

JOINT BOARD OF EDUCATION

AGENDA

Date of Meeting: April 27, 2023

Time: 6:00 PM

Location: Greene Technology Center

- I. **Call to Order**
- II. **Pledge to the Flag**
- III. **Recognition of Visitors**
- IV. **Special Recognition** (5 minutes)
 - Recognition of Skills USA Contestants
- V. **Approval of Agenda**
- VI. **Consent Agenda** (5 minutes)
 - A. Consideration of Approving Minutes of January 26, 2023, Joint Board Meeting Steve Starnes
- VII. **Action Items**
 - A. Consideration of Acceptance of 2022 GTC Audited Financial Statements (15 minutes) Ellen Lipe, CPA
 - B. Consideration of Accepting March 2023 GTC Financial Statements (5 minutes) Ellen Lipe, CPA
 - C. Consideration of Accepting 2022-2023 GTC Budget Amendment #2 (5 minutes) Ellen Lipe, CPA
 - D. Consideration of Approval to Survey GTC Property (5 minutes) Steve Starnes
 - E. Consideration of Approval of Process for GTC Inventory Division (5 minutes) Steve Starnes
- VIII. **Reports** (10 minutes)

Report by Greene Technology Center Principal

IX. **Adjournment**

**OFFICIAL MINUTES OF THE
GREENEVILLE-GREENE COUNTY BOARD OF EDUCATION
January 26, 2023**

The Greeneville-Greene County Joint Board of Education met in regular session on Thursday, January 26, 2023, at the Greene Technology Center. Members in attendance were Greene County Schools Chair Rick Tipton, Minnie Banks, Tom Cobble, Mark Rothe, Gary Compton, Stacy Franklin, Larry Bible, Greeneville City Schools Chair Cindy Luttrell, Vice-Chair Dr. Craig Shepherd, Pam Botta, Josh Quillen and student representative Asher Rogers. Greeneville City board member Crystal Hirschy was absent. Others in attendance were Steve Starnes, Director of Greeneville City Schools; David McLain, Director of Greene County Schools; administrative personnel from both school systems, and Greene Technology Center staff members. Presiding Chair Luttrell called the meeting to order and welcomed all in attendance. Greene County Board member Tipton led in the pledge of allegiance to the American flag.

BUSINESS TRANSACTED

Approval of Agenda

The Board unanimously approved the Agenda on a motion from Tipton and a second from Botta.

Consent Agenda

The Board unanimously approved the Consent Agenda on a motion from Compton and a second from Tipton.

A. Consideration of Approving Minutes of October 27, 2022, Joint Board Meeting

Minutes of the October 27, 2022, Board meeting were unanimously approved as presented. A copy is on file in the Director of Schools' office.

B. Consideration of Approving Disposal of Surplus

Greeneville City and Greene County School Board policy states that when equipment no longer has an intended use by the system or is no longer capable of being used due to condition, the Boards shall declare it surplus property and authorize its disposal. Board approval was unanimous for disposal of surplus.

Action Items

A. Consideration of Accepting December 2022 Financial Statements

Ellen S. Lipe, CPA, Greeneville City Schools Chief Financial Officer, presented the November 2022 financial statements to the Board for acceptance. Lipe stated YTD through November, GTC has received 48.6% of budgeted revenue and expended 45.2% of budgeted expenditures. In the month of November, the Center had total revenue of \$166,144.30 and total expenditures of \$149,703.93, resulting in a net revenue of \$16,440.37. Copies of the statements are on file in the Greeneville City Schools' Chief Financial Officer's office.

It is recommended to approve the December 2022 financial statements. Board approval was unanimous on a motion from Tipton and a second from Franklin.

Reports

Aaron Flanary gave a report on the Greene Technology Center (GTC). Highlights of the report are as follows:

- Enrollment:
 - GTC served 308 students last semester. Currently, GTC is serving 345 students this semester. This makes a total of 664 students for the year,

which is a 24% increase over last year's 536. This year's enrollment breakdown:

- Greeneville City Schools: 339 Greeneville High Schools students, and 3 TOPS.
- Greene County Schools: 300 high school students, and 2 GOAL.
- GTC also had 22 homeschool students.
- Greeneville City Schools / Greene County Schools split 53%/47%
- The enrollment this year elevated four of our programs to capacity (Cosmetology, Criminal Justice, Culinary Arts, and Welding)
- Dual Enrollment
 - GTC has 7 Dual Enrollment programs and 59% of our eligible students are dual enrolled. That number increases to 71% of our advanced students who are dual enrolled and earning the maximum number of clock hours at 180 per semester.
 - GTC has started two new dual-enrollment programs with Tusculum University. The new partnership with TU will benefit Criminal Justice and Information Technology students.
 - GTC is in discussions with Walter's State Community College in Sevierville about adding two dual enrollment Culinary Arts courses along with dual credit tests.
- Dual Credit
 - Dual Credit exams were offered with both Northeast State Community College and Walters State Community College. GTC students passed the Automotive Electrical, Blueprint Reading for Machining Trades, Direct Current Fundamentals, and CPR.

- Credentials
 - Industry Credentials: GTC students earned a total of approximately 75 industry credentials in their program of study last semester.
- ACT's WorkKeys (National Career Readiness Certificate)
 - GTC had 97 student medalists in the Fall semester (13 students earned Platinum, and 33 earned Gold)
 - The 13% of students who earned Platinum is 6.5x greater than the national average of 2% among the 5.5 million test takers.
- Aviation Flight Program
 - The Aviation Flight program at GTC was put on pause due to the instructor returning to the Army fulltime. Since that time, the program has resumed. Mr. Skip Borders is our new Aviation teacher, and he is a retired aviator and flight-simulator instructor that brings 26,000 flight hours as a commercial pilot to our community.
- Work-based Learning
 - Last year, during the Spring semester, GTC had 8 students in the Work-based Learning program. This semester, GTC has grown participation to 25. GTC has added placements in insurance companies, restaurants, and an attorney's office.
- GTC Teacher of the Year and Machining Technology teacher, Mr. Elliott Gefellers, was recently awarded a \$10,000 grant from the HAAS Foundation. This grant can pay for a wide range of program needs, such as equipment, tooling, parts, and competition expenses.

Adjournment

The meeting was adjourned at approximately 6:14 p.m. on a motion from Tipton and a second from Compton.

Respectfully submitted,

Cindy Luttrell, Chair

Steve Starnes, Director of Schools

GREENE TECHNOLOGY CENTER
INTERNAL SCHOOL FUND

Financial Statements

Year Ended June 30, 2022

GREENE TECHNOLOGY CENTER
INTERNAL SCHOOL FUND
Financial Statements
Year Ended June 30, 2022

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INTRODUCTORY SECTION

GREENE TECHNOLOGY CENTER
INTERNAL SCHOOL FUND
Roster of Officials and Board Members
June 30, 2022

Mr. Steve Starnes
Director of Greeneville City Schools

Mr. David McLain
Director of Greene County Schools

Aaron Flanary
Greene Technology Center Principal

Greeneville City Schools Board

Cindy Luttrell	Board Chairperson
Dr. Craig Shepherd	Board Vice Chairperson
Josh Quillen	Board Treasurer
Pamela Botta	Board Member
Crystal Hirschy	Board Member

Greene County Schools Board

Rick Tipton	Board Chairman
Nathan Brown	Board Vice Chairman
Minnie Banks	Board Member
Tom Cobble	Board Member
Michelle Holt	Board Member
Mark Rothe	Board Member
Brian Wilhoit	Board Member

FINANCIAL SECTION

Independent Auditors' Report

Greene Technology Center
Greenville, Tennessee

Report on the Financial Statements

Opinions

We have audited the accompanying combined balance sheet - regulatory basis of Greene Technology Center Internal School Fund (the "Center"), as of June 30, 2022, and the related combined statement of revenues, expenditures, and changes in fund balances - regulatory basis for the year then ended, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements, as listed in the table of contents. We also have audited the individual school balance sheets - regulatory basis, and the individual school statements of revenues, expenditures, and changes in fund balances - regulatory basis presented as supplementary information in the accompanying individual school financial statements as of and for the year ended June 30, 2022, as listed in the table of contents.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying combined financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities and fund balances of the Center as of June 30, 2022, and the related revenues, expenditures and changes in fund balances for the year then ended, in accordance with the financial reporting provisions of the *Tennessee Internal School Uniform Accounting Policy Manual* described in Note 1. In addition, in our opinion, the accompanying individual school financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities and fund balances of the Center as of June 30, 2022, and the related revenues, expenditures and changes in fund balances for the year then ended, in accordance with the financial reporting provisions of the *Tennessee Internal School Uniform Accounting Policy Manual* described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" section of our report, the accompanying financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Center as of June 30, 2022, or changes in the financial position for the year then ended.

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 ("GAS")*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Center, 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.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the financial statements are prepared by the Center on the basis of the financial reporting provisions of the *Tennessee Internal School Uniform Accounting Policy Manual*, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of Tennessee. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the *Tennessee Internal School Uniform Accounting Policy Manual*, as described in Note 2. Management is also responsible 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.

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 the Center'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 the Center'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.

Other information

Management is responsible for the other information included in the annual financial report. The other information comprises the introductory section but does not include the basic financial statements - regulatory basis and our auditors' report thereon. Our opinions on the basic financial statements - regulatory basis 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 - regulatory basis, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements - regulatory basis, 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 Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2022 on our consideration of the Center'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 the Center'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 the Center's internal control over financial reporting and compliance.

Rodger Moss & Co, PLLC

Greeneville, Tennessee
December 1, 2022



GREENE TECHNOLOGY CENTER
INTERNAL SCHOOL FUND
Balance Sheet - Regulatory Basis
June 30, 2022

	Asset			Liabilities	Fund Balances			Total Liabilities and Fund Balances	
	Cash	Accounts Receivable	Total Assets	Accounts Payable	Restricted	Assigned	Unassigned		Total Fund Balances
General fund	\$ 42,287	\$ -	\$ 42,287	\$ -	\$ -	\$ -	\$ 42,287	\$ 42,287	\$ 42,287
Restricted funds:									
Cosmetology	360	-	360	-	-	360	-	360	360
Culinary Arts	852	-	852	-	-	852	-	852	852
Health Science/Tech	1,667	-	1,667	-	-	1,667	-	1,667	1,667
WorkKeys Testing	600	-	600	-	-	600	-	600	600
Classroom Donations	664	-	664	-	-	664	-	664	664
Clothes Closet	614	-	614	-	-	614	-	614	614
P L T W	22	-	22	-	-	22	-	22	22
Principles of Manufacturing	3,503	-	3,503	3,500	-	3	-	3	3,503
Welding	485	-	485	-	-	485	-	485	485
Skills donation	1,661	-	1,661	-	-	1,661	-	1,661	1,661
NVTHS	40	-	40	-	-	40	-	40	40
FCCLA club	109	-	109	-	-	109	-	109	109
Skills USA	97	-	97	-	-	97	-	97	97
Memorials	687	-	687	-	-	687	-	687	687
Teachers fund	55	-	55	-	-	55	-	55	55
Advisory council	5,945	-	5,945	-	-	5,945	-	5,945	5,945
Total restricted funds	17,361	-	17,361	3,500	-	13,861	-	13,861	17,361
Total general and restricted funds	\$ 59,648	\$ -	\$ 59,648	\$ 3,500	\$ -	\$ 13,861	\$ 42,287	\$ 56,148	\$ 59,648

See accompanying notes to financial statements.

GREENE TECHNOLOGY CENTER
INTERNAL SCHOOL FUND
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Regulatory Basis
Year Ended June 30, 2022

	Fund Balances 7/1/2021	Revenues	Expenditures	Fund Balances 6/30/2022
General fund:				
Furniture	\$ -	\$ -	\$ 7,829	\$ -
School operations		4,597	7,539	
Commissions		9,095	140	
Total general fund	<u>44,103</u>	<u>13,692</u>	<u>15,508</u>	<u>42,287</u>
Restricted funds:				
BEP	-	2,601	2,601	-
Cosmetology	363	1,738	1,741	360
Culinary Arts	136	2,857	2,141	852
Health Science/Tech	1,173	1,500	1,006	1,667
WorkKeys Testing	3,076	6,412	8,888	600
Classroom Donations	512	6,122	5,970	664
Clothes Closet	733	261	380	614
P L T W	22	-	-	22
Principles of Manufacturing	3	3,500	3,500	3
Welding	85	9,200	8,800	485
Skills donation	1,013	3,076	2,428	1,661
NVTHS	-	720	680	40
FCCLA club	109	-	-	109
HOSA club	40	3,538	3,578	-
Skills USA	118	2,720	2,741	97
Memorials	715	-	28	687
Teachers fund	477	900	1,322	55
Advisory council	5,945	-	-	5,945
Total restricted funds	<u>14,520</u>	<u>45,145</u>	<u>45,804</u>	<u>13,861</u>
Total general and restricted funds	<u>\$ 58,623</u>	<u>\$ 58,837</u>	<u>\$ 61,312</u>	<u>\$ 56,148</u>

GREENE TECHNOLOGY CENTER
INTERNAL SCHOOL FUND
Notes to Financial Statements
June 30, 2022

NOTE 1 - BACKGROUND

Introduction - Section 49-2-110, *Tennessee Code Annotated*, provides for internal school funds, establishes responsibility for those funds, and requires schools to adopt and follow a uniform accounting manual.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity - This report includes only the internal school fund of the Greene Technology Center (the "Center"). Internal school funds consist of financial resources accounted for at the individual school.

