

**Tennessee School Boards Association
TSBA OPEB Trust - November Meeting
Gaylord Opryland Resort and Convention Center
Saturday, November 9, 2024**

The TSBA OPEB Trustees met on Saturday, November 9, 2024. The following members were present: .

Mark Hansen called the meeting to order at and welcomed everyone.

The meeting adjourned at

Respectfully submitted,

Mark Hansen, Chairman

Tammy Grissom, OPEB Trust Administrator



TSBA
TENNESSEE SCHOOL BOARDS ASSOCIATION

OPEB Trust Meeting

Agenda and Supporting Documents

Gaylord Opryland Resort and
Convention Center
Magnolia Boardroom B
Saturday, November 9, 2024
7:15 a.m. – 8:15 a.m.



OPEB Trust Meeting
Gaylord Opryland Resort and Convention Center
Magnolia Boardroom B
November 9, 2024

AGENDA

7:15 a.m.	Call to Order	Wright Cox, Chairman
7:16 a.m.	Approval of Agenda	
7:17 a.m.	Approval of February 13, 2024 Minutes (Tab 1)	
7:18 a.m.	Acceptance of 3-month Financial Statements – September 30, 2024 (Tab 2)	Dr. Tammy Grissom, Trust Administrator
7:19 a.m.	Report of Activities and Fiscal Condition of the Trust	Dr. Tammy Grissom
7:21 a.m.	Review OPEB Trust Bylaws (Tab 3)	Emily Warren, TSBA
7:25 a.m.	Approval of June 30, 2024 Audit (Tab 4)	Erica Saeger, Audit Principal Crosslin CPA
7:35 a.m.	Approval of Auditing Firm for 2025, 2026, and 2027 (Tab 5)	Dr. Tammy Grissom
7:40 a.m.	Investment Report (Tab 6)	Chris Sigmund, Morgan Stanley
7:53 a.m.	Appointment of the Following New Trustee: <ul style="list-style-type: none">• Michelle McKissack, Memphis-Shelby County Term: 11/09/24 – 12/31/24	Wright Cox
7:55 a.m.	Approval of Trustee Appointments Term: 01/01/25 – 12/31/27 <ul style="list-style-type: none">• Chris Denson, Millington• David Cook, Bartlett• Michelle McKissack, Memphis-Shelby County• Tim Hobbs, Hickman County• Wright Cox, Collierville	Wright Cox
7:58 a.m.	Election of 2025 Trust Officers (Chairman and Vice-Chairman)	Wright Cox
8:03 a.m.	Public Comment	
8:13 a.m.	Other Business	
8:15 a.m.	Adjourn	

**Tennessee School Boards Association
OPEB Trust Meeting
Franklin Marriott, Cool Springs
Appaloosa Room
Tuesday, February 13, 2024**

The TSBA OPEB Trustees met on Tuesday, February 13, 2024. The following members were present: **Tim Hobbs**, Hickman County; **Dr. Dale Viox**, Arlington; **Chris Denson**, Millington; **David Cook**, Bartlett (via conference call); and **Dr. Tammy Grissom**, Trust Administrator. Absent were: **Wright Cox**, Collierville; and **Kevin Woods**, Memphis-Shelby County. The following were also in attendance: **Sandy Jones**, TSBA Staff; and **Lee Burklow**, Morgan Stanley.

Vice Chairman Tim Hobbs called the meeting to order at 7:00 a.m. and welcomed everyone before a roll call.

VIOX/DENSON: Motion to approve the agenda. MOTION CARRIED.

VIOX/DENSON: Motion to approve November 18, 2023 Minutes. MOTION CARRIED.

DENSON/HOBBS: Motion to accept the 6-month Financial Statements as presented (December 31, 2023). MOTION CARRIED.

Dr. Tammy Grissom, the Trust Administrator, reported on the activities and fiscal condition of the Trust. She noted that no new members had joined the OPEB Trust, and no members had recently withdrawn funds from the OPEB Trust. Dr. Grissom reported that Erica Saeger with Crosslin informed her that school systems are being required to report their OPEB liabilities in the future. Dr. Grissom anticipates more school systems showing interest in becoming trust members.

VIOX/DENSON: Motion to approve proposed policy changes to OPEB Trust Policies: 1020 – Board of Trustees’ Meeting Procedures; 3030 – Depository for Trust Funds; and 3070 – Trust Travel Regulations. MOTION CARRIED.

A review of the OPEB Trust’s investment policy 3060 took place. Dr. Grissom noted that the policy is reviewed annually in consultation with Morgan Stanley to ensure it aligns with the practices of the OPEB Trust. No changes were recommended.

Lee Burklow with Morgan Stanley presented the investment report and commented on the financial stability of the OPEB Trust and the performance of the Trust’s investments in the current economy. He stated that the Trust is performing within the fiduciary guidelines as set forth by the investment policy. He went into detail on the economy and the effects it would have on future investments.

There were no individuals present who wished to speak during the public comment portion of the meeting, and no further business was discussed.

VIOX/DENSON: Motion to adjourn the meeting. MOTION CARRIED.

Respectfully submitted,

Tim Hobbs, Vice Chairman

Dr. Tammy Grissom, OPEB Trust Administrator

TSBA OPEB Trust
Balance Sheet
As of September 30, 2024

	<u>Sep 30, 24</u>
ASSETS	
Current Assets	
Checking/Savings	
1000-00 · Suntrust Operating Account	5,654.94
Total Checking/Savings	<u>5,654.94</u>
Other Current Assets	
1300-00 · Investments	
1300-10 · Hickman County Investments	3,151,806.23
1300-20 · Johnson County Investments	1,614,904.21
1300-30 · Shelby County Investments	152,502,716.28
1300-50 · Jackson-Madison Investments	572,791.78
1300-60 · Arlington Investments	5,305,750.75
1300-70 · Bartlett Investments	8,466,821.67
1300-80 · Collierville Investments	3,389,300.22
1300-90 · Lakeland Investments	3,575,192.40
1300-95 · Millington Investments	434,952.54
Total 1300-00 · Investments	<u>179,014,236.08</u>
Total Other Current Assets	<u>179,014,236.08</u>
Total Current Assets	<u>179,019,891.02</u>
TOTAL ASSETS	<u>179,019,891.02</u>
LIABILITIES & EQUITY	
Equity	
3200-00 · Unrestricted Net Assets	170,572,227.88
3200-50 · Unrestricted Net Assets - Audit	109,327.00
Net Income	8,338,336.14
Total Equity	<u>179,019,891.02</u>
TOTAL LIABILITIES & EQUITY	<u>179,019,891.02</u>

TSBA OPEB Trust
Profit & Loss
 July through September 2024

	Jul - Sep 24
Income	
4300-00 · Contributions	
4300-20 · Contributions - Johnson County	25,000.00
Total 4300-00 · Contributions	25,000.00
4400-00 · Unrealized Gain/Loss	
4400-10 · Unrealized Gain/Loss - Hickman	130,011.58
4400-20 · Unrealized Gain/Loss - Johnson	66,837.99
4400-30 · Unrealized Gain/Loss - Shelby	6,289,038.68
4400-50 · Unrealized Gain/Loss - JMadison	23,612.38
4400-60 · Unrealized Gain/Loss - Arlingto	218,408.54
4400-70 · Unrealized Gain/Loss - Bartlett	349,543.48
4400-80 · Unrealized Gain/Loss - Collierv	140,141.80
4400-90 · Unrealized Gain/Loss - Lakeland	147,442.61
4400-91 · Unrealized Gain/Loss - Millingt	17,971.39
Total 4400-00 · Unrealized Gain/Loss	7,383,008.45
4500-00 · Interest, Dividends&Capital Gn	
4500-10 · Interest, Div., & CG - Hickman	19,588.52
4500-20 · Interest, Div., & CG - Johnson	10,014.53
4500-30 · Interest, Div., & CG - Shelby	945,330.95
4500-50 · Interest, Div., & CG - JMadison	3,578.54
4500-60 · Interest, Div., & CG - Arlingto	33,579.12
4500-70 · Interest, Div., & CG - Bartlett	53,115.94
4500-80 · Interest, Div., & CG - Collierv	21,639.00
4500-90 · Interest, Div., & CG - Lakeland	22,686.48
4500-91 · Interest, Div., & CG - Millingt	2,721.19
Total 4500-00 · Interest, Dividends&Capital Gn	1,112,254.27
4800-00 · Interest Income	0.15
Total Income	8,520,262.87
Expense	
6400-00 · Administrative Fee	
6400-10 · Administrative Fee - Hickman	1,878.93
6400-20 · Administrative Fee - Johnson	946.95
6400-30 · Administrative Fee - Shelby	40,051.97
6400-50 · Administrative Fee -J. Madison	341.46
6400-60 · Administrative Fee - Arlington	3,162.92
6400-70 · Administrative Fee - Bartlett	5,047.02
6400-80 · Administrative Fee - Colliervil	2,019.97
6400-90 · Administrative Fee - Lakeland	2,131.07
6400-91 · Administrative Fee - Millington	259.26
Total 6400-00 · Administrative Fee	55,839.55
6500-00 · Investment Advisor Fees	
6500-10 · Investment Advisor Fees - Hickm	2,202.23
6500-20 · Investment Advisor Fees - Johns	1,126.03
6500-30 · Investment Advisor Fees - Shelb	107,358.24
6500-50 · Investment Advisor Fees - JMadi	397.23
6500-60 · Investment Advisor Fees - Arlin	3,750.57
6500-70 · Investment Advisor Fees - Bartl	6,022.97
6500-80 · Investment Advisor Fees - Colli	2,404.85
6500-90 · Investment Advisor Fees - Lakel	2,523.34
6500-91 · Investment Advisor Fees - Milli	301.72
Total 6500-00 · Investment Advisor Fees	126,087.18
Total Expense	181,926.73
Net Income	8,338,336.14

Tennessee School Boards Association

OPEB Trust

Bylaws

ARTICLE I—TRUSTEES

Section 1. Appointment of Trustees. There shall be seven (7) Trustees. The Executive Director and President of the Tennessee School Boards Association will be voting ex-officio members of the Board of Trustees and shall remain as Trustees so long as they hold their respective positions. The remaining five (5) Trustees shall be from the governing boards of the participating members of the Trust and appointed by the TSBA OPEB Trustees. The term of these five (5) Trustees shall be three (3) years, and they may be reappointed.

Section 2. Officers of the Trust. The officers of the Trust shall be Chairman and Vice-Chairman. Officers shall be elected by the Trustees annually from the members of the Board of Trustees. The term of officers shall begin on January 1 of each year and terminate on the following December 31. An officer's term shall also cease upon their termination as a board member. Ex-officio members of the Board of Trustees are ineligible to hold the office of Chairman and Vice-Chairman.

Section 3. Appointment of Successor Trustees. Upon the death, resignation, or removal of a Trustee or upon the Trustee becoming ineligible to serve, the Board of Trustees shall appoint a new Trustee to serve the remainder of the term. Trustees and all officers of the Trust shall continue to serve until their successors are selected except for Trustees who are removed or resign. A Trustee appointed to fill a vacancy shall serve until the expiration of the term of his/her predecessor.

Section 4. Vacancy of Officers. Upon the death, resignation, or removal of the Chairman, the Vice-Chairman will automatically assume the office of Chairman, and a new Vice-Chairman shall be elected at the next meeting of the Trust. If the vacancy is for the office of Vice-Chairman, a new Vice-Chairman shall be elected at the next meeting of the Trust.

ARTICLE II—GENERAL TRUST PROVISIONS

Section 1. Amendments. These Bylaws may be amended by a vote of the majority of the Trustees present at any meeting of the Trust, provided that notice of such proposed amendment shall be given in writing ten (10) days in advance to all Trustees. The Administrator shall notify the participating members of any and all amendments adopted.

The Trustees will review these Bylaws annually to ensure its continued relevance and to make changes as new conditions dictate.

Section 2. Conflicts. In the event of any conflict between any provision of these Bylaws and any provision of any applicable law, these Bylaws shall be deemed modified to the extent necessary to comply with such law.

ARTICLE III—MEETINGS OF TRUSTEES

Section 1. Regular Meetings. The Board of Trustees shall meet biannually. Any item of business may be considered at a regular meeting. The time, date, and location of meetings of the Board shall be determined by the Board. No proxy votes shall be permitted.

Section 2. Special Meetings. A special meeting may be called at any time by the Chairman or by any four (4) of the Trustees. An emergency meeting may be called with less than ten (10) days written notice provided that all Trustees agree to such a meeting. An agenda specifying the subject of any special meeting shall accompany such notice, and only business included on that agenda may be transacted.

Section 3. Notice of Meetings. All meetings of the Board shall be conducted in a manner required by law. The Administrator shall publish any schedule or notice of meeting of the Board. Such publication requirement shall be deemed met by announcement on the TSBA website.

ARTICLE IV—NATURE AND USE OF FUNDS

Section 1. Member Fund Withdrawal. The Trust is specifically authorized to make payments of legitimate reimbursements to member systems requesting their other post-employment benefits (OPEB) obligations. No other withdrawals may be made by member systems.

Section 2. Investment of Funds. The Trust may invest such portions of the Trust reserve in any manner that is both prudent and permissible under state and federal law. The Trustees shall develop and adopt an investment policy.

Section 3. Investment Manager Selection. Investment managers shall be subject to all restrictions and investment guidelines within these Bylaws and the investment policy maintained by the Trustees.

Section 4. Fees. The Trust Administrator shall be paid a fee per the following schedule on total assets under management and an administrative fee for the biennial OPEB valuations.

Amount	Fee
0-25MM	0.25%
25MM-50MM	0.15%
50MM-75MM	0.10%
75MM +	0.05%

The Trustees are permitted to compensate the investment managers and/or consultants with such fees as may be reasonable and competitive and are not excessive and detrimental to the Trust's long-term viability. It shall be incumbent upon the investment managers and/or consultants to fully represent all costs and fees associated with the management of the Trust.

Section 5. Asset Manager Performance Review. The Trustees will monitor performance of the portfolio using the quarterly statements provided by the Trust's investment consultants. The investment consultants shall provide the Trustees with manager performance numbers and appropriate benchmark data with which to evaluate the managers' performance. While mindful of the specific goals of the Trust, the investment consultants shall provide data on a benchmark comprised of an appropriate mix of indices and such other benchmark data as may be requested or relevant.

A file of the written confirmations of every transaction and the quarterly statements documenting total assets, including gains and/or losses in each security since original purchase date, will be maintained by the Trust Administrator.

The Trustees will continually review the liquidity needs of the Trust and will notify the investment consultants as soon as possible of any significant changes in anticipated needs.

Section 6. Financial Institution. All funds received by the Trust shall be deposited in such financial institutions as the Trust may designate for that purpose.

Section 7. Withdrawals. All withdrawals of funds from such financial institutions shall be made only by electronic transfer or by check signed by the Treasurer of the Trust or his/her designee.

Section 8. Bonding. Any person, other than third parties retained to invest funds on behalf of the Trust, who is authorized to sign or who may be engaged in handling funds or securities held by the Trust shall be bonded at the expense of the Trust by a duly authorized surety company in such amount or amounts as may from time to time be required by the Trustees.

Adopted 4/16/09
Article VI, Section 5 revised 7/16/09
Article VI, Section 1 revised 11/15/10
Article I, Sections 1, 4, 5, 6, 7, 8, & 9 revised 09/28/12
Article II, Sections 1 & 2 revised 09/28/12
Article V, Section 1 revised 09/28/12
Article VI, Sections 2 & 6 revised 09/28/12
Article I, Sections 1, 2, 3, 5, 6 & 7 revised 11/05/12
Article II, Section 1 revised 11/05/12
Article III, Sections 1 & 2 revised 11/05/12
Article V, Sections 1 & 3 revised 11/05/12
Article VI, Sections 2 & 9 revised 11/05/12
Article I, Section 1 revised 11/10/13
Article IV, Section 4 revised 4/20/16
Article I, Section 1 added 02/20/17
Article I, Sections 2 & 3 revised 10/21/20
Article II, Section 1 revised 10/21/20
Article II, Section 2 added 10/21/20
Article III, Sections 1, 2, & 3 revised 10/21/20
Article IV, Sections 1, 2, 3, 5, 6, 7, & 8 revised 10/21/20



TSBA OPEB Trust

*Communication with
Board of Trustees*

September 17, 2024





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September 17, 2024

To the Board of Trustees
of the TSBA OPEB Trust

Dear Trustees:

We are pleased to present our Report to the Board of Trustees on the results of our audit of the financial statements of the TSBA OPEB Trust (the "Trust") for the year ended June 30, 2024.

A direct line of communication between our Firm and the Board of Trustees is essential to the proper exercise of our respective responsibilities. Our appointment involves the responsibility on our part to call to your attention any significant matters which we believe require your consideration, either at a regularly scheduled meeting or on a more timely basis, if warranted.

The accompanying report is intended solely for the use of the Board of Trustees and Trust management, and is not intended to be or should not be used by anyone other than these specified parties. It also presents information regarding our audit and certain other information which we believe will be of assistance to you. We appreciate this opportunity to discuss the contents of this report with you and any other matters you wish to address.

We would like to take this opportunity to express our appreciation for the assistance and courtesy extended to us by your employees. We appreciate working with you, and we look forward to a continued relationship with the TSBA OPEB Trust.

Very truly yours,

CROSSLIN, PLLC

A handwritten signature in black ink that reads "Erica D. Saeger".

Erica D. Saeger
Audit Principal



Report on Results of the June 30, 2024 Audit

We have audited the financial statements of the TSBA OPEB Trust (the “Trust”) as of and for the year ended June 30, 2024, and we have issued an unmodified opinion dated September 17, 2024.

The following discussion contains information related to our audit that is required by professional standards and certain other information which will be of assistance to you.

Our Responsibilities under U.S. Generally Accepted Auditing Standards and Government Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements, prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

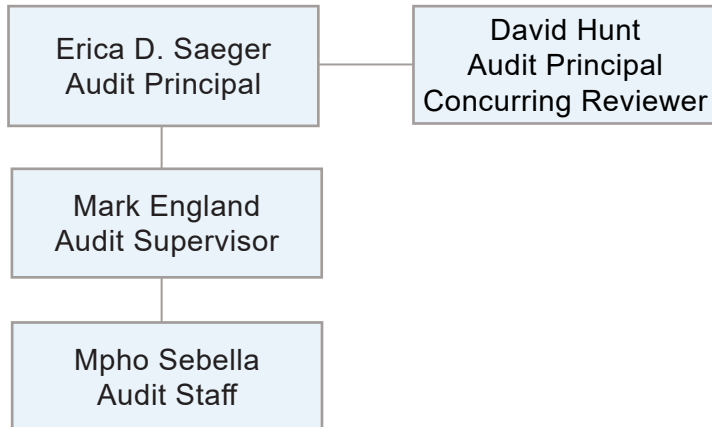
Our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute, assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

As part of our audit, we considered the internal control of the Trust. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement and in conformity with *Government Auditing Standards*, we performed tests of the Trust’s compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.



Customer Service Team



Areas of Audit Significance

During the audit, we focused on the following account balances and related transaction streams:

- Investments
- Investment income and expenses
- Employer contributions
- Financial reporting

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you.

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Trust is included in Note B to the financial statements. There have been no material changes in significant accounting policies or their application during fiscal year 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. We believe the Trust’s accounting policies are appropriate and comprehensive under accounting principles generally accepted in the United States of America.



Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were management's estimate of the fair value of investments. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There was one significant adjusting entry made during the course of the audit to record a prior year audit entry, not recorded by the Trust in order to properly roll forward net assets

Additionally, there were no unrecorded entries.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during the course of our audits.

Management Representations

We requested certain representations from management that are included in the management representation letter. This letter has been included for informational purposes as Appendix A.



Fraud and Illegal Acts

We did not identify any material fraudulent or illegal acts during the course of our audit, nor were any disclosed to us by management or the Board.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion.” If a consultation involves application of an accounting principle to the entity’s financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Our Selection as Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Trust’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Independence

We are not aware of any relationships between Crosslin, PLLC, and the Trust that, in our professional judgment, may reasonably be thought to bear on our independence that have occurred during the period from July 1, 2023, through the date of this letter.

We confirm that we are independent with respect to the Trust within the meaning of Rule 101 of the Code of Professional Conduct of the American Institute of Certified Public Accountants and under *Government Audit Standards*.



Changes in Auditing and Accounting Standards

The government and standard-setting bodies are issuing guidance at an unprecedented pace. Crosslin, PLLC is constantly receiving, reviewing, and searching for the latest authoritative literature, in part through its involvement with the AICPA's Government Audit Quality Center and the Government Finance Officers Association ("GFOA"), including GFOA's Special Review Committee. We routinely interface with our customers to ensure proper understanding and application of pronouncements, standards, interpretations, and addenda that arise. In addition, we expect to join the Trust personnel in relevant discussions to implement all new standards as they arise.

The following are upcoming accounting pronouncements which, to the extent applicable, pose consideration for the Trust. Management is currently in the process of determining the impact of these Statements to the Trust's financial statements.

- **GASB Statement No. 99, Omnibus 2022 Effective Date: The requirements of this Statement are effective as follows:**
 - The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
 - The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
 - The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

Earlier application is encouraged and is permitted by topic.

- **GASB Statement No. 100, Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62** Effective Date: For fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.
- **GASB Statement No. 101, Compensated Absences** Effective Date: The requirements of this Statement are effective for fiscal years beginning after December 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.



Changes in Auditing and Accounting Standards - Continued

- **GASB Statement No. 102, Certain Risk Disclosures** Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.
- **GASB Statement No. 103, Financial Reporting Model Improvements** Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged. If a primary government chooses early implementation of this Statement, all component units also should implement this Statement in the same year, subject to the provisions of paragraph 59 of Statement 14.



September 17, 2024

Crosslin, PLLC
The Astoria
3803 Bedford Avenue, Suite 201
Nashville, TN 37215

This representation letter is provided in connection with your audit of the financial statements of the TSBA OPEB Trust (the “Trust”), which comprise statement of net position as of June 30, 2024, and the respective statement of changes in net position for the year then ended, and the disclosures (collectively, the “financial statements”), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated September 1, 2021, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP.
- 3) We acknowledge our responsibility 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.

- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure, including those measured at fair value, are reasonable in accordance with U.S. GAAP.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) There are no events, except as made known to you, including instances of noncompliance, have occurred subsequent to the date of the statement of net position and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.
- 8) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted external counsel for any material litigation, claims, or assessments through the date of this letter.
- 9) Guarantees, whether written or oral, under which the Trust is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 10) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained outside of the general and subsidiary ledgers), documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the Trust from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the Board of Trustees or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 11) All material transactions have been recorded in the accounting records and are reflected in the financial statements.

- 12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13) We have no knowledge of any fraud or suspected fraud that affects the Trust and involves:
- Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the Trust's financial statements communicated by employees, former employees, regulators, or others.
- 15) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
- 16) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted external counsel for any material litigation, claims, or assessments through the date of this letter.
- 17) We have disclosed to you the names of the Trust's related parties and all the related party relationships and transactions, including any side agreements.

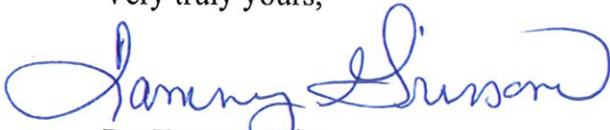
Government-specific

- 18) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 19) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- 20) There have been no investigations or legal proceedings that have been initiated with respect to the period under audit.
- 21) The Trust has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflow of resources, or net position.
- 22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.

- 23) We have appropriately disclosed all information for conduit debt obligations in accordance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 24) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- 25) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 26) As part of your audit, you assisted with the preparation of the financial statements and disclosures. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures.
- 27) The Trust has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 28) The Trust has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 29) The financial statements properly disclose all joint ventures and other related organizations, if any.
- 30) Components of net position (restricted for other postemployment benefits) are properly classified and, if applicable, approved.
- 31) Investments are properly valued.
- 32) Expenses have been appropriately classified in the statement of changes in net position.
- 33) Revenues are appropriately classified in the statement of changes in net position.
- 34) Interfund balances have been appropriately classified and reported.

- 35) Deposits and investment securities are properly classified as to risk and are properly disclosed.
- 36) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 37) We have obtained a copy of the relevant SSAE 18 SOC 1 report that covers the year under audit, related to significant processes and transactions that have been outsourced to those service organizations. In connection with the SSAE 18 SOC 1 report, we have read the report, evaluated the impact of the exceptions to relevant tests, identified the complementary controls listed under the user controls section of the report, and have determined that those user controls have been designed appropriately and have been implemented.

Very truly yours,



Dr. Tammy Grissom
Trust Administrator



Brittany Massey
Director of Finance & Member Services



TSBA OPEB TRUST
AUDITED FINANCIAL STATEMENTS
JUNE 30, 2024

TSBA OPEB TRUST

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TSBA OPEB TRUST

LETTER OF INTRODUCTION

The TSBA OPEB Trust (the “Trust”) is pleased to present its Annual Financial Report for the year ended June 30, 2024.

Responsibility and Controls

The Trust is responsible for the financial statements and related information included in this report. A system of internal accounting controls is maintained to provide reasonable assurance that assets are safeguarded and that the books and records reflect only authorized transactions. Limitations exist in any system of internal controls. However, based on recognition that the cost of the system should not exceed its benefits, management believes its system of internal accounting controls maintains an appropriate cost/benefit relationship.

Management believes that its policies and procedures provide guidance and reasonable assurance that the Trust’s operations are conducted according to management’s intentions and to a high standard of business ethics. In management’s opinion, the financial statements present fairly, in all material respects, the net position of the Trust as of June 30, 2024, and the changes in its net position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Audit Assurance

The unmodified opinion of our independent external auditors, Crosslin, PLLC, is included in this report.

TSBA OPEB TRUST
BOARD OF TRUSTEES

Dr. Dale Viox, Chairman

Dr. Tammy Grissom, Trust Administrator

Chris Denson

Candy Morgan

Kevin Woods

Wright Cox



Independent Auditor's Report

Board of Trustees
TSBA OPEB Trust
Nashville, Tennessee

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the TSBA OPEB Trust (the "Trust") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Trust'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 financial position of the Trust 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 Opinion

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Trust 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 opinion.

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 Trust's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 Trust'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 Trust'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 information on pages 6 through 8 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.

Other Information

Management is responsible for the other information, which comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does 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 September 17, 2024, on our consideration of the Trust'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 Trust'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 Trust's internal control over financial reporting and compliance.

Crosslin, PLLC

Nashville, Tennessee
September 17, 2024

TSBA OPEB TRUST
MANAGEMENT'S DISCUSSION AND ANALYSIS

Management offers the following discussion and analysis as a narrative introduction to the basic financial statements and an analytical overview of the Trust's financial activities for the fiscal year ended June 30, 2024. This narrative is intended as a supplement and should be read in conjunction with the financial statements.

Overview of the Financial Statements

The Trust's financial statements include the following components:

- Statement of Net Position
- Statement of Changes in Net Position
- Notes to Financial Statements

The *Statement of Net Position* presents the Trust's assets, liabilities, and the resulting net position, which are held in trust for the other postemployment benefits of contributing members. This statement reflects a year-end snapshot of the Trust's investments, at fair value, along with cash.

The *Statement of Changes in Net Position* presents information showing how the Trust's net position held in trust for other postemployment benefits changed during the period. This statement includes additions for contributions by employers and investment earnings and deductions for administrative expenses.

The *Notes to Financial Statements* are an integral part of the financial statements and provide additional information that is necessary in order to gain a comprehensive understanding of data reported in the financial statements.

Financial Highlights

- Net position is restricted for future benefit payments of participating members. Net position at June 30, 2024 totaled approximately \$170.7 million.
- Net position increased approximately \$23.9 million, which is mainly attributable to favorable financial market conditions compared to the prior year.

Condensed Financial Information

In order to ensure the participating employers' ability to properly fund the payment of other postemployment benefits to their employees in future years, it is advisable for employers to accumulate funds on a regular and systematic basis. The principal sources from which the Trust derives additions are employer contributions and earnings on investments.

TSBA OPEB TRUST
MANAGEMENT'S DISCUSSION AND ANALYSIS

Comparative summary financial statements of the Trust are presented as follows:

**NET POSITION
JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash	\$ 5,655	\$ 5,654
Investments, at fair value	<u>170,675,901</u>	<u>146,785,465</u>
Total assets	<u>170,681,556</u>	<u>146,791,119</u>
NET POSITION RESTRICTED FOR OPEB	<u>\$170,681,556</u>	<u>\$146,791,119</u>

**CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
ADDITIONS		
Employer contributions	\$ 6,729,798	\$ 7,587,011
Total additions	<u>6,729,798</u>	<u>7,587,011</u>
INVESTMENT RETURN, NET		
Investment return, net	<u>17,368,979</u>	<u>14,185,044</u>
Total investment return, net	<u>17,368,979</u>	<u>14,185,044</u>
DEDUCTIONS		
Administrative expenses	<u>(208,340)</u>	<u>(186,664)</u>
Total deductions	<u>(208,340)</u>	<u>(186,664)</u>
NET CHANGE	<u>23,890,437</u>	<u>21,585,391</u>
NET POSITION RESTRICTED FOR OPEB		
Beginning of year	<u>146,791,119</u>	<u>125,205,728</u>
End of year	<u>\$ 170,681,556</u>	<u>\$ 146,791,119</u>

TSBA OPEB TRUST
MANAGEMENT’S DISCUSSION AND ANALYSIS

Analysis of Financial Position and Results of Operations

The Trust’s net position was approximately \$170.7 million at June 30, 2024. During fiscal year 2024, contributions were made to six of the nine active participant accounts.

Current Trust participants and the fiscal year in which they joined the Trust are as follows:

Hickman County Board of Education (Active)	2008 - 2009
Johnson County Board of Education (Active)	2008 - 2009
Shelby County Board of Education (Active)	2008 - 2009
Claiborne County Board of Education (Non-active)	2009 - 2010
Jackson/Madison County Board of Education (Active)	2012 - 2013
Arlington Community Schools Board of Education (Active)	2014 - 2015
Bartlett City Schools Board of Education (Active)	2014 - 2015
Collierville Schools Board of Education (Active)	2014 - 2015
Lakeland City Board of Education (Active)	2014 - 2015
Millington Municipal Schools Board of Education (Active)	2015 - 2016

Requests for Information

This financial report is designed to provide a general overview of the Trust’s finances. If you have any questions concerning any of the information provided in this report or would like to request additional financial information, contact the Tennessee School Boards Association’s Finance Department at 525 Brick Church Park Drive, Nashville, Tennessee 37207.

TSBA OPEB TRUST
STATEMENT OF NET POSITION
JUNE 30, 2024

	Arlington Community Schools Plan	Bartlett City Schools Plan	Collierville Schools Plan	Hickman County Schools Plan	Jackson- Madison Schools Plan	Johnson County Schools Plan	Lakeland Schools System Plan	Millington Municipal Schools Plan	Shelby County Schools Plan	TSBA OPEB Trust Account	Total
ASSETS											
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,655	\$ 5,655
Investments, at fair value	5,060,677	8,075,232	3,231,944	3,006,287	546,340	1,515,125	3,409,718	414,821	145,415,757	-	170,675,901
Total assets	<u>5,060,677</u>	<u>8,075,232</u>	<u>3,231,944</u>	<u>3,006,287</u>	<u>546,340</u>	<u>1,515,125</u>	<u>3,409,718</u>	<u>414,821</u>	<u>145,415,757</u>	<u>5,655</u>	<u>170,681,556</u>
NET POSITION RESTRICTED FOR OTHER POSTEMPLOYMENT BENEFITS	<u>\$ 5,060,677</u>	<u>\$ 8,075,232</u>	<u>\$ 3,231,944</u>	<u>\$ 3,006,287</u>	<u>\$ 546,340</u>	<u>\$ 1,515,125</u>	<u>\$ 3,409,718</u>	<u>\$ 414,821</u>	<u>\$ 145,415,757</u>	<u>\$ 5,655</u>	<u>\$ 170,681,556</u>

See accompanying notes to financial statements.

TSBA OPEB TRUST
STATEMENT OF CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2024

	Arlington Community Schools Plan	Bartlett City Schools Plan	Collierville Schools Plan	Hickman County Schools Plan	Jackson- Madison Schools Plan	Johnson County Schools Plan	Lakeland Schools System Plan	Millington Municipal Schools Plan	Shelby County Schools Plan	TSBA OPEB Trust Account	Total
ADDITIONS											
Employer contributions	\$ 300,000	\$ 500,000	\$ 400,000	\$ -	\$ -	\$ 25,000	\$ 150,000	\$ -	\$ 5,354,798	\$ -	\$ 6,729,798
Total additions	300,000	500,000	400,000	-	-	25,000	150,000	-	5,354,798	-	6,729,798
INVESTMENT RETURN, NET											
Net appreciation in fair value of investments	351,460	559,695	215,629	221,901	40,255	111,453	239,996	30,478	10,295,679	-	12,066,546
Interest and dividends	163,991	261,249	98,836	100,860	18,392	50,989	112,747	13,964	4,733,386	1	5,554,415
Less investment expenses	(7,470)	(11,867)	(4,487)	(4,571)	(834)	(2,307)	(5,149)	(633)	(214,664)	-	(251,982)
Total investment return, net	507,981	809,077	309,978	318,190	57,813	160,135	347,594	43,809	14,814,401	1	17,368,979
DEDUCTIONS											
Administrative expenses	11,243	17,601	6,554	6,988	1,270	3,505	7,663	965	152,551	-	208,340
Total deductions	11,243	17,601	6,554	6,988	1,270	3,505	7,663	965	152,551	-	208,340
NET INCREASE IN NET POSITION											
	796,738	1,291,476	703,424	311,202	56,543	181,630	489,931	42,844	20,016,648	1	23,890,437
NET POSITION RESTRICTED FOR OTHER POSTEMPLOYMENT BENEFITS:											
BEGINNING OF YEAR	4,263,939	6,783,756	2,528,520	2,695,085	489,797	1,333,495	2,919,787	371,977	125,399,109	5,654	146,791,119
END OF YEAR	\$ 5,060,677	\$ 8,075,232	\$ 3,231,944	\$ 3,006,287	\$ 546,340	\$ 1,515,125	\$ 3,409,718	\$ 414,821	\$ 145,415,757	\$ 5,655	\$ 170,681,556

See accompanying notes to financial statements.

TSBA OPEB TRUST
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

A. DESCRIPTION OF THE TRUST

The TSBA GASB 45 Trust was established on April 16, 2009 pursuant to the provisions of the Tennessee Interlocal Cooperation Act (Tenn. Code Ann. § 12-9-101, et seq.) and the policies and bylaws from time to time promulgated by the Board of Trustees (the “Board”). Effective February 15, 2016, the name of the Trust was changed to the TSBA OPEB Trust (the “Trust”). Membership in the Trust shall be open to all members of the Tennessee School Boards Association. Non-members and other governmental entities will be considered by the Trustees on a case by case basis. The purpose of the Trust is to establish a fund through the Trust, which will allow members to pre-fund the liability associated with other postemployment benefits other than pensions. The Trust is not a component unit of another governmental entity.

The Trust’s Board of Trustees has fiduciary responsibility for the investment of monies and administration of the Trust pursuant to the Trust Agreement. The Board of Trustees is currently composed of seven members. Five of the Trustees are appointed from the governing boards of the participating members of the Trust for three-year terms and they may be reappointed. Additionally, the Executive Director and President of the Tennessee School Boards Association (“TSBA”) are ex-officio members of the Board of Trustees. All seven Trustees are voting members.

For the year ended June 30, 2024, the Trust administered Plan assets for nine defined benefit postemployment plans - Arlington Community Schools Plan, Bartlett City Schools Plan, Collierville Schools Plan, Hickman County Schools Plan, Jackson- Madison Schools Plan, Johnson County Schools Plan, Lakeland Schools Systems Plan, Millington Municipal Schools Plan, and Shelby County Schools Plan, (collectively the “Plans”). Although the assets of the Plans are commingled for investment purposes, each of the Plan’s assets are held in an irrevocable trust and may be used only for the payment of benefits to the members of the respective Plan in accordance with the terms of the Plans. The TSBA OPEB Trust Account reflects the activity related to the administration of the Trust.

The Trust does not purport to present the financial status of each of the participating employer’s postemployment benefit plans, nor do these statements contain information on accumulated plan benefits and other disclosures necessary for a fair presentation of the individual plans in accordance with accounting principles generally accepted in the United States of America.

Measurement Focus and Basis of Accounting

The financial statements of the Trust are presented as a fiduciary fund type. The economic resources measurement focus, and the accrual basis of accounting are used in the preparation of the financial statements. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each employer’s Plan.

TSBA OPEB TRUST
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments

Investments are reported at fair value. Net investment return consists of realized and unrealized appreciation in the fair value of investments, interest and dividends earned, and investment expenses. In order to account for each participating member's activities, separate accounts are maintained by the Trust.

Fair Value of Financial Instruments

Assets and liabilities recorded at fair value in the statement of financial position are categorized based on the level of judgment associated with the inputs used to measure their fair value. Level inputs, are as follows:

Level 1 - Values are unadjusted quoted prices for identical assets in active markets accessible at the measurement date.

Level 2 - Inputs include quoted prices for similar assets in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.

Level 3 - Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

The Trust's financial instruments consist of cash and investments. Cash is recorded at fair value using Level 1 inputs. Investments are recorded at fair value using Level 1 and Level 3 inputs. See Note D.

Administrative Expenses

Each Plan is responsible for its administrative expenses.

Withdrawals

The Trust is specifically authorized to make payments of legitimate reimbursements to member systems requesting their other post-employment benefit ("OPEB") assets. No other withdrawals may be made by member systems.

Taxes

The Trust is exempt from taxation under Section 115 of the Internal Revenue Code. Accordingly, the accompanying financial statements do not include a provision for federal or state income taxes.

TSBA OPEB TRUST
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Use of 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 the reported amounts of assets and liabilities. Actual results could differ from those estimates.

C. INVESTMENTS

The Trust's investments, at June 30, 2024, consist of the following:

	Fair Value/ Carrying Amount	Cost
Cash and cash equivalents	\$ 1,586,366	\$ 1,586,366
Exchange-traded and closed-end funds	19,018,896	15,478,752
Mutual funds	139,092,557	130,609,722
Structured investments	10,978,082	10,360,550
Total	\$170,675,901	\$158,035,390

D. FAIR VALUE MEASUREMENTS

The Trust categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Trust has the following recurring fair value measurements as of June 30, 2024:

	Measured at Fair Value	Fair Value Measurements at Reporting Date Using		
		(Level 1)	(Level 2)	(Level 3)
Investments:				
Cash and cash equivalents	\$ 1,586,366	\$ 1,586,366	\$ -	\$ -
Exchange-traded and closed-end funds	19,018,896	19,018,896	-	-
Mutual funds	139,092,557	139,092,557	-	-
Structured investments	10,978,082	-	-	10,978,082
	\$170,675,901	\$159,697,819	\$ -	\$10,978,082

TSBA OPEB TRUST
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

D. FAIR VALUE MEASUREMENTS - Continued

In determining fair value, the Trust uses various valuation approaches. The following is a description of the valuation methodologies used for instruments measured at fair value and their classification within the valuation hierarchy:

Cash and Cash Equivalents

Cash and cash equivalents are in active markets and classified within Level 1 of the valuation hierarchy.

Exchange-Traded and Closed-End Funds

Investments in exchange-traded and closed-end funds represent securities which are traded on national markets or exchanges. These investments are classified within Level 1 of the valuation hierarchy.

Mutual Funds

Investments in mutual funds represent fixed income mutual funds which are listed on national markets or exchanges. These investments are classified within Level 1 of the valuation hierarchy.

