

JOINT BOARD OF EDUCATION

AGENDA

Date of Meeting: January 23, 2025

Time: 6:00 PM

Location: Greene Technology Center

- I. **Call to Order**
- II. **Pledge to the Flag**
- III. **Recognition of Visitors**
- IV. **Public Comment Period** (20 Minutes)
- V. **Conflict of Interest Statement**

Chair to Board Members:

1. "If you have any relative who is employed by the Board of Education, meaning a spouse, parent, parent-in-law, child, son-in-law, daughter-in-law, grandparent, grandchild, brother, sister, uncle, aunt, nephew, niece, or any person who resides in the same household as you, please acknowledge the same at this time by raising your hand."

Chair to Board Members:

2. "To those board members who just raised their hands, do you hereby certify that any and all votes you will cast during this meeting are in the best interest of the school system? If so, please say, 'Aye.'"

Chair to Board Secretary:

3. "Please reflect within the minutes that possible conflicts were acknowledged, with board members present confirming their intent to act in the best interest of the school system."

- VI. **Approval of Agenda**
- VII. **Consent Agenda** (5 minutes)
 - A. Consideration of Approving Minutes of Oct. 24, 2024, Joint Board Meeting Steve Starnes
- VIII. **Action Items**

A. Consideration of Accepting 2023-2024 Audited Financial Statements (5 Minutes) Ellen Lipe, CPA

B. Consideration of Accepting December 2024 Financial Statements (5 minutes) Ellen Lipe, CPA

IX. **Reports**

X. **Adjournment**

**OFFICIAL MINUTES OF THE
GREENEVILLE-GREENE COUNTY JOINT BOARD OF EDUCATION
Thursday, October 24, 2024**

The Greeneville-Greene County Joint Board of Education met in session on Thursday, October 24, 2024, at the Greene Technology Center, 1121 Hal Henard Rd, Greeneville, Tennessee 37743. Board Members Present: Larry Bible (Greene County Board Member), Pam Botta (Board Member), Stacey Franklin (Greene County Board Member), George Frye (Greene County Board Member), Crystal Hirschy (Board Member), Cindy Luttrell (Greeneville Chair), Josh Quillen (Greeneville Treasurer), Mark Rothe (Greene County Board Vice-Chair), Dr. Craig Shepherd (Greeneville Vice-Chair), Rick Tipton (Greene County Board Chair). Absent: Minnie Banks (Greene County Board Member), Gary Compton (Greene County Board Member). Presiding Chair Rick Tipton called the meeting to order and welcomed all in attendance.

BUSINESS TRANSACTED

I. Call to Order

II. Pledge to the Flag

The Pledge of Allegiance was led by Student Board Representative Bethanie Bryant.

III. Recognition of Visitors

IV. Public Comment Period

There were no requests to speak on any agenda items.

V. Conflict of Interest Statement

Chair, Rick Tipton read the following statement reminding those present of the importance of transparency and integrity in decision-making.

Chair to Board Members:

1. "If you have any relative who is employed by the Board of Education, meaning a spouse, parent, parent-in-law, child, son-in-law, daughter-in-law, grandparent, grandchild, brother, sister, uncle, aunt, nephew, niece, or any person who resides in the same household as you, please acknowledge the same at this time by

raising your hand."

Chair to Board Members:

2. "To those board members who just raised their hands, do you hereby certify that any and all votes you will cast during this meeting are in the best interest of the school system? If so, please say, 'Aye.'"

Chair to Board Secretary:

3. "Please reflect within the minutes that possible conflicts were acknowledged, with board members present confirming their intent to act in the best interest of the school system."

Cindy Luttrell (Greeneville City Board Chair), Pam Botta (Greeneville City Board Member), Larry Bible (Greene County Board Member), and Mark Rothe (Greene County Board Member) acknowledged a conflict and confirmed their commitment to act in the best interest of the school systems. No other board members acknowledged a conflict.

VI. Approval of Agenda

It was recommended to approve the agenda as presented. Board approval was unanimous on a motion from Bible (Greene County Board Member) and a second from Botta (Greeneville Board Member).

VII. Consent Agenda

It was recommended to approve the Consent Agenda. Board approval was unanimous on a motion from Luttrell (Greeneville Chair) and a second from Franklin (Greene County Board Member).

A. Consideration of Approving Minutes of June 27, 2024, Joint Board Meeting

Minutes of the June 27, 2024, 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

GCS Board Policy 2.403 gives the Greeneville Board of Education the authority to declare district property that is no longer useful nor necessary as surplus and to

authorize the disposal of such equipment, books, or materials. Board approval was unanimous for disposal of the surplus.

C. Consideration of Fiscal Year 2024-2025 GTC Budget Amendment #1

Budget Amendments are made periodically to more accurately reflect anticipated revenues and expenditures. This amendment budgets the IACMI (Institute of Advanced Composites Manufacturing Innovation) grant in the amount of \$26,312. Board approval was unanimous for accepting the Fiscal Year 2024-2025 GTC Budget Amendment #1.

VIII. Action Items

A. Consideration of Accepting September 2024 GTC Financial Statements

Chief Financial Officer Ellen Lipe presented the September 2024 financial statements to the Board for acceptance. Lipe stated year-to-date through September, GTC has received 20.8% of budgeted revenue and expended 22.5% of budgeted expenditures. In the month of September, GTC had total revenue of \$111,521.70 and total expenditures of \$146,57.24 resulting in a deficit of \$35,075.54. Copies are on file in the Greeneville City Schools' Chief Financial Officer's Office. It was recommended to accept the September financial statements as presented. Board approval was unanimous on a motion from Rothe (Greene County Board Vice-Chair) and a second from Franklin (Greene County Board Member).

IX. Reports

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

New Additions: Three staff members joined the team. Chef Holly Ragle, a new Culinary Arts instructor, has demonstrated strong competence and is planning to cater the January Joint Board meeting. Scott Hamway, the new Welding teacher from Washington State and former college department head, was expected to bring substantial expertise.

Additionally, Mrs. Debbie Nycum was recently hired as bookkeeper and brings extensive experience in accounting and bookkeeping.

Student Enrollment: GTC opened with 253 students, later standing at 243, including

114 new and 129 returning students. Greeneville High School provided 126 students and TOPS added five, totaling 131 from Greeneville City Schools. Greene County's four high schools contributed 103 students. Nine home school students have also enrolled. The city-to-county enrollment ratio was 55.9% to 44.1%.

Attendance: Attendance was emphasized due to employer feedback about workplace readiness, with a first-quarter attendance rate of 93.3%. GTC planned to continue monitoring and promoting attendance.

Student Experiences: Leadership development expanded through SkillsUSA, including a planned jacket and hoodie drive, will launch on November 7 at the Open House. A pre-apprenticeship program with John Deere, a two-year effort, was also celebrated, with a student start date set for November 4.

Work-Based Learning (WBL): WBL opportunities grew with 14 students working in diverse settings, such as the District 3 Public Defender's Office and Kiser Boulevard Auto Repair. The aim was to double participation by spring. The CNA program began successfully, with students set to start clinical internships in partnership with Durham-Hensley Nursing Home.

Conclusion: Flanary expressed pride in the first nine weeks, looking forward to January updates on student attendance, performance, certifications, dual credit testing, and expanded WBL experiences. The GTC staff appreciated the Board's continued support and looked forward to ongoing service.

X. **Adjournment**

The meeting was adjourned at approximately 6:14 p.m. Board approval was unanimous on a motion from Franklin (Greene County Board Member) and a second from Quillen (Greeneville Treasurer).

