Plan*
Balance, July 1, 2022	\$ (2,099,394)
Additions	(540,289)
Reductions	<u>3,053,861</u>
Balance, June 30, 2023	<u>\$ 414,178</u>
Balance Due Within One Year	<u>\$ 0</u>

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

#### **Analysis of Other Noncurrent Liabilities Presented on Exhibit A:**

Total Other Noncurrent Liabilities, June 30, 2023	\$ 6,614,074
Less: Balance Due Within One Year - Other	<u>(144,939)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 6,469,135</u>

Compensated absences, other post-employment benefits, and pension liability will be paid from the employing funds, primarily the General Purpose School and School Federal Projects funds.

**G. On-Behalf Payments – Discretely Presented Giles County School Department**

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Giles County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both plans are administered by the State of Tennessee and reported in the state's Annual Comprehensive Financial Report. Payments by the state to the Local Education Group Insurance Plan for the year ended June 30, 2023, were \$172,880. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

**V. OTHER INFORMATION**

**A. Risk Management**

**Primary Government**

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

Giles 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.

Giles County participates in the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-207, *Tennessee Code Annotated (TCA)*, all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Annual Comprehensive Financial

Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

### **Discretely Presented Giles County School Department**

The discretely presented Giles County School Department is exposed to various risks related to liability, property, and casualty losses. The school department decided it was more economically feasible to join a public entity risk pool instead of purchasing commercial insurance for general liability, property, and casualty coverage. The school department joined the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The school department 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.

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

The school department 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.

### **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.

Giles County was named in a class action lawsuit in the United States District Court concerning violations in their probation services. The final Consent Decree became effective January 13, 2022, and required \$2,000,000 in damages plus any costs of claims administration, monitoring, and any other implementation costs. As a result, Giles County established the Probation Settlement Fund to pay costs associated with the final Consent Decree.

The county is involved in several pending lawsuits. The county attorney estimates that the potential claims not covered by insurance resulting from such litigation would not materially affect the county's financial statements.

**D. Changes in Administration**

On August 31, 2022, Melissa Greene left the Office of County Executive and was succeeded by Graham Stowe, and Janice Curtis left the Office of Trustee and was succeeded by Tony Risner.

**E. Joint Ventures**

The Economic Development Commission for Pulaski-Giles County, Tennessee, Inc., is a joint venture between Giles County and the City of Pulaski and is governed by a 14-member board. The purpose of the board is to promote and facilitate the economic development of the City of Pulaski and Giles County, Tennessee. Giles County and the City of Pulaski provide the majority of funding for the board. Each of these entities is required to fund 40 percent of the board's annual operating budget. Giles County contributed \$53,372 to the operations of the Economic Development Commission during the year ended June 30, 2023.

The Twenty-second Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twenty-second Judicial District, Lawrence, Giles, Maury, and Wayne counties, and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Giles County did not contribute any funds to the DTF for the year ended June 30, 2023.

Giles County does not retain an equity interest in any of the above-noted joint ventures. Complete financial statements for the Economic Development Commission and the Twenty-second Judicial District DTF can be obtained from their respective administrative offices at the following addresses:

**Administrative Offices:**

Economic Development Commission  
203 South First Street  
P.O. Box 633  
Pulaski, TN 38478

Office of District Attorney General  
Twenty-second Judicial District Drug Task Force  
P.O. Box 852  
Lawrenceburg, TN 38464

**F. Jointly Governed Organizations**

**Industrial Development Board**

The Industrial Development Board of Giles County and the city of Pulaski was created by Giles County and the city of Pulaski. The Industrial Development Board comprises eight members. The county and the city each appoint four members. However, the county does not have any ongoing financial interest or responsibility for the entity. Giles County contributed \$9,140 to the Industrial Development Board for the year ended June 30, 2023.

**Tennessee Southern Railroad Authority**

The Tennessee Southern Railroad Authority (TSRA) was created by the county in conjunction with Lawrence and Maury counties, and its board comprises the county mayors/executives and a representative appointed by the respective county commissions from each of the three counties and a representative from the cities of Mt. Pleasant and Lawrenceburg. However, Giles County does not have any ongoing financial interest or responsibility for the entity. The majority of TSRA's funding is received from various grants from the Tennessee Department of Transportation. Giles County made no appropriations to the Tennessee Southern Railroad Authority for the year ended June 30, 2023.

**G. Commitments**

**Airport**

Giles County and the city of Pulaski jointly own the Abernathy Field Airport; however, the day-to-day operation of the airport is administered by the city of Pulaski. The financial activity of the airport is reported in the General Fund financial statements of the city of Pulaski. Giles County is committed to contributing one-half of the operating expenses of the Abernathy Field Airport. Giles County contributed \$58,997 to airport operations during the year ended June 30, 2023.

**Industrial Park**

On October 20, 1997, the county commission adopted a resolution "to participate and fund the county's share or one-half of the costs and expenses associated with the development of the new industrial park ...." Based on this resolution, the county will participate with the city of Pulaski to develop an industrial park. A written contract documenting this arrangement has been approved by a county commission resolution. As of June 30, 2023, there was no outstanding debt for the development of the industrial park. There were no contributions made to the city of Pulaski during the year ended June 30, 2023.

## H. Retirement Commitments

### 1. Tennessee Consolidated Retirement System (TCRS)

#### Primary Government

##### **General Information About the Pension Plan**

*Plan Description.* Employees of Giles County and non-certified employees of the discretely presented Giles 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 65.73 percent, and the non-certified employees of the discretely presented school department comprise 34.27 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

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

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted

if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions plus any accumulated interest.

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

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	283
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	556
Active Employees	<u>432</u>
Total	<u><u>1,271</u></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. Giles 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 contributions for Giles County were \$1,061,560 based on a rate of 6.95 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Giles 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)**

Giles 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
Cost of Living Adjustment	2.125%

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

The actuarial assumptions used in the June 30, 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 Giles 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	\$ 52,259,217	\$ 58,617,164	\$ (6,357,947)
Changes for the Year:			
Service Cost	\$ 1,346,657	\$ 0	\$ 1,346,657
Interest	3,537,125	0	3,537,125
Differences Between Expected and Actual Experience	1,763,226	0	1,763,226
Contributions-Employer	0	595,120	(595,120)
Contributions-Employees	0	749,074	(749,074)
Net Investment Income	0	(2,221,309)	2,221,309
Benefit Payments, Including Refunds of Employee Contributions	(2,408,057)	(2,408,057)	0
Administrative Expense	0	(42,396)	42,396
Net Changes	\$ 4,238,951	\$ (3,327,568)	\$ 7,566,519
Balance, June 30, 2022	\$ 56,498,168	\$ 55,289,596	\$ 1,208,572

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	65.73%	\$ 37,136,246	\$ 36,341,851	\$ 794,394
School Department	34.27%	19,361,922	18,947,745	414,178
Total		\$ 56,498,168	\$ 55,289,596	\$ 1,208,572

*Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the net pension liability (asset) of Giles 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
Giles County	5.75%	6.75%	7.75%

Net Pension Liability (Asset)    \$ 8,739,131    \$ 1,208,572    \$ (5,014,607)

**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, Giles County recognized pension expense (negative pension expense) of \$1,313,700.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2023, Giles County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 1,322,419	\$ 194,781
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	65,562	0
Changes in Assumptions	2,330,041	0
Contributions Subsequent to the Measurement Date of June 30, 2022 (1)	1,061,560	N/A
Total	<u>\$ 4,779,582</u>	<u>\$ 194,781</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	\$ 3,140,953	\$ 128,030
School Department	1,638,629	66,751
Total	<u>\$ 4,779,582</u>	<u>\$ 194,781</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	\$ 1,177,337
2025	1,199,839
2026	(82,054)
2027	1,228,119
2028	0
Thereafter	0

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

**Discretely Presented Giles County School Department**

**Non-certified Employees**

**General Information About the Pension Plan**

*Plan Description.* As noted above under the primary government, employees of Giles County and non-certified employees of the discretely presented Giles 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 65.73 percent, and the non-certified employees of the discretely presented school department comprise 34.27 percent of the plan based on contribution data.

## **Certified Employees**

### **Teacher Retirement Plan**

#### **General Information About the Pension Plan**

*Plan Description.* Teachers of the Giles 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 \$172,848, which is 2.87 percent of covered payroll. In addition, employer contributions of \$68,055, 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, 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 (\$98,618) 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 .325553 percent. The proportion as of June 30, 2021, was .351243 percent.

*Pension Expense (Negative Pension Expense).* For the year ended June 30, 2023, the Giles County School Department recognized pension expense (negative pension expense) of \$142,888.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2023, the school department reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 5,392	\$ 59,917
Net Difference Between Projected and Actual Earnings on Pension Plan		
Investments	31,085	0
Changes in Assumptions	115,526	0
Changes in Proportion of Net Pension Liability (Asset)	44,906	9,566
LEA's Contributions Subsequent to the Measurement Date of June 30, 2022	172,848	N/A
Total	<u>\$ 369,757</u>	<u>\$ 69,483</u>

The school department's employer contributions of \$172,848, 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	\$ 5,779
2025	6,096
2026	988
2027	55,130
2028	9,227
Thereafter	50,206

*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
Cost of Living Adjustment	2.125%

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

The actuarial assumptions used in the June 30, 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 net pension liability (asset) of Giles County calculated using the discount rate of 6.75 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75 percent) or one percentage point higher (7.75 percent) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
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Net Pension Liability (Asset)    \$ 517,688    \$ (98,618)    \$ (548,711)

*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 Giles 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 Giles County School Department for the year ended June 30, 2023, to the Teacher Legacy Pension Plan were \$975,184, 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 (\$4,315,517) 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 .351883 percent. The proportion measured at June 30, 2021, was .371439 percent.

*Pension Expense (Negative Pension Expense).* For the year ended June 30, 2023, the school department recognized pension expense (negative pension expense) of \$83,305.

*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	\$ 709,887	\$ 729,191
Changes in Assumptions	2,703,464	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	73,793	0
Changes in Proportion of Net Pension Liability (Asset)	249,692	45,419
LEA's Contributions Subsequent to the Measurement Date of June 30, 2022	975,184	N/A
Total	<u>\$ 4,712,020</u>	<u>\$ 774,610</u>

The school department's employer contributions of \$975,184 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	\$ 490,381
2025	864,057
2026	(669,939)
2027	2,277,727
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 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
Cost of Living Adjustment	2.125%

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

The actuarial assumptions used in the June 30, 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 net pension liability (asset) of Giles County calculated using the discount rate of 6.75 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75 percent) or one percentage point higher (7.75 percent) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
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Net Pension Liability (Asset) \$ 8,547,552 \$ (4,315,517) \$ (15,029,600)

*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**

Giles County offers its employees a deferred compensation plan established pursuant to IRC Section 457, and the Giles County School Department offers its employees a deferred compensation plan established pursuant to IRC Section 403(b). All costs of administering and funding these programs are the responsibility of plan participants. The Section 403(b) and Section 457 plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Sections 403(b) and 457 establish participation, contribution, and withdrawal provisions for the plans.

Teachers hired after July 1, 2014, by the school department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion, which is placed into the state's 401(k) plan and is managed by the employee. The defined contribution portion of the plan requires that the school department contribute five percent of each teacher's salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year, the school department contributed \$315,528 and teachers contributed \$139,133 to this deferred compensation pension plan.

### I. **Other Postemployment Benefits (OPEB)**

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

## **OPEB Provided through State Administered Public Entity Risk Pools**

### **Primary Government**

Retirees of Giles County are provided healthcare under the Local Government Plan (LGP) until they reach Medicare eligibility.

The county's total OPEB liability 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 each plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Salary increases used in the July 1, 2021, TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.54%
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 an average rating of AA/Aa as shown on the Bond Buyers 20-Year Municipal GO AA index closest to but not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 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, with mortality improvement projected generationally with MP-2020 from 2010. Post-retirement rates are headcount-weighted below median healthy annuitant and adjusted with a 6 percent load for males and a 14 percent load for females, projected generationally with MP-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 increased the total OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates. The trend rate applicable to the 2022 plan year was revised from 7.36 percent to 8.37 percent.

### **Local Government OPEB Plan (Primary Government)**

*Plan Description.* Employees of Giles County are provided with pre-65 retiree health insurance benefits through the closed Local Government Plan (LGP) administered by the Tennessee Department of Finance and Administration. All eligible pre-65 retired employees and disability participants of local governments, who choose coverage, participate in the LGP.

*Benefits Provided.* Giles County offers the LGP to provide health insurance coverage to eligible pre-65 retirees and disabled participants of local governments. With the exception of a small group of grandfathered individuals, retirees are required to discontinue coverage under the LGP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-701 establishes and amends the benefit terms of the LGP. 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 LGP receive the same plan benefits as active employees, at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for the retiree premiums. Giles County does not provide a direct subsidy and is only subject to the implicit subsidy.

### Employees Covered by Benefit Terms

At the measurement date of June 30, 2022, the following employees were covered by the benefit terms:

Inactive Employees Currently Receiving Benefit Payments	2
Inactive Employees Entitled To But Not Yet Receiving Benefit Payments	0
Active Employees Eligible for Benefits	<u>168</u>
Total	<u><u>170</u></u>

An insurance committee, created in accordance with TCA 8-27-701, establishes the required payments to the LGP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. For the fiscal year ended June 30, 2023, the county paid \$13,447 to the LGP for OPEB benefits as they came due.

### **Changes in the Total OPEB Liability – As of the Measurement Date**

	<u>Giles County</u>
Balance July 1, 2021	\$ 394,547
Changes for the Year:	
Service Cost	36,480
Interest	9,273
Difference between Expected and Actual Experience	(77,517)
Changes in Assumptions and Other Inputs	(116,199)
Benefit Payments	<u>(3,458)</u>
Net Changes	<u>\$ (151,421)</u>
Balance June 30, 2022	<u><u>\$ 243,126</u></u>

*OPEB Expense (Negative OPEB Expense) and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2023, the county recognized OPEB expense (negative OPEB expense) of (\$15,763). At June 30, 2023, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 195,934
Changes of Assumptions and Other Inputs	56,981	215,892
Benefits Paid After the Measurement Date of June 30, 2022	<u>13,447</u>	<u>0</u>
Total	<u>\$ 70,428</u>	<u>\$ 411,826</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	Giles County
2024	\$ (61,516)
2025	(61,516)
2026	(61,516)
2027	(55,443)
2028	(50,149)
Thereafter	(64,705)

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

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate.* The following presents the total OPEB liability of the county calculated using the current discount rate as well as what the OPEB liability would be if it was calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

<u>Discount Rate</u>	1% Decrease 2.54%	Current Discount Rate 3.54%	1% Increase 4.54%
Total OPEB Liability	\$ 260,974	\$ 243,126	\$ 226,371

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate.* The following presents the total OPEB liability of the county calculated using the current healthcare cost trend rate, as well as what the OPEB liability would be if it was calculated using a trend rate that is one percentage point lower or one percentage point higher than the current rate:

<u>Healthcare Cost Trend Rate</u>		Current	
	1% Decrease 7.37 to 3.5%	Trend Rate 8.37 to 4.5%	1% Increase 9.37 to 5.5%
Total OPEB Liability	\$ 217,763	\$ 243,126	\$ 272,947

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

*Plan Description.* Employees of the Giles 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 Giles County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO, or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. After participating in the insurance program for at least one year prior to retiring with at least 15 years of total service at the Giles County School Department, retirees are eligible to receive a monthly direct subsidy toward the cost of their insurance premiums after age 53 with 30 years of service or after age 60 with 20 years of service. The monthly subsidy for certified teachers ranges from \$260 to \$297 and for support staff ranges from \$473 to \$541, based on the insurance plan selected by the retiree. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees' premiums based on years of service.

### Employees Covered by Benefit Terms

At the measurement date of June 30, 2022, the following employees were covered by the benefit terms:

Inactive Employees Currently Receiving Benefit Payments	44
Inactive Employees Entitled To But Not Yet Receiving Benefit Payments	2
Active Employees Eligible for Benefits	<u>310</u>
Total	<u><u>356</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 \$366,716 to the LEP for OPEB benefits as they came due.

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

	<u>Share of Collective Liability</u>		<u>Total OPEB Liability</u>
	<u>Giles County School Department</u> 68.76%	<u>State of TN</u> 31.24%	
Balance July 1, 2021	\$ 6,145,362	\$ 2,629,192	\$ 8,774,554
Changes for the Year:			
Service Cost	\$ 284,600	\$ 129,303	\$ 413,903
Interest	133,005	60,428	193,433
Difference between Expected and Actual Experience	454,211	206,363	660,574
Changes in Assumptions	(528,097)	(239,933)	(768,030)
Change in Proportion	(111,648)	111,648	0
Benefit Payments	(322,476)	(146,512)	(468,988)
Net Changes	<u>\$ (90,405)</u>	<u>\$ 121,297</u>	<u>\$ 30,892</u>
Balance June 30, 2022	<u><u>\$ 6,054,957</u></u>	<u><u>\$ 2,750,489</u></u>	<u><u>\$ 8,805,446</u></u>

The Giles 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 Giles 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 \$113,539 in revenue for subsidies provided by non-employer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Giles County School Department's proportionate share of the collective OPEB liability was 68.76 percent and the State of Tennessee's share was 31.24 percent.

*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 \$90,444, 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	\$ 630,322	\$ 1,669,057
Changes of Assumptions and Other Inputs	415,047	828,162
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	65,649	521,181
Benefits Paid After the Measurement Date of June 30, 2022	<u>366,716</u>	<u>N/A</u>
Total	<u>\$ 1,477,734</u>	<u>\$ 3,018,400</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:

<u>Year Ending June 30</u>	<u>School Department</u>
2024	\$ (440,722)
2025	(440,722)
2026	(437,173)
2027	(390,711)
2028	(172,657)
Thereafter	(25,397)

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>		Current Discount Rate	
	1% Decrease		1% Increase
	2.54%	3.54%	4.54%
Proportionate Share of the Collective Total OPEB Liability	\$ 6,447,983	\$ 6,054,957	\$ 5,680,074

*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>		Current Trend Rates	
	1% Decrease		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	\$ 5,531,698	\$ 6,054,957	\$ 6,653,369

**J. Office of Central Accounting, Budgeting, and Purchasing**

Giles County operates under provisions of the County Financial Management System of 1981. This act provides for a central system of accounting,

budgeting, and purchasing for all county departments. The act also provides for the creation of a finance department operated under the direction of the finance director.

**K. Purchasing Laws**

The County Financial Management System of 1981 provides for the finance director or a deputy appointed by her to serve as the county purchasing agent. The finance director serves as the purchasing agent for Giles County. All purchase orders are issued by the finance department. Purchases exceeding \$50,000 are required to be competitively bid.