Structured Investments

Structured investments may be linked to a wide variety of underlying asset classes including equities, interest rates, commodities, and currencies. Each underlying asset will have its own unique set of risks and uncertainties. These structured investments are valued by the custodian using a proprietary pricing model and are classified within Level 3 of the valuation hierarchy.

E. RISKS AND UNCERTAINTIES

The Trust's investments include various types of investment funds, which in turn invest in any combination of stock, bonds and other investments exposed to various risks, such as interest rate, credit, and market risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Trust's financial statements.

TSBA OPEB TRUST
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

F. RELATED PARTY TRANSACTIONS

The Trust is administered by the Tennessee School Boards Association (“TSBA”). TSBA receives a quarterly administrative fee calculated individually for each participant on a sliding scale as a percentage of invested assets. The fee covers all administrative costs including personnel, office expense, legal, accounting, and promotion. The administrative fee during fiscal year 2024 totaled \$208,340.

G. SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 17, 2024, the date the financial statements were available for issuance, and has determined there were no subsequent events requiring disclosure.



INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
TSBA OPEB Trust
Nashville, 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 TSBA OPEB Trust (the “Trust”), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Trust’s basic financial statements, and have issued our report thereon dated September 17, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Trust’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 Trust’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Trust’s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 Trust'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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Crosslin, PLLC

Nashville, Tennessee
September 17, 2024

TSBA OPEB TRUST
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2024

The Trust had no prior audit findings.



Request for Proposal for Audit Services



**TSBA OPEB Trust
September 3, 2024**



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Appendix A - Engagement Letter



September 3, 2024

Ms. Brittany Massey
Director of Finance and Member Services
TSBA OPEB Trust
525 Brick Church Park Drive
Nashville, Tennessee 37207

Dear Ms. Massey:

Crosslin, PLLC (“Crosslin”) is pleased to respond to your Request for Proposal and to demonstrate our unique credentials to continue providing services to the TSBA OPEB Trust (the “Trust”) for the years ending June 30, 2025, 2026, and 2027. Crosslin has proudly served as the Trust’s independent auditors for the last several years; therefore, we are intimately familiar with the inner workings of the Trust’s financial operations. We are delighted that you have been one of our important customers and we will strive to continue providing outstanding customer service. We are excited for the opportunity to again showcase our credentials. We are confident you will decide we are **the best choice** for the Trust.

* * * * *

Crosslin remains the best qualified firm to serve the accounting and audit service needs of the Trust for the following reasons:

Experience, Expertise, Value, and Trust

Experience, expertise, value, and trust. That’s what you look for in your business partners and what we believe we have demonstrated over the past several years. In this proposal, we will show you how we meet these criteria and why Crosslin is the continuing answer to your unique requirements.

Any firm can list its qualifications, but a reputation for superior service must be earned and maintained. While we are understandably proud of our credentials, we place equal value on our reputation for dedication to our customers. On each and every engagement we undertake, we pledge to work with our customers to achieve their goals in a timely and efficient manner.

Trust in your accounting firm to perform as requested, to become vested in your processes and mission, and to always consider your needs with a sense of urgency is what we pledged to you throughout our engagements. Trust must be earned through a firm’s actions, not their promises. We believe the Trust’s accounting team members would say they trust Crosslin and that we kept our promises.



Team that Understands the TSBA OPEB Trust

Over the years of our engagement, Crosslin has developed an in-depth understanding of the unique business issues facing the Trust. We understand your transaction cycles, and the accounting and auditing issues that you face on a daily basis. Our audit approach focuses on the continuation of frequent contact with management and the Board throughout the year. Our extensive hands-on involvement of our Principals, Directors, Managers and Supervisors ensures that we will continue to have a full understanding of the operations, issues to be faced, and leadership's mission for the Trust.

Other Important Factors

Our service philosophy provides significantly higher levels of hands-on senior leadership time on your audit compared to other firms which are highly leveraged with junior staffers. Our Principals, Directors, Managers and Supervisors will be in the field working on your audit. Our Principal, Directors, Managers, and Supervisors time is approximately 35% of our total budgeted time. Therefore, you will always have senior leadership in the field throughout the engagement. We have a positive history with the Trust as well as with other organizations similar to the Trust. Please ask your finance team and our references.

We are committed to the delivery of superior customer service which includes proper planning and executing highly efficient audit services. We contribute well thought-out and constructive suggestions to improve your accounting processes for your consideration. Part of our firm's mission is to attract and retain team members of the highest character who have the ability to interface with your team. We know your expectations of us will be very high, and we will not disappoint.

* * * * *

If you have questions about any information in our proposal, please contact Katie Farris, Audit Director, or myself at 615-320-5500. We would consider it a privilege to continue to serve the Trust.

Very truly yours,

CROSSLIN, PLLC

Erica D. Saeger, MBA, CPA
Audit Principal



Why Should the TSBA OPEB Trust Re-Engage Crosslin?

1. Comfort Level and Commitment

With Crosslin, what you see is what you get! **The Trust will continue to be a paramount customer of our firm. Crosslin is large enough to have the resources to serve you well and small enough to care. We are committed to every aspect of your satisfaction.** Our senior leadership team shows up and works hard every day to try to make us a better firm, and the same commitment applies to you. **We are a firm devoted to our people, our customers, and our profession.**

Other accounting firms may offer services similar to ours, but we believe Crosslin stands alone when it comes to relationships. To each customer we serve, we pledge a superior level of customer service. This pledge, personnel, and substantial experience with government and not-for-profit audits, significantly distinguishes us from other firms.

Our engagement history and experience in auditing similar companies means you will have a trusted business partner, with knowledgeable team members, who you can count on to serve the needs of the Trust.

2. Reasonable Fee

The basis for quality audit work is not based on price alone, but upon highly experienced leadership which, when combined with extensive planning and risk assessment activities, and a hands-on approach, leads to effective and efficient audit service delivery as well as more favorable rates. More favorable rates, combined with the above-mentioned factors and our deep experience with governmental and not-for-profit entities, position Crosslin to provide highly cost-effective solutions for you. Other firms may submit lower prices, but you can count on Crosslin's relationship with the Trust to be one of mutual respect and one that provides outstanding experience, quick resolution of all technical issues, and customer service. Please ask your finance team.

3. Completion of the Audit Within the Required Timeframe

As the current auditors of the Trust, we have proven year after year we can and do meet all required timeframes for the Trust.



Why Should the TSBA OPEB Trust Re-Engage Crosslin? (continued)

4. Principal/Director and Manager/Supervisor Involvement

The Principals/Director and Managers/Supervisor assigned to your engagement will be involved with you throughout the year. Crosslin's philosophy is to provide you with business partners who are available year-round to assist you. In addition, the senior leadership level reviews are performed on-site during fieldwork so that any questions or issues can be addressed and resolved on a timely basis.

Our Principals/Director and Managers/Supervisor commit to spending significant hours (approximately 35%) on the engagement. This is not the traditional model for an accounting firm, but we find it to be more effective and successful than the traditional model. In addition to heavy Principal/Director and Manager/Supervisor involvement, the engagement senior auditor will be onsite or available every day to supervise the audit and our engagement team. Our audit approach will continue to focus on frequent contact with the Trust's management and the Board throughout the year.

5. Audit Firm Rotation - Not Necessarily the Best Policy

The audit of a customer the size of the Trust functions better and is more effective with institutional knowledge, and that knowledge takes time. A period longer than 5 years (assuming the firm is performing satisfactorily) is generally preferred by most customers.

According to an AICPA Briefing Paper on Audit Firm Rotation, mandatory audit firm rotation could result in the following undesirable consequences:

- *Increase in audit failures.* Studies by the Public Oversight Board, Commission on Auditor's Responsibilities, and the National Commission on Fraudulent Financial Reporting found that audit failures are three times more likely in the first two years of an audit. Thus, there is a positive correlation between auditor tenure and auditor competence.
- *Increased start-up costs.* Changing auditors results in more frequent start-up costs, both for the auditor and the customer they are serving. Start-up time is significant.
- *Increased difficulties in timely reporting.* Mandatory rotation makes timely reporting more difficult because audit firms need to meet a very extensive "learning curve" in a short time to perform a rigorous audit.
- *Loss of "institutional knowledge."* Over successive audits, audit firms increase institutional knowledge, including, for example, their knowledge of the customer's accounting and internal control systems. This benefit would be greatly diminished by mandatory rotation.



Our Experience with Not-for-Profit and Governmental Organizations

Crosslin performs attest engagements, tax services, single audit compliance projects, and information technology and network security services for numerous not-for-profit and governmental entities, which include charitable foundations, global ministries, major metropolitan governments, colleges and universities, and community-based organizations.

Not-for-profit and governmental entities are one of our specialties. You will not find a firm in Middle Tennessee with more not-for-profit experience than Crosslin.

Crosslin's expertise in the auditing of not-for-profits and governmental entities is unparalleled. Our customer list includes some of the most highly regarded organizations across Tennessee, the nation, and the world.

Experienced and knowledgeable business partners are of paramount importance to your ability to operate effectively. In addition, an understanding of your mission helps the engagement to be performed in an appropriate manner. Our exclusive experience provides us with understanding of the specific issues and risks faced by these particular entities.

Our firm devotes special resources to our not-for-profit customers and governmental entities in an effort to keep them up-to-date on recent happenings within their arena. In addition to our practical audit experience with not-for-profit and governmental entities, we have experience in assisting our customers in the implementation of new accounting and reporting requirements, trends, and practices.

We perform numerous single audit engagements annually covering hundreds of millions of dollars in federal relief and award expenditures. These awards are expended across the United States and in numerous foreign countries. We have the ability to audit organizations across the globe and have done so.

Because of the depth of experience that comes from specializing in a particular area, as Crosslin has done, a deeply rooted common body of knowledge develops in those areas. As a result of our knowledge in the trends and accounting practices in the governmental and not-for-profit area, we are able to answer virtually any technical questions you may have that arises. It is critical that your engagement team members be well versed in the pronouncements that are being continuously released.

The Principals at Crosslin have been heavily involved with not-for-profit and governmental engagements throughout their careers. Additionally, the members of our sizable audit team work with not-for-profit customers on a daily basis; at the senior accountant level alone (those who supervise audit staff daily), our team members have more than 310 years of combined foundation, not-for-profit and governmental experience among them. Further, each member of our audit team is well-versed in the areas of Single Audit.



Our Experience Not-for-Profit and Governmental Organizations (continued)

In serving the above customers, we have spent nearly 70,000 hours in governmental and not-for-profit engagements over the last 36 months.

Our Not-for-Profit and Governmental Organization Team’s Experience

<u>Name</u>	<u>Position</u>	<u>Years of Experience</u>
Dell Crosslin	Chairman	50+
David Hunt	Audit Principal	39
John Crosslin	Co-Managing Principal	26
Jennifer Manternach	Audit Principal	22
Erica Saeger	Audit Principal	19
Curtis Payne	Audit Principal	11
Katie Farris	Audit Director	8
Hunter Pons	Audit Senior Manger	7
JD Cage	Audit Supervisor	6
Jacob Smith	Audit Supervisor	15
Mark England	Audit Supervisor	4
Rodney Brower	Tax Principal	45
Scott Romans	Tax Principal	14
Greg Collins	Tax Director	16
Gretcher Jackson	Tax Manager	28
		<u>310 years</u>

This chart demonstrates the depth of our team, if ever a change in assignments became necessary or desired by the Trust.



Our Experience Not-for-Profit and Governmental Organizations (continued)

Our particular experience makes us a leader for service to not-for-profit, governmental, and educational entities. The following is a listing of our representative current and prior education, not-for-profit, and governmental customers:

Not-for-Profit and Governmental/Other

Tennessee School Boards Association and
TSBA OPEB Trust
Metropolitan Government of Nashville and
Davidson County
Nashville Public Television
The Next Door, Inc.
City of Knoxville, Tennessee
City of Knoxville Pension System
City of White House, Tennessee
City of Brentwood, Tennessee
City of Franklin, Tennessee
City of Clarksville, Tennessee
City of Spring Hill, Tennessee
Town of Thompson's Station, Tennessee
Metropolitan Nashville Airport Authority
Metropolitan Transit Authority
Regional Transportation Authority
Tennessee Insurance Guaranty Association
Conference Center at Cool Springs
TTDC/The Entrepreneur Center
Welcome Home Ministries
First Baptist Church Clarksville
United Methodist Women
North Carolina Conference of The United
Methodist Church
Beacon Company, LLC dba Heritage Point
Senior Living
Grace Adult Homes
Mur-Ci Homes, Inc.
Scarritt-Bennett Center
Church World Service
Cumberland Region Tomorrow
The PENCIL Foundation
St. Thomas Foundation
Tennessee Baptist Foundation

Schools and Education-Related Entities

Tennessee School Boards Association
Metro Nashville Public Schools
KIPP Academy Nashville
STEM Preparatory Academy
Purpose Preparatory Academy
Intrepid College Prep School
Smithson Craighead Academy
St. George's Kindergarten
Montgomery Bell Academy
The King's Academy (Harrison-Chilhowee)
Murfreesboro City Schools
Ensworth School
Rutherford County Schools Internal School Funds
Nashville Classical
LEAD Preparatory Academy
Memphis Rise Academy

Universities and Colleges

Martin Methodist College
Meharry Medical College
Bethel University
Freed-Hardeman University
Sewanee - The University of the South
Belmont University
Carson-Newman University
Fisk University
Union University
Lee University

Tennessee Baptist Convention

The Executive Board of The Tennessee
Baptist Convention and Subsidiaries
Tennessee Baptist Church Planting Loan Fund
Baptist Health Care Center
Tennessee Baptist Children's Homes, Inc.
Tennessee Baptist Adult Homes, Inc.



Our Experience Not-for-Profit and Governmental Organizations (continued)

Areas of expertise at Crosslin include the following:

- **Audits** provide assurance of an organization's financial performance and reporting and provide a basis for management to make informed decisions regarding operations.
- **CFO Services** provide for the additional needs and services for not-for-profit organizations, closely held and smaller growth-oriented companies. In addition to accounting (bookkeeping), tax and business advisory services, the CFO Services Department provides additional services such as frequent periodical financial performance reports and analysis and employee, and independent contractor compensation reporting.
- **Tax Services** include planning, preparation, and tax controversy support for individuals, corporate, partnership, fiduciary, not-for-profit, and trust entities. Our professionals take the initiative to anticipate impending problems, foresee potential opportunities, and develop effective solutions in time to realize their full benefits. We work with our clients to develop long-term tax strategies that will support their goals and place them in the most advantageous position for future growth.
- **Performance Audits** for distribution, publishing, manufacturing, education, religious, not-for-profit, foundation, and governmental entities are another service that Crosslin excels in because of our extensive knowledge and experience with these entities and their operations.
- **Internal Audit Reporting** assistance to management includes evaluating, modifying, and documenting internal controls for internal evaluations and for reporting requirements.
- **Forensics, Valuation and Litigation Support** is a suite of services executed by specifically certified professionals, with team credentials such as CPA, CFE, CFF, ABV, and CVA.
- **IT Governance** is a subset of organizational governance and focuses on the belief that the managers, directors and others in charge of the Trust must understand the role of IT in the organization. We are experts in helping management implement rules and regulations to control the IT infrastructure and develop practices to distribute responsibilities. We have not only reviewed IT governance, but we have also helped our customers create IT strategy committees, develop policies and procedures, define job roles, and perform IT risk assessments. In other words, we know how to adapt our procedures to the Trust's objectives.



Peer Review

Crosslin's most recent peer review was completed in January 2023. In our most recent peer review, Crosslin received the highest mark possible: a passing opinion with no comments. This peer review included our governmental/not-for-profit (Single Audit) engagements. Only a small percentage of accounting firms in the country receive this rating. Crosslin has received this same rating, spanning our entire 35 plus year history.

The American Institute of Certified Public Accountants invited all CPA firms to join and comply with certain stringent practice requirements in order to provide the public with the highest level of assurance that such firms conducted quality practices. Because our firm maintains the following standards, Crosslin is a member in good standing:

- Each member of our professional staff receives 40 hours of continuing professional education each year or 80 hours over their two year reporting period. We have BDO, AICPA, and internal training classes available to our team members.
- Each member of our auditing team biannually receives at least 16 hours of education directly related to not-for-profit/governmental auditing (including Single Audit training).
- The firm adheres to a strict system of quality control procedures by the Public Company Accounting Oversight Board ("PCAOB"), Employee Benefit Plan Audit Quality Center ("EBPAQC"), and the American Institute of Certified Public Accountants ("AICPA"). As noted, we are members of the Governmental Audit Quality Center ("GAQC").

Our procedure is to include a concurring Principal review of your issued financial statements and reports to assure quality and timely performance. We have a formal internal control system which includes customer acceptance procedures, second principal reviews, consultation procedures, mentoring, internal inspections, approved continuing education requirements, industry seminars, etc., to mention some of the elements of our internal control system.

Crosslin has worked hard to continually develop the firm and our team members. We do, however, look for ways to continually improve the way we do business, and therefore, better serve our customers.

The peer review letter of Crosslin follows.



Peer Review Report



JAYNES REITMEIER BOYD & THERRELL, P.C.
Certified Public Accountants
5400 Bosque Blvd., Ste. 600 | Waco, TX 76710
P.O. Box 7616 | Waco, TX 76714
Main 254.776.4190 | Fax 254.776.8489 | jrbt.com

Report on the Firm's System of Quality Control

February 23, 2023

To the Principals of Crosslin, PLLC
and the Peer Review Committee of the Tennessee Society of CPA's:

We have reviewed the system of quality control for the accounting and auditing practice of Crosslin, PLLC (the firm) in effect for the year ended August 31, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act; and audits of employee benefit plans.

An independent member of the BDO Alliance USA



Peer Review Report

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Crosslin, PLLC in effect for the year ended August 31, 2022, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Crosslin, PLLC has received a peer review rating of *pass*.

Jaynes, Reitmeier, Boyd + Therrell, P.C.



Peer Review (continued)

Independence

Maintaining independence in both fact and appearance and in accordance with the American Institute of Certified Public Accountants (“AICPA”) and other standards is a fundamental element of our quality control. Each new customer is subject to a determination of independence as part of our normal customer acceptance procedures. This statement serves as confirmation that Crosslin are independent accountants with respect to TSBA. We will maintain independence in the performance of all of our services. The firm, all principals and all personnel assigned to the engagement are independent under *Government Auditing Standards* No. 3, *Independence*, and Rule 101 of the AICPA Code of Professional Ethics, including Ethics Interpretation 101-10.

“The principals and staff at Crosslin are always professional and easy to work with during our annual audits. They are also sensitive to their clients’ needs... They have vast knowledge of accounting rules and pronouncements across several industries.”

*Edward Oliphant
Former Chief Financial Officer
Nashville Metropolitan Transit Authority*



Overview of the Firm

Crosslin is a firm of accountants, auditors and consultants located in Nashville, Tennessee. We have approximately 80 team members, 12 of whom are Principals in the firm, and we serve customers all over the United States as well as internationally.

Our firm was founded in 1987 by Chairman Dell Crosslin, David Hunt, and two other CPAs with the desire to provide organizations with an alternative to the national accounting firm options. Several of the founding team came from “Big Four” firms and believed that a regional firm with national firm resources could provide quality service to organizations with more reasonable fees, more personal attention, and with a greater sense of urgency to deliver services to our customers. As national firms directed their focus to SEC and larger customers, Crosslin set out to serve not-for-profits, governmental entities, utilities, real estate, construction, educational institutions, universities, and privately-owned companies, as well as to provide alternative services to the SEC market. Our firm has elected to register with the Governmental Audit Quality SIBF/GNF (“GAQC”), the Employee Benefit Plan Audit Quality Center (“EBPAQC”) of the American Institute of Certified Public Accounts (“AICPA”), and the Public Company Accounting and Oversight Board (“PCAOB”). We believe these memberships demonstrate our commitment to excellence in serving our customers.

Overall, our firm is ranked in the top 10 in Middle Tennessee. Crosslin has been named “Best in Business” and one of the “Best Places to Work” finalists in Middle Tennessee by the *Nashville Business Journal*. Crosslin recruits the best team members available without regard to race, religion, sex, or disabilities. Our team members are a diverse group of extremely talented individuals dedicated to outstanding service and the complete satisfaction of every customer we serve.

Crosslin is an active and contributing member of our community and the communities we serve, with team members involved in numerous not-for-profit organizations as board members, advisors, officers, and volunteers. We have been longtime supporters of not-for-profit organizations and initiatives, constantly encouraging our team members, customers, and colleagues to do their part and give back to help others.

Crosslin provides business assurance, tax, and advisory services to organizations in a myriad of industries, including not-for-profit, governments, religious organizations, foundations, education institutions, real estate, construction, venture capital entities, governmental entities, healthcare, major privately-owned businesses, professional services, manufacturing, and distribution. The BDO Alliance gives us access to hundreds of professionals, if needed. Our professionals possess the depth of experience and capabilities necessary to deliver outstanding service on each and every engagement, regardless of its scope or complexity. Through our hands-on approach and commitment to superior customer service, Crosslin and its subsidiaries can truly do more so your organization can be more.



Overview of the Firm (continued)

Community Support

One of the ways we measure the firm's success is by our community involvement. **Crosslin is deeply rooted in the state in which we live and serve.** Team members donate their time and talents to serve on various boards and advisory committees; monetary contributions are made to support programs and services; volunteer hours are given to promote charitable causes.

Additional Information

- Have audited the Antiques and Garden Show of Nashville benefiting **Cheekwood Botanical Gardens and the Economic Club of Nashville Charities for over five years.**
- Supports **Young Leaders Council** and has sponsored numerous team members as they complete training and serve on a not-for-profit board.
- Sponsors teams for such events like **Susan G. Komen More Than Pink Walk, Moosic City Dairy Dash, Soles4Souls shoe drives, Second Harvest Food Bank BITE Hunger, and United Way's Backpacks for Hunger.**





Overview of the Firm (continued)



Nashville Public Television



Soles4Souls



Saint Thomas Holy Family Health Center



Interfaith Dental Clinic



United Way



Safe Haven Family Shelter



Overview of the Firm (continued)

Outstanding customer service. Our reputation depends on it.

Do more. Be more.

Crosslin is committed to doing more, so our customers in turn can be more.
Crosslin is also committed to the community in which we live and serve.

Distinguished. Superior. Excellent. There are countless ways to describe the service that accounting and consulting professionals should provide, but at Crosslin, we have our own word for it: outstanding. It describes who we are, what we offer, and what we strive to be.

From its inception, Crosslin has had one fundamental objective at the core of its operations: to provide outstanding service to our customers. On a daily basis, our team members carry out this service commitment according to our core values:

CROSSLIN CORE VALUES

DO WHAT IT TAKES, CONNECT PERSONALLY – We structure our service approach around hands-on involvement by our principals, directors and managers, to build and maintain a long term relationship. We want to be more than your accountant, we want to be your partner.

TAKE OWNERSHIP AND MAKE IT BETTER – We are committed to ensuring the continuity of personnel assigned to each engagement. We strive to retain talented and knowledgeable professionals who are willing to make long-term commitments to the firm and to our customers.

INNOVATIVE AND SELF MOTIVATED, TAKE ON THE CHALLENGE – Your accounting advisor must do more for you than simply complete the engagement. We actively search for ways to enhance your operations and to offer new ideas to expand your business opportunities.

TRUST- I'VE GOT YOUR BACK – Open lines of communication and regular meetings are essential to understanding your needs and expectations. Our accessibility and our technical expertise create a powerful combination that enables us to keep our promise of quality, innovation, and diligence.

SHOWTIME - We don't believe in dress rehearsals. Every day is the performance.



Overview of the Firm (continued)

In keeping with our pledge to deliver outstanding customer service, we propose the following as guidelines for success:

OUR COMMITMENT TO YOU

We will respect the confidentiality of our working relationship.

We will act with integrity, honesty, and openness at all times.

We will assist you at the time of your call or will return your phone calls promptly.

We will meet agreed-upon deadlines.

We will alert you of any circumstances beyond our control that may interfere with the work in progress.

Our fees for any assignment will always be disclosed in advance.

YOUR COMMITMENT TO US

You will give us cooperation, responsiveness, and follow-through.

You will be accessible to us within the time frames upon which we have agreed.

You will give us all of the information we need to do our work in a timely manner.

You will be open, frank, and honest with us at all times.

You will let us know immediately of any concerns about our work together.

You agree to listen to any advice we offer. It is your decision whether the advice is implemented.



Overview of the Firm (continued)

Involvement of Principals/Directors

Crosslin was founded on the belief that exceptional service can and should be delivered on all levels. Our Principals/Directors enjoy having frequent interaction with their customers and we are committed to maintaining this philosophy.

Principal, Erica Saeger, and Director, Katie Farris, will be heavily involved with the Trust throughout the year and will visit the Trust's premises on a regular basis. Crosslin's philosophy is to provide you with a business partner who is available year-round to assist you. In addition, the reviews are performed on-site during fieldwork so that any questions or issues can be addressed and resolved on a timely basis. There will always be a senior level CPA on site to supervise and answer any questions that may arise.

“Since arriving in the Clerk’s Office, I’ve been extremely impressed with the expertise and professionalism exhibited by the Crosslin audit team. Their assistance and guidance has proven invaluable to our organization.”

Brenda Wynn
Davidson County Clerk

Policy on Rotating Principals/Team Members

Crosslin has experienced great success in building knowledge and well-versed teams for the Trust. By providing the Trust with the same senior leadership year after year, our team is familiar with your business operations, personnel, and the inner workings of the engagement. By growing this familiarity year after year, we are able to better serve you.

We have Principals intimately involved with the engagement. By staffing in this manner, Crosslin will promote freshness on the account by suggesting a rotation of Principals' responsibilities or Team Member responsibilities on a cycle agreeable to, and at, the Trust's discretion. Therefore, all the Principals will remain on the engagement and retain history, but will periodically transfer assignments within the engagement team to guarantee a fresh look at responsibilities.



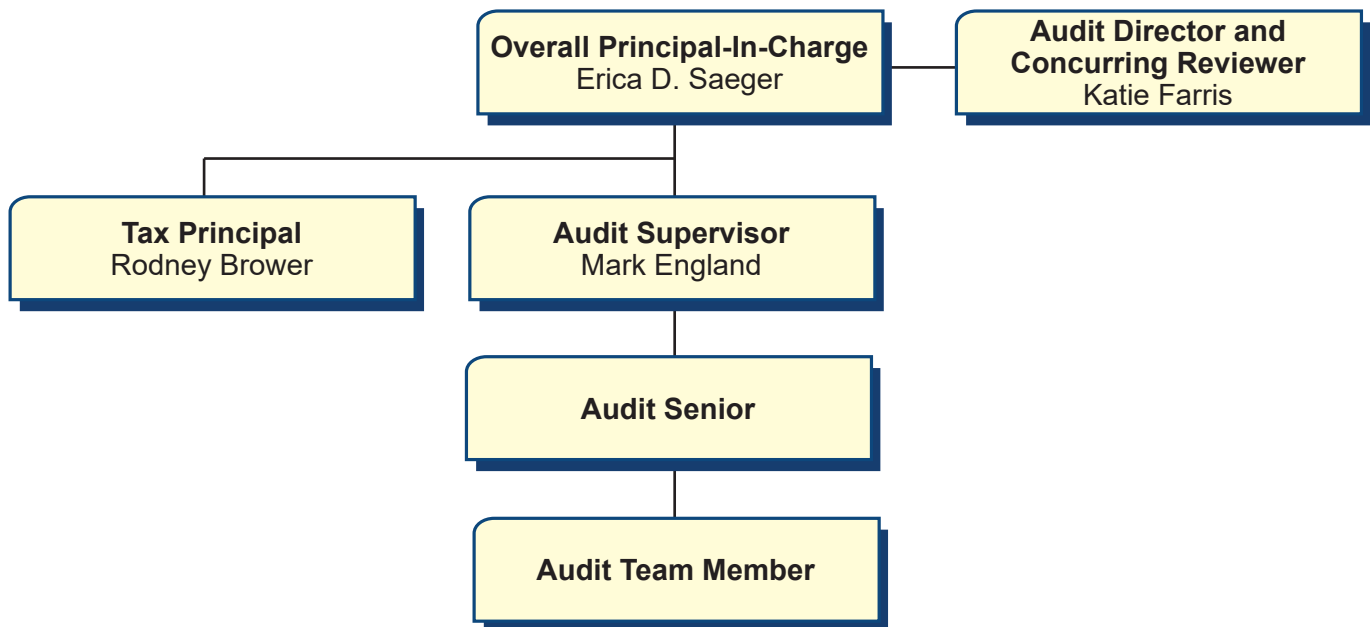
Proposed Engagement Team

Organization of the Assigned Audit Team

Our greatest strength is our people, and our firm was founded with the fundamental belief that we must deliver nothing less than outstanding customer service on each and every engagement. It is only through the dedication of our talented and knowledgeable team that we are able to maintain this service approach. We believe that there is simply no substitute for personal business relationships built on solid communication and timely interaction.

To that end, we have carefully selected the following team of professionals to serve TSBA. Each member of our customer service team has extensive experience with distribution companies.

Assigned Audit and Tax Team Organizational Structure





Qualifications of the Assigned Team

Erica D. Saeger, CPA, MBA Audit Principal

Erica has been with Crosslin for 18 years. During that time, she has participated in the audits of a variety of industries including governments, not-for-profit entities, higher education, religious organizations, distribution, manufacturing, real estate, government, higher education, public companies, and many other business entities.

Some of the customers served by Erica have included Tennessee School Board Association, TSBA OPEB Trust, Scarritt Bennett Center, United Women in Faith, Brooks-Howell Home, North Carolina Conference of the United Methodist Church, United Methodist Foundation of the United Methodist Church, Long Hollow Baptist Church, United Methodist Publishing House, National Guard Association of Tennessee, National Guard Association of Tennessee Foundation, the General Council on Finance and Administration of The United Methodist Church (20 agencies/entities) (prior), the Tennessee Baptist Convention (10 entities), The Roman Catholic Diocese of Nashville (prior), City of Clarksville (prior), City of Crossville, City of Greenbrier, City of Gatlinburg, City of Ridgeway, Town of Ashland City, City of Spring Hill, Metropolitan Transit Authority, Regional Transportation Authority, the Metropolitan Government of Nashville and Davidson County, and Nashville Public Television.

Erica is the chair of our firm's Fun Committee, which is responsible for various outings for team members and their families, as well as luncheons and other firm celebrations. She is also an avid supporter of the Susan G. Komen "More Than Pink Walk." Erica participated in the Nashville Young Leaders Council program in 2014. She served as Treasurer of the Susan G. Komen (Komen Central Tennessee Affiliate) for seven years until September 2021. She served as a board member and Treasurer of Nashville CABLE from 2021 to 2023. Erica currently serves as a board member for The Healing Trust and serves on the Finance and Investment Committee as well as Audit Committee. Erica is also a board member and Treasurer for Leadership Goodlettsville and serves as the Treasurer for Madison Creek Elementary School's PTO.



Education

Bachelor's Degree,
Middle Tennessee State
University

Master's Degree, Middle
Tennessee State University

Licenses & Certifications

Certified Public Accountant,
Tennessee

Professional Associations

Member, Tennessee Society of
Certified Public Accountants

Member, American Institute of
Certified Public Accountants

Other Activities

Nashville Cable, Member

The Healing Trust, Board
Member, Audit Committee Chair

Leadership Goodlettsville Board
Member and Treasurer



Qualifications of the Team (continued)

Katie Farris, CPA **Audit Director and Concurring Reviewer**

Katie joined Crosslin in September of 2015. She has served on the audits for a variety of organizations including not-for-profits, education, governments, and manufacturing and distribution.

In her time at the firm, Katie has served such customers as TSBA OPEB Trust, CCRC, Mur-Ci Homes, Inc., TN Family Solutions, Metropolitan Government of Nashville and Davidson County, Baptist Healthcare Center, Metropolitan Nashville Airport Authority, City of Franklin, Music City Center, City of Knoxville, Nashville Entrepreneur Center, United Methodist Women, Sweet Sleep, Welcome Home Ministries, Martin Methodist College, First Baptist Church of Clarksville, Freed-Hardeman University, Purpose Preparatory Academy, STEM Preparatory Academy, Tennessee Quick Cash, Harpeth Financial Services, Athens Paper Company, Coreslab Structures, and Cymetech Corporation.

Katie is a licensed CPA in Tennessee and is a member of the Tennessee Society of Certified Public Accounts and the American Institute of Certified Public Accountants. She graduated from Western Kentucky University with her B.S.



Education

Bachelor's Degree,
Western Kentucky University

Licenses & Certifications

Certified Public Accountant,
Tennessee

Professional Associations

Member, Tennessee Society of
Certified Public Accountants

Member, American Institute of
Certified Public Accountants



Qualifications of Assigned Team (continued)

Mark England, CPA Audit Supervisor

Mark joined Crosslin in July 2019. He has served on the audits for a variety of organizations including not-for-profits, education, governments, and manufacturing and distribution.

Customers served by Mark include TSBA OPEB Trust, Tennessee School Boards Association, Richland Place, Metropolitan Transit Authority, Regional Transportation Authority, MTA/DTO Pension Plan, the Metropolitan Government of Nashville and Davidson County, Welch College, The Town of Ashland City, Mur-Ci Homes, Tennessee Family Solutions, North Carolina Conference of UMC, Coreslab, Tennessee Quick Cash, Long Hollow Baptist Church, Fisk University, and Governor's Early Literacy Foundation.

Mark is a Certified Public Accountant, in Tennessee, and is a Member of the American Institute of Certified Public Accountants, and Tennessee Society of Certified Public Accounts.



Education

Bachelor's Degree, Austin Peay State University
Master's Degree, Middle Tennessee State University

Licenses & Certifications

CPA, Tennessee

Professional Associations

Member, American Institute of Certified Public Accountants

Member, Tennessee Society of Certified Public Accountants



Qualifications of Assigned Team (continued)

Rodney Brower, CPA Tax Principal

Rodney serves as a Principal in Crosslin's tax department. With more than 40 years of experience, he has significant expertise in providing tax compliance and consulting services to business and individual customers in a variety of industries, as well as extensive knowledge of investment and asset management development. Throughout his career, he has represented large not-for-profits, foundations, manufacturing and distribution companies, financial and banking institutions, real estate investors, employee benefit plans, and a variety of other organizations.

Rodney previously served as tax director and partner in charge of taxes for J. C. Bradford & Co., a Nashville-based securities brokerage and investment banking firm with approximately 85 retail offices throughout the United States, where he started the company's tax function and directed a staff of 10 tax professionals.

While serving as a tax partner for the Nashville office of a Big Four, Rodney was member of the National Bank Tax committee, and represented such customers as Third National Corporation (SunTrust), J.C. Bradford & Co., Thomas Nelson Publishers, Nashville City Bank & Trust (US Bank), Jacques Miller and Freeman Companies. While previously working at a Big Four, his federal and state planning and compliances customers included Hospital Corporation of America (HCA), Shoney's Inc., and Volunteer Capital Corporation (Wendy's).

While at Crosslin, Rodney has provided services to various national and international customers including Southwestern/Great American, Autrans Corporation, Athens Paper Company, Choice Food Group, Cymetech Corporation, Coreslab Holding, Inc., Fisk University, Meharry Medical College, Martin Methodist College, Tom James Company, Harpeth Financial Services, LLC, and Inova Payroll, Inc. Services provided to some of these customers include transfer pricing, R&D credits, foreign bank account reporting, and the reporting of transactions with related foreign entities.



Education

Bachelor's Degree, Mississippi State University

Licenses & Certifications

CPA, Tennessee

Professional Associations

Member, American Institute of Certified Public Accountants

Member, Tennessee Society of Certified Public Accountants



Engagement Fees

At Crosslin, we share with our customers a desire for professional fees to be commensurate with the value delivered. Through our people, commitment and drive, we strive to ensure that this equation is always balanced. We seek not to be the lowest-cost provider in the markets we serve, but rather to provide services that offer compelling value to our customers. We believe that the fees proposed are competitive for comparable services, but we do not want fees to be the sole reason on which you base your decision. Should this proposal yield materially different fee results, and you wish to engage our firm, we would appreciate the opportunity to discuss the differences with you to ensure that our proposal has considered all of the relevant facts.

Other firms may propose lower fees, but our experience, together with our reasonable fees, make for an effective choice.

The proposed fixed fees for the TSBA OPEB Trust would be as follows:

Year Ended	Audit Fee
June 30, 2025	\$7,000
June 30, 2026	\$7,500
June 30, 2027	\$8,000

All administrative charges, technology, and out-of-pocket expenses are included in this quotation.

The above mentioned fees are FIXED unless the Trust’s activities result in changes which increase the scope of our audit. In those circumstances, we would review the complexities and scope of the change, (e.g., formation of entities, significant major program changes, significant new GASB requirements or pronouncements, etc.) and obtain your approval, in advance, of the fee increase. The increase would correspond to the fees quoted above (e.g., number of programs, size of programs, reporting requirements, etc.) At this time, we do not expect any changes from the above fixed fees.

These quotations are based on the following assumptions:

- Your accounting team will prepare schedules, documents, and analyses and provide us with supporting documents as requested, as well as be available to assist us. We do not expect this involvement to be greater than it currently is.
- You will not make significant changes in your internal accounting controls, accounting systems, key personnel, or organizational structure.

Upon the conclusion of our work and in accordance with your expected timetable, we will meet with management and the Board to present the results of our audit, our management letter, if applicable, and any other items which they wish to discuss. There will be no additional fees for meetings with your Board.



Engagement Fees (continued)

Unanticipated Services

If an unanticipated need arises, Crosslin hereby agrees to perform this additional work at an agreed-upon price before the service is provided. We agree to strive to obtain a blended rate of \$140 to \$150 per hour for these projects. This service will be billed separately to the Trust as part of a change order or as separate services, and will be payable upon agreed-upon terms approved in advance by you. Our current standard billing rates for classes of professional personnel and our rates to the Trust are as follows:

Standard Billing Rates		<i>The Trust's</i> RATES
	Current	
Principal	\$350	\$290
Director	\$250	\$225
Senior Manager	\$235	\$200
Manager	\$215	\$155
Supervisor	\$180	\$145
Senior	\$150	\$135
Senior Team Member	\$130	\$125
Team Member	\$115	\$75

These rates will result in a blended rate of approximately \$140-150 per hour.

Estimated Number of Hours

Based on Crosslin’s current and past engagements with the Trust, we typically spend between 65 and 85 hours per year on the audit, which includes attending Board meetings. It varies from year to year depending on the number of new member systems that become funding members of the Trust each year. If there are no new member systems for the year ended June 30, 2025, we estimate the total number of hours to be approximately 65 hours.

Service Guarantee

We are fully committed to our pledge of outstanding customer service. Our work for the Trust is guaranteed to your satisfaction. If you are anything less than satisfied with the services performed by your engagement team, we will try to do whatever is necessary to make you satisfied. We value your business, and we look forward to continuing working with you to achieve your financial objectives.



Customer References

One of the best ways to evaluate the quality and responsiveness of our service is to speak with our customers. Following are a few customers whom we encourage you to contact.