Respectfully submitted,

Rick Tipton, Chair

Steve Starnes, Director of Schools

GREENE TECHNOLOGY CENTER - INTERNAL SCHOOL FUND
Annual Financial Report and Supplementary Information
Year Ended June 30, 2024

GREENE TECHNOLOGY CENTER - INTERNAL SCHOOL FUND
Annual Financial Report and Supplementary Information
Year Ended June 30, 2024

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INTRODUCTORY SECTION

GREENE TECHNOLOGY CENTER - INTERNAL SCHOOL FUND

Roster of Officials

June 30, 2024

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
Mark Rothe	Board Vice Chairman
Stacey Franklin	Board Member
Tom Cobble	Board Member
Larry Bible	Board Member
Minnie Banks	Board Member
Gary Compton II	Board Member



Independent Auditors' Report

Greene Technology Center
Greeneville, Tennessee

Report on the Financial Statements

Opinion

We have audited the accompanying balance sheet - regulatory basis of Greene Technology Center Internal School Fund (the "Center"), as of June 30, 2024, 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, as listed in the table of contents.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying 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, 2024, and the related revenues, expenditures and changes in fund balances for the year then ended, in accordance with the financial reporting provisions of the *Internal School Funds Manual* described in Note 1.

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, 2024, or changes in the financial position for the year then ended.

Basis for Opinion

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 *Internal School Funds 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 *Internal School Funds Manual*, as described in Note 1. 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.

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 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the School Funds' 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 - regulatory basis of the school. As described in Note 1 of the financial statements, the supplementary information, as listed in the table of contents, is prepared by the School Fund on the basis of the financial reporting provisions of the *Internal School Funds Manual*, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

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 - regulatory basis. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements - regulatory basis 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 - regulatory basis or to the basic financial statements - regulatory basis 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 - regulatory basis as a whole.

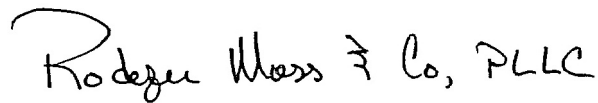
Other Information

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 opinion 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 October 14, 2024 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.

A handwritten signature in black ink that reads "Rodefer Moss & Co, PLLC". The signature is written in a cursive, professional style.

Greeneville, Tennessee
October 14, 2024

FINANCIAL SECTION

GREENE TECHNOLOGY CENTER
INTERNAL SCHOOL FUND
Balance Sheet - Regulatory Basis
June 30, 2023

	Asset			Liabilities	Fund Balances	
	Cash	Accounts Receivable	Total Assets	Accounts Payable	Restricted	Total Fund Balances
General fund	\$ 38,837	\$ -	\$ 38,837	\$ -	\$ 38,837	\$ 38,837
Restricted funds:						
TISA funds	938	-	938	-	938	938
Culinary arts	3,683	-	3,683	-	3,683	3,683
Go cart team	128	-	128	-	128	128
Health science/tech	1,495	-	1,495	-	1,495	1,495
WorkKeys testing	105	-	105	-	105	105
Classroom donations	882	-	882	-	882	882
P L T W	22	-	22	-	22	22
Principles of manufacturing	219	-	219	-	219	219
Welding	1,840	-	1,840	-	1,840	1,840
Skills donation	781	-	781	-	781	781
FCCLA club	109	-	109	-	109	109
HOSA club	75	-	75	-	75	75
HOSA health Nix	836	-	836	-	836	836
HOSA helath Coulston	195	-	195	-	195	195
HOSA skills USA	2,873	-	2,873	-	2,873	2,873
Skills USA	814	-	814	-	814	814
Skills welding	11	-	11	-	11	11
Skills aviation	140	-	140	-	140	140
Skills collision repair	1,257	-	1,257	-	1,257	1,257
Skills industrial electricity	186	-	186	-	186	186
Skills criminal justice	61	-	61	-	61	61
Skills computer science	56	-	56	-	56	56
Skills cosmetology	370	-	370	-	370	370
Skills culinary arts	842	-	842	-	842	842
Skills automotive repair	1,137	-	1,137	-	1,137	1,137
Skills machine tools	1,817	-	1,817	-	1,817	1,817
Memorials	528	-	528	-	528	528
Pre-k	107	-	107	-	107	107
Teachers fund	48	-	48	-	48	48
Flower fund	113	-	113	-	113	113
Advisory council	5,595	-	5,595	-	5,595	5,595
Total restricted funds	27,263	-	27,263	-	27,263	27,263
Total general and restricted funds	\$ 66,100	\$ -	\$ 66,100	\$ -	\$ 66,100	\$ 66,100

GREENE TECHNOLOGY CENTER
INTERNAL SCHOOL FUND
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Regulatory Basis
Year Ended June 30, 2024

	Fund Balances 7/1/2023	Revenues	Expenditures	Transfers	Fund Balances 6/30/2024
General fund:					
School operations	\$ -	\$ 3,667	\$ 8,856	\$ -	\$ -
Commissions		<u>2,244</u>	<u>-</u>	<u>-</u>	
Total general fund	<u>41,782</u>	<u>5,911</u>	<u>8,856</u>	<u>-</u>	<u>38,837</u>
Restricted funds:					
TISA funds	1	2,600	1,663	-	938
Cosmetology	311	-	-	(311)	-
Culinary arts	1,712	8,350	6,379	-	3,683
Go cart team	128	-	-	-	128
Health science/tech	2,050	-	555	-	1,495
WorkKeys testing	602	288	785	-	105
Classroom donations	1,194	150	179	(283)	882
Clothes closet	39	200	241	2	-
P L T W	22	-	-	-	22
Principles of manufacturing	225	5,000	5,006	-	219
Welding	2,599	5,875	6,634	-	1,840
Skills donation	1,381	-	600	-	781
NVTHS	-	738	780	42	-
FCCLA club	109	-	-	-	109
HOSA club	131	911	967	-	75
HOSA health Nix	358	500	22	-	836
HOSA helath Coulston	358	100	263	-	195
HOSA skills USA	3,882	1,745	2,650	(104)	2,873
Skills USA	-	2,227	2,210	797	814
Skills welding	112	25	-	(126)	11
Skills aviation	-	182	-	(42)	140
Skills collision repair	1,232	25	-	-	1,257
Skills industrial electricity	182	32	-	(28)	186
Skills criminal justice	226	-	137	(28)	61
Skills computer science	112	-	-	(56)	56
Skills cosmetology	84	101	42	227	370
Skills culinary arts	1,052	28	84	(154)	842
Skills automotive repair	1,040	209	21	(91)	1,137
Skills machine tools	664	1,278	41	(84)	1,817
Memorials	644	-	116	-	528
Pre-k	-	2,134	2,266	239	107
Teachers fund	261	749	962	-	48
Flower fund	230	525	642	-	113
Advisory council	5,595	-	-	-	5,595
Total restricted funds	<u>26,536</u>	<u>33,972</u>	<u>33,245</u>	<u>-</u>	<u>27,263</u>
Total general and restricted funds	<u>\$ 68,318</u>	<u>\$ 39,883</u>	<u>\$ 42,101</u>	<u>\$ -</u>	<u>\$ 66,100</u>

See accompanying notes to financial statements.

GREENE TECHNOLOGY CENTER - INTERNAL SCHOOL FUND

Notes to Financial Statements

June 30, 2024

BACKGROUND

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity - This report includes only the internal school fund of the Greene Technology Center (the "Center"). The Internal school fund is included in the Greene Technology Center's financial report as a special revenue fund. 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.

Regulatory Basis of Accounting - The accounting and financial reporting requirements for school funds are set forth in the *Internal School Funds Manual*, issued by the Tennessee Department of Education and the Tennessee Comptroller of the Treasury. The requirements established in the *Internal School Funds Manual* differ from generally accepted accounting principles primarily in the presentation of the financial statements and restricted fund revenue and expenditure accounting and reporting. The following is a summary of the basic requirements of this regulatory basis of accounting, which is an "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.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. 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.

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. All internal school fund activity is restricted in accordance with TCA Section 49-2-110.

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. The internal school funds did not report any unrestricted resources for the period.

Unassigned Fund Balance - This classification represents a deficit fund balance.

Inventory - Inventories are stated at lower of cost (first-in, first-out) or market (net realizable value). The purchases method is used to account for inventories. Under the purchases method, inventories are reported as an expenditure when purchased (or when received for donated items) rather than being capitalized as an asset. However, significant amounts of inventory, if any, on hand at yearend are reported as an asset in the financial statements. The fair value of donated goods and supplies are recognized as revenues and expenditures in the financial statements. For the current year, no significant amounts of such donations were received.