# **REQUIRED SUPPLEMENTARY INFORMATION**

Exhibit E-1

Giles 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	\$ 952,702	\$ 982,440	\$ 1,030,238	\$ 1,076,819	\$ 1,092,492	\$ 1,109,522	\$ 1,224,048	\$ 1,236,172	\$ 1,346,657
Interest	2,489,941	2,565,618	2,704,157	2,809,854	2,909,654	3,042,567	3,193,068	3,332,567	3,537,125
Differences Between Actual and Expected Experience	(810,619)	5,047	(555,100)	(356,998)	(172,056)	(26,396)	(39,636)	(347,294)	1,763,226
Changes in Assumptions	0	0	0	1,004,588	0	0	0	4,660,083	0
Benefit Payments, Including Refunds of Employee Contributions	(1,593,055)	(1,712,421)	(1,794,996)	(1,838,170)	(1,924,832)	(2,102,854)	(2,225,815)	(2,705,157)	(2,408,057)
Net Change in Total Pension Liability	\$ 1,038,969	\$ 1,840,684	\$ 1,384,299	\$ 2,696,093	\$ 1,905,258	\$ 2,022,839	\$ 2,151,665	\$ 6,176,371	\$ 4,238,951
Total Pension Liability, Beginning	33,043,039	34,082,008	35,922,692	37,306,991	40,003,084	41,908,342	43,931,181	46,082,846	52,259,217
Total Pension Liability, Ending (a)	\$ 34,082,008	\$ 35,922,692	\$ 37,306,991	\$ 40,003,084	\$ 41,908,342	\$ 43,931,181	\$ 46,082,846	\$ 52,259,217	\$ 56,498,168
<b>Plan Fiduciary Net Position</b>									
Contributions - Employer	\$ 908,191	\$ 488,022	\$ 497,517	\$ 494,211	\$ 508,783	\$ 539,193	\$ 539,269	\$ 544,330	\$ 595,120
Contributions - Employee	548,876	580,117	595,120	594,687	608,883	644,970	662,500	668,715	749,074
Net Investment Income	5,355,070	1,146,737	999,481	4,297,919	3,437,212	3,272,111	2,291,940	12,177,252	(2,221,309)
Benefit Payments, Including Refunds of Employee Contributions	(1,593,055)	(1,712,421)	(1,794,996)	(1,838,170)	(1,924,832)	(2,102,854)	(2,225,815)	(2,705,157)	(2,408,057)
Administrative Expense	(16,188)	(21,498)	(32,166)	(35,224)	(39,338)	(38,188)	(37,555)	(36,741)	(42,396)
Other	0	0	5,961	2,005	0	0	0	0	0
Net Change in Plan Fiduciary Net Position	\$ 5,202,894	\$ 480,957	\$ 270,917	\$ 3,515,428	\$ 2,590,708	\$ 2,315,232	\$ 1,230,339	\$ 10,648,399	\$ (3,327,568)
Plan Fiduciary Net Position, Beginning	32,362,290	37,565,184	38,046,141	38,317,058	41,832,486	44,423,194	46,738,426	47,968,765	58,617,164
Plan Fiduciary Net Position, Ending (b)	\$ 37,565,184	\$ 38,046,141	\$ 38,317,058	\$ 41,832,486	\$ 44,423,194	\$ 46,738,426	\$ 47,968,765	\$ 58,617,164	\$ 55,289,596
Net Pension Liability (Asset), Ending (a - b)	\$ (3,483,176)	\$ (2,123,449)	\$ (1,010,067)	\$ (1,829,402)	\$ (2,514,852)	\$ (2,807,245)	\$ (1,885,919)	\$ (6,357,947)	\$ 1,208,572
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	110.22%	105.91%	102.71%	104.57%	106.00%	106.39%	104.09%	112.17%	97.86%
Covered Payroll	\$ 10,968,489	\$ 11,675,167	\$ 11,940,989	\$ 11,901,562	\$ 12,171,868	\$ 12,899,358	\$ 13,249,951	\$ 13,374,235	\$ 14,622,122
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(31.76)%	(18.19)%	(8.46)%	(15.37)%	(20.66)%	(21.76)%	(14.23)%	(47.54)%	8.27%

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 the non-certified employees of the discretely presented school department.

Exhibit E-2

Giles 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	\$ 908,191	\$ 488,022	\$ 497,517	\$ 494,211	\$ 508,783	\$ 539,193	\$ 539,269	\$ 544,330	\$ 595,120	\$ 1,061,560
Less: Contributions in Relation to the Actuarially Determined Contribution	(908,191)	(488,022)	(497,517)	(494,211)	(508,783)	(539,193)	(539,269)	(544,330)	(595,120)	(1,061,560)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 10,968,489	\$ 11,675,167	\$ 11,940,989	\$ 11,901,562	\$ 12,171,868	\$ 12,899,358	\$ 13,249,951	\$ 13,374,235	\$ 14,622,122	\$ 15,274,245
Contributions as a Percentage of Covered Payroll	8.28%	4.18%	4.17%	4.15%	4.18%	4.18%	4.07%	4.07%	4.07%	6.95%

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 the non-certified employees of the discretely presented school department.

Exhibit E-3

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually Required Contribution	\$ 28,966	\$ 59,717	\$ 104,782	\$ 151,405	\$ 81,032	\$ 94,513	\$ 102,398	\$ 111,745	\$ 172,848
Less: Contributions in Relation to the Contractually Required Contribution	(28,966)	(59,717)	(104,782)	(151,405)	(81,032)	(94,513)	(102,398)	(111,745)	(172,848)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 724,130	\$ 1,492,919	\$ 2,619,564	\$ 3,785,109	\$ 4,176,882	\$ 4,655,748	\$ 5,069,233	\$ 5,559,394	\$ 6,022,566
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

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually Required Contribution	\$ 1,288,367	\$ 1,261,575	\$ 1,241,432	\$ 1,195,473	\$ 1,132,204	\$ 1,271,070	\$ 1,266,832	\$ 1,252,042	\$ 1,192,767	\$ 975,184
Less: Contributions in Relation to the Contractually Required Contribution	(1,288,367)	(1,261,575)	(1,241,432)	(1,195,473)	(1,132,204)	(1,271,070)	(1,266,832)	(1,252,042)	(1,192,767)	(975,184)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 14,508,633	\$ 13,955,478	\$ 13,732,673	\$ 13,224,273	\$ 12,469,176	\$ 12,151,686	\$ 11,917,520	\$ 12,191,248	\$ 11,580,275	\$ 11,221,910
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

Giles County, Tennessee  
Schedule of Proportionate Share of the Net Pension Liability (Asset)  
in the Teacher Retirement Plan of TCRS  
Discretely Presented Giles 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)	0.348523%	0.339297%	0.399117%	0.433141%	0.394716%	0.368946%	0.351243%	0.325553%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (14,021)	\$ (35,322)	\$ (105,300)	\$ (196,441)	\$ (222,812)	\$ (209,798)	\$ (380,471)	\$ (98,618)
Covered Payroll	\$ 724,130	\$ 1,492,919	\$ 2,619,564	\$ 3,785,109	\$ 4,176,882	\$ 4,655,748	\$ 5,069,233	\$ 5,559,394
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

Giles County, Tennessee  
Schedule of Proportionate Share of the Net Pension Liability (Asset)  
in the Teacher Legacy Pension Plan of TCRS  
Discretely Presented Giles 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)	0.369647%	0.372792%	0.380427%	0.374100%	0.356093%	0.362398%	0.358071%	0.371439%	0.351883%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (60,066)	\$ 152,708	\$ 2,377,458	\$ (122,399)	\$ (1,253,060)	\$ (3,726,104)	\$ (2,730,554)	\$ (16,021,047)	\$ (4,315,517)
Covered Payroll	\$ 14,508,632	\$ 13,955,478	\$ 13,732,673	\$ 13,224,273	\$ 12,469,176	\$ 12,151,686	\$ 11,917,520	\$ 12,191,248	\$ 11,580,275
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.

Exhibit E-7

Giles County, Tennessee  
Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Government Plan  
Primary Government  
For the Fiscal Year Ended June 30

	2017	2018	2019	2020	2021	2022
<b>Total OPEB Liability</b>						
Service Cost	\$ 34,111	\$ 31,473	\$ 39,122	\$ 39,913	\$ 51,182	\$ 36,480
Interest	14,391	17,772	18,582	17,538	13,267	9,273
Differences Between Actual and Expected Experience	0	(61,424)	(90,888)	(6,706)	(71,535)	(77,517)
Changes in Assumptions or Other Inputs	(24,839)	31,780	27,842	47,694	(142,395)	(116,199)
Benefit Payments	(13,222)	(16,137)	(10,230)	(7,961)	(10,142)	(3,458)
Net Change in Total OPEB Liability	\$ 10,441	\$ 3,464	\$ (15,572)	\$ 90,478	\$ (159,623)	\$ (151,421)
Total OPEB Liability, Beginning	465,359	475,800	479,264	463,692	554,170	394,547
Total OPEB Liability, Ending	<u>\$ 475,800</u>	<u>\$ 479,264</u>	<u>\$ 463,692</u>	<u>\$ 554,170</u>	<u>\$ 394,547</u>	<u>\$ 243,126</u>
Covered Employee Payroll	\$ 7,776,614	\$ 7,931,089	\$ 8,478,917	\$ 8,814,521	\$ 8,957,764	\$ 9,612,113
Net OPEB Liability as a Percentage of Covered Employee Payroll	6.12%	6.04%	5.47%	6.29%	4.40%	2.53%

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:

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 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.

Exhibit E-8

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

	2017	2018	2019	2020	2021	2022
<b>Total OPEB Liability</b>						
Service Cost	\$ 522,102	\$ 481,933	\$ 467,372	\$ 396,629	\$ 368,911	\$ 413,903
Interest	326,901	386,944	361,996	328,999	180,001	193,433
Changes in Benefit Terms	0	1,079,737	(173,437)	0	314,090	0
Differences Between Actual and Expected Experience	0	(2,434,031)	67,712	(2,195,384)	431,556	660,574
Changes in Assumptions or Other Inputs	(458,844)	331,943	(671,178)	739,184	(83,242)	(768,030)
Benefit Payments	(643,246)	(708,784)	(700,063)	(514,947)	(423,069)	(468,988)
Net Change in Total OPEB Liability	\$ (253,087)	\$ (862,258)	\$ (647,598)	\$ (1,245,519)	\$ 788,247	\$ 30,892
Total OPEB Liability, Beginning	10,994,769	10,741,682	9,879,424	9,231,826	7,986,307	8,774,554
Total OPEB Liability, Ending	<u>\$ 10,741,682</u>	<u>\$ 9,879,424</u>	<u>\$ 9,231,826</u>	<u>\$ 7,986,307</u>	<u>\$ 8,774,554</u>	<u>\$ 8,805,446</u>
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 2,831,357	\$ 2,449,524	\$ 2,390,739	\$ 2,281,147	\$ 2,629,192	\$ 2,750,489
Employer Proportionate Share of the Total OPEB Liability	7,910,325	7,429,900	6,841,087	5,705,160	6,145,362	6,054,957
Covered Employee Payroll	\$ 20,372,680	\$ 20,494,220	\$ 20,799,119	\$ 20,415,281	\$ 22,210,635	\$ 21,814,099
Employer Proportionate Share of the Total OPEB Liability as a Percentage of Covered Employee Payroll	38.83%	36.25%	32.89%	27.95%	27.67%	27.76%

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:

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 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.

**GILES 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 June 30, 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 Adjustment	2.125%

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

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

# Nonmajor Governmental Funds

## Special Revenue Funds

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

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

Probation Settlement Fund – The Probation Settlement Fund is used to account for revenues held for the probation lawsuit remediation.

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.

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## 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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## Capital Projects Fund

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The General Capital Projects Fund is 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.

Exhibit F-1

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

	Special Revenue Funds			Debt Service Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
	Drug Control	Probation Settlement	Total	General Debt Service	General Capital Projects	
<u>ASSETS</u>						
Equity in Pooled Cash and Investments	\$ 94,440	\$ 72,438	\$ 166,878	\$ 482,983	\$ 3,780	\$ 653,641
Total Assets	\$ 94,440	\$ 72,438	\$ 166,878	\$ 482,983	\$ 3,780	\$ 653,641
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 1,287	\$ 1,287	\$ 0	\$ 0	\$ 1,287
Total Liabilities	\$ 0	\$ 1,287	\$ 1,287	\$ 0	\$ 0	\$ 1,287
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Administration of Justice	\$ 0	\$ 71,151	\$ 71,151	\$ 0	\$ 0	\$ 71,151
Restricted for Public Safety	94,440	0	94,440	0	0	94,440
Restricted for Capital Outlay	0	0	0	0	3,780	3,780
Committed:						
Committed for Education	0	0	0	107,332	0	107,332
Committed for Debt Service	0	0	0	375,651	0	375,651
Total Fund Balances	\$ 94,440	\$ 71,151	\$ 165,591	\$ 482,983	\$ 3,780	\$ 652,354
Total Liabilities and Fund Balances	\$ 94,440	\$ 72,438	\$ 166,878	\$ 482,983	\$ 3,780	\$ 653,641

## Exhibit F-2

Giles 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				Debt Service Fund
	Drug Control	Probation Settlement	Constitu - tional Officers - Fees	Total	General Debt Service
<u>Revenues</u>					
Fines, Forfeitures, and Penalties	\$ 49,941	\$ 0	\$ 0	\$ 49,941	\$ 0
Charges for Current Services	0	0	74,784	74,784	0
Other Local Revenues	260	0	0	260	10,580
Other Governments and Citizens Groups	100	0	0	100	0
Total Revenues	<u>\$ 50,301</u>	<u>\$ 0</u>	<u>\$ 74,784</u>	<u>\$ 125,085</u>	<u>\$ 10,580</u>
<u>Expenditures</u>					
Current:					
Finance	\$ 0	\$ 0	\$ 4,438	\$ 4,438	\$ 0
Administration of Justice	0	43,953	70,346	114,299	0
Public Safety	60,477	0	0	60,477	0
Total Expenditures	<u>\$ 60,477</u>	<u>\$ 43,953</u>	<u>\$ 74,784</u>	<u>\$ 179,214</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (10,176)</u>	<u>\$ (43,953)</u>	<u>\$ 0</u>	<u>\$ (54,129)</u>	<u>\$ 10,580</u>
Net Change in Fund Balances	\$ (10,176)	\$ (43,953)	\$ 0	\$ (54,129)	\$ 10,580
Fund Balance, July 1, 2022	<u>104,616</u>	<u>115,104</u>	<u>0</u>	<u>219,720</u>	<u>472,403</u>
Fund Balance, June 30, 2023	<u>\$ 94,440</u>	<u>\$ 71,151</u>	<u>\$ 0</u>	<u>\$ 165,591</u>	<u>\$ 482,983</u>

(Continued)

Exhibit F-2

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

	<u>Capital</u> <u>Projects Fund</u>		Total Nonmajor Governmental Funds	
	General	Capital	Projects	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$	0	\$	49,941
Charges for Current Services		0		74,784
Other Local Revenues		0		10,840
Other Governments and Citizens Groups		0		100
Total Revenues	\$	0	\$	135,665
<u>Expenditures</u>				
Current:				
Finance	\$	0	\$	4,438
Administration of Justice		0		114,299
Public Safety		0		60,477
Total Expenditures	\$	0	\$	179,214
Excess (Deficiency) of Revenues Over Expenditures	\$	0	\$	(43,549)
Net Change in Fund Balances	\$	0	\$	(43,549)
Fund Balance, July 1, 2022		3,780		695,903
Fund Balance, June 30, 2023	\$	3,780	\$	652,354

## Exhibit F-3

Giles County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Drug Control Fund  
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 49,941	\$ 17,000	\$ 17,000	\$ 32,941
Other Local Revenues	260	0	0	260
Other Governments and Citizens Groups	100	0	0	100
Total Revenues	<u>\$ 50,301</u>	<u>\$ 17,000</u>	<u>\$ 17,000</u>	<u>\$ 33,301</u>
<u>Expenditures</u>				
Public Safety				
Drug Enforcement	\$ 60,477	\$ 29,450	\$ 74,450	\$ 13,973
Total Expenditures	<u>\$ 60,477</u>	<u>\$ 29,450</u>	<u>\$ 74,450</u>	<u>\$ 13,973</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (10,176)</u>	<u>\$ (12,450)</u>	<u>\$ (57,450)</u>	<u>\$ 47,274</u>
Net Change in Fund Balance	\$ (10,176)	\$ (12,450)	\$ (57,450)	\$ 47,274
Fund Balance, July 1, 2022	<u>104,616</u>	<u>85,899</u>	<u>104,616</u>	<u>0</u>
Fund Balance, June 30, 2023	<u><u>\$ 94,440</u></u>	<u><u>\$ 73,449</u></u>	<u><u>\$ 47,166</u></u>	<u><u>\$ 47,274</u></u>

## Exhibit F-4

Giles County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Probation Settlement Fund  
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<u>Expenditures</u>				
<u>Administration of Justice</u>				
Other Administration of Justice	\$ 43,953	\$ 107,500	\$ 107,500	\$ 63,547
Total Expenditures	\$ 43,953	\$ 107,500	\$ 107,500	\$ 63,547
Excess (Deficiency) of Revenues Over Expenditures	\$ (43,953)	\$ (107,500)	\$ (107,500)	\$ 63,547
Net Change in Fund Balance	\$ (43,953)	\$ (107,500)	\$ (107,500)	\$ 63,547
Fund Balance, July 1, 2022	115,104	107,500	115,104	0
Fund Balance, June 30, 2023	\$ 71,151	\$ 0	\$ 7,604	\$ 63,547

## Exhibit F-5

Giles 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>				
Other Local Revenues	\$ 10,580	\$ 0	\$ 0	\$ 10,580
Total Revenues	\$ 10,580	\$ 0	\$ 0	\$ 10,580
 Total Expenditures	 \$ 0	 \$ 0	 \$ 0	 \$ 0
 Excess (Deficiency) of Revenues Over Expenditures	 \$ 10,580	 \$ 0	 \$ 0	 \$ 10,580
 Net Change in Fund Balance	 \$ 10,580	 \$ 0	 \$ 0	 \$ 10,580
Fund Balance, July 1, 2022	472,403	471,318	472,403	0
 Fund Balance, June 30, 2023	 \$ 482,983	 \$ 471,318	 \$ 472,403	 \$ 10,580

## Exhibit F-6

Giles 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	
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 0	\$ 0	\$ 0
Net Change in Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balance, July 1, 2022	3,780	0	0	3,780
Fund Balance, June 30, 2023	\$ 3,780	\$ 0	\$ 0	\$ 3,780

# **Major Governmental Fund**

## **Other Capital Projects Fund**

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The Other Capital Projects Fund is used to account for other general capital expenditures of the county.