Ms. Jennifer Pedginski

Chief Accountant
Metropolitan Government of Nashville
and Davidson County
700 2nd Avenue South, Suite 310
Nashville, Tennessee 37210
615.880.1702
Jennifer.Pedginski@nashville.com

Ms. Janet Chambers

Director of Business Operations
Long Hollow Baptist Church
3031 Long Hollow Pike
Hendersonville, Tennessee 37075
615.824.4006 Ext. 804
janet.chambers@longhollow.com

Ms. Laurie Matta

Chief Financial Officer
City of Clarksville, Tennessee
One Public Square, Suite 300
Clarksville, Tennessee 37040
931.648.6106
laurie.matta@cityofclarksville.com

Mr. Leslie Nedderman

Director of Financial Systems
United Women in Faith
475 Riverside Drive, 15th Floor
New York, New York 10115
212.870.3600
nedderman@unitedmethodistwomen.org

Ms. Rhonda Clinard

Associate Vice-Chancellor of Finance
The University of Tennessee Southern
433 West Madison Street
Pulaski, Tennessee 38478
931.363.9818
rclinar2@utsouthern.edu

Ms. Shelly McElhaney

Controller
Metropolitan Transit Authority (WeGo Public
Transit)
430 Myatt Drive
Nashville, Tennessee 37115
615.862.6144
shelly.mcelhaney@nashville.gov



Customer References (continued)

- *“Crosslin has been the audit firm for Martin Methodist College for several years. They are a great team and have always provided excellent service to us not only during the audit process but also throughout the year! They provide timely responses to any questions that arise! We are very pleased with their staff and services and would recommend them to anyone!”*
- **Rhonda Clinard, Associate Vice-Chancellor of Finance**
- *“Crosslin has made it their mission to know our organization and our industry. They help us keep up with the ever changing government and industry compliance demands. As a small independent nonprofit, having Crosslin as a partner and a resource is invaluable. They definitely go above and beyond: you have probably seen them answering phones during our pledge drives!”*
- **Kathy McElroy, VP & CFO, Nashville Public Television**
- *“On behalf of The United Methodist Publishing House, we would like to take the opportunity to thank Crosslin for your services to our company. We appreciate the professionalism, accuracy, and timely completion of our audits and audited financial statements. Having Crosslin perform our audits is a positive verity for The United Methodist Publishing House, ensuring our Board of Directors and management have complete confidence in our financial reporting. We acknowledge and appreciate your services, and look forward to such excellence in the future.”*
- **Jason Pate, Controller, United Methodist Publishing House**
- *“We’ve enjoyed working with our Crosslin audit team. We’ve had very positive experiences including prompt and effective communication along with tenure/low turnover which is invaluable. We’d recommend Crosslin for your audit needs!”*
- **Ivanna L. Cole, CPA, CGMA, Chief Financial Officer, United Methodist Foundation, Inc.**
- *“The principals and staff at Crosslin are always professional and easy to work with during our annual audits. They are also sensitive to their clients’ needs... They have vast knowledge of accounting rules and pronouncements across several industries.”*
- **Edward Oliphant, Chief Financial Officer, Nashville Metropolitan Transit Authority**
- *“Since 2004, the Crosslin and Associates team has performed our annual financial audits. I commend them for their excellent service and professionalism. Team members have a broad knowledge of accounting principles and operations for academic institutions. We find them extremely helpful and are very pleased with the quality of their work.”*
- **LaMel Bandy-Neal, Senior V.P. of Finance/CFO, Meharry Medical College**
- *“Since arriving in the Clerk’s Office, I’ve been extremely impressed with the expertise and professionalism exhibited by the Crosslin audit team. Their assistance and guidance has proven invaluable to our organization.”*
- **Brenda Wynn, Davidson County Clerk**



Customer References (continued)

- *“I have worked with Crosslin since 2013, which was the first year of their audit engagement with the City. Quite typically, the first year is the most difficult with any auditing firm. However, that was not the case with the Crosslin team. They were all extremely knowledgeable of government functions and processes. They needed very little assistance from my team. The lead auditors on our team were extremely responsive and timely and it was a true partnership with the municipality. We are the 5th largest City in the State of Tennessee and we are more complex than small municipalities. We create our Annual Comprehensive Financial Report in house and Crosslin was the first external auditing firm the City has had that has met the December 31st filing deadline. I highly recommend Crosslin for any external auditing engagement!”*
- **Laurie Matta, MBA, CMFFO, Chief Financial Officer, City Of Clarksville**
- *“It is our pleasure to work with Crosslin Certified Public Accountants. They offer great support and have an extremely strong sense of dedication. They have provided timely and high quality audit services for the City of Ridgetop.”*
- **Kelly Rider, City Recorder, City of Ridgetop**
- *“Utilizing Crosslin and Associates for the past five years has truly been a great experience. Their staff are knowledgeable, professional, and most importantly easy to work with. During fieldwork, their staff worked diligently to gain an understanding of our operations and were observant of our work schedule while still completing their scheduled tasks on time.*
- **Anthony J. Neumaier, Budget Director, Finance, Metro Nashville and Davidson County, Tn**
- *“Crosslin have performed our annual financial audits now for the past 5 years. Each year their staff has made the audit process more proficient while providing invaluable feedback and professional advice throughout the audit process. Their staff is very knowledgeable, flexible to our work schedules, and consistently provide outstanding customer service. I highly recommend Crosslin for any organization wishing to bring their audit experience to a heightened new service level.”*
- **Robert M. Lonis, Former Chief Financial Officer, Nashville General Hospital**
- *“Crosslin have always done an excellent job performing the annual audit of Metropolitan Nashville Public Schools. MNPS currently has an operating budget of \$790 million and federal/state grants of \$80 million. Their staff is very professional and knowledgeable about accounting requirements of our business. They have been a valuable resource and very responsive to our needs. I am pleased with their service.”*
- **Glenda M. Gregory, Director of Budgeting and Financial Reporting, Metropolitan Nashville Public Schools**



Certificate of Liability Insurance



CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY) 05/28/2024

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER: THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

Table with columns: INSR LTR, TYPE OF INSURANCE, ADDL SUBRT, POLICY NUMBER, POLICY EFF, POLICY EXP, LIMITS. Rows include Commercial General Liability, Automobile Liability, Umbrella Liability, Workers Compensation and Employers Liability, and Crime Liability.

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER: LFUCH, 200 E Main St, Lexington, KY 40507. CANCELLATION: SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE: [Signature]



Indemnification

Crosslin agrees to indemnify the Trust from any liability resulting from our audits of the Trust's financial statements.

Engagement Letter

If the Trust would like to engage Crosslin for the fiscal years ended June 30, 2025, 2026, and 2027, we have included the engagement letter as Appendix A. Please print a copy, sign it, and return it to us. We appreciate your business and we look forward to a continued relationship with the Trust.



August 21, 2024

The Board of Trustees and
Ms. Tammy Grissom
TSBA OPEB Trust
525 Brick Church Park Drive
Nashville, Tennessee 37207

Dear Trustees and Ms. Grissom:

We are pleased to confirm our understanding of the services we are to provide the Tennessee School Boards Association OPEB Trust (the "Trust") for the years ended June 30, 2025, 2026, and 2027.

Audit Scope and Objectives

We will audit the financial statements, including the related notes to the financial statements, which collectively comprise the basic financial statements of the Trust as of and for the years ended June 30, 2025, 2026, and 2027. Accounting standards generally accepted in the United States of America ("GAAP") provide for certain required supplementary information ("RSI"), such as management's discussion and analysis ("MD&A"), to supplement the Trust's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Trust's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding 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 will 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. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

1) Management's Discussion and Analysis

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information.



2) Introductory Section

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. 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 will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.



We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of the financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. 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, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Trust's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.



Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America with the oversight of those charged with governance.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us; for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for the 12 months after the financial statements date or shortly thereafter (for example, within an additional three months if currently known). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

Other Services

We are always available to meet with you and/or other executives at various times throughout the year to discuss current business, operational, accounting, and auditing matters affecting the Trust. Whenever you feel such meetings are desirable, please let us know. We are also prepared to provide services to assist you in any of these areas.

We will also assist in preparing the financial statements and related notes of the Trust for the years ending June 30, 2025, 2026, and 2027 in conformity with U.S. generally accepted accounting principles based on information provided by you.



We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

E-mail Communication

In connection with these engagements, we may communicate with you or others via e-mail. As e-mails can be intercepted, disclosed, used, and/or otherwise communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed, we cannot ensure that e-mails from us will be properly delivered and read only by the addressee. Therefore, we disclaim and waive any liability for interception or unintentional disclosure of e-mail transmissions, or for the unauthorized use or failed delivered of e-mails transmitted by us in connection with the performance of these engagements.

Ownership of Working Papers

The working papers prepared in conjunction with our audits are the property of our Firm, constitute confidential information, and will be retained by us in accordance with our Firm's policies and procedures.

Reproduction of Audit Report

Under professional audit standards, if the Trust plans any reproduction or publication of our report, or any portion of it, copies of masters' or printers' proofs of the entire document, or if there is no proof, a copy of the entire document in its final form, should be submitted to us in sufficient time for our review and written approval before printing.

Posting of Audit Report and Financial Statements on Your Web Site

You agree that, if you plan to post an electronic version of the financial statements and audit report on your website, you will ensure that there are no differences in content between the electronic version of the financial statements and audit report on your website and the signed version of the financial statements and audit report provided to management by Crosslin, PLLC ("Crosslin"). You confirm that there will be no differences between the electronic and signed versions.



Management Representations and Indemnification

As required by auditing standards generally accepted in the United State of America, we will request certain written representations from management at the close of our audits to confirm oral representations given to us and to indicate and document the continuing appropriateness of such representations and reduce the possibility of misunderstanding concerning matters that are the subject of the representations. Because of the importance of management's representations to an effective audit, the Trust agrees that there will be no knowing misrepresentations by management in connection with any services rendered under this Agreement.

Availability of Records and Personnel

You agree that all records, documentation, and information we request in connection with our audits will be made available to us (including those pertaining to related parties), that all material information will be disclosed to us, and that we will have full cooperation of, and unrestricted access to, your personnel during the course of the engagement. You also agree to use our document management system, Suralink, to provide requested documents.

You also agree to ensure that any third party valuation reports that you provide to us to support amounts or disclosures in the financial statements a) indicate the purpose for which they were intended, which is consistent with your actual use of such reports; and b) do not contain any restrictive language that would preclude us from using such reports as audit evidence.

Assistance by Your Personnel and Internet Access

We also ask that your personnel prepare various schedules and analyses for our staff. However, except as otherwise noted by us, no personal information other than names related to the Trust employees and/or customers should be provided to us. In addition, we ask that you provide high-speed internet access to our engagement team, if practicable, while working on the Trust's premises. This assistance will service to facilitate the progress of our work and minimize costs to you.

Independence

Professional and certain regulatory standards require us to be independent, in both fact and appearance, with respect to the Trust in the performance of our services. Any discussions that you have with personnel of our Firm regarding employment could pose a threat to our independence. Therefore, we request that you inform us immediately prior to any such discussions so that we can implement appropriate safeguards to maintain our independence.

In order for us to remain independent, professional and regulatory standards require us to maintain certain respective roles and relationships with you with respect to the non-attest services described in other services above. Prior to performing such services in conjunction with our audits, management must acknowledge its acceptance of certain responsibilities.



We will not perform management functions or make management decision on behalf of the Trust. However, we will provide advice and recommendations to assist management of the Trust in performing its functions and fulfilling its responsibilities.

The Trust agrees to perform the following functions in connection with our performance of the non-attest services:

- a. Make all management decision and perform all management functions with respect to the non-attest services provided by us.
- b. Assign personnel with suitable skill, knowledge, and/or experience to oversee the non-attest services and evaluate the adequacy and results of the services.
- c. Accept responsibility for the results of non-attest services.
- d. Establish and maintain internal controls over the non-attest services.

The services are limited to those outlined above. We, in our professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as making management decisions or performing management functions. The Trust must make all decisions with regard to our recommendations. By signing this Agreement, you acknowledge your acceptance of these responsibilities.

Dispute Resolution Procedure

If any dispute, controversy, or claim arises in connection with the performance or breach of this agreement (including disputes regarding the validity or enforceability of this agreement), either party may, upon written notice to the other party, request facilitated negotiations. Such negotiations shall be assisted by a neutral facilitator acceptable to both parties and shall require the best efforts of the parties to discuss with each other in good faith their respective positions and, respecting their different interests, to finally resolve such dispute.

Each party may disclose any facts to the other party or to the facilitator that it, in good faith, considers necessary to resolve the dispute. However, all such disclosures will be deemed in furtherance of settlement efforts and will not be admissible in any subsequent litigation against the disclosing party. Except as agreed by both parties, the facilitator shall keep confidential all information disclosed during negotiations. The facilitator shall not act as a witness for either party in any subsequent arbitration between the parties.

Such facilitated negotiations shall conclude within sixty days from receipt of the written notice unless extended by mutual consent. The parties may also agree at any time to terminate or waive facilitated negotiations. The costs incurred by each party in such negotiations will be borne by it; the fees and expenses of the facilitator, if any, shall be borne equally by the parties.



If any dispute, controversy, or claim arises in connection with the performance or breach of this agreement (including disputes regarding the validity or enforceability of this agreement) and cannot be resolved by facilitated negotiations (or the parties agree to waive that process), then such dispute, controversy, or claim shall be settled by arbitration. The arbitration proceeding shall take place in Nashville, Tennessee unless the parties agree to a different locale. The proceeding shall be governed by the provisions of the Federal Arbitration Act (FAA) or, if a court of competent jurisdiction determines the FAA inapplicable, by the laws of the state in which the proceeding is to take place. In any arbitration instituted hereunder, the proceedings shall proceed in accordance with the then current Arbitration Rules for Professional Accounting and Related Disputes of the American Arbitration Association (AAA), except that no pre-hearing discovery shall be permitted unless specifically authorized by the arbitration panel.

Such arbitration shall be conducted before a panel of three persons, one chosen by each party and the third selected by the two party-selected arbitrators. The arbitration panel shall have no authority to award non-monetary or equitable relief, and any monetary award shall not include punitive damages. The confidentiality provisions applicable to facilitated negotiation shall also apply to arbitration. The award issued by the arbitration panel may be confirmed in a judgment by any federal or state court of competent jurisdiction.

Engagement Administration and Fees

We understand that your employees will prepare all cash, investment, and other confirmations we request and will locate any documents selected by us for testing.

Erica D. Saeger is the engagement principal and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fees are based upon the time required by the individuals assigned to the engagements. Our practice is to render progress billings at two-to-four week intervals and a final billing at the conclusion of the engagement. Billings are due upon submission. Our fees for the engagement will be as follows:

<u>Year Ending</u>	<u>Audit Fees</u>
June 30, 2025	\$7,000
June 30, 2026	\$7,500
June 30, 2027	\$8,000

The above mentioned fees are fixed unless the Trust’s activities result in changes which increase the scope of our audits. In those circumstances, we would review the complexities and scope of the change. At this time, we do not expect any changes from the above fixed fees unless new member systems become funding members of the Trust.



The fee estimates are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audits. If significant additional time is necessary, we will bill the additional cost separately as part of a change order or as separate services at our reduced standard hourly rates as discussed in the original proposal. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

Fees for other services that the Trust might desire for us to perform would be based on our reduced standard hourly rates as discussed in the original proposal and fees for projects of any significance would be discussed and approved by you in advance. In the event we are required by government regulation, subpoena, or other legal process to produce our documents or our personnel as witnesses with respect to our engagements for the Trust, the Trust will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

It is agreed by the Trust and Crosslin or any successors in interest that no claim arising out of services rendered pursuant to this agreement by or on behalf of either party shall be asserted more than three years after the date of the audit reports or one year after the date of termination of Crosslin's services, whichever date occurs first.

This letter constitutes the complete and exclusive statement of agreement between Crosslin and the Trust, superseding all proposals, oral or written, and all other communication, with respect to the terms of the engagement between the parties.

Miscellaneous

This Agreement is only intended to cover the services specified herein, although we look forward to many more years of pleasant association with the Trust. This engagement is a separate and discrete event and any future services will be covered by a separate agreement to provide services. Many banks have engaged a third party to electronically process cash or debt audit confirmation requests, and a few of those banks have mandated the use of these services. To the extent applicable, the Trust hereby authorizes Crosslin to participate in this electronic confirmation process through the third party's website (e.g., by entering the Trust's bank account information to initiate the process and then accessing the bank's confirmation response) and agrees that Crosslin shall have no liability in connection therewith.

Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable laws, regulations, or published interpretations, but if any provision of this Agreement shall be deemed prohibited, invalid, or otherwise unenforceable for any reason under such applicable laws, regulations, or published interpretations, such provisions shall be ineffective only to the extent of such prohibition, invalidity, or unenforceability and such revised provision shall be made a part of this Agreement as if it was specifically set forth herein. Furthermore, the provisions of the foregoing sentence shall not invalidate the remainder of such provision or the provisions of this Agreement.



Reporting

We will issue a written report upon completion of our audit of the Trust's financial statements. Our report will be addressed to the Board of Trustees of the Trust. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Thank you again for the opportunity to continue to provide auditing services to the Trust. We appreciate your business and look forward to working with you.

Very truly yours,

Erica D. Saeger
Audit Principal

ACCEPTED:

TENNESSEE SCHOOL BOARDS ASSOCIATION OPEB TRUST

By: _____

Morgan Stanley

WEALTH MANAGEMENT

Custom Report

Prepared on October 09, 2024 for:

[TSBA OPEB TRUST](#)

TAMMY GRISSOM TTEE
TSBA OPEB TRUST U/T/A DTD
11/05/2012
525 BRICK CHURCH PARK DRIVE
NASHVILLE TN 37207-3219

THE CAP IV GROUP

Tel: 615-292-0303

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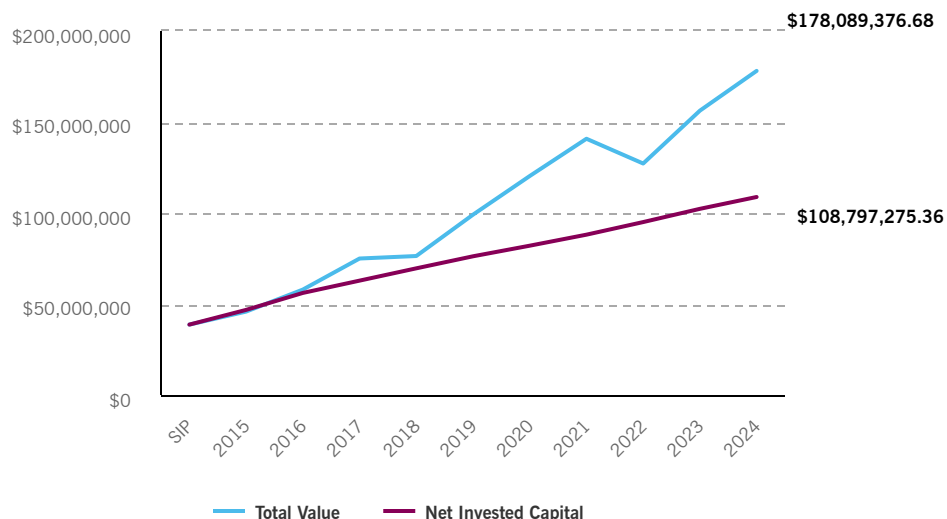
Please review the disclosures and definitions throughout this Document. For more information or questions, please contact your Financial Advisor.
Various sub-sections of this Document may not contain information on all accounts/positions covered in this Document and will be denoted on the page.

Investment Summary Dollar Weighted Returns

TSBA OPEB TRUST

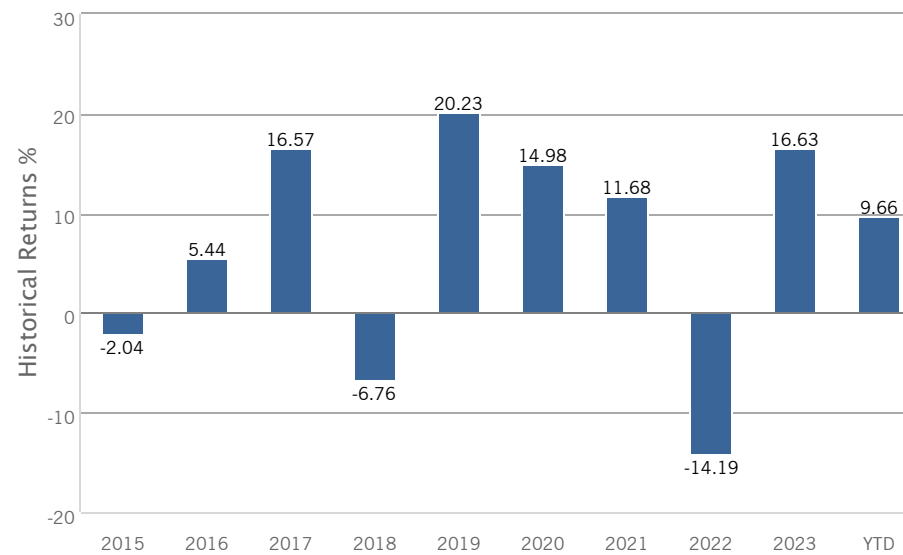
Data as of October 08, 2024

TOTAL VALUE VS. NET INVESTED CAPITAL



Does not include Performance Ineligible Assets.

DOLLAR-WEIGHTED PERIOD RETURN % (NET OF FEES)

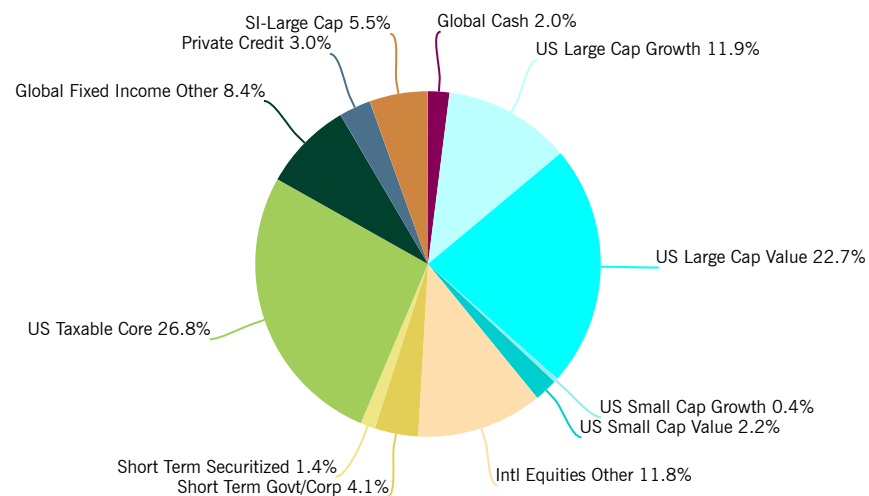


Does not include Performance Ineligible Assets.

DOLLAR-WEIGHTED RETURN % (NET OF FEES)

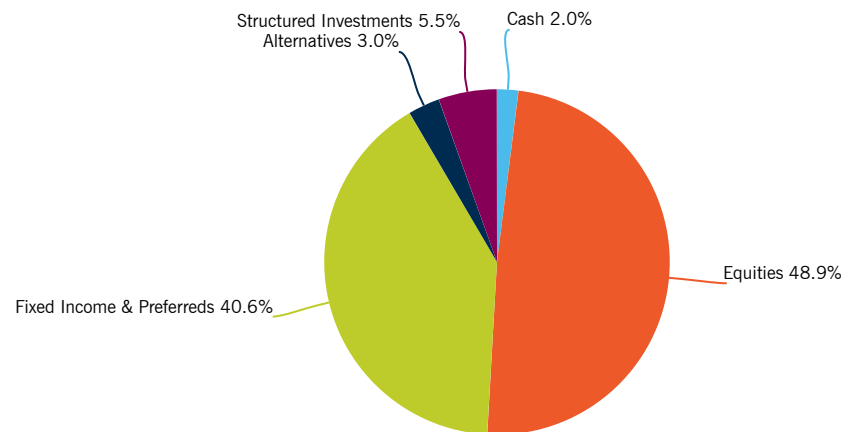
	Quarter to Date (\$) 09/30/24-10/08/24	Year to Date (\$) 12/31/23-10/08/24	Performance Inception (\$) 06/09/15-10/08/24
Beginning Total Value	179,393,026	156,233,166	38,680,482
Net Contributions/Withdrawals	-56,622	6,509,984	70,116,793
Investment Earnings	-1,247,028	15,346,227	69,292,101
Ending Total Value	178,089,377	178,089,377	178,089,377
DOLLAR WEIGHTED RATE OF RETURN (%) (Annualized for periods over 12 months)			
Return % (Net of Fees)	-0.70	9.66	7.39
90-Day T-Bills	0.11	4.28	1.80

ASSET ALLOCATION



Asset Allocation

ASSET ALLOCATION - ASSET CLASS



ASSET ALLOCATION

	Total Value (\$) 10/08/2024	% of Portfolio 10/08/2024
Cash	3,578,696.37	2.0
Equities	87,085,579.37	48.9
Fixed Income & Preferreds	72,389,943.47	40.6
Alternatives	5,298,594.34	3.0
Structured Investments	9,736,585.80	5.5
TOTAL PORTFOLIO	178,089,399.35	100.0

Equities Asset Allocation

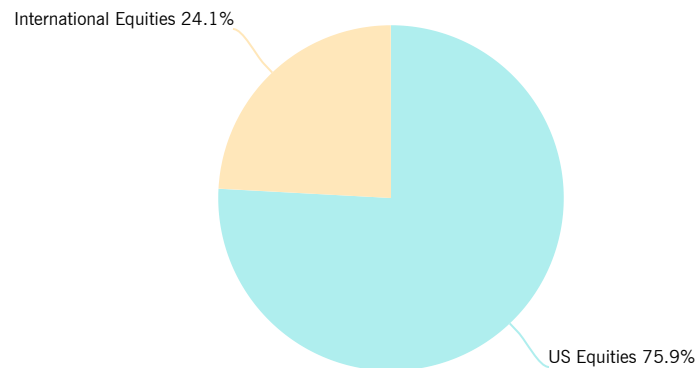
TSBA OPEB TRUST

Data as of October 08, 2024

TOP EQUITY POSITIONS BASED ON TOTAL VALUE

SECURITY DESCRIPTION	Total Value (\$) 10/08/2024	% of Equities 10/08/2024
PGIM JENNISON GROWTH Z	16,311,384.96	18.7
BLACKROCK HIGH EQ INCOME INST	12,918,577.35	14.8
JOHN HANCOCK DISPLND VAL INST	12,894,905.91	14.8
OAKMARK FUND INSTITUTIONAL	9,676,896.27	11.1
AMERICAN EUROPACIFIC GRW F2	8,096,403.36	9.3
ISHARES CORE MSCI EAFE ETF	6,462,670.39	7.4
THORNBURG INTL GROWTH I	6,454,580.90	7.4
ISHARES CORE S&P U.S. GROWTH	4,895,285.96	5.6
ISHARES CORE S&P U.S. VALUE	4,855,261.05	5.6
PACER US SML CAP CASH COWS ETF	3,215,959.08	3.7
Top Equity Positions	85,781,925.23	98.5
Other Equity Positions	1,303,654.14	1.5
Total Equities	87,085,579.37	100.0

ASSET ALLOCATION - EQUITIES



ASSET ALLOCATION - EQUITIES

	% of Equities 10/08/2024	Total Value (\$) 10/08/2024	% of Portfolio 10/08/2024
US Equities	75.9	66,071,924.72	37.1
US Large Cap Growth	24.4	21,206,670.92	11.9
US Large Cap Value	46.3	40,345,640.58	22.7
US Small Cap Growth	0.7	651,827.07	0.4
US Small Cap Value	4.4	3,867,786.15	2.2
International Equities	24.1	21,013,654.65	11.8
Intl Equities Other	24.1	21,013,654.65	11.8
TOTAL EQUITIES	100.0	87,085,579.37	48.9

Fixed Income & Preferreds Asset Allocation

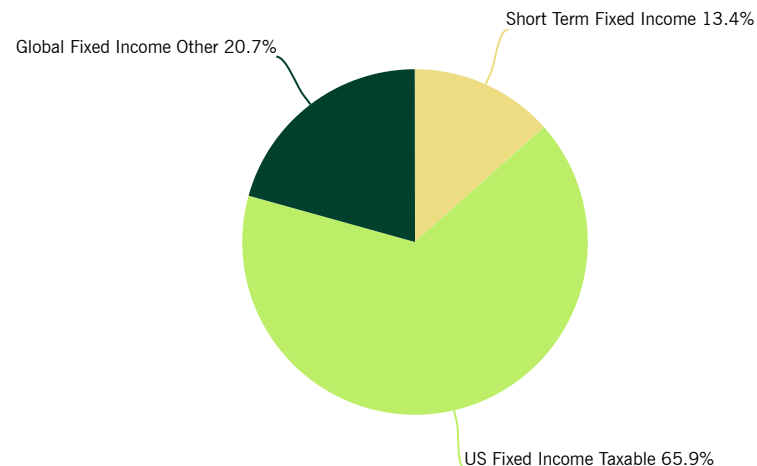
TSBA OPEB TRUST

Data as of October 08, 2024

TOP FIXED INCOME & PREFERRED POSITIONS BASED ON TOTAL VALUE

SECURITY DESCRIPTION	Total Value (\$) 10/08/2024	% of Fixed Income & Preferreds 10/08/2024
JOHN HANCOCK BOND I	32,361,979.26	44.7
PGIM TOTAL RETURN BOND Z	15,354,776.00	21.2
JANUS HENDERSON MLT SEC INC I	14,965,364.59	20.7
PGIM SHORT-TERM CORP BOND Z	9,707,823.62	13.4
Top Fixed Income & Preferred Positions	72,389,943.47	100.0
Other Fixed Income & Preferred Positions	-	-
Total Fixed Income & Preferred	72,389,943.47	100.0

ASSET ALLOCATION - FIXED INCOME & PREFERREDS



ASSET ALLOCATION - FIXED INCOME & PREFERREDS

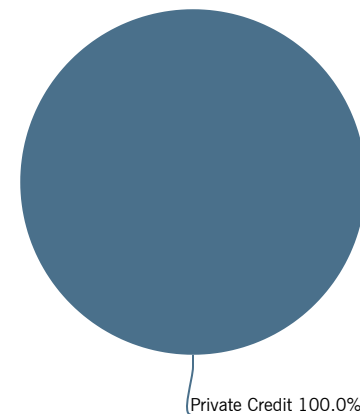
	% of Fixed Income & Preferreds 10/08/2024	Total Value (\$) 10/08/2024	% of Portfolio 10/08/2024
Short Term Fixed Income	13.4	9,707,823.62	5.5
Short Term Govt/Corp	10.1	7,280,867.72	4.1
Short Term Securitized	3.4	2,426,955.91	1.4
US Fixed Income Taxable	65.9	47,716,755.26	26.8
US Taxable Core	65.9	47,716,755.26	26.8
Global Fixed Income Other	20.7	14,965,364.59	8.4
Global Fixed Income Other	20.7	14,965,364.59	8.4
TOTAL FIXED INCOME & PREFERREDS	100.0	72,389,943.47	40.6

Alternatives Asset Allocation

TOP ALTERNATIVE POSITIONS BASED ON TOTAL VALUE

SECURITY DESCRIPTION	Total Value (\$) 10/08/2024	% of Alternatives 10/08/2024
CION ARES DIVERSIFIED CREDIT U	5,298,594.34	100.0
Top Alternative Positions	5,298,594.34	100.0
Other Alternative Positions	-	-
Total Alternatives	5,298,594.34	100.0

ASSET ALLOCATION - ALTERNATIVES

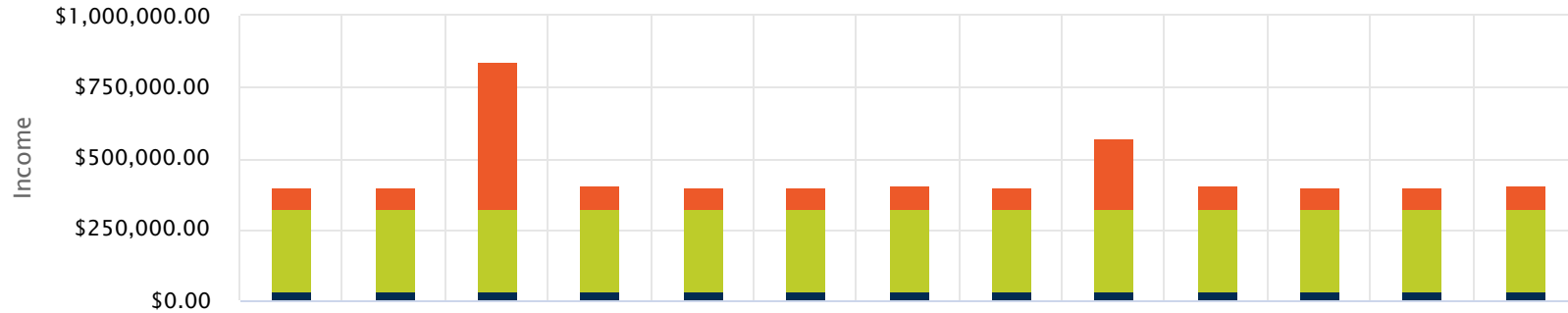


ASSET ALLOCATION - ALTERNATIVES

	% of Alternatives 10/08/2024	Total Value (\$) 10/08/2024	% of Portfolio 10/08/2024
Private Investments	100.0	5,298,594.34	3.0
Private Credit	100.0	5,298,594.34	3.0
TOTAL ALTERNATIVES	100.0	5,298,594.34	3.0

Projected 12 Month Income Summary

12 MONTH INCOME SUMMARY

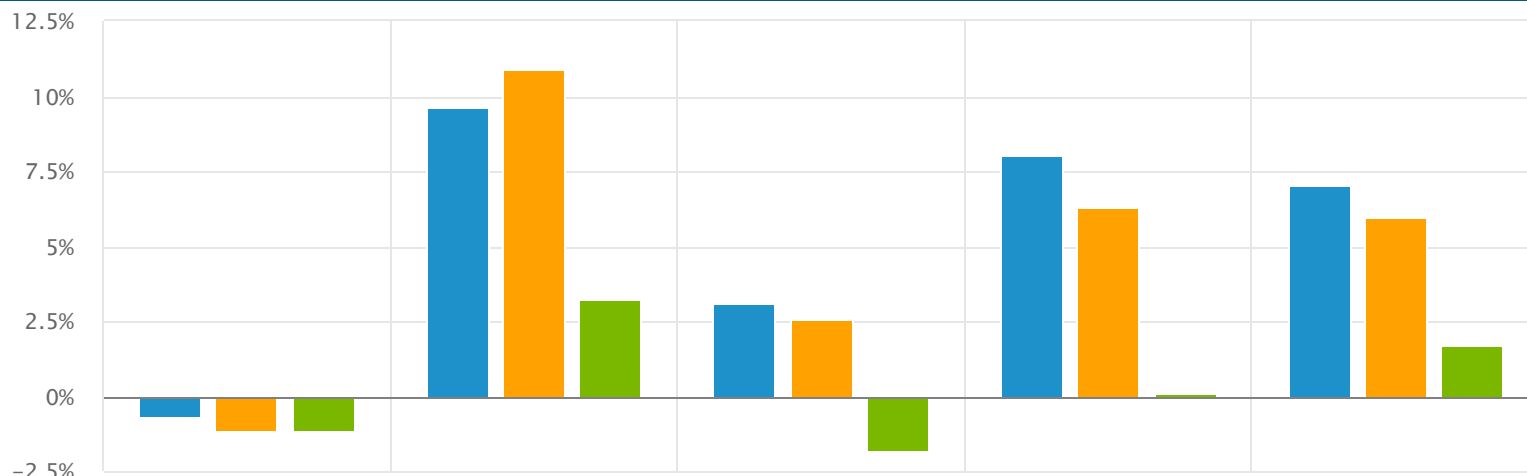


Asset Class	Total Value (\$) 10/08/2024	10/09/24 to 10/31/24 (\$)	Projected Income (\$) (11/01/24 - 10/31/25)												Total	% Yield	
			Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct			
Cash	3,578,696	30	30	30	30	30	30	30	30	30	30	30	30	30	30	358	0.01
Equities	87,085,579	73,830	73,830	512,288	82,454	73,830	73,830	82,454	73,830	244,613	82,454	73,830	73,830	82,454	1,657,649	1.90	
Fixed Income & Preferreds	72,389,943	289,151	289,151	289,151	289,151	289,151	289,151	289,151	289,151	289,151	289,151	289,151	289,151	289,151	289,151	3,469,810	4.79
Alternatives	5,298,594	37,034	37,034	37,034	37,034	37,034	37,034	37,034	37,034	37,034	37,034	37,034	37,034	37,034	37,034	444,412	8.39
Structured Investments	9,736,586	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	178,089,399	400,045	400,045	838,503	408,669	400,045	400,045	408,669	400,045	570,828	408,669	400,045	400,045	408,669	5,572,228	3.13	

Projected Income is calculated only for holdings where data is available. In instances whereby payment frequency and/or last payment date is not available, income is based on the current dividend or coupon rate, and will be displayed in the Total column only. Projected income is not available for Alternative Investment funds that do not have a share quantity.

Time Weighted Performance Summary

RETURN % (NET OF FEES) VS. BENCHMARKS (ANNUALIZED)



	Quarter to Date 09/30/24 - 10/08/24	Year to Date 12/31/23 - 10/08/24	Last 3 Years 10/31/21 - 10/08/24	Last 5 Years 10/31/19 - 10/08/24	Performance Inception 06/09/15 - 10/08/24
Beginning Total Value (\$)	179,393,026.28	156,233,165.52	140,694,079.54	94,192,181.77	38,680,482.15
Net Contributions/Withdrawals (\$)	-56,621.67	6,509,983.80	20,706,027.24	33,061,942.89	70,116,793.21
Investment Earnings (\$)	-1,247,027.93	15,346,227.36	16,689,269.90	50,835,252.02	69,292,101.32
Ending Total Value (\$)	178,089,376.68	178,089,376.68	178,089,376.68	178,089,376.68	178,089,376.68
Return % (Net of Fees)	-0.70	9.64	3.08	8.01	7.03
TN TSBA Composite (%)	-1.15	10.91	2.54	6.33	5.95
Bloomberg US Aggregate (%)	-1.18	3.22	-1.80	0.04	1.68

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

Positions Time Weighted Performance Detail

TSBA OPEB TRUST

Data as of October 08, 2024

RETURN % (GROSS OF FEES) (ANNUALIZED)

Product/ Security Description ▲	Account Number	Performance Inception Date	Ending Total Value (\$)	Year to Date (%) 12/31/23 - 10/08/24	% of Portfolio
Total Portfolio (Gross of Fees)		06/09/2015	178,089,376.68	9.82	100.00
<i>TN TSBA Composite</i>				10.91	
Stock / Options					
GS PLUS SPX 25MH05(SPHQW)	Multiple	08/31/2022	1,662,748.10	8.79	0.93
Exchange Traded/ Closed End Funds					
ISHARES CORE MSCI EAFE ETF(IEFA)	Multiple	11/28/2018	6,462,670.39	10.56	3.63
ISHARES CORE S&P U.S. GROWTH(IUSG)	Multiple	11/28/2018	4,895,285.96	27.67	2.75
ISHARES CORE S&P U.S. VALUE(IUSV)	Multiple	11/28/2018	4,855,261.05	14.00	2.73
PACER US SML CAP CASH COWS ETF(CALF)	Multiple	11/28/2023	3,215,959.08	-3.19	1.81
Mutual Funds					
AMERICAN EUROPACIFIC GRW F2(AEPFX)	Multiple	07/14/2015	8,096,403.36	11.55	4.55
BLACKROCK HIGH EQ INCOME INST(BMCIX)	Multiple	09/02/2015	12,918,577.35	11.21	7.25
CION ARES DIVERSIFIED CREDIT U(CADZX)	Multiple	09/30/2024	5,298,594.33	0.04	2.98
DWS SMALL CAP CORE S(SSLCX)	Multiple	02/20/2018	1,303,654.16	6.24	0.73
JANUS HENDERSON MLT SEC INC I(JMUIX)	Multiple	08/12/2024	14,965,364.60	1.26	8.40
JOHN HANCOCK BOND I(JHBIX)	Multiple	04/24/2024	32,361,979.26	6.76	18.17
JOHN HANCOCK DISPLND VAL INST(JVLIX)	Multiple	07/24/2018	12,894,905.91	16.39	7.24
OAKMARK FUND INSTITUTIONAL(OANMX)	Multiple	07/12/2021	9,676,896.28	13.61	5.43
PGIM JENNISON GROWTH Z(PJFZX)	Multiple	09/02/2015	16,311,384.96	23.62	9.16
PGIM SHORT-TERM CORP BOND Z(PIFZX)	Multiple	09/02/2015	9,707,823.62	4.93	5.45
PGIM TOTAL RETURN BOND Z(PDBZX)	Multiple	04/06/2023	15,354,775.98	4.47	8.62
THORNBURG INTL GROWTH I(TINGX)	Multiple	09/02/2015	6,454,580.89	11.09	3.62

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.
Position level performance detail is only available since 12/31/2014.