Management's Evaluation of Subsequent Events - Management has evaluated events and transactions occurring subsequent to the fiscal year end for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through October 14, 2024, the date these financial statements were available to be issued.

NOTE 2 - BUDGETARY INFORMATION

Legally appropriated budgets have not been adopted at the individual school level. Therefore, presentation of budgetary comparison information is not required.

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.

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

NOTE 3 - DEPOSITS (Continued)

Cash Deposits - Cash in bank represents funds on deposit in various depositories.

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 - ACCOUNTS PAYABLE

Accounts payable balances represent amounts due to vendors at year-end. Any accounts payable balances were approved by the Board of Education.

NOTE 5 - TRANSFERS

Transfers completed during the fiscal year were for interfund donations and residual fund balance transfers.

NOTE 6 - LONG-TERM LEASES AND COMMITMENTS

All long-term lease contracts that obligate a school for more than one school year are approved and accounted for by the Board of Education.

NOTE 7 - CAPITAL ASSETS

Capital 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 Board of Education.

NOTE 8 - SCHEDULE OF SALARY SUPPLEMENTS

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

NOTE 9 - RISK MANAGEMENT

The Internal school fund is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which Greene Technology Center, Board of Education, carries commercial insurance. Settlements have not exceeded coverage for each of the past three fiscal years.

SUPPLEMENTARY INFORMATION

GREENE TECHNOLOGY CENTER - INTERNAL SCHOOL FUND
Schedule of Transfers - By School
Year Ended June 30, 2024

Greene Technology Center

Transfer From Transfer To

	Skills					Total
	Clothes closet	NVTHS	Skills USA	cosmetology	Pre-k	
Cosmetology	\$ -	\$ -	\$ -	\$ 311	\$ -	\$ 311
Classroom donations	2	42	-	-	239	283
HOSA skills USA	-	-	104	-	-	104
Skills aviation	-	-	42	-	-	42
Skills welding	-	-	126	-	-	126
Skills industrial electricity	-	-	28	-	-	28
Skills criminal justice	-	-	28	-	-	28
Skills computer science	-	-	56	-	-	56
Skills cosmetology	-	-	84	-	-	84
Skills culinary arts	-	-	154	-	-	154
Skills automotive repair	-	-	91	-	-	91
Skills machine tools	-	-	84	-	-	84
	<u>\$ 2</u>	<u>\$ 42</u>	<u>\$ 797</u>	<u>\$ 311</u>	<u>\$ 239</u>	<u>\$ 1,391</u>

GREENE TECHNOLOGY CENTER
INTERNAL SCHOOL FUND
Schedule of Fidelity Bond Coverage
June 30, 2024

See accompanying independent auditors' report.

Company:	Public Entity Partners
Type of Coverage:	Employee Fidelity Bond
Amount:	\$150,000 limit/\$1,000 per occurrence
Period Covered:	07/01/23 – 07/01/24
Positions Covered:	All Employees

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
Greeneville, 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, 2024, 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 October 14, 2024. Our report on the Center's financial statements was adverse in relation to conformity with accounting principles generally accepted in the United States of America and was unmodified in relation to the financial statements prepared in conformity with the accounting principles prescribed by the Tennessee Internal School Uniform Accounting Policy Manual, which is a comprehensive basis of accounting other than generally accepted accounting principles 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as item 2024-001 that we consider to be significant deficiencies.

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*.

School Funds' Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Center's responses to the findings identified in our audit and described in the accompanying schedule of findings. The Centers' response was not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on the response.

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.

Rodefer Moss & Co, PLLC

Greeneville, Tennessee
October 14, 2024

GREENE TECHNOLOGY CENTER - INTERNAL SCHOOL FUND
Schedule of Findings and Responses
Year Ended June 30, 2024

FINDINGS – Financial Statement Audit

Current Fiscal Year Audit Findings

2024-001 Inventory

Criteria: The *Internal School Funds Manual* (“*the Manual*”) Section 4, Administration of Internal School Funds, Title 2, Internal Control.

Condition: Inventory was not completed for the culinary program and items purchased could not be located in the school upon the verification of receipt of goods.

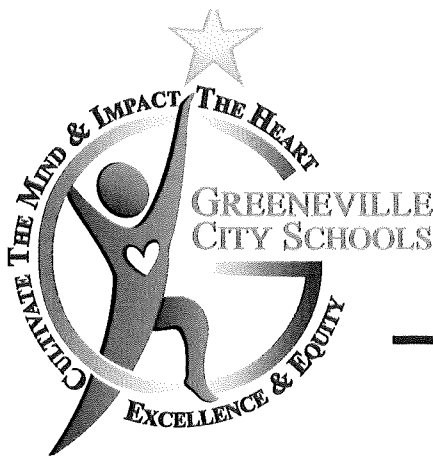
Effect: The effect of these issues causes the schools to not be in compliance with the internal control procedures for inventory as prescribed by *the Manual*.

Recommendation: As required by Section 4: Title 2 of *the Manual*, inventory should be accurately and promptly recorded in the school’s accounting records and safeguards should be put into place to prevent loss or theft of goods.

Management Response: Management concurs and has established procedures to comply with *the Manual*.

GREENE TECHNOLOGY CENTER - INTERNAL SCHOOL FUND
Schedule of Prior Year Findings
Year Ended June 30, 2024

There were no prior year findings reported.



Steve Starnes, Ed.S.
Director of Schools
Richard Tipton, Ed.S.
Assistant Director for Instruction
Jason Horne, Ed.D.
Assistant Director for Administration

Management's Corrective Action Plan

We reviewed the school financial statements, audit findings, and recommendations with management to provide an opportunity for their response. Management's corrective action plans for all financial statement findings are presented below:

2024-001 Inventory

Responses and Corrective Action Plan Prepared by: Greene Technology Center
Principal

Person responsible for implementing the Correction Action: Same
Anticipated completion Date of Correction Action: Immediate

Repeat Finding: No
Reason Why Correction Action was not taken in prior year: Human error resulted in the finding

Planned Corrective Action:

The school has established policies and procedures to ensure all inventory is accurately and promptly recorded in the school's accounting records and period inspections and counts will be performed to comply with the requirements of the *Internal School Funds Manual*.

Sincerely,

Director of Schools

Cultivate the Mind and Impact the Heart through Excellence and Equity

GREENE TECHNOLOGY CENTER
Financial Statements and Supplementary Information
Year Ended June 30, 2024

GREENE TECHNOLOGY CENTER
 Financial Statements and Supplementary Information
 Year Ended June 30, 2024

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INTRODUCTORY SECTION (UNAUDITED)

GREENE TECHNOLOGY CENTER
Roster of Officials and Board Members
Year Ended June 30, 2024

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
Pamela Botta
George Frye
Crystal Hirschy
Cindy Luttrell
Josh Quillen
Mark Rothe
Dr. Craig Shepherd
Rick Tipton
Stacey Franklin
Larry Bible
Gary Compton II

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 and the major funds of the Greene Technology Center (the "Center"), as of and for the year ended June 30, 2024, 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 and the major funds of the Center as of June 30, 2024, 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.

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.

Listening Better, Trying Harder, Caring More. *That's Rodefer Moss.*

- 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 December 3, 2024, 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.

Rodefer Moss & Co, PLLC

Greeneville, Tennessee
December 3, 2024

GREENE TECHNOLOGY CENTER
Management's Discussion and Analysis
June 30, 2024

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, 2024. 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 \$837,061, a decrease of \$53,830 from prior year.
- During the year, the Center received \$579,431 in general revenue collections. This was a decrease of \$77,742 compared to prior year, or a 11.83% decrease. The allocation of sales taxes and property taxes are based upon average daily attendance, which decreased during Fiscal Year 2023-2024 compared to Fiscal Year 2022-2023.
- Expenses for governmental funds for the year ended June 30, 2024 increased by \$18,405, or 0.88%, while total revenues decreased \$62,874 or 2.96% 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 and Internal School Fund are major funds.