Internal School Funds - Internal school funds reported in the accompanying financial statements include donations and grants made to the individual school; fees collected by the school; funds received from the local board of education; funds raised through cooperative agreements; rental fees; and student activity funds.

Student Activity Funds - Student activity funds include all money received from any source for school-sponsored student activities or school-sponsored events held at or in connection with a school, and specifically include, but are not limited to funds:

- Derived from a school-sponsored academic, art, athletic, or social event involving students;
- Raised by school-sponsored clubs involving students;
- Raised by school-sponsored fundraisers involving students who are under the supervision of a school employee;
- Received from a commission for the direct sale of items to students pursuant to a cooperative agreement between the school and outside organization;
- Received for the direct sale of items to students from a school-run bookstore located on school grounds;
- Raised from fees charged to students;
- Obtained from interest from an account that contains student activity funds;
- Obtained from any related school-sponsored activity that involves the use of school personnel, students, and property during the school day.

Other Comprehensive Basis of Accounting ("OCBOA") - The accounting and financial reporting requirements for internal school funds are set forth in the *Tennessee Internal School Uniform Accounting Policy Manual*, issued by the Tennessee Department of Education. The requirements established in the *Tennessee Internal School Uniform Accounting Policy Manual* differ from generally accepted accounting principles primarily in the presentation of the financial statements. The following is a summary of the basic requirements of this other comprehensive basis of accounting.

The financial statements consist of a balance sheet and statement of revenues, expenditures and changes in fund balances.

Revenues are classified by source and expenditures are classified by either function or object for the general fund but not the restricted fund. Revenues and expenditures of the restricted fund are recorded based on the specific group or activity which will benefit or expend the funds. The activity in the restricted "accounts" is presented as total revenues and transfers in and total expenditures and transfers out for each account. A corresponding "fund balance" is presented for each account. Although the restricted fund is a single fund, each account within the fund must present its portion of the restricted fund balance. Transfers reported on the financial statements represent authorized movements between restricted accounts as well as between the general fund and restricted fund.

Measurement Focus/Basis of Accounting - The accompanying financial statements are reported using the current financial resources measurement focus. Accordingly, only current assets and current liabilities are included on the balance sheet and the fund balances report only spendable resources. Internal school funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when they become both measurable and available. Management policies define available as collectible within 60 days after the fiscal year end. Expenditures are generally recognized when the related fund liability is incurred, if measurable.

GREENE TECHNOLOGY CENTER
INTERNAL SCHOOL FUND
Notes to Financial Statements (Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Structure - The accounts of the individual school are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which are comprised of the fund's assets, liabilities, fund equity, revenues and expenditures. The funds are grouped in the accompanying financial statements as follows:

General Fund - The general fund is used to account for all money to be used for the general operation of the school or for the welfare of the student body. Revenues and expenditures in this fund are not restricted to any specific group or activity.

Restricted Fund - The restricted fund is used to account for all money that is restricted for the use of a specific segment of the school population or legally restricted for a specific purpose and not intended to benefit the general school population.

Fund Balances

Restricted Fund Balance - Fund balances reported as restricted are the result of externally imposed restrictions placed upon certain resources accounted for in the restricted funds. This includes BEP (Basic Education Program) funds and grant funds.

When both restricted and unrestricted resources are available for use, it is the school system's policy to use restricted resources first, then unrestricted resources as they are needed.

Assigned Fund Balance - Amounts that are constrained by each school's intent to be used for specific purposes are reflected as assigned in the accompanying financial statements. This includes accounts reported in the restricted fund at each school level, except for those that account for externally restricted resources as described above. Board of Education allocation amounts not spent by the end of the fiscal year are reflected as assigned in the general fund because the Board's intent is for those resources to be expended for instruction, administration, and/or operations and maintenance.

The Board of Education is authorized to assign amounts for specific purposes with respect to the amounts they allocate to the individual schools. The principal is the official authorized to assign all other amounts to a specific purpose. Authorization is established by the *Tennessee Internal School Uniform Accounting Policy Manual*.

Unassigned Fund Balance - In accordance with generally accepted accounting principles, the general fund is the only fund at each school that reports amounts for unassigned fund balance. This classification represents fund balance that is not restricted and has not been assigned to specific purposes within the general fund.

When both assigned and unassigned resources are available for use, it is the school system's policy to use assigned resources first, then unassigned resources as they are needed.

The fund balance detail for the Greene Technology Center Internal School Fund is reflected on the individual school financial statements.

Date of Management Review - Management has evaluated events and transactions occurring subsequent to the balance sheet date for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through the date of the report, the date these financial statements were available to be issued.

GREENE TECHNOLOGY CENTER
INTERNAL SCHOOL FUND
Notes to Financial Statements (Continued)

NOTE 3 - DEPOSITS

Legal Provisions - All deposits with financial institutions in excess of FDIC limits are required to be secured by one of two methods. Excess funds can be deposited with a financial institution that participates in the State of Tennessee Bank Collateral Pool administered by the state treasurer. 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 market value is equal to 105 percent of the uninsured amount of deposits.

Cash Deposits - Cash in bank represents funds on deposit in a depository.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the school's deposits may not be returned to it. None of the school's deposits were exposed to custodial credit risk because all balances were entirely insured by the FDIC or through the Bank Collateral Pool with the State of Tennessee.

NOTE 4 - CAPITAL ASSETS

Fixed assets acquired by the Center are recorded as expenditures at the time of purchase. Title and accountability for fixed assets purchased pass automatically to the Greene Technology Center.

NOTE 5 - SCHEDULE OF FIDELITY BOND COVERAGE

Company:	Public Entity Partners
Type of Coverage:	Employee Fidelity Bond
Amount:	\$300,000 limit/\$1,000 each occurrence
Period Covered:	07/01/21-07/01/22
Positions Covered:	All Employees

NOTE 6 - SCHEDULE OF SALARY SUPPLEMENTS

No salary supplements were paid to any employee of the Greene Technology Center by the internal school fund.

COMPLIANCE SECTION

Independent Auditors' 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*

Greene Technology Center
Greenville, Tennessee

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 balance sheet - regulatory basis of Greene Technology Center Internal School Fund ("the Center"), as of June 30, 2022, and the related statement of revenues, expenditures and changes in fund balances - regulatory basis for the year then ended, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements, and have issued our report thereon dated December 1, 2022. The report on the Center was issued with an adverse opinion on U. S. generally accepted accounting principles and an unmodified opinion on regulatory basis of accounting because the financial statements were prepared in conformity with the accounting practices prescribed by the *Tennessee Internal School Uniform Accounting Policy Manual*, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Report Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Center'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Greene Technology Center Internal School Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center'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 Center's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Rodger Moss & Co, PLLC

Greeneville, Tennessee
December 1, 2022



GREENE TECHNOLOGY CENTER
INTERNAL SCHOOL FUND
Schedule of Prior Year Findings
Year Ended June 30, 2022

There were no prior year findings reported.

GREENE TECHNOLOGY CENTER
Financial Statements and Supplementary Information
Year Ended June 30, 2022

GREENE TECHNOLOGY CENTER
Financial Statements and Supplementary Information
Year Ended June 30, 2022

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INTRODUCTORY SECTION (UNAUDITED)

GREENE TECHNOLOGY CENTER
Roster of Officials and Board Members
Year Ended June 30, 2022

Roster of Officials

Mr. Steve Starnes
Mr. David McLain

Director of Greeneville City Schools
Superintendent of Greene County Schools

Roster of Board Members

Minnie Banks
Pam Botta
Nathan Brown
Tom Cobble
Crystal Hirschy
Michelle Holt
Cindy Luttrell
Josh Quillen
Mark Rothe
Craig Shepherd
Rick Tipton
Brian Wilhoit

FINANCIAL SECTION

Independent Auditors' Report

Greene Technology Center
Greeneville, Tennessee

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Greene Technology Center (the "Center"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Center as of June 30, 2022, and the respective changes in financial position, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Principle

As described in Note 1, the Center has adopted the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 87, *Leases*. GASB 87 establishes a single approach to accounting for and reporting leases by state and local governments. Our opinion is not modified with respect to this matter.

Emphasis of Matter

We draw attention to Note 1 to the financial statements, which describes a restatement to the net position totaling \$272 on the Government-wide Statement of Activities. This restatement was necessary because of the transitional requirements of GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center'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.

Auditors' 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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that

an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Center'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 the Center'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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary schedules, as listed 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 the Center's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis 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 supplementary information, as listed in the table of contents, is 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 auditors' 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 Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2023, on our consideration of the Center'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 the Center'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 the Center's internal control over financial reporting and compliance.

Rodger Moss & Co, PLLC

Greeneville, Tennessee
January 30, 2023



GREENE TECHNOLOGY CENTER
Management's Discussion and Analysis
June 30, 2022

This section of Greene Technology Center's (the "Center") annual financial report presents management's discussion and analysis of the Center's financial performance during the fiscal year ending June 30, 2022. Please read it in conjunction with the Center's financial statements, which immediately follow this section.

Financial Highlights

- The assets and deferred outflows of the Center exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$863,442, an increase of \$132,194 from prior year. This includes a restatement of \$272 due to the implementation of GASB 87 during the year, which establishes a single approach to accounting for and reporting leases by state and local governments.
- During the year, the Center received \$574,136 in general revenue collections. This was an increase of \$97,649 compared to prior year, or a 20.49% increase. The allocation of sales taxes and property taxes are based upon average daily attendance, which increased during Fiscal Year 2021-2022 compared to Fiscal Year 2020-2021.
- Expenses for governmental funds for the year ended June 30, 2022 decreased by \$222,375, or 9.36%, while program revenues increased \$203,931 or 13.53% compared to prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Center's financial statements. The basic financial statements consist of three parts: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains additional required supplementary information and supplementary information beyond the basic financial statements themselves.

Government-wide financial statements The government-wide financial statements are designed to provide both long-term and short-term information about the Center's overall financial standing in a manner similar to a private-sector business.

There are two government-wide financial statements:

Statement of Net Position - presents information about the Center's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Center is improving or deteriorating.

Statement of Activities - presents information showing how the Center's net position changed during the most recent fiscal year. All current year revenues and expenses are taken into account regardless of the timing of related cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal years (e.g., earned but unused vacation leave and retiree's medical and life insurance costs).

Both government-wide financial statements distinguish between functions of the Center that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Center include vocational education, student support, Perkins grant, internal school, student support, administration, and operation of the Center. The Center is a joint venture operated by the Town of Greeneville, Tennessee, Board of Education and the Greene County Board of Education.

The government-wide financial statements can be found on page 9 of this report.

Fund financial statements The fund financial statements provide more detailed information about the most significant funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Center uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Center are governmental funds.

GREENE TECHNOLOGY CENTER
Management's Discussion and Analysis (Continued)

Governmental funds - The Center's basic services are included in governmental funds. The focus of these funds is on (1) how cash and other financial assets that can readily be converted to cash were received and used and (2) what remains at the end of the fiscal year for future spending. This detailed short-term view helps in determining whether there are more or fewer financial resources that can be spent in the near future to finance the Center's programs. Because this information does not include the additional long-term focus of the government-wide statements, we provide additional information after the governmental fund statement that explains the differences between the long-term view and the short-term view.

The Center maintains a General Fund and an Internal School Fund. Information is presented separately in the financial statements for each of these Funds. The General Fund is a major fund.

The Center adopts a budget for each of its governmental funds except for the Internal School Fund. Budgetary comparisons for the General Fund are part of the basic financial statements. Budgetary comparisons are provided to demonstrate compliance with the budget.

The governmental fund financial statements begin on page 11 of this report.

Notes to the financial statements The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The additional information contained in these notes is essential to a full understanding of the information provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 17 of this report.

Other information In addition to the basic financial statements discussed above, this report also presents required supplementary information concerning the Center's progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found beginning on page 39 of this report.