Positions Time Weighted Performance Detail

TSBA OPEB TRUST

Data as of October 08, 2024

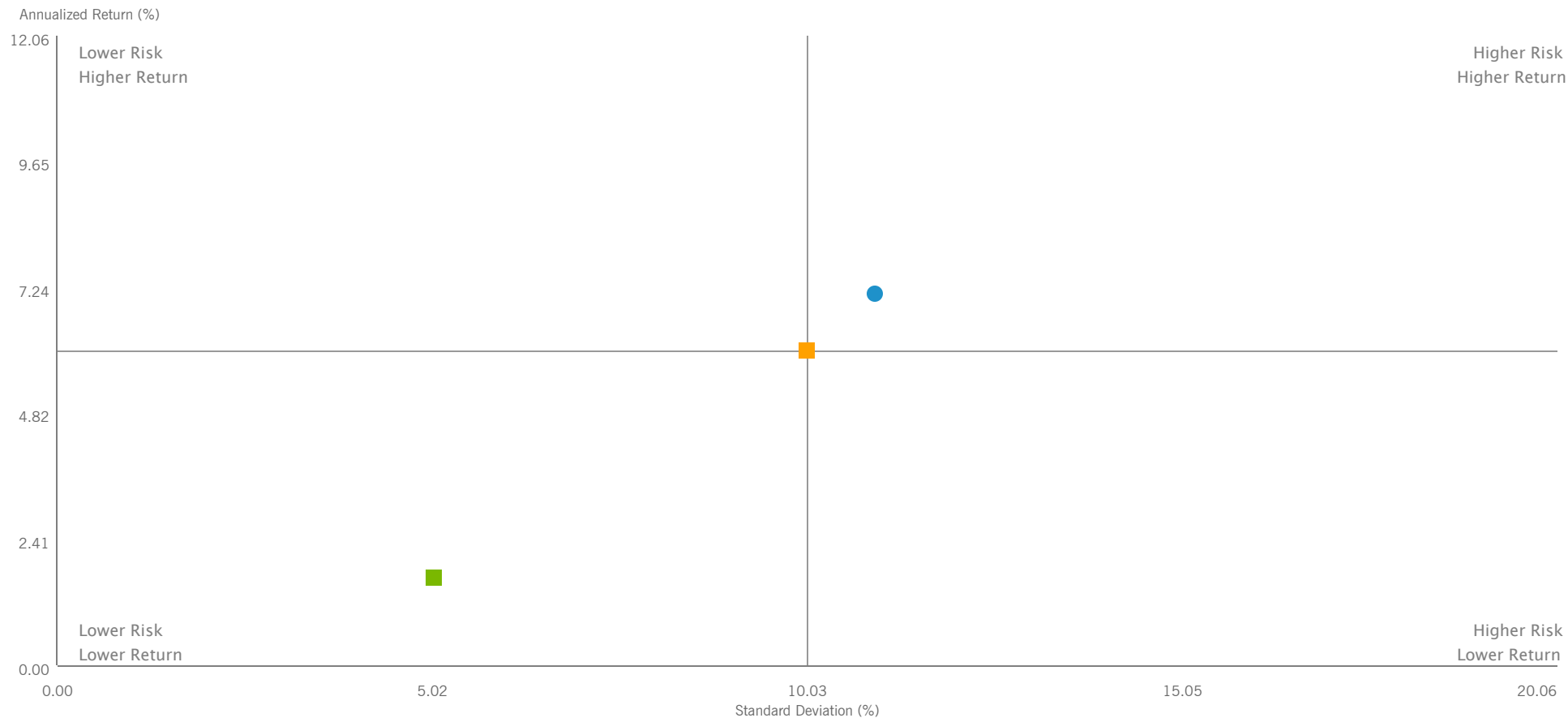
RETURN % (GROSS OF FEES) (ANNUALIZED) (Continued)

Product/ Security Description ▲	Account Number	Performance Inception Date	Ending Total Value (\$)	Year to Date (%) 12/31/23 - 10/08/24	% of Portfolio
Corporate Fixed Income					
BCS PLUS SPX 00000 26SP03	Multiple	02/14/2024	1,595,614.80	5.81	0.90
BCS PLUS SPX 00000 27JA06	Multiple	06/14/2024	1,447,922.20	0.69	0.81
GS PART SPX 00000 25NV05	Multiple	04/17/2024	1,696,468.80	5.24	0.95
MS PLUS SPX 00000 27MH03	Multiple	08/14/2024	1,577,039.10	-0.57	0.89
UBS PLUS SPX 00000 26DE03	Multiple	05/15/2024	1,756,792.80	3.28	0.99
Cash, MMF and Bank Deposits					
BANK DEPOSIT PROGRAM(BDPS)	Multiple	06/18/2015	3,578,673.70	-	2.01

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals. Position level performance detail is only available since 12/31/2014.

Risk vs. Return

RETURN % (NET OF FEES) AND VOLATILITY VS. BENCHMARKS



	Return % (Net of Fees) 06/30/15-10/08/24	Standard Deviation (%) 06/30/15-10/08/24
● Portfolio	7.12	10.94
■ TN TSBA Composite	6.03	10.03
■ Bloomberg US Aggregate	1.68	5.04

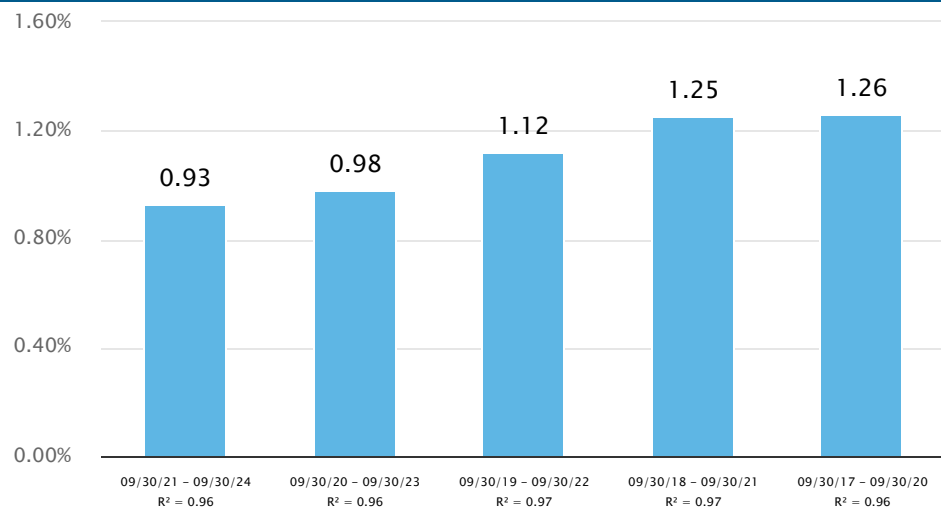
The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

Modern Portfolio Theory

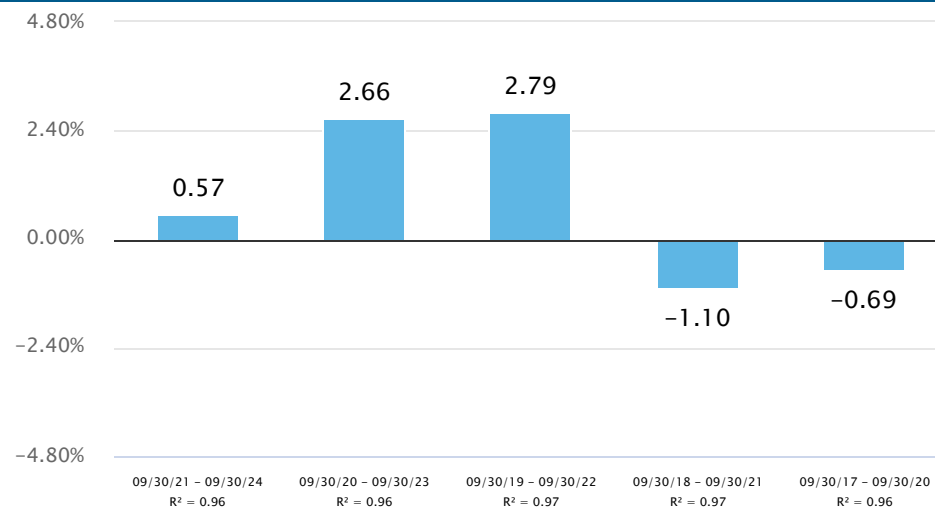
TSBA OPEB TRUST

Data as of September 30, 2024

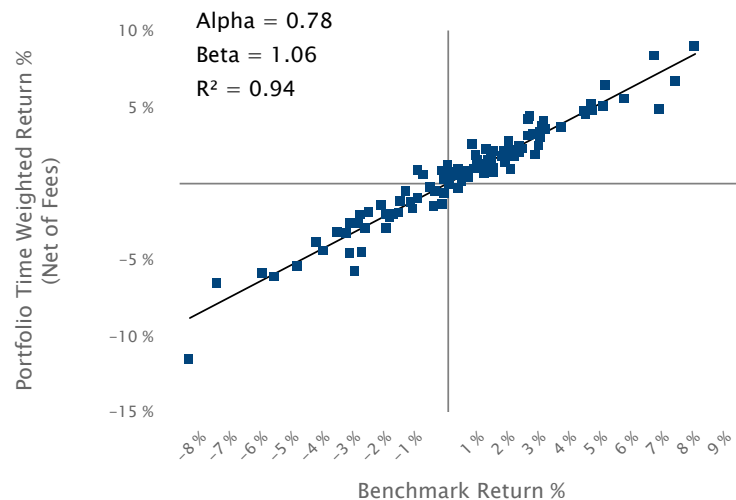
BETA - ROLLING PERIODS - TIME WEIGHTED RETURN %(NET OF FEES)



ALPHA - ROLLING PERIODS - TIME WEIGHTED RETURN %(NET OF FEES)



MONTHLY OBSERVATIONS SINCE 06/30/15 WITH SIMPLE REGRESSION LINE - TIME WEIGHTED RETURN %(NET OF FEES)



Alpha: Is a measure of a portfolio's time weighted net of fees return in excess of the market return, both adjusted for risk. A positive alpha indicates that the portfolio outperformed the market on a risk-adjusted basis, and a negative alpha indicates the portfolio did worse than the market.

Beta: Is a measure of the sensitivity of a portfolio's time weighted net of fees return against that of the market. A beta greater than 1.00 indicates volatility greater than the market.

Modern Portfolio Theory: Seeks to quantify the relationship between risk and return and operates under the assumption that an investor must be compensated for assuming risk.

R²: Is a measure that indicates the extent to which fluctuations in a portfolio's time weighted net of fees return is correlated with the return of the general market. An R² of 0.80 implies that 80% of the fluctuation of a portfolio's return is explained by the fluctuation in the market.

Graph Notes: Both the benchmark and portfolio returns are adjusted by the return of the 90-day Treasury Bills to illustrate the excess return above the Risk Free Rate for each period.

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

Account(s) Included in this Report

TSBA OPEB TRUST

MORGAN STANLEY WEALTH MANAGEMENT

Account Name	Account Number	Account Type/ Manager Name	Date Opened/ Date Closed	Perf Inception Date Perf (%) Incept - 10/08/24	Total Value (\$) 10/08/24	% of Portfolio 10/08/24
ARLINGTON CITY - Alternative Investment	471-XXX385	AAA	02/18/20 -	02/25/2020 4.45	429,575.33	0.24
ARLINGTON CITY BOE	471-XXX901	Consulting Group Advisor	06/17/15 -	06/18/2015 7.15	4,847,099.30	2.72
BARTLETT CITY - Alternative Investment	471-XXX383	AAA	02/18/20 -	02/25/2020 4.47	604,208.88	0.34
BARTLETT CITY BOE	471-XXX902	Consulting Group Advisor	06/17/15 -	07/01/2015 7.07	7,815,948.08	4.39
Collierville City - Alternative Invest.	471-XXX396	AAA	02/18/20 -	02/25/2020 4.50	244,735.51	0.14
COLLIERVILLE CITY BOE	471-XXX903	Consulting Group Advisor	06/17/15 -	07/01/2015 7.00	3,125,870.46	1.76
HICKMAN CO.	471-XXX866	Consulting Group Advisor	06/03/15 -	06/09/2015 7.18	2,853,143.53	1.60
Hickman Co. - Alternative Investment	471-XXX388	AAA	02/18/20 -	02/25/2020 4.63	281,430.39	0.16
JACKSON-MADISON	471-XXX864	Consulting Group Advisor	06/03/15 -	06/09/2015 7.17	520,578.79	0.29
JACKSON-MADISON - Alternative Investment	471-XXX403	AAA	02/18/20 -	02/25/2020 4.54	49,080.08	0.03
JOHNSON CO.	471-XXX869	Consulting Group Advisor	06/03/15 -	06/09/2015 7.18	1,465,581.74	0.82
JOHNSON CO. - Alternative Investment	471-XXX398	AAA	02/18/20 -	02/25/2020 4.64	140,480.19	0.08
Lakeland City - Alternative Investment	471-XXX393	AAA	02/18/20 -	02/25/2020 4.55	298,382.12	0.17
LAKELAND CITY BOE	471-XXX900	Consulting Group Advisor	06/17/15 -	06/18/2015 6.93	3,257,289.91	1.83
MILLINGTON	471-XXX583	Consulting Group Advisor	07/05/16 -	07/07/2016 8.07	397,147.07	0.22
MILLINGTON - Alternative Investment	471-XXX409	AAA	02/18/20 -	02/25/2020 4.42	35,415.68	0.02
SHELBY CO.	471-XXX863	Consulting Group Advisor	06/03/15 -	06/09/2015 7.13	138,771,488.01	77.92

The investment returns shown on this page are Net of Fees, time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals. Investment, insurance and annuity products offered through Morgan Stanley Smith Barney LLC are: NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED | NOT A BANK DEPOSIT | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY. All content within this Document applies to the accounts listed above or a subset thereof, unless otherwise indicated.

Account(s) Included in this Report

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MORGAN STANLEY WEALTH MANAGEMENT (Continued)

Account Name	Account Number	Account Type/ Manager Name	Date Opened/ Date Closed	Perf Inception Date Perf (%) Incept - 10/08/24	Total Value (\$) 10/08/24	% of Portfolio 10/08/24
SHELBY CO. - Alternative Investment	471-XXX380	AAA	02/18/20 -	02/25/2020 5.42	12,951,944.28	7.27
Morgan Stanley Wealth Management Total					178,089,399.35	100.00
Total Portfolio					178,089,399.35	100.00

The investment returns shown on this page are Net of Fees, time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals. Investment, insurance and annuity products offered through Morgan Stanley Smith Barney LLC are: NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED | NOT A BANK DEPOSIT | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY. All content within this Document applies to the accounts listed above or a subset thereof, unless otherwise indicated.

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Explanatory Notes and Disclosures: This document is designed to assist you and your Financial Advisor in understanding portfolio positions, composition and subsets thereof. It is designed solely for your individual use, is for informational purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security. Do not take action relying on this information without confirming its accuracy and completeness. Please read carefully all accompanying notes and disclosures provided in this Document.

For convenience purposes, your Financial Advisor may have assigned a designated name for this Document. The list of the accounts covered in this document is noted herein and may not include all of your accounts with us or external custodians. Furthermore, the information included in this document may not include all asset classes/securities/liabilities held by you at the firm or external custodians. Please review this document carefully and discuss any questions you may have with your Financial Advisor. If you do not understand an entry, suspect an error, or want more details on current values or other information, contact your Financial Advisor. This document is based upon your Morgan Stanley account holdings and may include other holdings/information that you or a third party provided about assets custodied elsewhere. Morgan Stanley will not verify any other holdings/information. If any information reflects assets held away from Morgan Stanley that will be indicated. The information contained in this document is subject to, and does not supersede the confirmations and account statements you receive from us. Values shown in your official account statement may differ from the values shown in this document due to, among other things, different reporting methods, delays, market conditions and interruptions. If there are discrepancies between your official account statement and this document, rely on your official account statement.

The information in this document is approximate and subject to updating, correction and other changes. We are not obligated to notify you if information changes. Although the statements of fact and data in this document have been obtained from, and are based upon sources that we believe to be reliable, we do not guarantee their accuracy, or timeliness, and any such information may be incomplete or condensed. Percentage values shown in this document are subject to rounding, which may impact total values. The values of securities and other investments not actively traded may be estimated or may not be available.

This information is provided for informational purposes only and should not be used for tax preparation. The information reported on your Form(s) 1099 supersedes the information provided in this report and should be exclusively relied upon for tax preparation. Morgan Stanley, its affiliates and its employees are not in the business of providing tax or legal advice. Clients should seek advice based on their particular circumstances from an independent tax and legal advisor. Morgan Stanley Smith Barney LLC is a registered Broker/Dealer, Member SIPC, and not a bank. Where appropriate, Morgan Stanley Smith Barney LLC has entered into arrangements with banks and other third parties to assist in offering certain banking related products and services. SIPC insurance does not apply to precious metals, other commodities, or traditional alternative investments.

Investment, insurance and annuity products offered through Morgan Stanley Smith Barney LLC are: NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED | NOT A BANK DEPOSIT | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

Money Market Fund: You could lose money in Money Market Funds (MMFs). Although MMFs classified as government funds (i.e., MMFs that invest 99.5% of total assets in cash and/or securities backed by the U.S government) and retail funds (i.e., MMFs open to natural person investors only) seek to preserve value at \$1.00 per share, they cannot guarantee they will do so. The price of other MMFs will fluctuate and when you sell shares they may be worth more or less than originally paid. MMFs may impose a fee upon sale or temporarily suspend sales if liquidity falls below required minimums. During suspensions, shares would not be available for purchases, withdrawals, check writing or ATM debits. A MMF investment is not insured or guaranteed by the Federal Deposit Insurance Corporation or other government agency.

AAA Accounts: The Active Assets Account is a brokerage account offered through Morgan Stanley Smith Barney LLC.

Consulting Group Advisory Accounts: Consulting Group is a business of Morgan Stanley Smith Barney LLC.

Important Regulation Best Interest Information: This report is being provided as a courtesy. By providing this report, we do not represent or agree that we will monitor the investments in your brokerage account(s) or deliver future reports.

Residential Mortgage loan information is excluded from this report. Please contact your Morgan Stanley team for more information.

Additional information about your Floating Rate Notes: For floating rate securities, the estimated accrued interest and estimated annual income are based on the current floating coupon rate and may not reflect historic rates within the accrual period.

Important Information About Auction Rate Securities: For certain Auction Rate Securities there is no or limited liquidity. Therefore, the price(s) for these Auction Rate Securities are indicated as not available by a dash "-". There can be no assurance that a successful auction will occur or that a secondary market exists or will develop for a particular security.

Important Pricing Information: Prices of securities not actively traded may not be available, and are indicated by a dash "-". Account values are based on the most recent security pricing available and may be prior to the date of this material.

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Asset Classification: We classify assets based on general characteristics such as: income generation, underlying capital structure, or exposure to certain market sectors. As many assets contain characteristics of more than one asset class, allocations may be under or over inclusive. These classifications do not constitute a recommendation and may differ from the classification of instruments for regulatory or tax purposes. In addition, the Other asset class contains securities that are not included in the various asset class classifications. This can include, but is not limited to, non-traditional investments such as some Equity Unit Trusts, Index Options and Structured Investments issued outside of Morgan Stanley. Additionally, investments for which we are unable to procure market data to properly classify them will appear in the Other category.

Additional information about your Structured Products: Structured Investments are complex products and may be subject to special risks, which may include, but are not limited to: loss of initial investment; issuer credit risk and price volatility resulting from any actual or anticipated changes to issuer's and/or guarantor's credit ratings or credit spreads; limited or no appreciation and limits on participation in any appreciation of underlying asset(s); risks associated with the underlying reference asset(s); no periodic payments; call prior to maturity; early redemption fees for market linked deposits; lower interest rates and/or yield compared to conventional debt with comparable maturity; unique tax implications; limited or no secondary market; and conflicts of interest due to affiliation, compensation or other factors which could adversely affect market value or payout to investors. Investors also should consider the concentration risk of owning the related security and their total exposure to any underlying asset.

Performance: Performance results are annualized for time periods greater than one year and include all cash and cash equivalents, realized and unrealized capital gains and losses, dividends, interest and income. Depending on the opening or closing date of the account or position, the performance referenced may be for a portion of the time period identified. The investment results depicted herein represent historical performance. As a result of recent market activity, current performance may vary from the figures shown. Please contact your Financial Advisor for up-to-date performance information. Past performance is not a guarantee of future results. Quotations of performance appearing in this report may include performance experienced in legacy accounts which have been closed and purged, and as such are not included on the Accounts Included in This Report page.

Market values used for performance calculation do not include Performance Ineligible Assets and thus may differ from asset allocation market values. Common examples of Performance Ineligible Assets include liabilities, life insurance and annuities as well as Manually Added and External accounts for which Morgan Stanley does not receive data necessary to calculate performance.

Unless otherwise indicated, performance is an aggregated composite calculation of the entire portfolio and may include brokerage and investment advisory accounts as well as assets for different accounts included in this report. The accounts included in the composite may have (or have had) different investment objectives and strategies, been subject to different restrictions, and incurred different types of fees, markups, commissions and other charges. Accordingly, performance results may blend the performance of assets and strategies that may not have been available in all of the accounts at all times during the reporting period. In addition, accounts in the composite may have changed from brokerage to advisory or vice versa. Accounts may also have moved from one advisory program to another (including from a discretionary program to a non-discretionary program).

For Morgan Stanley Smith Barney LLC accounts, performance information may cover the full history of the account(s) or just the performance of an account(s) since the inception of the current program(s). Performance results on individual accounts will vary and may differ from the composite returns. Your Financial Advisor can provide you with individual account portfolio composition and performance information. For investment advisory accounts, please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 or applicable disclosure brochure. For brokerage accounts, please speak to your Financial Advisor for more information on commissions and other account fees and expenses. Performance inception date does not necessarily correspond to the account opening date. Where multiple accounts are included in performance calculations, the inception date is the oldest performance inception. Performance data may not be available for all periods as some accounts included in performance may have more recent performance inception dates. Consequently, the actual performance for a group of accounts may differ from reported performance. Please ask your Financial Advisor for the performance inception date for each account.

Sub Account and Security Level Performance: The performance return methodology described above and in the TWR and IRR definitions applies to both Account Level and Sub-Account (e.g. Asset Class or Security level) performance returns. The inputs consist of market values and net flows.

For example, TWR is calculated by taking the Change in Market Value (Ending MV – Beginning MV) less any net flows, divided by the beginning MV. $TWR = (Ending\ MV - Beginning\ MV - Net\ Flows) / Beginning\ MV$

The difference lies in what is or is not included in the Market Values and Flows. For account level performance, the total account market values and all flows within the account are taken into account.

For sub-account level performance, only those market values and flows associated with the specific securities included are taken into account.

Flows that are not security specific typically include account advisory fees, cash contributions or withdrawals, and any other flows that are not attributed to a specific security.

Flows that are security specific including purchases, sales, dividends, interest, partnership distributions, return of capital, fund sales charges, security transaction fees, and ongoing fund expenses are typically reflected in the security level returns.

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Gross of Fees: The impact of program fees can be material. These program fees are deducted based on your billing cycle and may have a compounding effect on performance. As fees are deducted periodically throughout the year, the compounding effect may increase the impact of the fees by an amount directly related to the gross account performance.

Indices: Benchmark indices and blends included in this material are for informational purposes only, are provided solely as a comparison tool and may not reflect the underlying composition and/or investment objective(s) associated with the account(s). In some circumstances, the benchmark index may not be an appropriate benchmark for use with the specific composite portfolio. For instance, an index may not take into consideration certain changes that may have occurred in the portfolio since the inception of the account(s), (e.g., changes from a brokerage to an advisory account or from one advisory program to another, asset class changes, or index changes for individual managers). The volatility of the index used for comparison may be materially different from that of the performance shown. Indices are unmanaged and not available for direct investment. Index returns do not take into account fees or other charges. Such fees and charges would reduce performance. Please see the Benchmark Definitions section of this material for additional information on the indices used for comparison.

Performance Inception Month End: Performance Inception Month End refers to performance calculated from the end of the month in which the accounts became eligible for performance. Calculating performance from the Performance Inception Month End allows for a comparison to be made to appropriate benchmarks. Performance Inception Month End does not necessarily correspond to the account opening date.

Projected 12 Month: Projected 12 Month Income is based upon cash income from interest, cash dividends, and partnership distributions. It is a hypothetical projection calculated using current yields. The projected income referenced is based upon certain market projections effective as at today's date only and can change at any time. Such projected income is hypothetical, do not reflect actual investment results, and is not a guarantee of future results. The projected income is referenced for illustrative purposes only. Morgan Stanley does not represent or guarantee that the projected income referenced will or can be attained. The actual income may be lower or higher than the projections based upon a variety of factors and assumptions. The projected income shown may under or over compensate for the impact of actual market conditions and other factors. We make no representation or warranty as to the reasonableness of the assumptions made, or that all assumptions used to construct this projected income information have been stated or fully considered. To the extent that the assumptions made do not reflect actual conditions, the illustrative value of the hypothetical projected income will decrease. Companies paying dividends can reduce or cut payouts at any time.

The projected income referenced may include income from Morgan Stanley & Co. and External Accounts, where data is available. Such information was obtained from third party sources which Morgan Stanley believes to be reliable. However, we make no representation or guarantee that the information is accurate or complete. You should not rely upon this information to make any investment decision. Please refer to the official account statements and performance reports you received from your custodian and/or financial institution for information about projected income in your External Accounts. The projected income referenced does not include income from assets in Manually Added External Accounts.

Additional information about your Alternative Investments: Your interests in Alternative Investments, which may have been purchased through us, are generally not held here, and are generally not covered by SIPC. The information provided to you: 1) is included as a service to you, and certain transactions may not be reported; 2) is derived from you or another external source for which we are not responsible, and may have been modified to take into consideration capital calls or distributions to the extent applicable; 3) may not reflect actual shares, share prices, or values; 4) may include invested or distributed amounts in addition to a fair value estimate; and 5) should not be relied upon for tax reporting purposes. Notwithstanding the foregoing, 1) to the extent this report displays Alternative Investment positions within a Morgan Stanley Individual Retirement Account ("IRA"), such positions are held by Morgan Stanley Smith Barney LLC as the custodian of your Morgan Stanley IRA; and 2) if your Alternative Investment position(s) is held by us and is registered pursuant to the Securities Act of 1933, as amended, your Alternative Investment position(s) is covered by SIPC.

Alternatives may be either traditional alternative investment vehicles or non-traditional alternative strategy vehicles. Traditional alternative investment vehicles may include, but are not limited to, Hedge Funds, Fund of Funds (both registered and unregistered), Exchange Funds, Private Equity Funds, Private Credit Funds, Real Estate Funds, and Managed Futures Funds. Non-traditional alternative strategy vehicles may include, but are not limited to, Open or Closed End Mutual Funds, Exchange-Traded and Closed-End Funds, Unit Investment Trusts, exchange listed Real Estate Investment Trusts (REITs), and Master Limited Partnerships (MLPs). These non-traditional alternative strategy vehicles also seek alternative-like exposure but have significant differences from traditional alternative investment vehicles. Non-traditional alternative strategy vehicles may behave like, have characteristics of, or employ various investment strategies and techniques for both hedging and more speculative purposes such as short-selling, leverage, derivatives, and options, which can increase volatility and the risk of investment loss. Characteristics such as correlation to traditional markets, investment strategy, and market sector exposure can play a role in the classification of a traditional security being classified as alternative.

Traditional alternative investment vehicles are illiquid and usually are not valued daily. The estimated valuation provided will be as of the most recent date available and will be included in summaries of your assets. Such valuation may not be the most recent provided by the fund in which you are invested. No representation is made that the valuation is a market value or that the interest could be liquidated at this value. We are not required to take any action with respect to your investment unless valid instructions are received from you in a timely manner. Some positions reflected herein may not represent interests in the fund, but rather redemption proceeds withheld by the issuer pending final valuations which are not subject to the investment performance of the fund and may or may not

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accrue interest for the length of the withholding. Morgan Stanley does not engage in an independent valuation of your alternative investment assets. Morgan Stanley provides periodic information to you including the market value of an alternative investment vehicle based on information received from the management entity of the alternative investment vehicle or another service provider.

It is important to note in this report that Morgan Stanley makes a distinction between Alternative Investment products, and products classified as Alternatives by their asset class. Morgan Stanley categorizes traditional and non-traditional alternative investment vehicles under the category "Alternatives" in asset classification based view. For product based views, traditional alternative investments vehicles are classified under the category "Other"; this differs from your official Morgan Stanley account statement, which categorizes traditional alternative investment vehicles such as Hedge Funds under the category "Alternative Investments". Non-traditional alternative strategy vehicles are classified based on their investment type, such as Mutual Fund or Exchange-Traded Funds within both this report and your Morgan Stanley account statement.

Interests in alternative investment products are offered pursuant to the terms of the applicable offering memorandum, are distributed by Morgan Stanley Smith Barney LLC and certain of its affiliates, and (1) are not FDIC-insured, (2) are not deposits or other obligations of Morgan Stanley or any of its affiliates, (3) are not guaranteed by Morgan Stanley and its affiliates, and (4) involve investment risks, including possible loss of principal. Morgan Stanley Smith Barney LLC is a registered broker-dealer, not a bank.

Bank Deposit Program: Under the Bank Deposit Program, free credit balances held in an account(s) at Morgan Stanley Smith Barney LLC are automatically deposited into an interest-bearing deposit account(s), at FDIC-insured banks. For more information, view the Bank Deposit Program Disclosure Statement:

https://www.morganstanley.com/content/dam/msdotcom/en/wealth-disclosures/pdfs/BDP_disclosure.pdf.

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RISK ANALYSIS DISCLOSURES

Taxes, Fees, and Expenses: Except as otherwise noted in the Hypothetical Performance disclosure, this material does not include the effect of taxes, account fees, advisory program fees, performance fees, and commissions that could materially affect the illustrations provided and the decisions that you may make. The inclusion of these factors will reduce any hypothetical values referenced herein. Generally, investment advisory accounts are subject to an annual asset-based fee (the "Fee") which is payable monthly in advance (some account types may be billed differently). In general, the Fee covers Morgan Stanley investment advisory services, custody of securities with Morgan Stanley, trade execution with or through Morgan Stanley or its affiliates, as well as compensation to any Morgan Stanley Financial Advisor.

In addition, each account that is invested in a program that is eligible to purchase certain investment products, such as mutual funds, will also pay a Platform Fee (which is subject to a Platform Fee offset) as described in the applicable ADV brochure. Accounts invested in the Select UMA program may also pay a separate Sub-Manager fee, if applicable.

If your account is invested in mutual funds or exchange traded funds (collectively "funds"), you will pay the fees and expenses of any funds in which your account is invested. Fees and expenses are charged directly to the pool of assets the fund invests in and are reflected in each fund's share price. These fees and expenses are an additional cost to you and would not be included in the Fee amount in your account statements. The advisory program you choose is described in the applicable Morgan Stanley Smith Barney LLC ADV Brochure, available at www.morganstanley.com/ADV.

Morgan Stanley or Executing Sub-Managers, as applicable, in some of Morgan Stanley's Separately Managed Account("SMA") programs may affect transactions through broker-dealers other than Morgan Stanley or our affiliates. In such instance, you may be assessed additional costs by the other firm in addition to the Morgan Stanley and Sub-Manager fees. Those costs will be included in the net price of the security, not separately reported on trade confirmations or account statements. Certain Sub-Managers have historically directed most, if not all, of their trades to outside firms. Information provided by Sub-Managers concerning trade execution away from Morgan Stanley is summarized at: www.morganstanley.com/wealth/investmentsolutions/pdfs/adv/sotresponse.pdf. For more information on trading and costs, please refer to the ADV Brochure for your program(s), available at www.morganstanley.com/ADV, or contact your Financial Advisor / Private Wealth Advisor.

GENERAL DEFINITIONS

Alpha: Is a measure of a portfolio's time weighted net of fees return in excess of the market return, both adjusted for risk. A positive alpha indicates that the portfolio outperformed the market on a risk-adjusted basis, and a negative alpha indicates the portfolio did worse than the market.

Annualized Standard Deviation: A statistical calculation that measures the volatility of returns over time; the larger the standard deviation, the greater the volatility.

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Beta: Is a measure of the sensitivity of a portfolio's time weighted net of fees return against that of the market. A beta greater than 1.00 indicates volatility greater than the market.

CCY: Represents the currency of the underlying instrument. Currency is a medium of exchange for goods and services.

Dollar-Weighted Return (Internal Rate of Return): A return calculation that measures the actual performance of a portfolio over the reporting period. Since dollar weighted returns include the impact of client contributions and withdrawals, they should not be compared to market indices or used to evaluate the performance of a manager, but can be used to evaluate progress toward investment goals. The investment returns shown within this report are dollar-weighted measurements where indicated.

Graph Notes: Both the benchmark and portfolio returns are adjusted by the return of the go-day Treasury Bills to illustrate the excess return above the Risk Free Rate for each period.

Gross of Fees: Performance results depicted as "gross" of fees do not reflect the deduction of any wrap fee, investment management fee, trade commissions, and/or other account fees. Your actual returns are lower after deducting these expenses. Please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 Brochure for advisory accounts and/or any applicable brokerage account trade confirmation statements for a full disclosure of the applicable charges, fees and expenses. Your Financial Advisor will provide those documents to you upon request.

Investment Earnings: A combination of the income received and total portfolio value increase or decrease, excluding net contributions and withdrawals, over the reporting period.

Modern Portfolio Theory: Seeks to quantify the relationship between risk and return and operates under the assumption that an investor must be compensated for assuming risk.

Net Contributions/Withdrawals: The net value of cash and securities contributed to or withdrawn from the account(s) during the reporting period. Net contributions and withdrawals may include advisory fees for advisory accounts.

Net of Fees: Performance results depicted as "net" of fees shall mean that any wrap fee, investment management fees, trade commissions, and/or other account fees have been deducted. Any other fees or expenses associated with the account, such as third party custodian fees, may not have been deducted. Please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 Brochure for advisory accounts and/or any applicable brokerage account trade confirmation statements for a full disclosure of the applicable charges, fees and expenses. Your Financial Advisor will provide those documents to you upon request.

Performance ineligible assets: Performance returns are not calculated for certain assets because accurate valuations and transactions for these assets are not processed or maintained by Morgan Stanley Smith Barney LLC. Common examples of Performance Ineligible Assets include liabilities, life insurance and annuities as well as Manually Added and External accounts for which Morgan Stanley does not receive data necessary to calculate performance.

R²: Is a measure that indicates the extent to which fluctuations in a portfolio's time weighted net of fees return is correlated with the return of the general market. An R² of 0.80 implies that 80% of the fluctuation of a portfolio's return is explained by the fluctuation in the market.

Tax-Qualified Account(s): Accounts that qualify for favorable tax treatment under US federal tax law and may benefit from favorable tax treatment under applicable state tax law. Typically, these accounts benefit from tax deferred growth potential, meaning investment earnings (such as capital gains, dividends, and interest) are generally not subject to federal income tax while the earnings remain in the account. Capital gains rates generally do not apply. Distributions of taxable amounts are generally subject to ordinary income tax and, if made before age 59 1/2, may be subject to a 10% (25% for certain SIMPLE IRA distributions) penalty tax. Some tax-qualified accounts, such as traditional Individual Retirement Accounts ("IRA") and employer sponsored retirement plan accounts, may allow tax deductible and/or pre-tax contributions (subject to certain limitations and restrictions). Other tax-qualified accounts, such as Roth IRAs and Coverdell Education Savings Accounts, may allow income tax free distributions, but only if certain conditions are satisfied.

Taxable Account(s): Accounts that are not Tax-Qualified Account(s), meaning investment earnings (such as capital gains, dividends, and interest) are generally subject to current US federal income taxation when held by US taxable investors. Note, however, that this category may include specific assets that are generally not subject to US federal income tax such as municipal bonds.

Time-Weighted Return: A return calculation that measures the investment performance of a portfolio over the reporting period. Time weighted returns do not include the impact of client contributions and withdrawals and therefore, may not reflect the actual rate of return the client received. Time weighted returns isolate investment actions and can be compared to benchmarks and used to evaluate the performance of a manager.

Total Cost: The sum of all costs incurred by a firm in producing a certain level of output.

Total Value: "Total Value" represents the Market Value of the portfolio or Asset Class referenced and includes the accrual of interest and dividends. Total Value in the Asset Allocation view prior to January 2014 does not reflect the accrual of interest and dividends. Total Value for Morgan Stanley & Co. and External accounts also does not include accrued interest and dividends.

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BENCHMARK DEFINITIONS

TN TSBA Composite: The current allocation began as of 01/31/1976, and is comprised of 10.00% MSCI EAFE Net, 40.00% MSCI AC World Net, 40.00% Bloomberg US Aggregate, 5.00% MSCI EM Net, 5.00% MSCI AC World Net (Structured Inv). The historical constituents and allocations for this benchmark will be provided by your Financial Advisor to you upon request.

90-Day T-Bills: Equal dollar amounts of three-month Treasury bills are purchased at the beginning of each of three consecutive months. As each bill matures, all proceeds are rolled over or reinvested in a new three-month bill. The income used to calculate the monthly return is derived by subtracting the original amount invested from the maturity value. The yield curve average is the basis for calculating the return on the index. The index is rebalanced monthly by market capitalization. The 90-Day Treasury Bill is a short-term obligation issued by the United States government. T-bills are purchased at a discount to the full face value, and the investor receives the full value when they mature. The difference of discount is the interest earned. T-bills are issued in denominations of \$10,000 auction and \$1,000 increments thereafter.

MSCI AC World Net: The MSCI ACWI Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 46 country indexes comprising 23 developed and 23 emerging market country indexes. The developed market country indexes included are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States. The emerging market country indexes included are: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkiye, and United Arab Emirates (as of June 2014). Net total return indices reinvest dividends after the deduction of withholding taxes, using (for international indices) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

MSCI EAFE Net: The MSCI EAFE Index -Europe, Australasia, Far East - is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US and Canada. The MSCI EAFE Index consists of the following 21 developed market country indexes: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom (as of June 2014). Net total return indices reinvest dividends after the deduction of withholding taxes, using (for international indices) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

MSCI EM Net: The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. The MSCI Emerging Markets Index consists of the following 23 emerging market country indexes: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkiye, and United Arab Emirates (as of June 2014). Net total return indices reinvest dividends after the deduction of withholding taxes, using (for international indices) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

MSCI AC World Net (Structured Inv): The MSCI ACWI Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 46 country indexes comprising 23 developed and 23 emerging market country indexes. The developed market country indexes included are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States. The emerging market country indexes included are: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkiye, and United Arab Emirates (as of June 2014). Net total return indices reinvest dividends after the deduction of withholding taxes, using (for international indices) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

Bloomberg US Aggregate: The Bloomberg US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency).