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 12 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 18 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 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 \$837,061 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 \$432,471. The Center presents a negative unrestricted net position of (\$93,951) at June 30, 2024 compared to an unrestricted net position at June 30, 2023 of \$12,796. The negative unrestricted net position for fiscal year 2024 is a result of an increase in the Center's pension asset and stabilization trust balance of \$33,934. The Center also had an increase in investment in capital assets of \$19,233 for fiscal year 2024 because of asset additions during the year 2024 exceeded depreciation. The Center had minimal change to total assets at June 30, 2024 compared to June 30, 2023. As a result of the actuary reports for pension and OPEB, the Center also had a decrease in deferred outflows of \$37,427, an increase in noncurrent liabilities of \$21,129 for the OPEB liability, and a decrease in deferred inflows of \$59,349. More detail can be found in the notes to the financial statements per the actuary reports from TCRS. Current liabilities also increased \$54,682 due to amounts owed back to Greeneville City Schools at June 30, 2024.

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

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Assets		
Current assets	\$ 562,249	\$ 565,715
Noncurrent assets	<u>877,989</u>	<u>874,284</u>
Total assets	<u>1,440,238</u>	<u>1,439,999</u>
Deferred outflows	<u>560,683</u>	<u>598,110</u>
Current liabilities	194,186	139,324
Noncurrent liabilities	<u>767,287</u>	<u>746,158</u>
Total liabilities	<u>961,473</u>	<u>885,482</u>
Deferred inflows	<u>202,387</u>	<u>261,736</u>
Net position		
Investment in capital assets	498,541	479,308
Restricted net position	432,471	398,787
Unrestricted	<u>(93,951)</u>	<u>12,796</u>
Total net position	<u>\$ 837,061</u>	<u>\$ 890,891</u>

Changes in Net Position

Net position of the Center's governmental activities for 2024 decreased \$53,830 which also includes a loss for the internal school fund of \$2,218. The Center had a small increase in program revenues of \$14,868. Program expenses increased \$18,405 because of equipment bought during 2024 that did not meet the capitalization threshold. During the year, the Center received \$579,431 in general revenue collections. This was a decrease of \$77,742 compared to prior year. The sales taxes and property taxes are allocated from Greeneville City Schools based upon average daily attendance. The average daily attendance decreased during Fiscal Year 2023-2024 compared to Fiscal Year 2022-2023.

The following is a summary of financial activities for the Center during the fiscal year ended June 30, 2024.

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Program revenues		
Operating and capital contributions and grants	\$ 1,438,506	\$ 1,411,806
Charges for services	39,883	51,715
General revenues	<u>579,431</u>	<u>657,173</u>
Total revenues	2,057,820	2,120,694
Program expenses	<u>(2,111,650)</u>	<u>(2,093,245)</u>
Changes in net position	(53,830)	27,449
Net position, beginning of year	<u>890,891</u>	<u>863,442</u>
Net position, end of year	<u>\$ 837,061</u>	<u>\$ 890,891</u>

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

Financial Analysis of the Center's Funds

General Fund Budgetary Highlights

- During fiscal year 2024, actual expenditures were below budgeted expenditures in the amount of \$121,099. However, actual revenues did not exceed the budget in the amount of \$113,993 due to the average daily attendance decrease in the current year, which resulted in less 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 \$505,535 (net of accumulated depreciation) invested in capital assets, including buildings and improvements, equipment, and intangible right-to-use asset.

Center's Capital Assets

	2024	2023
Buildings and improvements	\$ 3,038,578	\$ 3,038,578
Equipment	2,229,021	2,079,590
Less accumulated depreciation	(4,769,241)	(4,639,034)
Intangible right-to-use asset, net	7,177	11,312
	\$ 505,535	\$ 490,446

The Center had an increase in net capital assets of \$15,089 or 3.08%. Depreciation expense for the year ended June 30, 2024 was \$130,207 and amortization for the intangible right-to-use asset was \$4,135. Capital asset additions of equipment of \$149,431 were added during the year that included a 5-axis vertical machining center for \$144,384.

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

The Center adopted a budget for fiscal year 2025 at \$1,814,230 using \$86,688 from fund balance.

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 2024-2025 and to review the 2025-2026 school year no later than January 2025.

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, 2024

	Governmental Activities	Total
	<u> </u>	<u> </u>
ASSETS		
Current Assets		
Cash	\$ 534,342	\$ 534,342
Intergovernmental receivables	<u>27,907</u>	<u>27,907</u>
Total current assets	<u>562,249</u>	<u>562,249</u>
Noncurrent Assets		
Pension asset	339,368	339,368
TCRS Stabilization Trust	33,086	33,086
Depreciable capital assets, net	498,358	498,358
Intangible right-to-use asset, net	<u>7,177</u>	<u>7,177</u>
Total noncurrent assets	<u>877,989</u>	<u>877,989</u>
Total assets	<u>1,440,238</u>	<u>1,440,238</u>
DEFERRED OUTFLOWS OF RESOURCES		
Other post employment benefits	211,976	211,976
Pension	<u>348,707</u>	<u>348,707</u>
Total deferred outflows of resources	<u>560,683</u>	<u>560,683</u>

GREENE TECHNOLOGY CENTER
Statement of Net Position (Continued)

	Governmental	
	Activities	Total
	<u> </u>	<u> </u>
LIABILITIES		
Current Liabilities		
Accounts payable	59,607	59,607
Accrued wages	78,602	78,602
Retirement incentive, current portion	45,028	45,028
Accrued vacation	6,766	6,766
Current portion of right-to-use-asset	4,183	4,183
	<u> </u>	<u> </u>
Total current liabilities	194,186	194,186
Noncurrent Liabilities		
Retirement incentive, less current portion	25,082	25,082
Other post employment benefits	739,394	739,394
Right-to-use asset, less current portion	2,811	2,811
	<u> </u>	<u> </u>
Total noncurrent liabilities	767,287	767,287
Total liabilities	<u>961,473</u>	<u>961,473</u>
DEFERRED INFLOWS OF RESOURCES		
Other post employment benefits	177,586	177,586
Pension	24,801	24,801
	<u> </u>	<u> </u>
Total deferred inflows of resources	202,387	202,387
NET POSITION		
Investment in capital assets	498,541	498,541
Restricted for:		
Pension asset	314,567	314,567
TCRS Stabilization Trust	33,086	33,086
Internal school	66,100	66,100
Epsco mini grant	789	789
Skills/HOSA	12,110	12,110
Testing	3,561	3,561
Equipment	2,258	2,258
Unrestricted (deficit)	(93,951)	(93,951)
	<u> </u>	<u> </u>
Total net position	<u>\$ 837,061</u>	<u>\$ 837,061</u>

GREENE TECHNOLOGY CENTER
Statement of Activities
Year Ended June 30, 2024

	Program Revenues				Net (Expenses) Revenues and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total
Governmental Activities						
Vocational education	\$ 1,101,908	\$ -	\$ 747,624	\$ -	\$ (354,284)	\$ (354,284)
Perkins	16,365	-	45,518	-	29,153	29,153
Student support	110,606	-	75,044	-	(35,562)	(35,562)
Internal school	42,101	39,883	-	-	(2,218)	(2,218)
Administration	432,980	-	293,769	-	(139,211)	(139,211)
Operation of Center	407,690	-	276,551	-	(131,139)	(131,139)
Total governmental activities	<u>\$ 2,111,650</u>	<u>\$ 39,883</u>	<u>\$ 1,438,506</u>	<u>\$ -</u>	<u>(633,261)</u>	<u>(633,261)</u>
General Revenues						
Taxes:						
Property taxes					206,267	206,267
Sales tax					336,202	336,202
In-lieu tax					9,939	9,939
Interest and penalty					5,695	5,695
Other					21,328	21,328
Total general revenues					<u>579,431</u>	<u>579,431</u>
Change in net position					(53,830)	(53,830)
Net position at the beginning of the year					<u>890,891</u>	<u>890,891</u>
Net position at the end of the year					<u>\$ 837,061</u>	<u>\$ 837,061</u>

See accompanying notes to financial statements.