The governmental statements for the Internal School Fund referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on pensions and OPEB. The supplementary information can be found beginning on page 45 of this report.

Financial Analysis of the Center as a Whole

Net Position

Net position may serve over time as a useful indicator of a school system's financial position. In the case of the Center, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$863,442 at the close of the most recent fiscal year. By far the largest portion of the Center's net position reflects its investment in capital assets (land, buildings, equipment, etc.), less any related debt used to acquire those assets that is still outstanding. Because capital assets are used to provide services to the vocational school, the assets are not available for future spending. The Center does not have any debt outstanding used to purchase capital assets.

An additional portion of the Center's net position represents resources that are restricted in how they may be used. At the end of the fiscal year, the restricted net position was \$1,367,069. Due to the implementation of GASB 68 and 75 and a pension asset at June 30, 2022 of \$1,290,227, the Center presents a negative unrestricted net position of (\$1,107,538) at June 30, 2022 compared to the negative unrestricted net position at June 30, 2021 of (\$310,330). The negative unrestricted net position increased for fiscal year 2022 because the Center's pension asset, included in noncurrent assets, increased \$1,065,619 per the TCRS actuary reports. More detail can be found in the notes to the financial statements per the actuary reports from TCRS. As a result of the actuary reports, the Center also had an increase in deferred outflows of \$258,753 and an increase in deferred inflows of \$1,035,776. Current assets decreased \$143,102 for the current fiscal year due to timing of payments as accounts payable and wages payable also decreased \$147,335.

GREENE TECHNOLOGY CENTER
Management's Discussion and Analysis (Continued)

Net Position (Continued)

	June 30, 2022	June 30, 2021
Assets		
Current assets	\$ 431,837	\$ 574,939
Noncurrent assets	1,929,489	982,166
Total assets	2,361,326	1,557,105
Deferred outflows	630,820	372,067
Current liabilities	69,040	192,126
Noncurrent liabilities	750,609	732,519
Total liabilities	819,649	924,645
Deferred inflows	1,309,055	273,279
Net position		
Investment in capital assets	603,911	742,788
Restricted net position	1,367,069	298,790
Unrestricted	(1,107,538)	(310,330)
Total net position	\$ 863,442	\$ 731,248

Changes in Net Position

Net position of the Center's governmental activities for 2022 increased \$131,922. The increase in program revenues is because of increases across all activities due to an increase in enrollment during 2022 compared to 2021, including an increase at the internal school fund level of \$29,026 during Fiscal Year 2021-2022 compared to Fiscal Year 2020-2021. During the year, the Center received \$574,136 in general revenue collections. This was an increase of \$97,649 compared to prior year. The sales taxes and property taxes are allocated from Greenville City Schools based upon average daily attendance. The average daily attendance increased during Fiscal Year 2021-2022 compared to Fiscal Year 2020-2021. The decrease in expenses for the year ended June 30, 2022, of \$222,375 is because OPEB expense was only \$3,390 for 2022 compared to \$259,359 for 2021, because in the prior year, the allocation to the Center for OPEB from Greenville City Schools was changed from 5% to 8% due to additional salaries and annual pay raises consistent with Greenville City Board of Education salary scales.

The following is a summary of financial activities for the Center during the fiscal year ended June 30, 2022.

	June 30, 2022	June 30, 2021
Program revenues		
Operating and capital contributions and grants	\$ 1,652,745	\$ 1,477,840
Charges for services	58,837	29,811
General revenues	574,136	476,487
Total revenues	2,285,718	1,984,138
Program expenses	(2,153,796)	(2,376,171)
Changes in net position	131,922	(392,033)
Net position, beginning of year	731,248	1,064,800
Restatement see Note 1	272	58,481
Net position, end of year	\$ 863,442	\$ 731,248

GREENE TECHNOLOGY CENTER
Management's Discussion and Analysis (Continued)

Financial Analysis of the Center's Funds

General Fund Budgetary Highlights

- During fiscal year 2022, actual expenditures were below budgeted expenditures in the amount of \$29,017. Additionally, actual revenues exceeded budget in the amount of \$30,101 due to the average daily attendance increase in the current year, which resulted in more local taxes allocated to the Center.
- Tennessee College of Applied Technology (TCAT) continues to operate an adult education program offered in the evenings at the Greene Technology Center. Although the classes were offered at the Center, TCAT was responsible for the staffing of the adult classes, and the program had no effect on the Center's salary expenditures.

Capital Assets

Capital Assets

At the end of this year, the Center had \$619,357 (net of accumulated depreciation) invested in capital assets, including buildings and improvements, equipment, and intangible right-to-use asset.

Center's Capital Assets

	Governmental Activities	
	2022	2021
Buildings and improvements	\$ 3,038,578	\$ 3,031,545
Equipment	2,051,004	2,010,557
Less accumulated depreciation	(4,485,671)	(4,299,314)
Intangible right-to-use asset, net	15,446	19,580
	\$ 619,357	\$ 762,368

The Center had a decrease in net capital assets of \$143,011 or 19%. Depreciation expense for the year ended June 30, 2022 was \$186,357 and amortization for the intangible right-to-use asset was \$4,134. Capital asset additions of \$47,480 were added during the year. As a result of the implementation of GASB 87, the Center also recorded an intangible right-to-use asset, net for use of a copier of \$15,446 and \$19,580 at June 30, 2022 and 2021.

Discussion of known facts, decisions, or conditions expected to have a significant effect

The Center adopted a balanced budget for fiscal year 2023 at \$2,009,388. The financial outlook for the Center for the current year looks positive, as the Center has seen enrollment increase of 7.6% for fall 2022 compared to fall 2021. The increase in enrollment at the Center will also increase the allocation of sales taxes and property taxes for the current year. The Center added Tusculum University as a post-secondary dual enrollment partner for Information Technology and Criminal Justice programs.

The Greeneville City and Greene County Boards of Education are beginning discussions regarding a dissolution of the partnership between the two school boards and the future of the Greene Technology Center. There is a commitment for the partnership to continue during Fiscal Year 2023-2024.

Contacting the Center's Financial Management

This financial report is designed to provide the taxpayers, citizens and all interested parties with a general overview of the Center's finances and to demonstrate the Center's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, Greeneville City School System, 129 West Depot Street, Greeneville, Tennessee 37743.

GREENE TECHNOLOGY CENTER
Statement of Net Position
June 30, 2022

	Governmental Activities	Total
ASSETS		
Current Assets		
Cash	\$ 259,634	\$ 259,634
Intergovernmental receivables	<u>172,203</u>	<u>172,203</u>
Total current assets	<u>431,837</u>	<u>431,837</u>
Noncurrent Assets		
Pension asset	1,290,227	1,290,227
TCRS Stabilization Trust	19,905	19,905
Depreciable capital assets, net	603,911	603,911
Intangible right-to-use asset, net	<u>15,446</u>	<u>15,446</u>
Total noncurrent assets	<u>1,929,489</u>	<u>1,929,489</u>
Total assets	<u>2,361,326</u>	<u>2,361,326</u>
DEFERRED OUTFLOWS OF RESOURCES		
Other post employment benefits	174,190	174,190
Pension	<u>456,630</u>	<u>456,630</u>
Total deferred outflows of resources	<u>630,820</u>	<u>630,820</u>
LIABILITIES		
Current Liabilities		
Accounts payable	9,566	9,566
Retirement incentive, current portion	42,252	42,252
Accrued vacation	13,117	13,117
Current portion of right-to-use-asset	<u>4,105</u>	<u>4,105</u>
Total current liabilities	<u>69,040</u>	<u>69,040</u>
Noncurrent Liabilities		
Retirement incentive, less current portion	51,447	51,447
Other post employment benefits	688,024	688,024
Right-to-use asset, less current portion	<u>11,138</u>	<u>11,138</u>
Total noncurrent liabilities	<u>750,609</u>	<u>750,609</u>
Total liabilities	<u>819,649</u>	<u>819,649</u>
DEFERRED INFLOWS OF RESOURCES		
Other post employment benefits	166,318	166,318
Pension	<u>1,142,737</u>	<u>1,142,737</u>
Total deferred inflows of resources	<u>1,309,055</u>	<u>1,309,055</u>
NET POSITION		
Investment in capital assets	603,911	603,911
Restricted for:		
Pension asset	1,290,227	1,290,227
TCRS Stabilization Trust	19,905	19,905
Internal school	56,148	56,148
Eps mini grant	789	789
Unrestricted	<u>(1,107,538)</u>	<u>(1,107,538)</u>
Total net position	<u>\$ 863,442</u>	<u>\$ 863,442</u>

See accompanying notes to financial statements.

GREENE TECHNOLOGY CENTER
Statement of Activities
Year Ended June 30, 2022

	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total
Governmental Activities						
Vocational education	\$ 1,032,956	\$ -	\$ 764,712	\$ -	\$ (268,244)	\$ (268,244)
Perkins	109,554	-	184,755	-	75,201	75,201
Student support	126,577	-	93,707	-	(32,870)	(32,870)
Internal school	61,312	58,837	-	-	(2,475)	(2,475)
Administration	394,184	-	291,819	-	(102,365)	(102,365)
Operation of Center	429,213	-	317,752	-	(111,461)	(111,461)
Total governmental activities	<u>\$ 2,153,796</u>	<u>\$ 58,837</u>	<u>\$ 1,652,745</u>	<u>\$ -</u>	<u>(442,214)</u>	<u>(442,214)</u>
General Revenues						
Taxes:						
Property taxes					237,051	237,051
Sales tax					304,844	304,844
In-lieu tax					11,087	11,087
Interest and penalty					2,984	2,984
Other					18,170	18,170
Total general revenues					<u>574,136</u>	<u>574,136</u>
Change in net position					131,922	131,922
Net position at the beginning of the year					731,248	731,248
Restatement, see Note 1					272	272
Net position at the end of the year, restated					<u>\$ 863,442</u>	<u>\$ 863,442</u>

GREENE TECHNOLOGY CENTER
 Balance Sheet
 Governmental Funds
 June 30, 2022

	General Fund	Other Governmental Fund	Total Governmental Funds
ASSETS			
Cash	\$ 199,986	\$ 59,648	\$ 259,634
TCRS Stabilization Trust	19,905	-	19,905
Due from other governments	161,556	-	161,556
Total assets	\$ 381,447	\$ 59,648	\$ 441,095
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 6,067	\$ 3,500	\$ 9,567
Total liabilities	6,067	3,500	9,567
Fund Balances			
Restricted for:			
Internal school	-	56,148	56,148
TCRS Stabilization Trust	19,905	-	19,905
Epso mini grant	789	-	789
Unassigned	354,686	-	354,686
Total fund balances	375,380	56,148	431,528
Total liabilities and fund balances	\$ 381,447	\$ 59,648	\$ 441,095

GREENE TECHNOLOGY CENTER
 Reconciliation of the Balance Sheet of Governmental
 Funds to Statement of Net Position
 June 30, 2022

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balance of Governmental Funds	\$ 431,528
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.	619,357
Receivables not received during the period of availability are not recorded in the governmental funds.	10,648
Long-term pension plan retirement payments are not due and payable in the current period and, therefore, are not reported as assets in the governmental funds. This amount is the net pension asset (liability), net of deferred outflows and deferred inflows related to pensions.	604,120
Long-term other post employment benefit payments are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. This amount is the net other post employment benefits asset (liability), net of deferred outflows and deferred inflows related to other post employment benefits.	(680,152)
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the governmental funds balance sheet.	<u>(122,059)</u>
Net position of governmental activities	<u>\$ 863,442</u>

GREENE TECHNOLOGY CENTER
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
Year Ended June 30, 2022

	General Fund	Other Governmental Fund	Total Governmental Funds
Revenues			
State of Tennessee	\$ 745,449	\$ -	\$ 745,449
Federal funds through state	184,755	-	184,755
Local taxes	567,387	-	567,387
Greeneville Board of Education	142,479	-	142,479
Greene County Board of Education	297,464	-	297,464
Other local revenue	<u>56,626</u>	<u>58,837</u>	<u>115,463</u>
Total revenues	<u>1,994,160</u>	<u>58,837</u>	<u>2,052,997</u>
Expenditures			
Vocational instruction	1,040,632	-	1,040,632
Perkins	152,444	-	152,444
Student support	118,036	-	118,036
Administration	427,856	-	427,856
Operation of Center	253,997	-	253,997
Internal school	<u>-</u>	<u>61,312</u>	<u>61,312</u>
Total expenditures	<u>1,992,965</u>	<u>61,312</u>	<u>2,054,277</u>
Net change in fund balance	1,195	(2,475)	(1,280)
Fund balance, July 1, 2021	<u>374,185</u>	<u>58,623</u>	<u>432,808</u>
Fund balance, June 30, 2022	<u>\$ 375,380</u>	<u>\$ 56,148</u>	<u>\$ 431,528</u>

