



ANNUAL FINANCIAL REPORT

Lake County, Tennessee

For the Year Ended June 30, 2024

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

ANNUAL FINANCIAL REPORT
LAKE COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2024

COMPTROLLER OF THE TREASURY
JASON E. MUMPOWER

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

LEE ANN WEST, CPA, CGFM
Audit Manager

This financial report is available at www.comptroller.tn.gov.

LAKE COUNTY, TENNESSEE

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Summary of Audit Findings

Annual Financial Report
Lake County, Tennessee
For the Year Ended June 30, 2024

Scope

We have audited the basic financial statements of Lake County as of and for the year ended June 30, 2024.

Results

Our report on Lake County's financial statements is unmodified.

Our audit resulted in 14 findings and recommendations, which we have reviewed with Lake County management. Detailed findings, recommendations, and management's responses are included in the Single Audit section of this report.

Findings

The following are summaries of the audit findings:

OFFICES OF COUNTY MAYOR AND DIRECTOR OF SCHOOLS

- ◆ The General, General Purpose School, School Federal Projects, and Central Cafeteria funds required material audit adjustments for proper financial statement presentation.
- ◆ Lake County has a material recurring audit finding

OFFICE OF COUNTY MAYOR

- ◆ The office had accounting deficiencies.
- ◆ Lake County did not comply with the reporting requirements for Provider Relief Funds.
- ◆ The office had deficiencies in purchasing procedures.

OFFICE OF THE AMBULANCE SERVICE DEPARTMENT

- ◆ Duties were not segregated adequately.
- ◆ The ambulance service department did not always issue receipts at the time of collection.



OFFICE OF ROAD SUPERINTENDENT

- ◆ Purchase orders were not always issued properly.

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ The office had deficiencies in budget operations.
- ◆ General ledger payroll liability accounts were not reconciled with subsidiary payroll records and payments.
- ◆ The office had deficiencies in purchasing procedures.
- ◆ Accounting records were not closed and available for audit by August 31, 2024.

OFFICE OF SHERIFF

- ◆ The office had accounting deficiencies.
- ◆ The office did not review its software audit logs.



INTRODUCTORY SECTION

LAKE COUNTY OFFICIALS

June 30, 2024

Officials

Danny Cook, County Mayor
Stephen Baker, Road Superintendent
Dr. Woody Burton, Director of Schools
Mallory Berry, Trustee
Jaxon Neil, Assessor of Property
Crystal Horner, County Clerk
Jessica Avery, Circuit, General Sessions, and Juvenile Courts Clerk
Amber Mooring, Clerk and Master
Darlene Jones, Register of Deeds
Bryan Avery, Sheriff

Board of County Commissioners

Danny Cook, County Mayor, Chairman
Shelby Barker
John Parker Dean
Wayne Hatley
Brandon Hays

Terry Pierce
Danny Tippit, II
Johnny Warren
Dennis Whitson
Jimmy Yates

Highway Commission

Ronald Snyder, Chairman
Clifford Berry, Jr.

Clifford Berry, Sr
Jimmy Leake

Board of Education

Jo Beth Cook, Chairman
John Cochran
Debra Holliman
Dianne Homra

Cody Rodriguez
Jimmy Dale Snyder
Jason Stanley
Vivian Windsor

Audit Committee

Albert Markham, Chairman
Sonya Covington
Pete Keiser

FINANCIAL SECTION



JASON E. MUMPOWER
Comptroller

Independent Auditor's Report

Lake County Mayor and
Board of County Commissioners
Lake County, Tennessee

To the County Mayor and Board of County Commissioners:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lake County, Tennessee, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lake County, Tennessee, as of June 30, 2024, and the respective changes in financial position and the respective budgetary comparison for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Internal School Fund of the Lake County School Department (a discretely presented component unit), which represent 1.9 percent, two percent, and 2.8 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented school department. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Internal School Fund of the Lake County School Department is based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lake County, Tennessee, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note V.B., Lake County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*. GASB 100 clarifies financial and reporting requirements for changes in accounting principles, changes in accounting estimates, error corrections, and changes within the reporting entity.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Lake County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Lake County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lake County's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Lake County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Lake County School Department (a discretely presented component unit), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Requirements by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2024, on our consideration of Lake County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Lake County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lake County's internal control over financial reporting and compliance.

Very truly yours,

Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

November 5, 2024

JEM/gc



BASIC FINANCIAL STATEMENTS SECTION

LAKE COUNTY, TENNESSEE
Statement of Net Position
June 30, 2024

	Primary Governmental Activities	Component Unit Lake County School Department
ASSETS		
Cash	\$ 2,587	\$ 306,819
Equity in Pooled Cash and Investments	5,984,014	3,806,096
Accounts Receivable	3,176,621	0
Allowance for Uncollectibles	(1,710,942)	0
Due from Other Governments	1,083,212	1,154,318
Property Taxes Receivable	2,820,606	541,550
Allowance for Uncollectible Property Taxes	(66,366)	(15,433)
Cash Shortage	6,317	0
Net Pension Asset - Teacher Retirement Plan	0	40,543
Net Pension Asset - Teacher Legacy Pension Plan	0	1,095,679
Restricted Assets:		
Amounts Accumulated for Pension Benefits	0	206,610
Capital Assets:		
Assets Not Depreciated:		
Land	1,805,581	67,365
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	313,915	8,219,581
Infrastructure	3,887,568	0
Other Capital Assets	1,156,239	814,420
Total Assets	<u>\$ 18,459,352</u>	<u>\$ 16,237,548</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred Amount on Refunding	\$ 127,426	\$ 0
Pension Changes in Experience	21,706	268,853
Pension Changes in Investment Earnings	66,736	220,213
Pension Changes in Assumptions	159,015	434,681
Pension Changes in Proportion	0	49,745
Pension Contributions After Measurement Date	187,990	310,059
OPEB Changes in Experience	0	104,785
OPEB Changes in Assumptions	0	172,605
OPEB Changes in Proportion	0	7,973
OPEB Contributions After Measurement Date	0	36,730
Total Deferred Outflows of Resources	<u>\$ 562,873</u>	<u>\$ 1,605,644</u>

(Continued)

LAKE COUNTY, TENNESSEE
Statement of Net Position (Cont.)

	Primary Government Governmental Activities	Component Unit Lake County School Department
LIABILITIES		
Accounts Payable	\$ 607,604	\$ 115,060
Accrued Payroll	224	0
Payroll Deductions Payable	43,020	107,730
Accrued Interest Payable	15,818	0
Due to State of Tennessee	440	12,947
Noncurrent Liabilities:		
Due Within One Year - Debt	611,624	0
Due Within One Year - Other	5,607	45,245
Due in More Than One Year - Debt	7,477,671	0
Due in More Than One Year - Other	110,663	955,197
Total Liabilities	<u>\$ 8,872,671</u>	<u>\$ 1,236,179</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Current Property Taxes	\$ 2,686,048	\$ 507,044
Pension Changes in Experience	17,687	79,759
Pension Changes in Proportion	0	112,896
OPEB Changes in Experience	0	239,857
OPEB Changes in Assumptions	0	113,876
OPEB Changes in Proportion	0	96,011
Total Deferred Inflows of Resources	<u>\$ 2,703,735</u>	<u>\$ 1,149,443</u>
NET POSITION		
Net Investment in Capital Assets	\$ 4,557,595	\$ 9,101,366
Restricted for:		
General Government	154,774	0
Finance	40,861	0
Administration of Justice	16,028	0
Public Safety	57,104	0
Public Health and Welfare	193,928	0
Highway/Public Works	3,561,313	0
Debt Service	351,473	0
Education	0	753,114
Hybrid Retirement Stabilization Funds	0	206,610
Pensions	0	1,136,222
Unrestricted	<u>(1,487,257)</u>	<u>4,260,258</u>
Total Net Position	<u>\$ 7,445,819</u>	<u>\$ 15,457,570</u>

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

Exhibit B

LAKE COUNTY, TENNESSEE
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Unit
						Lake County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 1,068,952	\$ 98,195	\$ 378,390	\$ 0	\$ (592,367)	\$ 0
Finance	483,723	189,017	0	0	(294,706)	0
Administration of Justice	576,018	102,397	4,500	0	(469,121)	0
Public Safety	1,746,401	237,556	244,214	2,717	(1,261,914)	0
Public Health and Welfare	1,216,505	1,097,848	206,275	0	87,618	0
Social, Cultural, and Recreational Services	152,333	0	123,987	0	(28,346)	0
Agriculture and Natural Resources	35,187	0	0	0	(35,187)	0
Highways	2,510,584	4,561	1,830,467	587,971	(87,585)	0
Interest on Long-term Debt	250,495	0	26,136	0	(224,359)	0
Total Primary Government	\$ 8,040,198	\$ 1,729,574	\$ 2,813,969	\$ 590,688	\$ (2,905,967)	\$ 0
Component Unit:						
Lake County School Department	\$ 11,067,929	\$ 44,642	\$ 4,041,076	\$ 0	\$ 0	\$ (6,982,211)
Total Component Unit	\$ 11,067,929	\$ 44,642	\$ 4,041,076	\$ 0	\$ 0	\$ (6,982,211)

(Continued)

Exhibit B

LAKE COUNTY, TENNESSEE
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component
						Unit
					Lake County School Department	
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes				\$ 2,486,216	\$ 690,877	
Local Option Sales Taxes				509,656	433,410	
Hotel/Motel Tax				48,891	0	
Wheel Tax				309,232	35,312	
Litigation Tax				14,240	0	
Business Tax				43,852	0	
Other Local Taxes				5,392	4,885	
Grants and Contributions Not Restricted to Specific Programs				126,470	7,798,508	
Unrestricted Investment Income				387,561	17,500	
Miscellaneous				69,150	42,544	
Total General Revenues				<u>\$ 4,000,660</u>	<u>\$ 9,023,036</u>	
Change in Net Position				\$ 1,094,693	\$ 2,040,825	
Net Position, July 1, 2023				<u>6,351,126</u>	<u>13,416,745</u>	
Net Position, June 30, 2024				<u>\$ 7,445,819</u>	<u>\$ 15,457,570</u>	

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

LAKE COUNTY, TENNESSEE

Balance Sheet

Governmental Funds

June 30, 2024

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
ASSETS					
Cash	\$ 0	\$ 0	\$ 0	\$ 2,587	\$ 2,587
Equity in Pooled Cash and Investments	1,156,745	3,371,176	1,074,417	381,676	5,984,014
Accounts Receivable	3,174,734	0	0	1,887	3,176,621
Allowance for Uncollectibles	(1,710,942)	0	0	0	(1,710,942)
Due from Other Governments	133,171	872,686	75,605	1,750	1,083,212
Due from Other Funds	5,190	0	0	0	5,190
Property Taxes Receivable	2,436,173	20,568	215,407	148,458	2,820,606
Allowance for Uncollectible Property Taxes	(58,757)	(587)	(2,724)	(4,298)	(66,366)
Cash Shortage	6,317	0	0	0	6,317
Total Assets	\$ 5,142,631	\$ 4,263,843	\$ 1,362,705	\$ 532,060	\$ 11,301,239
LIABILITIES					
Accounts Payable	\$ 25,451	\$ 581,064	\$ 0	\$ 1,089	\$ 607,604
Accrued Payroll	224	0	0	0	224
Payroll Deductions Payable	41,708	0	0	1,312	43,020
Due to Other Funds	0	0	0	5,190	5,190
Due to State of Tennessee	230	0	0	210	440
Total Liabilities	\$ 67,613	\$ 581,064	\$ 0	\$ 7,801	\$ 656,478

(Continued)

LAKE COUNTY, TENNESSEE

Balance Sheet

Governmental Funds (Cont.)

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	\$ 2,315,324	\$ 19,257	\$ 212,683	\$ 138,784	\$ 2,686,048
Deferred Delinquent Property Taxes	57,258	667	0	4,960	62,885
Other Deferred/Unavailable Revenue	1,409,976	159,445	38,511	0	1,607,932
Total Deferred Inflows of Resources	<u>\$ 3,782,558</u>	<u>\$ 179,369</u>	<u>\$ 251,194</u>	<u>\$ 143,744</u>	<u>\$ 4,356,865</u>
FUND BALANCES					
Restricted:					
Restricted for General Government	\$ 16,341	\$ 0	\$ 0	\$ 0	\$ 16,341
Restricted for General Government - American Rescue Plan Act	0	0	0	131,835	131,835
Restricted for Finance	40,861	0	0	0	40,861
Restricted for Administration of Justice	0	0	0	16,028	16,028
Restricted for Public Safety	9,617	0	0	47,487	57,104
Restricted for Public Health and Welfare	81,743	0	0	107,225	188,968
Restricted for Other Operations	6,598	0	0	0	6,598
Restricted for Highways/Public Works	0	3,503,410	0	0	3,503,410
Restricted for Debt Service	0	0	201,354	0	201,354
Committed:					
Committed for Public Health and Welfare	0	0	0	77,940	77,940
Committed for Debt Service	0	0	910,157	0	910,157
Unassigned	1,137,300	0	0	0	1,137,300
Total Fund Balances	<u>\$ 1,292,460</u>	<u>\$ 3,503,410</u>	<u>\$ 1,111,511</u>	<u>\$ 380,515</u>	<u>\$ 6,287,896</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,142,631</u>	<u>\$ 4,263,843</u>	<u>\$ 1,362,705</u>	<u>\$ 532,060</u>	<u>\$ 11,301,239</u>

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

Exhibit C-2

LAKE COUNTY, TENNESSEE
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2024

Amounts reported for governmental activities in the statement of net position (Exhibit A) are different because:

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 6,287,896	
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$ 1,805,581		
Add: buildings and improvements net of accumulated depreciation	313,915		
Add: infrastructure net of accumulated depreciation	3,887,568		
Add: other capital assets net of accumulated depreciation	<u>1,156,239</u>	7,163,303	
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: other loan payable	\$ (1,216,100)		
Less: bonds payable	(6,540,000)		
Less: accrued interest payable	(15,818)		
Less: unamortized premium on debt	(339,767)		
Add: unamortized discount on debt	6,572		
Less: pension liability	(4,124)		
Less: compensated absences payable	(112,146)		
Add: deferred amount on refunding	<u>127,426</u>	(8,093,957)	
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.			
Add: deferred outflows of resources related to pensions	\$ 435,447		
Less: deferred inflows of resources related to pensions	<u>(17,687)</u>	417,760	
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>1,670,817</u>
Net position of governmental activities (Exhibit A)			<u><u>\$ 7,445,819</u></u>

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

LAKE COUNTY, TENNESSEE
Statement of Revenues, Expenditures,
and Changes in Fund Balances
 Governmental Funds
For the Year Ended June 30, 2024

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Governmental Funds	
Revenues					
Local Taxes	\$ 2,689,579	\$ 25,989	\$ 512,462	\$ 199,764	\$ 3,427,794
Licenses and Permits	6,755	0	0	0	6,755
Fines, Forfeitures, and Penalties	35,767	0	0	3,225	38,992
Charges for Current Services	772,811	0	0	14,571	787,382
Other Local Revenues	488,307	10,416	0	16,146	514,869
Fees Received From County Officials	258,922	0	0	0	258,922
State of Tennessee	649,220	2,408,929	0	48,000	3,106,149
Federal Government	296,580	0	0	0	296,580
Other Governments and Citizens Groups	126,787	755	244,172	0	371,714
Total Revenues	\$ 5,324,728	\$ 2,446,089	\$ 756,634	\$ 281,706	\$ 8,809,157
Expenditures					
Current:					
General Government	\$ 784,206	\$ 0	\$ 0	\$ 0	\$ 784,206
Finance	478,892	0	0	0	478,892
Administration of Justice	563,332	0	0	4,520	567,852
Public Safety	1,785,944	0	0	33	1,785,977
Public Health and Welfare	996,230	0	0	139,586	1,135,816
Social, Cultural, and Recreational Services	143,140	0	0	0	143,140
Agriculture and Natural Resources	34,450	0	0	0	34,450
Other Operations	245,437	0	0	49,000	294,437
Highways	0	1,957,685	0	0	1,957,685
Debt Service:					
Principal on Debt	1,547	0	612,769	3,112	617,428
Interest on Debt	139	0	230,609	260	231,008
Other Debt Service	0	0	5,692	0	5,692
Total Expenditures	\$ 5,033,317	\$ 1,957,685	\$ 849,070	\$ 196,511	\$ 8,036,583

(Continued)

LAKE COUNTY, TENNESSEE
Statement of Revenues, Expenditures,
and Changes in Fund Balances
 Governmental Funds (Cont.)

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
Excess (Deficiency) of Revenues Over Expenditures	\$ 291,411	\$ 488,404	\$ (92,436)	\$ 85,195	\$ 772,574
Other Financing Sources (Uses)					
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 33,893	\$ 33,893
Transfers In	296,500	0	0	25,000	321,500
Transfers Out	0	0	(271,500)	(50,000)	(321,500)
Total Other Financing Sources (Uses)	\$ 296,500	\$ 0	\$ (271,500)	\$ 8,893	\$ 33,893
Net Change in Fund Balances	\$ 587,911	\$ 488,404	\$ (363,936)	\$ 94,088	\$ 806,467
Fund Balance, July 1, 2023	704,549	3,015,006	1,475,447	286,427	5,481,429
Fund Balance, June 30, 2024	\$ 1,292,460	\$ 3,503,410	\$ 1,111,511	\$ 380,515	\$ 6,287,896

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

LAKE COUNTY, TENNESSEE
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2024

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ 806,467
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 181,194	
Less: current-year depreciation expense	<u>(795,863)</u>	(614,669)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2024	\$ 1,670,817	
Less: deferred delinquent property taxes and other deferred June 30, 2023	<u>(1,371,219)</u>	299,598
(3) The issuance of long-term debt (e.g., notes, other loans, bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect on premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Add: principal payments on bonds	\$ 485,000	
Add: principal payments on other loans	132,428	
Less: change in deferred amount on refunding debt	(20,726)	
Add: change in premium on debt issuance	26,136	
Less: change in discount on debt issuance	<u>(552)</u>	622,286
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 1,791	
Change in compensated absences payable	12,470	
Change in deferred outflows related to pensions	(111,312)	
Change in deferred inflows related to pensions	3,262	
Change in net pension liability	<u>74,800</u>	(18,989)
Change in net position of governmental activities (Exhibit B)		<u>\$ 1,094,693</u>

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

LAKE COUNTY, TENNESSEE
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Fund
For the Year Ended June 30, 2024

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 2,689,579	\$ 2,920,348	\$ 2,648,848	\$ 40,731
Licenses and Permits	6,755	8,140	8,140	(1,385)
Fines, Forfeitures, and Penalties	35,767	36,405	36,405	(638)
Charges for Current Services	772,811	722,900	722,900	49,911
Other Local Revenues	488,307	317,000	317,000	171,307
Fees Received From County Officials	258,922	269,500	269,500	(10,578)
State of Tennessee	649,220	750,580	797,662	(148,442)
Federal Government	296,580	50,000	50,000	246,580
Other Governments and Citizens Groups	126,787	84,709	356,209	(229,422)
Total Revenues	\$ 5,324,728	\$ 5,159,582	\$ 5,206,664	\$ 118,064
Expenditures				
General Government				
County Commission	\$ 43,695	\$ 42,650	\$ 43,700	\$ 5
County Mayor/Executive	214,332	207,675	217,148	2,816
County Attorney	11,005	21,000	21,000	9,995
Election Commission	130,867	126,436	133,140	2,273
Register of Deeds	113,990	116,011	115,952	1,962
Development	16,669	17,550	17,550	881
County Buildings	253,648	315,900	314,900	61,252
Finance				
Property Assessor's Office	147,146	147,976	151,292	4,146
County Trustee's Office	159,610	166,559	168,691	9,081
County Clerk's Office	172,136	173,161	173,745	1,609
Administration of Justice				
Circuit Court	217,906	288,927	251,069	33,163
General Sessions Court	129,891	131,897	131,988	2,097
Chancery Court	122,288	125,966	126,443	4,155
Juvenile Court	61,540	53,112	63,890	2,350
Other Administration of Justice	1,325	3,500	3,500	2,175
Courtroom Security	30,382	36,680	36,730	6,348
Public Safety				
Sheriff's Department	643,509	902,948	732,103	88,594
Special Patrols	229,851	0	247,970	18,119
Jail	894,320	750,295	892,586	(1,734)
Civil Defense	18,264	15,122	19,722	1,458

(Continued)

LAKE COUNTY, TENNESSEE
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
 General Fund (Cont.)

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Expenditures (Cont.)				
Public Health and Welfare				
Local Health Center	\$ 42,109	\$ 35,164	\$ 62,569	\$ 20,460
Ambulance/Emergency Medical Services	928,285	846,800	1,037,871	109,586
Sanitation Management	25,836	33,665	26,665	829
Social, Cultural, and Recreational Services				
Senior Citizens Assistance	105,899	104,444	122,744	16,845
Libraries	28,700	28,700	28,700	0
Other Social, Cultural, and Recreational	8,541	3,500	8,550	9
Agriculture and Natural Resources				
Agricultural Extension Service	34,450	40,263	42,013	7,563
Other Operations				
Tourism	50,489	50,000	50,750	261
Other Economic and Community Development	10,833	0	3,000	(7,833)
Other Charges	60,866	56,000	63,500	2,634
Contributions to Other Agencies	33,150	5,000	29,000	(4,150)
Employee Benefits	90,099	337,100	337,100	247,001
Principal on Debt				
General Government	1,547	0	1,547	0
Interest on Debt				
General Government	139	0	139	0
Total Expenditures	<u>\$ 5,033,317</u>	<u>\$ 5,184,001</u>	<u>\$ 5,677,267</u>	<u>\$ 643,950</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 291,411</u>	<u>\$ (24,419)</u>	<u>\$ (470,603)</u>	<u>\$ 762,014</u>
Other Financing Sources (Uses)				
Transfers In	<u>\$ 296,500</u>	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 271,500</u>
Total Other Financing Sources	<u>\$ 296,500</u>	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 271,500</u>
Net Change in Fund Balance	\$ 587,911	\$ 581	\$ (445,603)	\$ 1,033,514
Fund Balance, July 1, 2023	<u>704,549</u>	<u>704,549</u>	<u>704,549</u>	<u>0</u>
Fund Balance, June 30, 2024	<u><u>\$ 1,292,460</u></u>	<u><u>\$ 705,130</u></u>	<u><u>\$ 258,946</u></u>	<u><u>\$ 1,033,514</u></u>

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

LAKE COUNTY, TENNESSEE
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2024

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 25,989	\$ 29,950	\$ 29,950	\$ (3,961)
Other Local Revenues	10,416	60,000	60,000	(49,584)
State of Tennessee	2,408,929	3,005,270	3,005,270	(596,341)
Other Governments and Citizens Groups	755	20,000	20,000	(19,245)
Total Revenues	<u>\$ 2,446,089</u>	<u>\$ 3,115,220</u>	<u>\$ 3,115,220</u>	<u>\$ (669,131)</u>
Expenditures				
Highways				
Administration	\$ 246,919	\$ 283,088	\$ 283,088	\$ 36,169
Highway and Bridge Maintenance	1,090,932	1,563,500	1,563,500	472,568
Operation and Maintenance of Equipment	326,071	453,800	453,800	127,729
Other Charges	171,569	179,640	179,640	8,071
Employee Benefits	120,856	138,500	138,500	17,644
Capital Outlay	1,338	452,000	452,000	450,662
Total Expenditures	<u>\$ 1,957,685</u>	<u>\$ 3,070,528</u>	<u>\$ 3,070,528</u>	<u>\$ 1,112,843</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 488,404</u>	<u>\$ 44,692</u>	<u>\$ 44,692</u>	<u>\$ 443,712</u>
Net Change in Fund Balance	\$ 488,404	\$ 44,692	\$ 44,692	\$ 443,712
Fund Balance, July 1, 2023	<u>3,015,006</u>	<u>2,713,045</u>	<u>2,713,045</u>	<u>301,961</u>
Fund Balance, June 30, 2024	<u>\$ 3,503,410</u>	<u>\$ 2,757,737</u>	<u>\$ 2,757,737</u>	<u>\$ 745,673</u>

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

LAKE COUNTY, TENNESSEE

Statement of Net Position

Fiduciary Funds

June 30, 2024

	Custodial Funds
	<u> </u>
ASSETS	
Cash	\$ 30,127
Equity in Pooled Cash and Investments	19,170
Due from Other Governments	43,733
Cash Shortage	<u>35,159</u>
Total Assets	<u>\$ 128,189</u>
LIABILITIES	
Due to Other Taxing Units	<u>\$ 43,733</u>
Total Liabilities	<u>\$ 43,733</u>
NET POSITION	
Restricted for Individuals, Organizations and Other Governments	<u>\$ 84,456</u>
Total Net Position	<u><u>\$ 84,456</u></u>

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

LAKE COUNTY, TENNESSEE
Statement of Changes in Net Position
 Fiduciary Funds
For the Year Ended June 30, 2024

	<u>Custodial Funds</u>
ADDITIONS	
Sales Tax Collections for Other Governments	\$ 256,647
Watershed Authority Collections	5,803
Fines/Fees and Other Collections	1,193,776
Total Additions	<u>\$ 1,456,226</u>
DEDUCTIONS	
Payment of Sales Tax Collections to Other Governments	\$ 256,647
Payment of Watershed Expenses	116
Payments to State	488,525
Payments to Cities, Individuals, and Others	725,952
Total Deductions	<u>\$ 1,471,240</u>
Net Increase (Decrease) in Fiduciary in Net Position	\$ (15,014)
Net Position, July 1, 2023	<u>99,470</u>
Net Position, June 30, 2024	<u><u>\$ 84,456</u></u>

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

LAKE COUNTY, TENNESSEE
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LAKE COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Lake County's financial statements are presented in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments.

The following are the more significant accounting policies of Lake County:

A. *Reporting Entity*

Lake County is a public municipal corporation governed by an elected nine-member board. As required by GAAP, these financial statements present Lake County (the primary government) and its component units. The financial statements of the Lake County Emergency Communications District, a component unit requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of these omissions did not affect the independent auditor's opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

Discretely Presented Component Units – The following entities meet the criteria for discretely presented component units of the county. They are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the county.

The Lake County School Department operates the public school system in the county, and the voters of Lake County elect its board. The school department is fiscally dependent on the county because it may not issue debt, and its budget and property tax levy are subject to the county commission's approval. The school department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

The Lake County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Lake County, and the Lake County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the county commission's approval. The financial statements of the Lake County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Lake County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the school department are included in this report as listed in the table of contents. Complete financial statements of the Lake County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Lake County Emergency Communications District
P.O. Box 63
Tiptonville, TN 38079

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the Statement of Activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. However, the primary government of Lake County does not have any business-type activities to report. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Lake County School Department component unit only reports governmental activities in the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Lake County issues all debt for the discretely presented Lake County School Department. There were no debt issues contributed by the county to the school department during the year ended June 30, 2024.