GREENE TECHNOLOGY CENTER

Balance Sheet

Governmental Funds

June 30, 2024

	General Fund	Internal School Fund	Total Governmental Funds
ASSETS			
Cash	\$ 468,242	\$ 66,100	\$ 534,342
TCRS Stabilization Trust	33,086	-	33,086
Due from other governments	27,907	-	27,907
Total assets	<u>\$ 529,235</u>	<u>\$ 66,100</u>	<u>\$ 595,335</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 138,209	\$ -	\$ 138,209
Total liabilities	<u>138,209</u>	<u>-</u>	<u>138,209</u>
Fund Balances			
Restricted for:			
Internal school	-	66,100	66,100
TCRS Stabilization Trust	33,086	-	33,086
Epso mini grant	789	-	789
Skills/HOSA	12,110	-	12,110
Testing	3,561	-	3,561
Equipment	2,258	-	2,258
Assigned to:			
Subsequent years' budget	86,688	-	86,688
Unassigned	252,534	-	252,534
Total fund balances	<u>391,026</u>	<u>66,100</u>	<u>457,126</u>
Total liabilities and fund balances	<u>\$ 529,235</u>	<u>\$ 66,100</u>	<u>\$ 595,335</u>

GREENE TECHNOLOGY CENTER
Reconciliation of the Balance Sheet of Governmental
Funds to Statement of Net Position
June 30, 2024

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

Total fund balance of Governmental Funds	\$	457,126
Capital assets and right-to-use assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.		505,535
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.		663,274
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.		(705,004)
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the governmental funds balance sheet.		<u>(83,870)</u>
Net position of governmental activities	\$	<u>837,061</u>

GREENE TECHNOLOGY CENTER
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
Year Ended June 30, 2024

	General Fund	Internal School Fund	Total Governmental Funds
Revenues			
State of Tennessee	\$ 450,809	\$ -	\$ 450,809
Federal funds through state	205,567	-	205,567
Local taxes	568,583	-	568,583
Greeneville Board of Education	240,612	-	240,612
Greene County Board of Education	564,099	-	564,099
Other local revenue	57,623	39,883	97,506
Total revenues	2,087,293	39,883	2,127,176
Expenditures			
Vocational instruction	1,246,421	-	1,246,421
Perkins	34,867	-	34,867
Student support	112,183	-	112,183
Administration	456,659	-	456,659
Operation of Center	282,984	-	282,984
Internal school	-	42,101	42,101
Debt service			
Principal	4,144	-	4,144
Interest	88	-	88
Total expenditures	2,137,346	42,101	2,179,447
Excess of expenditures over revenue	(50,053)	(2,218)	(52,271)
Other Financing Sources (Uses)			
Proceeds from sale of equipment and materials	3,048	-	3,048
Total other financing sources	3,048	-	3,048
Excess of expenditures and other financing sources (uses) over revenue	(47,005)	(2,218)	(49,223)
Fund balance, July 1, 2023	438,031	68,318	506,349
Fund balance, June 30, 2024	\$ 391,026	\$ 66,100	\$ 457,126

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, 2024

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

Net change in fund balances of Governmental Funds	\$	(49,223)
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 capital outlays exceed depreciation exceeds of general capital assets in the current period.		19,224
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.		(19,148)
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.		5,959
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.		(10,652)
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>10</u>
Change in net position of governmental activities	\$	<u><u>(53,830)</u></u>

GREENE TECHNOLOGY CENTER
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
General Fund
Year Ended June 30, 2024

	GAAP Budgeted Amounts		GAAP Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
State education funds	\$ 438,344	\$ 438,344	\$ 450,809	\$ 12,465
Federal funds through State of Tennessee	48,000	229,650	205,567	(24,083)
Local taxes	684,206	684,206	568,583	(115,623)
Greeneville Board of Education	240,612	240,612	240,612	-
Greene County Board of Education	564,099	564,099	564,099	-
Other local revenue	33,591	44,065	57,623	13,558
Total revenues	2,008,852	2,200,976	2,087,293	(113,683)
Expenditures				
Vocational instruction				
Salaries	788,368	720,412	715,275	5,137
Employee benefits	255,158	234,768	217,992	16,776
Materials and supplies	61,192	110,508	99,276	11,232
Equipment	70,000	208,193	205,641	2,552
Textbooks	10,800	10,800	4,176	6,624
Other	-	4,000	3,840	160
Travel	-	4,950	221	4,729
Total vocational instruction	1,185,518	1,293,631	1,246,421	47,210
Perkins				
Materials	257	2,316	2,316	-
Equipment	14,613	11,748	11,748	-
Other	16,658	24,300	20,803	3,497
Total Perkins	31,528	38,364	34,867	3,497
Student support				
Salaries	64,853	71,946	71,283	663
Employee benefits	18,311	26,018	22,650	3,368
Equipment	-	5,900	5,834	66
Evaluation and testing	-	13,243	12,416	827
Total student support	83,164	117,107	112,183	4,924
Administration				
Salaries	301,073	298,873	292,652	6,221
Employee benefits	107,230	110,430	107,745	2,685
Insurance	20,810	19,460	19,362	98
Audit fees	14,320	16,820	16,800	20
Communication	5,650	5,650	4,160	1,490
Other	22,235	32,235	15,940	16,295
Total administration	471,318	483,468	456,659	26,809

(Continued)

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

	GAAP Budgeted Amounts		GAAP Actual Amounts	Variance with Final Budget
	Original	Final		
Expenditures (Continued)				
Operation of Center				
Salaries	\$ 69,982	\$ 72,782	\$ 70,688	\$ 2,094
Employee benefits	32,299	33,299	32,284	1,015
Building improvements	30,000	30,000	17,616	12,384
Utilities	103,766	103,966	98,324	5,642
Insurance	18,770	21,770	20,967	803
Custodial supplies	3,600	3,600	2,535	1,065
Repairs	16,500	35,700	26,027	9,673
Other	11,348	19,198	14,543	4,655
	<u>286,265</u>	<u>320,315</u>	<u>282,984</u>	<u>37,331</u>
Debt Service:				
Principal	5,400	5,400	4,144	1,256
Interest	-	-	88	(88)
	<u>-</u>	<u>-</u>	<u>88</u>	<u>(88)</u>
Total expenditures	2,063,193	2,258,285	2,137,346	120,939
Other Financing Sources (Uses)				
Proceeds from sale of equipment and materials	5,928	8,897	3,048	(5,849)
Insurance recoveries	1,500	1,500	-	(1,500)
	<u>7,428</u>	<u>10,397</u>	<u>3,048</u>	<u>(7,349)</u>
Excess of expenditures and other financing sources (uses) over revenue	<u>(46,913)</u>	<u>(46,912)</u>	<u>(47,005)</u>	<u>(93)</u>
Fund balance, July 1, 2023	<u>438,031</u>	<u>438,031</u>	<u>438,031</u>	<u>-</u>
Fund balance, June 30, 2024	<u>\$ 391,118</u>	<u>\$ 391,119</u>	<u>\$ 391,026</u>	<u>\$ (93)</u>

GREENE TECHNOLOGY CENTER
Notes to Financial Statements
June 30, 2024

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, deferred outflows, liabilities, deferred inflows, 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 major 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.

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.

GREENE TECHNOLOGY CENTER
Notes to Financial Statements (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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) Public hearings are conducted to obtain citizen comments on the proposed budget. Upon second reading by the Joint Board of Education, 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.

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.

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, 2004. 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
Intangible right-to-use asset	5 years

GREENE TECHNOLOGY CENTER
Notes to Financial Statements (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 \$66,100, TCRS Stabilization Trust of \$33,086, Epsos mini grant of \$789, Skills/HOSA of \$12,110, Testing of \$3,561 and Equipment of \$2,258 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. Subsequent years' budget of \$86,688 was included 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.