GREENE TECHNOLOGY CENTER
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balance of Governmental Funds to the Statement of Activities
 Year Ended June 30, 2022

Amounts reported for governmental activities in the Statement of Net Activities are different because:

Net change in fund balances of Governmental Funds	\$ (1,280)
Governmental funds report capital outlays as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeds capital outlays of general capital assets in the current period.	(138,878)
Receivables not received during the period of availability are not reported in the governmental funds	10,648
Some pension 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	303,316
Expenses for compensated absences and termination benefits do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds.	(38,426)
Other post employment benefits 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.	(3,390)
Long-term liabilities for right-to-use asset are not due and payable in the current period and, therefore are not reported in the governmental funds.	<u>(68)</u>
Change in net position of governmental activities	<u>\$ 131,922</u>

GREENE TECHNOLOGY CENTER
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
General Fund
Year Ended June 30, 2022

	GAAP Budgeted Amounts		GAAP Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
State education funds	\$ 745,449	\$ 745,449	\$ 745,449	\$ -
Federal funds through State of Tennessee	163,644	184,755	184,755	-
Local taxes	490,965	520,595	567,387	46,792
Greeneville Board of Education	142,479	142,479	142,479	-
Greene County Board of Education	297,464	297,464	297,464	-
Other local revenue	39,447	73,317	56,626	(16,691)
Total revenues	1,879,448	1,964,059	1,994,160	30,101
Expenditures				
Vocational instruction				
Salaries	703,344	741,414	739,374	2,040
Employee benefits	232,938	238,077	237,701	376
Materials and supplies	25,846	45,816	43,244	2,572
Equipment	5,000	-	347	(347)
Textbooks	10,800	4,710	4,505	205
Staff Development	-	22	-	22
Travel	-	1,930	5,988	(4,058)
Other	4,000	-	9,473	(9,473)
Total vocational instruction	981,928	1,031,969	1,040,632	(8,663)
Perkins				
Materials	29,017	29,017	31,480	(2,463)
Equipment	102,046	102,046	91,132	10,914
Other	31,400	35,428	29,832	5,596
Total Perkins	162,463	166,491	152,444	14,047
Student support				
Salaries	84,221	88,681	87,679	1,002
Employee benefits	23,428	23,770	24,383	(613)
Evaluation and testing	-	6,240	5,974	266
Total student support	107,649	118,691	118,036	655
Administration				
Salaries	267,575	275,275	275,210	65
Employee benefits	102,944	101,334	100,384	950
Insurance	6,444	11,144	10,748	396
Audit fees	12,900	12,900	12,900	-
Communication	5,380	5,650	5,644	6
Other	24,327	23,767	22,970	797
Total administration	419,570	430,070	427,856	2,214

(Continued)

GREENE TECHNOLOGY CENTER
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
General Fund (Continued)

	<u>GAAP Budgeted Amounts</u>		GAAP Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
Expenditures (Continued)				
Operation of Center				
Salaries	\$ 62,543	\$ 63,193	\$ 63,189	\$ 4
Employee benefits	29,411	29,436	29,367	69
Building improvements	25,000	27,000	18,775	8,225
Utilities	99,482	100,027	97,457	2,570
Insurance	18,906	18,906	17,476	1,430
Custodial supplies	4,500	2,620	2,577	43
Repairs	14,000	16,380	14,104	2,276
Other	<u>11,919</u>	<u>17,199</u>	<u>11,052</u>	<u>6,147</u>
Total operation of Center	<u>265,761</u>	<u>274,761</u>	<u>253,997</u>	<u>20,764</u>
Total expenditures	1,937,371	2,021,982	1,992,965	29,017
Excess of expenditures over revenues	<u>(57,923)</u>	<u>(57,923)</u>	<u>1,195</u>	<u>59,118</u>
Fund balance, July 1, 2021	<u>374,185</u>	<u>374,185</u>	<u>374,185</u>	<u>-</u>
Fund balance, June 30, 2022	<u>\$ 316,262</u>	<u>\$ 316,262</u>	<u>\$ 375,380</u>	<u>\$ 59,118</u>

GREENE TECHNOLOGY CENTER
Notes to Financial Statements
June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Reporting Entity - The Greene Technology Center (the “Center”) is a joint venture that is operated by the Town of Greeneville, Tennessee, Board of Education and the Greene County Board of Education. The Town of Greeneville, Tennessee, Board of Education has an ongoing financial responsibility for the Technology Center since the Center is dependent upon ongoing funding from the city and county boards. These financial statements reflect only the financial activities attributable to the Center. These financial statements do not present the financial position or the changes in the financial position of the Town of Greeneville, Tennessee or the Greene County Board of Education.

The financial statements of the Center have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Financial Statements - The Center’s basic financial statements include both government-wide (reporting the Center as a whole) and fund financial statements (reporting the Center’s major funds).

Basic Financial Statements - Government-Wide Statements - The Center’s basic financial statements include both government-wide (reporting the Center as a whole) and fund financial statements (reporting the Center’s major fund). The Center only has governmental activities. The government-wide statements are reported using the economic resources measurement focus.

Basic Financial Statements - Fund Financial Statements - The financial transactions of the Center are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

Governmental Funds

The governmental funds’ financial statements are reported using the current financial resource measurement focus. The following is a description of the governmental funds of the Center:

General Fund - The General Fund is the general operating fund of the Center. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund. This is a major fund.

Internal School Fund - The internal school fund is used to account for funds held at the individual school 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. A more detailed reporting of the fund activities at the school may be found at <https://comptroller.tn.gov/office-functions/la/reports/find-other-audits.html>. This is a nonmajor governmental fund.

Measurement Focus and Basis of Accounting - The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

GREENE TECHNOLOGY CENTER
Notes to Financial Statements (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued) - The 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 are measurable and available. Revenues are considered to be available when they are collectible within the current period or within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

Encumbrance Accounting - is used for the General Fund. Encumbrances are recorded when purchase orders are issued, but are not considered expenditures until liabilities for payments are incurred. Encumbrances are reported as a reservation of fund balance in the governmental fund financial statements. Encumbrances do not lapse at the close of the fiscal year but are carried forward as reserved fund balance until liquidated.

Budgets and Budgetary Accounting - The Center presents its budget on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles. The Internal School fund is not budgeted. The following procedures are followed in establishing the budgetary data reflected in the financial statements:

- (1) The budget process begins with the development of the Center goals. The administrative team, school administrators, and central office administrators identify priorities. The Joint Board reviews the budget, and the team makes refinement to the budget until it is adopted by the Joint Board of Education.
- (2) The statements of revenues and expenditures - budget and actual for the Center present comparisons of legally adopted budgets with actual data on a budgetary basis.
- (3) The Joint Board of Education submits a proposed fiscal year operating budget to the Board of Mayor and Aldermen. The Board of Mayor and Aldermen does not have the authority to make line item adjustments to the budget; they control only the Town appropriation. The operating budget includes proposed revenues and expenditures.
- (4) Public hearings are conducted to obtain citizen comments on the proposed budget. Upon second reading by the Board of Mayor and Aldermen, the budget is legally adopted. A copy of the budget must be filed with the Commissioner of Education.
- (5) The Joint Board of Education has the authority to make revisions to the budget as deemed necessary. The amended budget is approved by the Joint Board of Education and reflected in the official minutes of the Board. The original and amended budgets are reflected in these financial statements. Actual expenditures may not legally exceed budget appropriations at the individual fund level.
- (6) Unused appropriations for the above annually budgeted funds lapse at the end of the year.

For the fiscal year ended June 30, 2022, expenditures exceeded budgeted appropriations for the General Fund for Vocational Instruction of \$8,663.

Cash - The Center's cash is considered to be cash on hand and demand deposits.

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 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 to fund retirement benefits upon approval for the TCRS Board of Directors. To date, no funds have been withdrawn from the trust to pay pension costs. Trust documents provide that the funds are not subject to the claims of general creditors of the Center.

GREENE TECHNOLOGY CENTER
Notes to Financial Statements (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Capital Assets - Capital assets, which include buildings, improvements, and equipment, are reported in the governmental activities column in the government-wide financial statements. All capital assets are carried at historical cost or estimated historical cost. Donated assets are valued at the fair market value on the date donated. Estimated historical cost was used to value some of the assets acquired before June 30, 2003. Repairs and maintenance are recorded as expenses.

Assets capitalized have an original cost of \$5,000 or more. Depreciation is computed using the straight-line method based on estimated useful lives as follows:

Buildings	50 years
Improvements	20-25 years
Equipment	5-15 years

Accumulated Compensated Absences - It is the Center's policy to permit employees to accumulate a limited amount of earned but unused vacation up to twenty days, which will be paid to employees upon separation from the Center. Sick leave can be accumulated indefinitely, but can only be used as service time for retirement if not used for sickness. The cost of sick leave is recognized when payments are made to employees.

Fund Balance Items - The Center uses GASB Statement 54 employing terminology and classifications for fund balance items.

Nonspendable items - This category includes items that cannot be spent because of their form. There was no balance in this category at year-end.

Restricted items - This category includes fund balances that are constrained by external parties, constitutional provisions, or enabling legislation. The balances for the internal school fund of \$56,148, TCRS Stabilization Trust of \$19,905, and Epso mini grant of \$789 are included in this category at year end.

Committed items - This category includes fund balances that contain self-imposed constraints of the government from its highest level of decision-making authority, which is the board of education through approval of resolutions. There was no balance in this category at year-end.

Assigned items - This category includes fund balances that contain self-imposed constraints of the government to be used for a particular purpose by a designee of the board of education. There was no balance in this category at year-end.

Unassigned items - Represents the remainder of the Center's fund balance that is not constrained for any particular purpose.

When both restricted and unrestricted fund balances are available for use, it is the Center's policy to use restricted fund balance first, then use unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

Program Revenues - include the following:

Charges for Services - This includes charges for users for the services the Center provides.

Operating Grants and Contributions - These are funds the Center receives to finance its operations.

GREENE TECHNOLOGY CENTER
Notes to Financial Statements (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses) until that time. The Center had certain pension and other post employment benefit items that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Center had certain pension and other post employment benefit items that qualify for reporting in this category.

Other Post-Employment Benefits (“OPEB”) - For purposes of measuring the other post-employment benefits (“OPEB”) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Center’s OPEB’s additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, the Plans recognize benefit payments when due and payable in accordance with the benefit terms. The Plans have no investments as the net OPEB liability is not funded but expenses are paid as incurred.

Pensions - For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Legacy Pension Plan and the Teacher Retirement Plan in the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from the plan’s 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 each plan. Investments are reported at fair value.

Change in Accounting Principle - The Center adopted GASB Statement No. 87 *Leases* during fiscal year 2022 which establishes a single approach to accounting for and reporting leases by state and local governments. Due to the implementation of GASB 87, a restatement of \$272 has been presented in the government-wide financial statements to reflect the implementation of this standard.

Date of Management’s Review - Management has evaluated events and transactions occurring subsequent to the statement of financial position for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through the date of the report, which is the date these financial statements were available to be issued.

NOTE 2 - CASH AND INVESTMENTS

Custodial Credit Risk - State statutes require that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105 percent of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance, by the Tennessee Collateral Pool, by collateral held by the Center’s agent in the Center’s name, or by the Federal Reserve Banks acting as third party agents. As of June 30, 2022, all bank deposits were fully collateralized or insured.

Statutes also authorize the Center to invest in bonds, notes or treasury bills of the United States or any of its agencies, certificates of deposit at Tennessee state chartered banks and savings and loan associations and federally chartered banks and savings and loan associations, repurchase agreements utilizing obligations of the United States or its agencies as the underlying securities, state pooled investment fund, and money market mutual funds. Statutes also require that securities underlying repurchase agreements must have a market value at least equal to the amount of funds invested in the repurchase transaction. The Center has not invested in U.S. obligations and securities, repurchase agreements, and money market funds.

GREENE TECHNOLOGY CENTER
Notes to Financial Statements (Continued)

NOTE 2 - CASH AND INVESTMENTS (Continued)

Restricted Investments - TCRS Stabilization Trust

Legal Provisions - Greene Technology Center through the Greeneville City Schools 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. Greene Technology Center 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.

At June 30, 2022, the Greene Technology Center through the Greeneville City Schools had the following investments held by the trust on its behalf. These funds are recognized as restricted assets in the General Fund.