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## Exhibit G

Giles County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Other Capital Projects Fund  
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 853,044	\$ 441,041	\$ 441,041	\$ 412,003
Total Revenues	\$ 853,044	\$ 441,041	\$ 441,041	\$ 412,003
<u>Expenditures</u>				
<u>Capital Projects</u>				
Public Safety Projects	\$ 1,650,000	\$ 0	\$ 1,650,000	\$ 0
Other General Government Projects	9,016	28,000	28,000	18,984
Total Expenditures	\$ 1,659,016	\$ 28,000	\$ 1,678,000	\$ 18,984
Excess (Deficiency) of Revenues Over Expenditures	\$ (805,972)	\$ 413,041	\$ (1,236,959)	\$ 430,987
Net Change in Fund Balance	\$ (805,972)	\$ 413,041	\$ (1,236,959)	\$ 430,987
Fund Balance, July 1, 2022	5,630,354	5,490,928	5,630,354	0
Fund Balance, June 30, 2023	\$ 4,824,382	\$ 5,903,969	\$ 4,393,395	\$ 430,987

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

Exhibit H-1

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

	<u>Custodial Funds</u>		
	Cities -	Constitu -	
	Sales	Officers -	
	Tax	Custodial	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 2,148,828	\$ 2,148,828
Accounts Receivable	0	465	465
Due from Other Governments	842,184	0	842,184
Cash Shortage	0	553	553
Total Assets	<u>\$ 842,184</u>	<u>\$ 2,149,846</u>	<u>\$ 2,992,030</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 842,184	\$ 0	\$ 842,184
Total Liabilities	<u>\$ 842,184</u>	<u>\$ 0</u>	<u>\$ 842,184</u>
<u>NET POSITION</u>			
Restricted for Individuals, Organizations, and Other Governments	<u>\$ 0</u>	<u>\$ 2,149,846</u>	<u>\$ 2,149,846</u>
Total Net Position	<u><u>\$ 0</u></u>	<u><u>\$ 2,149,846</u></u>	<u><u>\$ 2,149,846</u></u>

## Exhibit H-2

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

	Custodial Funds		
	Cities - Sales Tax	Constitu - tional Officers - Custodial	Total
<u>Additions</u>			
Sales Tax Collections for Other Governments	\$ 4,792,744	\$ 0	\$ 4,792,744
Fines/Fees and Other Collections	0	9,047,163	9,047,163
Total Additions	\$ 4,792,744	\$ 9,047,163	\$ 13,839,907
<u>Deductions</u>			
Payment of Sales Tax Collections to Other Governments	\$ 4,745,091	\$ 0	\$ 4,745,091
Payments to State	0	4,305,681	4,305,681
Payments to Cities, Individuals and Others	47,653	4,192,670	4,240,323
Total Deductions	\$ 4,792,744	\$ 8,498,351	\$ 13,291,095
Change in Net Position	\$ 0	\$ 548,812	\$ 548,812
Net Position July 1, 2022	0	1,601,034	1,601,034
Net Position June 30, 2023	\$ 0	\$ 2,149,846	\$ 2,149,846

# Giles County School Department

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

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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.

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

## Exhibit I-1

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

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:				
Instruction	\$ 20,637,996	\$ 500	\$ 2,098,106	\$ (18,539,390)
Support Services	16,038,227	67,659	478,112	(15,492,456)
Operation of Non-instructional Services	4,994,335	1,756,836	2,989,638	(247,861)
Total Governmental Activities	<u>\$ 41,670,558</u>	<u>\$ 1,824,995</u>	<u>\$ 5,565,856</u>	<u>\$ (34,279,707)</u>
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 6,784,405
Local Option Sales Tax				6,162,600
Grants and Contributions Not Restricted to Specific Programs				25,611,909
Unrestricted Investment Earnings				7,291
Miscellaneous				17,391
Total General Revenues				<u>\$ 38,583,596</u>
Change in Net Position				\$ 4,303,889
Net Position, July 1, 2022				<u>37,300,067</u>
Net Position, June 30, 2023				<u>\$ 41,603,956</u>

Exhibit I-2

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

	Major Funds			Nonmajor Funds	
	General Purpose School	School Federal Projects	Other Education Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 982,498	\$ 982,498
Equity in Pooled Cash and Investments	4,797,532	184,483	10,825,507	3,058,273	18,865,795
Inventories	0	0	0	38,927	38,927
Accounts Receivable	145,593	0	0	2,407	148,000
Due from Other Governments	2,192,825	557,425	0	41,437	2,791,687
Property Taxes Receivable	6,709,184	0	0	0	6,709,184
Allowance for Uncollectible Property Taxes	(134,245)	0	0	0	(134,245)
Restricted Assets	485,975	0	0	0	485,975
Total Assets	<u>\$ 14,196,864</u>	<u>\$ 741,908</u>	<u>\$ 10,825,507</u>	<u>\$ 4,123,542</u>	<u>\$ 29,887,821</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 36,609	\$ 2,826	\$ 0	\$ 0	\$ 39,435
Payroll Deductions Payable	713,523	87,795	0	38,335	839,653
Other Withholding Taxes	11,960	654	0	0	12,614
Total Liabilities	<u>\$ 762,092</u>	<u>\$ 91,275</u>	<u>\$ 0</u>	<u>\$ 38,335</u>	<u>\$ 891,702</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 6,342,337	\$ 0	\$ 0	\$ 0	\$ 6,342,337
Deferred Delinquent Property Taxes	220,355	0	0	0	220,355
Other Deferred/Unavailable Revenue	530,525	0	0	0	530,525
Total Deferred Inflows of Resources	<u>\$ 7,093,217</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 7,093,217</u>

(Continued)

## Exhibit I-2

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

	Major Funds			Nonmajor Funds	
	General Purpose School	School Federal Projects	Other Education Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>FUND BALANCES</u>					
Nonspendable:					
Inventory	\$ 0	\$ 0	\$ 0	\$ 38,927	\$ 38,927
Restricted:					
Restricted for Education	0	633	0	3,344,050	3,344,683
Restricted for Hybrid Retirement Stabilization Funds	485,975	0	0	0	485,975
Committed:					
Committed for Education	0	650,000	0	0	650,000
Committed for Capital Outlay	0	0	10,825,507	702,230	11,527,737
Unassigned	5,855,580	0	0	0	5,855,580
Total Fund Balances	<u>\$ 6,341,555</u>	<u>\$ 650,633</u>	<u>\$ 10,825,507</u>	<u>\$ 4,085,207</u>	<u>\$ 21,902,902</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 14,196,864</u>	<u>\$ 741,908</u>	<u>\$ 10,825,507</u>	<u>\$ 4,123,542</u>	<u>\$ 29,887,821</u>

Exhibit I-3

Giles County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position  
Discretely Presented Giles 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 I-2)		\$ 21,902,902
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 621,198	
Add: construction in progress	2,495,665	
Add: buildings and improvements net of accumulated depreciation	11,456,908	
Add: other capital assets net of accumulated depreciation	<u>2,307,446</u>	16,881,217
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: compensated absences payable	\$ (144,939)	
Less: net pension liability - agent plan	(414,178)	
Less: net OPEB liability	<u>(6,054,957)</u>	(6,614,074)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 6,720,406	
Less: deferred inflows of resources related to pensions	(910,844)	
Add: deferred outflows of resources related to OPEB	1,477,734	
Less: deferred inflows of resources related to OPEB	<u>(3,018,400)</u>	4,268,896
(4) Net pension assets of the agent, teacher retirement, and teacher legacy pension plans are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - teacher retirement plan	\$ 98,618	
Add: net pension asset - teacher legacy pension plan	<u>4,315,517</u>	4,414,135
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>750,880</u>
Net position of governmental activities (Exhibit A)		<u>\$ 41,603,956</u>

## Exhibit I-4

Giles County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Governmental Funds  
Discretely Presented Giles County School Department  
For the Year Ended June 30, 2023

	Major Funds			Nonmajor Funds	
	General Purpose School	School Federal Projects	Other Education Capital Projects	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>					
Local Taxes	\$ 12,915,068	\$ 0	\$ 0	\$ 0	\$ 12,915,068
Licenses and Permits	1,843	0	0	0	1,843
Charges for Current Services	70,640	0	0	148,366	219,006
Other Local Revenues	15,945	0	0	1,614,726	1,630,671
State of Tennessee	22,649,535	0	0	17,831	22,667,366
Federal Government	134,403	5,520,049	0	2,507,810	8,162,262
Other Governments and Citizens Groups	200,000	0	0	0	200,000
Total Revenues	\$ 35,987,434	\$ 5,520,049	\$ 0	\$ 4,288,733	\$ 45,796,216
<u>Expenditures</u>					
Current:					
Instruction	\$ 19,508,886	\$ 3,594,849	\$ 0	\$ 0	\$ 23,103,735
Support Services	12,725,225	1,882,317	0	0	14,607,542
Operation of Non-Instructional Services	865,297	42,250	0	4,085,756	4,993,303
Capital Projects	0	0	1,926,810	113,236	2,040,046
Total Expenditures	\$ 33,099,408	\$ 5,519,416	\$ 1,926,810	\$ 4,198,992	\$ 44,744,626
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,888,026	\$ 633	\$ (1,926,810)	\$ 89,741	\$ 1,051,590
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 25,091	\$ 0	\$ 0	\$ 3,337	\$ 28,428
Transfers In	0	0	5,000,000	750,000	5,750,000
Transfers Out	(5,750,000)	0	0	0	(5,750,000)
Total Other Financing Sources (Uses)	\$ (5,724,909)	\$ 0	\$ 5,000,000	\$ 753,337	\$ 28,428
Net Change in Fund Balances	\$ (2,836,883)	\$ 633	\$ 3,073,190	\$ 843,078	\$ 1,080,018
Fund Balance, July 1, 2022	9,178,438	650,000	7,752,317	3,242,129	20,822,884
Fund Balance, June 30, 2023	\$ 6,341,555	\$ 650,633	\$ 10,825,507	\$ 4,085,207	\$ 21,902,902

Exhibit I-5

Giles County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds to the Statement of Activities  
Discretely Presented Giles 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 I-4)		\$ 1,080,018
(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	\$ 3,240,108	
Less: current-year depreciation expense	<u>(1,320,142)</u>	1,919,966
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2022	\$ (686,188)	
Add: deferred delinquent property taxes and other deferred June 30, 2023	<u>750,880</u>	64,692
(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	\$ (2,513,572)	
Change in net pension asset - teacher retirement plan	(281,853)	
Change in net pension asset - teacher legacy pension plan	(11,705,530)	
Change in deferred outflows of resources related to pensions	(451,781)	
Change in deferred inflows of resources related to pensions	15,833,973	
Change in deferred outflows of resources related to OPEB	267,997	
Change in deferred inflows of resources related to OPEB	31,409	
Change in compensated absences payable	(31,835)	
Change in net OPEB liability	<u>90,405</u>	<u>1,239,213</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 4,303,889</u>

## Exhibit I-6

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

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	Central Cafeteria	Internal School	Total	Education Capital Projects	
<u>ASSETS</u>					
Cash	\$ 1	\$ 982,497	\$ 982,498	\$ 0	\$ 982,498
Equity in Pooled Cash and Investments	2,356,043	0	2,356,043	702,230	3,058,273
Inventories	38,927	0	38,927	0	38,927
Accounts Receivable	0	2,407	2,407	0	2,407
Due from Other Governments	41,437	0	41,437	0	41,437
Total Assets	\$ 2,436,408	\$ 984,904	\$ 3,421,312	\$ 702,230	\$ 4,123,542
<u>LIABILITIES</u>					
Payroll Deductions Payable	\$ 38,335	\$ 0	\$ 38,335	\$ 0	\$ 38,335
Total Liabilities	\$ 38,335	\$ 0	\$ 38,335	\$ 0	\$ 38,335
<u>FUND BALANCES</u>					
Nonspendable:					
Inventory	\$ 38,927	\$ 0	\$ 38,927	\$ 0	\$ 38,927
Restricted:					
Restricted for Education	2,359,146	984,904	3,344,050	0	3,344,050
Committed:					
Committed for Capital Outlay	0	0	0	702,230	702,230
Total Fund Balances	\$ 2,398,073	\$ 984,904	\$ 3,382,977	\$ 702,230	\$ 4,085,207
Total Liabilities and Fund Balances	\$ 2,436,408	\$ 984,904	\$ 3,421,312	\$ 702,230	\$ 4,123,542

Exhibit I-7

Giles County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Nonmajor Governmental Funds  
Discretely Presented Giles County School Department  
For the Year Ended June 30, 2023

	<u>Special Revenue Funds</u>			<u>Capital</u> <u>Projects Fund</u>	<u>Total</u> <u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>
	<u>Central</u> <u>Cafeteria</u>	<u>Internal</u> <u>School</u>	<u>Total</u>	<u>Education</u> <u>Capital</u> <u>Projects</u>	
<u>Revenues</u>					
Charges for Current Services	\$ 148,366	\$ 0	\$ 148,366	\$ 0	\$ 148,366
Other Local Revenues	8,737	1,605,989	1,614,726	0	1,614,726
State of Tennessee	17,831	0	17,831	0	17,831
Federal Government	2,507,810	0	2,507,810	0	2,507,810
Total Revenues	<u>\$ 2,682,744</u>	<u>\$ 1,605,989</u>	<u>\$ 4,288,733</u>	<u>\$ 0</u>	<u>\$ 4,288,733</u>
<u>Expenditures</u>					
Current:					
Operation of Non-Instructional Services	\$ 2,540,296	\$ 1,545,460	\$ 4,085,756	\$ 0	\$ 4,085,756
Capital Projects	0	0	0	113,236	113,236
Total Expenditures	<u>\$ 2,540,296</u>	<u>\$ 1,545,460</u>	<u>\$ 4,085,756</u>	<u>\$ 113,236</u>	<u>\$ 4,198,992</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 142,448</u>	<u>\$ 60,529</u>	<u>\$ 202,977</u>	<u>\$ (113,236)</u>	<u>\$ 89,741</u>
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 3,337	\$ 0	\$ 3,337	\$ 0	\$ 3,337
Transfers In	0	0	0	750,000	750,000
Total Other Financing Sources (Uses)	<u>\$ 3,337</u>	<u>\$ 0</u>	<u>\$ 3,337</u>	<u>\$ 750,000</u>	<u>\$ 753,337</u>
Net Change in Fund Balances	\$ 145,785	\$ 60,529	\$ 206,314	\$ 636,764	\$ 843,078
Fund Balance, July 1, 2022	<u>2,252,288</u>	<u>924,375</u>	<u>3,176,663</u>	<u>65,466</u>	<u>3,242,129</u>
Fund Balance, June 30, 2023	<u>\$ 2,398,073</u>	<u>\$ 984,904</u>	<u>\$ 3,382,977</u>	<u>\$ 702,230</u>	<u>\$ 4,085,207</u>

## Exhibit I-8

Giles County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Giles County School Department  
General Purpose School Fund  
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 12,915,068	\$ 10,644,035	\$ 10,644,035	\$ 2,271,033
Licenses and Permits	1,843	2,100	2,100	(257)
Charges for Current Services	70,640	102,000	102,000	(31,360)
Other Local Revenues	15,945	36,000	36,000	(20,055)
State of Tennessee	22,649,535	21,688,318	25,276,484	(2,626,949)
Federal Government	134,403	135,000	135,000	(597)
Other Governments and Citizens Groups	200,000	202,000	202,000	(2,000)
Total Revenues	\$ 35,987,434	\$ 32,809,453	\$ 36,397,619	\$ (410,185)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 15,473,526	\$ 15,129,346	\$ 15,980,742	\$ 507,216
Special Education Program	2,913,077	3,008,466	2,947,454	34,377
Career and Technical Education Program	1,122,283	1,123,164	3,040,790	1,918,507
<u>Support Services</u>				
Attendance	150,847	158,640	158,640	7,793
Health Services	557,937	569,320	569,320	11,383
Other Student Support	895,369	955,471	955,471	60,102
Regular Instruction Program	895,924	923,021	1,024,388	128,464
Special Education Program	331,864	272,161	333,173	1,309
Career and Technical Education Program	152,221	157,783	196,883	44,662
Technology	488,138	452,151	525,663	37,525
Other Programs	172,880	0	172,880	0
Board of Education	980,853	1,009,557	1,009,557	28,704
Director of Schools	384,916	408,769	408,769	23,853
Office of the Principal	2,443,988	2,470,318	2,470,318	26,330
Operation of Plant	2,176,055	2,217,089	2,217,089	41,034
Maintenance of Plant	751,907	756,589	1,035,873	283,966
Transportation	2,342,326	2,292,853	3,231,773	889,447
<u>Operation of Non-Instructional Services</u>				
Community Services	261,076	309,755	283,846	22,770
Early Childhood Education	604,221	595,000	608,647	4,426
<u>Capital Outlay</u>				
Regular Capital Outlay	0	0	677,233	677,233
Total Expenditures	\$ 33,099,408	\$ 32,809,453	\$ 37,848,509	\$ 4,749,101
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,888,026	\$ 0	\$ (1,450,890)	\$ 4,338,916
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 25,091	\$ 0	\$ 0	\$ 25,091
Transfers Out	(5,750,000)	0	(5,750,000)	0
Total Other Financing Sources	\$ (5,724,909)	\$ 0	\$ (5,750,000)	\$ 25,091
Net Change in Fund Balance	\$ (2,836,883)	\$ 0	\$ (7,200,890)	\$ 4,364,007
Fund Balance, July 1, 2022	9,178,438	8,018,431	9,178,438	0
Fund Balance, June 30, 2023	\$ 6,341,555	\$ 8,018,431	\$ 1,977,548	\$ 4,364,007

## Exhibit I-9

Giles County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Giles County School Department  
School Federal Projects Fund  
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 5,520,049	\$ 11,065,540	\$ 11,909,023	\$ (6,388,974)
Total Revenues	\$ 5,520,049	\$ 11,065,540	\$ 11,909,023	\$ (6,388,974)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 2,400,162	\$ 4,231,116	\$ 4,676,277	\$ 2,276,115
Special Education Program	1,118,756	1,144,759	1,349,057	230,301
Career and Technical Education Program	75,931	67,646	75,939	8
<u>Support Services</u>				
Attendance	0	144,080	94,080	94,080
Health Services	23,781	87,600	87,600	63,819
Other Student Support	55,733	151,616	164,570	108,837
Regular Instruction Program	595,097	1,947,566	2,163,840	1,568,743
Special Education Program	87,782	95,005	139,404	51,622
Career and Technical Education Program	352	3,783	352	0
Technology	141,599	538,205	420,215	278,616
Office of the Principal	928,000	2,372,504	2,472,029	1,544,029
Operation of Plant	49,973	95,000	79,000	29,027
Transportation	0	76,480	76,480	76,480
<u>Operation of Non-Instructional Services</u>				
Food Service	42,250	110,180	110,180	67,930
Total Expenditures	\$ 5,519,416	\$ 11,065,540	\$ 11,909,023	\$ 6,389,607
Excess (Deficiency) of Revenues Over Expenditures	\$ 633	\$ 0	\$ 0	\$ 633
Net Change in Fund Balance	\$ 633	\$ 0	\$ 0	\$ 633
Fund Balance, July 1, 2022	650,000	650,000	650,000	0
Fund Balance, June 30, 2023	\$ 650,633	\$ 650,000	\$ 650,000	\$ 633