Leases - The Center enters into lease agreements as the lessee. For short-term leases with a maximum possible term of 12 months or less at commencement, the Center recognizes periodic inflows or outflows of resources. For lease agreements of more than 12 months, the Center recognizes a lease liability and an intangible right-to-use asset based on the present value of future lease payments. Lease right-to-use assets are reported as capital assets and lease liabilities are reported liabilities in the statement of net position. The right-to-use lease assets are amortized over the term of the lease. Unless the rate is explicitly stated in the lease contract, the Center uses its estimated incremental borrowing rate. Lease amendments that are expected to significantly change the amount of the lease liability from the previous measurement are remeasured and adjusted accordingly.

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.

GREENE TECHNOLOGY CENTER
Notes to Financial Statements (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Date of Management's Review - Management has evaluated subsequent events and transactions for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through December 3, 2024, 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, 2024, 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.

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, 2024, 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.

GREENE TECHNOLOGY CENTER
Notes to Financial Statements (Continued)

NOTE 2 - CASH AND INVESTMENTS (Continued)

Investments	Weighted Average Maturity (Days)	Maturities	Fair Value
U.S. Equity	N/A	N/A	\$ 10,257
Developed Market International Equity	N/A	N/A	4,632
Emerging market International Equity	N/A	N/A	1,323
Private Equity and Strategic Lending	N/A	N/A	6,617
U.S. Fixed Income	N/A	N/A	6,617
Real Estate	N/A	N/A	3,309
Short-term Securities	N/A	N/A	<u>331</u>
Total			<u>\$ 33,086</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>.

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year was as follows:

	Balance at June 30, 2023	Additions	Disposals	Balance at June 30, 2024
Governmental activities:				
Buildings and improvements	\$ 3,038,578	\$ -	\$ -	\$ 3,038,578
Equipment	<u>2,079,590</u>	<u>149,431</u>	<u>-</u>	<u>2,229,021</u>
Total capital assets	<u>5,118,168</u>	<u>149,431</u>	<u>-</u>	<u>5,267,599</u>
Less: accumulated depreciation				
Buildings and improvements	(2,782,591)	(41,331)	-	(2,823,922)
Equipment	<u>(1,856,443)</u>	<u>(88,876)</u>	<u>-</u>	<u>(1,945,319)</u>
Total accumulated depreciation	<u>(4,639,034)</u>	<u>(130,207)</u>	<u>-</u>	<u>(4,769,241)</u>
Total capital assets depreciated, net	479,134	19,224	-	498,358
Intangible right-to-use assets				
Copiers	20,671	-	-	20,671
Less accumulated amortization	<u>(9,359)</u>	<u>(4,135)</u>	<u>-</u>	<u>(13,494)</u>
Total intangible right-to-use assets, net	<u>11,312</u>	<u>(4,135)</u>	<u>-</u>	<u>7,177</u>
Governmental activities capital assets, net	<u>\$ 490,446</u>	<u>\$ 15,089</u>	<u>\$ -</u>	<u>\$ 505,535</u>

Depreciation expense charged to the Center for the year was \$130,207. Amortization expense charged to the Center for the year was \$4,135 for the intangible right to use asset. Depreciation expense is charged to operation of the center in the Statement of Activities.

GREENE TECHNOLOGY CENTER
Notes to Financial Statements (Continued)

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)
- (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, the following transactions occurred:

	Balance			Balance	Amounts
	June 30, 2023	Additions	Reductions	June 30, 2024	Due Within
					One Year
Accrued retirement incentive	\$ 76,065	\$ 37,623	\$ 43,578	\$ 70,110	\$ 45,028

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

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 6/30/2024, the value of the lease liability is \$6,994. The Center 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 6/30/2024 of \$20,671 with accumulated amortization of \$13,494.

Lease obligation activity for the year, was as follows:

	Balance			Balance	Amounts
	June 30, 2023	Additions	Reductions	June 30, 2024	Due Within
					One Year
Copiers	\$ 11,138	\$ -	\$ (4,144)	\$ 6,994	\$ 4,183

GREENE TECHNOLOGY CENTER
Notes to Financial Statements (Continued)

NOTE 5 - LEASE OBLIGATIONS (Continued)

Remaining payments on the copier lease include:

Year Ended June 30	Leases	
	Principal	Interest
2025	\$ 4,183	\$ 48
2026	2,811	10
	\$ 6,994	\$ 58

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	\$ 483,862
Greene County	568,583
Greene County Board of Education	564,099
Greeneville Board of Education	240,612
	\$ 1,857,156

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 \$2,137,347 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. 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>.

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

GREENE TECHNOLOGY CENTER
Notes to Financial Statements (Continued)

NOTE 7 - PENSION PLAN FUNDS (Continued)

A. Teacher Legacy Pension Plan (Continued)

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, 2024 to the Teacher Legacy Pension Plan were \$65,188 which is 6.83 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, 2024, the Greene Technology Center reported an asset of \$331,155 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2023, 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, 2023, the Center's proportion was 0.351105 percent. The proportion measured as of June 30, 2022 was 0.359388 percent.

Pension expense. For the year ended June 30, 2024, the Center recognized pension expense of \$88,258.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2024, 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	\$ 78,898	\$ 15,368
Changes in assumptions	107,900	-
Net difference between projected and actual earnings on pension plan investme	57,457	-
Changes in proportion of Net Pension Liability (Asset)	16,093	2,153
Contributions subsequent to measurement date of June 30, 2023	65,188	-
Total	\$ 325,536	\$ 17,521

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 \$65,188, 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, 2025. 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:	
2025	\$ 82,571
2026	(39,497)
2027	199,302
2028	451
2029	-
Thereafter	<u>-</u>
Total	<u>\$ 242,827</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, 2023 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, 2023 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)	\$ 721,278	\$ (331,155)	\$ (1,206,482)

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

At June 30, 2024, the Center reported a payable of \$10,458 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2024.

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>.

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

GREENE TECHNOLOGY CENTER
Notes to Financial Statements (Continued)

NOTE 7 - PENSION PLAN FUNDS (Continued)

B. Teacher Retirement Plan (Continued)

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, 2024 to the Teacher Retirement Plan were \$14,134 which is 2.95 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, 2024, the Greene Technology Center reported an asset of \$8,213 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2023, 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, 2023, Greene Technology Center's proportion was 0.242106 percent. The proportion measured as of June 30, 2022 was 0.237822 percent.

Pension Expense. For the year ended June 30, 2024, the Center recognized pension expense of \$10,212.

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, 2024, 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	\$ 276	\$ 4,794
Net difference between projected and actual earnings on pension plan investme	2,088	-
Changes in assumptions	6,178	-
Changes in proportion of Net Pension Liability (Asset)	495	2,486
Contributions subsequent to measurement date of June 30, 2023	14,134	-
Total	\$ 23,171	\$ 7,280

The Greene Technology Center's employer contributions of \$14,134 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, 2025. 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:	
2025	\$ (221)
2026	(525)
2027	2,697
2028	(35)
2029	(22)
Thereafter	(137)
Total	\$ 1,757

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, 2023 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, 2023 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:

<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%
		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	Current Discount Rate	1 % Increase
	(5.75)	(6.75)	(7.75)
Proportion share of the net pension liability (asset)	\$ 37,779	\$ (8,213)	\$ (41,323)

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

At June 30, 2024, the Center reported a payable of \$2,517 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2024.

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 \$21,998 and \$23,174 for the year ended June 30, 2024.

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, 2023, the following employees were covered by the benefit terms of the TGOP:

Inactive employees currently receiving benefits	39
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>241</u>
Total	<u>280</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 \$33,079 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, 2023 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	10.31% for pre-65 in 2023, decreasing annually over an 11 year period to an ultimate rate of 4.50%. 12.44% for post-65 in 2023, decreasing annually over an 11 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, 2023, 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-2021 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-2021. 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-2021.