Investments	Weighted Average Maturity (Days)	Maturities	Fair Value
U.S. Equity	N/A	N/A	\$ 6,171
Developed Market International Equity	N/A	N/A	2,787
Emerging market International Equity	N/A	N/A	796
Private Equity and Strategic Lending	N/A	N/A	3,981
U.S. Fixed Income	N/A	N/A	3,981
Real Estate	N/A	N/A	1,990
Short-term Securities	N/A	N/A	<u>199</u>
Total			<u>\$ 19,905</u>

For further information concerning the legal provisions, investment policies, investment types, and credit risks of the Center’s investments through the Greeneville City Schools 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>.

GREENE TECHNOLOGY CENTER
Notes to Financial Statements (Continued)

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022, was as follows:

	Balance at June 30, 2021	Additions	Disposals	Balance at June 30, 2022
Governmental activities:				
Buildings and improvements	\$ 3,031,545	\$ 7,033	\$ -	\$ 3,038,578
Equipment	2,010,557	40,447	-	2,051,004
Total capital assets	<u>5,042,102</u>	<u>47,480</u>	<u>-</u>	<u>5,089,582</u>
Less: accumulated depreciation				
Buildings and improvements	(2,691,076)	(49,468)	-	(2,740,544)
Equipment	<u>(1,608,238)</u>	<u>(136,889)</u>	<u>-</u>	<u>(1,745,127)</u>
Total accumulated depreciation	<u>(4,299,314)</u>	<u>(186,357)</u>	<u>-</u>	<u>(4,485,671)</u>
Total capital assets depreciated, net	742,788	(138,877)	-	603,911
Intangible right-to-use assets				
Copiers	20,671	-	-	20,671
Less accumulated amortization	<u>(1,091)</u>	<u>(4,134)</u>	<u>-</u>	<u>(5,225)</u>
Total intangible right-to-use assets, net	<u>19,580</u>	<u>(4,134)</u>	<u>-</u>	<u>15,446</u>
Governmental activities capital assets, net	<u>\$ 762,368</u>	<u>\$ (143,011)</u>	<u>\$ -</u>	<u>\$ 619,357</u>

Beginning balances for intangible right-to-use assets have been restated in compliance with GASB Statement 87.

Depreciation expense charged to the Center for the year ended June 30, 2022 was \$186,357. Amortization expense charged to the Center for the year ended June 30, 2022 was \$4,134 for the intangible right to use asset.

NOTE 4 - NONCURRENT LIABILITIES

The Center offers an Early Retirement Incentive Program in accordance with Tennessee Code Annotated 49-2-203(b)(9). All state certified teaching personnel who have completed 15 years of employment with the Greene Technology Center and who have met the retirement eligibility requirements for full benefits under TCRS, are eligible to participate in the Early Retirement Incentive Program. The benefits to be received by the participants are as follows:

- (a) An employee who chooses to participate in the Early Retirement Incentive Program the first year of eligibility shall receive an annual amount equal to 20% of his/her annual base salary.
- (b) Benefits shall begin in July following retirement and shall be paid annually or biannually at the election of the recipient for three (3) years from the date of retirement.
- (c) Any applicant with thirty (30) years or more of credited service, as defined by TCRS, or any applicant who has less than thirty (30) years of credited service, as defined by TCRS, but who has attained age sixty (60) by the end of the fiscal school year (June 30) and who fails to make timely application for the total benefits provided by the program, shall be deemed to have waived the right to claim total benefits. Benefits in the program will then be determined in the following manner:
 - Second year eligibility participation: 15% of the most recent annual base contractual salary (to be paid in 2 years)
 - Third year eligibility participation: 10% of the most recent annual contractual base salary (to be paid in 1 year)

GREENE TECHNOLOGY CENTER
Notes to Financial Statements (Continued)

NOTE 4 - NONCURRENT LIABILITIES (Continued)

(d) Benefits provided by the Program may not be assigned or transferred in any manner. Program benefits shall automatically cease at the death of the participant and shall not pass on to the estate or beneficiary of the participant.

During the fiscal year ended June 30, 2022, the following transactions occurred:

	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Amounts Due Within One Year
Accrued retirement incentive	\$ 55,240	\$ 60,534	\$ 22,075	\$ 93,699	\$ 42,252

The obligation noted above for accrued retirement incentive will be paid from the General Fund. The Center also has an other post employment benefit obligation that will be paid from the General Fund.

NOTE 5 - LEASE OBLIGATIONS

For the year ended 6/30/2022, the financial statements include the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about government's leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

On 3/26/2021, the Center entered into a 60 month lease as the Lessee for the use of Ricoh Copiers. An initial lease liability was recorded in the amount of \$20,671. As of 6/30/2022, the value of the lease liability is \$15,243. The Board is required to make monthly fixed payments of \$352. The lease has an interest rate of 0.9480%.

The Copiers' estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of 6/30/2022 of \$20,671 with accumulated amortization of \$5,225.

Remaining payments on the copier lease include:

Year Ended June 30	Leases	
	Principal	Interest
2023	\$ 4,105	\$ 127
2024	4,144	88
2025	4,183	48
2026	2,811	10
	<u>\$ 15,243</u>	<u>\$ 273</u>

Lease obligation activity for the year ended June 30, 2022, was as follows:

	Restated Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Amounts Due Within One Year
Copiers	\$ 19,308	\$ -	\$ (4,065)	\$ 15,243	\$ 4,105

GREENE TECHNOLOGY CENTER
Notes to Financial Statements (Continued)

NOTE 6 - RELATED PARTY TRANSACTIONS

The Greene County Board of Education is a related party, because it shares directors with the Town of Greeneville, Tennessee Board of Education for the Center. The Town of Greeneville, Tennessee, Board of Education acts as a fiscal agent for the Center, a related party, also because of shared directors. In this role, the Town of Greeneville, Tennessee, Board of Education recorded revenue during the year for the Center from the following sources:

State of Tennessee and federal funds (includes \$115,597 in federal funds from Greene County Board of Education)	\$ 930,204
Greene County	596,912
Greene County Board of Education	297,464
Greeneville Board of Education	<u>142,479</u>
	<u>\$ 1,967,059</u>

The Center maintains its own bank account, through which all revenues and expenses are recorded. The Town of Greeneville, Tennessee Board of Education is responsible for this account. The Center's general fund expenditures totaling \$1,992,965 were paid out of this account during the year.

NOTE 7 - PENSION PLAN FUNDS

A. Teacher Legacy Pension Plan

Plan description. The Tennessee Consolidated Retirement System (TCRS) was created by state statute under Tennessee Code Annotated 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>.

Teachers employed by Greeneville City Schools, which includes the Greene Technology Center, 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 Local Education Agencies (LEAs) after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan.

This plan includes employees of the Greene Technology Center and Greeneville City Schools. The Center represents 8.00% of the plan. The plan amounts for the Greeneville City Schools are not included in the disclosure herein and are included in a separate report that may be found at <https://comptroller.tn.gov/office-functions/la/reports/find-other-audits.html>.

GREENE TECHNOLOGY CENTER
Notes to Financial Statements (Continued)

NOTE 7 - PENSION PLAN FUNDS (Continued)

A. Teacher Legacy Pension Plan (Continued)

Benefits Provided. Tennessee Code Annotated Title 8, Chapters 34-37 establishes 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 5 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 years average compensation and the member's service credit. A reduced early retirement benefit is available at age 55 if vested. 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 non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are 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 2nd 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 3 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.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute 5 percent of salary. 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 Greene Technology Center for the year ended June 30, 2022 to the Teacher Legacy Pension Plan were \$97,462 which is 10.27 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 (Asset). At June 30, 2022, the Greene Technology Center reported an asset of \$1,271,424 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. Greene Technology Center's proportion of the net pension liability was based on Greene Technology Center's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2021 measurement date, Greene Technology Center's proportion was 0.368465 percent. The proportion measured as of June 30, 2020 was 0.352264 percent.

Negative Pension expense. For the year ended June 30, 2022, the Center recognized pension expense (negative pension expense) of (\$201,497).

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, the Center 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
Differences between expected and actual experience	\$ 4,273	\$ 106,041
Changes in assumptions	339,703	-
Net difference between projected and actual earnings on pension plan investments	-	1,013,932
Changes in proportion of Net Pension Liability (Asset)	928	6,768
Contributions subsequent to measurement date of June 30, 2021	97,462	-
Total	\$ 442,366	\$ 1,126,741

GREENE TECHNOLOGY CENTER
Notes to Financial Statements (Continued)

NOTE 7 - PENSION PLAN FUNDS (Continued)

A. Teacher Legacy Pension Plan (Continued)

Greene Technology Center employer contributions of \$997,462, reported as pension related deferred outflows of resources, subsequent to the measurement date, will be recognized as a reduction (increase) in net pension liability (asset) in the year ended June 30, 2023. 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 ended June 30:		
2023	\$	(186,115)
2024		(176,670)
2025		(145,421)
2026		(273,631)
2027		-
Thereafter		-
Total	\$	<u>(781,837)</u>

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

Actuarial assumptions. The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	2.25 percent
Salary increases:	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent.
Investment rate of return:	6.75 percent, net of pension plan investment expense, including inflation
Cost of living adjustment:	2.125 percent

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

The actuarial assumptions used in the June 30, 2021 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016 through June 30, 2020. As a result of the 2020 actuarial experience study, investment and demographic assumptions were adjusted to 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 historical 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 investment 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 weighting 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:

GREENE TECHNOLOGY CENTER
Notes to Financial Statements (Continued)

NOTE 7 - PENSION PLAN FUNDS (Continued)

A. Teacher Legacy Pension Plan (Continued)

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
U.S. equity	4.88%	31%
Developed market international equity	5.37%	14%
Emerging market international equity	6.09%	4%
Private equity and strategic lending	6.57%	20%
U.S. fixed income	1.20%	20%
Real estate	4.38%	10%
Short-term securities	0.00%	1%
		<u>100%</u>

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 three 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 assumed that employee contributions will be made at the current rate and that contributions from all 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 Greene Technology Center's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75 percent, as well as what Greene Technology Center's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1 % Decrease (5.75)	Current Discount Rate (6.75)	1 % Increase (7.75)
Proportion share of the net pension liability (asset)	\$ (226,271)	\$ (1,271,424)	\$ (2,141,200)

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

B. Teacher Retirement Plan

Plan description. The TCRS was created by state statute under Tennessee Code Annotated 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>.

GREENE TECHNOLOGY CENTER
Notes to Financial Statements (Continued)

NOTE 7 - PENSION PLAN FUNDS (Continued)

B. Teacher Retirement Plan (Continued)

Teachers employed by Greeneville City Schools, which includes the Greene Technology Center, with memberships in 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.

The Teacher Retirement Plan became effective July 1, 2014 for teachers employed by Local Education Agencies (LEAs) after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan.

This plan includes employees of the Greene Technology Center and Greeneville City Schools. The Center represents 8.00% of the plan. The plan amounts for the Greeneville City Schools are not included in the disclosure herein and are included in a separate report that may be found at <https://comptroller.tn.gov/office-functions/la/reports/find-other-audits.html>.

Benefits provided. Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Retirement Plan are eligible to retire with an unreduced benefit at age 65 with 5 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 at age 60 and vested 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 non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are 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 2nd 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 3 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. 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 contribute 5 percent of salary. 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 the TCRS, the employer contribution rate cannot be less than 4 percent, except in years when the maximum funded level, as established by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. 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 Greene Technology Center for the year ended June 30, 2022 to the Teacher Retirement Plan were \$6,633 which is 2.01 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). At June 30, 2022, the Greene Technology Center reported an asset of \$18,803 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021, and the total pension asset used to calculate the net pension asset was determined by an actuarial value as of that date. Greene Technology Center's proportion of the net pension asset was based on Greene Technology Center's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2021, Greene Technology Center's proportion was 0.216986 percent. The proportion measured as of June 30, 2020 was 0.213351 percent.

Pension Expense. For the year ended June 30, 2022, the Center recognized pension expense of \$2,174.

GREENE TECHNOLOGY CENTER
Notes to Financial Statements (Continued)

NOTE 7 - PENSION PLAN FUNDS (Continued)

B. Teacher Retirement Plan (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, the Greene Technology Center reported deferred outflows of resources and deferred inflows related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 327	\$ 3,441
Net difference between projected and actual earnings on pension plan investments	-	10,824
Changes in assumptions	6,782	-
Changes in proportion of Net Pension Liability (Asset)	622	1,731
Contributions subsequent to measurement date of June 30, 2021	6,533	-
Total	\$ 14,264	\$ 15,996

The Greene Technology Center's employer contributions of \$6,533 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 ended June 30, 2023. 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 ended June 30:	
2023	\$ (2,487)
2024	(2,428)
2025	(2,411)
2026	(2,683)
2027	204
Thereafter	1,540
Total	\$ (8,265)

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

Actuarial assumptions. The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	2.25 percent
Salary increases:	Graded salary ranges from 8.72 to 3.44 percent based on age, Including inflation, averaging 4.00 percent
Investment rate of return:	6.75 percent, net of pension plan investment expense, including inflation
Cost of living adjustment:	2.125 percent

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

The actuarial assumptions used in the June 30, 2021 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016 through June 30, 2020. As a result of the 2020 actuarial experience study, investment and demographic assumptions were adjusted to more closely reflect actual and expected future experience.

