

EAST TENNESSEE DEVELOPMENT DISTRICT
Financial Statements and Supplementary Information
Year Ended June 30, 2024

EAST TENNESSEE DEVELOPMENT DISTRICT
Financial Statements and Supplementary Information
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EAST TENNESSEE DEVELOPMENT DISTRICT
Schedule of Directors and Officials
Year Ended June 30, 2024

Board of Directors

Officers

Chairman: Ron Williams, Mayor of Farragut
Vice-Chairman: Brian Langley, Morgan County Executive
Secretary: Glenn Jacobs, Knox County Mayor
Treasurer: Rob Mathis, Cocke County Mayor

Executive Committee Members

Terry Frank, Anderson County Mayor
Ed Mitchell, Blount County Mayor
Jack Lynch, Campbell County Mayor
Joe Brooks, Claiborne County Mayor
Neal Pucciarelli, Cumberland Gap Mayor
Rob Mathis, Cocke County Mayor
Mike Byrd, Grainger County Mayor
Bill Brittain, Hamblen County Mayor
Mark Potts, Jefferson County Mayor
Glenn Jacobs, Knox County Mayor
Rollen "Buddy" Bradshaw, Loudon County Mayor
Mitch Ingram, Monroe County Mayor
Brian Langley, Morgan County Executive
Wade Creswell, Roane County Executive
Jerried Jeffers Scott County Mayor
Larry Waters, Sevier County Mayor
Jason Bailey, Union County Mayor

Tennessee General Assembly

Senator Richard Briggs
Representative Elaine Davis

Minority Members-at-Large

Terrence Carter
Claudia Caballero

EAST TENNESSEE DEVELOPMENT DISTRICT
Schedule of Directors and Officials (Continued)

Other Members of the Board of Directors

Anderson County

Mr. Andy Wallace
Mayor Scott Burton
Mayor Kerry Templin
Mayor Chris Mitchell
Mayor Warren Gooch

Blount County

Mr. Bryan Daniels
Mayor Tanya Martin
Mayor Andy White
Mayor Steven Cardwell
Mayor Jill Pugh
Mayor Carl Koella
Mayor Don Prater

Campbell County

Mayor Bobby Stooksbury
Mayor Shayne Green
Mayor Sandy Terry
Mayor Cliff Jennings
Mr. Randy Brown

Claiborne County

Mayor Troy Poore
Mayor Jerry Beeler
Mayor Bill Fannon

Cocke County

Mayor Roland "Trey" Dykes
Mayor Gayla Ann Hommel
Mr. George Barton

Grainger County

Mr. David Lietzke
Mayor Marvin Braden
Mayor Fred Sykes
Mayor Ben Waller

Hamblen County

Mr. Marshall Ramsey
Mayor Gary Chesney

Jefferson County

Mayor George A. Gantte
Mayor Donna Hernandez
Mayor Mitch Cain
Mayor Danny Whillock
MS. Leann Sutton
Mayor Fred Taylor

Knox County

Ms. Jane Jolley
Mayor Ron Williams
Mayor Indya Kincannon

Loudon County

Mayor Dewayne Birchfield
Mayor Tony Aikens
Mayor Jeff Harris
Mayor Damian Crawford
Mr. Jack Qualls

Monroe County

Mr. Stacy Chambers
Mayor Doyle Lowe
Mayor Augusta Davis
Mayor Marilyn Parker
Mayor John Hammontree

Morgan County

Mayor Buddy Miller
Mayor Phil Vespie
Mayor Karen Melton
Ms. Sharon Heidel

Roane County

Mayor Wayne Best
Mayor Jason Stiltner
Mayor Jason Jolly
Mayor Tim Neal
Mr. Justin Snow

Scott County

Mayor Dennis Jeffers
Mayor Lori Phillips-Jones
Mayor Jerry Dodson
Mr. Anthony Newport

EAST TENNESSEE DEVELOPMENT DISTRICT
Schedule of Directors and Officials (Continued)

Other Members of the Board of Directors (Continued)

Sevier County

Mayor Mike Werner
Mayor David Wear
Mayor Jerry Huskey
Mayor Robert Fox
Ms. Earlene Teaster

Union County

Mayor Jerry Lawson
Mayor Ty Blakely
Mayor Gary Chandler
Mr. Randy Turner



Independent Auditors' Report

To the Board of Directors
East Tennessee Development District

Report on the Audit to the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the East Tennessee Development District (the "District") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District'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 each major fund of the District as of June 30, 2024, and the respective changes in financial position 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 District 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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not

detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District'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 District'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, 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 an opinion on the financial statements that collectively comprise the District's financial statements as a whole. The Schedule of Directors and Officials is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The schedules of expenditures of federal awards and

state financial assistance are 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

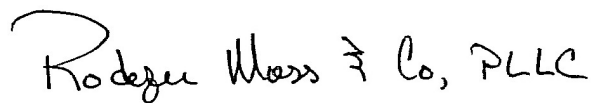
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedule of directors and officials, 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 October 29, 2024 on our consideration of the District'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 District'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 District's internal control over financial reporting and compliance.



Knoxville, Tennessee
October 29, 2024

EAST TENNESSEE DEVELOPMENT DISTRICT
Management's Discussion & Analysis
June 30, 2024

Within this section of the East Tennessee Development District's (the "District") financial report, management provides a narrative discussion and analysis of the financial activities of the District for the fiscal year ended June 30, 2024. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The District's assets exceed its liabilities by \$5,029,360 ("net position") for the fiscal year reported. This compares to the previous year when assets exceeded liabilities by \$5,009,272.
- Net position consists of the following:
 - 1) Capital assets, net of accumulated depreciation, of \$1,087,035.
 - 2) Net position amounting to \$1,340,415, \$790,576 and \$207,026 is restricted for use in the Economic Development Agency Revolving Loan Fund Program ("EDA RLF"), the Economic Development Agency Revolving Loan Fund Program for Covid ("RLF Covid"), and the State of Tennessee Department of Agriculture Revolving Loan Fund Program ("RLF Agriculture"), respectively.
 - 3) Unrestricted net position of \$2,329,572 represent the portion available to maintain the District's continuing obligations to local governments, grantors, and creditors.
- The District's governmental funds reported a total ending fund balance of \$4,667,589 for the year ended June 30, 2024. This compares to the prior year fund balance of \$4,712,080. Of these amounts, \$2,338,017 and \$2,304,046 were reserved for the EDA RLF Program, RLF Covid Program, and the RLF Agriculture Program for the years ended June 30, 2024 and June 30, 2023, respectively.
- Total liabilities of the District's governmental funds at year end increased from \$391,494 to \$636,064. Of the total liabilities, \$396,155 consists of an inner-district liability of the Grants Management Fund payable to the General Fund for the fiscal year ended June 30, 2024.

Overview of Financial Statements

Management's Discussion and Analysis introduce the District's basic financial statements. The basic financial statements include: government-wide financial statements; fund financial statements; and notes to the financial statements. The District also includes in this report additional information to supplement the financial statements.