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

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

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

Fund financial statements of Lake County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/fund net position, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary,

and fiduciary; however, Lake County has no proprietary funds to report. An emphasis is placed on major funds within the governmental category.

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

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

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

Fiduciary funds financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category includes custodial funds and a private-purpose trust fund. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement.

Lake County reports the following major governmental funds:

General Fund – This is the county’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Highway/Public Works Fund – This special revenue fund accounts for transactions of the county’s highway department. Local and state gasoline/fuel taxes are the foundational revenues of this fund.

General Debt Service Fund – This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Additionally, Lake County reports the following fund type:

Custodial Funds – These funds account for amounts collected in a custodial capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Lake County, assets held in custody for a watershed district, and assets held in custody for two joint ventures.

The discretely presented Lake County School Department reports the following major governmental funds:

General Purpose School Fund – This fund is the primary operating fund of the school department. It is used to account for general operations of the school department.

School Federal Projects Fund – This special revenue fund is used to account for restricted federal revenues, which must be expended on specific education programs.

Additionally, the Lake County School Department reports the following fund type:

Private Purpose Trust Fund – The Private Purpose Trust Fund is used to account for endowments received by the school department. Income generated from the corpus of the endowments is used to provide annual scholarships to one or more Lake County students selected by the Board of Education.

The school department reports a nonmajor special revenue fund (Internal School Fund) which is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities. Collections from students and school activities are the foundational revenues of this fund. The current year (FY 24) report was not available from the auditor of the Internal School Fund in time for inclusion in this report. Therefore, the prior year balances (FY 23) are presented in this report. We do not believe using the prior year balances will affect the independent auditor's opinion on the Aggregate Discretely Presented Component Units. A more detailed reporting of the fund activities at each individual school may be found at <https://www.comptroller.tn.gov/office-functions/la/reports/find-other-audits.html>.

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

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

1. Deposits and Investments

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

rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Lake County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Fund. Lake County and the school department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost.

Investments in the State Treasurer's Investment Pool are reported at amortized cost using a stable net asset value. The primary oversight responsibility for the investments and operations of the State Treasurer's Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. These policies were designed to comply with generally accepted accounting principles. In addition, state statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. Compliance with Funding Board policies is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Investment Pool complied with accounting principles generally accepted in the United States of America.

Investments in the State Treasurer's Intermediate Term Investment Fund are reported at amortized cost using a floating net asset value. The primary oversight responsibility for the investments and operations of the State Treasurer's Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. These policies were designed to comply with generally accepted accounting principles. In addition, state statutes require the state treasurer to administer the pool under the same terms and conditions as prescribed for other funds invested by the state treasurer. Compliance with Funding Board policies is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Intermediate Term Investment Fund complied with accounting principles generally accepted in the United States of America. Lake County had no investments in the State Treasurer's Intermediate Term Investment Fund during the year.

No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

Activity between funds for unremitted current collections outstanding at the end of the fiscal year is referred to as due to/from other funds.

All ambulance and property taxes receivables are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on

historical collection data. The allowance for uncollectible property taxes is equal to 1.26 percent of total taxes levied.

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

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

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

3. Restricted Assets

Restricted assets consist of amounts held in a pension stabilization trust by the Tennessee Consolidated Retirement System (TCRS) for the benefit of the discretely presented Lake County School Department's Teacher Retirement Plan. The purpose of this trust is to accumulate funds to provide stabilization (smoothing) of retirement costs to the school system in times of fluctuating investment returns and market downturns. These funds are held and invested by TCRS pursuant to an irrevocable agreement and may only be used for the benefit of the Lake County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Lake County School Department has not withdrawn any funds from the trust to pay pension cost. Trust documents provide that the funds are not subject to the claims of general creditors of the school department.

4. Capital Assets

Governmental funds do not capitalize the cost of capital outlays; these funds report capital outlays as expenditures upon acquisition.

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items) are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, equipment, and infrastructure of the primary government and the discretely presented school department are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	25
Other Capital Assets	5 - 20
Infrastructure:	
Roads	8 - 20
Bridges	30

5. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position. These items are for a deferred charge on refunding, pension and OPEB changes in experience, pension changes in investment earnings, pension and OPEB changes in assumptions, pension and OPEB changes in proportionate share, and employer contributions made to the pension and OPEB plans after the measurement date. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes, pension and OPEB changes in experience, pension and OPEB changes in proportionate share, OPEB changes in assumptions and various receivables for revenues, which do not meet the availability criteria for governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. Compensated Absences

It is the general policy of Lake County (with the exception of the sheriff's and highway departments) not to allow employees to accumulate vacation and sick leave beyond year-end. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

It is the sheriff's department's policy to permit employees to accumulate earned but unused vacation benefits that will be paid to employees upon separation from service. Employees are also allowed to accumulate a limited amount of unused sick leave. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

It is the highway department's policy to permit employees to accumulate a limited amount of earned but unused vacation benefits that will be paid to employees upon separation from service. Full-time employees of the highway department are allowed to accumulate an unlimited amount of unused sick leave. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

Beginning in fiscal year 2024, the school department changed their policy, and employees are no longer allowed to accumulate vacation leave beyond year-end. The policy of the school department permits the unlimited accumulation of unused sick leave for professional personnel (teachers). The salaried para-professional employees are allowed to accumulate a limited amount of unused sick leave. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

7. Long-term Debt and Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Debt premiums and discounts are deferred and are amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences, pensions, and other

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

8. Net Position and Fund Balance

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

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

As of June 30, 2024, Lake County had \$4,614,600 in outstanding debt for capital purposes for the discretely presented Lake County School Department. This debt is a liability of Lake County, but the capital assets acquired are reported in the financial statements of the school department. Therefore, Lake County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of

the county commission, the county's highest level of decision-making authority and the Board of Education, the school department's highest level of decision-making authority, and shall remain binding unless removed in the same manner.

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

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds. In the other governmental funds, funds expended that exceed the amounts that are restricted, committed, and assigned are reported as negative unassigned fund balance.

E. Pension Plans

Primary Government

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

Discretely Presented Lake County School Department

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

F. Other Postemployment Benefit (OPEB) Plan

Discretely Presented Lake County School Department

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined on the same basis as they are reported by the discretely presented Lake County School

Department. For this purpose, the school department recognizes benefit payments when due and payable in accordance with benefit terms. The school department's OPEB plan is not administered through a trust.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. *Explanation of certain differences between the governmental fund balance sheet and the government-wide Statement of Net Position*

Primary Government

Exhibit C-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Position.

Discretely Presented Lake County School Department

Exhibit I-3 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Position.

B. *Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the government-wide Statement of Activities*

Primary Government

Exhibit C-4 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net position of governmental activities reported in the government-wide Statement of Activities.

Discretely Presented Lake County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. *Budgetary Information*

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

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

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

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

B. Cash Shortages – Prior Years

The audit of Lake County for the 2009-10 year reported irregularities in the Lake County Mayor's Office. Our investigation revealed that from October 18, 2005, through July 26, 2010, the county mayor's bookkeeper issued 191 vendor checks totaling \$202,345 from the county's General Fund for personal use. The bookkeeper pled guilty and was ordered to pay \$53,345 in restitution. The county's insurance company paid the county \$149,000, Regions Bank paid the county \$17,500 to settle a civil lawsuit, and the former bookkeeper has paid \$29,528 restitution leaving an outstanding balance of \$6,317 due the county on June 30, 2024.

The audit of Lake County for the 2022-2023 year reported a cash shortage of \$35,159 in the sheriff's department. An investigation by the Comptroller's Division of Investigations revealed that the former jail administrator misappropriated at least \$35,159 of inmate commissary funds during the period January 1, 2018, through July 11, 2023. On November 23, 2023, the former jail administrator was indicted for one count of Theft of Property over \$10,000, one count of Destruction of and Tampering with Governmental Records, and one count of Official Misconduct. As of June 30, 2024, trial is pending, and no restitution has been paid leaving an unpaid shortage of \$35,159.

C. Expenditures Exceeded Appropriations

Expenditures and exceeded appropriations approved by the county commission in the following major appropriations categories of the following funds:

Fund/Major Appropriation Category	Amount Overspent
General Fund:	
Public Safety - Jail	\$ 1,734
Other Operations - Other Economic and Community Development	7,833
Other Operations - Contributions to Other Agencies	4,150
General Purpose School Fund:	
Instruction - Special Education Program	24,693
Support Services - Attendance	32,852
Support Services - Health Services	2,139
Support Services - Special Education Program	28,931
Support Services - Office of the Principal	16,396
Support Services - Fiscal Services	7,506
Support Services - Human Services/Personnel	1,975
Support Services - Maintenance of Plant	1,840
Capital Outlay - Regular Capital Outlay	1,403,252
School Federal Projects Fund	
Support Services - Operation of Plant	17,406

Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balances.

IV. DETAILED NOTES ON ALL FUNDS

A. *Deposits and Investments*

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

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of three methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 90 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the

pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

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

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

Investments

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

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

The county had no pooled and nonpooled investments as of June 30, 2024.

TCRS Stabilization Trust

Legal Provisions. The Lake County School Department is a member of the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust. The school department has placed funds into the irrevocable trust as authorized by statute under Tennessee Code Annotated (TCA), Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the trust. Funds of trust members are held and invested in the name of the trust for the benefit of each member. Each member's funds are restricted for the payment of retirement benefits of that member's employees. Trust funds are not subject to the claims of general creditors of the school department.

The trust is authorized to make investments as directed by the TCRS Board of Trustees. The Lake County School Department may not impose any restrictions on investments placed by the trust on their behalf. It is the intent of the plan trustees to allocate these funds in the future to offset pension costs.

On June 30, 2024, the Lake County School Department had the following investments held by the trust on its behalf. These funds are recognized as restricted assets in the General Purpose School Fund of the school department.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 64,049
Developed Market International Equity	N/A	N/A	28,925
Emerging Market International Equity	N/A	N/A	8,264
U.S. Fixed Income	N/A	N/A	41,322
Real Estate	N/A	N/A	20,661
Short-term Securities	N/A	N/A	2,067
NAV - Private Equity and Strategic Lending	N/A	N/A	41,322
 Total			 \$ 206,610

For further information concerning the legal provisions, investment policies, investment types, and credit risks of the school department's investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

B. Capital Assets

Capital assets activity for the year ended June 30, 2024, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-23	Increases	Balance 6-30-24
Capital Assets			
Not Depreciated:			
Land	\$ 1,805,581	\$ 0	\$ 1,805,581
Total Capital Assets	\$ 1,805,581	\$ 0	\$ 1,805,581
Not Depreciated	\$ 1,805,581	\$ 0	\$ 1,805,581
Capital Assets Depreciated:			
Buildings and			
Improvements	\$ 3,823,487	\$ 0	\$ 3,823,487
Infrastructure	6,909,892	0	6,909,892
Other Capital Assets	6,497,136	181,194	6,678,330
Total Capital Assets	\$ 17,230,515	\$ 181,194	\$ 17,411,709
Depreciated	\$ 17,230,515	\$ 181,194	\$ 17,411,709
Less Accumulated			
Depreciation For:			
Buildings and			
Improvements	\$ 3,390,310	\$ 119,262	\$ 3,509,572
Infrastructure	2,736,221	286,103	3,022,324
Other Capital Assets	5,131,593	390,498	5,522,091
Total Accumulated	\$ 11,258,124	\$ 795,863	\$ 12,053,987
Depreciation	\$ 11,258,124	\$ 795,863	\$ 12,053,987
Total Capital Assets			
Depreciated, Net	\$ 5,972,391	\$ (614,669)	\$ 5,357,722
Governmental Activities			
Capital Assets, Net	\$ 7,777,972	\$ (614,669)	\$ 7,163,303

There were no decreases in capital assets to report during the year ended June 30, 2024.

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

Governmental Activities:

General Government	\$	25,044
Finance		422
Administration of Justice		2,182
Public Safety		110,990
Public Health and Welfare		105,014
Social, Cultural, and Recreational Services		3,967
Agriculture and Natural Resources		493
Highway/Public Works		<u>547,751</u>
Total Depreciation Expense - Governmental Activities	\$	<u><u>795,863</u></u>

Net Investment in Capital Assets

Capital Assets (both tangible and intangible)	\$	7,163,303
Add:		
Unamortized balance of original issue discounts on outstanding capital debt		6,572
Less:		
Outstanding principal of capital debt and other capital borrowings		(2,510,350)
Unamortized balance of original issue premiums on outstanding capital-related debt		<u>(101,930)</u>
Net Investment in Capital Assets	\$	<u><u>4,557,595</u></u>

Discretely Presented Lake County School Department

Governmental Activities:

	Balance 7-1-23	Increases	Decreases	Balance 6-30-24
Capital Assets				
Not Depreciated:				
Land	\$ 67,365	\$ 0	\$ 0	\$ 67,365
Construction in Progress	1,694,495	0	(1,694,495)	0
Total Capital Assets				
Not Depreciated	<u>\$ 1,761,860</u>	<u>\$ 0</u>	<u>\$ (1,694,495)</u>	<u>\$ 67,365</u>
Capital Assets Depreciated:				
Buildings and				
Improvements	\$ 12,976,435	\$ 3,701,632	\$ 0	\$ 16,678,067
Other Capital Assets	2,389,529	200,669	0	2,590,198
Total Capital Assets				
Depreciated	<u>\$ 15,365,964</u>	<u>\$ 3,902,301</u>	<u>\$ 0</u>	<u>\$ 19,268,265</u>
Less Accumulated				
Depreciation For:				
Buildings and				
Improvements	\$ 8,077,432	\$ 381,054	\$ 0	\$ 8,458,486
Other Capital Assets	1,628,464	147,314	0	1,775,778
Total Accumulated				
Depreciation	<u>\$ 9,705,896</u>	<u>\$ 528,368</u>	<u>\$ 0</u>	<u>\$ 10,234,264</u>
Total Capital Assets				
Depreciated, Net	<u>\$ 5,660,068</u>	<u>\$ 3,373,933</u>	<u>\$ 0</u>	<u>\$ 9,034,001</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 7,421,928</u>	<u>\$ 3,373,933</u>	<u>\$ (1,694,495)</u>	<u>\$ 9,101,366</u>

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

Governmental Activities:

Instruction	\$ 318,495
Support Services	188,329
Operation of Non-instructional Services	<u>21,544</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 528,368</u></u>

C. *Interfund Receivables, Payables and Transfers*

The composition of interfund balances as of June 30, 2024, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 5,190
Discretely Presented Lake County School Department:		
General Purpose School	School Federal Projects	6,083
"	Nonmajor governmental	89,282
School Federal Projects	General Purpose School	183
Nonmajor governmental	"	44,624

These balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur and payments between funds are made.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2024, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In		Purpose
	General Fund	Nonmajor governmental fund	
General Debt Service Fund	\$ 271,500	\$ 0	Operations
Nonmajor governmental fund	25,000	25,000	ARPA funds
Total	\$ 296,500	\$ 25,000	

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

D. Long-term Debt

Primary Government

General Obligation Bonds and Other Loans

General Obligation Bonds - Lake County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. In addition, general obligation bonds have been issued to refund other general obligation bonds. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds were issued for original terms of up to 20 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2024, will be retired from the General Debt Service Fund.

Direct Borrowing and Direct Placements - Lake County issues other loans to provide funds for the acquisition and construction of major capital facilities and other capital outlay purchases, such as equipment, for the primary government and the discretely presented school department. Other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. The other loan outstanding was issued for original terms of 17 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. The other loan included in long-term debt as of June 30, 2024, will be retired from the General Debt Service Fund.

General obligation bonds and the other loan outstanding as of June 30, 2024, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-24
General Obligation				
Refunding Bonds	.75 to 5 %	6-1-37	\$ 8,840,000	\$ 6,540,000
Direct Borrowing and Direct Placement:				
Other Loans - Fixed rate	1.5	8-1-35	1,694,232	1,216,100

During the 2018-19 year, Lake County entered into an agreement with the Tennessee Energy Efficient Schools Council to receive funding from the Energy Efficient Schools Initiative program. Under this agreement, the program loaned Lake County \$1,694,232 to fund a project to increase energy efficiency in the Lake County School Department. The loan has an interest rate of 1.5 percent.

The annual requirements to amortize all general obligation bonds and the other loan outstanding as of June 30, 2024, including interest payments, are presented in the following table:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2025	\$ 510,000	\$ 189,813	\$ 699,813
2026	530,000	167,013	697,013
2027	550,000	143,033	693,033
2028	580,000	118,033	698,033
2029	595,000	104,743	699,743
2030-2034	2,775,000	324,159	3,099,159
2035-2037	1,000,000	39,176	1,039,176
Total	\$ 6,540,000	\$ 1,085,970	\$ 7,625,970

Year Ending June 30	Other Loan - Direct Placement		
	Principal	Interest	Total
2025	\$ 101,624	\$ 17,548	\$ 119,172
2026	103,162	16,010	119,172
2027	104,723	14,449	119,172
2028	106,298	12,874	119,172
2029	107,908	11,264	119,172
2030-2034	564,481	31,379	595,860
2035-2036	127,904	1,165	129,069
Total	\$ 1,216,100	\$ 104,689	\$ 1,320,789

There is \$1,111,511 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$934, based on the 2020 federal census. Total debt per capita, including bonds, the other loan, unamortized debt premiums, and unamortized debt discounts totaled \$1,155, based on the 2020 federal census.

The school department is currently contributing funds to service some of the debt issued on its behalf by the primary government as noted in the table below.

Description of Debt	Outstanding 6-30-24
<u>Other Loan Payable - Direct Placement</u>	
<u>Contributions from the General Purpose School Fund</u>	
Energy Efficient School Initiative, 2018	\$ 1,216,100
<u>Bonds Payable</u>	
<u>Contributions from the General Purpose School Fund</u>	
General Obligation Refunding Bonds, Series 2020	4,855,000
Total	<u>\$ 6,071,100</u>

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2024, was as follows:

Governmental Activities:	Other Loans -	
	Bonds	Direct Placement
Balance, July 1, 2023	\$ 7,025,000	\$ 1,348,528
Reductions	(485,000)	(132,428)
Balance, June 30, 2024	<u>\$ 6,540,000</u>	<u>\$ 1,216,100</u>
Balance Due Within One Year	<u>\$ 510,000</u>	<u>\$ 101,624</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2024	\$ 7,756,100
Add: Unamortized Premium on Debt	339,767
Less: Unamortized Discount on Debt	(6,572)
Less: Balance Due Within One Year - Debt	<u>(611,624)</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 7,477,671</u>

E. Long-term Obligations

Primary Government

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2024, was as follows:

Governmental Activities:	Compensated Absences	Net Pension Liability
Balance, July 1, 2023	\$ 124,616	\$ 78,924
Additions	55,186	839,784
Reductions	(67,656)	(914,584)
Balance, June 30, 2024	<u>\$ 112,146</u>	<u>\$ 4,124</u>
Balance Due Within One Year	<u>\$ 5,607</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2024	\$ 116,270
Less: Balance Due Within One Year - Other	<u>(5,607)</u>
Other Noncurrent Liabilities - Due in More Than One Year - Other- Exhibit A	<u><u>\$ 110,663</u></u>

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

Discretely Presented Lake County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Lake County School Department for the year ended June 30, 2024, was as follows:

Governmental Activities:

	Compensated Absences	Net Pension Liability - Agent Plan	Other Postemployment Benefits
Balance, July 1, 2023	\$ 72,498	\$ 25,750	\$ 907,639
Additions	43,946	249,148	163,444
Reductions	<u>(116,444)</u>	<u>(273,674)</u>	<u>(71,865)</u>
Balance, June 30, 2024	<u>\$ 0</u>	<u>\$ 1,224</u>	<u>\$ 999,218</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 45,245</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2024	\$ 1,000,442
Less: Due Within One Year - Other	<u>(45,245)</u>
Other Noncurrent Liabilities - Due in More Than One Year - Other -Exhibit A	<u><u>\$ 955,197</u></u>

Other postemployment benefits and the net pension liability will be paid from the employing funds, the General Purpose School and School Federal Projects funds.

F. On-Behalf Payments – Discretely Presented Lake County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Lake County School Department. These payments are made by the state to the Local Education Group Insurance Plan. The plan is administered by the State of Tennessee and reported in the state’s Annual Comprehensive Financial Report. Payments by the state to the

Local Education Group Insurance Plan were \$15,606. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. *Risk Management*

Primary Government

Employee Health Insurance

Effective January 1, 2018, Lake County (except for the highway and school department) carries commercial insurance for active employee's health insurance. Pre-65 age retirees are not allowed to remain in the program. The highway department does not provide health insurance coverage for its employees.

Liability, Property, Casualty, and Workers' Compensation Insurance

Lake County participates in the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding \$250,000 for property and \$450,000 for liability for each insured event.

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

Discretely Presented Lake County School Department

Employee Health Insurance

The discretely presented Lake County School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, TCA, all local education agencies are eligible to participate. The LEGIF is included in the Annual Comprehensive Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, TCA, provides for the LEGIF to be self-sustaining through member premiums.

Liability, Property, Casualty, and Workers' Compensation Insurance

The school department participates in the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The school department pays an annual premium to the TN-RMT for its general liability, property, casualty, and workers'

compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

B. Accounting Change

GASB Statement No. 100, *Accounting Changes and Error Corrections*, became effective for the fiscal year ending June 30, 2024. This statement clarifies the financial accounting and reporting requirements for changes in accounting principles, changes in accounting estimates, error corrections, and changes within the reporting entity.

C. Contingent Liabilities

The county has received various federal and state grants and other assistance for specific purposes that are subject to review and audit by grantor agencies. Such audits could result in reimbursements to the grantor agencies for expenditures disallowed under the terms of the grants. County management is not aware of any potential disallowances and believes that reimbursements, if any, would not be material.

The county and the school department are involved in pending lawsuits. Management estimates that the potential claims not covered by insurance resulting from such litigation would not materially affect the financial statements.

D. Joint Ventures

Lake County is a participant with Obion and Dyer counties in a multi-county entity known as the Northwest Tennessee Regional Port Authority. This entity was created to operate and maintain a port to be located in Lake County on the Mississippi River. A board is appointed by the participating counties with the mayors of each county serving as ex-officio members. The board comprises eight members, four of whom are appointed by the Lake County Commission, two by the Obion County Commission, and two by the Dyer County Commission. Dyer County has control over budgeting and financing the joint venture only to the extent of representation by the two board members appointed. Their administrative office can be contacted at P.O. Box 267, Dyersburg, TN 38025.

Lake County is a participant with Dyer County and the cities of Tiptonville, Ridgely, and Dyersburg in an entity known as the TennKen Railroad Authority. The governing board for the authority consists of the mayors of both counties and all three cities. This entity was created to facilitate active involvement by all affected local governments in Tennessee regarding a section of railroad track commonly known as the TennKen Railroad. The TennKen Railroad is owned by the Hickman River City Development Corporation (HRCDC), a public entity chartered in Kentucky. The HRCDC had previously purchased the line from Illinois Central Railroad to ensure rail access to the river port in Hickman, Kentucky. All funding for the TennKen Railroad Authority comes from the State of Tennessee through the Tennessee Department of Transportation as grants, which are used for the maintenance and rehabilitation of the TennKen Railroad track and the necessary engineering services for said maintenance and rehabilitation. The Lake County Mayor's Office handles the administration of these grant funds and passes them through to the HRCDC for disbursement.

E. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Lake County and non-certified employees of the discretely presented Lake County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 77.12 percent and the non-certified employees of the discretely presented school department comprised 22.88 percent of the plan based on contribution data. The TCRS was created by state statute under Tennessee Code Annotated (TCA), Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

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

Employees Covered by Benefit Terms. At the measurement date of June 30, 2023, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	92
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	198
Active Employees	122
Total	<u><u>412</u></u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Lake County makes employer contributions at the

rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2024, the employer contribution for Lake County was \$257,268 based on a rate of 5.81 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Lake County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Lake County's net pension liability (asset) was measured as of June 30, 2023, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation

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

The actuarial assumptions used in the June 30, 2023, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020, actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity	4.88	%	31	%
Developed Market				
International Equity	5.37		14	
Emerging Market				
International Equity	6.09		4	
Private Equity and				
Strategic Lending	6.57		20	
U.S. Fixed Income	1.20		20	
Real Estate	4.38		10	
Short-term Securities	0.00		1	
			100	%
Total			100	%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Lake County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2022	\$ 11,499,457	\$ 11,394,783	\$ 104,674
Changes for the Year:			
Service Cost	\$ 300,863	\$ 0	\$ 300,863
Interest	774,466	0	774,466
Differences Between Expected and Actual Experience	(5,884)	0	(5,884)
Contributions-Employer	0	228,198	(228,198)
Contributions-Employees	0	196,385	(196,385)
Net Investment Income	0	757,791	(757,791)
Benefit Payments, Including Refunds of Employee Contributions	(653,506)	(653,506)	0
Administrative Expense	0	(13,603)	13,603
Net Changes	<u>\$ 415,939</u>	<u>\$ 515,265</u>	<u>\$ (99,326)</u>
Balance, June 30, 2023	<u>\$ 11,915,396</u>	<u>\$ 11,910,048</u>	<u>\$ 5,348</u>

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	77.12%	\$ 9,189,153	\$ 9,185,029	\$ 4,124
School Department	22.88%	<u>2,726,243</u>	<u>2,725,019</u>	<u>1,224</u>
Total		<u>\$ 11,915,396</u>	<u>\$ 11,910,048</u>	<u>\$ 5,348</u>

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Lake County calculated using the discount rate of 6.75 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Lake County	5.75%	6.75%	7.75%

Net Pension Liability (Asset) \$ 1,475,640 \$ 5,348 \$ (1,218,371)

Pension Expense (Negative Pension Expense) and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions

Pension Expense (Negative Pension Expense). For the year ended June 30, 2024, Lake County recognized pension expense (negative pension expense) of \$289,498.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2024, Lake County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 28,146	\$ 22,935
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	86,535	0
Changes in Assumptions	206,192	0
Contributions Subsequent to the Measurement Date of June 30, 2023 (1)	257,268	N/A
Total	<u>\$ 578,141</u>	<u>\$ 22,935</u>

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2023,” will be recognized as a reduction (increase) to net pension liability (asset) in the subsequent fiscal period.