GREENE TECHNOLOGY CENTER
Notes to Financial Statements (Continued)

NOTE 7 - PENSION PLAN FUNDS (Continued)

B. Teacher Retirement Plan (Continued)

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 historical 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 investment 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 weighting 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	Long-Term Expected Real Rate of Return	Target Allocation
U.S. equity	4.88%	31%
Developed market international equity	5.37%	14%
Emerging market international equity	6.09%	4%
Private equity and strategic lending	6.57%	20%
U.S. fixed income	1.20%	20%
Real estate	4.38%	10%
Short-term securities	0.00%	1%
		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 three 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 assumed 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 Greene Technology Center's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75 percent, as well as what the Greene Technology Center's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1 % Decrease (5.75)	Current Discount Rate (6.75)	1 % Increase (7.75)
Proportion share of the net pension liability (asset)	\$ 6,464	\$ (18,803)	\$ (37,439)

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

GREENE TECHNOLOGY CENTER
Notes to Financial Statements (Continued)

NOTE 8 - DEFINED CONTRIBUTION PLAN

Greene Technology Center, through Greeneville City Schools, offers a 401(k) plan to its employees, administered by Empower Retirement. The Greeneville City Schools 401(k) Plan (the "Plan") is available to employees who were hired after July 1, 2014. Retirement eligibility begins at age 65 and vested or if the Rule of 90 applies, where the sum of service and age must be equal to ninety. This Plan is offered in conjunction with the aforementioned TCRS Teacher Retirement Plan. Employees contribute 2.00% of eligible compensation, with an opt-out feature, with the Center providing a 5.00% match. Employee and employer contributions for the Center totaled \$15,651 and \$16,245 for the year ended June 30, 2022.

NOTE 9 - POSTEMPLOYMENT BENEFITS

A. Closed Teacher Group Insurance Plan

Plan Description - Employees of the Greeneville City Schools, which includes the Greene Technology Center, who were hired prior to July 1, 2015, are provided with pre-65 retiree health insurance benefits through the closed Teacher Group OPEB Plan (TGOP) administered by the Tennessee Department of Finance and Administration. This plan is considered to be a multiple-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB). However, for accounting purposes, this plan will be treated as a single employer plan. All eligible pre-65 retired teachers, support staff and disability participants of local education agencies, who choose coverage, participate in the TGOP. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

This plan includes employees of the Greene Technology Center and Greeneville City Schools. The Center represents 8.00% of the plan. The plan amounts for the Greeneville City Schools are not included in the disclosure herein and are included in a separate report that may be found at <https://comptroller.tn.gov/office-functions/la/reports/find-other-audits.html>.

Benefits Provided - The Greene Technology Center offers the TGOP to provide health insurance coverage to eligible pre-65 retired teachers, support staff and disabled participants of local education agencies. 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 TGOP. 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 TGOP, receives 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. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retiree's premiums, based on years of service. Therefore, retirees with 30 or more years of service will receive 45%; 20 but less than 30 years, 35%; and less than 20 years, 20% of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP. The TGOP is funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

Employees covered by benefit terms - The Plan consists of the Greeneville City Schools and the Greene Technology Center. At July 1, 2021, the following employees were covered by the benefit terms of the TGOP:

Inactive employees currently receiving benefits	45
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>263</u>
Total	<u><u>308</u></u>

An insurance committee, created in accordance with TCA 8-27-301, establishes the required payments to the TGOP 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 Greene Technology Center paid \$35,759 to the TGOP for OPEB benefits as they came due.

GREENE TECHNOLOGY CENTER
Notes to Financial Statements (Continued)

NOTE 9 - POSTEMPLOYMENT BENEFITS (Continued)

A. Closed Teacher Group Insurance Plan (Continued)

Total OPEB Liability

Actuarial assumptions - The collective total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary increases	Graded salary ranges from 3.44% to 8.72% based on age, including inflation, averaging 4%.
Healthcare cost trend rates	7.36% for pre-65 in 2021, decreasing annually over a 7 year period to an ultimate rate of 4.50%. 7.32% for post-65 in 2021, decreasing annually over an 8 year period to an ultimate rate of 4.50%.
Retiree's share of benefit-related costs	Members are required to make monthly contributions in order to maintain their coverage. For purpose of this Valuation a weighted average has been used with weights derived from the current distribution of members among plans offered.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2021, valuations were the same as those employed in the July 1, 2020 Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 - June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The pre-retirement mortality rates employed in this valuation are taken from the PUB-2010 Headcount-weighted Employee mortality table for Teacher Employees projected generationally with MP-2020 from 2010. Post-retirement tables are Headcount-weighted Teacher Below Median Healthy Annuitant and adjusted with a 19% load for males and an 18% load for females, projected generationally from 2010 with MP-2020. 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% load, projected generationally from 2018 with MP-2020.

Discount rate - The discount rate used to measure the total OPEB liability was 2.16 percent. This rate reflects the interest rate derived from yields on 20-year, tax-exempt general obligation municipal bonds, prevailing on the measurement date, with an average rating of AA/Aa as shown on the Bond Buyer 20-Year Municipal GO AA index.

GREENE TECHNOLOGY CENTER
Notes to Financial Statements (Continued)

NOTE 9 - POSTEMPLOYMENT BENEFITS (Continued)

A. Closed Teacher Group Insurance Plan (Continued)

Changes in Collective Total OPEB Liability

	<u>Total OPEB Liability</u>
Balances, beginning	\$ 895,982
Changes for the year:	
Service Cost	44,428
Interest	20,235
Differences between expected and actual experience	15,930
Changes in assumptions	(32,852)
Benefit payments	<u>(49,869)</u>
Net changes	<u>(2,128)</u>
Balances - ending	<u>\$ 893,854</u>
Nonemployer contributing entities proportionate share of the collective total OPEB liability	\$ 218,956
Employer's proportionate share of the collective total OPEB liability	\$ 674,898
Employer's proportion of the collective total OPEB liability	75.50%

The Center has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the TGOP. Greene Technology Center's proportionate share of the collective total OPEB liability was based on a projection of the employers' 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 proportion changed -1.11% from the prior measurement date. Greene Technology Center recognized \$12,056 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the TGOP for Greene Technology Center's retirees.

Changes in assumptions - The discount rate was changed from 2.21% as of the beginning of the measurement period to 2.16% as of June 30, 2021. This change in assumption increased the total OPEB liability.

Sensitivity of proportionate share of the collective total OPEB liability to changes in the discount rate - The following presents the proportionate share of the collective total OPEB liability related to the TGOP, 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 1-percentage-point lower or 1-percentage-point higher than the current discount rate.

	1% Decrease (1.16)	Discount Rate (2.16)	1% Decrease (3.16)
Proportionate share of collective total OPEB liability	\$ 722,046	\$ 674,898	\$ 629,262

Sensitivity of proportionate share of the collective total OPEB liability to changes in the healthcare cost trend rate - The following presents the proportionate share of the collective total OPEB liability related to the TGOP, 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 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate.

GREENE TECHNOLOGY CENTER
Notes to Financial Statements (Continued)

NOTE 9 - POSTEMPLOYMENT BENEFITS (Continued)

A. Closed Teacher Group Insurance Plan (Continued)

	Healthcare Cost Trend		
	1 % Decrease (6.36%/6.32% decreasing to 3.50%)	Rates (7.36%/7.32% decreasing to 4.50%)	1 % Increase (8.36%/8.32% % decreasing to 5.50%)
Proportionate share of collective total OPEB liability	\$ 600,825	\$ 674,898	\$ 761,673

OPEB Expense - For the fiscal year ended June 30, 2021, Greene Technology Center recognized OPEB expense of \$62,665.

Deferred outflows of resources and deferred inflows of resources. For the fiscal year ended June 30, 2022, Greene Technology Center reported deferred outflows of resources and deferred inflows of resources related to OPEB benefits in the TGOP from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 34,115	\$ 39,014
Changes of assumptions	61,308	62,839
Changes in proportion and differences between amounts paid as benefits came due and proportionate share certain amounts paid by the employer and nonemployer contributors as the benefits came due.	35,770	22,348
Employer payments subsequent to the measurement date	35,759	-
Total	\$ 166,952	\$ 124,201

The amounts shown above for “Employer payments subsequent to the measurement date” will be included as a reduction to total OPEB liability in the following measurement period.

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year ended June 30:	
2023	\$ 1,786
2024	1,786
2025	1,786
2026	1,786
2027	3,931
Thereafter	(4,083)
Total	\$ 6,992

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

GREENE TECHNOLOGY CENTER
Notes to Financial Statements (Continued)

NOTE 9 - POSTEMPLOYMENT BENEFITS (Continued)

B. Closed Tennessee Plan

Plan Description - Employees of Greeneville City Schools, which includes the Greene Technology Center, who were hired prior to July 1, 2015, are provided with post-65 retiree health insurance benefits through the closed Tennessee Plan (TNP) administered by the Tennessee Department of Finance and Administration. This plan is considered to be multiple-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB). However, for accounting purposes, this plan will be treated as a single-employer plan. All eligible post-65 retired teachers and disability participants of local education agencies, who choose coverage, participate in the TNP. The TNP also includes eligible retirees of the state, certain component units of the state, and certain local governmental entities. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

This plan includes employees of the Greene Technology Center and Greeneville City Schools. The Center represents 8.00% of the plan. The plan amounts for the Greeneville City Schools are not included in the disclosure herein and are included in a separate report that may be found at <https://comptroller.tn.gov/office-functions/la/reports/find-other-audits.html>.

Benefits Provided - The state offers the TNP to help fill most of the coverage gaps created by Medicare for eligible post-65 retired teachers and disabled participants of local education agencies. Insurance coverage is the only postemployment benefit provided to retirees. The TN plan does not include pharmacy. In accordance with TCA 8-27-209, benefits of the TNP are established and amended by cooperation of insurance committees created by TCA 8-27-201, 8-27-301 and 8-27-701. Retirees and disabled employees of the state, component units, local education agencies, and certain local governments who have reached the age of 65, are Medicare eligible and also receives a benefit from the Tennessee Consolidated Retirement System may participate in this plan. All plan members receive the same plan benefits at the same premium rates. Participating employers determine their own policy related to subsidizing the retiree premiums. The state, as a governmental nonemployer contributing entity contributes to the premiums of eligible retirees of local education agencies based on years of service. Therefore, retirees with 30 years of service receive \$50 per month; 20 but less than 30 years, \$37.50; and 15 but less than 20 years, \$25. The TNP is funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

Employees covered by benefit terms - The Plan consists of the Greeneville City Schools and the Greene Technology Center. At July 1, 2021, the following employees were covered by the benefit terms of the TNP:

Inactive employees currently receiving benefits	88
Inactive employees entitled to but not yet receiving benefits	50
Active employees	<u>284</u>
Total	<u><u>422</u></u>

In accordance with TCA 8-27-209, the state insurance committees established by TCAs 8-27-201, 8-27-301 and 8-27-701 determine the required payments to the plan by member employers and 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 Greene Technology Center paid \$516 to the TNP for OPEB benefits as they came due.

GREENE TECHNOLOGY CENTER
Notes to Financial Statements (Continued)

NOTE 9 - POSTEMPLOYMENT BENEFITS (Continued)

B. Closed Tennessee Plan (Continued)

Total OPEB Liability

Actuarial assumptions - The collective total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary increases	Graded salary ranges from 3.44% to 8.72% based on age, including inflation, averaging 4%.
Healthcare cost trend rates	The premium subsidies provided to retirees in the Tennessee Plan are assumed to remain unchanged for the entire projection, therefore trend rates are not applicable.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2021, valuations were the same as those employed in the July 1, 2020 Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 - June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the headcount-weighted below median teachers PUB-2010 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2020. Post-retirement tables are adjusted with a 19% load for males and a 18% load for females. 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% load with mortality improvement projected to all future years using Scale MP-2020.

Discount rate - The discount rate used to measure the total OPEB liability was 2.16 percent. This rate reflects the interest rate derived from yields on 20-year, tax-exempt general obligation municipal bonds, prevailing on the measurement date, with an average rating of AA/Aa as shown on the Bond Buyer 20-Year Municipal GO AA index.