Government-wide Financial Statements

The District's annual report includes two government-wide financial statements. These statements both provide long-term and short-term information about the District's status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide financial statements is the Statement of Net Position. This is the District-wide statement of position presenting information that includes all of the District's assets and liabilities, with the difference 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 District as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other non-financial factors in addition to the financial information provided in this report.

EAST TENNESSEE DEVELOPMENT DISTRICT
Management's Discussion & Analysis (Continued)

Overview of Financial Statements (Continued)

The second government-wide statement is the Statement of Activities which reports how the District's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when the cash is received or disbursed. An important purpose of the design of the statement of activities is to show the financial reliance of the District's distinct activities or functions on revenues provided by the District's local governments and grantors.

Both government-wide financial statements are designed to distinguish between governmental activities supported mostly by grants and assessments and business-type activities. However, all of the District's activities fall within the governmental activities category.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District's funds rather than the District as a whole. The district utilizes one type of fund: governmental funds.

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to assist in understanding the differences between these two perspectives.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information including the *Schedule of Expenditures of Federal Awards*, *Schedule of Expenditure of State Awards*, and the *Schedule of Directors and Officials*.

Financial Analysis of the District as a Whole

The District implemented the new financial reporting model used in this report beginning with fiscal year ended June 30, 2002. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the District as a whole.

EAST TENNESSEE DEVELOPMENT DISTRICT
Management's Discussion & Analysis (Continued)

Financial Analysis of the District as a Whole (Continued)

The District's net position increased \$20,088 during the fiscal year from a beginning balance of \$5,009,272 to \$5,029,360 at fiscal yearend.

At this time, both state and federal grant programs appear to be stable. The rural transportation program will continue to be funded with a 10% match from the District. Grant administration services to participating cities and counties within our region remain stable as well with multiple new projects that have been approved for funding in addition to the projects we were providing administrative services for as of June 30, 2024. The District continues cost control efforts as reflected in our financial statements.

Summary of Net Position

	<u>2024</u>	<u>2023</u>
Current and other assets	\$ 3,194,490	\$ 3,218,022
Restricted assets	1,713,008	1,616,602
Capital assets	<u>1,087,035</u>	<u>1,043,456</u>
Total assets	<u>\$ 5,994,533</u>	<u>\$ 5,878,080</u>
Current liabilities	\$ 261,876	\$ 143,544
Long-term liabilities	<u>703,297</u>	<u>725,264</u>
Total liabilities	<u>\$ 965,173</u>	<u>\$ 868,808</u>
Net Position		
Net investment in capital assets	\$ 361,771	\$ 297,192
Restricted for revolving loan fund	1,340,415	1,324,255
Restricted for Revolving Loan Fund - Covid	790,576	773,884
Restricted for Revolving Loan Fund - Agriculture	207,026	205,907
Unrestricted	<u>2,329,572</u>	<u>2,408,034</u>
Total net position	<u>\$ 5,029,360</u>	<u>\$ 5,009,272</u>

The Summary of Net Position table shows an increase in total net position in the current year over the previous year of \$20,088. A significant factor for this increase in net position can be attributed in part to the District's increase in interest earned.

EAST TENNESSEE DEVELOPMENT DISTRICT
Management's Discussion & Analysis (Continued)

Financial Analysis of the District as a Whole (Continued)

The comparative data provided below is a summary of changes in net position for the current and previous fiscal years:

	<u>2024</u>	<u>% of Total</u>	<u>2023</u>	<u>% of Total</u>
Revenues				
Programs revenues:				
Charges for services	\$ 1,042,211	28.4%	\$ 1,110,100	42.3%
Operating grants	2,506,649	68.4%	1,460,412	55.7%
General revenues:				
Interest earned	<u>117,375</u>	<u>3.2%</u>	<u>50,345</u>	<u>1.9%</u>
Total revenues	<u>\$ 3,666,235</u>	<u>100.0%</u>	<u>\$ 2,620,857</u>	<u>100.0%</u>
Expenses				
General government	\$ 2,172,361	59.6%	\$ 1,358,838	56.0%
Public services	<u>1,473,786</u>	<u>40.4%</u>	<u>1,069,113</u>	<u>44.0%</u>
Total expenses	<u>\$ 3,646,147</u>	<u>100.0%</u>	<u>\$ 2,427,951</u>	<u>100.0%</u>
Change in net position	\$ 20,088		\$ 192,906	
Net position at the beginning of the year	5,009,272		4,816,366	
Net position at the end of the year	<u>\$ 5,029,360</u>		<u>\$ 5,009,272</u>	

In review of the Summary of Changes in Net Position, there have been a few shifts from the previous year. The charges for services have decreased \$67,889. There were fewer grant administration invoices generated due to a shift in realizing revenue to more closely correspond with received payment. The operating grant revenue increased this year by \$1,046,237. This increase is partly due to amounts received for activity in the Go Places, Housing Preservation, and ERP grant programs.

Financial Analysis of the District's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term inflow and outflow of expendable resource focus. This information is useful in assessing resources available at year-end in comparison with upcoming financing requirements. Governmental funds reported ending fund balance of \$4,667,589. Of this year-end total \$2,329,572 is unassigned indicating availability for continuing District requirements. Restricted fund balances of \$2,338,017 are reserved for the EDA RLF Program \$1,340,415, RLF Covid Program \$790,576, and the RLF Agriculture Program \$207,026. Fund balances decreased this year by \$44,491. Total revenue this year increased \$1,045,378 over last year and total expenses increased \$1,025,574 over last year with the net effect of a decreased fund balance.

EAST TENNESSEE DEVELOPMENT DISTRICT
Management's Discussion & Analysis (Continued)

Proprietary Funds

The District has no proprietary funds.

Capital Asset and Debt Administration

Capital Assets

The District's capital assets, \$1,303,678, net of accumulated depreciation (\$216,643) amounted to \$1,087,035. There were \$89,194 in additions and \$21,003 in disposals during the fiscal year. Depreciation expense for the year amounted to \$45,615.

Long-term Debt and Bond Ratings

During the year ended June 30, 2023, the District assumed two USDA loans. The District paid principal amount of \$21,000 and \$30,432 in interest expense. At June 30, 2024 the balance of the debt is \$725,264. Development District legislation has no provision authorizing the issuance of bonds.

Economic Factors and Next Year's Budget

The Tennessee economy, like the U.S. as a whole, has seen very strong economic growth over the last two and a half years. In Tennessee, inflation-adjusted gross domestic product (real GDP) rose by an incredibly strong 9.2 percent in 2021 and an above-trend rate of 4.8 percent in 2022. However, signs that the economic recovery is winding down have emerged, as both consumer spending and job gains have slowed in recent months. Additional headwinds, such as the resumption of student loan payments and high interest rates could hamper economic growth in the near term as well.