**Allocation of Agent Plan Deferred Outflows of Resources and
Deferred Inflows of Resources**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 435,447	\$ 17,687
School Department	142,694	5,248
Total	<u>\$ 578,141</u>	<u>\$ 22,935</u>

Amounts reported as deferred outflows of resources, with the exception of contributions subsequent to the measurement date, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2025	\$ 161,396
2026	(116,008)
2027	251,909
2028	641
2029	
Thereafter	0

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

Discretely Presented Lake County School Department - Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Lake County and non-certified employees of the discretely presented Lake County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 77.12 percent and the non-certified employees of the discretely presented school department comprised 22.88 percent of the plan based on contribution data.

Discretely Presented Lake County School Department - Certified Employees - Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Lake County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated (TCA), Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. Members who leave employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLAs, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level,

approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year end June 30, 2024, to the Teacher Retirement Plan were \$64,549, which is 2.95 percent of covered payroll. In addition, employer contributions of \$22,714, which is 1.05 percent of covered payroll were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense (Negative Pension Expense), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liabilities (Assets). On June 30, 2024, the school department reported a liability (asset) of (\$40,543) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2023, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2023, the school department's proportion was .095612 percent. The proportion as of June 30, 2022, was .106211 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2024, the school department recognized pension expense of \$50,604.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2024, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 1,366	\$ 23,664
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	10,308	0
Changes in Assumptions	30,502	0
Changes in Proportion of Net Pension Liability (Asset)	19,365	23,726
LEA's Contributions Subsequent to the Measurement Date of June 30, 2023	64,549	N/A
Total	<u>\$ 126,090</u>	<u>\$ 47,390</u>

The school department's employer contributions of \$64,549, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) to the net pension liability (asset) in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2025	\$ (896)
2026	(2,396)
2027	13,505
2028	24
2029	87
Thereafter	3,827

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

Actuarial Assumptions. The total pension liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.125%

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

The actuarial assumptions used in the June 30, 2023, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020, actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	4.88 %	31 %
International Equity Emerging Market	5.37	14
International Equity Private Equity and Strategic Lending	6.09	4
U.S. Fixed Income	6.57	20
Real Estate	1.20	20
Short-term Securities	4.38	10
	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the school department's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75 percent, as well as what the school department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

School Department's	Current		
Proportionate Share of	1%	Discount	1%
the Net Pension	Decrease	Rate	Increase
Liability (Asset)	5.75%	6.75%	7.75%
Net Pension Liability (Asset)	\$ 186,494	\$ (40,543)	\$ (203,990)

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

Discretely Presented Lake County School Department - Certified Employees - Teacher Legacy Pension Plan

General Information About the Pension Plan

Plan Description. Teachers of the Lake County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under Tennessee Code Annotated (TCA), Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at

<https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members are vested with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Lake County School Department for the year ended June 30, 2024, to the Teacher Legacy Pension Plan were \$176,232, which is 6.81 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense (Negative Pension Expense), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liability (Assets). On June 30, 2024, the school department reported a liability (asset) of (\$1,095,679) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2023, the school department's proportion

was .092935 percent. The proportion measured on June 30, 2022, was .087284 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2024, the school department recognized (negative pension expense) of \$260,336.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2024, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 261,047	\$ 50,847
Changes in Assumptions	357,002	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	190,106	0
Changes in Proportion of Net Pension Liability (Asset)	30,380	89,170
LEA's Contributions Subsequent to the Measurement Date of June 30, 2023	176,232	N/A
Total	\$ 1,014,767	\$ 140,017

The school department's employer contributions of \$176,232 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) to the net pension liability (asset) in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2025	\$ 242,024
2026	(165,003)
2027	620,007
2028	1,490
2029	0
Thereafter	0

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

Actuarial Assumptions. The total pension liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	6.75%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.125%

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

The actuarial assumptions used in the June 30, 2023, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020, actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity	4.88 %	31 %
Developed Market		
International Equity	5.37	14
Emerging Market		
International Equity	6.09	4
Private Equity and		
Strategic Lending	6.57	20
U.S. Fixed Income	1.20	20
Real Estate	4.38	10
Short-term Securities	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the school department's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75 percent, as well as what the school department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
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Net Pension Liability (Asset) \$ 2,386,465 \$ (1,095,679) \$ (3,991,841)

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

2. Deferred Compensation

Teachers hired after July 1, 2014, by the school department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion which is placed into the state's 401(k) plan and is managed by the employee. The defined contribution portion of the plan requires that the school department contribute five percent of each teacher's salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year, the school department contributed \$68,173 and teachers contributed \$908 to this deferred compensation pension plan.

F. Other Postemployment Benefits (OPEB)

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

OPEB Provided through State Administered Public Entity Risk Pools

Discretely Presented Lake County School Department

The school department provides healthcare to its employees under the Local Education Plan (LEP) until they reach Medicare eligibility. The certified employees of the school department may then join the Tennessee Plan – Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare. However, the school department does not provide any subsidy (direct or indirect) to this plan and therefore does not recognize any OPEB liability associated with the TNM.

The school department's total OPEB liability for the plan was measured as of June 30, 2023, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2023, actuarial valuation of the plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Salary increases used in the July 1, 2021, TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.65%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 10.31% for pre-65 retirees in the 2023 calendar year, and decreasing annually over a 11-year period to an ultimate trend rate of 4.5%
Retirees Share of Benefit Related Cost	Discussed under each plan

The discount rate was 3.65%, based on the daily rate of Bond Buyer’s 20-year Municipal GO AA index closest to but not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 2023, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2023, valuations were the same as those employed in the July 1, 2020, Pension Actuarial Valuation of the TCRS. These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 - June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the PUB-2010 Headcount-weighted employee mortality table for non-disabled pre-retirement mortality, with mortality improvement projected generationally with MP-2021 from 2010. Post-retirement rates are headcount-weighted below median healthy annuitant and adjusted with a 19 percent load for males and an 18 percent load for females, projected generationally with MP-2021 from 2010. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 percent load, projected generationally from 2018 with MP-2021.

Changes in Assumptions. The discount rate changed from 3.54 percent as of the beginning of the measurement period to 3.65 percent as of the measurement date of June 30, 2023. This change in assumption decreased the total OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates. The trend rate applicable to the 2023 plan year was revised from 8.37 percent to 10.31 percent.

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

Plan Description. Employees of the Lake County School Department who were hired prior to July 1, 2015, are provided with pre-65 retiree health insurance benefits through the closed Local Education Plan (LEP) administered by the Tennessee Department of Finance and Administration. All eligible pre-65 retired teachers, support staff, and disability participants of local education agencies, who choose coverage, participate in the LEP. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

Benefits Provided. The Lake County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with Section 8-27-301, TCA, establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO, or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. The Lake County School Department does not provide a direct subsidy and is only subject to the implicit subsidy. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees' premiums based on years of service. Therefore, retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 25 percent of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms – At the measurement date of June 30, 2023, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	3
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees Eligible For Benefits	68
Total	71

A state insurance committee, created in accordance with Section 8-27-301, TCA, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$36,730 to the LEP for OPEB benefits as they came due.

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

	Share of Collective Liability		
	Lake County School Department 65.547%	State of TN 34.453%	Total OPEB Liability
Balance July 1, 2022	\$ 907,639	\$ 440,113	\$ 1,347,752
Changes for the Year:			
Service Cost	\$ 50,865	\$ 26,736	\$ 77,601
Interest	32,514	17,091	49,605
Difference between Expected and Actuarial Experience	(15,795)	(8,302)	(24,097)
Changes in Proportion	(24,232)	24,232	0
Changes in Assumption and Other Inputs	80,065	42,085	122,150
Benefit Payments	(31,839)	(16,735)	(48,574)
Net Changes	\$ 91,579	\$ 85,106	\$ 176,685
Balance June 30, 2023	\$ 999,218	\$ 525,219	\$ 1,524,437

The Lake County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The Lake County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employers' long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized \$48,469 in revenue for subsidies provided by non-employer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Lake County School Department's proportionate share of the collective OPEB liability was 65.547 percent and the State of Tennessee's share was 34.453 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2024, the school department recognized OPEB expense of \$93,714, including the state's share of the expense. On June 30, 2024, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 104,785	\$ 239,857
Changes of Assumptions	172,605	113,876
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employer and Nonemployer Contributors As Benefits Came Due	7,973	96,011
Benefits Paid After the Measurement Date of June 30, 2023	<u>36,730</u>	<u>0</u>
Total	<u>\$ 322,093</u>	<u>\$ 449,744</u>

The amount shown above for “Benefits Paid After the Measurement Date” will be recognized as a reduction to OPEB liability in the following measurement period.

Amounts reported as deferred inflows and deferred outflows of resources (excluding benefits paid after the measurement date) related to OPEB will be recognized in OPEB expense as follows:

Year Ending <u>June 30</u>	School <u>Department</u>
2025	\$ (38,134)
2026	(38,134)
2027	(38,137)
2028	(37,073)
2029	(15,253)
Thereafter	2,347

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

Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Discount Rate. The following presents the school department’s proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate.

<u>Discount Rate</u>	1% Decrease	Current Discount Rate	1% Increase
	2.65%	3.65%	4.65%

Proportionate Share of the Collective Total OPEB Liability	\$	1,078,024	\$	999,218	\$	924,249
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Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the school department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

<u>Healthcare Cost Trend Rate</u>	1% Decrease	Current Rate	1% Increase
	9.31 to 3.5%	10.31 to 4.5%	11.31 to 5.5%

Proportionate Share of the Collective Total OPEB Liability	\$	885,079	\$	999,218	\$	1,132,688
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G. Purchasing Laws

Office of County Mayor

Purchasing procedures for the County Mayor's Office are governed by the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, Tennessee Code Annotated (TCA), which provide for purchases exceeding \$10,000 to be made after public advertisement and solicitation of competitive bids.

Office of Road Superintendent

Purchasing procedures for the highway department are governed by Chapter 262, Private Acts of 1980 and provisions of Section 54-7-113, TCA, (Uniform Road Law), which require all purchases exceeding \$25,000 to be made on the basis of publicly advertisement competitive bids.

Office of Director of Schools

Purchasing procedures for the discretely presented Lake County School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, TCA, which provides for the county Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also requires competitive bids to be solicited through newspaper advertisement on all purchases exceeding \$25,000.

REQUIRED SUPPLEMENTARY INFORMATION SECTION

Exhibit E-1

LAKE COUNTY, TENNESSEE
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on
Participation in the Public Employee Pension Plan of TCRS
 Primary Government
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Pension Liability										
Service Cost	\$ 188,457	\$ 187,866	\$ 178,580	\$ 187,842	\$ 186,180	\$ 197,495	\$ 214,871	\$ 217,713	\$ 241,972	\$ 300,863
Interest	534,699	529,301	559,368	570,709	623,045	657,969	682,513	708,485	747,931	774,466
Differences Between Actual and Expected Experience	(521,913)	6,551	(199,556)	360,787	140,481	(34,811)	27	112,587	(37,046)	(5,884)
Change of Assumptions	0	0	0	333,687	0	0	0	824,765	0	0
Benefit Payments, Including Refunds of Employee Contributions	(245,220)	(300,035)	(327,042)	(465,836)	(468,343)	(490,286)	(508,693)	(575,356)	(583,761)	(653,506)
Net Change in Total Pension Liability	\$ (43,977)	\$ 423,683	\$ 211,350	\$ 987,189	\$ 481,363	\$ 330,367	\$ 388,718	\$ 1,288,194	\$ 369,096	\$ 415,939
Total Pension Liability, Beginning	7,063,474	7,019,497	7,443,180	7,654,530	8,641,719	9,123,082	9,453,449	9,842,167	11,130,361	11,499,457
Total Pension Liability, Ending (a)	\$ 7,019,497	\$ 7,443,180	\$ 7,654,530	\$ 8,641,719	\$ 9,123,082	\$ 9,453,449	\$ 9,842,167	\$ 11,130,361	\$ 11,499,457	\$ 11,915,396
Plan Fiduciary Net Position										
Contributions - Employer	\$ 167,023	\$ 161,991	\$ 169,326	\$ 170,573	\$ 174,720	\$ 188,419	\$ 185,820	\$ 189,487	\$ 214,856	\$ 228,198
Contributions - Employee	147,505	137,640	143,803	146,793	150,621	170,547	162,432	163,071	184,903	196,385
Net Investment Income	1,039,693	225,295	199,647	865,706	693,134	662,432	466,422	2,494,267	(457,141)	757,791
Benefit Payments, Including Refunds of Employee Contributions	(245,220)	(300,035)	(327,042)	(465,836)	(468,343)	(490,286)	(508,693)	(575,356)	(583,761)	(653,506)
Administrative Expense	(4,721)	(5,254)	(8,225)	(10,585)	(9,952)	(9,756)	(9,436)	(9,438)	(11,090)	(13,603)
Other	0	0	0	3,290	0	0	0	0	0	0
Net Change in Plan Fiduciary Net Position	\$ 1,104,280	\$ 219,637	\$ 177,509	\$ 709,941	\$ 540,180	\$ 521,356	\$ 296,545	\$ 2,262,031	\$ (652,233)	\$ 515,265
Plan Fiduciary Net Position, Beginning	6,215,537	7,319,817	7,539,454	7,716,963	8,426,904	8,967,084	9,488,440	9,784,985	12,047,016	11,394,783
Plan Fiduciary Net Position, Ending (b)	\$ 7,319,817	\$ 7,539,454	\$ 7,716,963	\$ 8,426,904	\$ 8,967,084	\$ 9,488,440	\$ 9,784,985	\$ 12,047,016	\$ 11,394,783	\$ 11,910,048
Net Pension Liability (Asset), Ending (a - b)	\$ (300,320)	\$ (96,274)	\$ (62,433)	\$ 214,815	\$ 155,998	\$ (34,991)	\$ 57,182	\$ (916,655)	\$ 104,674	\$ 5,348
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	104.28%	101.29%	100.82%	97.51%	98.29%	100.37%	99.42%	108.24%	99.09%	99.96%
Covered Payroll	\$ 2,869,787	\$ 2,788,136	\$ 2,927,063	\$ 2,935,835	\$ 3,012,402	\$ 3,233,497	\$ 3,248,604	\$ 3,261,385	\$ 3,698,036	\$ 3,928,988
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(10.46)%	(3.45)%	(2.13)%	7.32%	5.18%	(1.08)%	1.76%	(28.11)%	2.83%	0.14%

Note: The agent plan is a single plan reported under one account with the Tennessee Consolidated Retirement System. This plan covers employees of the primary government and non-certified employees of the discretely presented school department.

Exhibit E-2

LAKE COUNTY, TENNESSEE
Schedule of Contributions Based on Participation in the Public
Employee Pension Plan of TCRS
 Primary Government
For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially Determined Contribution	\$ 161,991	\$ 169,326	\$ 170,573	\$ 174,720	\$ 188,419	\$ 185,820	\$ 186,878	\$ 211,898	\$ 225,056	\$ 257,268
Less: Contributions in Relation to the Actuarially Determined Contribution	(161,991)	(169,326)	(170,573)	(174,720)	(188,419)	(185,820)	(189,487)	(214,856)	(228,198)	(257,268)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (2,609)	\$ (2,958)	\$ (3,142)	\$ 0
Covered Payroll	\$ 2,788,136	\$ 2,927,063	\$ 2,935,835	\$ 3,012,402	\$ 3,233,497	\$ 3,248,604	\$ 3,261,385	\$ 3,698,036	\$ 3,928,988	\$ 4,428,019
Contributions as a Percentage of Covered Payroll	5.81%	5.78%	5.81%	5.80%	5.83%	5.72%	5.73%	5.81%	5.81%	5.81%

Note: The agent plan is a single plan reported under one account with the Tennessee Consolidated Retirement System. This plan covers employees of the primary government and non-certified employees of the discretely presented school department.

Exhibit E-3

LAKE COUNTY, TENNESSEE

Schedule of Contributions Based on Participation in the Teacher

Retirement Plan of TCRS

Discretely Presented Lake County School Department

For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually Required Contribution	\$ 9,633	\$ 1,824	\$ 0	\$ 16,176	\$ 25,554	\$ 26,406	\$ 33,559	\$ 36,457	\$ 54,580	\$ 64,549
Less: Contributions in Relation to the Contractually Required Contribution	(9,633)	(1,824)	0	(39,679)	(25,554)	(26,406)	(33,559)	(36,457)	(54,580)	(64,549)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ (23,503)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 240,819	\$ 45,591	\$ 0	\$ 1,003,549	\$ 1,348,417	\$ 1,300,789	\$ 1,661,333	\$ 1,813,756	\$ 1,901,755	\$ 2,190,233
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	0.00%	3.95%	1.90%	2.03%	2.02%	2.01%	2.87%	2.95%

Note: Beginning in FY 2019, the school department placed the actuarially determined contribution rate of covered payroll into the pension plan and placed the remainder of the four percent contractually required contribution into the Pension Stabilization Reserve Trust (SRT).

- 2019: Pension - 1.94%, SRT - 2.02%
- 2020: Pension - 2.03%, SRT - 1.97%
- 2021: Pension - 2.02%, SRT - 1.98%
- 2022: Pension - 2.01%, SRT - 1.99%
- 2023: Pension - 2.87%, SRT - 1.13%
- 2024: Pension - 2.95%, SRT - 1.05%

Exhibit E-4

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually Required Contribution	\$ 355,362	\$ 345,132	\$ 297,007	\$ 293,277	\$ 308,531	\$ 313,126	\$ 306,403	\$ 295,864	\$ 262,072	\$ 176,232
Less: Contributions in Relation to the Contractually Required Contribution	(355,362)	(345,132)	(297,007)	(293,277)	(308,531)	(313,126)	(306,403)	(295,864)	(262,072)	(176,232)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 3,930,998	\$ 3,817,833	\$ 3,285,478	\$ 3,218,348	\$ 2,936,493	\$ 2,952,115	\$ 2,950,189	\$ 2,886,579	\$ 3,016,125	\$ 2,586,811
Contributions as a Percentage of Covered Payroll	9.04%	9.04%	9.04%	9.11%	10.51%	10.61%	10.39%	10.25%	8.69%	6.81%

Exhibit E-5

LAKE COUNTY, TENNESSEE
Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Retirement Plan of TCRS
Discretely Presented Lake County School Department
For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023
School Department's Proportion of the Net Pension Liability (Asset)	0.115904%	0.010361%	0.000000%	0.113513%	0.124474%	0.103078%	0.115112%	0.106211%	0.095612%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (4,663)	\$ (1,079)	\$ (1)	\$ (51,481)	\$ (70,264)	\$ (58,615)	\$ (124,691)	\$ (32,174)	\$ (40,543)
Covered Payroll	\$ 240,819	\$ 45,591	\$ 0	\$ 1,003,549	\$ 1,348,417	\$ 1,300,789	\$ 1,661,333	\$ 1,813,756	\$ 1,901,755
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	0.00%	(5.13)%	(5.21)%	(4.51)%	(7.51)%	(1.77)%	(2.13)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	127.46%	121.88%	0.00%	126.97%	123.07%	116.52%	121.53%	104.55%	104.97%

Note: Ten years of data will be presented when available.

LAKE COUNTY, TENNESSEE
Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Legacy Pension Plan of TCRS
 Discretely Presented Lake County School Department
For the Fiscal Year Ended June 30

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
School Department's Proportion of the Net Pension Liability (Asset)	0.109843%	0.105009%	0.105763%	0.092943%	0.092239%	0.087966%	0.088505%	0.090899%	0.872840%	0.092935%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (17,849)	\$ 43,015	\$ 660,960	\$ (30,410)	\$ (324,583)	\$ (904,450)	\$ (674,919)	\$ (3,920,708)	\$ (1,070,458)	\$ (1,095,679)
Covered Payroll	\$ 4,311,341	\$ 3,930,998	\$ 3,817,833	\$ 3,285,478	\$ 3,218,348	\$ 2,936,493	\$ 2,952,115	\$ 2,950,189	\$ 2,886,579	\$ 3,016,125
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(.414002)%	1.094254%	17.31%	(.93)%	(10.09)%	(30.80)%	(27.86)%	(132.90)%	(37.08)%	(36.33)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%	116.13%	104.42%	104.11%

LAKE COUNTY, TENNESSEE

Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Education Plan

Discretely Presented Lake County School Department

For the Fiscal Year Ended June 30

	2017	2018	2019	2020	2021	2022	2023
Total OPEB Liability							
Service Cost	\$ 128,864	\$ 119,703	\$ 68,587	\$ 62,229	\$ 79,393	\$ 90,277	\$ 77,601
Interest	55,891	68,860	46,293	43,582	29,132	28,555	49,605
Changes in Benefit Terms	0	(294,090)	(52,234)	0	0	0	0
Differences Between Actual and Expected Experience	0	(459,873)	96,882	(83,414)	(153,317)	156,238	(24,097)
Changes in Assumptions or Other Inputs	(87,346)	40,739	(96,327)	128,598	102,126	(133,930)	122,150
Benefit Payments	(60,226)	(75,902)	(84,208)	(103,940)	(78,820)	(49,896)	(48,574)
Net Change in Total OPEB Liability	\$ 37,183	\$ (600,563)	\$ (21,007)	\$ 47,055	\$ (21,486)	\$ 91,244	\$ 176,685
Total OPEB Liability, Beginning	1,815,326	1,852,509	1,251,946	1,230,939	1,277,994	1,256,508	1,347,752
Total OPEB Liability, Ending	\$ 1,852,509	\$ 1,251,946	\$ 1,230,939	\$ 1,277,994	\$ 1,256,508	\$ 1,347,752	\$ 1,524,437
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 478,594	\$ 367,798	\$ 369,469	\$ 370,615	\$ 385,791	\$ 440,113	\$ 525,219
Employer Proportionate Share of the Total OPEB Liability	1,373,915	884,148	861,470	907,379	870,717	907,639	999,218
Covered Employee Payroll	\$ 4,274,827	\$ 3,852,219	\$ 3,839,784	\$ 3,803,780	\$ 3,743,283	\$ 3,888,878	\$ 3,779,204
Net OPEB Liability as a Percentage of Covered Employee Payroll	32.14%	22.95%	22.44%	23.85%	23.26%	23.34%	26.44%

Note 1: Ten years of data will be presented when available.

Note 2: Changes in assumptions.

(a) The following are the discount rates used in each period:

2016	2.92%
2017	3.56%
2018	3.62%
2019	3.51%
2020	2.21%
2021	2.16%
2022	3.54%
2023	3.65%

(b) The assumed initial trend rate applicable to plan years was revised as follows:

- For the 2019 plan year - from 5.4% to 6.75%
- For the 2020 plan year - from 6.75% to 6.03%
- For the 2021 plan year - from 6.03% to 9.02%
- For the 2022 plan year - from 9.02% to 7.36%
- For the 2023 plan year - from 7.36% to 8.37%
- For the 2024 plan year - from 8.37% to 10.31%

Note 3: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

LAKE COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2024

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2024 were calculated based on the June 30, 2022, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	Varies by Year
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, averaging 4%
Investment Rate of Return	6.75%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.125%

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

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

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Law Library Fund – The Law Library Fund is used to account for a special tax levied by a county commission resolution on litigation. Proceeds of the tax must be expended for the benefit of the county’s law library.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for Lake County’s garbage collection operations.

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

Other General Government Fund – The Other General Government Fund is used to account for proceeds received from the American Rescue Plan Act.

Constitutional Officers - Fees Fund – The Constitutional Officers - Fees Fund is used to account for operating expenses paid directly from the fee and commission accounts of the trustee, clerks, register of deeds, and sheriff.

LAKE COUNTY, TENNESSEE
Combining Balance Sheet
 Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Law Library	Solid Waste / Sanitation	Drug Control	Other General Government	Consti- tional Officers - Fees	
ASSETS						
Cash	\$ 0	\$ 0	\$ 0	\$ 0	2,587	\$ 2,587
Equity in Pooled Cash and Investments	16,028	186,326	47,487	131,835	0	381,676
Accounts Receivable	0	0	0	0	1,887	1,887
Due from Other Governments	0	1,750	0	0	0	1,750
Property Taxes Receivable	0	148,458	0	0	0	148,458
Allowance for Uncollectible Property Taxes	0	(4,298)	0	0	0	(4,298)
Total Assets	<u>\$ 16,028</u>	<u>\$ 332,236</u>	<u>\$ 47,487</u>	<u>\$ 131,835</u>	<u>\$ 4,474</u>	<u>\$ 532,060</u>
LIABILITIES						
Accounts Payable	\$ 0	\$ 1,089	\$ 0	\$ 0	\$ 0	1,089
Payroll Deductions Payable	0	1,312	0	0	0	1,312
Due to Other Funds	0	716	0	0	4,474	5,190
Due to State of Tennessee	0	210	0	0	0	210
Total Liabilities	<u>\$ 0</u>	<u>\$ 3,327</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,474</u>	<u>\$ 7,801</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred Current Property Taxes	\$ 0	\$ 138,784	\$ 0	\$ 0	\$ 0	138,784
Deferred Delinquent Property Taxes	0	4,960	0	0	0	4,960
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 143,744</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 143,744</u>

(Continued)

LAKE COUNTY, TENNESSEE

Combining Balance Sheet

Nonmajor Governmental Funds (Cont.)

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Law Library	Solid Waste / Sanitation	Drug Control	Other General Government	Consti- tional Officers - Fees	
FUND BALANCES						
Restricted:						
Restricted for General Government - American Rescue Plan Act	\$ 0	\$ 0	\$ 0	\$ 131,835	\$ 0	\$ 131,835
Restricted for Administration of Justice	16,028	0	0	0	0	16,028
Restricted for Public Safety	0	0	47,487	0	0	47,487
Restricted for Public Health and Welfare	0	107,225	0	0	0	107,225
Committed:						
Committed for Public Health and Welfare	0	77,940	0	0	0	77,940
Total Fund Balances	<u>\$ 16,028</u>	<u>\$ 185,165</u>	<u>\$ 47,487</u>	<u>\$ 131,835</u>	<u>\$ 0</u>	<u>\$ 380,515</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 16,028</u>	<u>\$ 332,236</u>	<u>\$ 47,487</u>	<u>\$ 131,835</u>	<u>\$ 4,474</u>	<u>\$ 532,060</u>

LAKE COUNTY, TENNESSEE
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
 Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	<u>Special Revenue Funds</u>				Total Nonmajor Governmental Funds
	Law Library	Solid Waste / Sanitation	Drug Control	Other General Government	
Revenues					
Local Taxes	\$ 895	\$ 198,869	\$ 0	\$ 0	\$ 199,764
Fines, Forfeitures, and Penalties	0	0	3,225	0	3,225
Charges for Current Services	0	14,571	0	0	14,571
Other Local Revenues	0	9,238	0	6,908	16,146
State of Tennessee	0	0	0	48,000	48,000
Total Revenues	<u>\$ 895</u>	<u>\$ 222,678</u>	<u>\$ 3,225</u>	<u>\$ 54,908</u>	<u>\$ 281,706</u>
Expenditures					
Current:					
Administration of Justice	\$ 4,520	\$ 0	\$ 0	\$ 0	\$ 4,520
Public Safety	0	0	33	0	33
Public Health and Welfare	0	139,586	0	0	139,586
Other Operations	0	0	0	49,000	49,000
Debt Service:					
Principal on Debt	0	3,112	0	0	3,112
Interest on Debt	0	260	0	0	260
Total Expenditures	<u>\$ 4,520</u>	<u>\$ 142,958</u>	<u>\$ 33</u>	<u>\$ 49,000</u>	<u>\$ 196,511</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (3,625)</u>	<u>\$ 79,720</u>	<u>\$ 3,192</u>	<u>\$ 5,908</u>	<u>\$ 85,195</u>

(Continued)

LAKE COUNTY, TENNESSEE
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
 Nonmajor Governmental Funds (Cont.)