## Exhibit I-10

Giles County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Giles 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	\$ 148,366	\$ 91,000	\$ 91,000	\$ 57,366
Other Local Revenues	8,737	4,500	4,500	4,237
State of Tennessee	17,831	19,341	19,341	(1,510)
Federal Government	2,507,810	1,991,310	2,173,724	334,086
Total Revenues	<u>\$ 2,682,744</u>	<u>\$ 2,106,151</u>	<u>\$ 2,288,565</u>	<u>\$ 394,179</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 2,540,296	\$ 2,830,896	\$ 3,013,310	\$ 473,014
Total Expenditures	<u>\$ 2,540,296</u>	<u>\$ 2,830,896</u>	<u>\$ 3,013,310</u>	<u>\$ 473,014</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 142,448</u>	<u>\$ (724,745)</u>	<u>\$ (724,745)</u>	<u>\$ 867,193</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 3,337	0	0	\$ 3,337
Total Other Financing Sources	<u>\$ 3,337</u>	<u>0</u>	<u>0</u>	<u>\$ 3,337</u>
Net Change in Fund Balance	\$ 145,785	\$ (724,745)	\$ (724,745)	\$ 870,530
Fund Balance, July 1, 2022	<u>2,252,288</u>	<u>2,822,000</u>	<u>2,252,288</u>	<u>0</u>
Fund Balance, June 30, 2023	<u>\$ 2,398,073</u>	<u>\$ 2,097,255</u>	<u>\$ 1,527,543</u>	<u>\$ 870,530</u>

## Exhibit I-11

Giles County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Giles County School Department  
Education Capital Projects Fund  
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<u>Expenditures</u>				
<u>Capital Projects</u>				
Education Capital Projects	\$ 113,236	\$ 80,790	\$ 815,446	\$ 702,210
Total Expenditures	\$ 113,236	\$ 80,790	\$ 815,446	\$ 702,210
Excess (Deficiency) of Revenues Over Expenditures	\$ (113,236)	\$ (80,790)	\$ (815,446)	\$ 702,210
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 750,000	\$ 0	\$ 750,000	\$ 0
Total Other Financing Sources	\$ 750,000	\$ 0	\$ 750,000	\$ 0
Net Change in Fund Balance	\$ 636,764	\$ (80,790)	\$ (65,446)	\$ 702,210
Fund Balance, July 1, 2022	65,466	80,790	65,466	0
Fund Balance, June 30, 2023	\$ 702,230	\$ 0	\$ 20	\$ 702,210

## Exhibit I-12

Giles County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Giles County School Department  
Other Education Capital Projects Fund  
For the Year Ended June 30, 2023

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
<u>Expenditures</u>				
<u>Capital Projects</u>				
Education Capital Projects	\$ 1,926,810	\$ 7,846,740	\$ 12,752,317	\$ 10,825,507
Total Expenditures	\$ 1,926,810	\$ 7,846,740	\$ 12,752,317	\$ 10,825,507
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,926,810)	\$ (7,846,740)	\$ (12,752,317)	\$ 10,825,507
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 5,000,000	\$ 0	\$ 5,000,000	\$ 0
Total Other Financing Sources	\$ 5,000,000	\$ 0	\$ 5,000,000	\$ 0
Net Change in Fund Balance	\$ 3,073,190	\$ (7,846,740)	\$ (7,752,317)	\$ 10,825,507
Fund Balance, July 1, 2022	7,752,317	7,846,740	7,752,317	0
Fund Balance, June 30, 2023	\$ 10,825,507	\$ 0	\$ 0	\$ 10,825,507

## MISCELLANEOUS SCHEDULES

Exhibit J-1

Giles County, Tennessee  
Schedule of Changes in Leases Receivable  
June 30, 2023

Description	Debtor	Original Amount of Lease	Date of Issue	Date of Maturity	Interest Rate	Balance 7-1-22	Additions	Deductions	Balance 6-30-23
<u>General Fund</u>									
Annex Building Lease	Truist Bank	\$ 300,060	10-17-22	10-17-27	4.75 %	\$ 0	\$ 300,060	\$ 37,060	\$ 263,000
Total Leases Receivable						\$ 0	\$ 300,060	\$ 37,060	\$ 263,000

Exhibit J-2

Giles County, Tennessee

Schedule of Transfers

Discretely Presented Giles County School Department

For the Year Ended June 30, 2023

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
General Purpose School	Education Capital Projects	Capital projects	\$ 750,000
"	Other Education Capital Projects	"	<u>5,000,000</u>
Total Transfers Discretely Presented			
Giles County School Department			<u><u>\$ 5,750,000</u></u>

Exhibit J-3

Giles County, Tennessee  
Schedule of Salaries and Official Bonds of Principal Officials  
Primary Government and Discretely Presented Giles County School Department  
For the Year Ended June 30, 2023

Official	Salary Paid During Period	Authorization for Salary	Bond	Surety
<b>County Executive - Melissa Greene (7/1/22-8/31/22)</b>		Section 8-24-102, <i>TCA</i>	\$ 100,000	RLI Insurance Company
Base salary/Total compensation	\$ 16,631			
<b>County Executive - Graham Stowe (9/1/22-6/30/23)</b>		Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	\$ 83,156			
Total County Executive compensation	<u>\$ 99,787</u>			
<b>Highway Commissioner</b>		Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	<u>\$ 95,035</u>			
<b>Director of Schools</b>		State Board of Education and County Board of Education	(1)	Local Government Property and Casualty Fund
Base salary	\$ 123,760			
Chief executive officers training supplement	1,000			
Total compensation	<u>\$ 124,760</u>			
<b>Trustee - Janice Curtis (7/1/22-8/31/22)</b>		Section 8-24-102, <i>TCA</i>	1,500,000	Auto-Owners Mutual Insurance Company
Base salary/Total compensation	\$ 14,399			
<b>Trustee - Tony Risner (9/1/22-6/30/23)</b>		Section 8-24-102, <i>TCA</i>	2,000,000	Auto-Owners Mutual Insurance Company
Base salary/Total compensation	\$ 71,996			
Total Trustee compensation	<u>\$ 86,395</u>			
<b>Assessor of Property</b>		Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	<u>\$ 86,395</u>			
<b>County Clerk</b>		Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary	\$ 86,395			
Certified public administrator supplement	258			
Total compensation	<u>\$ 86,653</u>			

(Continued)

Exhibit J-3

Giles County, Tennessee

Schedule of Salaries and Official Bonds of Principal Officials (Cont.)

Official	Salary Paid During Period	Authorization for Salary	Bond	Surety
<b>Circuit and General Sessions Courts Clerk</b>		Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary	\$ 86,395			
Certified public administrator supplement	258			
Total compensation	<u>\$ 86,653</u>			
<b>Clerk and Master</b>		Section 8-24-102, <i>TCA</i> and Chancery Court Judge	(1)	Local Government Property and Casualty Fund
Base salary	\$ 86,395			
Certified public administrator supplement	258			
Successor Personal Representative fees	19,125			
Administrator of Estate fees	5,450			
Special commissioner fees	45,719			
Total compensation	<u>\$ 156,947</u>			
<b>Register of Deeds</b>		Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary	\$ 86,395			
Certified public administrator supplement	258			
Total compensation	<u>\$ 86,653</u>			
<b>Sheriff</b>		Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary	\$ 95,035			
Law enforcement training supplement	800			
Total compensation	<u>\$ 95,835</u>			
<b>Finance Director</b>		County Commission	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	<u>\$ 95,512</u>			
Employee Blanket Bonds:				
Public Employee Dishonesty - County Departments		400,000		Local Government Property and Casualty Fund
Public Employee Dishonesty - School Department		400,000		"

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

## Exhibit J-4

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

	Special Revenue Funds				Debt Service Fund
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 9,102,464	\$ 0	\$ 0	\$ 2,197,922	\$ 0
Trustee's Collections - Prior Year	186,025	0	0	44,918	0
Trustee's Collections - Bankruptcy	192	0	0	46	0
Circuit Clerk/Clerk and Master Collections - Prior Years	53,531	0	0	12,926	0
Interest and Penalty	51,771	0	0	12,502	0
Payments in-Lieu-of Taxes - Local Utilities	297,645	0	0	0	0
Payments in-Lieu-of Taxes - Other	103	0	0	0	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	500,000	0	0	0	0
Hotel/Motel Tax	233,373	0	0	0	0
Litigation Tax - General	103,894	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	184,618	0	0	0	0
Business Tax	424,119	0	0	0	0
Mixed Drink Tax	1,928	0	0	0	0
Mineral Severance Tax	0	0	0	30,963	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	305,431	0	0	0	0
Wholesale Beer Tax	197,965	0	0	0	0
Other Statutory Local Taxes	38	0	0	0	0
Total Local Taxes	\$ 11,643,097	\$ 0	\$ 0	\$ 2,299,277	\$ 0
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Animal Registration	\$ 20	\$ 0	\$ 0	\$ 0	\$ 0
Animal Vaccination	1,242	0	0	0	0
Cable TV Franchise	16,608	0	0	0	0

(Continued)

## Exhibit J-4

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

	Special Revenue Funds				Debt Service Fund
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Licenses and Permits (Cont.)</u>					
<u>Permits</u>					
Beer Permits	\$ 2,638	\$ 0	\$ 0	\$ 0	\$ 0
Total Licenses and Permits	\$ 20,508	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Officers Costs	\$ 7,826	\$ 0	\$ 0	\$ 0	\$ 0
Drug Control Fines	0	8,597	0	0	0
Drug Court Fees	1,540	0	0	0	0
Jail Fees	10	0	0	0	0
DUI Treatment Fines	808	0	0	0	0
Data Entry Fee - Circuit Court	786	0	0	0	0
Courtroom Security Fee	28	0	0	0	0
<u>General Sessions Court</u>					
Fines	3,004	0	0	0	0
Officers Costs	21,370	0	0	0	0
Game and Fish Fines	540	0	0	0	0
Drug Control Fines	0	713	0	0	0
Drug Court Fees	466	0	0	0	0
DUI Treatment Fines	142	0	0	0	0
Data Entry Fee - General Sessions Court	11,206	0	0	0	0
Courtroom Security Fee	13	0	0	0	0
<u>Chancery Court</u>					
Officers Costs	543	0	0	0	0
Data Entry Fee - Chancery Court	2,236	0	0	0	0

(Continued)

## Exhibit J-4

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

	Special Revenue Funds				Debt Service Fund
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	\$ 0	\$ 40,631	\$ 0	\$ 0	\$ 0
Total Fines, Forfeitures, and Penalties	\$ 50,518	\$ 49,941	\$ 0	\$ 0	\$ 0
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Surcharge - Waste Tire Disposal	\$ 7,228	\$ 0	\$ 0	\$ 0	\$ 0
Patient Charges	2,287,843	0	0	0	0
Service Charges	250	0	0	0	0
<u>Fees</u>					
Copy Fees	588	0	0	0	0
Archives and Records Management Fee	16,159	0	0	0	0
Greenbelt Late Application Fee	150	0	0	0	0
Telephone Commissions	68,352	0	0	0	0
Additional Fees - Titling and Registration	22,296	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	74,784	0	0
Data Processing Fee - Register	10,036	0	0	0	0
Data Processing Fee - Sheriff	1,434	0	0	0	0
Sexual Offender Registration Fee - Sheriff	5,550	0	0	0	0
Data Processing Fee - County Clerk	4,473	0	0	0	0
Vehicle Registration Reinstatement Fees	950	0	0	0	0
Total Charges for Current Services	\$ 2,425,309	\$ 0	\$ 74,784	\$ 0	\$ 0
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 492,651	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

## Exhibit J-4

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

	Special Revenue Funds				Debt Service Fund
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Other Local Revenues (Cont.)</u>					
<u>Recurring Items (Cont.)</u>					
Lease/Rentals	\$ 126,911	\$ 0	\$ 0	\$ 0	\$ 0
Lease Interest	7,788	0	0	0	0
Sale of Materials and Supplies	17	0	0	149	0
Commissary Sales	22,462	0	0	0	0
Sale of Recycled Materials	37,147	0	0	4,201	0
Rebates	60	0	0	0	0
Miscellaneous Refunds	26,473	260	0	1,435	0
<u>Nonrecurring Items</u>					
Sale of Equipment	3,119	0	0	0	0
Contributions and Gifts	2,212	0	0	0	0
Performance Bond Forfeitures	8,550	0	0	0	0
<u>Other Local Revenues</u>					
Other Local Revenues	0	0	0	0	10,580
Total Other Local Revenues	\$ 727,390	\$ 260	\$ 0	\$ 5,785	\$ 10,580
<u>Fees Received From County Officials</u>					
<u>Fees In-Lieu-of Salary</u>					
County Clerk	\$ 410,229	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	48,600	0	0	0	0
General Sessions Court Clerk	204,549	0	0	0	0
Clerk and Master	82,825	0	0	0	0
Register	143,448	0	0	0	0
Sheriff	13,502	0	0	0	0
Trustee	614,301	0	0	0	0
Total Fees Received From County Officials	\$ 1,517,454	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

## Exhibit J-4

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

	Special Revenue Funds				Debt Service Fund
	General	Drug Control	Constitutional - Officers - Fees	Highway / Public Works	General Debt Service
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	28,000	0	0	0	0
<u>Health and Welfare Grants</u>					
Health Department Programs	130,428	0	0	0	0
<u>Public Works Grants</u>					
Litter Program	107,179	0	0	0	0
<u>Other State Revenues</u>					
Income Tax	643	0	0	0	0
Beer Tax	19,200	0	0	0	0
Vehicle Certificate of Title Fees	12,422	0	0	0	0
Alcoholic Beverage Tax	104,725	0	0	0	0
Opioid Settlement Funds - TN Abatement Council	140,165	0	0	0	0
State Revenue Sharing - Telecommunications	52,792	0	0	0	0
State Shared Sports Gaming Privilege Tax	31,863	0	0	0	0
Contracted Prisoner Boarding	369,295	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	2,801,650	0
Petroleum Special Tax	0	0	0	20,107	0
Registrar's Salary Supplement	15,164	0	0	0	0
Other State Grants	10,050	0	0	0	0
Other State Revenues	29,213	0	0	0	0
Total State of Tennessee	\$ 1,060,139	\$ 0	\$ 0	\$ 2,821,757	\$ 0

(Continued)

## Exhibit J-4

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

	Special Revenue Funds				Debt Service Fund
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Federal Government</u>					
<u>Federal Through State</u>					
Homeland Security Grants	\$ 67,600	\$ 0	\$ 0	\$ 0	\$ 0
Other Federal through State	107,575	0	0	0	0
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	7,000	0	0	0	0
Total Federal Government	<u>\$ 182,175</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Paving and Maintenance	\$ 0	\$ 0	\$ 0	\$ 32,569	\$ 0
Contributions	231,640	0	0	0	0
Contracted Services	3,852	0	0	0	0
<u>Citizens Groups</u>					
Donations	0	100	0	0	0
<u>Other</u>					
Opioid Settlement Funds - Past Remediation	89,094	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 324,586</u>	<u>\$ 100</u>	<u>\$ 0</u>	<u>\$ 32,569</u>	<u>\$ 0</u>
Total	<u>\$ 17,951,176</u>	<u>\$ 50,301</u>	<u>\$ 74,784</u>	<u>\$ 5,159,388</u>	<u>\$ 10,580</u>

(Continued)

## Exhibit J-4

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

	<u>Capital Projects Fund</u>		
	Other Capital Projects	Total	
<u>Local Taxes</u>			
<u>County Property Taxes</u>			
Current Property Tax	\$ 0	\$ 11,300,386	
Trustee's Collections - Prior Year	0	230,943	
Trustee's Collections - Bankruptcy	0	238	
Circuit Clerk/Clerk and Master Collections - Prior Years	0	66,457	
Interest and Penalty	0	64,273	
Payments in-Lieu-of Taxes - Local Utilities	0	297,645	
Payments in-Lieu-of Taxes - Other	0	103	
<u>County Local Option Taxes</u>			
Local Option Sales Tax	853,044	1,353,044	
Hotel/Motel Tax	0	233,373	
Litigation Tax - General	0	103,894	
Litigation Tax - Jail, Workhouse, or Courthouse	0	184,618	
Business Tax	0	424,119	
Mixed Drink Tax	0	1,928	
Mineral Severance Tax	0	30,963	
<u>Statutory Local Taxes</u>			
Bank Excise Tax	0	305,431	
Wholesale Beer Tax	0	197,965	
Other Statutory Local Taxes	0	38	
Total Local Taxes	<u>\$ 853,044</u>	<u>\$ 14,795,418</u>	
<u>Licenses and Permits</u>			
<u>Licenses</u>			
Animal Registration	\$ 0	\$ 20	
Animal Vaccination	0	1,242	
Cable TV Franchise	0	16,608	

(Continued)

## Exhibit J-4

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

	Capital Projects Fund		
	Other Capital Projects		Total
<hr/>			
<u>Licenses and Permits (Cont.)</u>			
<u>Permits</u>			
Beer Permits	\$	0	\$ 2,638
Total Licenses and Permits	\$	0	\$ 20,508
<hr/>			
<u>Fines, Forfeitures, and Penalties</u>			
<u>Circuit Court</u>			
Officers Costs	\$	0	\$ 7,826
Drug Control Fines		0	8,597
Drug Court Fees		0	1,540
Jail Fees		0	10
DUI Treatment Fines		0	808
Data Entry Fee - Circuit Court		0	786
Courtroom Security Fee		0	28
<u>General Sessions Court</u>			
Fines		0	3,004
Officers Costs		0	21,370
Game and Fish Fines		0	540
Drug Control Fines		0	713
Drug Court Fees		0	466
DUI Treatment Fines		0	142
Data Entry Fee - General Sessions Court		0	11,206
Courtroom Security Fee		0	13
<u>Chancery Court</u>			
Officers Costs		0	543
Data Entry Fee - Chancery Court		0	2,236

(Continued)

## Exhibit J-4

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

	Capital Projects Fund		
	Other Capital Projects		Total
<hr/>			
<u>Fines, Forfeitures, and Penalties (Cont.)</u>			
<u>Other Fines, Forfeitures, and Penalties</u>			
Proceeds from Confiscated Property	\$	0	\$ 40,631
Total Fines, Forfeitures, and Penalties	\$	0	\$ 100,459
<hr/>			
<u>Charges for Current Services</u>			
<u>General Service Charges</u>			
Surcharge - Waste Tire Disposal	\$	0	\$ 7,228
Patient Charges		0	2,287,843
Service Charges		0	250
<u>Fees</u>			
Copy Fees		0	588
Archives and Records Management Fee		0	16,159
Greenbelt Late Application Fee		0	150
Telephone Commissions		0	68,352
Additional Fees - Titling and Registration		0	22,296
Constitutional Officers' Fees and Commissions		0	74,784
Data Processing Fee - Register		0	10,036
Data Processing Fee - Sheriff		0	1,434
Sexual Offender Registration Fee - Sheriff		0	5,550
Data Processing Fee - County Clerk		0	4,473
Vehicle Registration Reinstatement Fees		0	950
Total Charges for Current Services	\$	0	\$ 2,500,093
<hr/>			
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Investment Income	\$	0	\$ 492,651