Importantly, real GDP growth is to decelerate, but remain positive for both Tennessee and the U.S., however, economic growth in Tennessee will remain above the nation throughout the forecast horizon. Expectations are that Tennessee real GDP growth will decelerate to a still strong rate of 3.3 percent in 2023, and then slow to a slightly below trend rate 1.8 percent in 2024, as consumer spending normalizes, and the recovery continues to wind down. By comparison, U.S. real GDP will advance by 2.4 percent in 2023 and 1.4 percent in 2024.

Nonfarm employment growth will also moderate in the near term. In 2022, Tennessee employment grew by 4.6 percent and the state added 143.2 thousand workers to payrolls. Strong employment growth continued into the first quarter of 2023, as Tennessee payrolls rose by an annual rate of 3.2 percent over the previous quarter. However, employment gains have slowed dramatically ever since, increasing by an annual rate of 1.0 percent in the second quarter and 0.9 percent in the third quarter. As a result, state employment is projected to grow by 2.3 percent for the 2023 year as a whole (up 74.2 thousand workers for the year), which would match the projected 2.3 percent rate of growth for the national labor market. Then in 2024, state employment growth will slow to 1.0 percent, and only add 33.8 thousand workers to payrolls for the year but will still outpace projected national employment growth of 0.7 percent. Tennessee's stronger employment projections are driven, in part, by a more favorable outlook for the state's manufacturing sector. Tennessee continues to see positive job growth in the manufacturing sector, and we project that this will continue throughout the forecast horizon. By comparison, the U.S. outlook is calling for a contraction in manufacturing employment, which will put downward pressure on overall nonfarm employment growth for the nation.

EAST TENNESSEE DEVELOPMENT DISTRICT
Management's Discussion & Analysis (Continued)

Economic Factors and Next Year's Budget (continued)

The state's unemployment rate currently sits at an all-time low of 3.1 percent as of the third quarter of 2023, and is six-tenths of a percentage point below the U.S. rate. However, as job growth slows the unemployment rate is projected to trend upwards in the near term, averaging 3.5 percent for the 2024 year as a whole, and 3.6 percent in 2025. Nonetheless, this is still below the nation's 4.5 percent unemployment rate projected for 2024 and 4.7 percent rate in 2025.

In 2022, nominal personal income in Tennessee grew at a much faster pace than in the U.S., expanding by 3.5 percent compared to 2.0 percent growth for the nation. State income growth accelerated even faster in the first quarter of 2023, increasing by a robust annual rate of 9.7 percent compared to the quarter prior. This was driven by strong growth in total wages and salaries, due to both wage gains and the strong rate of job growth seen in the first quarter of 2023. In addition, a large cost of living adjustment to social security payments went into effect at the beginning of the year, which provided a boost to federal transfer payments (e.g. social security and unemployment insurance payments). Personal income slowed to a more stable growth rate of 4.2 percent in the second quarter of 2023, and is expected to grow by 6.3 percent for the year as a whole, which would outpace the national growth rate of 5.2 percent. Expectations are that Tennessee personal income will then grow by 5.1 percent in 2024, which is more in line with historic pre-pandemic trends, and is slightly faster than the projected U.S. growth rate of 4.9 percent.

In general, Tennessee's economic outlook is more favorable than that of the nation. The more positive state outlook is largely due to stronger population gains in Tennessee. Population growth is a key component to economic growth, as it leads to more workers, more consumption spending, and more economic activity in general. From 2021 to 2022, the state's population grew by 1.2 percent, which was much faster than the nation's 0.4 percent growth rate. Tennessee's strong rate of population growth was driven almost entirely by increased domestic migration (i.e. people moving to Tennessee from other U.S. states), as the state added more than 81,000 new domestic residents in 2022. This was the highest level of net domestic migration (i.e. in-migration minus outmigration) that the state has ever recorded in a single year, but Tennessee has also seen a steady increase in migration over the last decade.

Over the long term, real GDP in Tennessee is projected to advance by 2.4 to 2.5 percent per year from 2026 through 2030, but will then slow to 2.2 to 2.3 percent towards the end of the forecast horizon (2031 through 2033). Similarly, Tennessee employment will increase by 1.1 to 1.2 percent per year from 2026 to 2030, but will then slow to roughly 0.8 percent growth per year from 2030 to 2033. The projected slowdown in both real GDP and employment at the tail end of the forecast horizon is due to an aging population and a continued increase in retirements. (Source: 2024 Report to the Governor, TN CBER)

The median home sales price in the East Tennessee region was \$365,000 this year, an increase of 8.96% from one year ago while Knox County's median home sale price was \$388,000 up 1.2% from last year. In the East Tennessee region, active inventory increased 44.2% from last year. Home sold in the Knoxville area were under contract for 13 to 16 days which is up from 10 last year. (Source: Housing Market Statistics, Knoxville Chamber-April 2024)

At the state level, the District has received commitments from various state departments to fund most of the District's existing state funded activities for FY 2025. TDOT will continue to fund the two Rural Transportation Organizations at a slightly higher rate than the previous year. TACIR will continue to fund the infrastructure survey at level funding and the THDA will maintain its commitment for housing advocacy. This year the Historical Commission maintained its historic preservation funding the same as the previous year's level. However, the annual appropriation from the Tennessee General Assembly got a onetime stop gap amendment for all the Development districts in the state to help with the rising costs of operations. Normally, our appropriation is \$200,000 but was \$295,000 for the District in FY 2024. The amendment did not go through this year so FY2025 will be \$95,000 less. TDEC Solid Waste Technical Assistance grant will fund at the same level as last year. Beyond these variations, the District's funding from the State of Tennessee remains stable and reliable.

EAST TENNESSEE DEVELOPMENT DISTRICT
Management's Discussion & Analysis (Continued)

Economic Factors and Next Year's Budget (continued)

Internally, the District expects to continue to garner grant administration revenue from the Community Development Block Grant Program, the Appalachian Regional Commission and the US Economic Development Administration. We will also continue our local planning contract with 39 communities to cover the technical planning assistance to our communities. Total annual revenues from these programs in FY 2025 should be higher than the FY 2024 level due to normal cyclical variations.

In summary, even during the uncertain budget environment, both the Federal Government and the State of Tennessee have continued to fund all of the District's current programs. All indications are that the Federal Government and the State of Tennessee will continue to fund the District's programs at current or slightly higher levels for the foreseeable future. Although the rural portions of the region are still experiencing relatively high poverty rates, growth in the construction and housing sectors remains robust and significant increases in business investment are evident throughout the region. Given these factors, economic activity in our region is expected to be above average in the fiscal year 2025.

Contacting the District's Financial Management

This financial report is designed to provide a general overview of the District's finances, comply with finance-related laws and regulations, and demonstrate the District's commitment to public accountability. If you have questions about this report or would like additional information, contact the District's Fiscal Officer at P.O. Box 249, Alcoa, TN 37701-0249.