Discount rate - The discount rate used to measure the total OPEB liability was 3.65 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

Balances, beginning	\$	923,987
Changes for the year:		
Service Cost		37,512
Interest		33,060
Differences between expected and actual experience		(34,073)
Changes in assumptions		78,295
Benefit payments		<u>(55,715)</u>
Net changes		<u>59,079</u>
Balances - ending	\$	<u>983,066</u>
Nonemployer contributing entities proportionate share of the collective total OPEB liability	\$	254,330
Employer's proportionate share of the collective total OPEB liability	\$	728,736
Employer's proportion of the collective total OPEB liability		74.13%

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 -1.22% from the prior measurement date. Greene Technology Center recognized \$17,243 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 3.54% as of the beginning of the measurement period to 3.65% as of June 30, 2023. This change in assumption decreased 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%	Discount	1%	
	Decrease	Rate	Decrease	
	<u>(2.65)</u>	<u>(3.65)</u>	<u>(4.65)</u>	
Proportionate share of collective total OPEB liability	\$ 783,022	\$ 728,736	\$ 677,001	

GREENE TECHNOLOGY CENTER
Notes to Financial Statements (Continued)

NOTE 9 - POSTEMPLOYMENT BENEFITS (Continued)

A. Closed Teacher Group Insurance Plan (Continued)

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.

	Healthcare Cost		
	1% Decrease (9.31%/11.44% decreasing to 3.50%)	Trend Rates (10.31%/12.44% decreasing to 4.50%)	1% Increase (11.31%/13.44% decreasing to 5.50%)
Proportionate share of collective total OPEB liability	\$ 653,854	\$ 728,736	\$ 815,356

OPEB Expense - For the fiscal year ended June 30, 2024, Greene Technology Center recognized OPEB expense of \$72,966.

Deferred outflows of resources and deferred inflows of resources. For the fiscal year ended June 30, 2024, 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	\$ 61,885	\$ 47,040
Changes of assumptions	89,707	86,294
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.	22,013	25,614
Employer payments subsequent to the measurement date	33,079	-
Total	<u>\$ 206,684</u>	<u>\$ 158,948</u>

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)

A. Closed Teacher Group Insurance 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:	
2025	\$ 3,410
2026	3,410
2027	5,516
2028	(354)
2029	(516)
Thereafter	<u>3,191</u>
Total	<u>\$ 14,657</u>

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

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.

GREENE TECHNOLOGY CENTER
Notes to Financial Statements (Continued)

NOTE 9 - POSTEMPLOYMENT BENEFITS (Continued)

B. Closed Tennessee Plan (Continued)

Employees covered by benefit terms - The Plan consists of the Greeneville City Schools and the Greene Technology Center. At June 30, 2023, the following employees were covered by the benefit terms of the TNP:

Inactive employees currently receiving benefits	102
Inactive employees entitled to but not yet receiving benefits	55
Active employees	<u>260</u>
Total	<u><u>417</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 \$542 to the TNP for OPEB benefits as they came due.

Total OPEB Liability

Actuarial assumptions - The collective total OPEB liability in the June 30, 2023 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, 2023, 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-2021. 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-2021.

Discount rate - The discount rate used to measure the total OPEB liability was 3.65 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)

B. Closed Tennessee Plan (Continued)

Changes in Collective Total OPEB Liability

Balances, beginning	\$	85,303
Changes for the year:		
Service Cost		1,263
Interest		2,990
Differences between expected and actual experience		3,833
Changes in assumptions		(957)
Benefit payments		<u>(4,212)</u>
Net changes		<u>2,917</u>
Balances - ending	\$	<u>88,220</u>
Nonemployer contributing entities proportionate share of the collective total OPEB liability	\$	77,562
Employer's proportionate share of the collective total OPEB liability	\$	10,658
Employer's proportion of the collective total OPEB liability		12.08%

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 -0.17% from the prior measurement date. Greene Technology Center recognized \$8,823 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 3.54% as of the beginning of the measurement period to 3.65% as of June 30, 2023. 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 (2.65)	Discount Rate (3.65)	1% Decrease (4.65)
Proportionate share of collective total OPEB liability	\$ 12,126	\$ 10,658	\$ 9,445

OPEB Expense - For the fiscal year ended June 30, 2024, Greene Technology Center recognized negative OPEB expense of (\$2,628).

GREENE TECHNOLOGY CENTER
Notes to Financial Statements (Continued)

NOTE 9 - POSTEMPLOYMENT BENEFITS (Continued)

B. Closed Tennessee Plan (Continued)

Deferred outflows of resources and deferred inflows of resources - For the fiscal year ended June, 30, 2024, 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	\$ 896	\$ 705
Changes of assumptions	1,092	2,976
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.	2,762	14,957
Employer payments subsequent to the measurement date	542	-
Total	\$ 5,292	\$ 18,638

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:	
2025	\$ (11,964)
2026	(2,130)
2027	321
2028	(143)
2029	28
Thereafter	-
Total	\$ (13,888)

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

NOTE 10 - RISK MANAGEMENT

The Center purchases commercial insurance for the risks of loss for general liability, and employee, administration, and Center member dishonesty. Settled claims have not exceeded this commercial coverage in the past three fiscal years.

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, 2024

Measurement period ended	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023
Total OPEB liability							
Service cost	\$ 20,827	\$ 19,245	\$ 30,410	\$ 39,594	\$ 44,428	\$ 46,886	\$ 37,512
Interest	13,622	15,956	20,706	30,012	20,235	19,810	33,060
Changes of benefit terms	-	52,409	-	-	-	23,206	-
Differences between expected and actual experier	-	34,620	(14,690)	(48,634)	15,930	73,762	(34,073)
Changes of assumptions	(20,427)	22,059	(38,642)	395,290	(32,852)	(86,047)	78,295
Benefit payments	(30,099)	(31,406)	(32,233)	(43,378)	(49,869)	(47,484)	(55,715)
Net change in total OPEB liability	(16,077)	112,883	(34,449)	372,884	(2,128)	30,133	59,079
Total OPEB liability - beginning	460,741	444,664	557,547	523,098	895,982	893,854	923,987
Total OPEB liability - ending (a)	\$ 444,664	\$ 557,547	\$ 523,098	\$ 895,982	\$ 893,854	\$ 923,987	\$ 983,066
Nonemployer contributing entities proportionate share of the collective total OPEB liability	\$ 132,129	\$ 117,930	\$ 113,441	\$ 209,575	\$ 218,956	\$ 227,761	\$ 254,330
Employer's proportionate share of the collective total OPEB liability	\$ 312,535	\$ 439,617	\$ 409,657	\$ 686,407	\$ 674,898	\$ 696,226	\$ 728,736
Covered-employee payroll	\$ 707,503	\$ 710,122	\$ 714,093	\$ 684,914	\$ 574,933	\$ 581,107	\$ 561,929
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%	119.81%	129.68%

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 3.54% as of the beginning of the measurement period to 3.65% as of June 30, 2023. This change in assumption decreased 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, 2024

Measurement period ended	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022
Total OPEB liability						
Service cost	\$ 2,444	\$ 1,981	\$ 1,097	\$ 1,540	\$ 2,336	\$ 2,055
Interest	3,831	4,306	2,153	3,150	2,479	2,139
Changes of benefit terms	-	(49,798)	-	-	-	-
Differences between expected and actual experience	-	(12,899)	(4,621)	1,575	2,526	3,098
Changes of assumptions	(11,027)	(486)	532	52,977	(16,365)	(17,022)
Benefit payments	(4,995)	(5,034)	(2,408)	(3,819)	(3,793)	(3,889)
Net change in total OPEB liability	(9,747)	(61,930)	(3,247)	55,423	(12,817)	(13,619)
Total OPEB liability - beginning	131,240	121,493	59,563	56,316	111,739	98,922
Total OPEB liability - ending (a)	\$ 121,493	\$ 59,563	\$ 56,316	\$ 111,739	\$ 98,922	\$ 85,303
Nonemployer contributing entities proportionate share of the collective total OPEB liability	\$ 60,625	\$ 54,595	\$ 51,035	\$ 98,793	\$ 85,796	\$ 74,852
Employer's proportionate share of the collective total OPEB liability	\$ 60,868	\$ 4,968	\$ 5,281	\$ 12,946	\$ 13,126	\$ 10,451
Covered-employee payroll	\$ 140,231	\$ 143,298	\$ 144,568	\$ 150,313	\$ 266,633	\$ 271,754
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%	3.85%

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 3.54% as of the beginning of the measurement period to 3.65% as of June 30, 2022. A change in assumption decreased 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, 2024

Measurement period ended June 30,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Proportion of the net pension liability (asset)	\$ (2,654)	\$ 6,987	\$ 109,369	\$ (5,630)	\$ (61,015)	\$ (184,509)	\$ (214,902)	\$ (1,271,424)	\$ (352,605)	\$ (331,155)
Proportionate share of the net pension liability (asset)	0.326602%	0.341147%	0.350024%	0.344128%	0.344128%	0.358905%	0.352264%	0.368465%	0.359388%	0.351105%
Covered-employee payroll	\$ 640,956	\$ 638,542	\$ 631,759	\$ 608,239	\$ 607,160	\$ 601,729	\$ 937,940	\$ 967,492	\$ 946,180	\$ 911,482
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%	-37.27%	-36.33%
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%	104.42%	104.11%

See accompanying independent auditors' report.