	<u>Special Revenue Funds</u>				Total Nonmajor Governmental Funds
	Law Library	Solid Waste / Sanitation	Drug Control	Other General Government	
Other Financing Sources (Uses)					
Insurance Recovery	\$ 0	\$ 33,893	\$ 0	\$ 0	\$ 33,893
Transfers In	0	25,000	0	0	25,000
Transfers Out	0	0	0	(50,000)	(50,000)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 58,893</u>	<u>\$ 0</u>	<u>\$ (50,000)</u>	<u>\$ 8,893</u>
Net Change in Fund Balances	\$ (3,625)	\$ 138,613	\$ 3,192	\$ (44,092)	\$ 94,088
Fund Balance, July 1, 2023	<u>19,653</u>	<u>46,552</u>	<u>44,295</u>	<u>175,927</u>	<u>286,427</u>
Fund Balance, June 30, 2024	<u>\$ 16,028</u>	<u>\$ 185,165</u>	<u>\$ 47,487</u>	<u>\$ 131,835</u>	<u>\$ 380,515</u>

LAKE COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
 Law Library Fund
For the Year Ended June 30, 2024

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 895	\$ 1,500	\$ 1,500	\$ (605)
Total Revenues	<u>\$ 895</u>	<u>\$ 1,500</u>	<u>\$ 1,500</u>	<u>\$ (605)</u>
Expenditures				
Administration of Justice				
Other Administration of Justice	\$ 4,520	\$ 1,025	\$ 5,025	\$ 505
Total Expenditures	<u>\$ 4,520</u>	<u>\$ 1,025</u>	<u>\$ 5,025</u>	<u>\$ 505</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (3,625)</u>	<u>\$ 475</u>	<u>\$ (3,525)</u>	<u>\$ (100)</u>
Net Change in Fund Balance	\$ (3,625)	\$ 475	\$ (3,525)	\$ (100)
Fund Balance, July 1, 2023	<u>19,653</u>	<u>19,653</u>	<u>19,653</u>	<u>0</u>
Fund Balance, June 30, 2024	<u><u>\$ 16,028</u></u>	<u><u>\$ 20,128</u></u>	<u><u>\$ 16,128</u></u>	<u><u>\$ (100)</u></u>

LAKE COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2024

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 198,869	\$ 196,374	\$ 196,374	\$ 2,495
Charges for Current Services	14,571	35,800	35,800	(21,229)
Other Local Revenues	9,238	0	0	9,238
Total Revenues	<u>\$ 222,678</u>	<u>\$ 232,174</u>	<u>\$ 232,174</u>	<u>\$ (9,496)</u>
Expenditures				
Public Health and Welfare				
Waste Incinerator	\$ 62,901	\$ 100,998	\$ 98,476	\$ 35,575
Other Waste Disposal	76,685	122,000	122,000	45,315
Principal on Debt				
General Government	3,112	0	3,312	200
Interest on Debt				
General Government	260	0	260	0
Total Expenditures	<u>\$ 142,958</u>	<u>\$ 222,998</u>	<u>\$ 224,048</u>	<u>\$ 81,090</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 79,720</u>	<u>\$ 9,176</u>	<u>\$ 8,126</u>	<u>\$ 71,594</u>
Other Financing Sources (Uses)				
Insurance Recovery	\$ 33,893	0	0	\$ 33,893
Transfers In	25,000	25,000	25,000	0
Total Other Financing Sources	<u>\$ 58,893</u>	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 33,893</u>
Net Change in Fund Balance	\$ 138,613	\$ 34,176	\$ 33,126	\$ 105,487
Fund Balance, July 1, 2023	<u>46,552</u>	<u>11,685</u>	<u>11,685</u>	<u>34,867</u>
Fund Balance, June 30, 2024	<u><u>\$ 185,165</u></u>	<u><u>\$ 45,861</u></u>	<u><u>\$ 44,811</u></u>	<u><u>\$ 140,354</u></u>

LAKE COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2024

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Fines, Forfeitures, and Penalties	\$ 3,225	\$ 550	\$ 550	\$ 2,675
Total Revenues	<u>\$ 3,225</u>	<u>\$ 550</u>	<u>\$ 550</u>	<u>\$ 2,675</u>
Expenditures				
Public Safety				
Drug Enforcement	\$ 33	\$ 5,050	\$ 5,050	\$ 5,017
Total Expenditures	<u>\$ 33</u>	<u>\$ 5,050</u>	<u>\$ 5,050</u>	<u>\$ 5,017</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 3,192</u>	<u>\$ (4,500)</u>	<u>\$ (4,500)</u>	<u>\$ 7,692</u>
Net Change in Fund Balance	\$ 3,192	\$ (4,500)	\$ (4,500)	\$ 7,692
Fund Balance, July 1, 2023	<u>44,295</u>	<u>44,294</u>	<u>44,294</u>	<u>1</u>
Fund Balance, June 30, 2024	<u><u>\$ 47,487</u></u>	<u><u>\$ 39,794</u></u>	<u><u>\$ 39,794</u></u>	<u><u>\$ 7,693</u></u>

LAKE COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
 Other General Government Fund
For the Year Ended June 30, 2024

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Other Local Revenues	\$ 6,908	\$ 9,000	\$ 9,000	\$ (2,092)
State of Tennessee	48,000	0	49,000	(1,000)
Total Revenues	<u>\$ 54,908</u>	<u>\$ 9,000</u>	<u>\$ 58,000</u>	<u>\$ (3,092)</u>
Expenditures				
Other Operations				
Other Economic and Community Development	\$ 49,000	\$ 0	\$ 49,000	\$ 0
Total Expenditures	<u>\$ 49,000</u>	<u>\$ 0</u>	<u>\$ 49,000</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 5,908</u>	<u>\$ 9,000</u>	<u>\$ 9,000</u>	<u>\$ (3,092)</u>
Other Financing Sources (Uses)				
Transfers Out	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ 0
Total Other Financing Sources	<u>\$ (50,000)</u>	<u>\$ (50,000)</u>	<u>\$ (50,000)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (44,092)	\$ (41,000)	\$ (41,000)	\$ (3,092)
Fund Balance, July 1, 2023	<u>175,927</u>	<u>175,927</u>	<u>175,927</u>	<u>0</u>
Fund Balance, June 30, 2024	<u><u>\$ 131,835</u></u>	<u><u>\$ 134,927</u></u>	<u><u>\$ 134,927</u></u>	<u><u>\$ (3,092)</u></u>

MAJOR GOVERNMENTAL FUND

GENERAL DEBT SERVICE FUND

The General Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Exhibit G

LAKE COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
 General Debt Service Fund
For the Year Ended June 30, 2024

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 512,462	\$ 225,750	\$ 497,250	\$ 15,212
Other Governments and Citizens Groups	244,172	125,000	244,172	0
Total Revenues	\$ 756,634	\$ 350,750	\$ 741,422	\$ 15,212
Expenditures				
Principal on Debt				
General Government	\$ 253,659	\$ 115,000	\$ 253,659	\$ 0
Education	359,110	470,110	459,220	100,110
Interest on Debt				
General Government	104,683	58,640	104,683	0
Education	125,926	171,725	144,989	19,063
Other Debt Service				
General Government	5,342	10,000	15,733	10,391
Education	350	0	350	0
Total Expenditures	\$ 849,070	\$ 825,475	\$ 978,634	\$ 129,564
Excess (Deficiency) of Revenues				
Over Expenditures	\$ (92,436)	\$ (474,725)	\$ (237,212)	\$ 144,776
Other Financing Sources (Uses)				
Transfers Out	\$ (271,500)	\$ 0	\$ (271,500)	\$ 0
Total Other Financing Sources	\$ (271,500)	\$ 0	\$ (271,500)	\$ 0
Net Change in Fund Balance	\$ (363,936)	\$ (474,725)	\$ (508,712)	\$ 144,776
Fund Balance, July 1, 2023	1,475,447	1,475,875	1,475,875	(428)
Fund Balance, June 30, 2024	\$ 1,111,511	\$ 1,001,150	\$ 967,163	\$ 144,348

CUSTODIAL FUNDS

Custodial Funds are used to account for assets held by the county in a custodial capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Custodial Funds are reported using the economic resources measurement focus and the accrual basis of accounting. Custodial fund reporting focuses on net position and changes in net position. Custodial funds are distinguished from trust funds by the absence of a trust agreement or equivalent arrangement.

Cities - Sales Tax Fund – The Cities - Sales Tax Fund is used to account for the second half of the sales tax revenues collected inside incorporated cities of the county. These revenues are received by the county from the state of Tennessee and forwarded to the various cities on a monthly basis.

Watershed District Fund – The Watershed District Fund is used to account for acreage assessments collected on drainage district properties that are held in trust for the watershed district.

Joint Venture Fund – The Joint Venture Fund is used to account for funds received from the Tennessee Department of Transportation for use by the Hickman River City Development Corporation for the maintenance of a railroad system that runs through portions of Kentucky and Tennessee.

Constitutional Officers - Custodial Fund – The Constitutional Officers - Custodial Fund is used to account for amounts collected in a custodial capacity by the county clerk; circuit, general sessions, and juvenile courts clerk; clerk and master; register of deeds; and sheriff. Such collections include amounts due the state, cities, litigants, heirs, and others.

Other Custodial Fund – The Other Custodial Fund is used to account for debt issued by Lake County for the Northwest Tennessee Regional Port Authority for the acquisition of land and development of port facilities and related expenses.

Exhibit H-1

LAKE COUNTY, TENNESSEE
Combining Statement of Net Position
 Custodial Funds
June 30, 2024

	Custodial Funds						
	Cities - Sales Tax	Watershed District	Joint Venture	Constitu - tional Officers - Custodial	Other Custodial	Total	
ASSETS							
Cash	\$ 0	\$ 0	\$ 0	\$ 30,127	\$ 0	\$ 30,127	
Equity in Pooled Cash and Investments	0	17,238	531	0	1,401	19,170	
Due from Other Governments	43,733	0	0	0	0	43,733	
Cash Shortage	0	0	0	35,159	0	35,159	
Total Assets	\$ 43,733	\$ 17,238	\$ 531	\$ 65,286	\$ 1,401	\$ 128,189	
LIABILITIES							
Due to Other Taxing Units	\$ 43,733	\$ 0	\$ 0	\$ 0	\$ 0	\$ 43,733	
Total Liabilities	\$ 43,733	\$ 0	\$ 0	\$ 0	\$ 0	\$ 43,733	
NET POSITION							
Restricted for Individuals, Organizations, and Other Governments	\$ 0	\$ 17,238	\$ 531	\$ 65,286	\$ 1,401	\$ 84,456	
Total Net Position	\$ 0	\$ 17,238	\$ 531	\$ 65,286	\$ 1,401	\$ 84,456	

Exhibit H-2

LAKE COUNTY, TENNESSEE
Combining Statement of Changes in Net Position
 Custodial Funds
For the Year Ended June 30, 2024

	Custodial Funds					
	Cities - Sales Tax	Watershed District	Joint Venture	Constitu - tional Officers - Custodial	Other Custodial	Total
Additions						
Sales Tax Collections for Other Governments	\$ 256,647	\$ 0	\$ 0	\$ 0	\$ 0	\$ 256,647
Watershed Authority Collections	0	5,803	0	0	0	5,803
Fines/Fees and Other Collections	0	0	0	1,193,776	0	1,193,776
Total Additions	\$ 256,647	\$ 5,803	\$ 0	\$ 1,193,776	\$ 0	\$ 1,456,226
Deductions						
Payment of Sales Tax Collections for Other Governments	\$ 256,647	\$ 0	\$ 0	\$ 0	\$ 0	\$ 256,647
Payment of Watershed Expenses	0	116	0	0	0	116
Payments to State	0	0	0	488,525	0	488,525
Payments to Cities, Individuals, and Others	0	0	0	725,952	0	725,952
Total Deductions	\$ 256,647	\$ 116	\$ 0	\$ 1,214,477	\$ 0	\$ 1,471,240
Change in Net Position	\$ 0	\$ 5,687	\$ 0	\$ (20,701)	\$ 0	\$ (15,014)
Net Position, July 1, 2023	0	11,551	531	85,987	1,401	99,470
Net Position, June 30, 2024	\$ 0	\$ 17,238	\$ 531	\$ 65,286	\$ 1,401	\$ 84,456

LAKE COUNTY SCHOOL DEPARTMENT

This section presents combining and individual fund financial statements for the Lake County School Department, a discretely presented component unit. The school department uses a General Fund, three Special Revenue Funds, and a Private Purpose Trust Fund.

General Purpose School Fund – The General Purpose School Fund is used to account for general operations of the school department.

School Federal Projects Fund – The School Federal Projects Fund is used to account for restricted federal revenues, which must be expended on specific education programs.

Central Cafeteria Fund – The Central Cafeteria Fund is used to account for the cafeteria operations in each of the schools.

Internal School Fund – The Internal School Fund is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities.

Private Purpose Trust Fund – The Private Purpose Trust Fund is used to account for resources legally held in trust to provide scholarships for students.

LAKE COUNTY, TENNESSEE

Statement of Activities

Discretely Presented Lake County School Department

For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Total Governmental Activities
Governmental Activities:				
Instruction	\$ 4,413,176	\$ 0	\$ 1,719,241	\$ (2,693,935)
Support Services	5,226,187	0	939,181	(4,287,006)
Operation of Non-instructional Services	1,428,566	44,642	1,382,654	(1,270)
Total Governmental Activities	\$ 11,067,929	\$ 44,642	\$ 4,041,076	\$ (6,982,211)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 690,877
Local Option Sales Taxes				433,410
Wheel Tax				35,312
Other Local Taxes				4,885
Grants and Contributions Not Restricted for Specific Programs				7,798,508
Unrestricted Investment Income				17,500
Miscellaneous				42,544
Total General Revenues				\$ 9,023,036
Change in Net Position				\$ 2,040,825
Net Position, July 1, 2023				13,416,745
Net Position, June 30, 2024				\$ 15,457,570

LAKE COUNTY, TENNESSEE

Balance Sheet - Governmental Funds

Discretely Presented Lake County School Department

June 30, 2024

	<u>Major Funds</u>		<u>Nonmajor</u>	Total Governmental Funds
	General Purpose School	School Federal Projects	<u>Funds</u>	
			Other Govern- mental Funds	
ASSETS				
Cash	\$ 0	\$ 0	\$ 306,819	\$ 306,819
Equity in Pooled Cash and Investments	3,343,120	43,747	419,229	3,806,096
Due from Other Governments	608,656	475,689	69,973	1,154,318
Due from Other Funds	95,365	183	44,624	140,172
Property Taxes Receivable	541,550	0	0	541,550
Allowance for Uncollectible Property Taxes	(15,433)	0	0	(15,433)
Restricted Assets	206,610	0	0	206,610
Total Assets	<u>\$ 4,779,868</u>	<u>\$ 519,619</u>	<u>\$ 840,645</u>	<u>\$ 6,140,132</u>
LIABILITIES				
Accounts Payable	\$ 21,450	\$ 93,610	\$ 0	\$ 115,060
Payroll Deductions Payable	107,730	0	0	107,730
Due to Other Funds	44,807	6,083	89,282	140,172
Due to State of Tennessee	0	12,947	0	12,947
Total Liabilities	<u>\$ 173,987</u>	<u>\$ 112,640</u>	<u>\$ 89,282</u>	<u>\$ 375,909</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	\$ 507,044	\$ 0	\$ 0	\$ 507,044
Deferred Delinquent Property Taxes	17,560	0	0	17,560
Other Deferred/Unavailable Revenue	36,970	0	0	36,970
Total Deferred Inflows of Resources	<u>\$ 561,574</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 561,574</u>

(Continued)

LAKE COUNTY, TENNESSEE

Balance Sheet - Governmental Funds

Discretely Presented Lake County School Department (Cont.)

FUND BALANCES

	<u>Major Funds</u>		<u>Nonmajor Funds</u>	Total Governmental Funds
	General Purpose School	School Federal Projects	Other Governmental Funds	
Restricted:				
Restricted for Education	\$ 0	\$ 0	\$ 306,819	\$ 306,819
Restricted for Instruction	1,751	0	0	1,751
Restricted for Operation of Non-instructional Services	0	0	444,544	444,544
Restricted for Hybrid Retirement Stabilization Funds	206,610	0	0	206,610
Committed:				
Committed for Education	78,057	0	0	78,057
Assigned:				
Assigned for Education	0	406,979	0	406,979
Unassigned	3,757,889	0	0	3,757,889
Total Fund Balances	<u>\$ 4,044,307</u>	<u>\$ 406,979</u>	<u>\$ 751,363</u>	<u>\$ 5,202,649</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,779,868</u>	<u>\$ 519,619</u>	<u>\$ 840,645</u>	<u>\$ 6,140,132</u>

Exhibit I-3

LAKE COUNTY, TENNESSEE

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

Discretely Presented Lake County School Department

June 30, 2024

Amounts reported for governmental activities in the statement of net position (Exhibit A) are different because:

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$ 5,202,649
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 67,365	
Add: buildings and improvements net of accumulated depreciation	8,219,581	
Add: other capital assets net of accumulated depreciation	<u>814,420</u>	9,101,366
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: net pension liability	\$ (1,224)	
Less: net OPEB liability	<u>(999,218)</u>	(1,000,442)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 1,283,551	
Less: deferred inflows of resources related to pensions	(192,655)	
Add: deferred outflows of resources related to OPEB	322,093	
Less: deferred inflows of resources related to OPEB	<u>(449,744)</u>	963,245
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - teacher retirement plan	\$ 40,543	
Add: net pension asset - teacher legacy pension plan	<u>1,095,679</u>	1,136,222
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>54,530</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 15,457,570</u></u>

LAKE COUNTY, TENNESSEE**Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds**

Discretely Presented Lake County School Department

For the Year Ended June 30, 2024

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General	School	Other	
	Purpose School	Federal Projects	Govern- mental Funds	
Revenues				
Local Taxes	\$ 1,168,006	\$ 0	\$ 8	\$ 1,168,014
Licenses and Permits	209	0	0	209
Charges for Current Services	9,022	0	35,620	44,642
Other Local Revenues	63,944	0	382,269	446,213
State of Tennessee	8,123,988	0	4,539	8,128,527
Federal Government	547,032	1,570,977	788,181	2,906,190
Other Governments and Citizens Groups	168,745	0	323,777	492,522
Total Revenues	\$ 10,080,946	\$ 1,570,977	\$ 1,534,394	\$ 13,186,317
Expenditures				
Current:				
Instruction	\$ 4,043,470	\$ 794,071	\$ 0	\$ 4,837,541
Support Services	4,027,077	769,592	0	4,796,669
Operation of Non-Instructional Services	393,034	0	1,057,251	1,450,285
Capital Outlay	2,026,618	19,075	0	2,045,693
Debt Service:				
Other Debt Service	244,172	0	0	244,172
Total Expenditures	\$ 10,734,371	\$ 1,582,738	\$ 1,057,251	\$ 13,374,360
Excess (Deficiency) of Revenues Over Expenditures	\$ (653,425)	\$ (11,761)	\$ 477,143	\$ (188,043)
Other Financing Sources (Uses)				
Insurance Recovery	\$ 667,430	\$ 0	\$ 0	\$ 667,430
Total Other Financing Sources (Uses)	\$ 667,430	\$ 0	\$ 0	\$ 667,430
Net Change in Fund Balances	\$ 14,005	\$ (11,761)	\$ 477,143	\$ 479,387
Fund Balance, July 1, 2023	4,030,302	418,740	274,220	4,723,262
Fund Balance, June 30, 2024	\$ 4,044,307	\$ 406,979	\$ 751,363	\$ 5,202,649

Exhibit I-5

LAKE COUNTY, TENNESSEE

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities**

Discretely Presented Lake County School Department

For the Year Ended June 30, 2024

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:

Net change in fund balances - total governmental funds (Exhibit I-4)		\$ 479,387
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 2,207,806	
Less: current-year depreciation expense	<u>(528,368)</u>	1,679,438
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2024	\$ 54,530	
Less: deferred delinquent property taxes and other deferred June 30, 2023	<u>(164,956)</u>	(110,426)
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in compensated absences payable	\$ 72,498	
Change in net OPEB liability	(91,579)	
Change in deferred outflows related to OPEB	24,098	
Change in deferred inflows related to OPEB	58,966	
Change in net pension liability - agent plan	24,526	
Change in net pension asset - teacher retirement plan	8,369	
Change in net pension asset - teacher legacy pension plan	25,221	
Change in deferred outflows related to pensions	(179,541)	
Change in deferred inflows related to pensions	<u>49,868</u>	<u>(7,574)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 2,040,825</u>

LAKE COUNTY, TENNESSEE
Combining Balance Sheet - Nonmajor Governmental Funds
 Discretely Presented Lake County School Department
June 30, 2024

	Special Revenue Funds		Total Nonmajor Governmental Funds
	Central Cafeteria	Internal School	
ASSETS			
Cash	\$ 0	\$ 306,819	\$ 306,819
Equity in Pooled Cash and Investments	419,229	0	419,229
Due from Other Governments	69,973	0	69,973
Due from Other Funds	44,624	0	44,624
Total Assets	<u>\$ 533,826</u>	<u>\$ 306,819</u>	<u>\$ 840,645</u>
LIABILITIES			
Due to Other Funds	\$ 89,282	\$ 0	\$ 89,282
Total Liabilities	<u>\$ 89,282</u>	<u>\$ 0</u>	<u>\$ 89,282</u>
FUND BALANCES			
Restricted:			
Restricted for Education	\$ 0	\$ 306,819	\$ 306,819
Restricted for Operation of Non-instructional Services	444,544	0	444,544
Total Fund Balances	<u>\$ 444,544</u>	<u>\$ 306,819</u>	<u>\$ 751,363</u>
Total Liabilities and Fund Balances	<u>\$ 533,826</u>	<u>\$ 306,819</u>	<u>\$ 840,645</u>

LAKE COUNTY, TENNESSEE
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
 Discretely Presented Lake County School Department
For the Year Ended June 30, 2024

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	Central Cafeteria	Internal School	
Revenues			
Local Taxes	\$ 8	\$ 0	\$ 8
Charges for Current Services	35,620	0	35,620
Other Local Revenues	13,001	369,268	382,269
State of Tennessee	4,539	0	4,539
Federal Government	788,181	0	788,181
Other Governments and Citizens Groups	323,777	0	323,777
Total Revenues	<u>\$ 1,165,126</u>	<u>\$ 369,268</u>	<u>\$ 1,534,394</u>
Expenditures			
Current:			
Operation of Non-Instructional Services	\$ 720,582	\$ 336,669	\$ 1,057,251
Total Expenditures	<u>\$ 720,582</u>	<u>\$ 336,669</u>	<u>\$ 1,057,251</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 444,544</u>	<u>\$ 32,599</u>	<u>\$ 477,143</u>
Net Change in Fund Balances	\$ 444,544	\$ 32,599	\$ 477,143
Fund Balance, July 1, 2023	0	274,220	274,220
Fund Balance, June 30, 2024	<u>\$ 444,544</u>	<u>\$ 306,819</u>	<u>\$ 751,363</u>

LAKE COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Lake County School Department
General Purpose School Fund
For the Year Ended June 30, 2024

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 1,168,006	\$ 1,229,963	\$ 1,229,963	\$ (61,957)
Licenses and Permits	209	200	200	9
Charges for Current Services	9,022	72,700	72,700	(63,678)
Other Local Revenues	63,944	5,000	5,000	58,944
State of Tennessee	8,123,988	8,851,383	8,872,358	(748,370)
Federal Government	547,032	598,000	598,000	(50,968)
Other Governments and Citizens Groups	168,745	0	168,745	0
Total Revenues	\$ 10,080,946	\$ 10,757,246	\$ 10,946,966	\$ (866,020)
Expenditures				
Instruction				
Regular Instruction Program	\$ 3,055,050	\$ 3,643,288	\$ 3,491,399	\$ 436,349
Special Education Program	407,617	533,753	382,924	(24,693)
Career and Technical Education Program	580,803	1,498,959	828,038	247,235
Support Services				
Attendance	132,350	52,924	99,498	(32,852)
Health Services	119,320	117,460	117,181	(2,139)
Other Student Support	579,773	537,002	645,175	65,402
Regular Instruction Program	318,065	550,385	486,243	168,178
Special Education Program	175,086	35,659	146,155	(28,931)
Career and Technical Education Program	96,450	0	178,677	82,227
Technology	195,131	140,638	200,873	5,742
Other Programs	15,606	0	15,606	0
Board of Education	193,211	167,900	203,558	10,347
Director of Schools	274,410	254,742	289,088	14,678
Office of the Principal	590,791	521,925	574,395	(16,396)
Fiscal Services	155,613	128,420	148,107	(7,506)
Human Services/Personnel	40,665	51,803	38,690	(1,975)
Operation of Plant	665,622	696,468	696,468	30,846
Maintenance of Plant	181,443	179,604	179,603	(1,840)
Transportation	293,541	304,979	325,015	31,474
Operation of Non-Instructional Services				
Food Service	0	673,851	673,851	673,851
Community Services	177,297	160,001	179,976	2,679
Early Childhood Education	215,737	223,313	223,313	7,576
Capital Outlay				
Regular Capital Outlay	2,026,618	165,000	623,366	(1,403,252)
Principal on Debt				
Education	0	119,172	0	0
Other Debt Service				
Education	244,172	0	244,172	0
Total Expenditures	\$ 10,734,371	\$ 10,757,246	\$ 10,991,371	\$ 257,000

(Continued)

LAKE COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
 Discretely Presented Lake County School Department
 General Purpose School Fund (Cont.)