(Continued)

## Exhibit J-4

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

	Capital Projects Fund		
	Other Capital Projects		Total
<hr/>			
Other Local Revenues (Cont.)			
Recurring Items (Cont.)			
Lease/Rentals	\$ 0	\$	126,911
Lease Interest	0		7,788
Sale of Materials and Supplies	0		166
Commissary Sales	0		22,462
Sale of Recycled Materials	0		41,348
Rebates	0		60
Miscellaneous Refunds	0		28,168
Nonrecurring Items			
Sale of Equipment	0		3,119
Contributions and Gifts	0		2,212
Performance Bond Forfeitures	0		8,550
Other Local Revenues			
Other Local Revenues	0		10,580
Total Other Local Revenues	<hr/> \$ 0	<hr/> \$	<hr/> 744,015
<hr/>			
Fees Received From County Officials			
Fees In-Lieu-of Salary			
County Clerk	\$ 0	\$	410,229
Circuit Court Clerk	0		48,600
General Sessions Court Clerk	0		204,549
Clerk and Master	0		82,825
Register	0		143,448
Sheriff	0		13,502
Trustee	0		614,301
Total Fees Received From County Officials	<hr/> \$ 0	<hr/> \$	<hr/> 1,517,454

(Continued)

## Exhibit J-4

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

	<u>Capital Projects Fund</u>		
	Other Capital Projects		Total
<u>State of Tennessee</u>			
<u>General Government Grants</u>			
Juvenile Services Program	\$ 0	\$	9,000
<u>Public Safety Grants</u>			
Law Enforcement Training Programs	0		28,000
<u>Health and Welfare Grants</u>			
Health Department Programs	0		130,428
<u>Public Works Grants</u>			
Litter Program	0		107,179
<u>Other State Revenues</u>			
Income Tax	0		643
Beer Tax	0		19,200
Vehicle Certificate of Title Fees	0		12,422
Alcoholic Beverage Tax	0		104,725
Opioid Settlement Funds - TN Abatement Council	0		140,165
State Revenue Sharing - Telecommunications	0		52,792
State Shared Sports Gaming Privilege Tax	0		31,863
Contracted Prisoner Boarding	0		369,295
Gasoline and Motor Fuel Tax	0		2,801,650
Petroleum Special Tax	0		20,107
Registrar's Salary Supplement	0		15,164
Other State Grants	0		10,050
Other State Revenues	0		29,213
Total State of Tennessee	\$ 0	\$	3,881,896

(Continued)

## Exhibit J-4

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

	<u>Capital Projects Fund</u>		
	Other Capital Projects		Total
<u>Federal Government</u>			
<u>Federal Through State</u>			
Homeland Security Grants	\$	0	\$ 67,600
Other Federal through State		0	107,575
<u>Direct Federal Revenue</u>			
Other Direct Federal Revenue		0	7,000
Total Federal Government	\$	0	\$ 182,175
<u>Other Governments and Citizens Groups</u>			
<u>Other Governments</u>			
Paving and Maintenance	\$	0	\$ 32,569
Contributions		0	231,640
Contracted Services		0	3,852
<u>Citizens Groups</u>			
Donations		0	100
<u>Other</u>			
Opioid Settlement Funds - Past Remediation		0	89,094
Total Other Governments and Citizens Groups	\$	0	\$ 357,255
Total	\$	853,044	\$ 24,099,273

## Exhibit J-5

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

	Special Revenue Funds					
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 6,540,762	\$ 0	\$ 0	\$ 0	\$ 6,540,762	
Trustee's Collections - Prior Year	133,673	0	0	0	133,673	
Trustee's Collections - Bankruptcy	138	0	0	0	138	
Circuit Clerk/Clerk and Master Collections - Prior Years	38,462	0	0	0	38,462	
Interest and Penalty	37,203	0	0	0	37,203	
<u>County Local Option Taxes</u>						
Local Option Sales Tax	6,132,075	0	0	0	6,132,075	
Mixed Drink Tax	32,755	0	0	0	32,755	
Total Local Taxes	<u>\$ 12,915,068</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 12,915,068</u>	
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 1,843	\$ 0	\$ 0	\$ 0	\$ 1,843	
Total Licenses and Permits	<u>\$ 1,843</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,843</u>	
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Tuition - Out-of-state Systems	\$ 500	\$ 0	\$ 0	\$ 0	\$ 500	
Lunch Payments - Adults	0	0	29,673	0	29,673	
Income from Breakfast	0	0	2,477	0	2,477	
A la Carte Sales	0	0	116,216	0	116,216	
Receipts from Individual Schools	67,659	0	0	0	67,659	
Other Charges for Services	2,481	0	0	0	2,481	
Total Charges for Current Services	<u>\$ 70,640</u>	<u>\$ 0</u>	<u>\$ 148,366</u>	<u>\$ 0</u>	<u>\$ 219,006</u>	

(Continued)

## Exhibit J-5

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

	Special Revenue Funds					
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total	
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 7,291	\$ 0	\$ 7,291	
Sale of Recycled Materials	454	0	0	0	454	
Rebates	0	0	1,446	0	1,446	
Miscellaneous Refunds	4,362	0	0	0	4,362	
<u>Nonrecurring Items</u>						
Sale of Equipment	8,994	0	0	0	8,994	
Damages Recovered from Individuals	1,863	0	0	0	1,863	
<u>Other Local Revenues</u>						
Other Local Revenues	272	0	0	1,605,989	1,606,261	
Total Other Local Revenues	\$ 15,945	\$ 0	\$ 8,737	\$ 1,605,989	\$ 1,630,671	
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-behalf Contributions for OPEB	\$ 172,880	\$ 0	\$ 0	\$ 0	\$ 172,880	
<u>State Education Funds</u>						
Basic Education Program	20,118,792	0	0	0	20,118,792	
Early Childhood Education	463,997	0	0	0	463,997	
School Food Service	0	0	17,831	0	17,831	
Driver Education	15,814	0	0	0	15,814	
Other State Education Funds	703,522	0	0	0	703,522	
Career Ladder Program	47,889	0	0	0	47,889	
Other Vocational	196,762	0	0	0	196,762	
<u>Other State Revenues</u>						
State Revenue Sharing - T.V.A.	928,879	0	0	0	928,879	

(Continued)

## Exhibit J-5

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

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total
State of Tennessee (Cont.)					
Other State Revenues (Cont.)					
Other State Revenues	\$ 1,000	\$ 0	\$ 0	\$ 0	\$ 1,000
Total State of Tennessee	\$ 22,649,535	\$ 0	\$ 17,831	\$ 0	\$ 22,667,366
Federal Government					
Federal Through State					
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,633,098	\$ 0	\$ 1,633,098
USDA - Commodities	0	0	168,304	0	168,304
Breakfast	0	0	681,448	0	681,448
USDA - Other	0	0	24,960	0	24,960
Vocational Education - Basic Grants to States	0	89,168	0	0	89,168
Title I Grants to Local Education Agencies	0	1,099,085	0	0	1,099,085
Special Education - Grants to States	0	1,058,708	0	0	1,058,708
Special Education Preschool Grants	0	30,137	0	0	30,137
English Language Acquisition Grants	0	33,387	0	0	33,387
Rural Education	0	35,081	0	0	35,081
Eisenhower Professional Development State Grants	0	116,980	0	0	116,980
COVID-19 Grant B	0	952,322	0	0	952,322
COVID-19 Grant D	0	30,000	0	0	30,000
American Rescue Plan Act Grant #1	0	1,961,814	0	0	1,961,814
American Rescue Plan Act Grant #2	0	85,120	0	0	85,120
Other Federal through State	134,403	28,247	0	0	162,650
Total Federal Government	\$ 134,403	\$ 5,520,049	\$ 2,507,810	\$ 0	\$ 8,162,262

(Continued)

Exhibit J-5

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

	Special Revenue Funds					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School		
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 200,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 200,000
Total Other Governments and Citizens Groups	\$ 200,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 200,000
 Total	 \$ 35,987,434	 \$ 5,520,049	 \$ 2,682,744	 \$ 1,605,989	 \$ 0	 \$ 45,796,216

## Exhibit J-6

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

General FundGeneral GovernmentCounty Commission

Board and Committee Members Fees	\$	47,520	
Social Security		2,619	
Employer Medicare		689	
Dues and Memberships		3,421	
Travel		1,828	
Other Contracted Services		2,040	
Other Supplies and Materials		160	
In Service/Staff Development		1,250	
Other Equipment		715	
Total County Commission			\$ 60,242

County Mayor/Executive

County Official/Administrative Officer	\$	99,787	
Secretary(ies)		34,246	
Other Salaries and Wages		68,297	
Social Security		11,947	
Pensions		13,694	
Medical Insurance		17,258	
Employer Medicare		2,868	
Advertising		3,660	
Communication		1,041	
Dues and Memberships		1,750	
Travel		925	
Other Supplies and Materials		4,676	
Other Charges		156	
Furniture and Fixtures		369	
Other Equipment		2,951	
Total County Mayor/Executive			263,625

County Attorney

Legal Services	\$	51,106	
Total County Attorney			51,106

Election Commission

County Official/Administrative Officer	\$	77,756	
Deputy(ies)		37,887	
Clerical Personnel		22,800	
Election Commission		3,850	
Election Workers		34,300	
Social Security		8,680	
Pensions		9,622	
Medical Insurance		23,796	
Employer Medicare		2,136	
Communication		725	
Data Processing Services		10,638	
Legal Notices, Recording, and Court Costs		7,438	
Maintenance Agreements		1,200	

(Continued)

## Exhibit J-6

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

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

Postal Charges	\$	2,240	
Travel		80	
Other Contracted Services		29,150	
Other Supplies and Materials		2,684	
Liability Insurance		4,075	
Other Charges		1,197	
Total Election Commission			\$ 280,254

Register of Deeds

County Official/Administrative Officer	\$	86,395	
Deputy(ies)		29,172	
Other Salaries and Wages		21,026	
Social Security		8,248	
Pensions		9,493	
Medical Insurance		17,258	
Employer Medicare		1,929	
Data Processing Services		8,766	
Dues and Memberships		841	
Maintenance Agreements		1,351	
Maintenance and Repair Services - Office Equipment		2,250	
Postal Charges		332	
Travel		259	
Other Supplies and Materials		1,667	
In Service/Staff Development		1,217	
Total Register of Deeds			190,204

Planning

Board and Committee Members Fees	\$	4,040	
Social Security		231	
Employer Medicare		59	
Total Planning			4,330

County Buildings

Custodial Personnel	\$	109,778	
Social Security		6,512	
Pensions		7,630	
Medical Insurance		33,151	
Employer Medicare		1,523	
Architects		10,231	
Communication		34,645	
Consultants		42,000	
Data Processing Services		8,340	
Janitorial Services		5,735	
Maintenance Agreements		3,993	
Maintenance and Repair Services - Buildings		32,006	
Maintenance and Repair Services - Equipment		9,389	
Maintenance and Repair Services - Vehicles		108	

(Continued)

## Exhibit J-6

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

General Fund (Cont.)General Government (Cont.)County Buildings (Cont.)

Pest Control	\$	5,105	
Internet Connectivity		4,243	
Rentals		859	
Disposal Fees		1,627	
Other Contracted Services		9,630	
Custodial Supplies		16,945	
Electricity		64,443	
Gasoline		942	
Instructional Supplies and Materials		405	
Natural Gas		7,004	
Water and Sewer		2,356	
Other Supplies and Materials		736	
Vehicle and Equipment Insurance		1,206	
Building Improvements		179,317	
Furniture and Fixtures		362	
Other Equipment		50,386	
Total County Buildings			\$ 650,607

FinanceAccounting and Budgeting

County Official/Administrative Officer	\$	95,512	
Accountants/Bookkeepers		267,292	
Social Security		21,754	
Pensions		25,215	
Medical Insurance		44,986	
Employer Medicare		5,088	
Advertising		3,180	
Audit Services		12,745	
Communication		3,106	
Data Processing Services		52,007	
Maintenance Agreements		2,421	
Postal Charges		3,057	
Disposal Fees		450	
Other Supplies and Materials		6,208	
Other Charges		14	
Data Processing Equipment		5,750	
Furniture and Fixtures		7,829	
Total Accounting and Budgeting			556,614

Property Assessor's Office

County Official/Administrative Officer	\$	86,395	
Deputy(ies)		204,131	
Board and Committee Members Fees		2,250	
Social Security		17,453	
Pensions		20,191	
Medical Insurance		50,022	
Employer Medicare		4,082	

(Continued)

## Exhibit J-6

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

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

Advertising	\$	140	
Dues and Memberships		1,840	
Maintenance Agreements		2,019	
Maintenance and Repair Services - Vehicles		239	
Postal Charges		1,148	
Rentals		4,168	
Travel		124	
Gasoline		2,538	
Other Supplies and Materials		3,235	
Vehicle and Equipment Insurance		1,568	
In Service/Staff Development		766	
Total Property Assessor's Office			\$ 402,309

Reappraisal Program

Data Processing Services	\$	13,592	
Postal Charges		8,216	
Total Reappraisal Program			21,808

County Trustee's Office

County Official/Administrative Officer	\$	86,395	
Deputy(ies)		68,457	
Part-time Personnel		1,662	
Social Security		9,362	
Pensions		10,762	
Medical Insurance		24,387	
Employer Medicare		2,190	
Advertising		90	
Data Processing Services		12,535	
Dues and Memberships		861	
Maintenance Agreements		857	
Postal Charges		1,260	
Printing, Stationery, and Forms		10,374	
Travel		1,284	
Other Supplies and Materials		3,458	
In Service/Staff Development		2,181	
Office Equipment		8,019	
Total County Trustee's Office			244,134

County Clerk's Office

County Official/Administrative Officer	\$	86,395	
Deputy(ies)		194,398	
Part-time Personnel		14,222	
Social Security		17,582	
Pensions		19,815	
Medical Insurance		56,543	
Employer Medicare		4,112	
Communication		742	

(Continued)

## Exhibit J-6

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

General Fund (Cont.)Finance (Cont.)County Clerk's Office (Cont.)

Data Processing Services	\$	21,756	
Dues and Memberships		966	
Legal Notices, Recording, and Court Costs		50	
Maintenance Agreements		840	
Postal Charges		17,236	
Travel		628	
Other Supplies and Materials		5,944	
In Service/Staff Development		1,512	
Other Charges		156	
Total County Clerk's Office			\$ 442,897

Administration of JusticeCircuit Court

County Official/Administrative Officer	\$	86,395	
Deputy(ies)		332,199	
Other Salaries and Wages		3,600	
Jury and Witness Expense		9,882	
Social Security		25,393	
Pensions		29,092	
Medical Insurance		81,115	
Employer Medicare		5,948	
Communication		32	
Data Processing Services		42,922	
Dues and Memberships		1,116	
Maintenance Agreements		2,982	
Postal Charges		3,821	
Travel		407	
Other Supplies and Materials		10,013	
In Service/Staff Development		250	
Data Processing Equipment		17,867	
Total Circuit Court			653,034

General Sessions Court

Judge(s)	\$	157,078	
Other Salaries and Wages		34,251	
Social Security		11,446	
Pensions		13,297	
Medical Insurance		15,893	
Employer Medicare		2,745	
Dues and Memberships		409	
Postal Charges		60	
Other Supplies and Materials		997	
In Service/Staff Development		1,068	
Other Charges		454	
Total General Sessions Court			237,698

(Continued)

## Exhibit J-6

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

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

County Official/Administrative Officer	\$	86,395	
Deputy(ies)		75,998	
Other Salaries and Wages		539	
Social Security		9,852	
Pensions		11,286	
Medical Insurance		17,258	
Employer Medicare		2,304	
Advertising		705	
Data Processing Services		11,375	
Dues and Memberships		1,086	
Maintenance Agreements		1,454	
Postal Charges		1,150	
Travel		130	
Other Contracted Services		100	
Other Supplies and Materials		3,972	
In Service/Staff Development		300	
Data Processing Equipment		638	
Total Chancery Court			\$ 224,542

Judicial Commissioners

Other Salaries and Wages	\$	39,633	
Social Security		2,457	
Pensions		961	
Employer Medicare		575	
Total Judicial Commissioners			43,626

Courtroom Security

Deputy(ies)	\$	187,392	
Social Security		11,451	
Pensions		13,024	
Medical Insurance		28,286	
Employer Medicare		2,678	
Total Courtroom Security			242,831

Public SafetySheriff's Department

County Official/Administrative Officer	\$	95,035	
Deputy(ies)		639,423	
Investigator(s)		187,213	
Captain(s)		156,678	
Lieutenant(s)		132,322	
Sergeant(s)		221,055	
Accountants/Bookkeepers		77,962	
Salary Supplements		28,000	
School Resource Officer		441,920	
Overtime Pay		84,708	
Social Security		125,176	

(Continued)

## Exhibit J-6

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

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

Pensions	\$	141,524	
Medical Insurance		278,884	
Employer Medicare		29,275	
Communication		20,029	
Dues and Memberships		3,092	
Evaluation and Testing		2,475	
Licenses		65	
Maintenance Agreements		4,066	
Maintenance and Repair Services - Equipment		405	
Maintenance and Repair Services - Vehicles		32,626	
Postal Charges		5	
Internet Connectivity		1,078	
Towing Services		1,635	
Travel		3,530	
Other Contracted Services		24,500	
Data Processing Supplies		550	
Gasoline		135,326	
Tires and Tubes		13,308	
Uniforms		7,905	
Other Supplies and Materials		7,896	
Vehicle and Equipment Insurance		53,011	
In Service/Staff Development		11,983	
Other Charges		600	
Furniture and Fixtures		748	
Law Enforcement Equipment		27,720	
Motor Vehicles		198,863	
Total Sheriff's Department			\$ 3,190,591

Traffic Control

Maintenance and Repair Services - Equipment	\$	6,010	
Electricity		2,196	
Total Traffic Control			8,206

Jail

Supervisor/Director	\$	55,701	
Deputy(ies)		37,859	
Lieutenant(s)		49,778	
Sergeant(s)		174,495	
Accountants/Bookkeepers		31,485	
Salary Supplements		5,000	
Foremen		11,306	
Guards		714,160	
Cafeteria Personnel		45,194	
Maintenance Personnel		43,391	
Overtime Pay		56,895	
Other Salaries and Wages		63,315	
Social Security		78,183	

(Continued)

## Exhibit J-6

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

General Fund (Cont.)Public Safety (Cont.)Jail (Cont.)