EAST TENNESSEE DEVELOPMENT DISTRICT

Statement of Net Position

June 30, 2024

ASSETS

Current Assets - Unrestricted

Cash and cash equivalents	\$ 2,129,289
Accounts receivable	39,947
Intergovernmental receivables	396,155
Prepaid expenses	<u>3,654</u>

Total current assets - unrestricted \$ 2,569,045

Current Assets - Restricted

Cash and cash equivalents	1,642,371
Revolving Loan Fund - Agriculture, current maturities	4,214
Revolving Loan Fund - Covid, current maturities	53,262
Revolving Loan Fund, current maturities	<u>13,161</u>

Total current assets - restricted 1,713,008

Total current assets 4,282,053

Capital assets, net of accumulated depreciation

1,087,035

Revolving Loan Fund - Agriculture, less current maturities

23,734

Revolving Loan Fund - Covid, less current maturities

492,961

Revolving Loan Fund, less current maturities

108,750

Total assets \$ 5,994,533

LIABILITIES

Current Liabilities

Accounts payable	\$ 132,014
Accrued leave	102,156
Notes payable - due within one year	21,967
Other current liabilities	<u>5,739</u>

Total current liabilities 261,876

Notes payable - due in more than one year

703,297

Total liabilities \$ 965,173

NET POSITION

Net investment in capital assets

\$ 361,771

Restricted

Restricted for Revolving Loan Fund 1,340,415

Restricted for Revolving Loan Fund - Agriculture 207,026

Restricted for Revolving Loan Fund - Covid 790,576

Unrestricted

2,329,572

Total net position \$ 5,029,360

EAST TENNESSEE DEVELOPMENT DISTRICT

Statement of Activities

Year Ended June 30, 2024

Function / Programs	Expenses	Program Revenues		Net Revenue
		Charges for Services	Operating Grants	
Governmental activities				
General government	\$ 2,172,361	\$ 1,042,211	\$ -	\$ (1,130,150)
Public service	<u>1,473,786</u>	<u>-</u>	<u>2,506,649</u>	<u>1,032,863</u>
Total governmental activities	<u>\$ 3,646,147</u>	<u>\$ 1,042,211</u>	<u>\$ 2,506,649</u>	(97,287)
General revenues				
Interest earned				78,497
Public service revenue				
Interest earned				<u>38,878</u>
Increase in net position				20,088
Net position at the beginning of the year				<u>5,009,272</u>
Net position at the end of the year				<u>\$ 5,029,360</u>

EAST TENNESSEE DEVELOPMENT DISTRICT

Balance Sheet - Governmental Funds

June 30, 2024

	General	Grants Management	Total Governmental Funds
ASSETS			
Current Assets - Unrestricted			
Cash and cash equivalents	\$ 2,129,289	\$ -	\$ 2,129,289
Accounts receivable	39,947	-	39,947
Due from other funds	396,155	-	396,155
Intergovernmental receivables	-	396,155	396,155
Prepaid expenses	3,654	-	3,654
Total current assets - unrestricted	<u>2,569,045</u>	<u>396,155</u>	<u>2,965,200</u>
Restricted assets			
Cash and cash equivalents	1,642,371	-	1,642,371
Revolving Loan Fund - Agriculture, current maturities	4,214	-	4,214
Revolving Loan Fund - Covid, current maturities	53,262	-	53,262
Revolving Loan Fund, current maturities	13,161	-	13,161
Total current assets - restricted	<u>1,713,008</u>	<u>-</u>	<u>1,713,008</u>
Total current assets	4,282,053	396,155	4,678,208
Revolving Loan Fund - Agriculture, less current maturities	23,734	-	23,734
Revolving Loan Fund - Covid, less current maturities	492,961	-	492,961
Revolving Loan Fund, less current maturities	108,750	-	108,750
Total assets	<u>\$ 4,907,498</u>	<u>\$ 396,155</u>	<u>\$ 5,303,653</u>
LIABILITIES AND FUND BALANCES			
Current Liabilities			
Accounts payable	\$ 132,014	\$ -	\$ 132,014
Accrued leave	102,156	-	102,156
Other current liabilities	5,739	-	5,739
Due to other funds	-	396,155	396,155
Total current liabilities	<u>239,909</u>	<u>396,155</u>	<u>636,064</u>
Fund balances			
Restricted for			
Revolving Loan Fund	1,340,415	-	1,340,415
Revolving Loan Fund - Agriculture	207,026	-	207,026
Restricted for Revolving Loan Fund - Covid	790,576	-	790,576
Unassigned	2,329,572	-	2,329,572
Total fund balances	<u>4,667,589</u>	<u>-</u>	<u>4,667,589</u>
Total liabilities and fund balances	<u>\$ 4,907,498</u>	<u>\$ 396,155</u>	<u>\$ 5,303,653</u>

See notes to financial statements.

EAST TENNESSEE DEVELOPMENT DISTRICT
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2024

Total fund balance - total governmental funds	\$ 4,667,589
Amounts reported for government activities in the statement of net position are different because:	
Capital assets of \$1,303,678 net of accumulated depreciation of \$216,643 are not financial resources and therefore are not reported in the funds. See Note 4.	1,087,035
Long-term liabilities, including bonds and notes payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. See note 8. Long-term liabilities at year-end consist of:	<u>(725,264)</u>
Net position of governmental activities	<u>\$ 5,029,360</u>

EAST TENNESSEE DEVELOPMENT DISTRICT
Statement of Revenues, Expenditures, and Changes in
Fund Balance - Governmental Funds
Year Ended June 30, 2024

	Grants		
	General Fund	Management	Total
Revenue			
Grantor contributions	\$ -	\$ 2,506,649	\$ 2,506,649
Local contracts	273,713	-	273,713
Regional planning	393,910	-	393,910
Local assessments	200,944	-	200,944
Administrative contracts	159,339	-	159,339
Interest income	117,375	-	117,375
Other revenue	14,305	-	14,305
Total revenue	<u>1,159,586</u>	<u>2,506,649</u>	<u>3,666,235</u>
Expenditures			
Grant	945,084	601,699	1,546,783
Salaries	713,228	454,084	1,167,312
Fringe benefits	284,664	181,234	465,898
Planning	70,718	45,023	115,741
Capital purchases	67,329	42,865	110,194
Equipment repairs and maintenance	36,972	23,538	60,510
Building repairs and maintenance	22,696	14,450	37,146
Other	20,743	13,206	33,949
Conferences and meetings	20,202	12,862	33,064
Travel	19,173	12,207	31,380
Contracted services	16,078	10,236	26,314
Insurance premiums	12,435	7,917	20,352
Memberships and publications	10,719	6,825	17,544
Audit	7,637	4,863	12,500
Automobile	7,422	4,726	12,148
Materials and supplies	4,529	2,883	7,412
Telephone and e-mail services	3,231	2,057	5,288
Printing and postage	2,007	1,278	3,285
Workers' compensation	1,224	779	2,003
Rent - office, storage, and equipment	1,163	740	1,903
Total expenditures	<u>2,267,254</u>	<u>1,443,472</u>	<u>3,710,726</u>
Excess of expenditures (over) under revenues	<u>(1,107,668)</u>	<u>1,063,177</u>	<u>(44,491)</u>
Other financing sources (uses)			
Transfers from other funds	1,063,177	-	1,063,177
Transfers to other funds	-	(1,063,177)	(1,063,177)
Net other financing sources (uses)	<u>1,063,177</u>	<u>(1,063,177)</u>	<u>-</u>
Net decrease in fund balances	(44,491)	-	(44,491)
Fund balances at the beginning of the year	<u>4,712,080</u>	<u>-</u>	<u>4,712,080</u>
Fund balances at the end of the year	<u>\$ 4,667,589</u>	<u>\$ -</u>	<u>\$ 4,667,589</u>

See notes to financial statements.