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Excess (Deficiency) of Revenues Over Expenditures	\$ (653,425)	\$ 0	\$ (44,405)	\$ (609,020)
Other Financing Sources (Uses)				
Insurance Recovery	\$ 667,430	\$ 0	\$ 0	\$ 667,430
Transfers Out	0	0	(7,000)	7,000
Total Other Financing Sources	\$ 667,430	\$ 0	\$ (7,000)	\$ 674,430
Net Change in Fund Balance	\$ 14,005	\$ 0	\$ (51,405)	\$ 65,410
Fund Balance, July 1, 2023	4,030,302	4,030,302	4,030,302	0
Fund Balance, June 30, 2024	\$ 4,044,307	\$ 4,030,302	\$ 3,978,897	\$ 65,410

LAKE COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
 Discretely Presented Lake County School Department
 School Federal Projects Fund
For the Year Ended June 30, 2024

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Federal Government	\$ 1,570,977	\$ 3,999,824	\$ 4,094,856	\$ (2,523,879)
Total Revenues	<u>\$ 1,570,977</u>	<u>\$ 3,999,824</u>	<u>\$ 4,094,856</u>	<u>\$ (2,523,879)</u>
Expenditures				
Instruction				
Regular Instruction Program	\$ 506,385	\$ 702,587	\$ 719,289	\$ 212,904
Special Education Program	273,318	298,316	345,776	72,458
Career and Technical Education Program	14,368	8,049	14,415	47
Support Services				
Other Student Support	165,043	887,974	879,725	714,682
Regular Instruction Program	564,511	787,713	805,582	241,071
Special Education Program	19,796	18,286	34,830	15,034
Career and Technical Education Program	2,836	5,032	3,371	535
Technology	0	80,000	80,000	80,000
Board of Education	0	240	240	240
Operation of Plant	17,406	0	0	(17,406)
Maintenance of Plant	0	52,896	52,896	52,896
Operation of Non-Instructional Services				
Food Service	0	149,730	149,730	149,730
Capital Outlay				
Regular Capital Outlay	19,075	920,000	920,000	900,925
Total Expenditures	<u>\$ 1,582,738</u>	<u>\$ 3,910,823</u>	<u>\$ 4,005,854</u>	<u>\$ 2,423,116</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (11,761)</u>	<u>\$ 89,001</u>	<u>\$ 89,002</u>	<u>\$ (100,763)</u>
Other Financing Sources (Uses)				
Transfers Out	\$ 0	\$ (89,000)	\$ (89,000)	\$ 89,000
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ (89,000)</u>	<u>\$ (89,000)</u>	<u>\$ 89,000</u>
Net Change in Fund Balance	\$ (11,761)	\$ 1	\$ 2	\$ (11,763)
Fund Balance, July 1, 2023	<u>418,740</u>	<u>0</u>	<u>0</u>	<u>418,740</u>
Fund Balance, June 30, 2024	<u><u>\$ 406,979</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ 2</u></u>	<u><u>\$ 406,977</u></u>

LAKE COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
 Discretely Presented Lake County School Department
 Central Cafeteria Fund
For the Year Ended June 30, 2024

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 8	\$ 0	\$ 0	\$ 8
Charges for Current Services	35,620	35,100	35,100	520
Other Local Revenues	13,001	5,725	5,725	7,276
State of Tennessee	4,539	0	0	4,539
Federal Government	788,181	753,300	787,099	1,082
Other Governments and Citizens Groups	323,777	0	2,069	321,708
Total Revenues	\$ 1,165,126	\$ 794,125	\$ 829,993	\$ 335,133
Expenditures				
Operation of Non-Instructional Services				
Food Service	\$ 720,582	\$ 794,124	\$ 829,992	\$ 109,410
Total Expenditures	\$ 720,582	\$ 794,124	\$ 829,992	\$ 109,410
Excess (Deficiency) of Revenues Over Expenditures	\$ 444,544	\$ 1	\$ 1	\$ 444,543
Net Change in Fund Balance	\$ 444,544	\$ 1	\$ 1	\$ 444,543
Fund Balance, July 1, 2023	0	0	0	0
Fund Balance, June 30, 2024	\$ 444,544	\$ 1	\$ 1	\$ 444,543

LAKE COUNTY, TENNESSEE
Statement of Fiduciary Net Position
Discretely Presented Lake County School Department
 Fiduciary Fund
June 30, 2024

**Other
 Trust
 Fund**

Private
 Purpose
 Trust

ASSETS

Equity in Pooled Cash and Investments	<u>\$ 338,294</u>
Total Assets	<u>\$ 338,294</u>

NET POSITION

Held in Trust for College Scholarships for Lake County Students	<u><u>\$ 338,294</u></u>
-----------------------------------------------------------------	--------------------------

LAKE COUNTY, TENNESSEE
Statement of Changes in Fiduciary Net Position
Discretely Presented Lake County School Department
Fiduciary Fund
For the Year Ended June 30, 2024

	Other Trust Fund
	<u>Private Purpose Trust</u>
ADDITIONS	
Other Local Revenues	
Investment Income	\$ 12,902
Total Additions	<u>\$ 12,902</u>
DEDUCTIONS	
Other	
Scholarships	\$ 11,000
Trustee Commission	136
Total Deductions	<u>\$ 11,136</u>
Change in Net Position	\$ 1,766
Net Position, July 1, 2023	<u>336,528</u>
Net Position, June 30, 2024	<u><u>\$ 338,294</u></u>

MISCELLANEOUS SCHEDULES

Exhibit J-1

LAKE COUNTY, TENNESSEE
Schedule of Changes in Long-term Other Loans and Bonds
For the Year Ended June 20, 2024

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-23	Paid and/or Matured During Period	Outstanding 6-30-24
OTHER LOANS PAYABLE							
Payable through General, Solid Waste/Sanitation and General Debt Service funds							
Wheel Loader	\$ 107,517	4.89 %	12-18-18	12-18-23	\$ 32,318	\$ 32,318	\$ 0
Payable through General Debt Service Fund							
Energy Efficient School Initiative, 2018	1,694,232	1.5	8-20-18	8-1-35	1,316,210	100,110	1,216,100
Total Other Loans Payable					<u>\$ 1,348,528</u>	<u>\$ 132,428</u>	<u>\$ 1,216,100</u>
BONDS PAYABLE							
Payable through General Debt Service Fund							
General Obligation Refunding Bonds, Series 2016	2,595,000	.75 to 3.5	3-24-16	6-1-36	\$ 1,800,000	\$ 115,000	\$ 1,685,000
General Obligation Refunding Bonds, Series 2020	6,245,000	2 to 5	6-19-20	6-1-37	5,225,000	370,000	4,855,000
Total Bonds Payable					<u>\$ 7,025,000</u>	<u>\$ 485,000</u>	<u>\$ 6,540,000</u>

Exhibit J-2

LAKE COUNTY, TENNESSEE
Schedule of Long-term Debt Requirements by Year

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2025	\$ 101,624	\$ 17,548	\$ 119,172
2026	103,162	16,010	119,172
2027	104,723	14,449	119,172
2028	106,298	12,874	119,172
2029	107,908	11,264	119,172
2030	109,541	9,631	119,172
2031	111,188	7,984	119,172
2032	112,870	6,302	119,172
2033	114,576	4,596	119,172
2034	116,306	2,866	119,172
2035	118,009	1,163	119,172
2036	9,895	2	9,897
Total	\$ 1,216,100	\$ 104,689	\$ 1,320,789

Year Ending June 30	Bonds		
	Principal	Interest	Total
2025	\$ 510,000	\$ 189,813	\$ 699,813
2026	530,000	167,013	697,013
2027	550,000	143,033	693,033
2028	580,000	118,033	698,033
2029	595,000	104,743	699,743
2030	600,000	91,088	691,088
2031	530,000	77,333	607,333
2032	535,000	64,912	599,912
2033	550,000	52,038	602,038
2034	560,000	38,788	598,788
2035	580,000	25,263	605,263
2036	295,000	11,263	306,263
2037	125,000	2,650	127,650
Total	\$ 6,540,000	\$ 1,085,970	\$ 7,625,970

LAKE COUNTY, TENNESSEE
Schedule of Transfers
For the Year Ended June 20, 2024

From Fund	To Fund	Purpose	Amount
Other General Government	General	American Rescue Plan funds	\$ 25,000
"	Solid Waste/Sanitation	"	25,000
General Debt Service	General	Operations	<u>271,500</u>
Total Transfers			<u><u>\$ 321,500</u></u>

LAKE COUNTY, TENNESSEE
Schedule of Salaries and Official Bonds of Principal Officials
 Primary Government and Discretely Presented Lake County School Department
For the Year Ended June 20, 2024

Official	Salary	Authorization	Bond	Surety
County Mayor		Section 8-24-102, <i>TCA</i>	\$ 400,000	Local Government Property and Casualty Fund
Base salary	\$ 93,805			
Planning commission compensation	1,200			
County commission compensation	3,600			
Total compensation	<u>\$ 98,605</u>			
Road Superintendent		Section 8-24-102, <i>TCA</i>	400,000	Local Government Property and Casualty Fund
Base salary	\$ 89,338			
Bonus	1,000			
Total compensation	<u>\$ 90,338</u>			
Director of Schools		State Board of Education and Lake County Board of Education	400,000	Tennessee Risk Management Trust
Base salary	\$ 117,938			
Salary supplement	92			
Vacation leave payout	6,697			
Chief executive officer training supplement	2,000			
Vehicle allowance	4,800			
Total compensation	<u>\$ 131,527</u>			
Trustee		Section 8-24-102, <i>TCA</i>	400,000	Local Government Property and Casualty Fund
Base salary/Total compensation	<u>\$ 81,216</u>			
Assessor of Property		Section 8-24-102, <i>TCA</i>	400,000	Local Government Property and Casualty Fund
Base salary	\$ 81,216			
Planning commission compensation	1,200			
Total compensation	<u>\$ 82,416</u>			
County Clerk		Section 8-24-102, <i>TCA</i>	400,000	Local Government Property and Casualty Fund
Base salary/Total compensation	<u>\$ 81,216</u>			
Circuit/General Sessions/Juvenile Courts Clerk		Section 8-24-102, <i>TCA</i>	400,000	Local Government Property and Casualty Fund
Base salary/Total compensation	<u>\$ 81,216</u>			
Clerk and Master		Section 8-24-102, <i>TCA</i>	50,000	RLI Insurance Company
Base salary/Total compensation	<u>\$ 81,216</u>			
Register of Deeds		Section 8-24-102, <i>TCA</i>	400,000	Local Government Property and Casualty Fund
Base salary/Total compensation	<u>\$ 81,216</u>			
Sheriff		Section 8-24-102, <i>TCA</i>	400,000	Local Government Property and Casualty Fund
Base salary	\$ 89,338			
Law enforcement training supplement	800			
Total compensation	<u>\$ 90,138</u>			
Blanket Bond:				
County and Highway Employees			400,000	Local Government Property and Casualty Fund
Director of Schools			400,000	Tennessee Risk Management Trust

LAKE COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2024

	Special Revenue Funds					
	General	Law Library	Solid Waste / Sanitation	Drug Control	Other General Government	Highway / Public Works
Local Taxes						
County Property Taxes						
Current Property Tax	\$ 2,192,980	\$ 0	\$ 189,879	\$ 0	\$ 0	25,543
Trustee's Collections - Prior Year	35,791	0	1,220	0	0	220
Circuit Clerk/Clerk and Master Collections - Prior Years	8,840	0	786	0	0	108
Interest and Penalty	9,171	0	520	0	0	118
Payments in-Lieu-of Taxes - Other	18,274	0	0	0	0	0
County Local Option Taxes						
Local Option Sales Tax	69,965	0	0	0	0	0
Hotel/Motel Tax	48,891	0	0	0	0	0
Wheel Tax	237,446	0	6,464	0	0	0
Litigation Tax - General	6,683	0	0	0	0	0
Litigation Tax - Special Purpose	1,916	895	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0
Litigation Tax - Courthouse Security	1,481	0	0	0	0	0
Business Tax	41,416	0	0	0	0	0
Mixed Drink Tax	13	0	0	0	0	0
Statutory Local Taxes						
Bank Excise Tax	11,441	0	0	0	0	0
Wholesale Beer Tax	5,271	0	0	0	0	0
Total Local Taxes	<u>\$ 2,689,579</u>	<u>\$ 895</u>	<u>\$ 198,869</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>25,989</u>
Licenses and Permits						
Licenses						
Marriage Licenses	\$ 10	\$ 0	\$ 0	\$ 0	\$ 0	0
Cable TV Franchise	4,083	0	0	0	0	0

(Continued)

LAKE COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Law Library	Solid Waste / Sanitation	Drug Control	Other General Government	Highway / Public Works
Licenses and Permits (Cont.)						
Permits						
Building Permits	\$ 2,662	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Licenses and Permits	<u>\$ 6,755</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fines, Forfeitures, and Penalties						
Circuit Court						
Officers Costs	\$ 965	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Data Entry Fee - Circuit Court	264	0	0	0	0	0
Courtroom Security Fee	303	0	0	0	0	0
Criminal Court						
DUI Treatment Fines	48	0	0	0	0	0
General Sessions Court						
Fines	2,778	0	0	0	0	0
Officers Costs	8,342	0	0	0	0	0
Game and Fish Fines	205	0	0	0	0	0
Drug Control Fines	1,776	0	0	3,225	0	0
Drug Court Fees	2,485	0	0	0	0	0
Jail Fees	7,088	0	0	0	0	0
DUI Treatment Fines	974	0	0	0	0	0
Data Entry Fee - General Sessions Court	8,441	0	0	0	0	0
Juvenile Court						
Fines	480	0	0	0	0	0
Officers Costs	97	0	0	0	0	0
Chancery Court						
Officers Costs	995	0	0	0	0	0
Data Entry Fee - Chancery Court	526	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	<u>\$ 35,767</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,225</u>	<u>\$ 0</u>	<u>\$ 0</u>

(Continued)

LAKE COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Law Library	Solid Waste / Sanitation	Drug Control	Other General Government	Highway / Public Works
Charges for Current Services						
General Service Charges						
Residential Waste Collection Charge	\$ 0	\$ 0	\$ 9,840	\$ 0	\$ 0	0
Tipping Fees	0	0	3,500	0	0	0
Surcharge - Waste Tire Disposal	0	0	1,231	0	0	0
Patient Charges	751,519	0	0	0	0	0
Fees						
Copy Fees	123	0	0	0	0	0
Archives and Records Management Fee	2,489	0	0	0	0	0
Telephone Commissions	12,635	0	0	0	0	0
Vending Machine Collections	76	0	0	0	0	0
Additional Fees - Titling and Registration	3,183	0	0	0	0	0
Data Processing Fee - Register	1,254	0	0	0	0	0
Data Processing Fee - Sheriff	437	0	0	0	0	0
Data Processing Fee - County Clerk	150	0	0	0	0	0
Vehicle Registration Reinstatement Fees	945	0	0	0	0	0
Total Charges for Current Services	\$ 772,811	\$ 0	\$ 14,571	\$ 0	\$ 0	0
Other Local Revenues						
Recurring Items						
Investment Income	\$ 380,565	\$ 0	\$ 0	\$ 0	\$ 6,908	\$ 88
Lease/Rentals/PPP	72,317	0	0	0	0	0
Sale of Materials and Supplies	300	0	8,596	0	0	3,806
Commissary Sales	4,275	0	0	0	0	0
Miscellaneous Refunds	22,789	0	642	0	0	6,522
Nonrecurring Items						
Sale of Property	1,500	0	0	0	0	0

(Continued)

LAKE COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Law Library	Solid Waste / Sanitation	Drug Control	Other General Government	Highway / Public Works
Other Local Revenues (Cont.)						
Other Local Revenues						
Other Local Revenues	\$ 6,561	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Local Revenues	<u>\$ 488,307</u>	<u>\$ 0</u>	<u>\$ 9,238</u>	<u>\$ 0</u>	<u>\$ 6,908</u>	<u>\$ 10,416</u>
Fees Received From County Officials						
Fees In-Lieu-of Salary						
County Clerk	\$ 55,626	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	17,065	0	0	0	0	0
General Sessions Court Clerk	19,411	0	0	0	0	0
Clerk and Master	16,577	0	0	0	0	0
Juvenile Court Clerk	3,791	0	0	0	0	0
Register	16,256	0	0	0	0	0
Sheriff	3,582	0	0	0	0	0
Trustee	126,614	0	0	0	0	0
Total Fees Received From County Officials	<u>\$ 258,922</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
State of Tennessee						
General Government Grants						
Juvenile Services Program	\$ 4,500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Aging Programs	75,987	0	0	0	0	0
Other General Government Grants	0	0	0	0	48,000	0
Public Safety Grants						
School Resource Officer Grants	225,000	0	0	0	0	0
Public Works Grants						
Bridge Program	0	0	0	0	0	36,028
State Aid Program	0	0	0	0	0	551,943
Litter Program	22,466	0	0	0	0	0

(Continued)

LAKE COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Law Library	Solid Waste / Sanitation	Drug Control	Other General Government	Highway / Public Works
State of Tennessee (Cont.)						
Other State Revenues						
Beer Tax	\$ 18,498	\$ 0	\$ 0	\$ 0	\$ 0	0
Vehicle Certificate of Title Fees	7,188	0	0	0	0	0
Alcoholic Beverage Tax	25,798	0	0	0	0	0
Opioid Settlement Funds - TN Abatement Council	35,136	0	0	0	0	0
State Revenue Sharing - Telecommunications	7,577	0	0	0	0	0
State Shared Sports Gaming Privilege Tax	2,486	0	0	0	0	0
Contracted Prisoner Boarding	170,683	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	1,808,995
Hybrid/Electric Vehicle Registration Fee	0	0	0	0	0	7,321
Petroleum Special Tax	0	0	0	0	0	4,642
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	15,383	0	0	0	0	0
Other State Revenues	23,354	0	0	0	0	0
Total State of Tennessee	\$ 649,220	\$ 0	\$ 0	\$ 0	\$ 48,000	\$ 2,408,929
Federal Government						
Federal Through State						
Civil Defense Reimbursement	\$ 13,614	\$ 0	\$ 0	\$ 0	\$ 0	0
Homeland Security Grants	2,717	0	0	0	0	0
American Rescue Plan Act Grant #1	100,000	0	0	0	0	0
Other Federal through State	172,356	0	0	0	0	0
Direct Federal Revenue						
Other Direct Federal Revenue	7,893	0	0	0	0	0
Total Federal Government	\$ 296,580	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

LAKE COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	<u>Special Revenue Funds</u>					
	General	Law Library	Solid Waste / Sanitation	Drug Control	Other General Government	Highway / Public Works
Other Governments and Citizens Groups						
Other Governments						
Paving and Maintenance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	755
Contributions	14,083	0	0	0	0	0
Contracted Services	58,551	0	0	0	0	0
Other						
Other	39,121	0	0	0	0	0
Opioid Settlement Funds - Past Remediation	15,032	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 126,787</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>755</u>
Total	<u>\$ 5,324,728</u>	<u>\$ 895</u>	<u>\$ 222,678</u>	<u>\$ 3,225</u>	<u>\$ 54,908</u>	<u>2,446,089</u>

(Continued)

LAKE COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Debt Service Fund	
	General Debt Service	Total
Local Taxes		
County Property Taxes		
Current Property Tax	\$ 0	\$ 2,408,402
Trustee's Collections - Prior Year	4,285	41,516
Circuit Clerk/Clerk and Master Collections - Prior Years	0	9,734
Interest and Penalty	939	10,748
Payments in-Lieu-of Taxes - Other	0	18,274
County Local Option Taxes		
Local Option Sales Tax	436,215	506,180
Hotel/Motel Tax	0	48,891
Wheel Tax	65,322	309,232
Litigation Tax - General	0	6,683
Litigation Tax - Special Purpose	0	2,811
Litigation Tax - Jail, Workhouse, or Courthouse	3,265	3,265
Litigation Tax - Courthouse Security	0	1,481
Business Tax	2,436	43,852
Mixed Drink Tax	0	13
Statutory Local Taxes		
Bank Excise Tax	0	11,441
Wholesale Beer Tax	0	5,271
Total Local Taxes	<u>\$ 512,462</u>	<u>\$ 3,427,794</u>
Licenses and Permits		
Licenses		
Marriage Licenses	\$ 0	\$ 10
Cable TV Franchise	0	4,083

(Continued)

LAKE COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Debt Service Fund	
	General Debt Service	Total
Licenses and Permits (Cont.)		
Permits		
Building Permits	\$ 0	\$ 2,662
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 6,755</u>
Fines, Forfeitures, and Penalties		
Circuit Court		
Officers Costs	\$ 0	\$ 965
Data Entry Fee - Circuit Court	0	264
Courtroom Security Fee	0	303
Criminal Court		
DUI Treatment Fines	0	48
General Sessions Court		
Fines	0	2,778
Officers Costs	0	8,342
Game and Fish Fines	0	205
Drug Control Fines	0	5,001
Drug Court Fees	0	2,485
Jail Fees	0	7,088
DUI Treatment Fines	0	974
Data Entry Fee - General Sessions Court	0	8,441
Juvenile Court		
Fines	0	480
Officers Costs	0	97
Chancery Court		
Officers Costs	0	995
Data Entry Fee - Chancery Court	0	526
Total Fines, Forfeitures, and Penalties	<u>\$ 0</u>	<u>\$ 38,992</u>

(Continued)

LAKE COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Debt Service Fund	
	General Debt Service	Total
Charges for Current Services		
General Service Charges		
Residential Waste Collection Charge	\$ 0	\$ 9,840
Tipping Fees	0	3,500
Surcharge - Waste Tire Disposal	0	1,231
Patient Charges	0	751,519
Fees		
Copy Fees	0	123
Archives and Records Management Fee	0	2,489
Telephone Commissions	0	12,635
Vending Machine Collections	0	76
Additional Fees - Titling and Registration	0	3,183
Data Processing Fee - Register	0	1,254
Data Processing Fee - Sheriff	0	437
Data Processing Fee - County Clerk	0	150
Vehicle Registration Reinstatement Fees	0	945
Total Charges for Current Services	<u>\$ 0</u>	<u>\$ 787,382</u>
Other Local Revenues		
Recurring Items		
Investment Income	\$ 0	\$ 387,561
Lease/Rentals/PPP	0	72,317
Sale of Materials and Supplies	0	12,702
Commissary Sales	0	4,275
Miscellaneous Refunds	0	29,953
Nonrecurring Items		
Sale of Property	0	1,500

(Continued)

LAKE COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Debt Service Fund	
	General Debt Service	Total
Other Local Revenues (Cont.)		
Other Local Revenues		
Other Local Revenues	\$ 0	\$ 6,561
Total Other Local Revenues	<u>\$ 0</u>	<u>\$ 514,869</u>
Fees Received From County Officials		
Fees In-Lieu-of Salary		
County Clerk	\$ 0	\$ 55,626
Circuit Court Clerk	0	17,065
General Sessions Court Clerk	0	19,411
Clerk and Master	0	16,577
Juvenile Court Clerk	0	3,791
Register	0	16,256
Sheriff	0	3,582
Trustee	0	126,614
Total Fees Received From County Officials	<u>\$ 0</u>	<u>\$ 258,922</u>
State of Tennessee		
General Government Grants		
Juvenile Services Program	\$ 0	\$ 4,500
Aging Programs	0	75,987
Other General Government Grants	0	48,000
Public Safety Grants		
School Resource Officer Grants	0	225,000
Public Works Grants		
Bridge Program	0	36,028
State Aid Program	0	551,943
Litter Program	0	22,466

(Continued)

LAKE COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Debt Service Fund	
	General Debt Service	Total
State of Tennessee (Cont.)		
Other State Revenues		
Beer Tax	\$ 0	\$ 18,498
Vehicle Certificate of Title Fees	0	7,188
Alcoholic Beverage Tax	0	25,798
Opioid Settlement Funds - TN Abatement Council	0	35,136
State Revenue Sharing - Telecommunications	0	7,577
State Shared Sports Gaming Privilege Tax	0	2,486
Contracted Prisoner Boarding	0	170,683
Gasoline and Motor Fuel Tax	0	1,808,995
Hybrid/Electric Vehicle Registration Fee	0	7,321
Petroleum Special Tax	0	4,642
Registrar's Salary Supplement	0	15,164
Other State Grants	0	15,383
Other State Revenues	0	23,354
Total State of Tennessee	<u>\$ 0</u>	<u>\$ 3,106,149</u>
Federal Government		
Federal Through State		
Civil Defense Reimbursement	\$ 0	\$ 13,614
Homeland Security Grants	0	2,717
American Rescue Plan Act Grant #1	0	100,000
Other Federal through State	0	172,356
Direct Federal Revenue		
Other Direct Federal Revenue	0	7,893
Total Federal Government	<u>\$ 0</u>	<u>\$ 296,580</u>

(Continued)

LAKE COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Debt Service Fund	
	General Debt Service	Total
Other Governments and Citizens Groups		
Other Governments		
Paving and Maintenance	\$ 0	\$ 755
Contributions	244,172	258,255
Contracted Services	0	58,551
Other		
Other	0	39,121
Opioid Settlement Funds - Past Remediation	0	15,032
Total Other Governments and Citizens Groups	<u>\$ 244,172</u>	<u>\$ 371,714</u>
Total	<u>\$ 756,634</u>	<u>\$ 8,809,157</u>

LAKE COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types
 Discretely Presented Lake County School Department
For the Year Ended June 30, 2024

	<u>Special Revenue Funds</u>					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School		
Local Taxes						
County Property Taxes						
Current Property Tax	\$ 672,215	\$ 0	\$ 0	\$ 0	\$ 0	672,215
Trustee's Collections - Prior Year	15,518	0	0	0	0	15,518
Circuit Clerk/Clerk and Master Collections - Prior Years	2,542	0	0	0	0	2,542
Interest and Penalty	3,894	0	0	0	0	3,894
County Local Option Taxes						
Local Option Sales Tax	433,648	0	0	0	0	433,648
Wheel Tax	35,312	0	0	0	0	35,312
Business Tax	4,864	0	8	0	0	4,872
Mixed Drink Tax	13	0	0	0	0	13
Total Local Taxes	<u>\$ 1,168,006</u>	<u>\$ 0</u>	<u>\$ 8</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>1,168,014</u>
Licenses and Permits						
Licenses						
Marriage Licenses	\$ 209	\$ 0	\$ 0	\$ 0	\$ 0	209
Total Licenses and Permits	<u>\$ 209</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>209</u>
Charges for Current Services						
Education Charges						
Lunch Payments - Children	\$ 0	\$ 0	18,650	\$ 0	\$ 0	18,650
Lunch Payments - Adults	0	0	4,307	0	0	4,307
Income from Breakfast	0	0	1,826	0	0	1,826
A la Carte Sales	0	0	10,837	0	0	10,837
Receipts from Individual Schools	9,022	0	0	0	0	9,022
Total Charges for Current Services	<u>\$ 9,022</u>	<u>\$ 0</u>	<u>\$ 35,620</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>44,642</u>

(Continued)

LAKE COUNTY, TENNESSEE

Schedule of Detailed Revenues -

All Governmental Fund Types

Discretely Presented Lake County School Department (Cont.)