GREENE TECHNOLOGY CENTER
Schedule of Contributions
Teacher Legacy Pension Plan of TCRS
Year Ended June 30, 2024

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required	\$ 92,496	\$ 95,356	\$ 96,702	\$ 55,130	\$ 62,941	\$ 62,314	\$ 99,362	\$ 97,456	\$ 79,208	\$ 65,188
Contributions in relation to the contractually required contribution	<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>97,456</u>	<u>79,208</u>	<u>65,188</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 1,023,185	\$ 1,054,823	\$ 1,069,712	\$ 607,160	\$ 601,729	\$ 586,212	\$ 967,498	\$ 946,180	\$ 911,482	\$ 954,436
Contributions as a percentage of covered employee payroll	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%	10.27%	10.30%	8.69%	6.83%

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, 2024

Measurement period ended June 30,	2015	2016	2017	2018	2019	2020	2021	2022	2023
Proportion of the net pension asset	0.087070%	0.118585%	0.208836%	0.200122%	0.182482%	0.213351%	0.216986%	0.237822%	0.242106%
Proportionate share of the net pension liability (asset)	\$ (175)	\$ (617)	\$ (2,755)	\$ (4,538)	\$ (5,150)	\$ (9,706)	\$ (18,803)	\$ (5,763)	\$ (8,213)
Covered-employee payroll	\$ 9,045	\$ 26,089	\$ 68,533	\$ 87,441	\$ 96,552	\$ 215,388	\$ 250,526	\$ 324,907	\$ 385,247
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%	-1.77%	-2.13%
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%	104.55%	104.97%

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, 2024

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	\$ 226	\$ 653	\$ 3,023	\$ 1,426	\$ 4,184	\$ 2,733	\$ 5,061	\$ 6,531	\$ 11,055	\$ 14,134
Contributions in relation to the contractually required contribution	361	1,043	3,023	3,498	4,184	2,733	5,061	6,531	11,055	14,134
Contribution deficiency (excess)	<u>\$ (135)</u>	<u>\$ (390)</u>	<u>\$ -</u>	<u>\$ (2,072)</u>	<u>\$ -</u>	<u>\$ -</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	\$ 324,907	\$ 385,192	\$ 479,119
Contributions as a percentage of covered employee payroll	4.00%	4.00%	4.00%	4.00%	1.94%	2.03%	2.02%	2.01%	2.87%	2.95%

In Fiscal year 2022, 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. In Fiscal year 2023, Greene Technology Center placed the actuarially determined contribution rate of (2.87%) of covered payroll into the pension plan and placed 1.02% of covered payroll into the Pension Stabilization Reserve Trust. In fiscal year 2024, Greene Technology Center placed the actuarially determined contribution rate of (2.95%) of covered payroll into the pension plan and placed 1.05% 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
Schedule of Expenditures of Federal and State Awards
Year Ended June 30, 2024

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	\$ -	\$ 45,518
United States Department of Defense				
Passed Through Collaborative Composite Solutions				
National Imperative for Industrial Skills (ACENet)	12.114	NA	-	160,049
Total federal awards			<u>\$ -</u>	<u>\$ 205,567</u>
Tennessee Department of Education				
Passed through Town of Greeneville, Board of Education				
Tennessee Investment in Student Achievement ("TISA")	NA	NA	\$ -	\$ 438,344
Aviation grant	NA	NA	-	12,465
Total Tennessee Department of Education			<u>\$ -</u>	<u>\$ 450,809</u>
Total state awards			<u>\$ -</u>	<u>\$ 450,809</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, 2024. 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.

See accompanying independent auditors' report.

GREENE TECHNOLOGY CENTER
Schedule of Changes in Lease Obligations
Year Ended June 30, 2024

Description of Indebtedness	Original Amount Of Issue	Interest Rate	Date of Issue	Maturity Date	Restated Outstanding 7/1/2023	Issued During Period	Paid and/or Matured During Period	Re- measurements	Outstanding 6/30/2024
Governmental Activities									
Lease Payable:									
Payable Through General Fund									
Copiers 2021	\$ 20,671	0.95%	03/26/21	03/26/26	<u>\$ 11,138</u>	<u>\$ -</u>	<u>\$ 4,144</u>	<u>\$ -</u>	<u>\$ 6,994</u>
Total payable through General Fund					<u>\$ 11,138</u>	<u>\$ -</u>	<u>\$ 4,144</u>	<u>\$ -</u>	<u>\$ 6,994</u>

GREENE TECHNOLOGY CENTER
Schedule of Lease Requirements by Year
June 30, 2024

Year Ended June 30	Leases		
	Principal	Interest	Total
2025	\$ 4,183	\$ 48	\$ 4,231
2026	2,811	10	2,821
	<u>\$ 6,994</u>	<u>\$ 58</u>	<u>\$ 7,052</u>

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
Greeneville, 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 and each major fund of Greene Technology Center (the "Center") as of and for the year ended June 30, 2024, 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 3, 2024.

Report on 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 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.

Rodefer Moss & Co, PLLC

Greeneville, Tennessee
December 3, 2024

GREENE TECHNOLOGY CENTER
Summary Schedule of Prior Audit Findings
June 30, 2024

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 December 2024

Account #	Description	Month-to-Date	Year-to-Date	Total Budget	YTD % of Total Budget
<u>REVENUE</u>					
39000	Unassigned Fund Balance	\$ -	\$ -	\$ 86,688.00	0.0%
40000	Local Taxes	56,784.50	283,922.50	567,845.00	50.0% (1)
41000	Marriage Licenses	7.10	35.50	71.00	50.0% (1)
43542	Contracts with Other LEAs (Greene County)	-	296,218.50	592,437.00	50.0% (2)
44000	Other Local Revenue & Miscellaneous Refunds	650.00	18,672.47	66,200.00	28.2%
46510	TISA	31,334.50	156,672.50	313,345.00	50.0% (1)
49000	Operating Transfer (Grv City) & Insurance Recovery	21,245.60	106,228.00	213,956.00	49.6% (1)
	Total Revenues	\$ 110,021.70	\$ 861,749.47	\$ 1,840,542.00	46.8%
<u>EXPENDITURES</u>					
71300	Vocational Education	\$ 82,970.42	\$ 404,017.23	\$ 961,385.00	42.0%
72130	Other Student Support	7,606.61	38,905.26	91,908.00	42.3%
72250	Technology	5,625.74	33,762.40	67,905.00	49.7%
72310	Board of Education	10,762.67	98,833.03	133,885.00	73.8% (3)
72410	Office of Principal	26,905.18	147,608.79	329,061.00	44.9%
72610	Operation of Plant	17,807.25	111,098.09	233,402.00	47.6% (3)
72620	Maintenance of Plant	1,416.12	10,970.24	22,996.00	47.7%
76100	Capital Outlay	-	3,714.50	-	N/A
	Total Expenditures	\$ 153,093.99	\$ 848,909.54	\$ 1,840,542.00	46.1%
	Net Revenue (Expense)	\$ (43,072.29)	\$ 12,839.93		

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 for June

(2) Represents Total Amount Received From Greene County Schools

(3) Reflects cost of 2023-2024 Liability, Workers' Compensation, & Building and Grounds Insurance Payments

Encumbrances total \$31,333