EAST TENNESSEE DEVELOPMENT DISTRICT
 Reconciliation of the Governmental Funds Statement
 Fund Balance to the Statement of Activities
 Year Ended June 30, 2024

Decrease in Fund Balances - Governmental Funds	\$	(44,491)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and recorded as depreciation expense. This is the amount by which depreciation expense (\$45,615) is less than capital outlays (\$89,194) in the period.</p>		
		43,579
<p>The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes financial resources of government funds. Neither transactions, however, has any effect on net position.</p>		
Repayment of long-term debt		21,000
Increase in Net Position - Governmental Activities		\$ 20,088

EAST TENNESSEE DEVELOPMENT DISTRICT
Notes to Financial Statements
June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

East Tennessee Development District (the "District") follows GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

Financial Reporting Entity - The District is a political subdivision of the State of Tennessee created in accordance with Chapter 241 of the Public Acts of 1965. The District was established in 1966 as a means for the counties and municipalities within the district to effectively organize themselves to carry on general and comprehensive planning and development activities. The District serves Anderson, Blount, Campbell, Claiborne, Cocke, Grainger, Hamblen, Jefferson, Knox, Loudon, Morgan, Monroe, Roane, Scott, Sevier, and Union Counties, in the State of Tennessee. There are no other entities which comprise the reporting entity. The District is not a component unit of another reporting entity.

Basis of Presentation

Government-Wide Financial Statements - The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. The District only participates in governmental activities. These activities are financed through intergovernmental revenues and other non-exchange revenues.

Fund Financial Statements - Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures. The District's funds are categorized as governmental. An emphasis is placed on major funds. Both of the District's funds are considered to be major because total assets, liabilities, revenues, or expenditures of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category.

The funds of the financial reporting entity are described as follows:

Governmental Funds

General Fund - The General Fund is the primary operating fund of the District and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds for specific revenue sources that are legally restricted to expenditures for certain purposes.

Major Funds

The funds are further classified as major or non-major as follows:

General - The fund accounts for all activities except those legally or administratively required to be accounted for in other funds.

Grants Management Fund - The fund is used to account for revenues and expenditures of all grants received.

Measurement Focus and Basis of Accounting - Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

EAST TENNESSEE DEVELOPMENT DISTRICT
Notes to Financial Statements (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Measurement Focus - On the government-wide Statement of Net Position and the Statement of Activities, activities are presented using the economic resources measurement focus as defined in item b below.

In the fund financial statements, the "current financial resources" measurement focus is used.

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on the balance sheet. The operating statement presents sources and uses of available spendable financial resources during a given period. The funds use fund balance as the measure of available spendable financial resources at the end of the period.
- b. The accounting objectives of the "economic resources" measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or non-current) associated with their activities are reported.

Basis of Accounting - In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is 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. In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis accounting, revenues are recognized when "measurable and available." Measurable is defined as knowing or being able to reasonably estimate the amount. Available is defined as collectible within the current period or within sixty days after year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

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

Cash and Cash Equivalents - For reporting purposes, the District considers all demand accounts and certificates of deposits to be cash equivalents.

Interfund Receivables and Payables - During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

Receivables - In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include grants, assessments, and contractual reimbursements.

In the fund financial statements, material receivables include revenue accruals such as grants and other intergovernmental revenues since they are usually both measurable and available.

Notes Receivable - The notes receivable consist of loans to various local businesses through the Revolving Loan Fund, further discussed in Note 7.

EAST TENNESSEE DEVELOPMENT DISTRICT
Notes to Financial Statements (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Capital Assets - In the governmental-wide financial statements, capital assets are accounted for at historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Building	39 years
Building improvements	10 years
Autos and other equipment	5 years

Equity Classifications

Government-wide Statements

Equity is classified as net position and displayed in three components:

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

Fund Financial Statements

Non-spendable fund balance includes amounts that cannot be spent because they are either not in spendable form (i.e., inventories) or legally or contractually required to be maintained intact (the corpus of a permanent fund). Non-spendable fund balance also includes the long-term portion of loans and notes receivable and property acquired for resale.

Restricted fund balances have constraints imposed by grantors, creditors, contributors, laws or regulations of other governments, or are imposed by law through constitutional provisions or enabling legislation.

Committed fund balances result when the government's governing body imposes constraints through formal action of that body. Committed amounts cannot be used for any other purpose unless the government removes the constraint using the same type of action that was used to commit those amounts. The government would commit, modify, or rescind those funds by a vote of the Executive Committee.

Assigned fund balances are constrained by the government's intent for those assigned amounts to be used for specific purposes but are neither restricted nor committed. Intent should be expressed by the governing body, a body to which the governing body has delegated authority (i.e., a budget or finance committee), or an official that the governing body has designated. The Executive Director or Deputy Director would be authorized to assign these funds. This would be treated on a case by case basis as authorized by a vote of the Executive Committee.

Any residual fund balance remaining after all of the other categories of fund balance have been determined is categorized as *unassigned* fund balance.

EAST TENNESSEE DEVELOPMENT DISTRICT
Notes to Financial Statements (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Equity Classifications - (Continued)

Fund Financial Statements - (Continued)

When both restricted and unrestricted fund balances are available for use, it is the District's policy to use restricted fund balance first, then use unrestricted fund balance. Furthermore, committed fund balances first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes which amounts in any of those unrestricted fund balance classifications can be used. As of June 30, 2024, the District did not have committed or assigned fund balances.

Restricted Assets - Restricted assets include cash and notes receivable of the general fund that are legally restricted as to their use. These assets are related to the Economic Development Agency Revolving Loan Fund Program and the State of Tennessee, Department of Agriculture Revolving Loan Fund Program.

Concentration of Risk - Financial instruments that potentially subject the District to concentrations of credit risk consist primarily of cash. The District places its cash with financial institutions and, at times, such balances may exceed federally insured amounts. At June 30, 2024, all of the District's bank accounts were fully insured either by the FDIC or by the banks' participation in the State of Tennessee's collateral pool.