	<u>Special Revenue Funds</u>				Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	
Other Local Revenues					
Recurring Items					
Investment Income	\$ 17,500	\$ 0	\$ 0	\$ 0	\$ 17,500
Miscellaneous Refunds	12,777	0	13,001	0	25,778
Nonrecurring Items					
Sale of Equipment	11,790	0	0	0	11,790
Contributions and Gifts	21,877	0	0	0	21,877
Other Local Revenues					
Other Local Revenues	0	0	0	369,268	369,268
Total Other Local Revenues	<u>\$ 63,944</u>	<u>\$ 0</u>	<u>\$ 13,001</u>	<u>\$ 369,268</u>	<u>\$ 446,213</u>
State of Tennessee					
General Government Grants					
On-behalf Contributions for OPEB	\$ 15,606	\$ 0	\$ 0	\$ 0	\$ 15,606
State Education Funds					
Tennessee Investment in Student Achievement	6,523,812	0	0	0	6,523,812
TISA - On-behalf Payments	8,617	0	0	0	8,617
Early Childhood Education	215,736	0	0	0	215,736
School Food Service	0	0	4,539	0	4,539
Driver Education	618	0	0	0	618
Other State Education Funds	81,322	0	0	0	81,322
Career Ladder Program	9,155	0	0	0	9,155
Other Vocational	756,339	0	0	0	756,339
Other State Revenues					
State Revenue Sharing - T.V.A.	251,025	0	0	0	251,025
Other State Grants	256,782	0	0	0	256,782

(Continued)

LAKE COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types
 Discretely Presented Lake County School Department (Cont.)

	<u>Special Revenue Funds</u>				
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total
State of Tennessee (Cont.)					
Other State Revenues (Cont.)					
Other State Revenues	\$ 4,976	\$ 0	\$ 0	\$ 0	\$ 4,976
Total State of Tennessee	<u>\$ 8,123,988</u>	<u>\$ 0</u>	<u>\$ 4,539</u>	<u>\$ 0</u>	<u>\$ 8,128,527</u>
Federal Government					
Federal Through State					
USDA School Lunch Program	\$ 0	\$ 0	\$ 453,672	\$ 0	\$ 453,672
USDA - Commodities	0	0	33,799	0	33,799
Breakfast	0	0	205,696	0	205,696
USDA - Other	0	0	91,414	0	91,414
USDA Food Service Equipment Grant	0	0	3,600	0	3,600
Vocational Education - Basic Grants to States	0	24,825	0	0	24,825
Title I Grants to Local Education Agencies	0	505,432	0	0	505,432
Special Education - Grants to States	0	273,319	0	0	273,319
Special Education Preschool Grants	0	14,773	0	0	14,773
Rural Education	0	26,326	0	0	26,326
Eisenhower Professional Development State Grants	0	60,507	0	0	60,507
COVID-19 Grant #2	0	16,000	0	0	16,000
COVID-19 Grant #3	0	386,405	0	0	386,405
American Rescue Plan Act Grant #1	0	58,080	0	0	58,080
American Rescue Plan Act Grant #2	0	7,333	0	0	7,333
American Rescue Plan Act Grant #3	0	246	0	0	246
Other Federal through State	547,032	197,731	0	0	744,763
Total Federal Government	<u>\$ 547,032</u>	<u>\$ 1,570,977</u>	<u>\$ 788,181</u>	<u>\$ 0</u>	<u>\$ 2,906,190</u>

(Continued)

LAKE COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types
 Discretely Presented Lake County School Department (Cont.)

	<u>Special Revenue Funds</u>				Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	
Other Governments and Citizens Groups					
Other Governments					
Contributions	\$ 168,745	\$ 0	\$ 321,708	\$ 0	\$ 490,453
Other					
Other	0	0	2,069	0	2,069
Total Other Governments and Citizens Groups	<u>\$ 168,745</u>	<u>\$ 0</u>	<u>\$ 323,777</u>	<u>\$ 0</u>	<u>\$ 492,522</u>
 Total	 <u>\$ 10,080,946</u>	 <u>\$ 1,570,977</u>	 <u>\$ 1,165,126</u>	 <u>\$ 369,268</u>	 <u>\$ 13,186,317</u>

LAKE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2024

General Fund

General Government

County Commission

Other Per Diem and Fees	\$	36,000	
Social Security		2,846	
Pensions		837	
Audit Services		3,012	
Other Charges		1,000	
Total County Commission			\$ 43,695

County Mayor/Executive

County Official/Administrative Officer	\$	93,805	
Accountants/Bookkeepers		27,617	
Secretary(ies)		27,617	
Longevity Pay		150	
Bonus Payments		3,353	
Other Per Diem and Fees		1,121	
Social Security		11,492	
Pensions		8,717	
Unemployment Compensation		132	
Communication		2,841	
Data Processing Services		25,688	
Postal Charges		1,527	
Printing, Stationery, and Forms		2,416	
Travel		178	
Office Supplies		3,568	
Other Charges		4,110	
Total County Mayor/Executive			214,332

County Attorney

County Official/Administrative Officer	\$	5,500	
Legal Services		5,505	
Total County Attorney			11,005

Election Commission

County Official/Administrative Officer	\$	81,216	
Other Salaries and Wages		1,100	
Election Commission		4,421	
Election Workers		5,775	
Social Security		6,100	
Pensions		4,666	
Communication		3,232	
Data Processing Services		14,215	
Legal Notices, Recording, and Court Costs		2,068	
Postal Charges		704	
Printing, Stationery, and Forms		991	
Office Supplies		1,861	
Data Processing Equipment		4,518	
Total Election Commission			130,867

(Continued)

LAKE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

Register of Deeds

County Official/Administrative Officer	\$	81,216	
Deputy(ies)		13,809	
Social Security		7,259	
Pensions		5,471	
Communication		2,006	
Data Processing Services		326	
Dues and Memberships		768	
Postal Charges		485	
Printing, Stationery, and Forms		1,345	
Other Contracted Services		152	
Office Supplies		1,153	
Total Register of Deeds	\$		113,990

Development

Board and Committee Members Fees	\$	8,400	
Social Security		423	
Unemployment Compensation		11	
Other Contracted Services		7,835	
Total Development			16,669

County Buildings

Maintenance and Repair Services - Buildings	\$	19,506	
Maintenance and Repair Services - Equipment		3,109	
Pest Control		3,880	
Custodial Supplies		2,035	
Electricity		52,342	
Natural Gas		22,871	
Water and Sewer		17,029	
Building and Contents Insurance		132,876	
Total County Buildings			253,648

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	81,216	
Secretary(ies)		28,165	
Longevity Pay		350	
Other Salaries and Wages		875	
Board and Committee Members Fees		1,085	
Social Security		8,267	
Pensions		6,374	
Unemployment Compensation		67	
Communication		2,027	
Postal Charges		657	
Printing, Stationery, and Forms		171	
Travel		300	
Other Contracted Services		14,477	
Office Supplies		1,265	
Data Processing Equipment		1,850	
Total Property Assessor's Office			147,146

(Continued)

LAKE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office

County Official/Administrative Officer	\$	81,216	
Deputy(ies)		37,917	
Longevity Pay		300	
Social Security		8,931	
Pensions		6,887	
Unemployment Compensation		70	
Communication		2,029	
Data Processing Services		17,500	
Dues and Memberships		1,273	
Postal Charges		714	
Printing, Stationery, and Forms		57	
Rentals		663	
Travel		906	
Office Supplies		1,049	
Other Charges		98	
Total County Trustee's Office			\$ 159,610

County Clerk's Office

County Official/Administrative Officer	\$	81,216	
Deputy(ies)		55,234	
Longevity Pay		750	
Other Salaries and Wages		50	
Social Security		10,500	
Pensions		7,916	
Unemployment Compensation		140	
Communication		4,469	
Data Processing Services		8,315	
Dues and Memberships		683	
Postal Charges		1,043	
Office Supplies		1,820	
Total County Clerk's Office			172,136

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	81,216	
Deputy(ies)		80,969	
Longevity Pay		400	
Other Salaries and Wages		200	
Jury and Witness Expense		2,443	
Social Security		12,306	
Pensions		9,369	
Unemployment Compensation		311	
Communication		5,823	
Data Processing Services		16,928	
Dues and Memberships		848	
Postal Charges		770	
Printing, Stationery, and Forms		1,505	

(Continued)

LAKE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Office Supplies	\$	4,773	
Other Charges		45	
Total Circuit Court			\$ 217,906

General Sessions Court

Judge(s)	\$	111,543	
Social Security		8,533	
Pensions		6,414	
Communication		1,743	
Postal Charges		422	
Travel		943	
Other Contracted Services		150	
Office Supplies		143	
Total General Sessions Court			129,891

Chancery Court

County Official/ Administrative Officer	\$	81,216	
Deputy(ies)		13,937	
Longevity Pay		150	
Social Security		6,681	
Pensions		5,466	
Unemployment Compensation		35	
Communication		2,302	
Data Processing Services		7,860	
Dues and Memberships		933	
Postal Charges		588	
Printing, Stationery, and Forms		2,722	
Office Supplies		398	
Total Chancery Court			122,288

Juvenile Court

County Official/ Administrative Officer	\$	34,562	
Longevity Pay		50	
Other Salaries and Wages		1,675	
Social Security		2,763	
Pensions		2,108	
Unemployment Compensation		138	
Communication		2,355	
Data Processing Services		77	
Postal Charges		446	
Travel		936	
Other Contracted Services		14,735	
Office Supplies		1,695	
Total Juvenile Court			61,540

Other Administration of Justice

Library Books/Media	\$	1,325	
Total Other Administration of Justice			1,325

(Continued)

LAKE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Administration of Justice (Cont.)

Courtroom Security

Deputy(ies)	\$	27,377	
Social Security		2,094	
Unemployment Compensation		140	
Other Contracted Services		771	
Total Courtroom Security			\$ 30,382

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	89,338	
Deputy(ies)		311,393	
Salary Supplements		5,600	
Secretary(ies)		31,096	
Longevity Pay		1,750	
In-service Training		3,713	
Social Security		33,013	
Pensions		19,532	
Unemployment Compensation		543	
Communication		19,039	
Contracts with Government Agencies		1,505	
Data Processing Services		779	
Dues and Memberships		1,670	
Maintenance and Repair Services - Vehicles		17,567	
Postal Charges		732	
Printing, Stationery, and Forms		172	
Travel		282	
Other Contracted Services		1,138	
Gasoline		34,522	
Office Supplies		3,153	
Uniforms		8,445	
Other Supplies and Materials		2,072	
Other Capital Outlay		56,455	
Total Sheriff's Department			643,509

Special Patrols

Deputy(ies)	\$	121,234	
Salary Supplements		800	
Longevity Pay		50	
Social Security		8,373	
Pensions		7,047	
Unemployment Compensation		350	
Maintenance and Repair Services - Vehicles		1,112	
Travel		440	
Uniforms		2,629	
Other Supplies and Materials		68	
In Service/Staff Development		943	
Other Capital Outlay		86,805	
Total Special Patrols			229,851

(Continued)

LAKE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Jail

Dispatchers/Radio Operators	\$	417,042	
Secretary(ies)		34,876	
Part-time Personnel		55,421	
Longevity Pay		900	
In-service Training		1,038	
Social Security		38,100	
Pensions		24,957	
Unemployment Compensation		1,699	
Maintenance and Repair Services - Buildings		3,449	
Maintenance and Repair Services - Equipment		5,272	
Medical and Dental Services		79,081	
Custodial Supplies		14,121	
Food Supplies		116,690	
Uniforms		4,087	
Other Supplies and Materials		37,743	
Other Equipment		8,558	
Other Capital Outlay		51,286	
Total Jail	\$		894,320

Civil Defense

Supervisor/Director	\$	13,100	
Social Security		1,002	
Pensions		761	
Unemployment Compensation		16	
Other Charges		3,385	
Total Civil Defense			18,264

Public Health and Welfare

Local Health Center

Communication	\$	1,152	
Maintenance and Repair Services - Buildings		2,936	
Other Contracted Services		7,700	
Drugs and Medical Supplies		2,500	
Office Supplies		416	
Health Equipment		27,405	
Total Local Health Center			42,109

Ambulance/Emergency Medical Services

Supervisor/Director	\$	42,621	
Medical Personnel		628,995	
Social Security		50,331	
Pensions		15,625	
Unemployment Compensation		1,396	
Communication		10,098	
Data Processing Services		3,544	
Maintenance and Repair Services - Equipment		14,360	
Maintenance and Repair Services - Vehicles		17,231	

(Continued)

LAKE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Postal Charges	\$	126	
Travel		300	
Other Contracted Services		50,639	
Drugs and Medical Supplies		40,982	
Gasoline		20,536	
Office Supplies		577	
Other Supplies and Materials		861	
Judgments		30,063	
Total Ambulance/Emergency Medical Services			\$ 928,285

Sanitation Management

Deputy(ies)	\$	11,202	
Education Media Personnel		11,942	
Social Security		718	
Pensions		95	
Unemployment Compensation		69	
Maintenance and Repair Services - Vehicles		225	
Other Contracted Services		187	
Gasoline		730	
Other Charges		668	
Total Sanitation Management			25,836

Social, Cultural, and Recreational Services

Senior Citizens Assistance

County Official/Administrative Officer	\$	24,301	
Supervisor/Director		27,138	
Social Security		4,753	
Pensions		3,654	
Unemployment Compensation		184	
Communication		4,233	
Maintenance and Repair Services - Buildings		2,368	
Maintenance and Repair Services - Vehicles		70	
Travel		241	
Other Contracted Services		28,668	
Gasoline		421	
Office Supplies		305	
Other Supplies and Materials		1,839	
Other Charges		7,724	
Total Senior Citizens Assistance			105,899

Libraries

Contributions	\$	28,700	
Total Libraries			28,700

Other Social, Cultural, and Recreational

Contributions	\$	2,750	
Other Charges		5,791	
Total Other Social, Cultural, and Recreational			8,541

(Continued)

LAKE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	23,046	
Secretary(ies)		6,497	
Pensions		1,544	
Communication		3,188	
Maintenance and Repair Services - Office Equipment		175	
Total Agricultural Extension Service			\$ 34,450

Other Operations

Tourism

Contributions	\$	50,489	
Total Tourism			50,489

Other Economic and Community Development

Contracts with Government Agencies	\$	2,500	
Matching Share		8,333	
Total Other Economic and Community Development			10,833

Other Charges

Trustee's Commission	\$	60,866	
Total Other Charges			60,866

Contributions to Other Agencies

Contributions	\$	33,150	
Total Contributions to Other Agencies			33,150

Employee Benefits

Employee and Dependent Insurance	\$	49,305	
Workers' Compensation Insurance		40,794	
Total Employee Benefits			90,099

Principal on Debt

General Government

Principal on Other Loans	\$	1,547	
Total General Government			1,547

Interest on Debt

General Government

Interest on Other Loans	\$	139	
Total General Government			139

Total General Fund \$ 5,033,317

Law Library Fund

Administration of Justice

Other Administration of Justice

Library Books/Media	\$	4,511	
Trustee's Commission		9	
Total Other Administration of Justice			\$ 4,520

Total Law Library Fund 4,520

(Continued)

LAKE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Solid Waste/Sanitation Fund

Public Health and Welfare

Waste Incinerator

Foremen	\$	37,068	
Other Salaries and Wages		1,933	
Social Security		2,984	
Pensions		2,243	
Unemployment Compensation		140	
Communication		192	
Maintenance and Repair Services - Buildings		1,742	
Maintenance and Repair Services - Equipment		6,611	
Diesel Fuel		1,975	
Electricity		318	
Trustee's Commission		4,087	
Solid Waste Equipment		<u>3,608</u>	
Total Waste Incinerator			\$ 62,901

Other Waste Disposal

Contracts with Private Agencies	\$	70,510	
Engineering Services		<u>6,175</u>	
Total Other Waste Disposal			76,685

Principal on Debt

General Government

Principal on Other Loans	\$	<u>3,112</u>	
Total General Government			3,112

Interest on Debt

General Government

Interest on Other Loans	\$	<u>260</u>	
Total General Government			<u>260</u>

Total Solid Waste/Sanitation Fund \$ 142,958

Drug Control Fund

Public Safety

Drug Enforcement

Trustee's Commission	\$	<u>33</u>	
Total Drug Enforcement			<u>\$ 33</u>

Total Drug Control Fund 33

Other General Government Fund

Other Operations

Other Economic and Community Development

Consultants	\$	<u>49,000</u>	
Total Other Economic and Community Development			<u>\$ 49,000</u>

Total Other General Government Fund 49,000

(Continued)

LAKE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	90,338	
Accountants/Bookkeepers		54,297	
Secretary(ies)		48,840	
Board and Committee Members Fees		12,750	
Advertising		1,896	
Communication		4,565	
Data Processing Services		13,599	
Dues and Memberships		3,147	
Printing, Stationery, and Forms		229	
Travel		1,394	
Drugs and Medical Supplies		479	
Electricity		6,459	
Natural Gas		5,383	
Office Supplies		2,270	
Water and Sewer		1,273	
Total Administration	\$		246,919

Highway and Bridge Maintenance

Equipment Operators	\$	412,854	
Engineering Services		28,663	
Asphalt - Cold Mix		48	
Asphalt - Hot Mix		560,226	
Asphalt - Liquid		21,901	
Crushed Stone		28,224	
Pipe - Metal		20,082	
Road Signs		2,344	
Chemicals		16,590	
Total Highway and Bridge Maintenance			1,090,932

Operation and Maintenance of Equipment

Foremen	\$	54,432	
Mechanic(s)		106,792	
Laundry Service		2,550	
Custodial Supplies		991	
Diesel Fuel		47,284	
Equipment and Machinery Parts		62,576	
Garage Supplies		6,423	
Gasoline		11,537	
Lubricants		11,529	
Propane Gas		69	
Tires and Tubes		21,634	
Chemicals		254	
Total Operation and Maintenance of Equipment			326,071

Other Charges

Building and Contents Insurance	\$	13,565	
Liability Insurance		32,704	

(Continued)

LAKE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges (Cont.)

Trustee's Commission	\$	19,328	
Vehicle and Equipment Insurance		41,593	
Workers' Compensation Insurance		55,815	
Other Charges		8,564	
Total Other Charges			\$ 171,569

Employee Benefits

Social Security	\$	59,030	
Pensions		45,336	
Employee and Dependent Insurance		16,196	
Unemployment Compensation		294	
Total Employee Benefits			120,856

Capital Outlay

Building Improvements	\$	238	
Office Equipment		1,100	
Total Capital Outlay			1,338

Total Highway/Public Works Fund \$ 1,957,685

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	226,000	
Principal on Other Loans		27,659	
Total General Government			\$ 253,659

Education

Principal on Bonds	\$	259,000	
Principal on Other Loans		100,110	
Total Education			359,110

Interest on Debt

General Government

Interest on Bonds	\$	104,438	
Interest on Other Loans		245	
Total General Government			104,683

Education

Interest on Bonds	\$	106,864	
Interest on Other Loans		19,062	
Total Education			125,926

Other Debt Service

General Government

Trustee's Commission	\$	5,192	
Other Debt Service		150	
Total General Government			5,342

(Continued)

LAKE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Debt Service Fund (Cont.)			
Other Debt Service (Cont.)			
Education			
Other Debt Service	\$	350	
Total Education			\$ 350
Total General Debt Service Fund			<u>\$ 849,070</u>
Total Governmental Funds - Primary Government			<u><u>\$ 8,036,583</u></u>

LAKE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types
 Discretely Presented Lake County School Department
For the Year Ended June 30, 2024

General Purpose School Fund

Instruction

Regular Instruction Program

Supervisor/Director	\$	1,689	
Teachers		2,027,992	
Career Ladder Program		2,500	
Homebound Teachers		1,212	
Educational Assistants		142,202	
Bonus Payments		3,000	
Other Salaries and Wages		595	
Non-certified Substitute Teachers		15,664	
Social Security		126,723	
Pensions		147,133	
Life Insurance		992	
Medical Insurance		327,849	
Unemployment Compensation		7,895	
Employer Medicare		26,443	
Other Contracted Services		33,942	
Instructional Supplies and Materials		74,716	
Textbooks - Bound		49,711	
Other Supplies and Materials		29,671	
In Service/Staff Development		8,380	
TISA - On-behalf Payments		8,617	
Other Charges		2,015	
Regular Instruction Equipment		16,109	
Total Regular Instruction Program	\$		3,055,050

Special Education Program

Teachers	\$	241,144	
Career Ladder Program		1,000	
Homebound Teachers		25	
Educational Assistants		59,629	
Certified Substitute Teachers		1,744	
Non-certified Substitute Teachers		2,560	
Social Security		17,643	
Pensions		22,484	
Medical Insurance		27,805	
Employer Medicare		4,136	
Instructional Supplies and Materials		22,941	
Other Supplies and Materials		5,203	
Other Charges		1,303	
Total Special Education Program			407,617

Career and Technical Education Program

Teachers	\$	241,707	
Certified Substitute Teachers		56	
Non-certified Substitute Teachers		3,601	
Social Security		14,222	
Pensions		14,290	

(Continued)

LAKE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types
 Discretely Presented Lake County School Department (Cont.)

General Purpose School Fund (Cont.)

Instruction (Cont.)

Career and Technical Education Program (Cont.)

Medical Insurance	\$	18,932	
Employer Medicare		3,348	
Other Contracted Services		7,028	
Instructional Supplies and Materials		54,391	
Other Supplies and Materials		21,662	
Vocational Instruction Equipment		201,566	
Total Career and Technical Education Program			\$ 580,803

Support Services

Attendance

Supervisor/Director	\$	33,711	
Other Salaries and Wages		68,917	
Social Security		5,848	
Pensions		8,436	
Medical Insurance		11,069	
Employer Medicare		1,368	
Travel		3,001	
Total Attendance			132,350

Health Services

Supervisor/Director	\$	34,390	
Medical Personnel		38,753	
Other Salaries and Wages		13,133	
Social Security		4,645	
Pensions		6,213	
Medical Insurance		10,314	
Employer Medicare		1,086	
Travel		246	
Other Supplies and Materials		6,865	
In Service/Staff Development		2,178	
Health Equipment		1,497	
Total Health Services			119,320

Other Student Support

Supervisor/Director	\$	25,076	
Guidance Personnel		64,847	
Social Workers		130,773	
Other Salaries and Wages		8,531	
Social Security		12,464	
Pensions		14,748	
Medical Insurance		28,996	
Employer Medicare		4,145	
Internet Connectivity		168,745	
Travel		9,716	
Other Contracted Services		26,571	
Office Supplies		14,125	

(Continued)

LAKE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types
 Discretely Presented Lake County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Other Supplies and Materials	\$	47,387	
In Service/Staff Development		23,149	
Other Charges		500	
Total Other Student Support			\$ 579,773

Regular Instruction Program

Supervisor/Director	\$	80,000	
Career Ladder Program		1,000	
Librarians		58,967	
Educational Assistants		34,020	
Other Salaries and Wages		62,792	
Social Security		13,594	
Pensions		15,904	
Medical Insurance		22,259	
Employer Medicare		3,179	
Travel		1,880	
Other Contracted Services		9,300	
Library Books/Media		11,055	
In Service/Staff Development		3,115	
Other Equipment		1,000	
Total Regular Instruction Program			318,065

Special Education Program

Supervisor/Director	\$	76,912	
Clerical Personnel		25,035	
Other Salaries and Wages		150	
Social Security		6,220	
Pensions		6,623	
Medical Insurance		6,654	
Employer Medicare		1,455	
Evaluation and Testing		722	
Travel		629	
Other Contracted Services		48,578	
Other Charges		2,108	
Total Special Education Program			175,086

Career and Technical Education Program

Other Salaries and Wages	\$	72,092	
Social Security		3,794	
Pensions		5,022	
Medical Insurance		10,639	
Employer Medicare		887	
Other Equipment		4,016	
Total Career and Technical Education Program			96,450

(Continued)

LAKE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Lake County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Technology

Supervisor/Director	\$	66,692	
Career Ladder Program		500	
Social Security		3,924	
Pensions		4,646	
Medical Insurance		5,254	
Employer Medicare		918	
Internet Connectivity		31,819	
Other Contracted Services		19,259	
Software		41,119	
Other Equipment		21,000	
Total Technology	\$		195,131

Other Programs

On-behalf Payments to OPEB	\$	15,606	
Total Other Programs			15,606

Board of Education

Board and Committee Members Fees	\$	4,800	
Social Security		298	
Employer Medicare		70	
Dues and Memberships		9,074	
Legal Services		61,186	
Travel		2,936	
Other Contracted Services		18	
Boiler Insurance		1,776	
Liability Insurance		26,914	
Trustee's Commission		34,064	
Workers' Compensation Insurance		51,988	
Criminal Investigation of Applicants - TBI		37	
Other Charges		50	
Total Board of Education			193,211

Director of Schools

County Official/Administrative Officer	\$	125,727	
Secretary(ies)		7,254	
Bonus Payments		1,000	
Social Security		8,413	
Pensions		9,557	
Medical Insurance		8,167	
Employer Medicare		1,968	
Other Fringe Benefits		4,800	
Communication		6,071	
Dues and Memberships		3,244	
Postal Charges		1,244	
Travel		2,672	
Other Contracted Services		51,187	

(Continued)

LAKE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types
 Discretely Presented Lake County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Office Supplies	\$	895	
Other Supplies and Materials		14,426	
In Service/Staff Development		1,693	
Other Charges		10,944	
Administration Equipment		15,148	
Total Director of Schools			\$ 274,410

Office of the Principal

Principals	\$	230,124	
Career Ladder Program		1,000	
Accountants/Bookkeepers		45,724	
Assistant Principals		143,235	
Secretary(ies)		56,917	
Social Security		27,836	
Pensions		31,013	
Medical Insurance		30,578	
Employer Medicare		6,510	
Communication		14,575	
Travel		3,279	
Total Office of the Principal			590,791

Fiscal Services

Supervisor/Director	\$	21,340	
Accountants/Bookkeepers		50,203	
Clerical Personnel		1,031	
Social Security		4,153	
Pensions		4,366	
Medical Insurance		4,938	
Employer Medicare		971	
Bank Charges		108	
Other Contracted Services		47,295	
Data Processing Supplies		1,052	
Office Supplies		1,023	
In Service/Staff Development		4,448	
Administration Equipment		14,685	
Total Fiscal Services			155,613

Human Services/Personnel

Supervisor/Director	\$	33,653	
Social Security		1,891	
Pensions		2,323	
Medical Insurance		2,356	
Employer Medicare		442	
Total Human Services/Personnel			40,665

(Continued)

LAKE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types
 Discretely Presented Lake County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant

Supervisor/Director	\$	27,332	
Custodial Personnel		145,287	
Other Salaries and Wages		31,721	
Social Security		12,334	
Pensions		11,851	
Medical Insurance		7,095	
Employer Medicare		2,885	
Other Contracted Services		22,299	
Custodial Supplies		48,356	
Electricity		164,145	
Natural Gas		85,295	
Water and Sewer		44,105	
Building and Contents Insurance		62,917	
Total Operation of Plant			\$ 665,622

Maintenance of Plant

Other Salaries and Wages	\$	40,378	
Social Security		2,462	
Pensions		2,343	
Employer Medicare		624	
Maintenance and Repair Services - Buildings		17,518	
Maintenance and Repair Services - Equipment		9,577	
Other Contracted Services		70,595	
Other Supplies and Materials		8,814	
Other Equipment		29,132	
Total Maintenance of Plant			181,443

Transportation

Supervisor/Director	\$	27,332	
Bus Drivers		86,100	
Bonus Payments		2,750	
Other Salaries and Wages		45,669	
Social Security		9,940	
Pensions		8,100	
Employer Medicare		2,276	
Maintenance and Repair Services - Vehicles		33,098	
Travel		1,238	
Other Contracted Services		2,273	
Diesel Fuel		44,137	
Gasoline		10,074	
Tires and Tubes		3,374	
Vehicle Parts		2,466	
Vehicle and Equipment Insurance		14,714	
Total Transportation			293,541

(Continued)

LAKE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types
 Discretely Presented Lake County School Department (Cont.)