Pensions	\$	80,200	
Medical Insurance		148,790	
Employer Medicare		18,285	
Evaluation and Testing		2,325	
Maintenance Agreements		43,434	
Maintenance and Repair Services - Buildings		51,709	
Maintenance and Repair Services - Equipment		2,455	
Medical and Dental Services		291,342	
Disposal Fees		2,771	
Other Contracted Services		24,500	
Custodial Supplies		14,052	
Electricity		72,969	
Food Supplies		267,141	
Natural Gas		16,891	
Prisoners Clothing		3,881	
Water and Sewer		24,600	
Other Supplies and Materials		2,870	
Other Charges		1,041	
Office Equipment		953	
Other Equipment		10,340	
Total Jail			\$ 2,447,311

Juvenile Services

Supervisor/Director	\$	44,756	
Other Salaries and Wages		3,087	
Social Security		2,929	
Pensions		3,192	
Medical Insurance		4,447	
Employer Medicare		685	
Communication		60	
Travel		11	
Other Contracted Services		1,333	
Other Charges		336	
Total Juvenile Services			60,836

Rescue Squad

Contributions	\$	293,714	
Total Rescue Squad			293,714

Other Emergency Management

County Official/Administrative Officer	\$	69,783	
Assistant(s)		33,893	
Overtime Pay		11,330	
Other Salaries and Wages		39,433	
Social Security		9,270	
Pensions		10,733	
Medical Insurance		17,258	

(Continued)

## Exhibit J-6

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

General Fund (Cont.)Public Safety (Cont.)Other Emergency Management (Cont.)

Employer Medicare	\$	2,168	
Communication		8,231	
Data Processing Services		2,298	
Dues and Memberships		55	
Janitorial Services		5,606	
Maintenance Agreements		4,170	
Maintenance and Repair Services - Buildings		6,819	
Maintenance and Repair Services - Equipment		1,365	
Maintenance and Repair Services - Vehicles		4,941	
Postal Charges		60	
Internet Connectivity		3,022	
Travel		1,040	
Disposal Fees		965	
Other Contracted Services		20,463	
Custodial Supplies		262	
Electricity		9,171	
Gasoline		5,948	
Natural Gas		812	
Propane Gas		40	
Tires and Tubes		1,004	
Uniforms		908	
Water and Sewer		738	
Cabling		1,685	
Software		1,432	
Other Supplies and Materials		21,995	
Vehicle and Equipment Insurance		6,665	
In Service/Staff Development		3,819	
Other Charges		5,447	
Communication Equipment		396	
Furniture and Fixtures		24,822	
Other Equipment		26,409	
Total Other Emergency Management			\$ 364,456

County Coroner/Medical Examiner

Medical and Dental Services	\$	57,328	
Other Contracted Services		44,324	
Total County Coroner/Medical Examiner			101,652

Public Health and WelfareLocal Health Center

Communication	\$	508	
Dues and Memberships		550	
Janitorial Services		12,946	
Maintenance and Repair Services - Buildings		1,919	
Disposal Fees		551	
Other Contracted Services		21,056	
Electricity		9,737	

(Continued)

## Exhibit J-6

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

General Fund (Cont.)Public Health and Welfare (Cont.)Local Health Center (Cont.)

Natural Gas	\$	2,132	
Water and Sewer		568	
Other Supplies and Materials		451	
Furniture and Fixtures		1,256	
Total Local Health Center			\$ 51,674

Rabies and Animal Control

Supervisor/Director	\$	769	
Part-time Personnel		19,324	
Social Security		1,246	
Pensions		675	
Employer Medicare		291	
Communication		1,088	
Licenses		1,028	
Maintenance and Repair Services - Buildings		265	
Internet Connectivity		659	
Veterinary Services		2,542	
Animal Food and Supplies		2,420	
Custodial Supplies		990	
Drugs and Medical Supplies		5,457	
Electricity		2,429	
Natural Gas		480	
Water and Sewer		759	
Other Supplies and Materials		6,141	
In Service/Staff Development		196	
Building Improvements		188	
Other Equipment		399	
Total Rabies and Animal Control			47,346

Ambulance/Emergency Medical Services

Supervisor/Director	\$	69,067	
Sergeant(s)		209,367	
Medical Personnel		941,309	
Secretary(ies)		37,000	
Part-time Personnel		119,657	
Overtime Pay		735,900	
Social Security		127,832	
Pensions		144,029	
Life Insurance		670	
Medical Insurance		222,631	
Employer Medicare		29,896	
Communication		9,320	
Contracts with Private Agencies		1,490	
Data Processing Services		105,357	
Dues and Memberships		1,646	
Janitorial Services		13,828	
Licenses		3,131	

(Continued)

## Exhibit J-6

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

General Fund (Cont.)Public Health and Welfare (Cont.)Ambulance/Emergency Medical Services (Cont.)

Maintenance Agreements	\$	34,370	
Maintenance and Repair Services - Buildings		17,444	
Maintenance and Repair Services - Equipment		3,185	
Maintenance and Repair Services - Vehicles		94,416	
Internet Connectivity		2,338	
Travel		4,124	
Tuition		2,926	
Remittance of Revenue Collected		79,462	
Disposal Fees		4,369	
Other Contracted Services		1,213	
Custodial Supplies		6,004	
Drugs and Medical Supplies		149,656	
Electricity		10,458	
Gasoline		102,901	
Natural Gas		2,128	
Propane Gas		1,546	
Tires and Tubes		17,704	
Uniforms		9,921	
Utilities		1,318	
Water and Sewer		1,832	
Other Supplies and Materials		9,643	
Refunds		15,253	
Vehicle and Equipment Insurance		20,458	
In Service/Staff Development		14,006	
Building Improvements		70,025	
Furniture and Fixtures		6,695	
Health Equipment		37,475	
Other Equipment		10,627	
Total Ambulance/Emergency Medical Services			\$ 3,503,627

Other Local Welfare Services

Contributions	\$	72,500	
Pauper Burials		5,400	
Permits		350	
Total Other Local Welfare Services			78,250

Sanitation Management

Supervisor/Director	\$	63,672	
Social Security		3,929	
Pensions		4,425	
Medical Insurance		7,430	
Employer Medicare		919	
Advertising		125	
Communication		234	
Dues and Memberships		100	
Printing, Stationery, and Forms		670	
Travel		213	

(Continued)

## Exhibit J-6

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

General Fund (Cont.)Public Health and Welfare (Cont.)Sanitation Management (Cont.)

Other Contracted Services	\$	192,789	
Office Supplies		532	
In Service/Staff Development		712	
Total Sanitation Management			\$ 275,750

Sanitation Education/Information

Truck Drivers	\$	911	
Part-time Personnel		1,035	
Social Security		119	
Pensions		28	
Employer Medicare		28	
Maintenance and Repair Services - Vehicles		454	
Travel		257	
Instructional Supplies and Materials		29,348	
Other Supplies and Materials		19,505	
In Service/Staff Development		98	
Total Sanitation Education/Information			51,783

Waste Pickup

Truck Drivers	\$	6,975	
Social Security		432	
Employer Medicare		101	
Other Supplies and Materials		10,602	
Total Waste Pickup			18,110

Convenience Centers

Assistant(s)	\$	34,020	
Truck Drivers		74,041	
Part-time Personnel		154,638	
Social Security		15,685	
Pensions		7,481	
Medical Insurance		25,887	
Employer Medicare		3,760	
Communication		693	
Maintenance and Repair Services - Buildings		1,860	
Maintenance and Repair Services - Equipment		11,656	
Maintenance and Repair Services - Vehicles		7,599	
Other Contracted Services		22,750	
Custodial Supplies		1,007	
Electricity		6,057	
Fuel Oil		73,699	
Tires and Tubes		3,653	
Water and Sewer		1,147	
Other Supplies and Materials		887	
Vehicle and Equipment Insurance		6,636	
Land		1,000	
Motor Vehicles		28,057	
Solid Waste Equipment		2,960	
Total Convenience Centers			485,173

(Continued)

## Exhibit J-6

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

General Fund (Cont.)Public Health and Welfare (Cont.)Other Public Health and Welfare

Other Salaries and Wages	\$	142,993	
Social Security		8,471	
Pensions		9,938	
Life Insurance		92	
Medical Insurance		28,998	
Unemployment Compensation		170	
Employer Medicare		1,981	
Evaluation and Testing		93	
Travel		2,895	
Other Supplies and Materials		46	
Workers' Compensation Insurance		2,818	
In Service/Staff Development		250	
Total Other Public Health and Welfare			\$ 198,745

Social, Cultural, and Recreational ServicesSenior Citizens Assistance

Contributions	\$	20,000	
Total Senior Citizens Assistance			20,000

Libraries

Contributions	\$	168,660	
Total Libraries			168,660

Parks and Fair Boards

Part-time Personnel	\$	5,655	
Social Security		351	
Employer Medicare		82	
Maintenance and Repair Services - Buildings		3,842	
Maintenance and Repair Services - Equipment		1,445	
Internet Connectivity		659	
Disposal Fees		677	
Electricity		12,829	
Gasoline		1,801	
Lubricants		19	
Natural Gas		3,230	
Tires and Tubes		267	
Water and Sewer		4,473	
Chemicals		475	
Other Supplies and Materials		70	
Refunds		450	
Other Charges		60	
Other Equipment		7,386	
Total Parks and Fair Boards			43,771

Other Social, Cultural, and Recreational

County Official/Administrative Officer	\$	20,450	
Part-time Personnel		11,431	

(Continued)

## Exhibit J-6

Giles 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 (Cont.)

Other Salaries and Wages	\$	11,722	
Social Security		1,977	
Pensions		1,421	
Employer Medicare		632	
Maintenance Agreements		1,761	
Maintenance and Repair Services - Buildings		6,280	
Internet Connectivity		377	
Disposal Fees		298	
Other Contracted Services		700	
Custodial Supplies		582	
Duplicating Supplies		75	
Electricity		2,693	
Natural Gas		1,309	
Water and Sewer		587	
Other Supplies and Materials		6,356	
In Service/Staff Development		115	
Furniture and Fixtures		9,996	
Office Equipment		1,311	
Other Equipment		2,252	
Total Other Social, Cultural, and Recreational	\$		82,325

Agriculture and Natural ResourcesAgricultural Extension Service

Salary Supplements	\$	96,508	
Board and Committee Members Fees		735	
Social Security		46	
Employer Medicare		11	
Other Fringe Benefits		34,331	
Dues and Memberships		735	
Janitorial Services		3,519	
Maintenance Agreements		1,994	
Maintenance and Repair Services - Buildings		2,974	
Maintenance and Repair Services - Vehicles		97	
Postal Charges		275	
Internet Connectivity		1,260	
Travel		1,043	
Disposal Fees		421	
Other Contracted Services		420	
Electricity		3,994	
Food Preparation Supplies		518	
Gasoline		808	
Natural Gas		1,003	
Water and Sewer		372	
Other Supplies and Materials		579	
Vehicle and Equipment Insurance		1,206	
In Service/Staff Development		125	
Total Agricultural Extension Service			152,974

(Continued)

## Exhibit J-6

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

General Fund (Cont.)Agriculture and Natural Resources (Cont.)Forest Service

Communication	\$	32	
Contracts with Government Agencies		<u>2,000</u>	
Total Forest Service			\$ 2,032

Soil Conservation

Clerical Personnel	\$	38,158	
Other Salaries and Wages		35,883	
Social Security		4,543	
Pensions		5,146	
Medical Insurance		15,893	
Employer Medicare		1,062	
Advertising		100	
Dues and Memberships		571	
In Service/Staff Development		408	
Other Charges		<u>1,120</u>	
Total Soil Conservation			102,884

Other OperationsIndustrial Development

Contributions	\$	<u>51,670</u>	
Total Industrial Development			51,670

Other Economic and Community Development

Contributions	\$	24,710	
Dues and Memberships		<u>7,593</u>	
Total Other Economic and Community Development			32,303

Airport

Contributions	\$	<u>58,997</u>	
Total Airport			58,997

Veterans' Services

Supervisor/Director	\$	16,777	
Social Security		1,040	
Employer Medicare		243	
Maintenance Agreements		449	
Travel		235	
In Service/Staff Development		302	
Other Charges		<u>985</u>	
Total Veterans' Services			20,031

Other Charges

Contracts with Private Agencies	\$	83,932	
Building and Contents Insurance		80,307	
Liability Insurance		212,160	
Premiums on Corporate Surety Bonds		7,892	
Trustee's Commission		<u>241,302</u>	

(Continued)

## Exhibit J-6

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

General Fund (Cont.)Other Operations (Cont.)Other Charges (Cont.)

Workers' Compensation Insurance	\$ 247,428	
Liability Claims	<u>2,500</u>	
Total Other Charges		\$ 875,521

Contributions to Other Agencies

Contracts with Government Agencies	\$ 112,000	
Contributions	<u>392,158</u>	
Total Contributions to Other Agencies		504,158

Employee Benefits

Educational Incentive - Official/Admin Officer	\$ 1,033	
Educational Incentive - Other County Employees	7,500	
Social Security	528	
Life Insurance	2,854	
Unemployment Compensation	5,101	
Employer Medicare	124	
Medical and Dental Services	5,000	
Criminal Investigation of Applicants - TBI	<u>487</u>	
Total Employee Benefits		<u>22,627</u>

Total General Fund \$ 17,885,038

Drug Control FundPublic SafetyDrug Enforcement

Communication	\$ 2,419	
Confidential Drug Enforcement Payments	7,000	
Towing Services	180	
Travel	279	
In Service/Staff Development	1,530	
Law Enforcement Equipment	<u>49,069</u>	
Total Drug Enforcement		<u>\$ 60,477</u>

Total Drug Control Fund 60,477

Probation Settlement FundAdministration of JusticeOther Administration of Justice

Legal Services	\$ 9,802	
Other Contracted Services	<u>34,151</u>	
Total Other Administration of Justice		<u>\$ 43,953</u>

Total Probation Settlement Fund 43,953

(Continued)

## Exhibit J-6

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

Constitutional Officers - Fees FundFinanceCounty Trustee's Office

Constitutional Officers' Operating Expenses	\$ 4,438	
Total County Trustee's Office		\$ 4,438

Administration of JusticeGeneral Sessions Court

Constitutional Officers' Operating Expenses	\$ 52	
Total General Sessions Court		52

Chancery Court

Special Commissioner Fees/Special Master Fees	\$ 70,294	
Total Chancery Court		<u>70,294</u>

Total Constitutional Officers - Fees Fund \$ 74,784

Highway/Public Works FundHighwaysAdministration

County Official/Administrative Officer	\$ 95,035	
Assistant(s)	39,029	
Social Security	7,942	
Pensions	9,318	
Life Insurance	39	
Medical Insurance	17,258	
Unemployment Compensation	42	
Employer Medicare	1,857	
Communication	67	
Dues and Memberships	3,781	
Legal Notices, Recording, and Court Costs	44	
Maintenance and Repair Services - Buildings	475	
Pest Control	420	
Postal Charges	378	
Internet Connectivity	1,019	
Travel	1,456	
Drugs and Medical Supplies	167	
Electricity	9,379	
Natural Gas	4,687	
Office Supplies	3,237	
Water and Sewer	966	
Other Supplies and Materials	1,129	
In Service/Staff Development	<u>1,444</u>	
Total Administration		\$ 199,169

Highway and Bridge Maintenance

Supervisor/Director	\$ 174,434
Equipment Operators - Heavy	170,713
Equipment Operators - Light	412,384
Truck Drivers	333,227

(Continued)

## Exhibit J-6

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

Highway/Public Works Fund (Cont.)Highways (Cont.)Highway and Bridge Maintenance (Cont.)

Laborers	\$	109,675	
Social Security		71,117	
Pensions		83,430	
Life Insurance		656	
Medical Insurance		252,249	
Unemployment Compensation		1,409	
Employer Medicare		16,632	
Laundry Service		7,776	
Permits		500	
Asphalt - Liquid		1,744,771	
Concrete		640	
Crushed Stone		488,456	
Fertilizer, Lime, and Seed		5,024	
General Construction Materials		1,880	
Pipe		63,227	
Road Signs		29,799	
Structural Steel		1,629	
Total Highway and Bridge Maintenance			\$ 3,969,628

Operation and Maintenance of Equipment

Mechanic(s)	\$	165,083	
Social Security		10,106	
Pensions		11,473	
Life Insurance		93	
Medical Insurance		26,720	
Unemployment Compensation		168	
Employer Medicare		2,364	
Other Contracted Services		8,229	
Equipment and Machinery Parts		159,324	
Fuel Oil		234,168	
Garage Supplies		8,525	
Lubricants		14,668	
Tires and Tubes		38,057	
Total Operation and Maintenance of Equipment			678,978

Other Charges

Medical and Dental Services	\$	210	
Building and Contents Insurance		4,476	
Liability Insurance		21,465	
Trustee's Commission		73,692	
Vehicle and Equipment Insurance		37,824	
Workers' Compensation Insurance		64,482	
Liability Claims		500	
Total Other Charges			202,649

Capital Outlay

Engineering Services	\$	25,882	
Highway Equipment		118,601	
Total Capital Outlay			144,483

Total Highway/Public Works Fund \$ 5,194,907

(Continued)

## Exhibit J-6

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

<u>Other Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Public Safety Projects</u>		
Communication Equipment	\$ 1,650,000	
Total Public Safety Projects		\$ 1,650,000
<u>Other General Government Projects</u>		
Trustee's Commission	\$ 9,016	
Total Other General Government Projects		9,016
Total Other Capital Projects Fund		\$ 1,659,016
Total Governmental Funds - Primary Government		\$ 24,918,175

## Exhibit J-7

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

General Purpose School FundInstructionRegular Instruction Program

Teachers	\$ 10,234,398	
Career Ladder Program	24,677	
Homebound Teachers	840	
Salary Supplements	386,957	
Educational Assistants	302,552	
Bonus Payments	99,000	
Other Salaries and Wages	43,019	
Certified Substitute Teachers	31,725	
Non-certified Substitute Teachers	150,232	
Social Security	656,171	
Pensions	913,226	
Medical Insurance	1,643,490	
Employer Medicare	154,645	
Other Contracted Services	21,018	
Food Supplies	3,405	
Instructional Supplies and Materials	155,502	
Textbooks - Bound	515,582	
Software	70,098	
Other Supplies and Materials	4,185	
Regular Instruction Equipment	62,804	
Total Regular Instruction Program		\$ 15,473,526

Special Education Program

Teachers	\$ 1,258,997	
Career Ladder Program	4,505	
Homebound Teachers	6,188	
Educational Assistants	416,288	
Speech Pathologist	196,406	
Certified Substitute Teachers	3,677	
Non-certified Substitute Teachers	38,948	
Social Security	110,972	
Pensions	145,367	
Medical Insurance	314,918	
Employer Medicare	26,531	
Contracts with Private Agencies	390,280	
Total Special Education Program		2,913,077

Career and Technical Education Program

Teachers	\$ 747,362	
Certified Substitute Teachers	975	
Non-certified Substitute Teachers	18,260	
Social Security	45,123	
Pensions	61,351	
Medical Insurance	126,825	
Employer Medicare	10,564	
Maintenance Agreements	13,400	

(Continued)

## Exhibit J-7

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

General Purpose School Fund (Cont.)Instruction (Cont.)Career and Technical Education Program (Cont.)