Changes in Collective Total OPEB Liability

	Total OPEB Liability
Balances, beginning	\$ 111,739
Changes for the year:	
Service Cost	2,336
Interest	2,479
Differences between expected and actual experience	2,526
Changes in assumptions	(16,365)
Benefit payments	(3,793)
Net changes	(12,817)
Balances - ending	\$ 98,922
Nonemployer contributing entities proportionate share of the collective total OPEB liability	\$ 85,796
Employer's proportionate share of the collective total OPEB liability	\$ 13,126
Employer's proportion of the collective total OPEB liability	13.27%

GREENE TECHNOLOGY CENTER
Notes to Financial Statements (Continued)

NOTE 9 - POSTEMPLOYMENT BENEFITS (Continued)

B. Closed Tennessee Plan (Continued)

The Greene Technology Center has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the TNP. Greene Technology Center's proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefits paid through the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The Greene Technology Center's proportion changed 1.68% from the prior measurement date. Greene Technology Center recognized \$10,694 in revenue for support provided by nonemployer contributing entities for benefits paid to the TNP for Greene Technology Center retired employees.

Changes in assumptions - The discount rate was changed from 2.21% as of the beginning of the measurement period to 2.16% as of June 30, 2021. This change in assumption increased the total OPEB liability.

Sensitivity of proportionate share of the collective total OPEB liability to changes in the discount rate - The following presents the proportionate share of the collective total OPEB liability related to the TNP, 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 1-percentage-point lower or 1-percentage-point higher than the current discount rate.

	1% Decrease (1.16)	Discount Rate (2.16)	1% Decrease (3.16)
Proportionate share of collective total OPEB liability	\$ 15,156	\$ 13,126	\$ 11,467

OPEB Expense - For the fiscal year ended June 30, 2022, Greene Technology Center recognized negative OPEB expense of (\$249).

Deferred outflows of resources and deferred inflows of resources - For the fiscal year ended June, 30, 2022, Greene Technology Center reported deferred outflows of resources and deferred inflows of resources related to OPEB benefits in the TNP from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 441	\$ 1,800
Changes of assumptions	1,921	2,850
Changes in proportion and differences between amounts paid as benefits came due and proportionate share certain amounts paid by the employer and nonemployer contributors as the benefits came due.	4,360	37,467
Employer payments subsequent to the measurement date	516	-
Total	\$ 7,238	\$ 42,117

The amounts shown above for "Employer payments subsequent to the measurement date" will be included as a reduction to total OPEB liability in the following measurement period.

GREENE TECHNOLOGY CENTER
Notes to Financial Statements (Continued)

NOTE 9 - POSTEMPLOYMENT BENEFITS (Continued)

B. Closed Tennessee Plan (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year ended June 30:	
2023	\$ (11,582)
2024	(11,582)
2025	(11,582)
2026	(1,703)
2027	769
Thereafter	<u>285</u>
Total	<u>\$ (35,395)</u>

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

NOTE 10 - COMMITMENTS AND CONTINGENCIES

The Center is the defendant in lawsuits arising principally in the normal course of operations. In the opinion of management and attorneys consulted, the outcome of these lawsuits will not have a material adverse effect on the accompanying financial statements and accordingly, no provision for losses has been recorded.

REQUIRED SUPPLEMENTARY INFORMATION

GREENE TECHNOLOGY CENTER
Schedule of Changes in Proportionate Share of Collective OPEB
Liability and Related Ratios - Teacher Group OPEB Plan (Unaudited)
Year Ended June 30, 2022

Measurement period ended	<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2021</u>
Total OPEB liability					
Service cost	\$ 20,827	\$ 19,245	\$ 30,410	\$ 39,594	\$ 44,428
Interest	13,622	15,956	20,706	30,012	20,235
Changes of benefit terms	-	52,409	-	-	-
Differences between expected and actual experience	-	34,620	(14,690)	(48,634)	15,930
Changes of assumptions	(20,427)	22,059	(38,642)	395,290	(32,852)
Benefit payments	<u>(30,099)</u>	<u>(31,406)</u>	<u>(32,233)</u>	<u>(43,378)</u>	<u>(49,869)</u>
Net change in total OPEB liability	(16,077)	112,883	(34,449)	372,884	(2,128)
Total OPEB liability - beginning	<u>460,741</u>	<u>444,664</u>	<u>557,547</u>	<u>523,098</u>	<u>895,982</u>
Total OPEB liability - ending (a)	<u>\$ 444,664</u>	<u>\$ 557,547</u>	<u>\$ 523,098</u>	<u>\$ 895,982</u>	<u>\$ 893,854</u>
Nonemployer contributing entities proportionate share of the collective total OPEB liability	\$ 132,129	\$ 117,930	\$ 113,441	\$ 209,575	\$ 218,956
Employer's proportionate share of the collective total OPEB liability	\$ 312,535	\$ 439,617	\$ 409,657	\$ 686,407	\$ 674,898
Covered-employee payroll	\$ 707,503	\$ 710,122	\$ 714,093	\$ 684,914	\$ 574,933
Employer's proportionate share of collective total OPEB liability as a percentage of covered-employee payroll	44.17%	61.91%	57.37%	100.22%	117.39%

Notes to Schedule:

There are no assets accumulating, in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, related to this OPEB plan.

This schedule is intended to display ten years of information. Additional years will be displayed as they become available.

Changes in assumptions and other inputs include the change in the discount rate from 2.21% as of the beginning of the measurement period to 2.16% as of June 30, 2021. This change in assumption increased the total OPEB liability.

GREENE TECHNOLOGY CENTER
Schedule of Changes in Proportionate Share of Collective OPEB
Liability and Related Ratios - Tennessee OPEB Plan (Unaudited)
Year Ended June 30, 2022

Measurement period ended	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021
Total OPEB liability					
Service cost	\$ 2,444	\$ 1,981	\$ 1,097	\$ 1,540	\$ 2,336
Interest	3,831	4,306	2,153	3,150	2,479
Changes of benefit terms	-	(49,798)	-	-	-
Differences between expected and actual experience	-	(12,899)	(4,621)	1,575	2,526
Changes of assumptions	(11,027)	(486)	532	52,977	(16,365)
Benefit payments	(4,995)	(5,034)	(2,408)	(3,819)	(3,793)
Net change in total OPEB liability	(9,747)	(61,930)	(3,247)	55,423	(12,817)
Total OPEB liability - beginning	131,240	121,493	59,563	56,316	111,739
Total OPEB liability - ending (a)	<u>\$ 121,493</u>	<u>\$ 59,563</u>	<u>\$ 56,316</u>	<u>\$ 111,739</u>	<u>\$ 98,922</u>
Nonemployer contributing entities proportionate share of the collective total OPEB liability	\$ 60,625	\$ 54,595	\$ 51,035	\$ 98,793	\$ 85,796
Employer's proportionate share of the collective total OPEB liability	\$ 60,868	\$ 4,968	\$ 5,281	\$ 12,946	\$ 13,126
Covered-employee payroll	\$ 140,231	\$ 143,298	\$ 144,568	\$ 150,313	\$ 266,633
Employer's proportionate share of collective total OPEB liability as a percentage of covered-employee payroll.	43.41%	3.47%	3.65%	8.61%	4.92%

Notes to Schedule:

There are no assets accumulating, in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, related to this OPEB plan.

This schedule is intended to display ten years of information. Additional years will be displayed as they become available.

Changes in assumptions and other inputs include the change in the discount rate from 2.21% as of the beginning of the measurement period to 2.16% as of June 30, 2021. This change in assumption increased the total OPEB liability.

GREENE TECHNOLOGY CENTER
Schedule of Proportionate Share of the Net Pension (Asset) Liability
Teacher Legacy Pension Plan of TCRS
Year Ended June 30, 2022

Measurement period ended June 30,	2014	2015	2016	2017	2018	2019	2020	2021
Proportion of the net pension liability (asset)	\$ (2,654)	\$ 6,987	\$ 109,369	\$ (5,630)	\$ (61,015)	\$ (184,509)	\$ (214,902)	\$ (1,271,424)
Proportionate share of the net pension liability (asset)	0.326602%	0.341147%	0.350024%	0.344128%	0.344128%	0.358905%	0.352264%	0.368465%
Covered-employee payroll	\$ 640,956	\$ 638,542	\$ 631,759	\$ 608,239	\$ 607,160	\$ 601,729	\$ 937,940	\$ 967,492
Proportionate share of the net pension liability (asset) as a percentage of covered-employee payroll	-0.41%	1.09%	0.00%	-0.93%	-10.05%	-30.66%	-22.91%	-131.41%
Plan fiduciary net position as a percentage of the total pension liability	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%	116.13%

GASB 68 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from the TCRS GASB website for prior years' data, if needed.

GREENE TECHNOLOGY CENTER
Schedule of Contributions
Teacher Legacy Pension Plan of TCRS
Year Ended June 30, 2022

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Contractually required	\$ 56,917	\$ 92,496	\$ 95,356	\$ 96,702	\$ 55,130	\$ 62,941	\$ 62,314	\$ 99,362	\$ 97,462
Contributions in relation to the contractually required contribution	<u>56,917</u>	<u>92,496</u>	<u>95,356</u>	<u>96,702</u>	<u>55,130</u>	<u>62,941</u>	<u>62,314</u>	<u>99,362</u>	<u>97,462</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 640,956	\$ 1,023,185	\$ 1,054,823	\$ 1,069,712	\$ 607,160	\$ 601,729	\$ 586,212	\$ 967,498	\$ 948,993
Contributions as a percentage of covered employee payroll	8.88%	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%	10.27%	10.27%

GASB 68 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from the TCRS GASB website for prior years' data, if needed.

Changes of assumptions. In 2021, the following assumptions were changed: decreased inflation rate from 2.50 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 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

GREENE TECHNOLOGY CENTER
Schedule of Proportionate Share of the Net Pension Asset
Teacher Retirement Plan of TCRS
Year Ended June 30, 2022

Measurement period ended June 30,	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Proportion of the net pension asset	0.087070%	0.118585%	0.208836%	0.200122%	0.182482%	0.213351%	0.216986%
Proportionate share of the net pension liability (asset)	\$ (175)	\$ (617)	\$ (2,755)	\$ (4,538)	\$ (5,150)	\$ (9,706)	\$ (18,803)
Covered-employee payroll	\$ 9,045	\$ 26,089	\$ 68,533	\$ 87,441	\$ 96,552	\$ 215,388	\$ 250,526
Proportionate share of the net pension liability (asset) as a percentage of covered-employee payroll	-1.94%	-2.37%	-4.02%	-5.19%	-5.33%	-4.51%	-7.51%
Plan fiduciary net position as a percentage of the total pension liability	127.46%	121.88%	126.81%	126.97%	123.07%	116.52%	121.53%

GASB 68 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from the TCRS GASB website for prior years' data, if needed.

GREENE TECHNOLOGY CENTER
Schedule of Contributions
Teacher Retirement Plan of TCRS
Year Ended June 30, 2022

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Contractually required contribution	\$ 226	\$ 653	\$ 3,023	\$ 1,426	\$ 4,184	\$ 2,733	\$ 5,061	\$ 6,633
Contributions in relation to the contractually required contribution	<u>361</u>	<u>1,043</u>	<u>3,023</u>	<u>3,498</u>	<u>4,184</u>	<u>2,733</u>	<u>5,061</u>	<u>6,633</u>
Contribution deficiency (excess)	<u>\$ (135)</u>	<u>\$ (390)</u>	<u>\$ -</u>	<u>\$ (2,072)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 9,025	\$ 26,075	\$ 75,580	\$ 87,441	\$ 215,670	\$ 134,631	\$ 250,545	\$ 330,000
Contributions as a percentage of covered employee payroll	4.00%	4.00%	4.00%	4.00%	1.94%	2.03%	2.02%	2.01%

GASB 68 requires a 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from the TCRS GASB website for prior years' data, if needed.

In FY 2021, Greene Technology Center placed the actuarially determined contribution rate (2.02%) of covered payroll into the pension plan and placed 1.98% of covered payroll into the Pension Stabilization Reserve Trust.