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	25,738	
Teachers		52,898	
Clerical Personnel		22,659	
Other Salaries and Wages		39,055	
Social Security		8,096	
Pensions		8,794	
Medical Insurance		11,498	
Employer Medicare		1,893	
Instructional Supplies and Materials		1,606	
Other Supplies and Materials		1,274	
In Service/Staff Development		1,386	
Other Charges		2,400	
Total Community Services			\$ 177,297

Early Childhood Education

Supervisor/Director	\$	46,074	
Teachers		58,875	
Career Ladder Program		2,000	
Educational Assistants		33,844	
Certified Substitute Teachers		28,236	
Non-certified Substitute Teachers		2,842	
Social Security		9,760	
Pensions		12,776	
Medical Insurance		11,876	
Employer Medicare		2,283	
Food Supplies		2,459	
Instructional Supplies and Materials		2,445	
Other Supplies and Materials		2,267	
Total Early Childhood Education			215,737

Capital Outlay

Regular Capital Outlay

Other Contracted Services	\$	2,013,596	
Building Improvements		13,022	
Total Regular Capital Outlay			2,026,618

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	244,172	
Total Education			244,172

Total General Purpose School Fund \$ 10,734,371

(Continued)

LAKE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Lake County School Department (Cont.)

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	204,357	
Educational Assistants		39,315	
Other Salaries and Wages		65,095	
Non-certified Substitute Teachers		3,188	
Social Security		17,966	
Pensions		12,023	
Medical Insurance		26,599	
Employer Medicare		4,202	
Instructional Supplies and Materials		46,943	
Software		2,712	
Other Supplies and Materials		254	
Regular Instruction Equipment		83,731	
Total Regular Instruction Program			\$ 506,385

Special Education Program

Teachers	\$	107,587	
Educational Assistants		73,139	
Social Security		9,500	
Pensions		11,554	
Medical Insurance		29,706	
Employer Medicare		2,222	
Other Contracted Services		5,664	
Instructional Supplies and Materials		10,419	
Other Supplies and Materials		4,969	
Special Education Equipment		18,558	
Total Special Education Program			273,318

Career and Technical Education Program

Instructional Supplies and Materials	\$	2,539	
Other Supplies and Materials		6,767	
Vocational Instruction Equipment		5,062	
Total Career and Technical Education Program			14,368

Support Services

Other Student Support

Guidance Personnel	\$	92	
Psychological Personnel		50,492	
Other Salaries and Wages		55,045	
Social Security		5,499	
Pensions		5,834	
Medical Insurance		14,598	
Employer Medicare		1,286	
Travel		1,605	
Other Contracted Services		1,169	
In Service/Staff Development		1,701	
Other Charges		27,722	
Total Other Student Support			165,043

(Continued)

LAKE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types
 Discretely Presented Lake County School Department (Cont.)

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program

Supervisor/Director	\$	72,866	
Clerical Personnel		15,965	
Other Salaries and Wages		255,433	
Social Security		19,849	
Pensions		22,760	
Medical Insurance		35,652	
Employer Medicare		4,642	
Other Contracted Services		42,845	
Other Supplies and Materials		1,738	
In Service/Staff Development		89,473	
Other Equipment		3,288	
Total Regular Instruction Program	\$		564,511

Special Education Program

Supervisor/Director	\$	2,667	
Social Security		165	
Pensions		182	
Employer Medicare		39	
Other Supplies and Materials		3,521	
In Service/Staff Development		13,222	
Total Special Education Program			19,796

Career and Technical Education Program

In Service/Staff Development	\$	1,976	
Other Equipment		860	
Total Career and Technical Education Program			2,836

Operation of Plant

Other Contracted Services	\$	14,999	
Other Supplies and Materials		2,407	
Total Operation of Plant			17,406

Capital Outlay

Regular Capital Outlay

Consultants	\$	11,875	
Building Improvements		7,200	
Total Regular Capital Outlay			19,075

Total School Federal Projects Fund \$ 1,582,738

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	48,282	
Cafeteria Personnel		199,786	
Social Security		14,678	

(Continued)

LAKE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types
 Discretely Presented Lake County School Department (Cont.)

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Pensions	\$	12,445	
Medical Insurance		14,376	
Dental Insurance		285	
Employer Medicare		3,433	
Advertising		102	
Contracts with Government Agencies		240	
Dues and Memberships		557	
Laundry Service		1,617	
Maintenance Agreements		825	
Maintenance and Repair Services - Equipment		6,971	
Payments to Schools - Lunch		14,009	
Travel		1,221	
Other Contracted Services		3,867	
Equipment Parts - Light		790	
Food Preparation Supplies		42,185	
Food Supplies		221,944	
Office Supplies		6,677	
USDA - Commodities		33,799	
Other Supplies and Materials		1,003	
Other Charges		31,603	
Food Service Equipment		20,932	
Motor Vehicles		38,955	
Total Food Service			\$ 720,582

Total Central Cafeteria Fund \$ 720,582

Internal School Fund

Operation of Non-Instructional Services

Community Services

Other Charges	\$	336,669	
Total Community Services			\$ 336,669

Total Internal School Fund 336,669

Total Governmental Funds - Lake County School Department \$ 13,374,360

SINGLE AUDIT SECTION



JASON E. MUMPOWER
Comptroller

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*

Lake County Mayor and
Board of County Commissioners
Lake County, Tennessee

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lake County, Tennessee, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Lake County's basic financial statements, as listed in the table of contents, and have issued our report thereon date November 5, 2024. Our report includes a reference to other auditors who audited the financial statements of the Internal School Fund of the Lake County School Department (a discretely presented component unit) as described in our report on Lake County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lake County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lake County's internal control. Accordingly, we do not express an opinion on the effectiveness of Lake County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the following deficiencies, described in the accompanying Schedule of Findings and Questioned Costs, to be material weaknesses: 2024-001 and 2024-002.

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. We consider the following deficiencies, described in the accompanying Schedule of Findings and Questioned Costs, to be significant deficiencies: 2024-003(A,C), 2024-005, 2024-006, 2024-008, 2024-010, 2024-011 and 2024-014.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lake County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2024-003(B), 2024-004, 2024-007, 2024-009, 2024-012, and 2024-013.

Lake County's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Lake County's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. Lake County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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 Lake County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,

Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

November 5, 2024

JEM/gc



JASON E. MUMPOWER
Comptroller

Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Lake County Mayor and
Board of County Commissioners
Lake County, Tennessee

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Lake County's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Lake County's major federal programs for the year ended June 30, 2024. Lake County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Lake County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for noncompliance resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Lake County's compliance with the requirements of each major federal program as a whole.

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

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

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and is described in the accompanying Schedule of Findings and Questioned Costs as item 2024-015. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Lake County's response to the noncompliance finding identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. Lake County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Lake County is responsible for preparing a corrective action plan to address each noncompliance audit finding included in our auditor's report in accordance with the Uniform Guidance. Lake County's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the corrective action plan.

Report on Internal Control Over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lake County, Tennessee, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Lake County's basic financial statements. We issued our report thereon dated November 5, 2024, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to

prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,

Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

November 5, 2024

JEM/gc

LAKE COUNTY, TENNESSEE, AND THE LAKE COUNTY SCHOOL DEPARTMENT
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (7)
For the Year-Ended June 30, 2024

Federal/Pass-through Agency/State Grantor Program Title	Assistance Listing Number	Passed-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Local Food for Schools Cooperative Agreement Program	10.185	N/A	\$ 49,266
Child Nutrition Cluster: (4)			
School Breakfast Program	10.553	N/A	205,696
National School Lunch Program	10.555	N/A	494,346 (6)
Child Nutrition Discretionary Grants Limited Availability	10.579	N/A	3,600
COVID 19 - Pandemic EBT Administrative Costs	10.649	N/A	653
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (4)			
Rebate of Storage and Distribution Fees	10.555	N/A	821 (6)
National School Lunch Program(Commodities - Noncash Assistance)	10.555	N/A	33,799 (6)
Total U.S. Department of Agriculture			<u>\$ 788,181</u>
U.S. Department of the Treasury:			
Passed-through State Department of Education:			
COVID 19 - Coronavirus State And Local Fiscal Recovery Funds (ARP)	21.027	N/A	\$ 44,837
Direct Program:			
COVID 19 - Local Assistance and Tribal Consistency Fund (ARP)	21.032	N/A	100,000
Total U.S. Department of the Treasury			<u>\$ 144,837</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 517,716
Special Education Cluster: (4)			
Special Education Grants to States	84.027	N/A	266,018 (6)
COVID 19 - Special Education Grants to States (ARP)	84.027X	N/A	6,141 (6)
Special Education Preschool Grants	84.173	N/A	15,045 (6)
COVID 19 - Special Education Preschool Grants (ARP)	84.173X	N/A	246 (6)
Career and Technical Education -- Basic Grants to States	84.048	N/A	20,511
Twenty-first Century Community Learning Centers	84.287	N/A	175,137
Rural Education	84.358	N/A	52,971
Supporting Effective Instruction State Grants	84.367	N/A	45,116
COVID 19 - Student Support and Academic Enrichment Program	84.424	N/A	197,731
COVID 19 - Education Stabilization Fund Program – Elementary and Secondary School Emergency Relief Fund (ESSER II)	84.425D	N/A	64,122 (6)
COVID 19 - Education Stabilization Fund Program – Elementary and Secondary School Emergency Relief Fund (ESSER ARP)	84.425U	N/A	397,121 (6)
Total U.S. Department of Education			<u>\$ 1,757,875</u>
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
2018 HAVA Election Security Grants	90.404	30501-01623-148	\$ 3,671
Total U.S. Election Assistance Commission			<u>\$ 3,671</u>
U.S. Department of Health and Human Services:			
Passed-through Northwest Tennessee Development District:			
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	(5)	\$ 300
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	(5)	4,000
Aging Cluster: (4)			
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	(5)	32,929
National Family Caregiver Support, Title III, Part E	93.052	(5)	1,518

(Continued)

LAKE COUNTY, TENNESSEE, AND THE LAKE COUNTY SCHOOL DEPARTMENT
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (7) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Assistance Listing Number	Passed-through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services (Cont.):			
Passed-through State Department of Health:			
Title V State Sexual Risk Avoidance Education	93.235	(5)	\$ 41,200
COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ARP)	93.323	Z-23-275386	141,294
COVID 19 - Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391	Z-23-284413-01	27,391
Passed-through State Department of Education:			
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	(5)	285,858
Total U.S. Department of Health and Human Services			<u>\$ 534,490</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grant	97.042	(5)	\$ 13,614
Homeland Security Grant Program	97.067	(5)	2,717
Total U.S. Department of Homeland Security			<u>\$ 16,331</u>
Total Expenditures of Federal Grants			<u>\$ 3,245,385</u>

State Grants		Contract Number	
Home and Community Based Services - Northwest Tennessee Development District	N/A	(5)	\$ 8,300
State Senior Center - Northwest Tennessee Development District	N/A	(5)	12,940
Early Childhood Education - State Department of Education	N/A	N/A	215,736
Innovative School Models - State Department of Education	N/A	N/A	756,339
Public School Security Grant - State Department of Education	N/A	N/A	29,132
SPARC(Supporting Postsecondary Access in Rural Communities) - State Department of Education	N/A	N/A	139,880
COVID 19 - Summer Learning Camps - State Department of Education	N/A	N/A	71,110
COVID 19 - Summer Learning Camps Transportation - State Department of Education	N/A	N/A	16,660
Recreation Educational Services Planning Grant - State Department of Environment and Conservation	N/A	(5)	48,000
Presidential Preference Primary - State Department of Finance and Administration	N/A	(5)	15,383
Statewide SRO Grant Program - State Department of Safety and Homeland Security	N/A	(5)	225,000
Litter Program - State Department of Transportation	N/A	(5)	22,466
Juvenile Court State Supplemental Funds - State Office of Criminal Justice Programs	N/A	35910-10153	4,500
Senior Center Competitive Grants - State Commission on Aging and Disability	N/A	31602-24875	16,000
Total State Grants			<u>\$ 1,581,446</u>

ALN = Assistance Listing Number

N/A = Not Applicable

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.

(2) Lake County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.

(3) No amounts (\$0) were passed-through to subrecipients.

(4) Child Nutrition Cluster total \$734,662; Special Education Cluster total \$287,450; Aging Cluster total \$32,929.

(5) Information not available.

(6) Total for ALN 10.555 is \$528,966; Total for ALN 84.027 is \$272,159; Total for ALN 84.173 is \$15,291;

Total for ALN 84.425 is \$461,243.

(7) The following amounts were consolidated for administration purposes:

Program Title	ALN	Amount Provided to Consolidated Administration
Title I Grants to Local Educational Agencies	84.010	\$ 92,736
Rural Education	84.358	4,468
Supporting Effective Instruction State Grant	84.367	9,575
Total amounts consolidated for administration purposes		<u>\$ 106,779</u>

LAKE COUNTY, TENNESSEE
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2024

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Annual Financial Report for Lake County, Tennessee, for the year ended June 30, 2024.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	ALN	Current Status
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OFFICES OF COUNTY MAYOR AND DIRECTOR OF SCHOOLS

2023	177	2023-001	The General, General Purpose School, and School Federal Projects funds required material audit adjustments for proper financial statement presentation.	N/A	Not Corrected - See Explanation on Corrective Action Plan
2023	178	2023-002	The offices had accounting deficiencies.	N/A	County Mayor: Not Corrected - See Explanation on Corrective Action Plan; Director of Schools: Parts A and B: Corrected; Part C - Not Corrected - See Explanation on Corrective Action Plan
2023	179	2023-003	The offices had deficiencies in budget operations.	N/A	County Mayor: Corrected; Director of Schools: Not Corrected - See Explanation on Corrective Action Plan

OFFICE OF COUNTY MAYOR

2023	181	2023-004	Lake County has a material recurring finding.	N/A	Not Corrected - See Explanation on Corrective Action Plan
2023	181	2023-005	A tax anticipation note was not issued in compliance with state statutes.	N/A	Corrected

OFFICE OF THE AMBULANCE SERVICE DEPARTMENT

2023	182	2023-006	The ambulance service department did not always issue receipts at the time of collection.	N/A	Not Corrected - See Explanation on Corrective Action Plan
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(Continued)

LAKE COUNTY, TENNESSEE
Summary Schedule of Prior-year Findings (Cont.)

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	ALN	Current Status
OFFICE OF ROAD SUPERINTENDENT					
2023	183	2023-007	The office had deficiencies in purchasing procedures.	N/A	Part A: Corrected; Part B: Not Corrected - See Explanation on Corrective Action Plan
OFFICE OF DIRECTOR OF SCHOOLS					
2023	184	2023-008	Accounting records for capital assets were not closed and available for audit by August 31, 2023.	N/A	Not Corrected - See Explanation on Corrective Action Plan
OFFICE OF SHERIFF					
2023	184	2023-009	The office did not review its software audit logs.	N/A	Not Corrected - See Explanation on Corrective Action Plan
2023	185	2023-010	An investigation of the sheriff's department disclosed that the former jail administrator misappropriated at least \$35,159 of inmate commissary funds.	N/A	N/A
OFFICES OF SHERIFF AND THE AMBULANCE SERVICE					
2023	185	2023-011	Duties were not segregated adequately.	N/A	Sheriff: Corrected; Ambulance Service: Not Corrected - See Explanation on Corrective Action Plan

Prior-year Federal Awards Findings

There were no prior-year federal award findings to report.

LAKE COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of Lake County is unmodified.
2. Internal Control Over Financial Reporting:
 - * Material weakness identified? **YES**
 - * Significant deficiency identified? **YES**
3. Noncompliance material to the financial statements noted? **NO**

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **YES**
7. Identification of Major Federal Programs:
 - * Assistance Listing Numbers: 10.553 and 10.555 Child Nutrition Cluster: School Breakfast Program and National School Lunch Program
 - * Assistance Listing Numbers: 84.027 and 84.173 Special Education Cluster: Special Education - Grants to States and Special Education - Preschool Grants
 - * Assistance Listing Number: 84.425 COVID 19 - Education Stabilization Fund
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **NO**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our audit, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Written responses for all findings are paraphrased and presented following each finding and recommendation. Management's corrective action plans, whether related to the financial statements or federal awards, are presented separately in the Management's Corrective Action Plan in the Single Audit Section of this report. Findings relating specifically to the audit of federal awards, if any, are separately presented under Part III, Findings and Questioned Costs for Federal Awards.

OFFICES OF COUNTY MAYOR AND DIRECTOR OF SCHOOLS

FINDING 2024-001

THE GENERAL, GENERAL PURPOSE SCHOOL, SCHOOL FEDERAL PROJECTS, AND CENTRAL CAFETERIA FUNDS REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATION

(Internal Control – Material Weakness Under *Government Auditing Standards*)

On June 30, 2024, certain general ledger account balances in the General, General Purpose School, School Federal Projects, and Central Cafeteria funds were not materially correct, and audit adjustments for cash with trustee, accounts receivable, related deferred revenues, and accounts payable totaling \$302,805, \$1,256,838, \$105,552, and \$114,598, respectively, were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require the county and school department to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the county and the school department's financial reporting systems did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the county and the school department have ineffective controls over the maintenance of their accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. This deficiency is the result of a lack of management oversight, management's failure to correct the finding noted in the prior year audit report, and management's failure to implement their corrective action plan. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

Lake County, including the school department, should have appropriate processes in place to ensure its general ledgers are materially correct.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

We concur with this finding.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

I concur. We will make every effort to properly post accounts receivable, deferred revenues, and accounts payable at year-end.

FINDING 2024-002

LAKE COUNTY HAS A MATERIAL RECURRING AUDIT FINDING

(Internal Control – Material Weakness Under *Government Auditing Standards*)

Lake County has a material audit finding that has been reported in its annual financial report for three or more consecutive years. This recurring material finding is listed below:

Finding Numbers	Description
2022-001, 2023-001, 2024-001	Material audit adjustments were required for proper financial statement presentation

The recurring nature of the above-noted finding indicates that management is either unwilling or unable to address the deficiency. Lake County appointed an audit committee in fiscal year 2013 to address financial and other reporting practices, internal control, compliance with laws and regulation, and ethics.

RECOMMENDATION

Lake County should work with its audit committee to correct the above-noted weakness in internal control.

MANAGEMENT’S RESPONSE – COUNTY MAYOR

We concur with this finding.

MANAGEMENT’S RESPONSE – DIRECTOR OF SCHOOLS

I concur.

OFFICE OF COUNTY MAYOR

FINDING 2024-003

THE OFFICE HAD ACCOUNTING DEFICIENCIES

(A., and C. – Internal Control – Significant Deficiency Under *Government Auditing Standards*; B. – Noncompliance Under *Government Auditing Standards*)

The following deficiencies were noted during our examination of the office’s accounting records. These deficiencies exist due to a lack of management oversight, a lack of understanding of internal controls, and the failure of management to take responsibility for the accounting records. Also, these deficiencies exist because management failed to correct the finding noted in the prior-year audit report and failed to implement their corrective action plan.

- A. The office did not accurately reconcile its check clearing bank account or accurately prepare lists of outstanding checks. Therefore, on June 30, 2024, the account did not reconcile with the general ledger by \$24,423 since all errors had not been corrected or identified. The monthly reconciliation of bank statements and the accurate preparation of lists of outstanding checks are necessary procedures to ensure all transactions are recorded properly in the accounting records. The trustee’s office maintains this bank clearing account for checks written by the county mayor’s office; however, the county mayor’s office is responsible for reconciling this account with the trustee’s general ledger balance.

- B. The office did not properly reconcile the general ledger cash account in the General Fund with county trustee’s reports. The office attempted to reconcile the cash account with the trustee's reports monthly; however, the account did not reconcile by \$24,423 on June 30, 2024. Section 9-2-138, *Tennessee Code Annotated*, requires officials to reconcile their respective fund accounts with the trustee’s reports monthly. The failure to reconcile the general ledger cash account with the county trustee’s reports increases the risks that errors may occur and not be detected.
- C. General ledger payroll liability accounts were not reconciled with subsidiary payroll records and payments each month in the General and Solid Waste/Sanitation funds. As a result, unidentified balances accumulated in the liability accounts for several payroll deductions. Sound business practices dictate that payroll liability accounts should be reconciled with payroll reports and payments monthly. The failure to regularly reconcile payroll liability accounts is a significant deficiency that increases the risk that errors will not be discovered and corrected in a timely manner.

RECOMMENDATION

Bank statements should be reconciled accurately with the general ledger monthly, and any errors should be corrected promptly. Accurate lists of outstanding checks should be prepared monthly. The office should reconcile its general ledger cash account with the county trustee’s reports monthly as required by state statute, and any errors should be corrected promptly. General ledger payroll liability accounts should be reconciled monthly with payroll reports and payments, and any errors should be corrected promptly.

MANAGEMENT’S RESPONSE – COUNTY MAYOR

We concur with this finding.

FINDING 2024-004

LAKE COUNTY DID NOT COMPLY WITH THE REPORTING REQUIREMENTS FOR PROVIDER RELIEF FUNDS

(Noncompliance Under *Government Auditing Standards* and OMB Uniform Guidance)

During the 2019-2020 audit year, Lake County received \$28,713 in Provider Relief Funds (PRF) (ALN 93.498) from the U.S. Department of Health and Human Services, which is administered by the Health Resources and Services Administration (HRSA). Subsequently, Lake County failed to submit the required report on the uses of the PRF funds to HRSA by the reporting deadline of September 30, 2021. As a result, Lake County was notified on November 3, 2023, that they were in noncompliance with the reporting requirements for the PRF funds and that they would be required to return \$28,713 in grant funds unless they disputed the information and provided an explanation within 60 days of the notice. The county responded to the notice but ultimately had to repay the grant funds plus penalty and interest totaling \$30,053 on February 5, 2024. This finding was a result of a lack of management oversight and the failure to comply with the grant guidance.

RECOMMENDATION

Lake County should implement procedures to ensure compliance with all grant requirements.

MANAGEMENT’S RESPONSE – COUNTY MAYOR

We concur with this finding.

THE OFFICE HAD DEFICIENCIES IN PURCHASING PROCEDURES

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

As part of our audit procedures for determining whether the purchasing process was operating as designed, we selected a sample of 50 disbursements totaling \$211,795 from a population of 1,812 vendor checks totaling \$3,057,036. Our sample revealed the following deficiencies, which are the result of a lack of management oversight and a lack of understanding of internal controls and sound business practices.

- A. In 19 of 28 applicable instances, purchase orders were not issued properly. In some instances, purchase orders were issued after the invoice date. This practice defeats the purpose of issuing a purchase order and makes the purchase order an approval for payment rather than an approval of the purchase. Purchase orders are necessary to control who has purchasing authority for the department and to document purchase commitments. The failure to issue purchase orders properly increases the risks of unauthorized purchases.
- B. In seven of 50 instances, the office was unable to present proper documentation to support the purchases. Sound business practices dictate that proper documentation should be on file to support all purchases. The failure to maintain adequate documentation increases the risks of unauthorized purchases.
- C. In 13 of 50 instances, invoices were paid without documentation that goods had been received and/or services rendered. This practice weakens controls over the purchasing process and increases the risk of paying for something that was never received.
- D. In three of 50 instances, service charges or late fees were incurred. Sound business practices dictate that invoices should be paid when due to avoid services charges and late fees.
- E. In six of 50 instances, sales tax was paid even though the county has tax exempt status. The payment of sales tax increases the costs of goods and services and results in the unnecessary expenditure of county funds

RECOMMENDATION

Purchase orders should be issued for all applicable purchases before purchases are made. The office should maintain documentation to support all purchases including documentation that goods have been received or services have been rendered. Invoices should be processed in a timely fashion to avoid late fees. Sales tax should not be paid.

MANAGEMENT’S RESPONSE – COUNTY MAYOR

We concur with this finding.

OFFICE OF THE AMBULANCE SERVICE DEPARTMENT

FINDING 2024-006

DUTIES WERE NOT SEGREGATED ADEQUATELY

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Duties were not segregated adequately among officials and employees at the ambulance service department. Officials and employees responsible for maintaining accounting records were also involved in billing, receipting, depositing, posting, and/or disbursing funds. Sound business practices dictate that management is responsible for designing internal controls to give reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report and the failure to implement their corrective action plan.