Appointment of Following New Trustee

Term: 11/09/24 – 12/31/24

- Michelle McKissack, Memphis-Shelby County



Approval of Trustee Appointments

Term: 01/01/25 – 12/31/27

- Chris Denson, Millington
- David Cook, Bartlett
- Michelle McKissack, Memphis-Shelby County
- Tim Hobbs, Hickman County
- Wright Cox, Collierville



OPEB Trust Meeting
Gaylord Opryland Resort and Convention Center
Magnolia Boardroom B
November 9, 2024

AGENDA

7:15 a.m.	Call to Order	Wright Cox, Chairman
7:16 a.m.	Approval of Agenda	
7:17 a.m.	Approval of February 13, 2024 Minutes	
7:18 a.m.	Acceptance of 3-month Financial Statements – September 30, 2024	Dr. Tammy Grissom, Trust Administrator
7:19 a.m.	Report of Activities and Fiscal Condition of the Trust	Dr. Tammy Grissom
7:21 a.m.	Review OPEB Trust Bylaws	Emily Warren, TSBA
7:25 a.m.	Approval of June 30, 2024 Audit	Erica Saeger, Audit Principal Crosslin CPA
7:35 a.m.	Approval of Auditing Firm for 2025, 2026, and 2027	Dr. Tammy Grissom
7:40 a.m.	Investment Report	Chris Sigmund, Morgan Stanley
7:53 a.m.	Appointment of the Following New Trustee: <ul style="list-style-type: none">• Michelle McKissack, Memphis-Shelby County Term: 11/09/24 – 12/31/24	Wright Cox
7:55 a.m.	Approval of Trustee Appointments Term: 01/01/25 – 12/31/27 <ul style="list-style-type: none">• Chris Denson, Millington• David Cook, Bartlett• Michelle McKissack, Memphis-Shelby County• Tim Hobbs, Hickman County• Wright Cox, Collierville	Wright Cox
7:58 a.m.	Election of 2025 Trust Officers (Chairman and Vice-Chairman)	Wright Cox
8:03 a.m.	Public Comment	
8:13 a.m.	Other Business	
8:15 a.m.	Adjourn	

**Tennessee School Boards Association
OPEB Trust Meeting
Franklin Marriott, Cool Springs
Appaloosa Room
Tuesday, February 13, 2024**

The TSBA OPEB Trustees met on Tuesday, February 13, 2024. The following members were present: **Tim Hobbs**, Hickman County; **Dr. Dale Viox**, Arlington; **Chris Denson**, Millington; **David Cook**, Bartlett (via conference call); and **Dr. Tammy Grissom**, Trust Administrator. Absent were: **Wright Cox**, Collierville; and **Kevin Woods**, Memphis-Shelby County. The following were also in attendance: **Sandy Jones**, TSBA Staff; and **Lee Burklow**, Morgan Stanley.

Vice Chairman Tim Hobbs called the meeting to order at 7:00 a.m. and welcomed everyone before a roll call.

VIOX/DENSON: Motion to approve the agenda. MOTION CARRIED.

VIOX/DENSON: Motion to approve November 18, 2023 Minutes. MOTION CARRIED.

DENSON/HOBBS: Motion to accept the 6-month Financial Statements as presented (December 31, 2023). MOTION CARRIED.

Dr. Tammy Grissom, the Trust Administrator, reported on the activities and fiscal condition of the Trust. She noted that no new members had joined the OPEB Trust, and no members had recently withdrawn funds from the OPEB Trust. Dr. Grissom reported that Erica Saeger with Crosslin informed her that school systems are being required to report their OPEB liabilities in the future. Dr. Grissom anticipates more school systems showing interest in becoming trust members.

VIOX/DENSON: Motion to approve proposed policy changes to OPEB Trust Policies: 1020 – Board of Trustees’ Meeting Procedures; 3030 – Depository for Trust Funds; and 3070 – Trust Travel Regulations. MOTION CARRIED.

A review of the OPEB Trust’s investment policy 3060 took place. Dr. Grissom noted that the policy is reviewed annually in consultation with Morgan Stanley to ensure it aligns with the practices of the OPEB Trust. No changes were recommended.

Lee Burklow with Morgan Stanley presented the investment report and commented on the financial stability of the OPEB Trust and the performance of the Trust’s investments in the current economy. He stated that the Trust is performing within the fiduciary guidelines as set forth by the investment policy. He went into detail on the economy and the effects it would have on future investments.

There were no individuals present who wished to speak during the public comment portion of the meeting, and no further business was discussed.

VIOX/DENSON: Motion to adjourn the meeting. MOTION CARRIED.

Respectfully submitted,

Tim Hobbs, Vice Chairman

Dr. Tammy Grissom, OPEB Trust Administrator

TSBA OPEB Trust
Balance Sheet
As of September 30, 2024

	<u>Sep 30, 24</u>
ASSETS	
Current Assets	
Checking/Savings	
1000-00 · Suntrust Operating Account	5,654.94
Total Checking/Savings	<u>5,654.94</u>
Other Current Assets	
1300-00 · Investments	
1300-10 · Hickman County Investments	3,151,806.23
1300-20 · Johnson County Investments	1,614,904.21
1300-30 · Shelby County Investments	152,502,716.28
1300-50 · Jackson-Madison Investments	572,791.78
1300-60 · Arlington Investments	5,305,750.75
1300-70 · Bartlett Investments	8,466,821.67
1300-80 · Collierville Investments	3,389,300.22
1300-90 · Lakeland Investments	3,575,192.40
1300-95 · Millington Investments	434,952.54
Total 1300-00 · Investments	<u>179,014,236.08</u>
Total Other Current Assets	<u>179,014,236.08</u>
Total Current Assets	<u>179,019,891.02</u>
TOTAL ASSETS	<u><u>179,019,891.02</u></u>
LIABILITIES & EQUITY	
Equity	
3200-00 · Unrestricted Net Assets	170,572,227.88
3200-50 · Unrestricted Net Assets - Audit	109,327.00
Net Income	8,338,336.14
Total Equity	<u>179,019,891.02</u>
TOTAL LIABILITIES & EQUITY	<u><u>179,019,891.02</u></u>

TSBA OPEB Trust
Profit & Loss
 July through September 2024

	Jul - Sep 24
Income	
4300-00 · Contributions	
4300-20 · Contributions - Johnson County	25,000.00
Total 4300-00 · Contributions	25,000.00
4400-00 · Unrealized Gain/Loss	
4400-10 · Unrealized Gain/Loss - Hickman	130,011.58
4400-20 · Unrealized Gain/Loss - Johnson	66,837.99
4400-30 · Unrealized Gain/Loss - Shelby	6,289,038.68
4400-50 · Unrealized Gain/Loss - JMadison	23,612.38
4400-60 · Unrealized Gain/Loss - Arlingto	218,408.54
4400-70 · Unrealized Gain/Loss - Bartlett	349,543.48
4400-80 · Unrealized Gain/Loss - Collierv	140,141.80
4400-90 · Unrealized Gain/Loss - Lakeland	147,442.61
4400-91 · Unrealized Gain/Loss - Millingt	17,971.39
Total 4400-00 · Unrealized Gain/Loss	7,383,008.45
4500-00 · Interest, Dividends&Capital Gn	
4500-10 · Interest, Div., & CG - Hickman	19,588.52
4500-20 · Interest, Div., & CG - Johnson	10,014.53
4500-30 · Interest, Div., & CG - Shelby	945,330.95
4500-50 · Interest, Div., & CG - JMadison	3,578.54
4500-60 · Interest, Div., & CG - Arlingto	33,579.12
4500-70 · Interest, Div., & CG - Bartlett	53,115.94
4500-80 · Interest, Div., & CG - Collierv	21,639.00
4500-90 · Interest, Div., & CG - Lakeland	22,686.48
4500-91 · Interest, Div., & CG - Millingt	2,721.19
Total 4500-00 · Interest, Dividends&Capital Gn	1,112,254.27
4800-00 · Interest Income	0.15
Total Income	8,520,262.87
Expense	
6400-00 · Administrative Fee	
6400-10 · Administrative Fee - Hickman	1,878.93
6400-20 · Administrative Fee - Johnson	946.95
6400-30 · Administrative Fee - Shelby	40,051.97
6400-50 · Administrative Fee -J. Madison	341.46
6400-60 · Administrative Fee - Arlington	3,162.92
6400-70 · Administrative Fee - Bartlett	5,047.02
6400-80 · Administrative Fee - Colliervil	2,019.97
6400-90 · Administrative Fee - Lakeland	2,131.07
6400-91 · Administrative Fee - Millington	259.26
Total 6400-00 · Administrative Fee	55,839.55
6500-00 · Investment Advisor Fees	
6500-10 · Investment Advisor Fees - Hickm	2,202.23
6500-20 · Investment Advisor Fees - Johns	1,126.03
6500-30 · Investment Advisor Fees - Shelb	107,358.24
6500-50 · Investment Advisor Fees - JMadi	397.23
6500-60 · Investment Advisor Fees - Arlin	3,750.57
6500-70 · Investment Advisor Fees - Bartl	6,022.97
6500-80 · Investment Advisor Fees - Colli	2,404.85
6500-90 · Investment Advisor Fees - Lakel	2,523.34
6500-91 · Investment Advisor Fees - Milli	301.72
Total 6500-00 · Investment Advisor Fees	126,087.18
Total Expense	181,926.73
Net Income	8,338,336.14

Tennessee School Boards Association

OPEB Trust

Bylaws

ARTICLE I—TRUSTEES

Section 1. Appointment of Trustees. There shall be seven (7) Trustees. The Executive Director and President of the Tennessee School Boards Association will be voting ex-officio members of the Board of Trustees and shall remain as Trustees so long as they hold their respective positions. The remaining five (5) Trustees shall be from the governing boards of the participating members of the Trust and appointed by the TSBA OPEB Trustees. The term of these five (5) Trustees shall be three (3) years, and they may be reappointed.

Section 2. Officers of the Trust. The officers of the Trust shall be Chairman and Vice-Chairman. Officers shall be elected by the Trustees annually from the members of the Board of Trustees. The term of officers shall begin on January 1 of each year and terminate on the following December 31. An officer's term shall also cease upon their termination as a board member. Ex-officio members of the Board of Trustees are ineligible to hold the office of Chairman and Vice-Chairman.

Section 3. Appointment of Successor Trustees. Upon the death, resignation, or removal of a Trustee or upon the Trustee becoming ineligible to serve, the Board of Trustees shall appoint a new Trustee to serve the remainder of the term. Trustees and all officers of the Trust shall continue to serve until their successors are selected except for Trustees who are removed or resign. A Trustee appointed to fill a vacancy shall serve until the expiration of the term of his/her predecessor.

Section 4. Vacancy of Officers. Upon the death, resignation, or removal of the Chairman, the Vice-Chairman will automatically assume the office of Chairman, and a new Vice-Chairman shall be elected at the next meeting of the Trust. If the vacancy is for the office of Vice-Chairman, a new Vice-Chairman shall be elected at the next meeting of the Trust.

ARTICLE II—GENERAL TRUST PROVISIONS

Section 1. Amendments. These Bylaws may be amended by a vote of the majority of the Trustees present at any meeting of the Trust, provided that notice of such proposed amendment shall be given in writing ten (10) days in advance to all Trustees. The Administrator shall notify the participating members of any and all amendments adopted.

The Trustees will review these Bylaws annually to ensure its continued relevance and to make changes as new conditions dictate.

Section 2. Conflicts. In the event of any conflict between any provision of these Bylaws and any provision of any applicable law, these Bylaws shall be deemed modified to the extent necessary to comply with such law.

ARTICLE III—MEETINGS OF TRUSTEES

Section 1. Regular Meetings. The Board of Trustees shall meet biannually. Any item of business may be considered at a regular meeting. The time, date, and location of meetings of the Board shall be determined by the Board. No proxy votes shall be permitted.

Section 2. Special Meetings. A special meeting may be called at any time by the Chairman or by any four (4) of the Trustees. An emergency meeting may be called with less than ten (10) days written notice provided that all Trustees agree to such a meeting. An agenda specifying the subject of any special meeting shall accompany such notice, and only business included on that agenda may be transacted.

Section 3. Notice of Meetings. All meetings of the Board shall be conducted in a manner required by law. The Administrator shall publish any schedule or notice of meeting of the Board. Such publication requirement shall be deemed met by announcement on the TSBA website.

ARTICLE IV—NATURE AND USE OF FUNDS

Section 1. Member Fund Withdrawal. The Trust is specifically authorized to make payments of legitimate reimbursements to member systems requesting their other post-employment benefits (OPEB) obligations. No other withdrawals may be made by member systems.

Section 2. Investment of Funds. The Trust may invest such portions of the Trust reserve in any manner that is both prudent and permissible under state and federal law. The Trustees shall develop and adopt an investment policy.

Section 3. Investment Manager Selection. Investment managers shall be subject to all restrictions and investment guidelines within these Bylaws and the investment policy maintained by the Trustees.

Section 4. Fees. The Trust Administrator shall be paid a fee per the following schedule on total assets under management and an administrative fee for the biennial OPEB valuations.

Amount	Fee
0-25MM	0.25%
25MM-50MM	0.15%
50MM-75MM	0.10%
75MM +	0.05%

The Trustees are permitted to compensate the investment managers and/or consultants with such fees as may be reasonable and competitive and are not excessive and detrimental to the Trust's long-term viability. It shall be incumbent upon the investment managers and/or consultants to fully represent all costs and fees associated with the management of the Trust.

Section 5. Asset Manager Performance Review. The Trustees will monitor performance of the portfolio using the quarterly statements provided by the Trust's investment consultants. The investment consultants shall provide the Trustees with manager performance numbers and appropriate benchmark data with which to evaluate the managers' performance. While mindful of the specific goals of the Trust, the investment consultants shall provide data on a benchmark comprised of an appropriate mix of indices and such other benchmark data as may be requested or relevant.

A file of the written confirmations of every transaction and the quarterly statements documenting total assets, including gains and/or losses in each security since original purchase date, will be maintained by the Trust Administrator.

The Trustees will continually review the liquidity needs of the Trust and will notify the investment consultants as soon as possible of any significant changes in anticipated needs.

Section 6. Financial Institution. All funds received by the Trust shall be deposited in such financial institutions as the Trust may designate for that purpose.

Section 7. Withdrawals. All withdrawals of funds from such financial institutions shall be made only by electronic transfer or by check signed by the Treasurer of the Trust or his/her designee.

Section 8. Bonding. Any person, other than third parties retained to invest funds on behalf of the Trust, who is authorized to sign or who may be engaged in handling funds or securities held by the Trust shall be bonded at the expense of the Trust by a duly authorized surety company in such amount or amounts as may from time to time be required by the Trustees.

Adopted 4/16/09
Article VI, Section 5 revised 7/16/09
Article VI, Section 1 revised 11/15/10
Article I, Sections 1, 4, 5, 6, 7, 8, & 9 revised 09/28/12
Article II, Sections 1 & 2 revised 09/28/12
Article V, Section 1 revised 09/28/12
Article VI, Sections 2 & 6 revised 09/28/12
Article I, Sections 1, 2, 3, 5, 6 & 7 revised 11/05/12
Article II, Section 1 revised 11/05/12
Article III, Sections 1 & 2 revised 11/05/12
Article V, Sections 1 & 3 revised 11/05/12
Article VI, Sections 2 & 9 revised 11/05/12
Article I, Section 1 revised 11/10/13
Article IV, Section 4 revised 4/20/16
Article I, Section 1 added 02/20/17
Article I, Sections 2 & 3 revised 10/21/20
Article II, Section 1 revised 10/21/20
Article II, Section 2 added 10/21/20
Article III, Sections 1, 2, & 3 revised 10/21/20
Article IV, Sections 1, 2, 3, 5, 6, 7, & 8 revised 10/21/20



TSBA OPEB Trust

*Communication with
Board of Trustees*

September 17, 2024





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September 17, 2024

To the Board of Trustees
of the TSBA OPEB Trust

Dear Trustees:

We are pleased to present our Report to the Board of Trustees on the results of our audit of the financial statements of the TSBA OPEB Trust (the "Trust") for the year ended June 30, 2024.

A direct line of communication between our Firm and the Board of Trustees is essential to the proper exercise of our respective responsibilities. Our appointment involves the responsibility on our part to call to your attention any significant matters which we believe require your consideration, either at a regularly scheduled meeting or on a more timely basis, if warranted.

The accompanying report is intended solely for the use of the Board of Trustees and Trust management, and is not intended to be or should not be used by anyone other than these specified parties. It also presents information regarding our audit and certain other information which we believe will be of assistance to you. We appreciate this opportunity to discuss the contents of this report with you and any other matters you wish to address.

We would like to take this opportunity to express our appreciation for the assistance and courtesy extended to us by your employees. We appreciate working with you, and we look forward to a continued relationship with the TSBA OPEB Trust.

Very truly yours,

CROSSLIN, PLLC

A handwritten signature in black ink that reads "Erica D. Saeger". The signature is written in a cursive style.

Erica D. Saeger
Audit Principal



Report on Results of the June 30, 2024 Audit

We have audited the financial statements of the TSBA OPEB Trust (the “Trust”) as of and for the year ended June 30, 2024, and we have issued an unmodified opinion dated September 17, 2024.

The following discussion contains information related to our audit that is required by professional standards and certain other information which will be of assistance to you.

Our Responsibilities under U.S. Generally Accepted Auditing Standards and Government Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements, prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

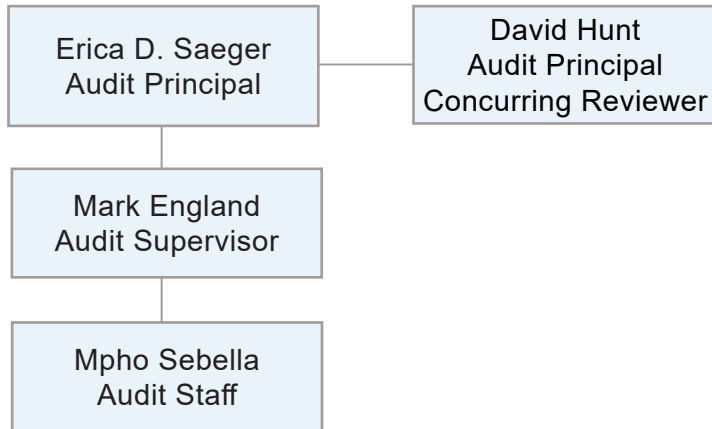
Our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute, assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

As part of our audit, we considered the internal control of the Trust. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement and in conformity with *Government Auditing Standards*, we performed tests of the Trust’s compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.



Customer Service Team



Areas of Audit Significance

During the audit, we focused on the following account balances and related transaction streams:

- Investments
- Investment income and expenses
- Employer contributions
- Financial reporting

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you.

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Trust is included in Note B to the financial statements. There have been no material changes in significant accounting policies or their application during fiscal year 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. We believe the Trust’s accounting policies are appropriate and comprehensive under accounting principles generally accepted in the United States of America.



Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were management's estimate of the fair value of investments. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There was one significant adjusting entry made during the course of the audit to record a prior year audit entry, not recorded by the Trust in order to properly roll forward net assets

Additionally, there were no unrecorded entries.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during the course of our audits.

Management Representations

We requested certain representations from management that are included in the management representation letter. This letter has been included for informational purposes as Appendix A.



Fraud and Illegal Acts

We did not identify any material fraudulent or illegal acts during the course of our audit, nor were any disclosed to us by management or the Board.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion.” If a consultation involves application of an accounting principle to the entity’s financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Our Selection as Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Trust’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Independence

We are not aware of any relationships between Crosslin, PLLC, and the Trust that, in our professional judgment, may reasonably be thought to bear on our independence that have occurred during the period from July 1, 2023, through the date of this letter.

We confirm that we are independent with respect to the Trust within the meaning of Rule 101 of the Code of Professional Conduct of the American Institute of Certified Public Accountants and under *Government Audit Standards*.



Changes in Auditing and Accounting Standards

The government and standard-setting bodies are issuing guidance at an unprecedented pace. Crosslin, PLLC is constantly receiving, reviewing, and searching for the latest authoritative literature, in part through its involvement with the AICPA's Government Audit Quality Center and the Government Finance Officers Association ("GFOA"), including GFOA's Special Review Committee. We routinely interface with our customers to ensure proper understanding and application of pronouncements, standards, interpretations, and addenda that arise. In addition, we expect to join the Trust personnel in relevant discussions to implement all new standards as they arise.

The following are upcoming accounting pronouncements which, to the extent applicable, pose consideration for the Trust. Management is currently in the process of determining the impact of these Statements to the Trust's financial statements.

- **GASB Statement No. 99, Omnibus 2022 Effective Date: The requirements of this Statement are effective as follows:**
 - The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
 - The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
 - The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

Earlier application is encouraged and is permitted by topic.

- **GASB Statement No. 100, Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62** Effective Date: For fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.
- **GASB Statement No. 101, Compensated Absences** Effective Date: The requirements of this Statement are effective for fiscal years beginning after December 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.



Changes in Auditing and Accounting Standards - Continued

- **GASB Statement No. 102, Certain Risk Disclosures** Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.
- **GASB Statement No. 103, Financial Reporting Model Improvements** Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged. If a primary government chooses early implementation of this Statement, all component units also should implement this Statement in the same year, subject to the provisions of paragraph 59 of Statement 14.



September 17, 2024

Crosslin, PLLC
The Astoria
3803 Bedford Avenue, Suite 201
Nashville, TN 37215

This representation letter is provided in connection with your audit of the financial statements of the TSBA OPEB Trust (the "Trust"), which comprise statement of net position as of June 30, 2024, and the respective statement of changes in net position for the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated September 1, 2021, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP.
- 3) We acknowledge our responsibility 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.

- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure, including those measured at fair value, are reasonable in accordance with U.S. GAAP.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) There are no events, except as made known to you, including instances of noncompliance, have occurred subsequent to the date of the statement of net position and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.
- 8) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted external counsel for any material litigation, claims, or assessments through the date of this letter.
- 9) Guarantees, whether written or oral, under which the Trust is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 10) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained outside of the general and subsidiary ledgers), documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the Trust from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the Board of Trustees or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 11) All material transactions have been recorded in the accounting records and are reflected in the financial statements.

- 12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13) We have no knowledge of any fraud or suspected fraud that affects the Trust and involves:
- Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the Trust's financial statements communicated by employees, former employees, regulators, or others.
- 15) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
- 16) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted external counsel for any material litigation, claims, or assessments through the date of this letter.
- 17) We have disclosed to you the names of the Trust's related parties and all the related party relationships and transactions, including any side agreements.

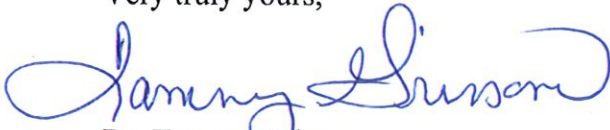
Government-specific

- 18) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 19) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- 20) There have been no investigations or legal proceedings that have been initiated with respect to the period under audit.
- 21) The Trust has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflow of resources, or net position.
- 22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.

- 23) We have appropriately disclosed all information for conduit debt obligations in accordance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 24) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- 25) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 26) As part of your audit, you assisted with the preparation of the financial statements and disclosures. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures.
- 27) The Trust has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 28) The Trust has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 29) The financial statements properly disclose all joint ventures and other related organizations, if any.
- 30) Components of net position (restricted for other postemployment benefits) are properly classified and, if applicable, approved.
- 31) Investments are properly valued.
- 32) Expenses have been appropriately classified in the statement of changes in net position.
- 33) Revenues are appropriately classified in the statement of changes in net position.
- 34) Interfund balances have been appropriately classified and reported.

- 35) Deposits and investment securities are properly classified as to risk and are properly disclosed.
- 36) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 37) We have obtained a copy of the relevant SSAE 18 SOC 1 report that covers the year under audit, related to significant processes and transactions that have been outsourced to those service organizations. In connection with the SSAE 18 SOC 1 report, we have read the report, evaluated the impact of the exceptions to relevant tests, identified the complementary controls listed under the user controls section of the report, and have determined that those user controls have been designed appropriately and have been implemented.

Very truly yours,



Dr. Tammy Grissom
Trust Administrator



Brittany Massey
Director of Finance & Member Services



TSBA OPEB TRUST
AUDITED FINANCIAL STATEMENTS
JUNE 30, 2024

TSBA OPEB TRUST

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TSBA OPEB TRUST

LETTER OF INTRODUCTION

The TSBA OPEB Trust (the “Trust”) is pleased to present its Annual Financial Report for the year ended June 30, 2024.

Responsibility and Controls

The Trust is responsible for the financial statements and related information included in this report. A system of internal accounting controls is maintained to provide reasonable assurance that assets are safeguarded and that the books and records reflect only authorized transactions. Limitations exist in any system of internal controls. However, based on recognition that the cost of the system should not exceed its benefits, management believes its system of internal accounting controls maintains an appropriate cost/benefit relationship.

Management believes that its policies and procedures provide guidance and reasonable assurance that the Trust’s operations are conducted according to management’s intentions and to a high standard of business ethics. In management’s opinion, the financial statements present fairly, in all material respects, the net position of the Trust as of June 30, 2024, and the changes in its net position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Audit Assurance

The unmodified opinion of our independent external auditors, Crosslin, PLLC, is included in this report.

TSBA OPEB TRUST
BOARD OF TRUSTEES

Dr. Dale Viox, Chairman

Dr. Tammy Grissom, Trust Administrator

Chris Denson

Candy Morgan

Kevin Woods

Wright Cox



Independent Auditor's Report

Board of Trustees
TSBA OPEB Trust
Nashville, Tennessee

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the TSBA OPEB Trust (the "Trust") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Trust'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 financial position of the Trust 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 Opinion

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Trust 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 opinion.

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 Trust's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 Trust'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 Trust'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 information on pages 6 through 8 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.

Other Information

Management is responsible for the other information, which comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does 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 September 17, 2024, on our consideration of the Trust'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 Trust'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 Trust's internal control over financial reporting and compliance.

Crosslin, PLLC

Nashville, Tennessee
September 17, 2024

TSBA OPEB TRUST
MANAGEMENT'S DISCUSSION AND ANALYSIS

Management offers the following discussion and analysis as a narrative introduction to the basic financial statements and an analytical overview of the Trust's financial activities for the fiscal year ended June 30, 2024. This narrative is intended as a supplement and should be read in conjunction with the financial statements.

Overview of the Financial Statements

The Trust's financial statements include the following components:

- Statement of Net Position
- Statement of Changes in Net Position
- Notes to Financial Statements

The *Statement of Net Position* presents the Trust's assets, liabilities, and the resulting net position, which are held in trust for the other postemployment benefits of contributing members. This statement reflects a year-end snapshot of the Trust's investments, at fair value, along with cash.

The *Statement of Changes in Net Position* presents information showing how the Trust's net position held in trust for other postemployment benefits changed during the period. This statement includes additions for contributions by employers and investment earnings and deductions for administrative expenses.

The *Notes to Financial Statements* are an integral part of the financial statements and provide additional information that is necessary in order to gain a comprehensive understanding of data reported in the financial statements.

Financial Highlights

- Net position is restricted for future benefit payments of participating members. Net position at June 30, 2024 totaled approximately \$170.7 million.
- Net position increased approximately \$23.9 million, which is mainly attributable to favorable financial market conditions compared to the prior year.

Condensed Financial Information

In order to ensure the participating employers' ability to properly fund the payment of other postemployment benefits to their employees in future years, it is advisable for employers to accumulate funds on a regular and systematic basis. The principal sources from which the Trust derives additions are employer contributions and earnings on investments.

TSBA OPEB TRUST
MANAGEMENT'S DISCUSSION AND ANALYSIS

Comparative summary financial statements of the Trust are presented as follows:

**NET POSITION
JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash	\$ 5,655	\$ 5,654
Investments, at fair value	<u>170,675,901</u>	<u>146,785,465</u>
Total assets	<u>170,681,556</u>	<u>146,791,119</u>
NET POSITION RESTRICTED FOR OPEB	<u>\$170,681,556</u>	<u>\$146,791,119</u>

**CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
ADDITIONS		
Employer contributions	\$ 6,729,798	\$ 7,587,011
Total additions	<u>6,729,798</u>	<u>7,587,011</u>
INVESTMENT RETURN, NET		
Investment return, net	<u>17,368,979</u>	<u>14,185,044</u>
Total investment return, net	<u>17,368,979</u>	<u>14,185,044</u>
DEDUCTIONS		
Administrative expenses	<u>(208,340)</u>	<u>(186,664)</u>
Total deductions	<u>(208,340)</u>	<u>(186,664)</u>
NET CHANGE	<u>23,890,437</u>	<u>21,585,391</u>
NET POSITION RESTRICTED FOR OPEB		
Beginning of year	<u>146,791,119</u>	<u>125,205,728</u>
End of year	<u>\$ 170,681,556</u>	<u>\$ 146,791,119</u>

TSBA OPEB TRUST
MANAGEMENT'S DISCUSSION AND ANALYSIS

Analysis of Financial Position and Results of Operations

The Trust's net position was approximately \$170.7 million at June 30, 2024. During fiscal year 2024, contributions were made to six of the nine active participant accounts.

Current Trust participants and the fiscal year in which they joined the Trust are as follows:

Hickman County Board of Education (Active)	2008 - 2009
Johnson County Board of Education (Active)	2008 - 2009
Shelby County Board of Education (Active)	2008 - 2009
Claiborne County Board of Education (Non-active)	2009 - 2010
Jackson/Madison County Board of Education (Active)	2012 - 2013
Arlington Community Schools Board of Education (Active)	2014 - 2015
Bartlett City Schools Board of Education (Active)	2014 - 2015
Collierville Schools Board of Education (Active)	2014 - 2015
Lakeland City Board of Education (Active)	2014 - 2015
Millington Municipal Schools Board of Education (Active)	2015 - 2016

Requests for Information

This financial report is designed to provide a general overview of the Trust's finances. If you have any questions concerning any of the information provided in this report or would like to request additional financial information, contact the Tennessee School Boards Association's Finance Department at 525 Brick Church Park Drive, Nashville, Tennessee 37207.

TSBA OPEB TRUST
STATEMENT OF NET POSITION
JUNE 30, 2024

	Arlington Community Schools Plan	Bartlett City Schools Plan	Collierville Schools Plan	Hickman County Schools Plan	Jackson- Madison Schools Plan	Johnson County Schools Plan	Lakeland Schools System Plan	Millington Municipal Schools Plan	Shelby County Schools Plan	TSBA OPEB Trust Account	Total
ASSETS											
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,655	\$ 5,655
Investments, at fair value	5,060,677	8,075,232	3,231,944	3,006,287	546,340	1,515,125	3,409,718	414,821	145,415,757	-	170,675,901
Total assets	<u>5,060,677</u>	<u>8,075,232</u>	<u>3,231,944</u>	<u>3,006,287</u>	<u>546,340</u>	<u>1,515,125</u>	<u>3,409,718</u>	<u>414,821</u>	<u>145,415,757</u>	<u>5,655</u>	<u>170,681,556</u>
NET POSITION RESTRICTED FOR OTHER POSTEMPLOYMENT BENEFITS	<u>\$ 5,060,677</u>	<u>\$ 8,075,232</u>	<u>\$ 3,231,944</u>	<u>\$ 3,006,287</u>	<u>\$ 546,340</u>	<u>\$ 1,515,125</u>	<u>\$ 3,409,718</u>	<u>\$ 414,821</u>	<u>\$ 145,415,757</u>	<u>\$ 5,655</u>	<u>\$ 170,681,556</u>

See accompanying notes to financial statements.

TSBA OPEB TRUST
STATEMENT OF CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2024

	Arlington Community Schools Plan	Bartlett City Schools Plan	Collierville Schools Plan	Hickman County Schools Plan	Jackson- Madison Schools Plan	Johnson County Schools Plan	Lakeland Schools System Plan	Millington Municipal Schools Plan	Shelby County Schools Plan	TSBA OPEB Trust Account	Total
ADDITIONS											
Employer contributions	\$ 300,000	\$ 500,000	\$ 400,000	\$ -	\$ -	\$ 25,000	\$ 150,000	\$ -	\$ 5,354,798	\$ -	\$ 6,729,798
Total additions	300,000	500,000	400,000	-	-	25,000	150,000	-	5,354,798	-	6,729,798
INVESTMENT RETURN, NET											
Net appreciation in fair value of investments	351,460	559,695	215,629	221,901	40,255	111,453	239,996	30,478	10,295,679	-	12,066,546
Interest and dividends	163,991	261,249	98,836	100,860	18,392	50,989	112,747	13,964	4,733,386	1	5,554,415
Less investment expenses	(7,470)	(11,867)	(4,487)	(4,571)	(834)	(2,307)	(5,149)	(633)	(214,664)	-	(251,982)
Total investment return, net	507,981	809,077	309,978	318,190	57,813	160,135	347,594	43,809	14,814,401	1	17,368,979
DEDUCTIONS											
Administrative expenses	11,243	17,601	6,554	6,988	1,270	3,505	7,663	965	152,551	-	208,340
Total deductions	11,243	17,601	6,554	6,988	1,270	3,505	7,663	965	152,551	-	208,340
NET INCREASE IN NET POSITION											
	796,738	1,291,476	703,424	311,202	56,543	181,630	489,931	42,844	20,016,648	1	23,890,437
NET POSITION RESTRICTED FOR OTHER POSTEMPLOYMENT BENEFITS:											
BEGINNING OF YEAR	4,263,939	6,783,756	2,528,520	2,695,085	489,797	1,333,495	2,919,787	371,977	125,399,109	5,654	146,791,119
END OF YEAR	\$ 5,060,677	\$ 8,075,232	\$ 3,231,944	\$ 3,006,287	\$ 546,340	\$ 1,515,125	\$ 3,409,718	\$ 414,821	\$ 145,415,757	\$ 5,655	\$ 170,681,556

See accompanying notes to financial statements.

TSBA OPEB TRUST
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

A. DESCRIPTION OF THE TRUST

The TSBA GASB 45 Trust was established on April 16, 2009 pursuant to the provisions of the Tennessee Interlocal Cooperation Act (Tenn. Code Ann. § 12-9-101, et seq.) and the policies and bylaws from time to time promulgated by the Board of Trustees (the “Board”). Effective February 15, 2016, the name of the Trust was changed to the TSBA OPEB Trust (the “Trust”). Membership in the Trust shall be open to all members of the Tennessee School Boards Association. Non-members and other governmental entities will be considered by the Trustees on a case by case basis. The purpose of the Trust is to establish a fund through the Trust, which will allow members to pre-fund the liability associated with other postemployment benefits other than pensions. The Trust is not a component unit of another governmental entity.

The Trust’s Board of Trustees has fiduciary responsibility for the investment of monies and administration of the Trust pursuant to the Trust Agreement. The Board of Trustees is currently composed of seven members. Five of the Trustees are appointed from the governing boards of the participating members of the Trust for three-year terms and they may be reappointed. Additionally, the Executive Director and President of the Tennessee School Boards Association (“TSBA”) are ex-officio members of the Board of Trustees. All seven Trustees are voting members.

For the year ended June 30, 2024, the Trust administered Plan assets for nine defined benefit postemployment plans - Arlington Community Schools Plan, Bartlett City Schools Plan, Collierville Schools Plan, Hickman County Schools Plan, Jackson- Madison Schools Plan, Johnson County Schools Plan, Lakeland Schools Systems Plan, Millington Municipal Schools Plan, and Shelby County Schools Plan, (collectively the “Plans”). Although the assets of the Plans are commingled for investment purposes, each of the Plan’s assets are held in an irrevocable trust and may be used only for the payment of benefits to the members of the respective Plan in accordance with the terms of the Plans. The TSBA OPEB Trust Account reflects the activity related to the administration of the Trust.

The Trust does not purport to present the financial status of each of the participating employer’s postemployment benefit plans, nor do these statements contain information on accumulated plan benefits and other disclosures necessary for a fair presentation of the individual plans in accordance with accounting principles generally accepted in the United States of America.

Measurement Focus and Basis of Accounting

The financial statements of the Trust are presented as a fiduciary fund type. The economic resources measurement focus, and the accrual basis of accounting are used in the preparation of the financial statements. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each employer’s Plan.

TSBA OPEB TRUST
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments

Investments are reported at fair value. Net investment return consists of realized and unrealized appreciation in the fair value of investments, interest and dividends earned, and investment expenses. In order to account for each participating member's activities, separate accounts are maintained by the Trust.

Fair Value of Financial Instruments

Assets and liabilities recorded at fair value in the statement of financial position are categorized based on the level of judgment associated with the inputs used to measure their fair value. Level inputs, are as follows:

Level 1 - Values are unadjusted quoted prices for identical assets in active markets accessible at the measurement date.

Level 2 - Inputs include quoted prices for similar assets in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.

Level 3 - Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

The Trust's financial instruments consist of cash and investments. Cash is recorded at fair value using Level 1 inputs. Investments are recorded at fair value using Level 1 and Level 3 inputs. See Note D.

Administrative Expenses

Each Plan is responsible for its administrative expenses.

Withdrawals

The Trust is specifically authorized to make payments of legitimate reimbursements to member systems requesting their other post-employment benefit ("OPEB") assets. No other withdrawals may be made by member systems.

Taxes

The Trust is exempt from taxation under Section 115 of the Internal Revenue Code. Accordingly, the accompanying financial statements do not include a provision for federal or state income taxes.

TSBA OPEB TRUST
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Use of 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 the reported amounts of assets and liabilities. Actual results could differ from those estimates.

C. INVESTMENTS

The Trust's investments, at June 30, 2024, consist of the following:

	<u>Fair Value/ Carrying Amount</u>	<u>Cost</u>
Cash and cash equivalents	\$ 1,586,366	\$ 1,586,366
Exchange-traded and closed-end funds	19,018,896	15,478,752
Mutual funds	139,092,557	130,609,722
Structured investments	<u>10,978,082</u>	<u>10,360,550</u>
Total	<u>\$170,675,901</u>	<u>\$158,035,390</u>

D. FAIR VALUE MEASUREMENTS

The Trust categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Trust has the following recurring fair value measurements as of June 30, 2024:

	<u>Measured at Fair Value</u>	<u>Fair Value Measurements at Reporting Date Using</u>		
		<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Investments:				
Cash and cash equivalents	\$ 1,586,366	\$ 1,586,366	\$ -	\$ -
Exchange-traded and closed-end funds	19,018,896	19,018,896	-	-
Mutual funds	139,092,557	139,092,557	-	-
Structured investments	<u>10,978,082</u>	<u>-</u>	<u>-</u>	<u>10,978,082</u>
	<u>\$170,675,901</u>	<u>\$159,697,819</u>	<u>\$ -</u>	<u>\$10,978,082</u>

TSBA OPEB TRUST
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

D. FAIR VALUE MEASUREMENTS - Continued

In determining fair value, the Trust uses various valuation approaches. The following is a description of the valuation methodologies used for instruments measured at fair value and their classification within the valuation hierarchy:

Cash and Cash Equivalents

Cash and cash equivalents are in active markets and classified within Level 1 of the valuation hierarchy.

Exchange-Traded and Closed-End Funds

Investments in exchange-traded and closed-end funds represent securities which are traded on national markets or exchanges. These investments are classified within Level 1 of the valuation hierarchy.

Mutual Funds

Investments in mutual funds represent fixed income mutual funds which are listed on national markets or exchanges. These investments are classified within Level 1 of the valuation hierarchy.

Structured Investments

Structured investments may be linked to a wide variety of underlying asset classes including equities, interest rates, commodities, and currencies. Each underlying asset will have its own unique set of risks and uncertainties. These structured investments are valued by the custodian using a proprietary pricing model and are classified within Level 3 of the valuation hierarchy.

E. RISKS AND UNCERTAINTIES

The Trust's investments include various types of investment funds, which in turn invest in any combination of stock, bonds and other investments exposed to various risks, such as interest rate, credit, and market risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Trust's financial statements.

TSBA OPEB TRUST
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

F. RELATED PARTY TRANSACTIONS

The Trust is administered by the Tennessee School Boards Association (“TSBA”). TSBA receives a quarterly administrative fee calculated individually for each participant on a sliding scale as a percentage of invested assets. The fee covers all administrative costs including personnel, office expense, legal, accounting, and promotion. The administrative fee during fiscal year 2024 totaled \$208,340.

G. SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 17, 2024, the date the financial statements were available for issuance, and has determined there were no subsequent events requiring disclosure.



INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
TSBA OPEB Trust
Nashville, 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 TSBA OPEB Trust (the “Trust”), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Trust’s basic financial statements, and have issued our report thereon dated September 17, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Trust’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 Trust’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Trust’s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 Trust'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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Crosslin, PLLC

Nashville, Tennessee
September 17, 2024

TSBA OPEB TRUST
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2024

The Trust had no prior audit findings.



Request for Proposal for Audit Services



**TSBA OPEB Trust
September 3, 2024**



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Appendix A - Engagement Letter



September 3, 2024

Ms. Brittany Massey
Director of Finance and Member Services
TSBA OPEB Trust
525 Brick Church Park Drive
Nashville, Tennessee 37207

Dear Ms. Massey:

Crosslin, PLLC (“Crosslin”) is pleased to respond to your Request for Proposal and to demonstrate our unique credentials to continue providing services to the TSBA OPEB Trust (the “Trust”) for the years ending June 30, 2025, 2026, and 2027. Crosslin has proudly served as the Trust’s independent auditors for the last several years; therefore, we are intimately familiar with the inner workings of the Trust’s financial operations. We are delighted that you have been one of our important customers and we will strive to continue providing outstanding customer service. We are excited for the opportunity to again showcase our credentials. We are confident you will decide we are **the best choice** for the Trust.

* * * * *

Crosslin remains the best qualified firm to serve the accounting and audit service needs of the Trust for the following reasons:

Experience, Expertise, Value, and Trust

Experience, expertise, value, and trust. That’s what you look for in your business partners and what we believe we have demonstrated over the past several years. In this proposal, we will show you how we meet these criteria and why Crosslin is the continuing answer to your unique requirements.

Any firm can list its qualifications, but a reputation for superior service must be earned and maintained. While we are understandably proud of our credentials, we place equal value on our reputation for dedication to our customers. On each and every engagement we undertake, we pledge to work with our customers to achieve their goals in a timely and efficient manner.

Trust in your accounting firm to perform as requested, to become vested in your processes and mission, and to always consider your needs with a sense of urgency is what we pledged to you throughout our engagements. Trust must be earned through a firm’s actions, not their promises. We believe the Trust’s accounting team members would say they trust Crosslin and that we kept our promises.



Team that Understands the TSBA OPEB Trust

Over the years of our engagement, Crosslin has developed an in-depth understanding of the unique business issues facing the Trust. We understand your transaction cycles, and the accounting and auditing issues that you face on a daily basis. Our audit approach focuses on the continuation of frequent contact with management and the Board throughout the year. Our extensive hands-on involvement of our Principals, Directors, Managers and Supervisors ensures that we will continue to have a full understanding of the operations, issues to be faced, and leadership's mission for the Trust.

Other Important Factors

Our service philosophy provides significantly higher levels of hands-on senior leadership time on your audit compared to other firms which are highly leveraged with junior staffers. Our Principals, Directors, Managers and Supervisors will be in the field working on your audit. Our Principal, Directors, Managers, and Supervisors time is approximately 35% of our total budgeted time. Therefore, you will always have senior leadership in the field throughout the engagement. We have a positive history with the Trust as well as with other organizations similar to the Trust. Please ask your finance team and our references.

We are committed to the delivery of superior customer service which includes proper planning and executing highly efficient audit services. We contribute well thought-out and constructive suggestions to improve your accounting processes for your consideration. Part of our firm's mission is to attract and retain team members of the highest character who have the ability to interface with your team. We know your expectations of us will be very high, and we will not disappoint.

* * * * *

If you have questions about any information in our proposal, please contact Katie Farris, Audit Director, or myself at 615-320-5500. We would consider it a privilege to continue to serve the Trust.

Very truly yours,

CROSSLIN, PLLC

Erica D. Saeger, MBA, CPA
Audit Principal



Why Should the TSBA OPEB Trust Re-Engage Crosslin?

1. Comfort Level and Commitment

With Crosslin, what you see is what you get! **The Trust will continue to be a paramount customer of our firm. Crosslin is large enough to have the resources to serve you well and small enough to care. We are committed to every aspect of your satisfaction.** Our senior leadership team shows up and works hard every day to try to make us a better firm, and the same commitment applies to you. **We are a firm devoted to our people, our customers, and our profession.**

Other accounting firms may offer services similar to ours, but we believe Crosslin stands alone when it comes to relationships. To each customer we serve, we pledge a superior level of customer service. This pledge, personnel, and substantial experience with government and not-for-profit audits, significantly distinguishes us from other firms.

Our engagement history and experience in auditing similar companies means you will have a trusted business partner, with knowledgeable team members, who you can count on to serve the needs of the Trust.

2. Reasonable Fee

The basis for quality audit work is not based on price alone, but upon highly experienced leadership which, when combined with extensive planning and risk assessment activities, and a hands-on approach, leads to effective and efficient audit service delivery as well as more favorable rates. More favorable rates, combined with the above-mentioned factors and our deep experience with governmental and not-for-profit entities, position Crosslin to provide highly cost-effective solutions for you. Other firms may submit lower prices, but you can count on Crosslin's relationship with the Trust to be one of mutual respect and one that provides outstanding experience, quick resolution of all technical issues, and customer service. Please ask your finance team.

3. Completion of the Audit Within the Required Timeframe

As the current auditors of the Trust, we have proven year after year we can and do meet all required timeframes for the Trust.



Why Should the TSBA OPEB Trust Re-Engage Crosslin? (continued)

4. Principal/Director and Manager/Supervisor Involvement

The Principals/Director and Managers/Supervisor assigned to your engagement will be involved with you throughout the year. Crosslin's philosophy is to provide you with business partners who are available year-round to assist you. In addition, the senior leadership level reviews are performed on-site during fieldwork so that any questions or issues can be addressed and resolved on a timely basis.

Our Principals/Director and Managers/Supervisor commit to spending significant hours (approximately 35%) on the engagement. This is not the traditional model for an accounting firm, but we find it to be more effective and successful than the traditional model. In addition to heavy Principal/Director and Manager/Supervisor involvement, the engagement senior auditor will be onsite or available every day to supervise the audit and our engagement team. Our audit approach will continue to focus on frequent contact with the Trust's management and the Board throughout the year.

5. Audit Firm Rotation - Not Necessarily the Best Policy

The audit of a customer the size of the Trust functions better and is more effective with institutional knowledge, and that knowledge takes time. A period longer than 5 years (assuming the firm is performing satisfactorily) is generally preferred by most customers.

According to an AICPA Briefing Paper on Audit Firm Rotation, mandatory audit firm rotation could result in the following undesirable consequences:

- *Increase in audit failures.* Studies by the Public Oversight Board, Commission on Auditor's Responsibilities, and the National Commission on Fraudulent Financial Reporting found that audit failures are three times more likely in the first two years of an audit. Thus, there is a positive correlation between auditor tenure and auditor competence.
- *Increased start-up costs.* Changing auditors results in more frequent start-up costs, both for the auditor and the customer they are serving. Start-up time is significant.
- *Increased difficulties in timely reporting.* Mandatory rotation makes timely reporting more difficult because audit firms need to meet a very extensive "learning curve" in a short time to perform a rigorous audit.
- *Loss of "institutional knowledge."* Over successive audits, audit firms increase institutional knowledge, including, for example, their knowledge of the customer's accounting and internal control systems. This benefit would be greatly diminished by mandatory rotation.



Our Experience with Not-for-Profit and Governmental Organizations

Crosslin performs attest engagements, tax services, single audit compliance projects, and information technology and network security services for numerous not-for-profit and governmental entities, which include charitable foundations, global ministries, major metropolitan governments, colleges and universities, and community-based organizations.

Not-for-profit and governmental entities are one of our specialties. You will not find a firm in Middle Tennessee with more not-for-profit experience than Crosslin.

Crosslin's expertise in the auditing of not-for-profits and governmental entities is unparalleled. Our customer list includes some of the most highly regarded organizations across Tennessee, the nation, and the world.

Experienced and knowledgeable business partners are of paramount importance to your ability to operate effectively. In addition, an understanding of your mission helps the engagement to be performed in an appropriate manner. Our exclusive experience provides us with understanding of the specific issues and risks faced by these particular entities.

Our firm devotes special resources to our not-for-profit customers and governmental entities in an effort to keep them up-to-date on recent happenings within their arena. In addition to our practical audit experience with not-for-profit and governmental entities, we have experience in assisting our customers in the implementation of new accounting and reporting requirements, trends, and practices.

We perform numerous single audit engagements annually covering hundreds of millions of dollars in federal relief and award expenditures. These awards are expended across the United States and in numerous foreign countries. We have the ability to audit organizations across the globe and have done so.

Because of the depth of experience that comes from specializing in a particular area, as Crosslin has done, a deeply rooted common body of knowledge develops in those areas. As a result of our knowledge in the trends and accounting practices in the governmental and not-for-profit area, we are able to answer virtually any technical questions you may have that arises. It is critical that your engagement team members be well versed in the pronouncements that are being continuously released.

The Principals at Crosslin have been heavily involved with not-for-profit and governmental engagements throughout their careers. Additionally, the members of our sizable audit team work with not-for-profit customers on a daily basis; at the senior accountant level alone (those who supervise audit staff daily), our team members have more than 310 years of combined foundation, not-for-profit and governmental experience among them. Further, each member of our audit team is well-versed in the areas of Single Audit.



Our Experience Not-for-Profit and Governmental Organizations (continued)

In serving the above customers, we have spent nearly 70,000 hours in governmental and not-for-profit engagements over the last 36 months.

Our Not-for-Profit and Governmental Organization Team’s Experience

<u>Name</u>	<u>Position</u>	<u>Years of Experience</u>
Dell Crosslin	Chairman	50+
David Hunt	Audit Principal	39
John Crosslin	Co-Managing Principal	26
Jennifer Manternach	Audit Principal	22
Erica Saeger	Audit Principal	19
Curtis Payne	Audit Principal	11
Katie Farris	Audit Director	8
Hunter Pons	Audit Senior Manger	7
JD Cage	Audit Supervisor	6
Jacob Smith	Audit Supervisor	15
Mark England	Audit Supervisor	4
Rodney Brower	Tax Principal	45
Scott Romans	Tax Principal	14
Greg Collins	Tax Director	16
Gretcher Jackson	Tax Manager	28
		<u>310 years</u>

This chart demonstrates the depth of our team, if ever a change in assignments became necessary or desired by the Trust.



Our Experience Not-for-Profit and Governmental Organizations (continued)

Our particular experience makes us a leader for service to not-for-profit, governmental, and educational entities. The following is a listing of our representative current and prior education, not-for-profit, and governmental customers:

Not-for-Profit and Governmental/Other

Tennessee School Boards Association and
TSBA OPEB Trust
Metropolitan Government of Nashville and
Davidson County
Nashville Public Television
The Next Door, Inc.
City of Knoxville, Tennessee
City of Knoxville Pension System
City of White House, Tennessee
City of Brentwood, Tennessee
City of Franklin, Tennessee
City of Clarksville, Tennessee
City of Spring Hill, Tennessee
Town of Thompson's Station, Tennessee
Metropolitan Nashville Airport Authority
Metropolitan Transit Authority
Regional Transportation Authority
Tennessee Insurance Guaranty Association
Conference Center at Cool Springs
TTDC/The Entrepreneur Center
Welcome Home Ministries
First Baptist Church Clarksville
United Methodist Women
North Carolina Conference of The United
Methodist Church
Beacon Company, LLC dba Heritage Point
Senior Living
Grace Adult Homes
Mur-Ci Homes, Inc.
Scarritt-Bennett Center
Church World Service
Cumberland Region Tomorrow
The PENCIL Foundation
St. Thomas Foundation
Tennessee Baptist Foundation

Schools and Education-Related Entities

Tennessee School Boards Association
Metro Nashville Public Schools
KIPP Academy Nashville
STEM Preparatory Academy
Purpose Preparatory Academy
Intrepid College Prep School
Smithson Craighead Academy
St. George's Kindergarten
Montgomery Bell Academy
The King's Academy (Harrison-Chilhowee)
Murfreesboro City Schools
Ensworth School
Rutherford County Schools Internal School Funds
Nashville Classical
LEAD Preparatory Academy
Memphis Rise Academy

Universities and Colleges

Martin Methodist College
Meharry Medical College
Bethel University
Freed-Hardeman University
Sewanee - The University of the South
Belmont University
Carson-Newman University
Fisk University
Union University
Lee University

Tennessee Baptist Convention

The Executive Board of The Tennessee
Baptist Convention and Subsidiaries
Tennessee Baptist Church Planting Loan Fund
Baptist Health Care Center
Tennessee Baptist Children's Homes, Inc.
Tennessee Baptist Adult Homes, Inc.



Our Experience Not-for-Profit and Governmental Organizations (continued)

Areas of expertise at Crosslin include the following:

- **Audits** provide assurance of an organization's financial performance and reporting and provide a basis for management to make informed decisions regarding operations.
- **CFO Services** provide for the additional needs and services for not-for-profit organizations, closely held and smaller growth-oriented companies. In addition to accounting (bookkeeping), tax and business advisory services, the CFO Services Department provides additional services such as frequent periodical financial performance reports and analysis and employee, and independent contractor compensation reporting.
- **Tax Services** include planning, preparation, and tax controversy support for individuals, corporate, partnership, fiduciary, not-for-profit, and trust entities. Our professionals take the initiative to anticipate impending problems, foresee potential opportunities, and develop effective solutions in time to realize their full benefits. We work with our clients to develop long-term tax strategies that will support their goals and place them in the most advantageous position for future growth.
- **Performance Audits** for distribution, publishing, manufacturing, education, religious, not-for-profit, foundation, and governmental entities are another service that Crosslin excels in because of our extensive knowledge and experience with these entities and their operations.
- **Internal Audit Reporting** assistance to management includes evaluating, modifying, and documenting internal controls for internal evaluations and for reporting requirements.
- **Forensics, Valuation and Litigation Support** is a suite of services executed by specifically certified professionals, with team credentials such as CPA, CFE, CFF, ABV, and CVA.
- **IT Governance** is a subset of organizational governance and focuses on the belief that the managers, directors and others in charge of the Trust must understand the role of IT in the organization. We are experts in helping management implement rules and regulations to control the IT infrastructure and develop practices to distribute responsibilities. We have not only reviewed IT governance, but we have also helped our customers create IT strategy committees, develop policies and procedures, define job roles, and perform IT risk assessments. In other words, we know how to adapt our procedures to the Trust's objectives.



Peer Review

Crosslin's most recent peer review was completed in January 2023. In our most recent peer review, Crosslin received the highest mark possible: a passing opinion with no comments. This peer review included our governmental/not-for-profit (Single Audit) engagements. Only a small percentage of accounting firms in the country receive this rating. Crosslin has received this same rating, spanning our entire 35 plus year history.

The American Institute of Certified Public Accountants invited all CPA firms to join and comply with certain stringent practice requirements in order to provide the public with the highest level of assurance that such firms conducted quality practices. Because our firm maintains the following standards, Crosslin is a member in good standing:

- Each member of our professional staff receives 40 hours of continuing professional education each year or 80 hours over their two year reporting period. We have BDO, AICPA, and internal training classes available to our team members.
- Each member of our auditing team biannually receives at least 16 hours of education directly related to not-for-profit/governmental auditing (including Single Audit training).
- The firm adheres to a strict system of quality control procedures by the Public Company Accounting Oversight Board ("PCAOB"), Employee Benefit Plan Audit Quality Center ("EBPAQC"), and the American Institute of Certified Public Accountants ("AICPA"). As noted, we are members of the Governmental Audit Quality Center ("GAQC").

Our procedure is to include a concurring Principal review of your issued financial statements and reports to assure quality and timely performance. We have a formal internal control system which includes customer acceptance procedures, second principal reviews, consultation procedures, mentoring, internal inspections, approved continuing education requirements, industry seminars, etc., to mention some of the elements of our internal control system.

Crosslin has worked hard to continually develop the firm and our team members. We do, however, look for ways to continually improve the way we do business, and therefore, better serve our customers.

The peer review letter of Crosslin follows.



Peer Review Report



JAYNES REITMEIER BOYD & THERRELL, P.C.
Certified Public Accountants
5400 Bosque Blvd., Ste. 600 | Waco, TX 76710
P.O. Box 7616 | Waco, TX 76714
Main 254.776.4190 | Fax 254.776.8489 | jrbt.com

Report on the Firm's System of Quality Control

February 23, 2023

To the Principals of Crosslin, PLLC
and the Peer Review Committee of the Tennessee Society of CPA's:

We have reviewed the system of quality control for the accounting and auditing practice of Crosslin, PLLC (the firm) in effect for the year ended August 31, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act; and audits of employee benefit plans.

An independent member of the BDO Alliance USA



Peer Review Report

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Crosslin, PLLC in effect for the year ended August 31, 2022, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Crosslin, PLLC has received a peer review rating of *pass*.

Jaynes, Reitmeier, Boyd + Therrell, P.C.



Peer Review (continued)

Independence

Maintaining independence in both fact and appearance and in accordance with the American Institute of Certified Public Accountants (“AICPA”) and other standards is a fundamental element of our quality control. Each new customer is subject to a determination of independence as part of our normal customer acceptance procedures. This statement serves as confirmation that Crosslin are independent accountants with respect to TSBA. We will maintain independence in the performance of all of our services. The firm, all principals and all personnel assigned to the engagement are independent under *Government Auditing Standards* No. 3, *Independence*, and Rule 101 of the AICPA Code of Professional Ethics, including Ethics Interpretation 101-10.

“The principals and staff at Crosslin are always professional and easy to work with during our annual audits. They are also sensitive to their clients’ needs... They have vast knowledge of accounting rules and pronouncements across several industries.”

*Edward Oliphant
Former Chief Financial Officer
Nashville Metropolitan Transit Authority*



Overview of the Firm

Crosslin is a firm of accountants, auditors and consultants located in Nashville, Tennessee. We have approximately 80 team members, 12 of whom are Principals in the firm, and we serve customers all over the United States as well as internationally.

Our firm was founded in 1987 by Chairman Dell Crosslin, David Hunt, and two other CPAs with the desire to provide organizations with an alternative to the national accounting firm options. Several of the founding team came from “Big Four” firms and believed that a regional firm with national firm resources could provide quality service to organizations with more reasonable fees, more personal attention, and with a greater sense of urgency to deliver services to our customers. As national firms directed their focus to SEC and larger customers, Crosslin set out to serve not-for-profits, governmental entities, utilities, real estate, construction, educational institutions, universities, and privately-owned companies, as well as to provide alternative services to the SEC market. Our firm has elected to register with the Governmental Audit Quality SIBF/GNF (“GAQC”), the Employee Benefit Plan Audit Quality Center (“EBPAQC”) of the American Institute of Certified Public Accounts (“AICPA”), and the Public Company Accounting and Oversight Board (“PCAOB”). We believe these memberships demonstrate our commitment to excellence in serving our customers.

Overall, our firm is ranked in the top 10 in Middle Tennessee. Crosslin has been named “Best in Business” and one of the “Best Places to Work” finalists in Middle Tennessee by the *Nashville Business Journal*. Crosslin recruits the best team members available without regard to race, religion, sex, or disabilities. Our team members are a diverse group of extremely talented individuals dedicated to outstanding service and the complete satisfaction of every customer we serve.

Crosslin is an active and contributing member of our community and the communities we serve, with team members involved in numerous not-for-profit organizations as board members, advisors, officers, and volunteers. We have been longtime supporters of not-for-profit organizations and initiatives, constantly encouraging our team members, customers, and colleagues to do their part and give back to help others.

Crosslin provides business assurance, tax, and advisory services to organizations in a myriad of industries, including not-for-profit, governments, religious organizations, foundations, education institutions, real estate, construction, venture capital entities, governmental entities, healthcare, major privately-owned businesses, professional services, manufacturing, and distribution. The BDO Alliance gives us access to hundreds of professionals, if needed. Our professionals possess the depth of experience and capabilities necessary to deliver outstanding service on each and every engagement, regardless of its scope or complexity. Through our hands-on approach and commitment to superior customer service, Crosslin and its subsidiaries can truly do more so your organization can be more.



Overview of the Firm (continued)

Community Support

One of the ways we measure the firm's success is by our community involvement. Crosslin is deeply rooted in the state in which we live and serve. Team members donate their time and talents to serve on various boards and advisory committees; monetary contributions are made to support programs and services; volunteer hours are given to promote charitable causes.

Additional Information

- Have audited the Antiques and Garden Show of Nashville benefiting **Cheekwood Botanical Gardens and the Economic Club of Nashville Charities** for over five years.
- Supports **Young Leaders Council** and has sponsored numerous team members as they complete training and serve on a not-for-profit board.
- Sponsors teams for such events like **Susan G. Komen More Than Pink Walk**, **Moosic City Dairy Dash**, **Soles4Souls** shoe drives, **Second Harvest Food Bank BITE Hunger**, and **United Way's Backpacks for Hunger**.





Overview of the Firm (continued)



Nashville Public Television



Soles4Souls



Saint Thomas Holy Family Health Center



Interfaith Dental Clinic



United Way



Safe Haven Family Shelter



Overview of the Firm (continued)

Outstanding customer service. Our reputation depends on it.

Do more. Be more.

Crosslin is committed to doing more, so our customers in turn can be more.
Crosslin is also committed to the community in which we live and serve.

Distinguished. Superior. Excellent. There are countless ways to describe the service that accounting and consulting professionals should provide, but at Crosslin, we have our own word for it: outstanding. It describes who we are, what we offer, and what we strive to be.

From its inception, Crosslin has had one fundamental objective at the core of its operations: to provide outstanding service to our customers. On a daily basis, our team members carry out this service commitment according to our core values:

CROSSLIN CORE VALUES

DO WHAT IT TAKES, CONNECT PERSONALLY – We structure our service approach around hands-on involvement by our principals, directors and managers, to build and maintain a long term relationship. We want to be more than your accountant, we want to be your partner.

TAKE OWNERSHIP AND MAKE IT BETTER – We are committed to ensuring the continuity of personnel assigned to each engagement. We strive to retain talented and knowledgeable professionals who are willing to make long-term commitments to the firm and to our customers.

INNOVATIVE AND SELF MOTIVATED, TAKE ON THE CHALLENGE – Your accounting advisor must do more for you than simply complete the engagement. We actively search for ways to enhance your operations and to offer new ideas to expand your business opportunities.

TRUST- I'VE GOT YOUR BACK – Open lines of communication and regular meetings are essential to understanding your needs and expectations. Our accessibility and our technical expertise create a powerful combination that enables us to keep our promise of quality, innovation, and diligence.

SHOWTIME - We don't believe in dress rehearsals. Every day is the performance.



Overview of the Firm (continued)

In keeping with our pledge to deliver outstanding customer service, we propose the following as guidelines for success:

OUR COMMITMENT TO YOU

We will respect the confidentiality of our working relationship.

We will act with integrity, honesty, and openness at all times.

We will assist you at the time of your call or will return your phone calls promptly.

We will meet agreed-upon deadlines.

We will alert you of any circumstances beyond our control that may interfere with the work in progress.

Our fees for any assignment will always be disclosed in advance.

YOUR COMMITMENT TO US

You will give us cooperation, responsiveness, and follow-through.

You will be accessible to us within the time frames upon which we have agreed.

You will give us all of the information we need to do our work in a timely manner.

You will be open, frank, and honest with us at all times.

You will let us know immediately of any concerns about our work together.

You agree to listen to any advice we offer. It is your decision whether the advice is implemented.



Overview of the Firm (continued)

Involvement of Principals/Directors

Crosslin was founded on the belief that exceptional service can and should be delivered on all levels. Our Principals/Directors enjoy having frequent interaction with their customers and we are committed to maintaining this philosophy.

Principal, Erica Saeger, and Director, Katie Farris, will be heavily involved with the Trust throughout the year and will visit the Trust's premises on a regular basis. Crosslin's philosophy is to provide you with a business partner who is available year-round to assist you. In addition, the reviews are performed on-site during fieldwork so that any questions or issues can be addressed and resolved on a timely basis. There will always be a senior level CPA on site to supervise and answer any questions that may arise.

Policy on Rotating Principals/Team Members

Crosslin has experienced great success in building knowledge and well-versed teams for the Trust. By providing the Trust with the same senior leadership year after year, our team is familiar with your business operations, personnel, and the inner workings of the engagement. By growing this familiarity year after year, we are able to better serve you.

We have Principals intimately involved with the engagement. By staffing in this manner, Crosslin will promote freshness on the account by suggesting a rotation of Principals' responsibilities or Team Member responsibilities on a cycle agreeable to, and at, the Trust's discretion. Therefore, all the Principals will remain on the engagement and retain history, but will periodically transfer assignments within the engagement team to guarantee a fresh look at responsibilities.

"Since arriving in the Clerk's Office, I've been extremely impressed with the expertise and professionalism exhibited by the Crosslin audit team. Their assistance and guidance has proven invaluable to our organization."

Brenda Wynn
Davidson County Clerk



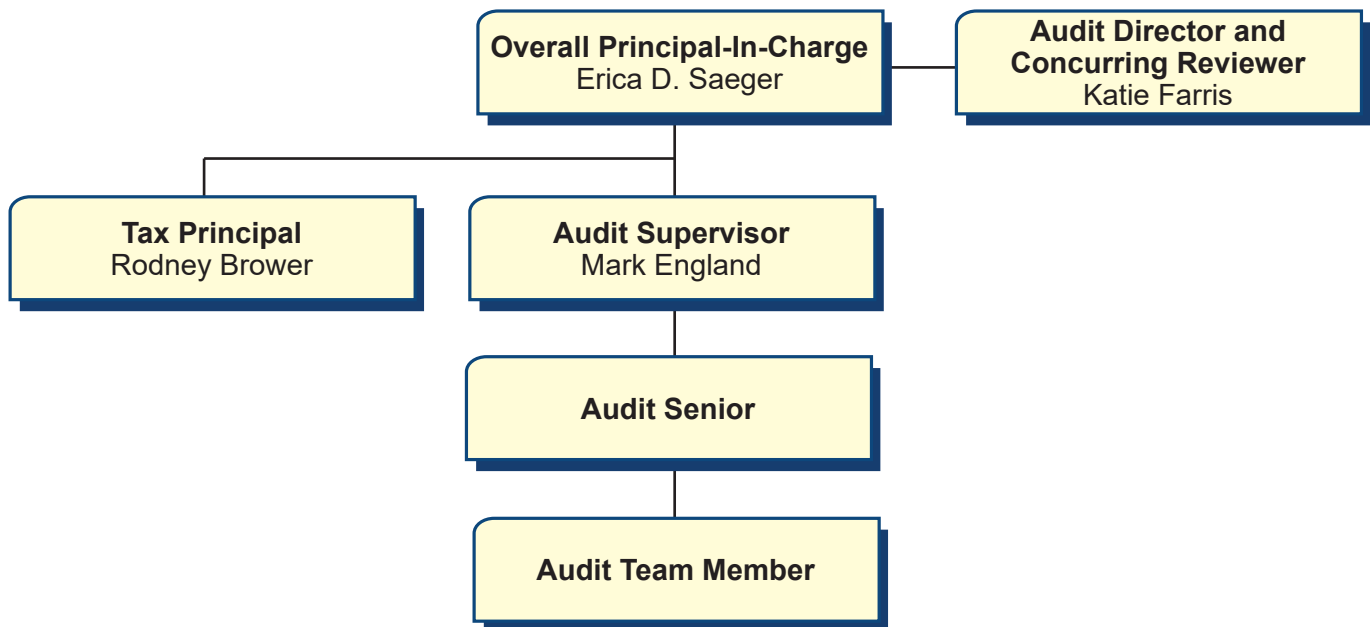
Proposed Engagement Team

Organization of the Assigned Audit Team

Our greatest strength is our people, and our firm was founded with the fundamental belief that we must deliver nothing less than outstanding customer service on each and every engagement. It is only through the dedication of our talented and knowledgeable team that we are able to maintain this service approach. We believe that there is simply no substitute for personal business relationships built on solid communication and timely interaction.

To that end, we have carefully selected the following team of professionals to serve TSBA. Each member of our customer service team has extensive experience with distribution companies.

Assigned Audit and Tax Team Organizational Structure





Qualifications of the Assigned Team

Erica D. Saeger, CPA, MBA Audit Principal

Erica has been with Crosslin for 18 years. During that time, she has participated in the audits of a variety of industries including governments, not-for-profit entities, higher education, religious organizations, distribution, manufacturing, real estate, government, higher education, public companies, and many other business entities.

Some of the customers served by Erica have included Tennessee School Board Association, TSBA OPEB Trust, Scarritt Bennett Center, United Women in Faith, Brooks-Howell Home, North Carolina Conference of the United Methodist Church, United Methodist Foundation of the United Methodist Church, Long Hollow Baptist Church, United Methodist Publishing House, National Guard Association of Tennessee, National Guard Association of Tennessee Foundation, the General Council on Finance and Administration of The United Methodist Church (20 agencies/entities) (prior), the Tennessee Baptist Convention (10 entities), The Roman Catholic Diocese of Nashville (prior), City of Clarksville (prior), City of Crossville, City of Greenbrier, City of Gatlinburg, City of Ridgeway, Town of Ashland City, City of Spring Hill, Metropolitan Transit Authority, Regional Transportation Authority, the Metropolitan Government of Nashville and Davidson County, and Nashville Public Television.

Erica is the chair of our firm's Fun Committee, which is responsible for various outings for team members and their families, as well as luncheons and other firm celebrations. She is also an avid supporter of the Susan G. Komen "More Than Pink Walk." Erica participated in the Nashville Young Leaders Council program in 2014. She served as Treasurer of the Susan G. Komen (Komen Central Tennessee Affiliate) for seven years until September 2021. She served as a board member and Treasurer of Nashville CABLE from 2021 to 2023. Erica currently serves as a board member for The Healing Trust and serves on the Finance and Investment Committee as well as Audit Committee. Erica is also a board member and Treasurer for Leadership Goodlettsville and serves as the Treasurer for Madison Creek Elementary School's PTO.



Education

Bachelor's Degree,
Middle Tennessee State
University

Master's Degree, Middle
Tennessee State University

Licenses & Certifications

Certified Public Accountant,
Tennessee

Professional Associations

Member, Tennessee Society of
Certified Public Accountants

Member, American Institute of
Certified Public Accountants

Other Activities

Nashville Cable, Member

The Healing Trust, Board
Member, Audit Committee Chair

Leadership Goodlettsville Board
Member and Treasurer



Qualifications of the Team (continued)

Katie Farris, CPA **Audit Director and Concurring Reviewer**

Katie joined Crosslin in September of 2015. She has served on the audits for a variety of organizations including not-for-profits, education, governments, and manufacturing and distribution.

In her time at the firm, Katie has served such customers as TSBA OPEB Trust, CCRC, Mur-Ci Homes, Inc., TN Family Solutions, Metropolitan Government of Nashville and Davidson County, Baptist Healthcare Center, Metropolitan Nashville Airport Authority, City of Franklin, Music City Center, City of Knoxville, Nashville Entrepreneur Center, United Methodist Women, Sweet Sleep, Welcome Home Ministries, Martin Methodist College, First Baptist Church of Clarksville, Freed-Hardeman University, Purpose Preparatory Academy, STEM Preparatory Academy, Tennessee Quick Cash, Harpeth Financial Services, Athens Paper Company, Coreslab Structures, and Cymetech Corporation.

Katie is a licensed CPA in Tennessee and is a member of the Tennessee Society of Certified Public Accounts and the American Institute of Certified Public Accountants. She graduated from Western Kentucky University with her B.S.



Education

Bachelor's Degree,
Western Kentucky University

Licenses & Certifications

Certified Public Accountant,
Tennessee

Professional Associations

Member, Tennessee Society of
Certified Public Accountants

Member, American Institute of
Certified Public Accountants



Qualifications of Assigned Team (continued)

Mark England, CPA Audit Supervisor

Mark joined Crosslin in July 2019. He has served on the audits for a variety of organizations including not-for-profits, education, governments, and manufacturing and distribution.

Customers served by Mark include TSBA OPEB Trust, Tennessee School Boards Association, Richland Place, Metropolitan Transit Authority, Regional Transportation Authority, MTA/DTO Pension Plan, the Metropolitan Government of Nashville and Davidson County, Welch College, The Town of Ashland City, Mur-Ci Homes, Tennessee Family Solutions, North Carolina Conference of UMC, Coreslab, Tennessee Quick Cash, Long Hollow Baptist Church, Fisk University, and Governor's Early Literacy Foundation.

Mark is a Certified Public Accountant, in Tennessee, and is a Member of the American Institute of Certified Public Accountants, and Tennessee Society of Certified Public Accounts.



Education

Bachelor's Degree, Austin Peay State University
Master's Degree, Middle Tennessee State University

Licenses & Certifications

CPA, Tennessee

Professional Associations

Member, American Institute of Certified Public Accountants

Member, Tennessee Society of Certified Public Accountants



Qualifications of Assigned Team (continued)

Rodney Brower, CPA Tax Principal

Rodney serves as a Principal in Crosslin's tax department. With more than 40 years of experience, he has significant expertise in providing tax compliance and consulting services to business and individual customers in a variety of industries, as well as extensive knowledge of investment and asset management development. Throughout his career, he has represented large not-for-profits, foundations, manufacturing and distribution companies, financial and banking institutions, real estate investors, employee benefit plans, and a variety of other organizations.

Rodney previously served as tax director and partner in charge of taxes for J. C. Bradford & Co., a Nashville-based securities brokerage and investment banking firm with approximately 85 retail offices throughout the United States, where he started the company's tax function and directed a staff of 10 tax professionals.

While serving as a tax partner for the Nashville office of a Big Four, Rodney was member of the National Bank Tax committee, and represented such customers as Third National Corporation (SunTrust), J.C. Bradford & Co., Thomas Nelson Publishers, Nashville City Bank & Trust (US Bank), Jacques Miller and Freeman Companies. While previously working at a Big Four, his federal and state planning and compliances customers included Hospital Corporation of America (HCA), Shoney's Inc., and Volunteer Capital Corporation (Wendy's).

While at Crosslin, Rodney has provided services to various national and international customers including Southwestern/Great American, Autrans Corporation, Athens Paper Company, Choice Food Group, Cymetech Corporation, Coreslab Holding, Inc., Fisk University, Meharry Medical College, Martin Methodist College, Tom James Company, Harpeth Financial Services, LLC, and Inova Payroll, Inc. Services provided to some of these customers include transfer pricing, R&D credits, foreign bank account reporting, and the reporting of transactions with related foreign entities.



Education

Bachelor's Degree, Mississippi State University

Licenses & Certifications

CPA, Tennessee

Professional Associations

Member, American Institute of Certified Public Accountants

Member, Tennessee Society of Certified Public Accountants



Engagement Fees

At Crosslin, we share with our customers a desire for professional fees to be commensurate with the value delivered. Through our people, commitment and drive, we strive to ensure that this equation is always balanced. We seek not to be the lowest-cost provider in the markets we serve, but rather to provide services that offer compelling value to our customers. We believe that the fees proposed are competitive for comparable services, but we do not want fees to be the sole reason on which you base your decision. Should this proposal yield materially different fee results, and you wish to engage our firm, we would appreciate the opportunity to discuss the differences with you to ensure that our proposal has considered all of the relevant facts.

Other firms may propose lower fees, but our experience, together with our reasonable fees, make for an effective choice.

The proposed fixed fees for the TSBA OPEB Trust would be as follows:

Year Ended	Audit Fee
June 30, 2025	\$7,000
June 30, 2026	\$7,500
June 30, 2027	\$8,000

All administrative charges, technology, and out-of-pocket expenses are included in this quotation.

The above mentioned fees are FIXED unless the Trust’s activities result in changes which increase the scope of our audit. In those circumstances, we would review the complexities and scope of the change, (e.g., formation of entities, significant major program changes, significant new GASB requirements or pronouncements, etc.) and obtain your approval, in advance, of the fee increase. The increase would correspond to the fees quoted above (e.g., number of programs, size of programs, reporting requirements, etc.) At this time, we do not expect any changes from the above fixed fees.

These quotations are based on the following assumptions:

- Your accounting team will prepare schedules, documents, and analyses and provide us with supporting documents as requested, as well as be available to assist us. We do not expect this involvement to be greater than it currently is.
- You will not make significant changes in your internal accounting controls, accounting systems, key personnel, or organizational structure.

Upon the conclusion of our work and in accordance with your expected timetable, we will meet with management and the Board to present the results of our audit, our management letter, if applicable, and any other items which they wish to discuss. There will be no additional fees for meetings with your Board.



Engagement Fees (continued)

Unanticipated Services

If an unanticipated need arises, Crosslin hereby agrees to perform this additional work at an agreed-upon price before the service is provided. We agree to strive to obtain a blended rate of \$140 to \$150 per hour for these projects. This service will be billed separately to the Trust as part of a change order or as separate services, and will be payable upon agreed-upon terms approved in advance by you. Our current standard billing rates for classes of professional personnel and our rates to the Trust are as follows:

Standard Billing Rates		<i>The Trust's</i> RATES
	Current	
Principal	\$350	\$290
Director	\$250	\$225
Senior Manager	\$235	\$200
Manager	\$215	\$155
Supervisor	\$180	\$145
Senior	\$150	\$135
Senior Team Member	\$130	\$125
Team Member	\$115	\$75

These rates will result in a blended rate of approximately \$140-150 per hour.

Estimated Number of Hours

Based on Crosslin's current and past engagements with the Trust, we typically spend between 65 and 85 hours per year on the audit, which includes attending Board meetings. It varies from year to year depending on the number of new member systems that become funding members of the Trust each year. If there are no new member systems for the year ended June 30, 2025, we estimate the total number of hours to be approximately 65 hours.

Service Guarantee

We are fully committed to our pledge of outstanding customer service. Our work for the Trust is guaranteed to your satisfaction. If you are anything less than satisfied with the services performed by your engagement team, we will try to do whatever is necessary to make you satisfied. We value your business, and we look forward to continuing working with you to achieve your financial objectives.



Customer References

One of the best ways to evaluate the quality and responsiveness of our service is to speak with our customers. Following are a few customers whom we encourage you to contact.