Maintenance and Repair Services - Equipment	\$	326	
Other Contracted Services		3,948	
Instructional Supplies and Materials		43,765	
Textbooks - Bound		2,354	
Other Supplies and Materials		8,864	
Vocational Instruction Equipment		39,166	
Total Career and Technical Education Program			\$ 1,122,283

Support ServicesAttendance

Supervisor/Director	\$	76,043	
Other Salaries and Wages		29,544	
Social Security		6,436	
Pensions		8,038	
Medical Insurance		7,436	
Employer Medicare		1,505	
Dues and Memberships		150	
Travel		209	
Software		18,352	
Other Supplies and Materials		758	
In Service/Staff Development		2,376	
Total Attendance			150,847

Health Services

Supervisor/Director	\$	46,581	
Medical Personnel		322,744	
Bonus Payments		3,000	
Non-certified Substitute Teachers		140	
Social Security		21,788	
Pensions		25,818	
Medical Insurance		64,665	
Employer Medicare		5,096	
Travel		3,871	
Drugs and Medical Supplies		1,336	
Other Supplies and Materials		52,697	
In Service/Staff Development		7,001	
Health Equipment		3,200	
Total Health Services			557,937

Other Student Support

Career Ladder Program	\$	2,000	
Guidance Personnel		543,107	
Secretary(ies)		22,110	
Clerical Personnel		25,861	
Social Security		34,793	
Pensions		48,993	

(Continued)

## Exhibit J-7

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

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

Medical Insurance	\$	75,420	
Employer Medicare		8,137	
Contracts with Government Agencies		121,493	
Evaluation and Testing		7,955	
Other Contracted Services		5,500	
Total Other Student Support			\$ 895,369

Regular Instruction Program

Supervisor/Director	\$	179,664	
Career Ladder Program		4,000	
Librarians		400,408	
Clerical Personnel		60,055	
Bonus Payments		2,000	
Social Security		37,657	
Pensions		54,443	
Medical Insurance		114,054	
Employer Medicare		8,807	
Dues and Memberships		300	
Maintenance Agreements		14,352	
Travel		4,220	
Software		10,725	
Other Supplies and Materials		5,239	
Total Regular Instruction Program			895,924

Special Education Program

Assistant(s)	\$	66,512	
Supervisor/Director		81,112	
Career Ladder Program		1,000	
Assessment Personnel		71,610	
Social Security		13,487	
Pensions		17,539	
Medical Insurance		14,936	
Employer Medicare		3,154	
Contracts with Private Agencies		60,101	
Dues and Memberships		150	
Travel		533	
Other Contracted Services		1,730	
Total Special Education Program			331,864

Career and Technical Education Program

Supervisor/Director	\$	81,112	
Secretary(ies)		28,212	
Social Security		6,618	
Pensions		8,344	
Medical Insurance		12,386	
Employer Medicare		1,548	

(Continued)

## Exhibit J-7

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

General Purpose School Fund (Cont.)Support Services (Cont.)Career and Technical Education Program (Cont.)

Dues and Memberships	\$	150	
Travel		5,679	
Other Supplies and Materials		1,934	
In Service/Staff Development		4,076	
Other Equipment		2,162	
Total Career and Technical Education Program			\$ 152,221

Technology

Supervisor/Director	\$	63,398	
Data Processing Personnel		101,614	
Social Security		9,553	
Pensions		12,571	
Medical Insurance		24,058	
Employer Medicare		2,234	
Internet Connectivity		133,788	
Travel		5,472	
Software		35,768	
Other Supplies and Materials		300	
Other Equipment		99,382	
Total Technology			488,138

Other Programs

On-behalf Payments to OPEB	\$	172,880	
Total Other Programs			172,880

Board of Education

Secretary to Board	\$	2,250	
Board and Committee Members Fees		9,992	
Social Security		666	
Pensions		156	
Life Insurance		12,617	
Unemployment Compensation		5,020	
Employer Medicare		177	
Other Fringe Benefits		171,294	
Audit Services		15,900	
Dues and Memberships		9,534	
Legal Services		66,954	
Travel		2,251	
Other Supplies and Materials		518	
Liability Insurance		174,755	
Trustee's Commission		247,003	
Workers' Compensation Insurance		248,163	
Liability Claims		1,500	
In Service/Staff Development		9,833	
Criminal Investigation of Applicants - TBI		906	
Other Charges		1,364	
Total Board of Education			980,853

(Continued)

## Exhibit J-7

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

General Purpose School Fund (Cont.)Support Services (Cont.)Director of Schools

County Official/Administrative Officer	\$	123,760	
Assistant(s)		92,820	
Career Ladder Program		1,000	
Secretary(ies)		73,348	
Social Security		17,580	
Pensions		23,244	
Medical Insurance		23,298	
Employer Medicare		4,112	
Advertising		370	
Communication		11,544	
Dues and Memberships		2,712	
Postal Charges		2,572	
Travel		1,694	
Office Supplies		1,431	
Other Supplies and Materials		995	
In Service/Staff Development		2,446	
Other Charges		1,605	
Administration Equipment		385	
Total Director of Schools			\$ 384,916

Office of the Principal

Principals	\$	655,864	
Career Ladder Program		6,000	
Assessment Personnel		70,778	
Assistant Principals		599,639	
Secretary(ies)		377,893	
Clerical Personnel		32,792	
Other Salaries and Wages		19,810	
Social Security		101,756	
Pensions		144,555	
Medical Insurance		289,768	
Employer Medicare		23,798	
Communication		36,066	
Data Processing Services		10,886	
Dues and Memberships		2,550	
Maintenance Agreements		71,833	
Total Office of the Principal			2,443,988

Operation of Plant

Custodial Personnel	\$	466,592	
Other Salaries and Wages		8,865	
Social Security		27,922	
Pensions		33,013	
Medical Insurance		148,378	
Employer Medicare		6,530	
Laundry Service		5,213	

(Continued)

## Exhibit J-7

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

General Purpose School Fund (Cont.)Support Services (Cont.)Operation of Plant (Cont.)

Pest Control	\$	4,950	
Disposal Fees		30,837	
Other Contracted Services		116,100	
Custodial Supplies		54,862	
Electricity		907,921	
Natural Gas		94,958	
Propane Gas		21,595	
Water and Sewer		101,388	
Other Supplies and Materials		251	
Building and Contents Insurance		134,481	
Maintenance Equipment		10,917	
Plant Operation Equipment		1,282	
Total Operation of Plant			\$ 2,176,055

Maintenance of Plant

Supervisor/Director	\$	57,396	
Maintenance Personnel		192,576	
Other Salaries and Wages		68,634	
Social Security		18,375	
Pensions		21,433	
Medical Insurance		56,833	
Employer Medicare		4,480	
Dues and Memberships		400	
Laundry Service		4,957	
Maintenance Agreements		988	
Maintenance and Repair Services - Buildings		56,695	
Maintenance and Repair Services - Equipment		9,299	
Travel		707	
Other Contracted Services		6,411	
Equipment and Machinery Parts		73,554	
Gasoline		20,230	
Software		8,362	
Other Supplies and Materials		86,313	
In Service/Staff Development		416	
Maintenance Equipment		4,335	
Motor Vehicles		55,558	
Other Equipment		3,955	
Total Maintenance of Plant			751,907

Transportation

Supervisor/Director	\$	55,428
Mechanic(s)		104,857
Bus Drivers		644,966
Secretary(ies)		31,584
Overtime Pay		1,341
Other Salaries and Wages		145,941

(Continued)

## Exhibit J-7

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

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

Social Security	\$	57,394	
Pensions		61,347	
Medical Insurance		279,232	
Employer Medicare		13,423	
Laundry Service		3,132	
Maintenance Agreements		988	
Maintenance and Repair Services - Vehicles		580	
Medical and Dental Services		2,940	
Internet Connectivity		1,117	
Travel		950	
Other Contracted Services		19,803	
Diesel Fuel		304,463	
Equipment and Machinery Parts		204	
Gasoline		11,187	
Lubricants		8,254	
Tires and Tubes		24,675	
Uniforms		468	
Vehicle Parts		75,319	
Other Supplies and Materials		6,450	
Vehicle and Equipment Insurance		100,763	
In Service/Staff Development		1,476	
Transportation Equipment		367,593	
Other Equipment		16,451	
Total Transportation			\$ 2,342,326

Operation of Non-Instructional ServicesCommunity Services

Teachers	\$	184,485	
Educational Assistants		11,981	
Social Security		12,181	
Pensions		14,783	
Employer Medicare		2,849	
Travel		137	
Instructional Supplies and Materials		33,065	
Other Supplies and Materials		1,411	
In Service/Staff Development		184	
Total Community Services			261,076

Early Childhood Education

Supervisor/Director	\$	27,173	
Teachers		252,465	
Clerical Personnel		27,698	
Educational Assistants		84,988	
Non-certified Substitute Teachers		4,025	
Social Security		23,482	
Pensions		31,369	

(Continued)

## Exhibit J-7

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

General Purpose School Fund (Cont.)Operation of Non-Instructional Services (Cont.)Early Childhood Education (Cont.)

Medical Insurance	\$	78,508	
Employer Medicare		5,500	
Communication		408	
Travel		2,130	
Food Supplies		9,413	
Instructional Supplies and Materials		29,325	
Other Supplies and Materials		3,644	
In Service/Staff Development		850	
Other Charges		4,780	
Other Equipment		18,463	
Total Early Childhood Education			\$ 604,221

Total General Purpose School Fund \$ 33,099,408

School Federal Projects FundInstructionRegular Instruction Program

Teachers	\$	767,306	
Educational Assistants		229,470	
Other Salaries and Wages		80,821	
Social Security		59,566	
Pensions		81,699	
Medical Insurance		178,556	
Employer Medicare		14,244	
Other Contracted Services		798	
Instructional Supplies and Materials		343,843	
Software		79,404	
Other Supplies and Materials		30,615	
Regular Instruction Equipment		533,840	
Total Regular Instruction Program			\$ 2,400,162

Special Education Program

Teachers	\$	91,468	
Educational Assistants		511,683	
Social Security		34,998	
Pensions		43,086	
Medical Insurance		201,393	
Employer Medicare		8,185	
Contracts with Private Agencies		192,897	
Instructional Supplies and Materials		8,375	
Software		9,794	
Special Education Equipment		16,877	
Total Special Education Program			1,118,756

Career and Technical Education Program

Other Salaries and Wages	\$	3,000	
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(Continued)

## Exhibit J-7

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

## School Federal Projects Fund (Cont.)

Instruction (Cont.)Career and Technical Education Program (Cont.)

Social Security	\$	186	
Pensions		261	
Employer Medicare		43	
Instructional Supplies and Materials		9,717	
Vocational Instruction Equipment		62,724	
Total Career and Technical Education Program			\$ 75,931

Support ServicesHealth Services

Other Salaries and Wages	\$	13,230	
Social Security		807	
Pensions		963	
Employer Medicare		192	
Other Contracted Services		8,589	
Total Health Services			23,781

Other Student Support

Social Workers	\$	7,319	
Other Salaries and Wages		4,000	
Social Security		702	
Pensions		754	
Employer Medicare		164	
Evaluation and Testing		590	
Travel		4,484	
In Service/Staff Development		3,867	
Other Charges		30,698	
Other Equipment		3,155	
Total Other Student Support			55,733

Regular Instruction Program

Supervisor/Director	\$	44,608	
Other Salaries and Wages		311,818	
Non-certified Substitute Teachers		3,940	
Social Security		23,570	
Pensions		31,363	
Medical Insurance		10,994	
Employer Medicare		5,609	
Other Contracted Services		71,250	
Library Books/Media		15,102	
Software		11,419	
Other Supplies and Materials		1,547	
In Service/Staff Development		57,534	
Other Charges		6,343	
Total Regular Instruction Program			595,097

(Continued)

## Exhibit J-7

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

School Federal Projects Fund (Cont.)Support Services (Cont.)Special Education Program

Other Salaries and Wages	\$	1,500	
Social Security		93	
Pensions		130	
Employer Medicare		22	
Communication		45	
Contracts with Private Agencies		54,698	
Evaluation and Testing		6,501	
Travel		2,108	
Other Contracted Services		12,156	
Other Supplies and Materials		6,933	
In Service/Staff Development		2,234	
Other Equipment		1,362	
Total Special Education Program			\$ 87,782

Career and Technical Education Program

In Service/Staff Development	\$	352	
Total Career and Technical Education Program			352

Technology

Other Salaries and Wages	\$	24,661	
Social Security		1,511	
Pensions		1,714	
Medical Insurance		2,532	
Employer Medicare		353	
Cabling		92,760	
Software		13,200	
Other Supplies and Materials		1,248	
Other Charges		3,620	
Total Technology			141,599

Office of the Principal

Other Charges	\$	928,000	
Total Office of the Principal			928,000

Operation of Plant

Other Supplies and Materials	\$	49,973	
Total Operation of Plant			49,973

Operation of Non-Instructional ServicesFood Service

Other Salaries and Wages	\$	37,297	
Social Security		2,312	
Pensions		2,100	
Employer Medicare		541	
Total Food Service			42,250

Total School Federal Projects Fund \$ 5,519,416

(Continued)

## Exhibit J-7

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

Central Cafeteria FundOperation of Non-Instructional ServicesFood Service

Supervisor/Director	\$	54,157	
Clerical Personnel		43,440	
Cafeteria Personnel		559,007	
Part-time Personnel		92,641	
Educational Incentive - Other County Employees		12,750	
Other Salaries and Wages		23,334	
Social Security		46,174	
Pensions		49,413	
Medical Insurance		197,501	
Employer Medicare		10,799	
Dues and Memberships		540	
Maintenance and Repair Services - Equipment		15,845	
Transportation - Other than Students		13,311	
Other Contracted Services		18,748	
Food Supplies		1,091,302	
Uniforms		4,642	
USDA - Commodities		168,304	
Other Supplies and Materials		103,536	
Refunds		41	
In Service/Staff Development		1,140	
Food Service Equipment		33,671	
Total Food Service			\$ 2,540,296

Total Central Cafeteria Fund \$ 2,540,296

Internal School FundOperation of Non-Instructional ServicesCommunity Services

Other Charges	\$	1,545,460	
Total Community Services			\$ 1,545,460

Total Internal School Fund 1,545,460

Education Capital Projects FundCapital ProjectsEducation Capital Projects

Consultants	\$	11,945	
Building Improvements		101,291	
Total Education Capital Projects			\$ 113,236

Total Education Capital Projects Fund 113,236

Other Education Capital Projects FundCapital ProjectsEducation Capital Projects

Architects	\$	154,628	
Building Improvements		1,772,182	
Total Education Capital Projects			\$ 1,926,810

Total Other Education Capital Projects Fund 1,926,810

Total Governmental Funds - Giles County School Department \$ 44,744,626

## **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

Giles County Executive and  
Board of County Commissioners  
Giles 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 Giles County, Tennessee, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Giles County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated October 12, 2023. Our report includes a reference to other auditors who audited the financial statements of the Internal School Fund of Giles County School Department (a discretely presented component unit), as described in our report on Giles 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 Giles 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 Giles County's internal control. Accordingly, we do not express an opinion on the effectiveness of Giles County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be significant deficiencies: 2023-001 (A.,B.) and 2023-003.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Giles County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2023-001(C) and 2023-002.

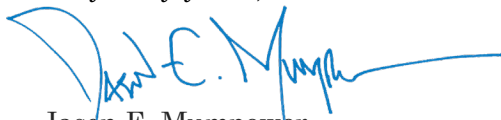
### **Giles County's Responses to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on Giles County's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. Giles 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 Giles 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

October 12, 2023

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**

Giles County Executive and  
Board of County Commissioners  
Giles 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 Giles 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 Giles County's major federal programs for the year ended June 30, 2023. Giles 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, Giles 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 Giles 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 Giles 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 Giles 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 Giles 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 Giles 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 Giles 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 Giles 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 Giles 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 Giles County, Tennessee, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Giles County's basic financial statements. We issued our report thereon dated October 12, 2023, 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

October 12, 2023

JEM/gc

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

Federal/Pass-through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Amount Passed-through to Subrecipients	Expenditures
U.S. Department of Agriculture:				
Passed-through State Department of Agriculture:				
Child Nutrition Cluster: (4)				
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(3)	\$ 0	\$ 168,304 (6)
National School Lunch Program (Commodities - Cash Assistance)	10.555	(3)	0	15,026 (6)
Soil and Water Conservation	10.902	(3)	0	10,250
Passed-through State Department of Education:				
Child Nutrition Cluster: (4)				
School Breakfast Program	10.553	(3)	0	681,448
National School Lunch Program	10.555	(3)	0	1,618,072 (6)
Fresh Fruit and Vegetable Program	10.582	(3)	0	21,825
COVID 19 - Pandemic Electronic Benefit Transfer (P-EBT)				
Administrative Costs Grants	10.649	(3)	0	3,135
Passed-through State Department of Health:				
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG237564001	0	59,377
Total U.S. Department of Agriculture				<u>\$ 2,577,437</u>
U.S. Department of Justice:				
Passed-through State Department of Finance and Administration:				
Crime Victim Assistance	16.575	(3)	0	\$ 748
Total U.S. Department of Justice				<u>\$ 748</u>
U.S. Department of Transportation:				
Passed-through State Department of Safety and Homeland Security:				
Highway Safety Cluster: (4)				
State and Community Highway Safety	20.600	(5)	0	\$ 28,260
Passed-through State Department of Military:				
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	34101-29722	0	21,600
Total U.S. Department of Transportation				<u>\$ 49,860</u>
U.S. Department of Education:				
Passed-through State Department of Education:				
Title I Grants to Local Educational Agencies	84.010	(3)	0	\$ 1,115,615
Special Education Cluster: (4)				
Special Education - Grants to States	84.027	(3)	0	1,053,984 (6)
COVID 19 - Special Education - Grants to States (ARP)	84.027	(3)	0	89,844 (6)
Special Education - Preschool Grants	84.173	(3)	0	30,137
Career and Technical Education - Basic Grants to States	84.048	(3)	0	89,168
Rural Education	84.358	(3)	0	35,080
English Language Acquisition State Grants	84.365	(3)	24,108	33,387 (7)
Supporting Effective Instruction State Grants	84.367	(3)	0	99,903
Student Support and Academic Enrichment Program	84.424	(3)	0	16,650
COVID 19 - Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund	84.425	(3)	0	71,250 (6)
COVID 19 - Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund	84.425B	(3)	0	30,000 (6)
COVID 19 - Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund	84.425D	(3)	0	138,167 (6)
COVID 19 - Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund (ESSER II)	84.425D	(3)	0	800,867 (6)
COVID 19 - Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund (ESSER ARP)	84.425U	(3)	0	1,903,852 (6)
Total U.S. Department of Education				<u>\$ 5,507,904</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Amount Passed-through to Subrecipients	Expenditures
U.S. Department of Health and Human Services: Passed-through State Department of Education: COVID 19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	(3)	\$ 0	\$ 11,512
COVID 19 - Temporary Assistance for Needy Families	93.558	(3)	0	134,403
Passed-through State Department of Health: Maternal and Child Health Services Block Grant to the States	93.994	GG237564001	0	8,940
Total U.S. Department of Health and Human Services				<u>\$ 154,855</u>
U.S. Department of Homeland Security: Passed-through State Department of Military: Homeland Security Grant Program	97.067	34101-24321	0	\$ 46,000
Total U.S. Department of Homeland Security				<u>\$ 46,000</u>
Total Expenditures of Federal Grants				<u>\$ 8,336,804</u>