Changes of assumptions. In 2021, the following assumptions were changed: decreased inflation rate from 2.50 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 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

SUPPLEMENTARY INFORMATION

GREENE TECHNOLOGY CENTER
 Nonmajor Governmental Fund
 Balance Sheet
 June 30, 2022

	<u>Special Revenue Fund</u>
	<u>Internal School</u>
ASSETS	
Cash	\$ 59,648
Total assets	\$ 59,648
LIABILITIES AND FUND BALANCES	
Liabilities	
Accounts payable	\$ 3,500
Total liabilities	3,500
FUND BALANCES	
Restricted for:	
Internal School	56,148
Total fund balances	\$ 56,148

GREENE TECHNOLOGY CENTER
 Nonmajor Governmental Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Year Ended June 30, 2022

	<u>Special Revenue Fund</u>
	<u>Internal School</u>
Revenues	
Other local revenue	\$ 58,837
Total revenues	58,837
Expenditures	
Other	61,312
Total expenditures	61,312
Excess (deficiency) of revenue over expenditures	(2,475)
Fund balance, July 1, 2021	58,623
Fund balance, June 30, 2022	\$ 56,148

GREENE TECHNOLOGY CENTER
Schedule of Expenditures of Federal and State Awards
Year Ended June 30, 2022

Federal Agency/Pass-Through Agency/State Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Amount Pass-through to Subrecipients	Expenditures
United States Department of Education				
Passed Through Tennessee Department of Education, Town of Greeneville, Board of Education, and Greene County Board of Education				
Vocational Education - Perkins	84.048A	V048A210042	\$ -	\$ 184,755
Total federal awards			<u>\$ -</u>	<u>\$ 184,755</u>
Tennessee Department of Education				
Passed through Town of Greeneville, Board of Education				
Basic Education Program	NA	NA	\$ -	\$ 741,910
Career Ladder	NA	NA	<u>-</u>	<u>3,539</u>
Total Tennessee Department of Education			<u>\$ -</u>	<u>\$ 745,449</u>
Total state awards			<u>\$ -</u>	<u>\$ 745,449</u>

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards (the "Schedule") includes the federal award activity of the Greene Technology Center under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the Greene Technology Center, it is not intended to and does not present the financial position, change in net position, or cash flows of the Greene Technology Center .

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Greene Technology Center has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

GREENE TECHNOLOGY CENTER
Schedule of Changes in Lease Obligations
Year Ended June 30, 2022

Description of Indebtedness	Original Amount Of Issue	Interest Rate	Date of Issue	Maturity Date	Restated Outstanding 7/1/2021	Issued During Period	Paid and/or Matured During Period	Remeasurements	Outstanding 6/30/2022
Governmental Activities									
Lease Payable:									
Payable Through General Fund									
Copiers 2021	\$ 20,671	0.95%	03/26/21	03/26/26	<u>\$ 19,308</u>	<u>\$ -</u>	<u>\$ 4,065</u>	<u>\$ -</u>	<u>\$ 15,243</u>
Total payable through General Fund					<u>\$ 19,308</u>	<u>\$ -</u>	<u>\$ 4,065</u>	<u>\$ -</u>	<u>\$ 15,243</u>

GREENE TECHNOLOGY CENTER
Schedule of Lease Requirements by Year
June 30, 2022

Year Ended June 30	Leases		
	Principal	Interest	Total
2023	\$ 4,105	\$ 127	\$ 4,232
2024	4,144	88	4,232
2025	4,183	48	4,231
2026	2,811	10	2,821
	\$ 15,243	\$ 273	\$ 15,516

COMPLIANCE REPORTS

Independent Auditors' 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*

To the Greene Technology Center
Greenville, Tennessee

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, each major fund, and the aggregate remaining fund information of Greene Technology Center (the "Center") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements and have issued our report thereon dated January 30, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we the Center'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 the Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center'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 Center's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

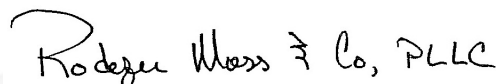
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



Greenville, Tennessee
January 30, 2023

GREENE TECHNOLOGY CENTER
Summary Schedule of Prior Audit Findings
June 30, 2022

Internal Control over Financial Reporting

There were no prior year findings.

Compliance and Other Matters

There were no prior year findings.

Greeneville City Schools
Greene Technology Center Financial Report
For the Month of March 2023

Account #	Description	Month-to-Date	Year-to-Date	Total Budget	YTD % of Total Budget	
<u>REVENUE</u>						
39000	Unassigned Fund Balance	\$ -	\$ -	\$ 88,053.00	0.0%	
40000	Local Taxes	112,839.40	451,358.40	564,198.00	80.0%	(1)
41000	Marriage Licenses	16.00	64.00	80.00	80.0%	(1)
43542	Contracts with Other LEAs (Greene County)	78,000.00	234,000.00	312,000.00	75.0%	(2)
44000	Other Local Revenue & Miscellaneous Refunds	1,125.00	66,455.27	37,952.00	175.1%	(4)
46511	Basic Education Program- State of TN (BEP)	152,723.60	610,894.40	763,618.00	80.0%	(1)
46000	Career Ladder	212.80	851.20	1,064.00	80.0%	
47100	Federal Through State- Carl Perkins	-	26,611.85	53,223.00	50.0%	
49000	Operating Transfer (Grv City) & Insurance Recovery	38,584.60	154,338.40	194,423.00	79.4%	(1)
	Total Revenues	\$ 383,501.40	\$ 1,544,573.52	\$ 2,014,611.00	76.7%	
<u>EXPENDITURES</u>						
71300	Vocational Education	\$ 79,416.71	\$ 674,786.58	\$ 1,052,465.00	64.1%	
72130	Other Student Support	12,003.34	91,482.30	110,527.00	82.8%	
72250	Technology	4,934.65	44,226.78	59,007.00	75.0%	
72310	Board of Education	3,681.96	98,393.20	115,188.00	85.4%	(3)
72410	Office of Principal	27,273.53	234,005.12	356,105.00	65.7%	
72610	Operation of Plant (Custodial)	20,085.79	166,776.51	220,120.00	75.8%	
72620	Maintenance of Plant	352.49	17,645.43	22,976.00	76.8%	
76100	Capital Outlay	-	14,358.34	25,000.00	57.4%	
71300	Perkins Funds- Vocational Education	60.00	28,460.17	33,884.00	84.0%	
72130	Perkins Funds- Other Student Support	893.71	7,323.71	15,745.00	46.5%	
72230	Perkins Funds- Vocational Education Support	375.19	3,524.91	3,595.00	98.1%	
	Total Expenditures	\$ 149,077.37	\$ 1,380,983.05	\$ 2,014,612.00	68.5%	
	Net Revenue (Expense)	\$ 234,424.03	\$ 163,590.47			

Explanation of Footnotes

(1) Revenues Allocated to GTC are Paid in Equal Installments from GCS Over 9 Months- Beginning in August; Then Adjusted Per Actual Revenue

(2) Represents Total Amount Received From Greene County Schools

(3) Reflects cost of 2022-2023 Liability and Workers' Compensation Insurance Payments

(4) Prior & Current Year John Deere Grant Proceeds/HAAS Donation Revenue to be Added in GTC Fiscal Year 2023 Amendment #2

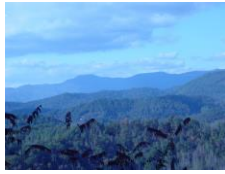
Encumbrances total \$63,650

Greeneville City Schools
Greene Technology Center Budget Amendment #2
For the 2022-2023 Fiscal Year
Presented: April 2023

Account #	Description	GTC Budget 2022-2023	Amendment	Amended GTC Budget 2022-2023	
34590	AWS Testing	-	6,000	6,000	(3)
39000	Unassigned Fund Balance	88,053		88,053	
40000	Local Taxes	564,198		564,198	
41000	Marriage Licenses	80		80	
43000	Contracts With Other LEA's- Greene County	312,000		312,000	
44000	Other Local Revenue	37,952	29,986	67,938	(1),(2),(4),(5)
46000	State Education Funds & Other State Revenues	764,682		764,682	
47100	Federal Through State- Carl Perkins	53,223		53,223	
49000	Operating Transfers- Greeneville City & Insurance Recovery	194,423		194,423	
	Total Revenue	\$ 2,014,611	\$ 35,986	\$ 2,050,597	
71300	Vocational Education Program	1,052,465	2,748	1,055,213	(4),(5)
72130	Other Student Support	110,527	32,490	143,017	(1),(2),(3),(5)
72230	Vocational Education Program - Support	59,007		59,007	
72310	Board of Education	115,188		115,188	
72410	Office of Principal	356,105		356,105	
72610	Operation of Plant	220,120		220,120	
72620	Maintenance of Plant	22,976	748	23,724	(5)
76100	Capital Outlay	25,000		25,000	
71300	Carl Perkins- Vocational Education Program	33,884		33,884	
72130	Carl Perkins- Other Student Support	15,745		15,745	
72230	Carl Perkins- Vocational Education Program Support	3,595		3,595	
	Total Expenses	\$ 2,014,612	\$ 35,986	\$ 2,050,598	

This amendment accomplishes the following objectives:

- (1) Budgets FY22 & FY23 John Deere Grant Allocations: \$20,000
- (2) Budgets FY23 AWS Testing Revenue: \$6,000
- (3) Budgets AWS Testing Reserve: \$6,000
- (4) Sale of Equipment: \$2,477
- (5) Miscellaneous Refunds: \$1,509



Appalachian Surveying Consultants, P.A.

Proposal for Greeneville City Schools Greene Technology Center Boundary/Subdivision Survey

April 27, 2023

PROPOSAL FOR SERVICES

SUBMITTED TO: Greeneville City Schools
129 W. Depot St.
Greeneville, TN 37743

SUBMITTED FOR: Boundary/Subdivision survey of 3 new lots along Hal Henard Rd; Map 097, Parcel 073.01 (Greene County)

I. SCOPE OF SERVICES

Thank you for allowing us to provide you with this proposal for survey services for the project noted above. The following is an anticipated Scope of Services and associated fees by ASC, P.A.

Information provided in this Scope of Services is based on our experience with past projects and our understanding of this project based on the information we have been provided to date.

This proposed project, as we understand it, consists of a boundary survey of the parcels as described above. We can begin work upon receipt of this signed contract.

4522 Asheville Hwy
Greeneville TN 37743
(828) 243-7280
bbartlett@appalachiansurvey.com

A. Survey Fees:

- Field survey of parcel
 - Boundary survey (utilizing existing maps and deeds)
 - Mapping of all improvements/natural features (structures, roads, streams, etc.)
 - Marking of existing/new boundary corners
 - Identify any boundary line issues/encroachments/fences
 - Tie survey to TN GNSS coordinate system via GPS
 - Subdivision of 3 new lots (5 acres or greater)
 - Plat recordation

Total Contract

\$3,500.00

II. CLIENT RESPONSIBILITIES

The Client shall assist ASC, P.A. in obtaining current deeds, surveys and other information as may be required to complete the work, or shall agree to reimburse ASC, P.A. for the cost of obtaining the information required. The Client shall hold harmless and indemnify ASC, P.A. against injury loss or damage arising out of the negligent acts, errors or omissions arising from information supplied by others.

Further, the Client shall identify and designate one individual to act on behalf of the Client for reviews and approvals. The Client shall identify any special definitions or conditions required for invoicing for services rendered.

The Client shall provide ASC, P.A. with all up-to-date information pertaining to the project and keep ASC, P.A. updated with any changes in scope.

III. ADDITIONAL SERVICES

All additional work requested by the Client will be billed on an hourly basis or at a negotiated lump sum fee. Extra work will include, but not be limited to:

*Any additional boundary surveying as requested by client

Appalachian Surveying Consultants' hourly rates are as follows:

**4522 Asheville Hwy
Greeneville TN 37743
(828) 243-7280**

bbartlett@appalachiansurvey.com

Office Administrator	\$40/hr
Professional Surveyor	\$90/hr
Survey Technician	\$70/hr
Survey Crew	\$120/hr

IV. SCHEDULE

ASC, P.A. will begin work upon acceptance of this proposal, unless otherwise specified, and will work to meet all reasonable schedules established by the Client.

Any work in addition to that outlined in the Scope of Services listed above will be billed on an hourly basis according to the rate schedule shown or a negotiated lump sum fee. Additional Services will only be performed under written or verbal authorization from the client. These rates are valid through December 31, 2023 at which time the client will be notified in writing of any rate changes.

Payment for services rendered shall be made within ten days of the receipt of the invoice, for all work completed. Any invoice outstanding for more than 30 days after receipt will be subject to an interest charge of 1-1/2% per month. **A 20% deposit will be required to begin work. The balance of the contract to be billed upon completion.**

V. PROPOSAL DURATION

This proposal shall be valid for thirty- (30) days. Upon acceptance, it shall become an agreement between Appalachian Surveying Consultants, P.A. and the Client.

VI. ADDITIONAL TERMS AND CONDITIONS

Only a written instrument executed by both of the parties hereto may amend this agreement. Respectfully submitted this 27th day of April, 2023.

<u>Brian T. Bartlett</u>	<u>4/27/23</u>	_____	_____
Brian T. Bartlett, PLS	(Date)	(Client)	(Date)
Appalachian Surveying Consultants, P.A.			

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