RECOMMENDATION

Officials should segregate duties to the extent possible using available resources.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

We concur with this finding.

FINDING 2024-007

THE AMBULANCE SERVICE DID NOT ALWAYS ISSUE RECEIPTS AT THE TIME OF COLLECTION

(Noncompliance Under *Government Auditing Standards*)

As part of our auditing procedures to determine if ambulance service collections had been properly receipted and deposited, we judgmentally selected receipts issued by the ambulance service for the months of May 2024 and June 2024 to trace to deposits. During this period, it was noted that receipts appear to be issued at the time of deposit and not when the funds are collected. As a result of this practice, we could not determine if funds were deposited with the county trustee within three days of collection as required by Section 5-8-207, *Tennessee Code Annotated*. The practice of issuing receipts after the actual collection increases the risk that collections will not be accounted for properly. This deficiency is the result of a lack of management oversight. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report and management's failure to implement their corrective action plan.

RECOMMENDATION

Official receipts should be issued at the time of collection, and collections should be deposited with the county trustee within three days of collection as required by state statute.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

We concur with this finding.

OFFICE OF ROAD SUPERINTENDENT

FINDING 2024-008

PURCHASE ORDERS WERE NOT ALWAYS ISSUED PROPERLY

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

As part of our audit procedures for determining whether the purchasing process was operating as designed, we selected a sample of 39 disbursements totaling \$199,098 from a population of 374 vendor checks totaling \$816,638. In 13 of 34 instances, purchase orders were not issued properly. In some instances, purchase orders were issued after the invoice date or had no date listed on the purchase order. This practice defeats the purpose of issuing a purchase order and makes the purchase order an approval for payment rather than an approval of the purchase. Purchase orders are necessary to control who has purchasing authority for the highway department and to document purchasing commitments. The failure to issue purchase orders properly increases the risks of unauthorized purchases. This deficiency is the result of a lack of management oversight, a lack of understanding of internal controls, management's failure to correct the finding noted in the prior-year audit report, and management's failure to implement their corrective action plan.

RECOMMENDATION

Purchase orders should be issued for all applicable purchases before the purchase are made to strengthen internal controls over purchasing procedures and to document purchasing commitments.

MANAGEMENT'S RESPONSE – ROAD SUPERINTENDENT

I concur with the finding. We will remind everyone of the importance of obtaining a purchase order prior to any purchasing commitments.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2024-009

THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS

(Noncompliance Under *Government Auditing Standards*)

Our examination revealed the following deficiencies in budget operations of the office. These deficiencies exist because management failed to hold spending to the limits authorized by the county commission, which resulted in unauthorized expenditures. In addition, the deficiencies are the result of a lack of management oversight, management's failure to correct the finding noted in the prior-year audit report, and management's failure to implement their corrective action plan.

- A. Expenditures exceeded appropriations approved by the county commission in nine of 25 major appropriations categories (the legal level of control) of the General Purpose School Fund and in one of 13 major appropriation categories in the School Federal Projects as reflected in the following table:

Fund/Major Appropriation Category	Amount Overspent
General Purpose School Fund:	
Instruction - Special Education Program	\$ 24,693
Support Services - Attendance	32,852
Support Services - Health Services	2,139
Support Services - Special Education Program	28,931
Support Services - Office of the Principal	16,396
Support Services - Fiscal Services	7,506
Support Services - Human Services/Personnel	1,975
Support Services - Maintenance of Plant	1,840
Capital Outlay - Regular Capital Outlay	1,403,252
School Federal Projects Fund:	
Support Services - Operation of Plant	17,406

- B. Salaries exceeded appropriations in 24 of 71 salary line-items in the General Purpose School Fund by amounts ranging from \$150 to \$72,092, in one of 14 salary line-items in the School Federal Projects Fund by \$287, and in one of two salary line items in the Central Cafeteria Fund by \$4,122. The budget resolution approved by the county commission states that the salary, wages, or remuneration of each official, employee, or agent of the county shall not exceed appropriations that accompany the resolution. Therefore, the salaries that exceeded line-item appropriations were expenditures not approved by the county commission.

Section 5-9-401, *Tennessee Code Annotated*, states that “All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs for the various departments, commissions, institutions, boards, offices, and agencies of county governments shall be appropriated to such use by the county legislative bodies.”

RECOMMENDATION

Expenditures should be held within appropriations approved by the county commission.

MANAGEMENT’S RESPONSE – DIRECTOR OF SCHOOLS

I concur. We will monitor the budget closely to prevent expenditures from exceeding appropriations.

FINDING 2024-010

GENERAL LEDGER PAYROLL LIABILITY ACCOUNTS WERE NOT RECONCILED WITH SUBSIDIARY PAYROLL RECORDS AND PAYMENTS

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

General ledger payroll liability accounts were not reconciled with subsidiary payroll records and payments each month in the General Purpose School, School Federal Projects, and Central Cafeteria funds. As a result, unidentified balances accumulated in the liability accounts for several payroll deductions. Sound business practices dictate that payroll liability accounts should be reconciled with payroll reports and payments monthly. The failure to regularly reconcile payroll liability accounts is a significant deficiency that increases the risk that

errors will not be discovered and corrected in a timely manner. This deficiency is the result of a lack of management oversight, a lack of understanding of internal controls and sound business practices, management's failure to correct the finding noted in the prior-year audit report, and management's failure to implement their corrective action plan.

RECOMMENDATION

General ledger payroll liability accounts should be reconciled monthly with payroll reports and payments, and any errors should be corrected promptly.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

I concur. We will work on getting these accounts reconciled.

FINDING 2024-011

THE OFFICE HAD DEFICIENCIES IN PURCHASING PROCEDURES

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

As part of our audit procedures for determining whether the purchasing process was operating as designed, we selected a sample of 64 disbursements totaling \$1,371,150 from a population of 565 vendor checks totaling \$5,722,083. Our examination revealed the following deficiencies, which are the result of a lack of management oversight and a lack of understanding of internal controls.

- A. In nine of 46 applicable instances, purchase orders were not issued properly. In some instances, purchase orders were issued after the invoice date. This practice defeats the purpose of issuing a purchase order and makes the purchase order an approval for payment rather than an approval of the purchase. Purchase orders are necessary to control who has purchasing authority for the department and to document purchase commitments. The failure to issue purchase orders properly increases the risks of unauthorized purchases.
- B. In five of 64 instances, the office was unable to present proper documentation to support the purchases. Sound business practices dictate that proper documentation should be on file to support all purchases. The failure to maintain adequate documentation increases the risks of unauthorized purchases.
- C. In 17 of 64 instances, invoices were paid without documentation that goods had been received and/or services rendered. This practice weakens controls over the purchasing process and increases the risk of paying for something that was never received

RECOMMENDATION

Purchase orders should be issued for all applicable purchases before the purchase are made to strengthen internal controls over purchasing procedures and to document purchasing commitments. Adequate documentation should be maintained to support all purchases including documentation that goods have been received or services have been rendered before invoices are paid.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

I concur. We will work to correct these deficiencies.

FINDING 2024-012

ACCOUNTING RECORDS WERE NOT CLOSED AND AVAILABLE FOR AUDIT BY AUGUST 31, 2024
(Noncompliance Under *Government Auditing Standards*)

Accounting records were not closed and available for audit by August 31, 2024, as required by Section 9-2-102, *Tennessee Code Annotated*. This statute provides that records should be available for audit no later than two months after the close of the June 30 fiscal year. The accounting records were closed and made available to auditors on September 11, 2024. The failure to properly maintain and close accounting and subsidiary records on a current basis diminishes the usefulness of the financial records as a management tool, results in the loss of budgetary and accounting controls, and increases the risk that errors will not be discovered and corrected timely. This deficiency exists due to a lack of management oversight, management's failure to correct the finding noted in the prior-year audit report, and management's failure to implement their corrective action plan.

RECOMMENDATION

Management should ensure all accounting records for the fiscal year ended June 30 are available for audit by the following August 31, as required by state statute.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

I concur. All accounting records will be closed by August 31st.

OFFICE OF SHERIFF

FINDING 2024-013

THE OFFICE HAD ACCOUNTING DEFICIENCIES
(Noncompliance Under *Government Auditing Standards*)

As part of our audit procedures for obtaining reasonable assurance that funds were received and deposited properly, we judgmentally selected receipts issued from July 2023 through June 2024 to trace to deposits. Our examination revealed the following deficiencies, which can be attributed to a lack of management oversight.

- A. In three instances, official prenumbered receipts were not issued for collections. Section 9-2-103, *Tennessee Code Annotated (TCA)*, requires official prenumbered receipts for all collections. The failure to properly issue receipts at the time of collection increases the risks of fraud and abuse.
- B. Some funds were not deposited within three days of collection as required by Section 5-8-207, *(TCA)*. During the period tested, 11 of 112 receipts were held from six to 19 business days after the receipts were issued before being deposited to the office bank account. The delay in depositing funds weakens internal controls over collections and increases the risks of fraud and misappropriation.

RECOMMENDATION

Receipts should be issued at the time of collection, and all funds should be deposited within three days of collection as required by state statutes.

MANAGEMENT’S RESPONSE – SHERIFF

I concur with the finding. We will issue receipts as funds are received, and those collections will be deposited within three days.

FINDING 2024-014

THE OFFICE DID NOT REVIEW ITS SOFTWARE AUDIT LOGS
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The software application used by the office generated a report that displayed adjustments made by users. Because this log provided the only audit trail of these changes, it should be routinely reviewed for inappropriate activity. Although the official was aware of the importance of this log, it was not routinely reviewed. This deficiency exists because management failed to correct the finding noted in the prior-year audit report and failed to implement its corrective action plan. When the importance of this report was brought to management’s attention again in March 2024, the review process was resumed. Procedures for reviewing the report are currently in place.

RECOMMENDATION

Management should continue to review the audit logs on a routine basis. Any unusual transactions should be investigated.

MANAGEMENT’S RESPONSE – SHERIFF

We concur with this finding. A review process was implemented in March 2024 to correct the finding.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

A finding and recommendation, as a result of our audit of federal awards of Lake County, Tennessee, for the year ended June 30, 2024, is presented below. Our audit followed audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

We reviewed this finding and recommendation with federal program management to provide an opportunity for their response. Responses and/or corrective action plans for all findings, whether related to the financial statements or federal awards, are presented separately in the Management’s Corrective Action Plan section of this report.

Findings relating specifically to the audit of the financial statements of Lake County, Tennessee, are separately presented under Part II, Findings Relating to the Financial Statements.

FINDING 2024-015

LAKE COUNTY DID NOT COMPLY WITH THE REPORTING REQUIREMENTS FOR PROVIDER RELIEF FUNDS

(Noncompliance Under *Government Auditing Standards* and OMB Uniform Guidance)

Entity	Lake County, Tennessee – Mayor’s Office
Repeat Finding Number	N/A
Assistance Listing Number(s)	93.498
Assistance Listing Title(s)	Provider Relief Fund
Federal Agency	Department of Health and Human Services
State Pass-Through Agency	N/A
Grant/Contract No(s).	N/A
Federal Award Year(s)	2020
Finding Type	Noncompliance – 93.498
Compliance Requirement	Reporting
Known Questioned Costs	\$28,713

During the 2019-2020 audit year, Lake County received \$28,713 in Provider Relief Funds (PRF) (ALN 93.498) from the U.S. Department of Health and Human Services, which is administered by the Health Resources and Services Administration (HRSA). Subsequently, Lake County failed to submit the required report on the uses of the PRF funds to HRSA by the reporting deadline of September 30, 2021. As a result, Lake County was notified on November 3, 2023, that they were in noncompliance with the reporting requirements for the PRF funds and that they would be required to return \$28,713 in grant funds unless they disputed the information and provided an explanation within 60 days of the notice. The county responded to the notice but ultimately had to repay the grant funds plus penalty and interest totaling \$30,053 on February 5, 2024. This finding was a result of a lack of management oversight and the failure to comply with the grant guidance.

RECOMMENDATION

Lake County should implement procedures to ensure compliance with all grant requirements

MANAGEMENT’S RESPONSE – COUNTY MAYOR

We concur with this finding.

LAKE COUNTY, TENNESSEE
MANAGEMENT'S CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2024

We reviewed the financial statement and federal award findings and recommendations with management to provide an opportunity for their response as required by the auditee requirements within Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Management's corrective action plans for all financial statement findings and federal award findings are presented in this section and have been indexed below. The corrective action plans were prepared by management and have been presented as they were submitted.

Finding Number	Title of Finding	Corrective Action Plan Page Number
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OFFICE OF COUNTY MAYOR

2024-001	The General Fund required material audit adjustments for proper financial statement presentation.	185
2024-002	Lake County has a material recurring audit finding.	186
2024-003	The office had accounting deficiencies.	187
2024-004	Lake County did not comply with the reporting requirements for Provider Relief Funds.	190
2024-005	The office had deficiencies in purchasing procedures.	191
2024-006	Duties were not segregated adequately at the ambulance service.	188
2024-007	The ambulance service department did not always issue receipts at the time of collection.	189

OFFICE OF ROAD SUPERINTENDENT

2024-008	Purchase orders were not always issued properly.	192
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OFFICE OF DIRECTOR OF SCHOOLS

2024-001	The General Purpose School, School Federal Projects, and Central Cafeteria funds required material audit adjustments for proper financial statement presentation.	193
2024-002	Lake County has a material recurring audit finding.	194
2024-009	The office had deficiencies in budget operations.	195

(Continued)

**LAKE COUNTY, TENNESSEE
MANAGEMENT'S CORRECTIVE ACTION PLAN (CONT.)**

Finding Number	Title of Finding	Corrective Action Plan Page Number
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OFFICE OF DIRECTOR OF SCHOOLS (CONT.)

2024-010	General ledger payroll liability accounts were not reconciled with subsidiary payroll records and payments.	196
2024-011	The office had deficiencies in purchasing procedures.	197
2024-012	Accounting records were not closed and available for audit by August 31, 2024.	198

OFFICE OF SHERIFF

2024-013	The office had accounting deficiencies.	199
2024-014	The office did not review its software audit logs.	200

FEDERAL AWARD FINDING - OFFICE OF COUNTY MAYOR

2024-015	Lake County did not comply with the reporting requirements for Provider Relief Funds.	190
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TELEPHONE
731-253-7382

Danny Cook
County Mayor, Lake County
Box 1 • Court House
229 Church Street
Tiptonville, Tennessee 38079



Corrective Action Plan

FINDING

THE GENERAL FUND REQUIRED MATERIAL AUDIT
ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT
PRESENTATION

Response and Corrective Action Plan Prepared by:
Danny Cook, County Mayor

Person Responsible for Implementing the Corrective Action:
Danny Cook, County Mayor

Anticipated Completion Date of Corrective Action:
August 31, 2025

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
The office failed to post the proper accruals at year-end.

Planned Corrective Action:

Management realizes the scope of existing adjustments, and will strive to keep all departments aware of the information and spending that is part of their budgeting process. Each department is instructed to maintain constant attention to their budgets and to be aware of any changes or issues which may arise and affect their record keeping. With our limited staff, we will do anything that we can to make our financial records acceptable.

TELEPHONE
731-253-7382

Danny Cook
County Mayor, Lake County
Box 1 • Court House
229 Church Street
Tiptonville, Tennessee 38079



Corrective Action Plan

FINDING

LAKE COUNTY HAS A MATERIAL RECURRING AUDIT FINDING

Response and Corrective Action Plan Prepared by:
Danny Cook, County Mayor

Person Responsible for Implementing the Corrective Action:
Danny Cook, County Mayor

Anticipated Completion Date of Corrective Action:
August 31, 2025

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
The office failed to post the proper accruals at year-end causing a repeat of the material audit adjustment finding.

Planned Corrective Action:

Management consults with the county audit committee in order to be as efficient as possible. Office staff will attempt to make any changes in practice or policy that can help prevent accounting problems. All departments are asked to assist with this and to follow best practices in the information and figures that are reported.

TELEPHONE
731-253-7382

Danny Cook
County Mayor, Lake County
Box 1 • Court House
229 Church Street
Tiptonville, Tennessee 38079



Corrective Action Plan

FINDING

THE OFFICE HAD ACCOUNTING DEFICIENCIES

Response and Corrective Action Plan Prepared by:
Danny Cook, County Mayor

Person Responsible for Implementing the Corrective Action:
Danny Cook, County Mayor

Anticipated Completion Date of Corrective Action:
June 30, 2025

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
The office failed to complete the required reconciliations by June 30th.

Planned Corrective Action:

Management realizes that accounting deficiencies have been an existing problem for a long period of years. Staff will make every effort to maintain accurate accounts, reconciliations, payroll liability and outstanding checks in order to achieve compliance.

TELEPHONE
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Danny Cook
County Mayor, Lake County
Box 1 • Court House
229 Church Street
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Corrective Action Plan

FINDING

**DUTIES WERE NOT SEGREGATED ADEQUATELY AT THE
AMBULANCE SERVICE**

Response and Corrective Action Plan Prepared by:
Danny Cook, County Mayor

Person Responsible for Implementing the Corrective Action:
Danny Cook, County Mayor

Anticipated Completion Date of Corrective Action:
June 30, 2025

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
We have limited resources and funding.

Planned Corrective Action:

Ambulance management has been notified in writing that accounting records must be segregated as much as possible considering the small size of the staff. Segregation will help to insure proper record keeping, billing, and receiving of all funds.

TELEPHONE
731-253-7382

Danny Cook
County Mayor, Lake County
Box 1 • Court House
229 Church Street
Tiptonville, Tennessee 38079



Corrective Action Plan

FINDING

THE AMBULANCE SERVICE DID NOT ALWAYS ISSUE RECEIPTS AT THE TIME OF COLLECTION

Response and Corrective Action Plan Prepared by:
Danny Cook, County Mayor

Person Responsible for Implementing the Corrective Action:
Danny Cook, County Mayor

Anticipated Completion Date of Corrective Action:
Immediately

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
The office continued to only receipt funds on certain days.

Planned Corrective Action:

Ambulance management has been given written documentation requiring that all funds received must be immediately given a receipt and not to be delayed until the time of deposit.

TELEPHONE
731-253-7382

Danny Cook
County Mayor, Lake County
Box 1 • Court House
229 Church Street
Tiptonville, Tennessee 38079



Corrective Action Plan

FINDING

**LAKE COUNTY DID NOT COMPLY WITH THE REPORTING
REQUIREMENTS FOR PROVIDER RELIEF FUNDS**

Response and Corrective Action Plan Prepared by:
Danny Cook, County Mayor

Person Responsible for Implementing the Corrective Action:
Danny Cook, County Mayor

Anticipated Completion Date of Corrective Action:
Immediately

Repeat Finding:
No

Reason Corrective Action was Not Taken in the Prior Year:
N/A

Planned Corrective Action:
This issue has already been resolved. This goes back to budget year 2019-2020, when Provider Relief Funds issued to the county were not properly reported. The current administration was notified of this issue in November 2023, and immediately responded to the information, but was still required to pay penalty and interest, which was done in January 2024.

TELEPHONE
731-253-7382

Danny Cook
County Mayor, Lake County
Box 1 • Court House
229 Church Street
Tiptonville, Tennessee 38079



Corrective Action Plan

FINDING THE OFFICE HAD DEFICIENCIES IN PURCHASING PROCEDURES

Response and Corrective Action Plan Prepared by:
Danny Cook, County Mayor

Person Responsible for Implementing the Corrective Action:
Danny Cook, County Mayor


Anticipated Completion Date of Corrective Action:
Immediately

Repeat Finding:
No

Reason Corrective Action was Not Taken in the Prior Year:
N/A

Planned Corrective Action:

County Mayor's Office has issued written directions to all departments and offices, that all purchases must receive a purchase order before ordering or receiving any items or services. Also included in the notice to verify that products were received. Business office will make every effort to guarantee that all bills are paid before late fees are incurred. All departments are reminded that the county does not pay sales tax.



Danny Cook, Lake County Mayor

LAKE COUNTY HIGHWAY COMMISSION

129 HEADDEN DRIVE
RIDGELY, TN 38080

Phone 731-264-5822
Fax 731-264-9003

Corrective Action Plan

FINDING: PURCHASE ORDERS WERE NOT ALWAYS ISSUED PROPERLY

Response and Corrective Action Plan Prepared by:
Stephen Baker, Road Superintendent


Person Responsible for Implementing the Corrective Action:
Stephen Baker, Road Superintendent

Anticipated Completion Date of Corrective Action:
June 30, 2025

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
N/A

Planned Corrective Action:
We will remind everyone of the importance of obtaining a purchase order prior to any purchasing commitments.



Signature



LAKE COUNTY SCHOOL SYSTEM

Corrective Action Plan

FINDING

THE GENERAL PURPOSE SCHOOL, SCHOOL FEDERAL PROJECTS, AND CENTRAL CAFETERIA FUNDS REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATION

Response and Corrective Action Plan Prepared by:

Dr. Woody Burton, Director of Schools

Person Responsible for Implementing the Corrective Action:

Dr. Woody Burton, Director of Schools

Anticipated Completion Date of Corrective Action:

August 31, 2025

Repeat Finding:

Yes

Reason Corrective Action was Not Taken in the Prior Year:

We failed to make the correct accruals at year-end.

Planned Corrective Action:

We will work with the auditors to ensure that the proper accruals for accounts receivable, deferred revenues, and accounts payable are made at year-end.



LAKE COUNTY SCHOOL SYSTEM

Corrective Action Plan

FINDING

**THE SCHOOL DEPARTMENT HAS A MATERIAL RECURRING
AUDIT FINDING**

Response and Corrective Action Plan Prepared by:

Dr. Woody Burton, Director of Schools

Person Responsible for Implementing the Corrective Action:

Dr. Woody Burton, Director of Schools

Anticipated Completion Date of Corrective Action:

August 31, 2025

Repeat Finding:

No

Reason Corrective Action was Not Taken in the Prior Year:

N/A

Planned Corrective Action:

We will work to prevent a material audit adjustment finding in the future, which is the cause of this finding.



LAKE COUNTY SCHOOL SYSTEM

Corrective Action Plan

FINDING

THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS

Response and Corrective Action Plan Prepared by:

Dr. Woody Burton, Director of Schools

Person Responsible for Implementing the Corrective Action:

Dr. Woody Burton, Director of Schools

Anticipated Completion Date of Corrective Action:

June 30, 2025

Repeat Finding:

Yes

Reason Corrective Action was Not Taken in the Prior Year:

The office attempted to implement their corrective action plan; however, there were still some expenditures that exceeded appropriations.

Planned Corrective Action:

We will monitor funds to ensure that they stay within budgeted amounts.



LAKE COUNTY SCHOOL SYSTEM

Corrective Action Plan

FINDING

GENERAL LEDGER PAYROLL LIABILITY ACCOUNTS WERE NOT RECONCILED WITH SUBSIDIARY PAYROLL RECORDS AND PAYMENTS

Response and Corrective Action Plan Prepared by:

Dr. Woody Burton, Director of Schools

Person Responsible for Implementing the Corrective Action:

Dr. Woody Burton, Director of Schools

Anticipated Completion Date of Corrective Action:

June 30, 2025

Repeat Finding:

Yes

Reason Corrective Action was Not Taken in the Prior Year:

The office failed to get the accounts reconciled and all errors identified and corrected during the fiscal year.

Planned Corrective Action:

We will work on getting these accounts reconciled.



LAKE COUNTY SCHOOL SYSTEM

Corrective Action Plan

FINDING

THE OFFICE HAD DEFICIENCIES IN PURCHASING PROCEDURES

Response and Corrective Action Plan Prepared by:

Dr. Woody Burton, Director of Schools

Person Responsible for Implementing the Corrective Action:

Dr. Woody Burton, Director of Schools

Anticipated Completion Date of Corrective Action:

June 30, 2025

Repeat Finding:

No

Reason Corrective Action was Not Taken in the Prior Year:

N/A

Planned Corrective Action:

Employees will be reminded of the importance of getting a purchase order prior to making any purchases. We will work to ensure proper documentation is maintained to support all purchases and to document goods have been received or services rendered.



LAKE COUNTY SCHOOL SYSTEM

Corrective Action Plan

FINDING

ACCOUNTING RECORDS WERE NOT CLOSED AND AVAILABLE FOR AUDIT BY AUGUST 31, 2024

Response and Corrective Action Plan Prepared by:

Dr. Woody Burton, Director of Schools

Person Responsible for Implementing the Corrective Action:

Dr. Woody Burton, Director of Schools

Anticipated Completion Date of Corrective Action:

August 31, 2025

Repeat Finding:

Yes

Reason Corrective Action was Not Taken in the Prior Year:

Improvements were made; however, the financial records were not closed out by August 31st.

Planned Corrective Action:

All accounting records will be closed by August 31st.

Dr. Woody Burton, Director of Schools



Bryan Avery
Sheriff Lake County

109 South Court St.
Tiptonville, Tennessee 38079
731-253-7791 Phone
731-253-6315 Fax

Corrective Action Plan

FINDING: THE OFFICE HAD ACCOUNTING DEFICIENCIES

Response and Corrective Action Plan Prepared by:
Bryan Avery, Sheriff


Person Responsible for Implementing the Corrective Action:
Bryan Avery, Sheriff

Anticipated Completion Date of Corrective Action:
Immediately

Repeat Finding:
No

Reason Corrective Action was Not Taken in the Prior Year:
N/A

Planned Corrective Action:
We will issue receipts as funds are received, and those collections will be deposited within three days.


Bryan K. Avery, Sheriff



Bryan Avery
Sheriff Lake County

109 South Court St.
Tiptonville, Tennessee 38079
731-253-7791 Phone
731-253-6315 Fax

Corrective Action Plan

FINDING: **THE OFFICE DID NOT REVIEW ALL OF ITS SOFTWARE AUDIT LOGS**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Response and Corrective Action Plan Prepared by:
Bryan Avery, Sheriff

Person Responsible for Implementing the Corrective Action:
Bryan Avery, Sheriff

Anticipated Completion Date of Corrective Action:
March 31, 2024

Repeat Finding:
Yes

Planned Corrective Action:
Transaction/Fees Payable reports are being printed and signed along with the Jail Trust Transaction report.

Signature: 

BEST PRACTICE

Accounting literature describes a best practice as a recommended policy, procedure, or technique that aids management in improving financial performance. Historically, a best practice has consistently shown superior results over conventional methods.

The Division of Local Government Audit strongly believes that the item noted below is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Lake County.

LAKE COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING

Lake County does not have a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the county commission resulting in decentralization and some duplication of effort. We recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.