Ms. Jennifer Pedginski

Chief Accountant
Metropolitan Government of Nashville
and Davidson County
700 2nd Avenue South, Suite 310
Nashville, Tennessee 37210
615.880.1702
Jennifer.Pedginski@nashville.com

Ms. Janet Chambers

Director of Business Operations
Long Hollow Baptist Church
3031 Long Hollow Pike
Hendersonville, Tennessee 37075
615.824.4006 Ext. 804
janet.chambers@longhollow.com

Ms. Laurie Matta

Chief Financial Officer
City of Clarksville, Tennessee
One Public Square, Suite 300
Clarksville, Tennessee 37040
931.648.6106
laurie.matta@cityofclarksville.com

Mr. Leslie Nedderman

Director of Financial Systems
United Women in Faith
475 Riverside Drive, 15th Floor
New York, New York 10115
212.870.3600
nedderman@unitedmethodistwomen.org

Ms. Rhonda Clinard

Associate Vice-Chancellor of Finance
The University of Tennessee Southern
433 West Madison Street
Pulaski, Tennessee 38478
931.363.9818
rclinar2@utsouthern.edu

Ms. Shelly McElhaney

Controller
Metropolitan Transit Authority (WeGo Public
Transit)
430 Myatt Drive
Nashville, Tennessee 37115
615.862.6144
shelly.mcelhaney@nashville.gov



Customer References (continued)

- *“Crosslin has been the audit firm for Martin Methodist College for several years. They are a great team and have always provided excellent service to us not only during the audit process but also throughout the year! They provide timely responses to any questions that arise! We are very pleased with their staff and services and would recommend them to anyone!”*
- **Rhonda Clinard, Associate Vice-Chancellor of Finance**
- *“Crosslin has made it their mission to know our organization and our industry. They help us keep up with the ever changing government and industry compliance demands. As a small independent nonprofit, having Crosslin as a partner and a resource is invaluable. They definitely go above and beyond: you have probably seen them answering phones during our pledge drives!”*
- **Kathy McElroy, VP & CFO, Nashville Public Television**
- *“On behalf of The United Methodist Publishing House, we would like to take the opportunity to thank Crosslin for your services to our company. We appreciate the professionalism, accuracy, and timely completion of our audits and audited financial statements. Having Crosslin perform our audits is a positive verity for The United Methodist Publishing House, ensuring our Board of Directors and management have complete confidence in our financial reporting. We acknowledge and appreciate your services, and look forward to such excellence in the future.”*
- **Jason Pate, Controller, United Methodist Publishing House**
- *“We’ve enjoyed working with our Crosslin audit team. We’ve had very positive experiences including prompt and effective communication along with tenure/low turnover which is invaluable. We’d recommend Crosslin for your audit needs!”*
- **Ivanna L. Cole, CPA, CGMA, Chief Financial Officer, United Methodist Foundation, Inc.**
- *“The principals and staff at Crosslin are always professional and easy to work with during our annual audits. They are also sensitive to their clients’ needs... They have vast knowledge of accounting rules and pronouncements across several industries.”*
- **Edward Oliphant, Chief Financial Officer, Nashville Metropolitan Transit Authority**
- *“Since 2004, the Crosslin and Associates team has performed our annual financial audits. I commend them for their excellent service and professionalism. Team members have a broad knowledge of accounting principles and operations for academic institutions. We find them extremely helpful and are very pleased with the quality of their work.”*
- **LaMel Bandy-Neal, Senior V.P. of Finance/CFO, Meharry Medical College**
- *“Since arriving in the Clerk’s Office, I’ve been extremely impressed with the expertise and professionalism exhibited by the Crosslin audit team. Their assistance and guidance has proven invaluable to our organization.”*
- **Brenda Wynn, Davidson County Clerk**



Customer References (continued)

- *“I have worked with Crosslin since 2013, which was the first year of their audit engagement with the City. Quite typically, the first year is the most difficult with any auditing firm. However, that was not the case with the Crosslin team. They were all extremely knowledgeable of government functions and processes. They needed very little assistance from my team. The lead auditors on our team were extremely responsive and timely and it was a true partnership with the municipality. We are the 5th largest City in the State of Tennessee and we are more complex than small municipalities. We create our Annual Comprehensive Financial Report in house and Crosslin was the first external auditing firm the City has had that has met the December 31st filing deadline. I highly recommend Crosslin for any external auditing engagement!”*
- **Laurie Matta, MBA, CMFFO, Chief Financial Officer, City Of Clarksville**
- *“It is our pleasure to work with Crosslin Certified Public Accountants. They offer great support and have an extremely strong sense of dedication. They have provided timely and high quality audit services for the City of Ridgetop.”*
- **Kelly Rider, City Recorder, City of Ridgetop**
- *“Utilizing Crosslin and Associates for the past five years has truly been a great experience. Their staff are knowledgeable, professional, and most importantly easy to work with. During fieldwork, their staff worked diligently to gain an understanding of our operations and were observant of our work schedule while still completing their scheduled tasks on time.*
- **Anthony J. Neumaier, Budget Director, Finance, Metro Nashville and Davidson County, Tn**
- *“Crosslin have performed our annual financial audits now for the past 5 years. Each year their staff has made the audit process more proficient while providing invaluable feedback and professional advice throughout the audit process. Their staff is very knowledgeable, flexible to our work schedules, and consistently provide outstanding customer service. I highly recommend Crosslin for any organization wishing to bring their audit experience to a heightened new service level.”*
- **Robert M. Lonis, Former Chief Financial Officer, Nashville General Hospital**
- *“Crosslin have always done an excellent job performing the annual audit of Metropolitan Nashville Public Schools. MNPS currently has an operating budget of \$790 million and federal/state grants of \$80 million. Their staff is very professional and knowledgeable about accounting requirements of our business. They have been a valuable resource and very responsive to our needs. I am pleased with their service.”*
- **Glenda M. Gregory, Director of Budgeting and Financial Reporting, Metropolitan Nashville Public Schools**



Certificate of Liability Insurance



CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY) 05/28/2024

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER: Lockton Affinity, LLC; CONTACT NAME: Lockton Affinity, LLC; PHONE: 800-301-8814; FAX: 913-652-7599; INSURER(S) AFFORDING COVERAGE: INSURER A: Sentinel Insurance Company, Ltd. (11000); INSURER B: Hartford Insurance Company of Illinois (38288); INSURER C: Twin City Fire Insurance Company (29459); INSURED: Crosslin, PLLC; 3803 Bedford Ave, Suite 201, Nashville TN 37215

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

Table with columns: INSR LTR, TYPE OF INSURANCE, ADDL SUBR INSD, WVD, POLICY NUMBER, POLICY EFF (MM/DD/YYYY), POLICY EXP (MM/DD/YYYY), LIMITS. Rows include Commercial General Liability, Automobile Liability, Umbrella Liability, Workers Compensation and Employers Liability, and Crime Liability.

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER: LFUCH, 200 E Main St, Lexington, KY 40507; CANCELLATION: SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE: [Signature]

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Indemnification

Crosslin agrees to indemnify the Trust from any liability resulting from our audits of the Trust's financial statements.

Engagement Letter

If the Trust would like to engage Crosslin for the fiscal years ended June 30, 2025, 2026, and 2027, we have included the engagement letter as Appendix A. Please print a copy, sign it, and return it to us. We appreciate your business and we look forward to a continued relationship with the Trust.



August 21, 2024

The Board of Trustees and
Ms. Tammy Grissom
TSBA OPEB Trust
525 Brick Church Park Drive
Nashville, Tennessee 37207

Dear Trustees and Ms. Grissom:

We are pleased to confirm our understanding of the services we are to provide the Tennessee School Boards Association OPEB Trust (the "Trust") for the years ended June 30, 2025, 2026, and 2027.

Audit Scope and Objectives

We will audit the financial statements, including the related notes to the financial statements, which collectively comprise the basic financial statements of the Trust as of and for the years ended June 30, 2025, 2026, and 2027. Accounting standards generally accepted in the United States of America ("GAAP") provide for certain required supplementary information ("RSI"), such as management's discussion and analysis ("MD&A"), to supplement the Trust's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Trust's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding 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 will 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. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

1) Management's Discussion and Analysis

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information.



2) Introductory Section

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. 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 will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.



We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of the financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. 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, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Trust's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.



Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America with the oversight of those charged with governance.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us; for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for the 12 months after the financial statements date or shortly thereafter (for example, within an additional three months if currently known). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

Other Services

We are always available to meet with you and/or other executives at various times throughout the year to discuss current business, operational, accounting, and auditing matters affecting the Trust. Whenever you feel such meetings are desirable, please let us know. We are also prepared to provide services to assist you in any of these areas.

We will also assist in preparing the financial statements and related notes of the Trust for the years ending June 30, 2025, 2026, and 2027 in conformity with U.S. generally accepted accounting principles based on information provided by you.



We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

E-mail Communication

In connection with these engagements, we may communicate with you or others via e-mail. As e-mails can be intercepted, disclosed, used, and/or otherwise communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed, we cannot ensure that e-mails from us will be properly delivered and read only by the addressee. Therefore, we disclaim and waive any liability for interception or unintentional disclosure of e-mail transmissions, or for the unauthorized use or failed delivered of e-mails transmitted by us in connection with the performance of these engagements.

Ownership of Working Papers

The working papers prepared in conjunction with our audits are the property of our Firm, constitute confidential information, and will be retained by us in accordance with our Firm's policies and procedures.

Reproduction of Audit Report

Under professional audit standards, if the Trust plans any reproduction or publication of our report, or any portion of it, copies of masters' or printers' proofs of the entire document, or if there is no proof, a copy of the entire document in its final form, should be submitted to us in sufficient time for our review and written approval before printing.

Posting of Audit Report and Financial Statements on Your Web Site

You agree that, if you plan to post an electronic version of the financial statements and audit report on your website, you will ensure that there are no differences in content between the electronic version of the financial statements and audit report on your website and the signed version of the financial statements and audit report provided to management by Crosslin, PLLC ("Crosslin"). You confirm that there will be no differences between the electronic and signed versions.



Management Representations and Indemnification

As required by auditing standards generally accepted in the United State of America, we will request certain written representations from management at the close of our audits to confirm oral representations given to us and to indicate and document the continuing appropriateness of such representations and reduce the possibility of misunderstanding concerning matters that are the subject of the representations. Because of the importance of management's representations to an effective audit, the Trust agrees that there will be no knowing misrepresentations by management in connection with any services rendered under this Agreement.

Availability of Records and Personnel

You agree that all records, documentation, and information we request in connection with our audits will be made available to us (including those pertaining to related parties), that all material information will be disclosed to us, and that we will have full cooperation of, and unrestricted access to, your personnel during the course of the engagement. You also agree to use our document management system, Suralink, to provide requested documents.

You also agree to ensure that any third party valuation reports that you provide to us to support amounts or disclosures in the financial statements a) indicate the purpose for which they were intended, which is consistent with your actual use of such reports; and b) do not contain any restrictive language that would preclude us from using such reports as audit evidence.

Assistance by Your Personnel and Internet Access

We also ask that your personnel prepare various schedules and analyses for our staff. However, except as otherwise noted by us, no personal information other than names related to the Trust employees and/or customers should be provided to us. In addition, we ask that you provide high-speed internet access to our engagement team, if practicable, while working on the Trust's premises. This assistance will service to facilitate the progress of our work and minimize costs to you.

Independence

Professional and certain regulatory standards require us to be independent, in both fact and appearance, with respect to the Trust in the performance of our services. Any discussions that you have with personnel of our Firm regarding employment could pose a threat to our independence. Therefore, we request that you inform us immediately prior to any such discussions so that we can implement appropriate safeguards to maintain our independence.

In order for us to remain independent, professional and regulatory standards require us to maintain certain respective roles and relationships with you with respect to the non-attest services described in other services above. Prior to performing such services in conjunction with our audits, management must acknowledge its acceptance of certain responsibilities.



We will not perform management functions or make management decision on behalf of the Trust. However, we will provide advice and recommendations to assist management of the Trust in performing its functions and fulfilling its responsibilities.

The Trust agrees to perform the following functions in connection with our performance of the non-attest services:

- a. Make all management decision and perform all management functions with respect to the non-attest services provided by us.
- b. Assign personnel with suitable skill, knowledge, and/or experience to oversee the non-attest services and evaluate the adequacy and results of the services.
- c. Accept responsibility for the results of non-attest services.
- d. Establish and maintain internal controls over the non-attest services.

The services are limited to those outlined above. We, in our professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as making management decisions or performing management functions. The Trust must make all decisions with regard to our recommendations. By signing this Agreement, you acknowledge your acceptance of these responsibilities.

Dispute Resolution Procedure

If any dispute, controversy, or claim arises in connection with the performance or breach of this agreement (including disputes regarding the validity or enforceability of this agreement), either party may, upon written notice to the other party, request facilitated negotiations. Such negotiations shall be assisted by a neutral facilitator acceptable to both parties and shall require the best efforts of the parties to discuss with each other in good faith their respective positions and, respecting their different interests, to finally resolve such dispute.

Each party may disclose any facts to the other party or to the facilitator that it, in good faith, considers necessary to resolve the dispute. However, all such disclosures will be deemed in furtherance of settlement efforts and will not be admissible in any subsequent litigation against the disclosing party. Except as agreed by both parties, the facilitator shall keep confidential all information disclosed during negotiations. The facilitator shall not act as a witness for either party in any subsequent arbitration between the parties.

Such facilitated negotiations shall conclude within sixty days from receipt of the written notice unless extended by mutual consent. The parties may also agree at any time to terminate or waive facilitated negotiations. The costs incurred by each party in such negotiations will be borne by it; the fees and expenses of the facilitator, if any, shall be borne equally by the parties.



If any dispute, controversy, or claim arises in connection with the performance or breach of this agreement (including disputes regarding the validity or enforceability of this agreement) and cannot be resolved by facilitated negotiations (or the parties agree to waive that process), then such dispute, controversy, or claim shall be settled by arbitration. The arbitration proceeding shall take place in Nashville, Tennessee unless the parties agree to a different locale. The proceeding shall be governed by the provisions of the Federal Arbitration Act (FAA) or, if a court of competent jurisdiction determines the FAA inapplicable, by the laws of the state in which the proceeding is to take place. In any arbitration instituted hereunder, the proceedings shall proceed in accordance with the then current Arbitration Rules for Professional Accounting and Related Disputes of the American Arbitration Association (AAA), except that no pre-hearing discovery shall be permitted unless specifically authorized by the arbitration panel.

Such arbitration shall be conducted before a panel of three persons, one chosen by each party and the third selected by the two party-selected arbitrators. The arbitration panel shall have no authority to award non-monetary or equitable relief, and any monetary award shall not include punitive damages. The confidentiality provisions applicable to facilitated negotiation shall also apply to arbitration. The award issued by the arbitration panel may be confirmed in a judgment by any federal or state court of competent jurisdiction.

Engagement Administration and Fees

We understand that your employees will prepare all cash, investment, and other confirmations we request and will locate any documents selected by us for testing.

Erica D. Saeger is the engagement principal and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fees are based upon the time required by the individuals assigned to the engagements. Our practice is to render progress billings at two-to-four week intervals and a final billing at the conclusion of the engagement. Billings are due upon submission. Our fees for the engagement will be as follows:

<u>Year Ending</u>	<u>Audit Fees</u>
June 30, 2025	\$7,000
June 30, 2026	\$7,500
June 30, 2027	\$8,000

The above mentioned fees are fixed unless the Trust’s activities result in changes which increase the scope of our audits. In those circumstances, we would review the complexities and scope of the change. At this time, we do not expect any changes from the above fixed fees unless new member systems become funding members of the Trust.



The fee estimates are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audits. If significant additional time is necessary, we will bill the additional cost separately as part of a change order or as separate services at our reduced standard hourly rates as discussed in the original proposal. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

Fees for other services that the Trust might desire for us to perform would be based on our reduced standard hourly rates as discussed in the original proposal and fees for projects of any significance would be discussed and approved by you in advance. In the event we are required by government regulation, subpoena, or other legal process to produce our documents or our personnel as witnesses with respect to our engagements for the Trust, the Trust will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

It is agreed by the Trust and Crosslin or any successors in interest that no claim arising out of services rendered pursuant to this agreement by or on behalf of either party shall be asserted more than three years after the date of the audit reports or one year after the date of termination of Crosslin's services, whichever date occurs first.

This letter constitutes the complete and exclusive statement of agreement between Crosslin and the Trust, superseding all proposals, oral or written, and all other communication, with respect to the terms of the engagement between the parties.

Miscellaneous

This Agreement is only intended to cover the services specified herein, although we look forward to many more years of pleasant association with the Trust. This engagement is a separate and discrete event and any future services will be covered by a separate agreement to provide services. Many banks have engaged a third party to electronically process cash or debt audit confirmation requests, and a few of those banks have mandated the use of these services. To the extent applicable, the Trust hereby authorizes Crosslin to participate in this electronic confirmation process through the third party's website (e.g., by entering the Trust's bank account information to initiate the process and then accessing the bank's confirmation response) and agrees that Crosslin shall have no liability in connection therewith.

Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable laws, regulations, or published interpretations, but if any provision of this Agreement shall be deemed prohibited, invalid, or otherwise unenforceable for any reason under such applicable laws, regulations, or published interpretations, such provisions shall be ineffective only to the extent of such prohibition, invalidity, or unenforceability and such revised provision shall be made a part of this Agreement as if it was specifically set forth herein. Furthermore, the provisions of the foregoing sentence shall not invalidate the remainder of such provision or the provisions of this Agreement.



Reporting

We will issue a written report upon completion of our audit of the Trust's financial statements. Our report will be addressed to the Board of Trustees of the Trust. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Thank you again for the opportunity to continue to provide auditing services to the Trust. We appreciate your business and look forward to working with you.

Very truly yours,

Erica D. Saeger
Audit Principal

ACCEPTED:

TENNESSEE SCHOOL BOARDS ASSOCIATION OPEB TRUST

By: _____

Morgan Stanley

WEALTH MANAGEMENT

Custom Report

Prepared on October 09, 2024 for:

TSBA OPEB TRUST

TAMMY GRISSOM TTEE
TSBA OPEB TRUST U/T/A DTD
11/05/2012
525 BRICK CHURCH PARK DRIVE
NASHVILLE TN 37207-3219

THE CAP IV GROUP

Tel: 615-292-0303

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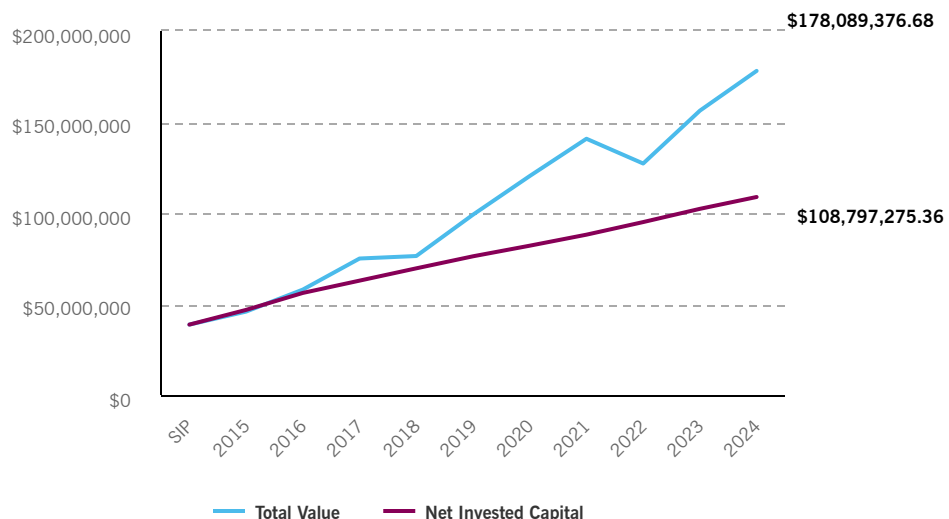
Please review the disclosures and definitions throughout this Document. For more information or questions, please contact your Financial Advisor.
Various sub-sections of this Document may not contain information on all accounts/positions covered in this Document and will be denoted on the page.

Investment Summary Dollar Weighted Returns

TSBA OPEB TRUST

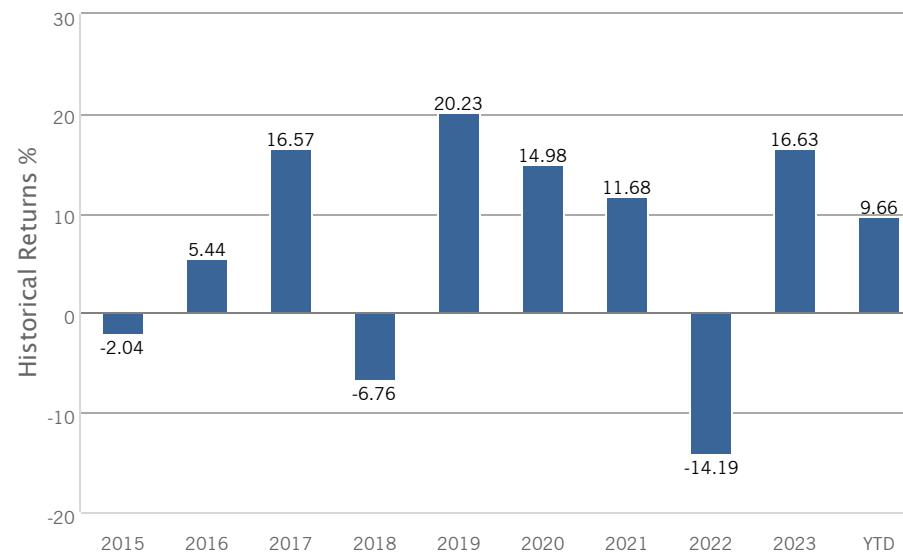
Data as of October 08, 2024

TOTAL VALUE VS. NET INVESTED CAPITAL



Does not include Performance Ineligible Assets.

DOLLAR-WEIGHTED PERIOD RETURN % (NET OF FEES)

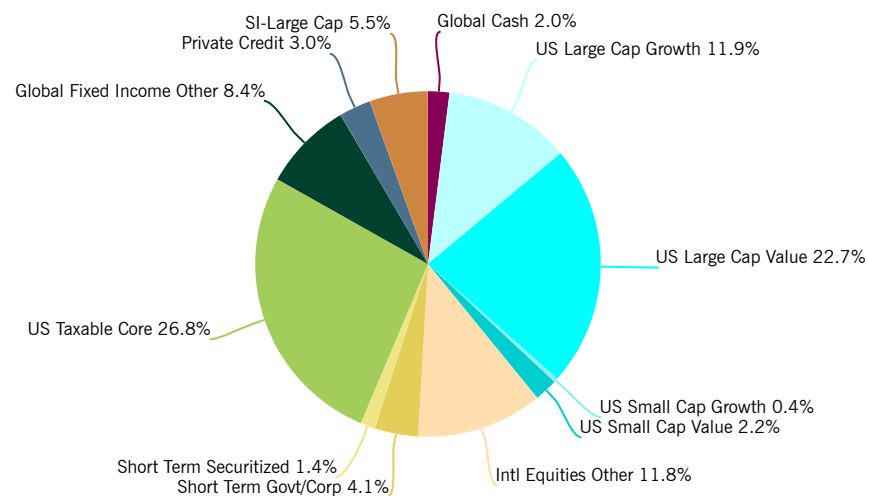


Does not include Performance Ineligible Assets.

DOLLAR-WEIGHTED RETURN % (NET OF FEES)

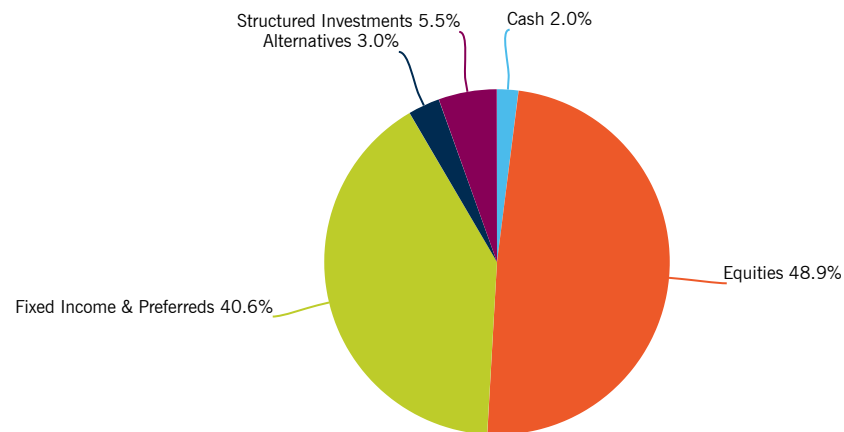
	Quarter to Date (\$) 09/30/24-10/08/24	Year to Date (\$) 12/31/23-10/08/24	Performance Inception (\$) 06/09/15-10/08/24
Beginning Total Value	179,393,026	156,233,166	38,680,482
Net Contributions/Withdrawals	-56,622	6,509,984	70,116,793
Investment Earnings	-1,247,028	15,346,227	69,292,101
Ending Total Value	178,089,377	178,089,377	178,089,377
DOLLAR WEIGHTED RATE OF RETURN (%) (Annualized for periods over 12 months)			
Return % (Net of Fees)	-0.70	9.66	7.39
90-Day T-Bills	0.11	4.28	1.80

ASSET ALLOCATION



Asset Allocation

ASSET ALLOCATION - ASSET CLASS



ASSET ALLOCATION

	Total Value (\$) 10/08/2024	% of Portfolio 10/08/2024
Cash	3,578,696.37	2.0
Equities	87,085,579.37	48.9
Fixed Income & Preferreds	72,389,943.47	40.6
Alternatives	5,298,594.34	3.0
Structured Investments	9,736,585.80	5.5
TOTAL PORTFOLIO	178,089,399.35	100.0

Equities Asset Allocation

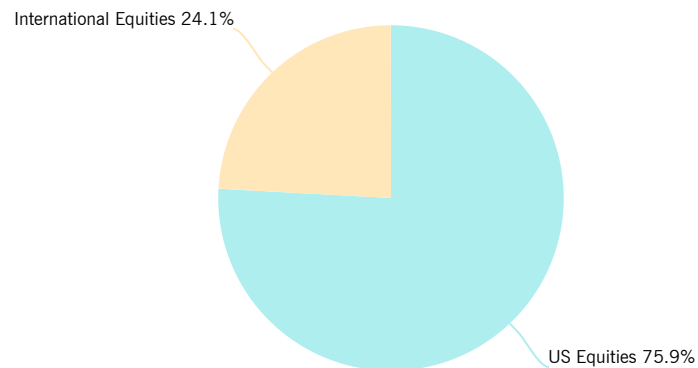
TSBA OPEB TRUST

Data as of October 08, 2024

TOP EQUITY POSITIONS BASED ON TOTAL VALUE

SECURITY DESCRIPTION	Total Value (\$) 10/08/2024	% of Equities 10/08/2024
PGIM JENNISON GROWTH Z	16,311,384.96	18.7
BLACKROCK HIGH EQ INCOME INST	12,918,577.35	14.8
JOHN HANCOCK DISPLND VAL INST	12,894,905.91	14.8
OAKMARK FUND INSTITUTIONAL	9,676,896.27	11.1
AMERICAN EUROPACIFIC GRW F2	8,096,403.36	9.3
ISHARES CORE MSCI EAFE ETF	6,462,670.39	7.4
THORNBURG INTL GROWTH I	6,454,580.90	7.4
ISHARES CORE S&P U.S. GROWTH	4,895,285.96	5.6
ISHARES CORE S&P U.S. VALUE	4,855,261.05	5.6
PACER US SML CAP CASH COWS ETF	3,215,959.08	3.7
Top Equity Positions	85,781,925.23	98.5
Other Equity Positions	1,303,654.14	1.5
Total Equities	87,085,579.37	100.0

ASSET ALLOCATION - EQUITIES



ASSET ALLOCATION - EQUITIES

	% of Equities 10/08/2024	Total Value (\$) 10/08/2024	% of Portfolio 10/08/2024
US Equities	75.9	66,071,924.72	37.1
US Large Cap Growth	24.4	21,206,670.92	11.9
US Large Cap Value	46.3	40,345,640.58	22.7
US Small Cap Growth	0.7	651,827.07	0.4
US Small Cap Value	4.4	3,867,786.15	2.2
International Equities	24.1	21,013,654.65	11.8
Intl Equities Other	24.1	21,013,654.65	11.8
TOTAL EQUITIES	100.0	87,085,579.37	48.9

Fixed Income & Preferreds Asset Allocation

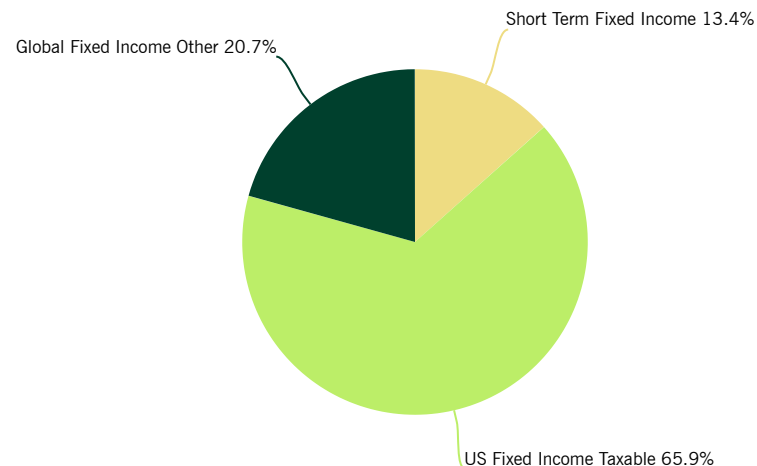
TSBA OPEB TRUST

Data as of October 08, 2024

TOP FIXED INCOME & PREFERRED POSITIONS BASED ON TOTAL VALUE

SECURITY DESCRIPTION	Total Value (\$) 10/08/2024	% of Fixed Income & Preferreds 10/08/2024
JOHN HANCOCK BOND I	32,361,979.26	44.7
PGIM TOTAL RETURN BOND Z	15,354,776.00	21.2
JANUS HENDERSON MLT SEC INC I	14,965,364.59	20.7
PGIM SHORT-TERM CORP BOND Z	9,707,823.62	13.4
Top Fixed Income & Preferred Positions	72,389,943.47	100.0
Other Fixed Income & Preferred Positions	-	-
Total Fixed Income & Preferred	72,389,943.47	100.0

ASSET ALLOCATION - FIXED INCOME & PREFERREDS



ASSET ALLOCATION - FIXED INCOME & PREFERREDS

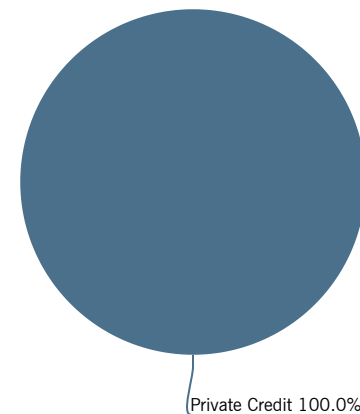
	% of Fixed Income & Preferreds 10/08/2024	Total Value (\$) 10/08/2024	% of Portfolio 10/08/2024
Short Term Fixed Income	13.4	9,707,823.62	5.5
Short Term Govt/Corp	10.1	7,280,867.72	4.1
Short Term Securitized	3.4	2,426,955.91	1.4
US Fixed Income Taxable	65.9	47,716,755.26	26.8
US Taxable Core	65.9	47,716,755.26	26.8
Global Fixed Income Other	20.7	14,965,364.59	8.4
Global Fixed Income Other	20.7	14,965,364.59	8.4
TOTAL FIXED INCOME & PREFERREDS	100.0	72,389,943.47	40.6

Alternatives Asset Allocation

TOP ALTERNATIVE POSITIONS BASED ON TOTAL VALUE

SECURITY DESCRIPTION	Total Value (\$) 10/08/2024	% of Alternatives 10/08/2024
CION ARES DIVERSIFIED CREDIT U	5,298,594.34	100.0
Top Alternative Positions	5,298,594.34	100.0
Other Alternative Positions	-	-
Total Alternatives	5,298,594.34	100.0

ASSET ALLOCATION - ALTERNATIVES

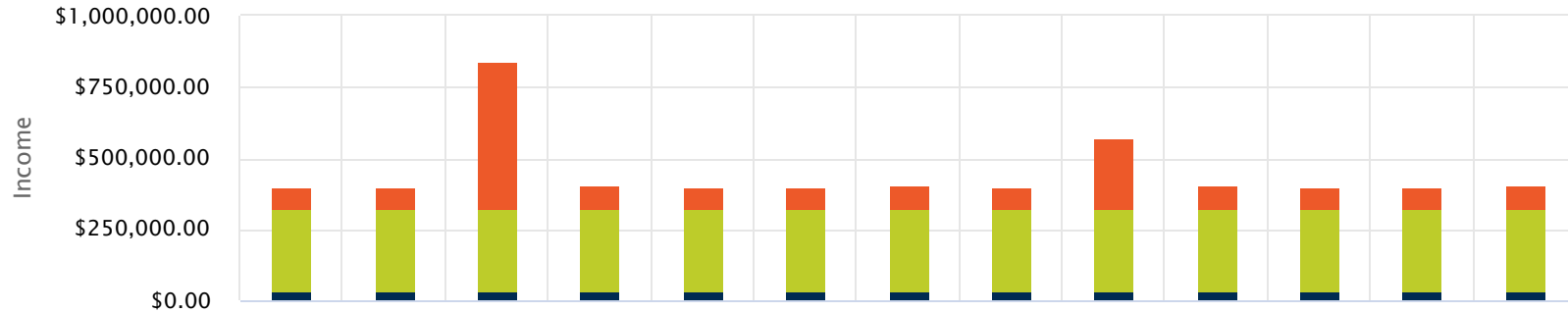


ASSET ALLOCATION - ALTERNATIVES

	% of Alternatives 10/08/2024	Total Value (\$) 10/08/2024	% of Portfolio 10/08/2024
Private Investments	100.0	5,298,594.34	3.0
Private Credit	100.0	5,298,594.34	3.0
TOTAL ALTERNATIVES	100.0	5,298,594.34	3.0

Projected 12 Month Income Summary

12 MONTH INCOME SUMMARY

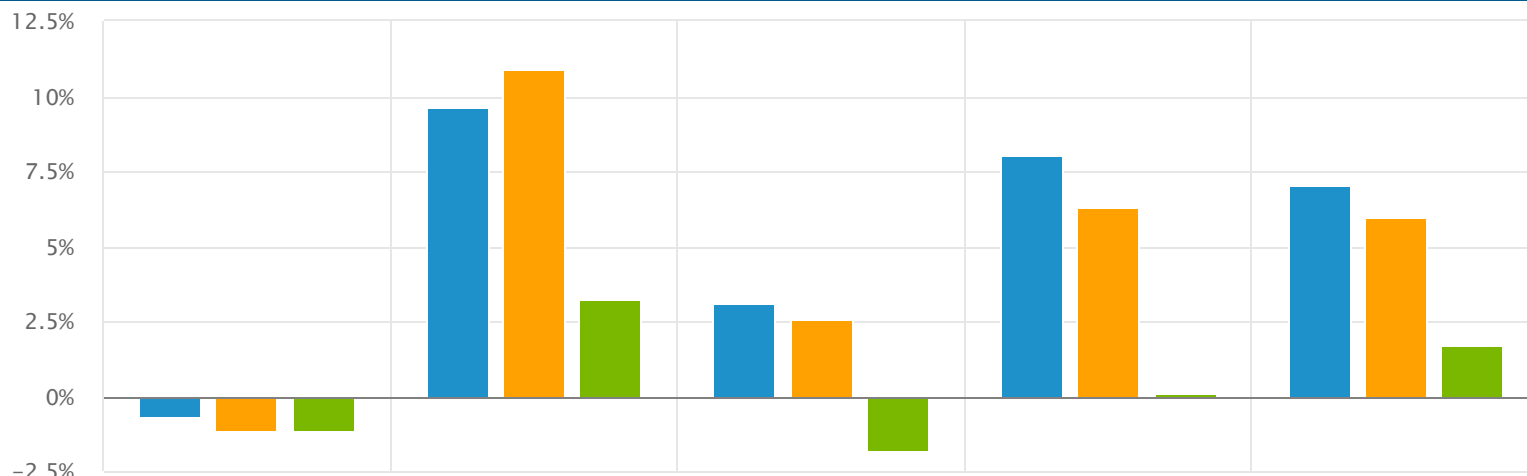


Asset Class	Total Value (\$) 10/08/2024	10/09/24 to 10/31/24 (\$)	Projected Income (\$) (11/01/24 - 10/31/25)												Total	% Yield	
			Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct			
Cash	3,578,696	30	30	30	30	30	30	30	30	30	30	30	30	30	30	358	0.01
Equities	87,085,579	73,830	73,830	512,288	82,454	73,830	73,830	82,454	73,830	244,613	82,454	73,830	73,830	82,454	1,657,649	1.90	
Fixed Income & Preferreds	72,389,943	289,151	289,151	289,151	289,151	289,151	289,151	289,151	289,151	289,151	289,151	289,151	289,151	289,151	3,469,810	4.79	
Alternatives	5,298,594	37,034	37,034	37,034	37,034	37,034	37,034	37,034	37,034	37,034	37,034	37,034	37,034	37,034	444,412	8.39	
Structured Investments	9,736,586	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	178,089,399	400,045	400,045	838,503	408,669	400,045	400,045	408,669	400,045	570,828	408,669	400,045	400,045	408,669	5,572,228	3.13	

Projected Income is calculated only for holdings where data is available. In instances whereby payment frequency and/or last payment date is not available, income is based on the current dividend or coupon rate, and will be displayed in the Total column only. Projected income is not available for Alternative Investment funds that do not have a share quantity.

Time Weighted Performance Summary

RETURN % (NET OF FEES) VS. BENCHMARKS (ANNUALIZED)



	Quarter to Date 09/30/24 - 10/08/24	Year to Date 12/31/23 - 10/08/24	Last 3 Years 10/31/21 - 10/08/24	Last 5 Years 10/31/19 - 10/08/24	Performance Inception 06/09/15 - 10/08/24
Beginning Total Value (\$)	179,393,026.28	156,233,165.52	140,694,079.54	94,192,181.77	38,680,482.15
Net Contributions/Withdrawals (\$)	-56,621.67	6,509,983.80	20,706,027.24	33,061,942.89	70,116,793.21
Investment Earnings (\$)	-1,247,027.93	15,346,227.36	16,689,269.90	50,835,252.02	69,292,101.32
Ending Total Value (\$)	178,089,376.68	178,089,376.68	178,089,376.68	178,089,376.68	178,089,376.68
Return % (Net of Fees)	-0.70	9.64	3.08	8.01	7.03
TN TSBA Composite (%)	-1.15	10.91	2.54	6.33	5.95
Bloomberg US Aggregate (%)	-1.18	3.22	-1.80	0.04	1.68

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

Positions Time Weighted Performance Detail

TSBA OPEB TRUST

Data as of October 08, 2024

RETURN % (GROSS OF FEES) (ANNUALIZED)

Product/ Security Description ▲	Account Number	Performance Inception Date	Ending Total Value (\$)	Year to Date (%) 12/31/23 - 10/08/24	% of Portfolio
Total Portfolio (Gross of Fees)		06/09/2015	178,089,376.68	9.82	100.00
<i>TN TSBA Composite</i>				10.91	
Stock / Options					
GS PLUS SPX 25MH05(SPHQW)	Multiple	08/31/2022	1,662,748.10	8.79	0.93
Exchange Traded/ Closed End Funds					
ISHARES CORE MSCI EAFE ETF(IEFA)	Multiple	11/28/2018	6,462,670.39	10.56	3.63
ISHARES CORE S&P U.S. GROWTH(IUSG)	Multiple	11/28/2018	4,895,285.96	27.67	2.75
ISHARES CORE S&P U.S. VALUE(IUSV)	Multiple	11/28/2018	4,855,261.05	14.00	2.73
PACER US SML CAP CASH COWS ETF(CALF)	Multiple	11/28/2023	3,215,959.08	-3.19	1.81
Mutual Funds					
AMERICAN EUROPACIFIC GRW F2(AEPFX)	Multiple	07/14/2015	8,096,403.36	11.55	4.55
BLACKROCK HIGH EQ INCOME INST(BMCIX)	Multiple	09/02/2015	12,918,577.35	11.21	7.25
CION ARES DIVERSIFIED CREDIT U(CADZX)	Multiple	09/30/2024	5,298,594.33	0.04	2.98
DWS SMALL CAP CORE S(SSLCX)	Multiple	02/20/2018	1,303,654.16	6.24	0.73
JANUS HENDERSON MLT SEC INC I(JMUIX)	Multiple	08/12/2024	14,965,364.60	1.26	8.40
JOHN HANCOCK BOND I(JHBIX)	Multiple	04/24/2024	32,361,979.26	6.76	18.17
JOHN HANCOCK DISPLND VAL INST(JVLIX)	Multiple	07/24/2018	12,894,905.91	16.39	7.24
OAKMARK FUND INSTITUTIONAL(OANMX)	Multiple	07/12/2021	9,676,896.28	13.61	5.43
PGIM JENNISON GROWTH Z(PJFZX)	Multiple	09/02/2015	16,311,384.96	23.62	9.16
PGIM SHORT-TERM CORP BOND Z(PIFZX)	Multiple	09/02/2015	9,707,823.62	4.93	5.45
PGIM TOTAL RETURN BOND Z(PDBZX)	Multiple	04/06/2023	15,354,775.98	4.47	8.62
THORNBURG INTL GROWTH I(TINGX)	Multiple	09/02/2015	6,454,580.89	11.09	3.62

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals. Position level performance detail is only available since 12/31/2014.