Compensated Absences - The District's employees are granted annual leave in varying amounts per month based on years of service, as well as 37.5 hours in personal leave per fiscal year. Annual leave may be accumulated in an amount up to 450 hours; amounts in excess of 450 hours at June 30 can be converted into a cash conversion to be invested into the District's 457(b) retirement plan or forfeited. At June 30, 2024, accrued annual leave amounted to \$102,156. Up to 15 hours of unused personal leave may be carried over to the next year. The unused portion is forfeited. The unearned portion of personal leave is forfeited upon termination of employment. Prior to December 31, 1998, employees were granted sick leave. Accrued sick leave may be used for bereavement and in conjunction with short-term and/or long-term disability and is forfeited at termination.

Revenues - Amounts reported as program revenues include: (1) operating grants; and (2) charges for services for local assessments, local contracts, and administrative contracts. Interest and other revenue are reported as general revenues rather than program revenues.

In-kind Revenue and Expenditures - The District administers the emergency repair program which requires an in-kind match of labor or materials from the home-owner. The match is determined by the number of labor hours at minimum wage and the actual cost of the materials and is recorded as in-kind revenue and in-kind grant expenses. In-kind revenue and grant expenses were \$0 for the year ended June 30, 2024.

Expenditures/Expenses - In the government-wide financial statements, expenses are classified by function for government type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character: Current (further classified by function)

In the fund financial statements, governmental funds report expenditures of financial resources.

Interfund Transfers - Permanent reallocation of resources between funds of the reporting entity, are classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual government funds have been eliminated.

EAST TENNESSEE DEVELOPMENT DISTRICT
Notes to Financial Statements (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Date of Management's Review - Management has evaluated events and transactions occurring subsequent to the statement of net position date for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through October 29, 2024, which is the date these financial statements were available to be issued.

NOTE 2 - CASH AND CASH EQUIVALENTS

The District's bank deposits at year-end were entirely covered by federal depository insurance and collateral held in the District's name in the Bank Collateral Pool monitored by the State of Tennessee Treasury Department.

NOTE 3 - ADMINISTRATIVE COSTS

The District contracts to provide accounting and administrative services to Areawide Development Corporation Reimbursement. Accounting and administrative costs totaled \$273,713 (included in local contract revenue) for the year ended June 30, 2024.

NOTE 4 - CAPITAL ASSETS

Changes in capital assets are summarized as follows:

	Balance as of 7/1/2023	Additions	Retirements	Balance as of 6/30/2024
Governmental activities				
Land	\$ 343,740	\$ -	\$ -	\$ 343,740
Building	596,725	-	-	596,725
Building improvements	106,596	-	-	106,596
Furniture and equipment	88,643	-	-	88,643
Automobile	99,783	89,194	21,003	167,974
	<u>1,235,487</u>	<u>89,194</u>	<u>21,003</u>	<u>1,303,678</u>
Accumulated depreciation				
Building	11,475	15,301	-	26,776
Building improvements	4,181	10,659	-	14,840
Furniture and equipment	88,643	-	-	88,643
Automobiles	87,732	19,655	21,003	86,384
	<u>192,031</u>	<u>45,615</u>	<u>21,003</u>	<u>216,643</u>
Governmental activities capital assets, net	<u>\$ 1,043,456</u>	<u>\$ 43,579</u>	<u>\$ -</u>	<u>\$ 1,087,035</u>

EAST TENNESSEE DEVELOPMENT DISTRICT
Notes to Financial Statements (Continued)

NOTE 4 - CAPITAL ASSETS (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$	19,006
Public services		<u>26,609</u>
Total depreciation expense	\$	<u>45,615</u>

NOTE 5 - OPERATING LEASES

East Tennessee Development District office equipment under operating leases. Rent expense under these leases for the year ended June 30, 2024, was \$1,903. The operating lease was terminated during the fiscal year ended June 30, 2024.

NOTE 6 - RETIREMENT PLANS

Deferred Compensation Plan

Effective February 1, 2020, employees of the District may participate in two deferred compensation plans adopted under the provisions of Internal Revenue Code Section 457(b) (Deferred Compensation Plans With Respect to Service for State and Local Governments) and Internal Revenue Code Section 401(k)-Cash or Deferred Arrangement for Governmental Employers. The District adopted GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Sections 457 Deferred Compensation Plans*, in 1998. In accordance with GASB No. 32, the separate assets and liabilities of the plan are in a separate trust and therefore are not reflected in the accompanying financial statements. The Plan is administered by The State of Tennessee Treasury Department and record kept by Empower Retirement.

Employees are eligible to begin participation on their hire date. The Plan permits salary reduction contributions up to the maximum allowed by the IRS as well as catch up contributions for employees beginning at age 50. The District matches 100% of the employee's contributions up to 5% of W-2 eligible compensation and employees are eligible for this match on the first day the month following completion of six months of continuous service. Employee contributions were \$116,653 and the District's match was \$46,039 for the year ended June 30, 2024. Employees are 100% vested at all times.

3121 Plan

The District maintains a 3121 Social Security Replacement Plan under the State of Tennessee 401(k) Plan for all employees in lieu of social security deductions. The Plan is a feature under the State's 401(k) defined contribution plan, established July 1, 1982, and adopted by the District effective February 1, 2020. The Plan is administered by The State of Tennessee Treasury Department and record kept by Empower Retirement. All employees depend solely on amounts contributed by the District to the Plan. Employees must be 18 years of age in order to participate in the Plan and become eligible immediately on their hire date. The Plan has fixed employer contribution of 15.3% of W-2 eligible wages. The fixed contribution amount may be adjusted annually and equals the FICA tax rate plus the Medicare tax rate for the Plan year for both an employer and an employee subject to those taxes but no less than 7.5%. Employees are 100% vested at all times. The District's total salaries were \$1,167,312 in 2024. The District contributed \$74,228 to the Plan for the year ended June 30, 2024.

EAST TENNESSEE DEVELOPMENT DISTRICT
Notes to Financial Statements (Continued)

NOTE 7 - REVOLVING LOAN FUND

The District administers a program whereby low interest loans are made to businesses qualifying under a long-term economic deterioration grant under Title IX, Section 903 of the Public Works and Economic Development Act of 1965, as amended, and the Revolving Loan Fund Plan for East Tennessee Development District (the "RLF Plan") dated July 29, 1983.

Funding for the loans is provided by the U.S. Economic Development Administration ("EDA") and the Tennessee Department of Economic and Community Development ("TECD"), at 75% and 25%, respectively.

The June 30, 2024 balance of \$121,911 in note receivable consists of loans to one entity. The note bears, at a minimum, a rate of interest of prime (as defined) minus 1%, is collateralized by certain equipment, and matures in 2032. Current interest rate is 4.75%.