State Grants	Contract Number	Expenditures
Health Department Programs - State Department of Health	N/A	\$ 130,428
Conservation Technical Assistance - State Department of Agriculture	N/A	9,000
Early Childhood Education - State Department of Education	N/A	463,997
Coordinated School Health - State Department of Education	N/A	99,427
Safe Schools Act - State Department of Education	N/A	72,470
Animal Friendly Grant - State Department of Agriculture	N/A	1,050
Lottery for Education Afterschool Program - State Department of Education	N/A	261,319
Litter Program - State Department of Transportation	N/A	52,200
COVID 19 - Learning Camps Transportation - State Department of Education	N/A	43,896
COVID 19 - Summer Learning Camps - State Department of Education	N/A	226,410
Innovative School Model - State Department of Education	N/A	62,804
Middle School CTE Start-up & Expansion Grant - State Department of Education	N/A	38,800
SPARC: Supporting Postsecondary Access in Rural Communities - State Department of Education	N/A	95,158
Litter Removal Grant - State Department of Transportation	N/A	54,979
Juvenile Justice and Delinquency Prevention - State Department of Children's Services	N/A	9,000
Total State Grants		<u>\$ 1,620,938</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) Giles County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.  
(3) Information not available.  
(4) Child Nutrition Cluster total \$2,504,675; Highway Safety Cluster total \$28,260; Special Education Cluster total \$1,173,965.  
(5) Z22THS112: \$10,370; Z23THS106: \$17,890.  
(6) Total for FAL No. 10.555 is \$1,801,402; Total for FAL No. 84.027 is \$1,143,828; Total for FAL No. 84.425 is \$2,944,136.  
(7) SUBRECIPIENT AMOUNTS

Subrecipient	FAL Number	Amount Provided to Subrecipients
Lawrence County School Department	84.365	\$ 6,542
Lincoln County School Department	84.365	8,318
Fayetteville City School District	84.365	2,772
Tulahoma City School District	84.365	6,476
Total amounts provided to subrecipients		<u>\$ 24,108</u>

Giles 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 Giles County, Tennessee, for the year ended June 30, 2023.

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

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

***Prior-year Federal Awards Findings***

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

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**GILES 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 Giles County is unmodified.
2. Internal Control Over Financial Reporting:
  - \* Material weakness identified? **NO**
  - \* 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: 84.010      Title I Grants to Local Educational Agencies
  - \* 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? **YES**

## **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 the findings and recommendations. Management's corrective action plan, whether related to the financial statements or federal awards, is presented separately in the Management's Corrective Action Plan in the Single Audit Section of this report. Findings relating specifically to the audit of federal awards, if any, are separately presented under Part III, Findings and Questioned Costs for Federal Awards.

### **OFFICES OF COUNTY EXECUTIVE AND FINANCE DIRECTOR**

<b><u>FINDING 2023-001</u></b>	<b>DEFICIENCIES      EXISTED      REGARDING      A COMMUNICATIONS PROJECT</b> (A. and B. - Internal Control – Significant Deficiency Under <i>Government Auditing Standards</i> ; C. - Noncompliance under <i>Government Auditing Standards</i> )
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During the year ended June 30, 2023, Giles County received a proposal from Motorola Solutions, Inc. (Motorola) to upgrade the county's communications network. Under this proposal, Motorola would provide a combination of hardware, software, and related services. The proposal totaled \$6,600,000 (total price of \$9,486,879 less discounts of \$2,886,879). Our examination revealed the following deficiencies, which resulted from a lack of management oversight.

- A. The proposal included summary totals for equipment (less statewide contract equipment discounts), infrastructure, implementation services, and a subscription charge; however, it did not contain an itemized price list of equipment purchased or services rendered. Without detailed pricing, auditors were unable to determine if the proposal complied with the statewide contract.
- B. The proposal included site preparation, which is not included in the provisions of the statewide contract.
- C. Motorola was not required to provide a performance bond. Section 12-4-201, *Tennessee Code Annotated*, requires contractors to execute a performance bond for 25 percent on all projects in excess of \$100,000.

### **RECOMMENDATION**

Officials should enter into formal written contracts with itemized pricing after first verifying amounts against the statewide contract. Performance bonds should be obtained as required by state statute.

### **MANAGEMENT'S RESPONSE – COUNTY EXECUTIVE**

We acknowledge and agree with the points noted in the above finding. The acknowledgments do not express, however, a root concern behind this finding. Giles County was presented with

a short-fused, state-approved contract that was effected in partnership with TN Safety and Homeland Security. Our error was to presume that an approved statewide contract precisely addressed every nuance of Government Auditing Standards. A helpful precondition for future statewide contracts coming to local governments would specifically highlight the contract elements demanding local attention, thus assisting local governments to achieve more precise audit compliance.

#### AUDITOR'S COMMENT

The finding points out not documenting criteria contained in purchasing statutes regarding piggy-back contracts, not “nuance of Government Auditing Standards.”

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#### OFFICES OF DIRECTOR OF SCHOOLS AND FINANCE DIRECTOR

##### FINDING 2023-002

##### **THE SCHOOL DEPARTMENT ENTERED INTO A CONSTRUCTION CONTRACT IN VIOLATION OF THE FINANCIAL MANAGEMENT ACT OF 1981**

(Material Noncompliance Under *Government Auditing Standards*)

On April 1, 2023, the director of schools entered into a contract with a construction company totaling \$11,086,503 for the renovation of Giles County High School without the participation of the county's finance director. Giles County operates under the County Financial Management System of 1981, which establishes a finance department overseen by a director of finance to administer the county's accounting, budgeting, and purchasing functions. Section 5-21-118(a), *Tennessee Code Annotated (TCA)*, establishes the finance director or an appointed deputy to serve as the county purchasing agent. Section 5-21-118(b)(3), *TCA*, specifically states that contracts for building construction are the responsibility of the director of finance, and Section 5-21-119(5)(F), *TCA*, states that the purchasing agent shall “issue purchase orders and contracts.” Furthermore, the Tennessee Attorney General has opined (Opinion 89-76) that in counties operating under the provisions of the County Financial Management System of 1981, the board of education is authorized to determine the need for contract services and define the requirements; however, any resulting contract, except for employment contracts with necessary personnel, would be issued by the purchasing agent.

The board of education and the county commission honored the contract by subsequently approving budget amendments to fund the renovation of Giles County High School. Circumventing the established procedures of the finance department weakens controls over purchasing and could possibly cost the county money in potential litigation caused by voided contracts. This deficiency is the result of a failure to follow the finance department's purchasing policies and state statutes and is the result of a lack of management oversight.

#### RECOMMENDATION

All accounting, purchasing, and budget functions of the county should be administered by the finance department in compliance with provisions of the Financial Management Acts of 1981.

## MANAGEMENT’S RESPONSE – DIRECTOR OF SCHOOLS

The Board of Education concurs with this finding and has undergone additional training and professional development regarding the appropriate procedures for entering into construction contracts.

## OFFICE OF TRUSTEE

### FINDING 2023-003

### **UNRESOLVED ERRORS RESULTED IN A CASH SHORTAGE OF \$553**

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

During July 2022, the trustee’s bank statement reflected three erroneous charges totaling \$553. The bank refused to refund the charges due to the time lapse between the initial bank statement and the trustee’s notification. The erroneous charges have been carried as a reconciling item on the monthly bank reconciliation since July 2022, resulting in a cash shortage of \$553 at June 30, 2023. This cash shortage resulted from a lack of management oversight.

### RECOMMENDATION

Officials should take steps to liquidate the cash shortage. Erroneous charges should be identified during the monthly bank reconciliation and corrected promptly.

## MANAGEMENT’S RESPONSE – TRUSTEE

We concur with the finding of unresolved errors resulting in a cash shortage of \$553. We tried numerous times to work with the bank to get these erroneous charges credited back into the trustee’s account. After additional calls and conversations with the bank dispute department, this situation was not resolved. We turned this matter over to our county attorney, and he has also not been able to get this matter resolved. As a corrective action, the trustee will be more proactive in addressing any erroneous charges that are identified on bank reconciliation and promptly have them corrected.

## AUDITOR’S COMMENT

The bank allows 60 days for disputing charges. Based on conversations with office personnel, the office first notified the bank during November 2022.

### **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.

**Giles 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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**OFFICE OF COUNTY EXECUTIVE**

2023-001	Deficiencies existed regarding a communications project.	192
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**OFFICE OF DIRECTOR OF SCHOOLS**

2023-002	The school department entered into a construction contract in violation of the Financial Management Act of 1981.	193
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**OFFICE OF TRUSTEE**

2023-003	Unresolved errors resulted in a cash shortage of \$553.	194
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GILES COUNTY



TENNESSEE

Giles County Annex  
P.O.Box 678  
Pulaski, Tennessee 38478

**GRAHAM STOWE**  
COUNTY EXECUTIVE

P: (931) 363-5300  
F: (931) 363-2068  
gstowe@gilescountyttn.gov

12 Oct 2023

Subj: Corrective Action Plan

FINDING: DEFICIENCIES REGARDING A COMMUNICATIONS PROJECT

**Response and Corrective Action Plan Prepared by:**  
Graham Stowe, Giles County Executive

**Person Responsible for Implementing the Corrective Action:**  
Beth Moore, Director of Finance

**Anticipated Completion Date of Corrective Action:**

- A. Completed 11 Oct 23
- B. No recourse
- C. Completed 03 Oct 23

**Repeat Finding:** No

**Planned Corrective Action:**

- A. Motorola was contacted on 19 Sep 23 with a request to prepare an itemized list of purchased equipment and services; this was received 11 Oct 23.
- B. When presented with a statewide contract in the future, we will scrutinize the contract for county-specific particulars that require local modifications.
- C. Performance Bond signed/completed 03 Oct 23.

Regards,



G. S. Stowe



## GILES COUNTY SCHOOL SYSTEM

Grow Connect Serve Succeed

Dr. Vickie Beard, Director of Schools  
(931) 363-4558

270 Richland Drive  
Pulaski, TN 38478

### Corrective Action Plan

**FINDING: THE SCHOOL DEPARTMENT ENTERED INTO A CONSTRUCTION CONTRACT IN VIOLATION OF THE FINANCIAL MANAGEMENT ACT OF 1981**

**Response and Corrective Action Plan Prepared by:** Vickie M. Beard, Director of Schools

**Person Responsible for Implementing the Corrective Action:** Vickie M. Beard, Director of Schools

**Anticipated Completion Date of Corrective Action:** September 21, 2023

**Repeat Finding:** No

**Planned Corrective Action:**

Additional training has been conducted for Board of Education personnel. Additional review of the financial management policy has been completed. The changes are effective immediately. The Director of Schools will ensure that Financial Management and the Finance Director are the purchasing agents and responsible for entering into contracts going forward.

Signature: \_\_\_\_\_

*Vickie M. Beard*

Vickie M. Beard, EdD

**TONY RISNER**  
Giles County Trustee  
1 Public Square  
P.O. Box 678  
Pulaski, Tennessee 38478



trisner@gilescountyttn.gov  
gctrustee@gilescountyttn.gov  
Phone: (931) 363-1676  
Fax: (931) 424-7048

**Corrective Action Plan**

**FINDING: UNRESOLVED ERRORS RESULTED IN A CASH SHORTAGE OF \$553**

**Response and Corrective Action Plan Prepared by:**  
Tony Risner, Trustee

**Person Responsible for Implementing the Corrective Action:**  
Tony Risner, Trustee

**Anticipated Completion Date of Corrective Action:**  
November 2023 or the earliest available County Commission meeting

**Repeat Finding:**  
No

**Planned Corrective Action:**  
The Trustee will be notified of any erroneous or unauthorized charges on any Bank Reconciliation and will sign off on monthly reconciliations. Any erroneous or unauthorized charges will be dealt with in a timely matter.

Signature: \_\_\_\_\_

A handwritten signature in black ink, appearing to read "Tony Risner", written over a horizontal line.

Tony Risner, Giles County Trustee

**APPENDIX D**

Form of Continuing Disclosure Agreement



GILES COUNTY, TENNESSEE

\$8,700,000\* GENERAL OBLIGATION SCHOOL BONDS, SERIES 2024

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this “Disclosure Agreement”) is executed and delivered this \_\_\_\_ day of \_\_\_\_\_, 2024 by Giles County, Tennessee (the “Issuer”) in connection with the issuance of its \$8,700,000\* General Obligation School Bonds, Series 2024 (the “Bonds”). The Issuer hereby covenants and agrees as follows:

SECTION 1. Purpose of and Authority for the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer for the benefit of the Registered Owners and the Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with Rule 15c2-12(b)(5) (the “Rule”) of the Securities and Exchange Commission (the “SEC”). This Disclosure Agreement is being executed and delivered by the Issuer under the authority of the Resolution.

SECTION 2. Definitions. In addition to the terms otherwise defined herein, the following capitalized terms shall have the following meanings:

“Beneficial Owner” shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Fiscal Year” shall mean any period of twelve consecutive months adopted by the Issuer as its fiscal year for financial reporting purposes, and shall initially mean the period beginning on July 1 of each calendar year and ending June 30 of the following calendar year.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“Official Statement” shall mean the Official Statement of the Issuer, dated \_\_\_\_\_, 2024, relating to the Bonds.

“Participating Underwriters” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Registered Owner” means any person who is identified as a holder of Bonds on the registration records maintained by or on behalf of the Issuer with respect to the Bonds.

“Resolution” shall mean the bond Resolution adopted by the Board of Commissioners of the Issuer on February 20, 2024.

“State” shall mean the State of Tennessee.

“State Repository” shall mean any public or private repository or entity designated by the State as a state repository for the purpose of the Rule.

SECTION 3. Continuing Disclosure. The Issuer hereby agrees to provide or cause to be provided the information set forth below:

(a) *Annual Financial Information*. For Fiscal Years ending on or after June 30, 2023, the Issuer shall provide annual financial information and operating data within 12 months after the end of the Fiscal Year. The annual financial information and operating data shall include:

(i) The Issuer's audited financial statements, prepared in accordance with generally accepted accounting principles, or, if the Issuer's audited financial statements are not available, then the Issuer's unaudited financial statements; and

(ii) To the extent not included in the audited financial statements, operating data of the type included under the following headings of the Official Statement, which data may be presented in a manner other than as set in the Official Statement:

1. "Summary of Outstanding Debt";
2. "Debt Statement";
3. "Debt Record";
4. "Per Capita Debt Ratios";
5. "Debt Ratios";
6. "Debt Trend";
7. "Debt Service Requirements";
8. "Property Valuation and Property Tax";
9. "Top Property Taxpayers";
10. "Fund Balances"; and
11. "Local Sales Tax"

(b) *Audited Financial Statements*. For Fiscal Years ending on or after June 30, 2023, the Issuer shall provide audited financial statements, prepared in accordance with generally accepted accounting principles, if and when available, if such audited financial statements are not included with the annual financial information described in subsection (a) above.

(c) *Event Notices*. The Issuer will provide notice of the following events relating to the Bonds in a timely manner, not in excess of ten business days after the occurrence of the event:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of Bondholders, if material;

- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances (including disclosure as to whether the Bonds have been defeased to their maturity or to a preceding call date);
- (x) Release, substitution, or sale of property securing repayment of the securities, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the obligated person;
- (xiii) The consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) Incurrence of a financial obligation\* of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders, if material; and
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

\* As used in subsections (xv) and (xvi), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

(d) *Notice of Failure to File Annual Financial Information.* The Issuer will provide timely notice of its failure to provide the annual financial information described in subsection (a) above within the time frame prescribed by subsection (a).

(e) *Notice of Amendment of Disclosure Agreement.* The Issuer will provide timely notice of an amendment to this Disclosure Agreement pursuant to the terms of Section 5(a) below.

#### SECTION 4. Methods of Providing Information.

(a) All disclosures required by Section 3 shall be transmitted to the MSRB using the MSRB's Electronic Municipal Market Access System ("EMMA") or by such other method as may be subsequently determined by the MSRB.

(b) Information shall be provided to the MSRB in an electronic format as prescribed by the MSRB, either directly, or indirectly through an indenture trustee or a designated dissemination agent.

(c) All transmissions to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(d) Any required disclosure may be incorporated by reference to other documents filed with the MSRB in the manner required by subsection (a) above. The Issuer shall clearly identify each such other document so incorporated by reference.

(e) All disclosures transmitted to the MSRB hereunder shall be simultaneously transmitted to any State Repository.

#### SECTION 5. Amendment.

This Disclosure Agreement may be amended or modified so long as: (i) any such amendments are not violative of any rule or regulation of the SEC or MSRB, or other federal or state regulatory body; (ii) the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person, or type of business conducted; (iii) this Disclosure Agreement, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (iv) the amendment does not materially impair the interests of Beneficial Owners or Registered Owners, as determined either by parties unaffiliated with the Issuer (such as bond counsel), or by approving vote of the Beneficial Owners and Registered Owners pursuant to the terms of the Resolution at the time of the amendment.

(b) In the event of any amendment or modification to the financial information or operating data required to be filed pursuant to Section 3(a) above, the Issuer shall describe such amendment in the next filing pursuant to Section 3(a), and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, the next filing pursuant to Section 3(a) or 3(b), as applicable, shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 7. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any disclosure required hereunder, in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future disclosure.

SECTION 8. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Registered Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 9. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, any Registered Owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed a default under the Resolution, and the sole remedy under this Disclosure Agreement in the event of any failure of any party to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 10. Governing Law. This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State.

SECTION 11. Severability. In case any one or more of the provisions of this Disclosure Agreement shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Disclosure Agreement, but this Disclosure Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

GILES COUNTY, TENNESSEE

By: \_\_\_\_\_  
County Executive