Positions Time Weighted Performance Detail

TSBA OPEB TRUST

Data as of October 08, 2024

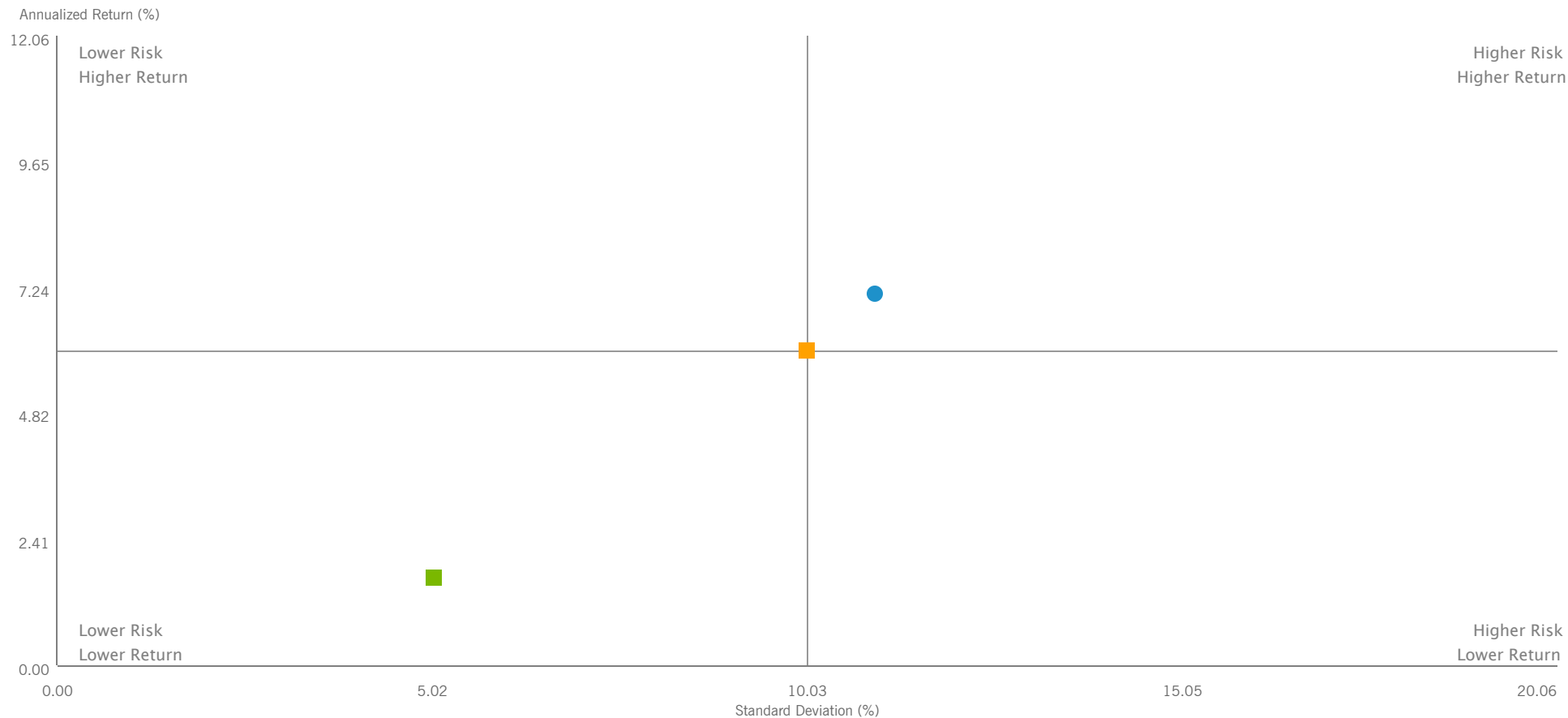
RETURN % (GROSS OF FEES) (ANNUALIZED) (Continued)

Product/ Security Description ▲	Account Number	Performance Inception Date	Ending Total Value (\$)	Year to Date (%) 12/31/23 - 10/08/24	% of Portfolio
Corporate Fixed Income					
BCS PLUS SPX 00000 26SP03	Multiple	02/14/2024	1,595,614.80	5.81	0.90
BCS PLUS SPX 00000 27JA06	Multiple	06/14/2024	1,447,922.20	0.69	0.81
GS PART SPX 00000 25NV05	Multiple	04/17/2024	1,696,468.80	5.24	0.95
MS PLUS SPX 00000 27MH03	Multiple	08/14/2024	1,577,039.10	-0.57	0.89
UBS PLUS SPX 00000 26DE03	Multiple	05/15/2024	1,756,792.80	3.28	0.99
Cash, MMF and Bank Deposits					
BANK DEPOSIT PROGRAM(BDPS)	Multiple	06/18/2015	3,578,673.70	-	2.01

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals. Position level performance detail is only available since 12/31/2014.

Risk vs. Return

RETURN % (NET OF FEES) AND VOLATILITY VS. BENCHMARKS



	Return % (Net of Fees) 06/30/15-10/08/24	Standard Deviation (%) 06/30/15-10/08/24
● Portfolio	7.12	10.94
■ TN TSBA Composite	6.03	10.03
■ Bloomberg US Aggregate	1.68	5.04

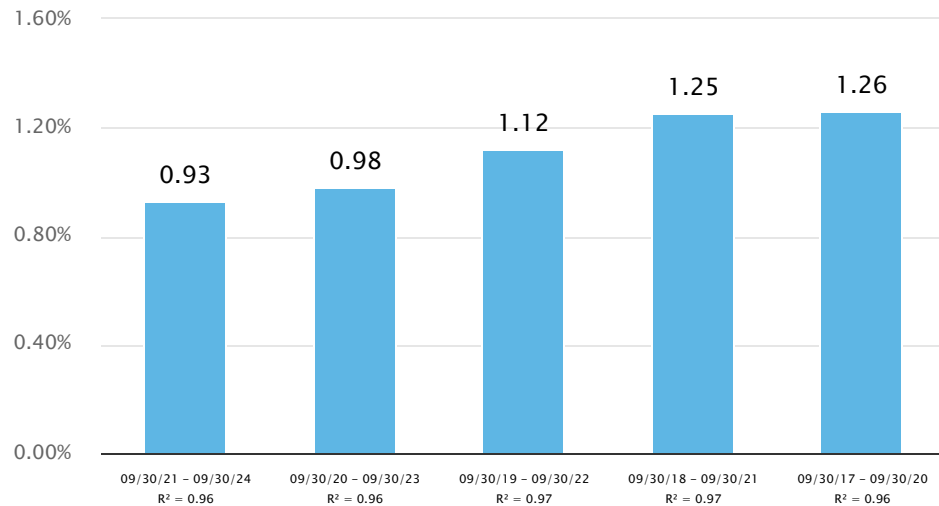
The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

Modern Portfolio Theory

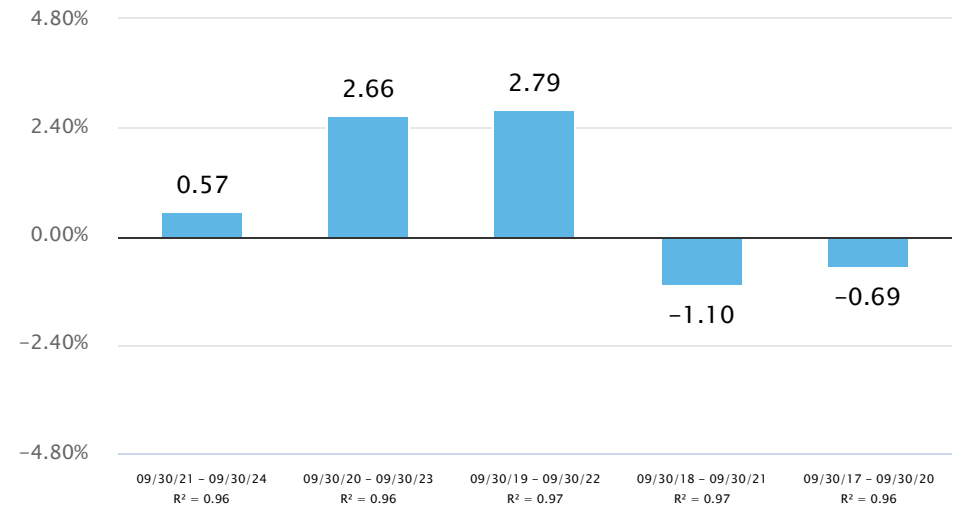
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Data as of September 30, 2024

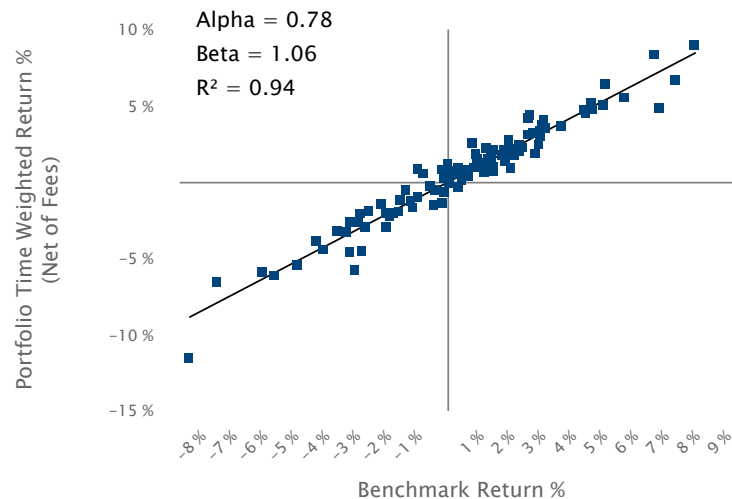
BETA - ROLLING PERIODS - TIME WEIGHTED RETURN %(NET OF FEES)



ALPHA - ROLLING PERIODS - TIME WEIGHTED RETURN %(NET OF FEES)



MONTHLY OBSERVATIONS SINCE 06/30/15 WITH SIMPLE REGRESSION LINE - TIME WEIGHTED RETURN %(NET OF FEES)



Alpha: Is a measure of a portfolio's time weighted net of fees return in excess of the market return, both adjusted for risk. A positive alpha indicates that the portfolio outperformed the market on a risk-adjusted basis, and a negative alpha indicates the portfolio did worse than the market.

Beta: Is a measure of the sensitivity of a portfolio's time weighted net of fees return against that of the market. A beta greater than 1.00 indicates volatility greater than the market.

Modern Portfolio Theory: Seeks to quantify the relationship between risk and return and operates under the assumption that an investor must be compensated for assuming risk.

R²: Is a measure that indicates the extent to which fluctuations in a portfolio's time weighted net of fees return is correlated with the return of the general market. An R² of 0.80 implies that 80% of the fluctuation of a portfolio's return is explained by the fluctuation in the market.

Graph Notes: Both the benchmark and portfolio returns are adjusted by the return of the 90-day Treasury Bills to illustrate the excess return above the Risk Free Rate for each period.

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

Account(s) Included in this Report

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MORGAN STANLEY WEALTH MANAGEMENT

Account Name	Account Number	Account Type/ Manager Name	Date Opened/ Date Closed	Perf Inception Date Perf (%) Incept - 10/08/24	Total Value (\$) 10/08/24	% of Portfolio 10/08/24
ARLINGTON CITY - Alternative Investment	471-XXX385	AAA	02/18/20 -	02/25/2020 4.45	429,575.33	0.24
ARLINGTON CITY BOE	471-XXX901	Consulting Group Advisor	06/17/15 -	06/18/2015 7.15	4,847,099.30	2.72
BARTLETT CITY - Alternative Investment	471-XXX383	AAA	02/18/20 -	02/25/2020 4.47	604,208.88	0.34
BARTLETT CITY BOE	471-XXX902	Consulting Group Advisor	06/17/15 -	07/01/2015 7.07	7,815,948.08	4.39
Collierville City - Alternative Invest.	471-XXX396	AAA	02/18/20 -	02/25/2020 4.50	244,735.51	0.14
COLLIERVILLE CITY BOE	471-XXX903	Consulting Group Advisor	06/17/15 -	07/01/2015 7.00	3,125,870.46	1.76
HICKMAN CO.	471-XXX866	Consulting Group Advisor	06/03/15 -	06/09/2015 7.18	2,853,143.53	1.60
Hickman Co. - Alternative Investment	471-XXX388	AAA	02/18/20 -	02/25/2020 4.63	281,430.39	0.16
JACKSON-MADISON	471-XXX864	Consulting Group Advisor	06/03/15 -	06/09/2015 7.17	520,578.79	0.29
JACKSON-MADISON - Alternative Investment	471-XXX403	AAA	02/18/20 -	02/25/2020 4.54	49,080.08	0.03
JOHNSON CO.	471-XXX869	Consulting Group Advisor	06/03/15 -	06/09/2015 7.18	1,465,581.74	0.82
JOHNSON CO. - Alternative Investment	471-XXX398	AAA	02/18/20 -	02/25/2020 4.64	140,480.19	0.08
Lakeland City - Alternative Investment	471-XXX393	AAA	02/18/20 -	02/25/2020 4.55	298,382.12	0.17
LAKELAND CITY BOE	471-XXX900	Consulting Group Advisor	06/17/15 -	06/18/2015 6.93	3,257,289.91	1.83
MILLINGTON	471-XXX583	Consulting Group Advisor	07/05/16 -	07/07/2016 8.07	397,147.07	0.22
MILLINGTON - Alternative Investment	471-XXX409	AAA	02/18/20 -	02/25/2020 4.42	35,415.68	0.02
SHELBY CO.	471-XXX863	Consulting Group Advisor	06/03/15 -	06/09/2015 7.13	138,771,488.01	77.92

The investment returns shown on this page are Net of Fees, time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals. Investment, insurance and annuity products offered through Morgan Stanley Smith Barney LLC are: NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED | NOT A BANK DEPOSIT | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY. All content within this Document applies to the accounts listed above or a subset thereof, unless otherwise indicated.

Account(s) Included in this Report

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MORGAN STANLEY WEALTH MANAGEMENT (Continued)

Account Name	Account Number	Account Type/ Manager Name	Date Opened/ Date Closed	Perf Inception Date Perf (%) Incept - 10/08/24	Total Value (\$) 10/08/24	% of Portfolio 10/08/24
SHELBY CO. - Alternative Investment	471-XXX380	AAA	02/18/20 -	02/25/2020 5.42	12,951,944.28	7.27
Morgan Stanley Wealth Management Total					178,089,399.35	100.00
Total Portfolio					178,089,399.35	100.00

The investment returns shown on this page are Net of Fees, time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals. Investment, insurance and annuity products offered through Morgan Stanley Smith Barney LLC are: NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED | NOT A BANK DEPOSIT | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY. All content within this Document applies to the accounts listed above or a subset thereof, unless otherwise indicated.

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Explanatory Notes and Disclosures: This document is designed to assist you and your Financial Advisor in understanding portfolio positions, composition and subsets thereof. It is designed solely for your individual use, is for informational purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security. Do not take action relying on this information without confirming its accuracy and completeness. Please read carefully all accompanying notes and disclosures provided in this Document.

For convenience purposes, your Financial Advisor may have assigned a designated name for this Document. The list of the accounts covered in this document is noted herein and may not include all of your accounts with us or external custodians. Furthermore, the information included in this document may not include all asset classes/securities/liabilities held by you at the firm or external custodians. Please review this document carefully and discuss any questions you may have with your Financial Advisor. If you do not understand an entry, suspect an error, or want more details on current values or other information, contact your Financial Advisor. This document is based upon your Morgan Stanley account holdings and may include other holdings/information that you or a third party provided about assets custodied elsewhere. Morgan Stanley will not verify any other holdings/information. If any information reflects assets held away from Morgan Stanley that will be indicated. The information contained in this document is subject to, and does not supersede the confirmations and account statements you receive from us. Values shown in your official account statement may differ from the values shown in this document due to, among other things, different reporting methods, delays, market conditions and interruptions. If there are discrepancies between your official account statement and this document, rely on your official account statement.

The information in this document is approximate and subject to updating, correction and other changes. We are not obligated to notify you if information changes. Although the statements of fact and data in this document have been obtained from, and are based upon sources that we believe to be reliable, we do not guarantee their accuracy, or timeliness, and any such information may be incomplete or condensed. Percentage values shown in this document are subject to rounding, which may impact total values. The values of securities and other investments not actively traded may be estimated or may not be available.

This information is provided for informational purposes only and should not be used for tax preparation. The information reported on your Form(s) 1099 supersedes the information provided in this report and should be exclusively relied upon for tax preparation. Morgan Stanley, its affiliates and its employees are not in the business of providing tax or legal advice. Clients should seek advice based on their particular circumstances from an independent tax and legal advisor. Morgan Stanley Smith Barney LLC is a registered Broker/Dealer, Member SIPC, and not a bank. Where appropriate, Morgan Stanley Smith Barney LLC has entered into arrangements with banks and other third parties to assist in offering certain banking related products and services. SIPC insurance does not apply to precious metals, other commodities, or traditional alternative investments.

Investment, insurance and annuity products offered through Morgan Stanley Smith Barney LLC are: NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED | NOT A BANK DEPOSIT | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

Money Market Fund: You could lose money in Money Market Funds (MMFs). Although MMFs classified as government funds (i.e., MMFs that invest 99.5% of total assets in cash and/or securities backed by the U.S government) and retail funds (i.e., MMFs open to natural person investors only) seek to preserve value at \$1.00 per share, they cannot guarantee they will do so. The price of other MMFs will fluctuate and when you sell shares they may be worth more or less than originally paid. MMFs may impose a fee upon sale or temporarily suspend sales if liquidity falls below required minimums. During suspensions, shares would not be available for purchases, withdrawals, check writing or ATM debits. A MMF investment is not insured or guaranteed by the Federal Deposit Insurance Corporation or other government agency.

AAA Accounts: The Active Assets Account is a brokerage account offered through Morgan Stanley Smith Barney LLC.

Consulting Group Advisory Accounts: Consulting Group is a business of Morgan Stanley Smith Barney LLC.

Important Regulation Best Interest Information: This report is being provided as a courtesy. By providing this report, we do not represent or agree that we will monitor the investments in your brokerage account(s) or deliver future reports.

Residential Mortgage loan information is excluded from this report. Please contact your Morgan Stanley team for more information.

Additional information about your Floating Rate Notes: For floating rate securities, the estimated accrued interest and estimated annual income are based on the current floating coupon rate and may not reflect historic rates within the accrual period.

Important Information About Auction Rate Securities: For certain Auction Rate Securities there is no or limited liquidity. Therefore, the price(s) for these Auction Rate Securities are indicated as not available by a dash "-". There can be no assurance that a successful auction will occur or that a secondary market exists or will develop for a particular security.

Important Pricing Information: Prices of securities not actively traded may not be available, and are indicated by a dash "-". Account values are based on the most recent security pricing available and may be prior to the date of this material.

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Asset Classification: We classify assets based on general characteristics such as: income generation, underlying capital structure, or exposure to certain market sectors. As many assets contain characteristics of more than one asset class, allocations may be under or over inclusive. These classifications do not constitute a recommendation and may differ from the classification of instruments for regulatory or tax purposes. In addition, the Other asset class contains securities that are not included in the various asset class classifications. This can include, but is not limited to, non-traditional investments such as some Equity Unit Trusts, Index Options and Structured Investments issued outside of Morgan Stanley. Additionally, investments for which we are unable to procure market data to properly classify them will appear in the Other category.

Additional information about your Structured Products: Structured Investments are complex products and may be subject to special risks, which may include, but are not limited to: loss of initial investment; issuer credit risk and price volatility resulting from any actual or anticipated changes to issuer's and/or guarantor's credit ratings or credit spreads; limited or no appreciation and limits on participation in any appreciation of underlying asset(s); risks associated with the underlying reference asset(s); no periodic payments; call prior to maturity; early redemption fees for market linked deposits; lower interest rates and/or yield compared to conventional debt with comparable maturity; unique tax implications; limited or no secondary market; and conflicts of interest due to affiliation, compensation or other factors which could adversely affect market value or payout to investors. Investors also should consider the concentration risk of owning the related security and their total exposure to any underlying asset.

Performance: Performance results are annualized for time periods greater than one year and include all cash and cash equivalents, realized and unrealized capital gains and losses, dividends, interest and income. Depending on the opening or closing date of the account or position, the performance referenced may be for a portion of the time period identified. The investment results depicted herein represent historical performance. As a result of recent market activity, current performance may vary from the figures shown. Please contact your Financial Advisor for up-to-date performance information. Past performance is not a guarantee of future results. Quotations of performance appearing in this report may include performance experienced in legacy accounts which have been closed and purged, and as such are not included on the Accounts Included in This Report page.

Market values used for performance calculation do not include Performance Ineligible Assets and thus may differ from asset allocation market values. Common examples of Performance Ineligible Assets include liabilities, life insurance and annuities as well as Manually Added and External accounts for which Morgan Stanley does not receive data necessary to calculate performance.

Unless otherwise indicated, performance is an aggregated composite calculation of the entire portfolio and may include brokerage and investment advisory accounts as well as assets for different accounts included in this report. The accounts included in the composite may have (or have had) different investment objectives and strategies, been subject to different restrictions, and incurred different types of fees, markups, commissions and other charges. Accordingly, performance results may blend the performance of assets and strategies that may not have been available in all of the accounts at all times during the reporting period. In addition, accounts in the composite may have changed from brokerage to advisory or vice versa. Accounts may also have moved from one advisory program to another (including from a discretionary program to a non-discretionary program).

For Morgan Stanley Smith Barney LLC accounts, performance information may cover the full history of the account(s) or just the performance of an account(s) since the inception of the current program(s). Performance results on individual accounts will vary and may differ from the composite returns. Your Financial Advisor can provide you with individual account portfolio composition and performance information. For investment advisory accounts, please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 or applicable disclosure brochure. For brokerage accounts, please speak to your Financial Advisor for more information on commissions and other account fees and expenses. Performance inception date does not necessarily correspond to the account opening date. Where multiple accounts are included in performance calculations, the inception date is the oldest performance inception. Performance data may not be available for all periods as some accounts included in performance may have more recent performance inception dates. Consequently, the actual performance for a group of accounts may differ from reported performance. Please ask your Financial Advisor for the performance inception date for each account.

Sub Account and Security Level Performance: The performance return methodology described above and in the TWR and IRR definitions applies to both Account Level and Sub-Account (e.g. Asset Class or Security level) performance returns. The inputs consist of market values and net flows.

For example, TWR is calculated by taking the Change in Market Value (Ending MV – Beginning MV) less any net flows, divided by the beginning MV. $TWR = (Ending\ MV - Beginning\ MV - Net\ Flows) / Beginning\ MV$

The difference lies in what is or is not included in the Market Values and Flows. For account level performance, the total account market values and all flows within the account are taken into account.

For sub-account level performance, only those market values and flows associated with the specific securities included are taken into account.

Flows that are not security specific typically include account advisory fees, cash contributions or withdrawals, and any other flows that are not attributed to a specific security.

Flows that are security specific including purchases, sales, dividends, interest, partnership distributions, return of capital, fund sales charges, security transaction fees, and ongoing fund expenses are typically reflected in the security level returns.

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Gross of Fees: The impact of program fees can be material. These program fees are deducted based on your billing cycle and may have a compounding effect on performance. As fees are deducted periodically throughout the year, the compounding effect may increase the impact of the fees by an amount directly related to the gross account performance.

Indices: Benchmark indices and blends included in this material are for informational purposes only, are provided solely as a comparison tool and may not reflect the underlying composition and/or investment objective(s) associated with the account(s). In some circumstances, the benchmark index may not be an appropriate benchmark for use with the specific composite portfolio. For instance, an index may not take into consideration certain changes that may have occurred in the portfolio since the inception of the account(s), (e.g., changes from a brokerage to an advisory account or from one advisory program to another, asset class changes, or index changes for individual managers). The volatility of the index used for comparison may be materially different from that of the performance shown. Indices are unmanaged and not available for direct investment. Index returns do not take into account fees or other charges. Such fees and charges would reduce performance. Please see the Benchmark Definitions section of this material for additional information on the indices used for comparison.

Performance Inception Month End: Performance Inception Month End refers to performance calculated from the end of the month in which the accounts became eligible for performance. Calculating performance from the Performance Inception Month End allows for a comparison to be made to appropriate benchmarks. Performance Inception Month End does not necessarily correspond to the account opening date.

Projected 12 Month: Projected 12 Month Income is based upon cash income from interest, cash dividends, and partnership distributions. It is a hypothetical projection calculated using current yields. The projected income referenced is based upon certain market projections effective as at today's date only and can change at any time. Such projected income is hypothetical, do not reflect actual investment results, and is not a guarantee of future results. The projected income is referenced for illustrative purposes only. Morgan Stanley does not represent or guarantee that the projected income referenced will or can be attained. The actual income may be lower or higher than the projections based upon a variety of factors and assumptions. The projected income shown may under or over compensate for the impact of actual market conditions and other factors. We make no representation or warranty as to the reasonableness of the assumptions made, or that all assumptions used to construct this projected income information have been stated or fully considered. To the extent that the assumptions made do not reflect actual conditions, the illustrative value of the hypothetical projected income will decrease. Companies paying dividends can reduce or cut payouts at any time.

The projected income referenced may include income from Morgan Stanley & Co. and External Accounts, where data is available. Such information was obtained from third party sources which Morgan Stanley believes to be reliable. However, we make no representation or guarantee that the information is accurate or complete. You should not rely upon this information to make any investment decision. Please refer to the official account statements and performance reports you received from your custodian and/or financial institution for information about projected income in your External Accounts. The projected income referenced does not include income from assets in Manually Added External Accounts.

Additional information about your Alternative Investments: Your interests in Alternative Investments, which may have been purchased through us, are generally not held here, and are generally not covered by SIPC. The information provided to you: 1) is included as a service to you, and certain transactions may not be reported; 2) is derived from you or another external source for which we are not responsible, and may have been modified to take into consideration capital calls or distributions to the extent applicable; 3) may not reflect actual shares, share prices, or values; 4) may include invested or distributed amounts in addition to a fair value estimate; and 5) should not be relied upon for tax reporting purposes. Notwithstanding the foregoing, 1) to the extent this report displays Alternative Investment positions within a Morgan Stanley Individual Retirement Account ("IRA"), such positions are held by Morgan Stanley Smith Barney LLC as the custodian of your Morgan Stanley IRA; and 2) if your Alternative Investment position(s) is held by us and is registered pursuant to the Securities Act of 1933, as amended, your Alternative Investment position(s) is covered by SIPC.

Alternatives may be either traditional alternative investment vehicles or non-traditional alternative strategy vehicles. Traditional alternative investment vehicles may include, but are not limited to, Hedge Funds, Fund of Funds (both registered and unregistered), Exchange Funds, Private Equity Funds, Private Credit Funds, Real Estate Funds, and Managed Futures Funds. Non-traditional alternative strategy vehicles may include, but are not limited to, Open or Closed End Mutual Funds, Exchange-Traded and Closed-End Funds, Unit Investment Trusts, exchange listed Real Estate Investment Trusts (REITs), and Master Limited Partnerships (MLPs). These non-traditional alternative strategy vehicles also seek alternative-like exposure but have significant differences from traditional alternative investment vehicles. Non-traditional alternative strategy vehicles may behave like, have characteristics of, or employ various investment strategies and techniques for both hedging and more speculative purposes such as short-selling, leverage, derivatives, and options, which can increase volatility and the risk of investment loss. Characteristics such as correlation to traditional markets, investment strategy, and market sector exposure can play a role in the classification of a traditional security being classified as alternative.

Traditional alternative investment vehicles are illiquid and usually are not valued daily. The estimated valuation provided will be as of the most recent date available and will be included in summaries of your assets. Such valuation may not be the most recent provided by the fund in which you are invested. No representation is made that the valuation is a market value or that the interest could be liquidated at this value. We are not required to take any action with respect to your investment unless valid instructions are received from you in a timely manner. Some positions reflected herein may not represent interests in the fund, but rather redemption proceeds withheld by the issuer pending final valuations which are not subject to the investment performance of the fund and may or may not

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accrue interest for the length of the withholding. Morgan Stanley does not engage in an independent valuation of your alternative investment assets. Morgan Stanley provides periodic information to you including the market value of an alternative investment vehicle based on information received from the management entity of the alternative investment vehicle or another service provider.

It is important to note in this report that Morgan Stanley makes a distinction between Alternative Investment products, and products classified as Alternatives by their asset class. Morgan Stanley categorizes traditional and non-traditional alternative investment vehicles under the category "Alternatives" in asset classification based view. For product based views, traditional alternative investments vehicles are classified under the category "Other"; this differs from your official Morgan Stanley account statement, which categorizes traditional alternative investment vehicles such as Hedge Funds under the category "Alternative Investments". Non-traditional alternative strategy vehicles are classified based on their investment type, such as Mutual Fund or Exchange-Traded Funds within both this report and your Morgan Stanley account statement.

Interests in alternative investment products are offered pursuant to the terms of the applicable offering memorandum, are distributed by Morgan Stanley Smith Barney LLC and certain of its affiliates, and (1) are not FDIC-insured, (2) are not deposits or other obligations of Morgan Stanley or any of its affiliates, (3) are not guaranteed by Morgan Stanley and its affiliates, and (4) involve investment risks, including possible loss of principal. Morgan Stanley Smith Barney LLC is a registered broker-dealer, not a bank.

Bank Deposit Program: Under the Bank Deposit Program, free credit balances held in an account(s) at Morgan Stanley Smith Barney LLC are automatically deposited into an interest-bearing deposit account(s), at FDIC-insured banks. For more information, view the Bank Deposit Program Disclosure Statement:

https://www.morganstanley.com/content/dam/msdotcom/en/wealth-disclosures/pdfs/BDP_disclosure.pdf.

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RISK ANALYSIS DISCLOSURES

Taxes, Fees, and Expenses: Except as otherwise noted in the Hypothetical Performance disclosure, this material does not include the effect of taxes, account fees, advisory program fees, performance fees, and commissions that could materially affect the illustrations provided and the decisions that you may make. The inclusion of these factors will reduce any hypothetical values referenced herein. Generally, investment advisory accounts are subject to an annual asset-based fee (the "Fee") which is payable monthly in advance (some account types may be billed differently). In general, the Fee covers Morgan Stanley investment advisory services, custody of securities with Morgan Stanley, trade execution with or through Morgan Stanley or its affiliates, as well as compensation to any Morgan Stanley Financial Advisor.

In addition, each account that is invested in a program that is eligible to purchase certain investment products, such as mutual funds, will also pay a Platform Fee (which is subject to a Platform Fee offset) as described in the applicable ADV brochure. Accounts invested in the Select UMA program may also pay a separate Sub-Manager fee, if applicable.

If your account is invested in mutual funds or exchange traded funds (collectively "funds"), you will pay the fees and expenses of any funds in which your account is invested. Fees and expenses are charged directly to the pool of assets the fund invests in and are reflected in each fund's share price. These fees and expenses are an additional cost to you and would not be included in the Fee amount in your account statements. The advisory program you choose is described in the applicable Morgan Stanley Smith Barney LLC ADV Brochure, available at www.morganstanley.com/ADV.

Morgan Stanley or Executing Sub-Managers, as applicable, in some of Morgan Stanley's Separately Managed Account("SMA") programs may affect transactions through broker-dealers other than Morgan Stanley or our affiliates. In such instance, you may be assessed additional costs by the other firm in addition to the Morgan Stanley and Sub-Manager fees. Those costs will be included in the net price of the security, not separately reported on trade confirmations or account statements. Certain Sub-Managers have historically directed most, if not all, of their trades to outside firms. Information provided by Sub-Managers concerning trade execution away from Morgan Stanley is summarized at: www.morganstanley.com/wealth/investmentsolutions/pdfs/adv/sotresponse.pdf. For more information on trading and costs, please refer to the ADV Brochure for your program(s), available at www.morganstanley.com/ADV, or contact your Financial Advisor / Private Wealth Advisor.

GENERAL DEFINITIONS

Alpha: Is a measure of a portfolio's time weighted net of fees return in excess of the market return, both adjusted for risk. A positive alpha indicates that the portfolio outperformed the market on a risk-adjusted basis, and a negative alpha indicates the portfolio did worse than the market.

Annualized Standard Deviation: A statistical calculation that measures the volatility of returns over time; the larger the standard deviation, the greater the volatility.

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Beta: Is a measure of the sensitivity of a portfolio's time weighted net of fees return against that of the market. A beta greater than 1.00 indicates volatility greater than the market.

CCY: Represents the currency of the underlying instrument. Currency is a medium of exchange for goods and services.

Dollar-Weighted Return (Internal Rate of Return): A return calculation that measures the actual performance of a portfolio over the reporting period. Since dollar weighted returns include the impact of client contributions and withdrawals, they should not be compared to market indices or used to evaluate the performance of a manager, but can be used to evaluate progress toward investment goals. The investment returns shown within this report are dollar-weighted measurements where indicated.

Graph Notes: Both the benchmark and portfolio returns are adjusted by the return of the go-day Treasury Bills to illustrate the excess return above the Risk Free Rate for each period.

Gross of Fees: Performance results depicted as "gross" of fees do not reflect the deduction of any wrap fee, investment management fee, trade commissions, and/or other account fees. Your actual returns are lower after deducting these expenses. Please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 Brochure for advisory accounts and/or any applicable brokerage account trade confirmation statements for a full disclosure of the applicable charges, fees and expenses. Your Financial Advisor will provide those documents to you upon request.

Investment Earnings: A combination of the income received and total portfolio value increase or decrease, excluding net contributions and withdrawals, over the reporting period.

Modern Portfolio Theory: Seeks to quantify the relationship between risk and return and operates under the assumption that an investor must be compensated for assuming risk.

Net Contributions/Withdrawals: The net value of cash and securities contributed to or withdrawn from the account(s) during the reporting period. Net contributions and withdrawals may include advisory fees for advisory accounts.

Net of Fees: Performance results depicted as "net" of fees shall mean that any wrap fee, investment management fees, trade commissions, and/or other account fees have been deducted. Any other fees or expenses associated with the account, such as third party custodian fees, may not have been deducted. Please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 Brochure for advisory accounts and/or any applicable brokerage account trade confirmation statements for a full disclosure of the applicable charges, fees and expenses. Your Financial Advisor will provide those documents to you upon request.

Performance ineligible assets: Performance returns are not calculated for certain assets because accurate valuations and transactions for these assets are not processed or maintained by Morgan Stanley Smith Barney LLC. Common examples of Performance Ineligible Assets include liabilities, life insurance and annuities as well as Manually Added and External accounts for which Morgan Stanley does not receive data necessary to calculate performance.

R²: Is a measure that indicates the extent to which fluctuations in a portfolio's time weighted net of fees return is correlated with the return of the general market. An R² of 0.80 implies that 80% of the fluctuation of a portfolio's return is explained by the fluctuation in the market.

Tax-Qualified Account(s): Accounts that qualify for favorable tax treatment under US federal tax law and may benefit from favorable tax treatment under applicable state tax law. Typically, these accounts benefit from tax deferred growth potential, meaning investment earnings (such as capital gains, dividends, and interest) are generally not subject to federal income tax while the earnings remain in the account. Capital gains rates generally do not apply. Distributions of taxable amounts are generally subject to ordinary income tax and, if made before age 59 1/2, may be subject to a 10% (25% for certain SIMPLE IRA distributions) penalty tax. Some tax-qualified accounts, such as traditional Individual Retirement Accounts ("IRA") and employer sponsored retirement plan accounts, may allow tax deductible and/or pre-tax contributions (subject to certain limitations and restrictions). Other tax-qualified accounts, such as Roth IRAs and Coverdell Education Savings Accounts, may allow income tax free distributions, but only if certain conditions are satisfied.

Taxable Account(s): Accounts that are not Tax-Qualified Account(s), meaning investment earnings (such as capital gains, dividends, and interest) are generally subject to current US federal income taxation when held by US taxable investors. Note, however, that this category may include specific assets that are generally not subject to US federal income tax such as municipal bonds.

Time-Weighted Return: A return calculation that measures the investment performance of a portfolio over the reporting period. Time weighted returns do not include the impact of client contributions and withdrawals and therefore, may not reflect the actual rate of return the client received. Time weighted returns isolate investment actions and can be compared to benchmarks and used to evaluate the performance of a manager.

Total Cost: The sum of all costs incurred by a firm in producing a certain level of output.

Total Value: "Total Value" represents the Market Value of the portfolio or Asset Class referenced and includes the accrual of interest and dividends. Total Value in the Asset Allocation view prior to January 2014 does not reflect the accrual of interest and dividends. Total Value for Morgan Stanley & Co. and External accounts also does not include accrued interest and dividends.

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BENCHMARK DEFINITIONS

TN TSBA Composite: The current allocation began as of 01/31/1976, and is comprised of 10.00% MSCI EAFE Net, 40.00% MSCI AC World Net, 40.00% Bloomberg US Aggregate, 5.00% MSCI EM Net, 5.00% MSCI AC World Net (Structured Inv). The historical constituents and allocations for this benchmark will be provided by your Financial Advisor to you upon request.

90-Day T-Bills: Equal dollar amounts of three-month Treasury bills are purchased at the beginning of each of three consecutive months. As each bill matures, all proceeds are rolled over or reinvested in a new three-month bill. The income used to calculate the monthly return is derived by subtracting the original amount invested from the maturity value. The yield curve average is the basis for calculating the return on the index. The index is rebalanced monthly by market capitalization. The 90-Day Treasury Bill is a short-term obligation issued by the United States government. T-bills are purchased at a discount to the full face value, and the investor receives the full value when they mature. The difference of discount is the interest earned. T-bills are issued in denominations of \$10,000 auction and \$1,000 increments thereafter.

MSCI AC World Net: The MSCI ACWI Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 46 country indexes comprising 23 developed and 23 emerging market country indexes. The developed market country indexes included are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States. The emerging market country indexes included are: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkiye, and United Arab Emirates (as of June 2014). Net total return indices reinvest dividends after the deduction of withholding taxes, using (for international indices) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

MSCI EAFE Net: The MSCI EAFE Index -Europe, Australasia, Far East - is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US and Canada. The MSCI EAFE Index consists of the following 21 developed market country indexes: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom (as of June 2014). Net total return indices reinvest dividends after the deduction of withholding taxes, using (for international indices) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

MSCI EM Net: The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. The MSCI Emerging Markets Index consists of the following 23 emerging market country indexes: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkiye, and United Arab Emirates (as of June 2014). Net total return indices reinvest dividends after the deduction of withholding taxes, using (for international indices) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

MSCI AC World Net (Structured Inv): The MSCI ACWI Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 46 country indexes comprising 23 developed and 23 emerging market country indexes. The developed market country indexes included are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States. The emerging market country indexes included are: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkiye, and United Arab Emirates (as of June 2014). Net total return indices reinvest dividends after the deduction of withholding taxes, using (for international indices) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

Bloomberg US Aggregate: The Bloomberg US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency).



Appointment of Following New Trustee

Term: 11/09/24 – 12/31/24

- Michelle McKissack, Memphis-Shelby County



Approval of Trustee Appointments

Term: 01/01/25 – 12/31/27

- Chris Denson, Millington
- David Cook, Bartlett
- Michelle McKissack, Memphis-Shelby County
- Tim Hobbs, Hickman County
- Wright Cox, Collierville