Maturities of the note receivable are summarized as follows:

<u>Year ending June 30,</u>	
2025	\$ 13,161
2026	13,800
2027	14,470
2028	15,173
2029	15,909
Thereafter	<u>49,398</u>
	<u>\$ 121,911</u>

In fiscal year 2019, the District contracted with the State of Tennessee, Department of Agriculture to administer and service loans for the agricultural production and farm based businesses. The funds will be loaned to agriculture and farm based businesses that do not have reasonable access to capital markets and traditional commercial lending facilities to provide funding for certain infrastructure projects.

The District is responsible for re-lending funds by originating and servicing loans at below market rates to qualifying businesses located in the counties within the district for specific infrastructure purposes. The June 30, 2024 balance of \$27,948 consists of loans made to one entity. The note bear an interest rate of 4.00%, collateralized by equipment, maturing from 2025 through 2030.

Maturities of the notes receivable are summarized as follows:

<u>Year ending June 30,</u>	
2025	\$ 4,214
2026	4,382
2027	4,557
2028	4,740
2029	4,929
Thereafter	<u>5,126</u>
	<u>\$ 27,948</u>

EAST TENNESSEE DEVELOPMENT DISTRICT
Notes to Financial Statements (Continued)

NOTE 7 - REVOLVING LOAN FUND - (Continued)

In fiscal year 2021, the District contracted with the EDA to administer and service loans for the CARES Act Revolving Loan Fund Supplemental Disaster Recovery and Resiliency Award Plan. The objective of this plan is to assist small business that have been economically impacted by the COVID-19 pandemic to recover and sustain operations.

The District is responsible for re-lending funds by originating and servicing loans at below market rates to qualifying businesses located in the counties within the district. The June 30, 2024 balance of \$546,223 consists of loans made to four entities. The notes bear an interest rate of 4.40% and 1.0%, collateralized by equipment, maturing from 2025 through 2028.

Maturities of the notes receivable are summarized as follows:

<u>Year ending June 30,</u>		
2025	\$	53,262
2026		55,323
2027		57,479
2028		59,733
2029		62,092
Thereafter		<u>258,334</u>
	\$	<u>546,223</u>

The District's exposure to credit loss in the amount of nonperformance by the other party to the notes receivable is represented by the contractual amount of the notes receivable. The District evaluates each customer's credit worthiness on a case-by-case basis. The amount of collateral obtained is based on the Revolving Loan Fund guidelines. Management periodically evaluates the need for an allowance for losses based on the known and inherent risk, adverse situations that may affect the borrowers' ability to repay, estimated value of underlying and current economic conditions. As of June 30, 2024, management does not deem an allowance necessary.

NOTE 8 - NOTES PAYABLE

On September 26, 2022, the District assumed two USDA Rural Development loans related to the sale of the property and building from Areawide Development Corporation. The office building and property serves as collateral for the note payable. As of June 30, 2024, the balance of USDA loan 2 is \$651,637 and has an interest rate of 4.125%. The loan is payable in monthly payments of \$3,851 including interest and matures September 26, 2045. As of June 30, 2024, the balance of USDA loan 3 is \$73,627 and has an interest rate of 4.125%. The loan is payable in monthly payments of \$435 including interest and matures September 26, 2045.

EAST TENNESSEE DEVELOPMENT DISTRICT
Notes to Financial Statements (Continued)

NOTE 8 - NOTES PAYABLE-(Continued)

Notes payable for the year ended June 30, 2024 were as follows:

	Balance July 1, 2023	Proceeds	Payments	Balance June 30, 2024	Amounts Due Within One Year
Governmental Activities					
Notes Payable - USDA #2	\$ 670,506	\$ -	\$ 18,869	\$ 651,637	\$ 19,738
Notes Payable - USDA #3	75,758	-	2,131	73,627	2,229
	<u>\$ 746,264</u>	<u>\$ -</u>	<u>\$ 21,000</u>	<u>\$ 725,264</u>	<u>\$ 21,967</u>

Future maturities of the notes payable are as follows:

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
	Notes from Direct Borrowings		
2025	\$ 21,967	\$ 29,465	\$ 51,432
2026	22,848	28,584	51,432
2027	23,809	27,623	51,432
2028	24,772	26,660	51,432
2029	25,888	25,554	51,442
2030-2034	146,507	110,654	257,161
2035-2039	180,000	77,151	257,151
2040-2044	221,148	36,012	257,160
2045-2046	58,325	1,511	59,836
	<u>\$ 725,264</u>	<u>\$ 363,214</u>	<u>\$ 1,088,478</u>

NOTE 9 - RISK MANAGEMENT

The District carries commercial insurance for risks of loss including general liability, property, casualty, directors' and officers' liability, automobile, and crime. There were no claims in any of the past three fiscal years.

NOTE 10 - CONTINGENCY

The District participates in federal and state financial assistance programs. Management is not aware of any deficiencies or noncompliance issues that, upon ultimate resolution, would have a material adverse impact on the financial statements of the District.

REQUIRED SUPPLEMENTARY INFORMATION

EAST TENNESSEE DEVELOPMENT DISTRICT
Schedule of Changes in Long-Term Debt by Individual Issuance
June 30, 2024

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7/1/23	Issued During Period	Paid and/or Matured During	Refunded During Period	Outstanding 6/30/24
Governmental Activities									
Notes payable:									
Notes Payable - USDA #2	\$ 885,200	4.125%	09/28/07	09/26/45	\$ 670,506	\$ -	\$ 18,869	\$ -	\$ 651,637
Notes Payable - USDA #3	\$ 100,000	4.125%	09/29/07	09/26/45	<u>75,758</u>	<u>-</u>	<u>2,131</u>	<u>-</u>	<u>73,627</u>
Total notes payable through General Fund					<u>\$ 746,264</u>	<u>\$ -</u>	<u>\$ 21,000</u>	<u>\$ -</u>	<u>\$ 725,264</u>

EAST TENNESSEE DEVELOPMENT DISTRICT
Schedule of Long-Term Debt Requirements
June 30, 2024

Year Ended June 30,	USDA Loan #2		USDA Loan #3		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 19,738	\$ 26,474	\$ 2,229	\$ 2,991	\$ 21,967	\$ 29,465
2026	20,530	25,682	2,318	2,902	22,848	28,584
2027	21,393	24,819	2,416	2,804	23,809	27,623
2028	22,259	23,953	2,513	2,707	24,772	26,660
2029	23,261	22,951	2,627	2,593	25,888	25,544
2030	24,206	22,006	2,733	2,487	26,939	24,493
2031	25,224	20,988	2,848	2,372	28,072	23,360
2032	26,257	19,956	2,965	2,255	29,222	22,211
2033	27,415	18,797	3,096	2,124	30,511	20,921
2034	28,540	17,672	3,223	1,997	31,763	19,669
2035	29,740	16,472	3,358	1,862	33,098	18,334
2036	30,969	15,243	3,497	1,723	34,466	16,966
2037	32,312	13,890	3,649	1,571	35,961	15,461
2038	33,651	12,562	3,800	1,420	37,451	13,982
2039	35,065	11,147	3,959	1,261	39,024	12,408
2040	36,526	9,686	4,124	1,096	40,650	10,782
2041	38,087	8,125	4,301	919	42,388	9,044
2042	39,676	6,536	4,480	740	44,156	7,276
2043	41,344	4,868	4,668	552	46,012	5,420
2044	43,078	3,134	4,864	356	47,942	3,490
2045	44,895	1,317	5,069	151	49,964	1,468
2046	7,471	38	890	5	8,361	43
	<u>\$ 651,637</u>	<u>\$ 326,316</u>	<u>\$ 73,627</u>	<u>\$ 36,888</u>	<u>\$ 725,264</u>	<u>\$ 363,204</u>

SUPPLEMENTARY INFORMATION

EAST TENNESSEE DEVELOPMENT DISTRICT
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Grantor Agency	Program Name and Assistance Listing Number	Contract Number	Beginning Receivable	Cash Receipts	Expenditures	Ending Receivable	Subrecipients
Federal Highway Administration Passed- Through to State of Tennessee, Dept. of Transportation	Rural Transportation ALN # 20.205	61906 (39 mo) 74175 (39 mo)	\$ 42,571 -	\$ 42,571 128,558	\$ - 163,053	\$ - 34,495	\$ - -
Total Program 20.205			42,571	171,129	163,053	34,495	-
U.S. Department of Commerce - Economic Development Administration	Revolving Loan Fund RLF Covid ALN #11.307	04-79-07526	-	795,918	795,918	-	546,223
Appalachian Regional Commission	District Assistance ALN #23.009	TN-710-B-C53-23 TN-710-B-C54-24	-	89,755 84,675	89,755 84,675	-	-
Appalachian Regional Commission	Power Grant ALN #23.002	PW-19728-IM-19	-	419,347	444,347	25,000	-
Total Appalachian Regional Commission			-	593,777	618,777	25,000	-
U.S. Department of Commerce - Economic Development Administration	District Planning ALN #11.302	ED22ATL3020022 ED22ATL3020022	17,500 -	17,500 52,500	- 70,000	- 17,500	- -
National Park Service Passed - Through to State of Tennessee, Dept. of Environment and Conservation and TN Historical Commission	Historic Preservation ALN #15.904	77133 32701-05287	17,017 -	17,017 7,938	- 25,389	- 17,451	- -
U.S. Environmental Protectional Agency	Brownfield Coalition Assessment ALN #66.818	BF02D08421 BF02D08421	15,113 -	15,113 125,013	- 134,072	- 9,059	- -
Environmental Protection Agency Office Water Passed-Through to the State of Tennessee, Dept. of Environment and Conservation	BMP Implementation ALN #66.454	76925 77072 77072	3,803 10,621 -	3,803 10,621 8,208	- - 27,679	- - 19,471	- - -
Total Expenditures of Federal Awards			\$ 106,625	\$ 1,818,537	\$ 1,834,888	\$ 122,976	\$ -

EAST TENNESSEE DEVELOPMENT DISTRICT
Schedule of Expenditures of State Financial Assistance
Year Ended June 30, 2024

Grantor Agency	Program Name	Contract Number	Beginning			Ending	
			Receivable	Cash Receipts	Expenditures	Receivable	Subrecipients
Tennessee Advisory Commission on Intergovernmental Relations	Infrastructure Program	74252	\$ 33,856	\$ 33,856	\$ -	\$ -	\$ -
		78801	-	41,526	75,501	33,975	-
Tennessee Department of Economic and Community Development	Matching Fund Grant	75453	-	295,000	295,000	-	-
Tennessee Housing Development Authority	Technical Assistance Grant	TA-24-001	-	20,000	20,000	-	-
Tennessee Housing Development Authority	Emergency Repair Program	ERP-23-01	20,748	20,748	-	-	-
		ERP-23-01	-	237,879	360,998	123,119	-
Department of Transportation	Rural Transportation	61906	5,321	5,321	-	-	-
		74175	-	16,070	20,382	4,312	-
Total Expenditures of State Financial Assistance			<u>\$ 59,925</u>	<u>\$ 670,400</u>	<u>\$ 771,881</u>	<u>\$ 161,406</u>	<u>\$ -</u>

EAST TENNESSEE DEVELOPMENT DISTRICT
Notes to Schedules of Federal Awards and State Financial Assistance
June 30, 2024

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (the "Schedules") include the federal and state grant activity of East Tennessee Development District (the "District") under programs of the federal and state government for the year ended June 30, 2024. The information in these Schedules 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")*, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in these Schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements. Assistance Listing Number ("ALN") numbers are presented for those programs for which such numbers were available. All programs are presented by the federal and state department. Because the Schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position, or cash flows of the District.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedules 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 District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform guidance.

NOTE 3 - REVOLVING LOAN PROGRAMS

Expenditure calculation for the Revolving Loan Fund - COVID-19 program was as follows:

Revolving Loan Fund Program		
Cash	\$	244,788
Outstanding loan balances		546,223
Administrative costs		4,907
		<hr style="width: 100%;"/>
		795,918
Federal share		<u>100%</u>
Federal awards expended	\$	<u>795,918</u>



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 Board of Directors
East Tennessee Development District

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 East Tennessee Development District (the "District") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 29, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District'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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 District'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 District'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 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rodefer Moss & Co, PLLC

Knoxville, Tennessee
October 29, 2024



Independent Auditors' Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Directors
East Tennessee Development District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited East Tennessee Development District's (the "District") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2024. The District's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect

material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Rodefer Moss & Co, PLLC

Knoxville, Tennessee

October 29, 2024

EAST TENNESSEE DEVELOPMENT DISTRICT
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified
Internal control over financial reporting:
Material weakness(es) identified? ___ yes no
Significant deficiency(ies) identified? ___ yes none reported
Noncompliance material to financial statements noted? ___ yes no

Federal Awards

Internal control over major programs:
Material weakness(es) identified? ___ yes no
Reportable condition(s) identified not
considered to be material weaknesses? ___ yes none reported
Type of auditors' report issued on compliance for
major programs Unmodified
Any audit findings disclosed that are required to be
Reported in accordance with 2 CFR
Section 200.516(a) ___ yes no

Identification of major programs:

ALN(s)

11.307
23.002

Name of Federal Program or Cluster

Revolving Loan Fund COVID
Appalachian Area Development

Dollar threshold used to distinguish
between type A and type B programs: \$750,000
Auditee qualified as low-risk auditee? ___ yes no

Section II - Financial Statement Findings

None noted

Section III - Federal Award Findings and Questioned Costs

None noted

EAST TENNESSEE DEVELOPMENT DISTRICT
Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2024

Financial Statement Findings

There were no prior findings reported.

Federal Award Findings and Questioned Costs

There were no prior findings or questioned costs reported related to federal awards.