



ANNUAL FINANCIAL REPORT

Lincoln County, Tennessee

For the Year Ended June 30, 2024

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

ANNUAL FINANCIAL REPORT
LINCOLN 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

JEFF BAILEY, CPA, CGFM, CFE
Audit Manager

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

LINCOLN COUNTY, TENNESSEE

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Summary of Audit Findings

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

Scope

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

Results

Our report on Lincoln County's financial statements is unmodified

Our audit resulted in three findings and recommendations, which we have reviewed with Lincoln County management. The 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:

OFFICE OF DIRECTOR OF FINANCE

- ◆ Vehicle bid specifications applied to only one brand.

OFFICES OF DIRECTOR OF SCHOOLS AND DIRECTOR OF FINANCE

- ◆ The school department entered into a construction contract in violation of the Financial Management Act of 1981.
- ◆ Contracted employees were allowed to drive school department vehicles home.



INTRODUCTORY SECTION

LINCOLN COUNTY OFFICIALS

June 30, 2024

Officials

William Newman, County Mayor
Tim Gill, Highway Superintendent
Dr. Bill Heath, Director of Schools
Mary Jane Porter, Trustee
Tammy Painter, Assessor of Property
Phyllis Counts, County Clerk
Lisa Simmons, Circuit and General Sessions Courts Clerk
Rebecca Bartlett Carpenter, Clerk and Master
Randy Delap, Register of Deeds
Joyce McConnell, Sheriff
Jason Nix, Director of Finance

Board of County Commissioners

William Newman, County Mayor, Chairman
Jason Hambrick
Randy Bradford
Brandon Kolle
Bonnie Caldwell
David Sanders
Ben Brown
Anthony Taylor
Terri Rogers
Jack Atchley
Mark Mitchell
Kate Guin
Daniel Eldridge

Jason Nix
Troy Frassrand
Jennie Roles-Walter
Steve Spray
Tori Young
Doug Cunningham
Ricky Bryant
Mary Ann Tackett
Pat Haynes
Glen Douglas
Steve Guntherberg
Danny Walker

Board of Education

Thomas Stevenson, Chairman
Cole Bradford
Kevin Posey
Sammy Tucker

Rex Dunn
Jimmy Daniel
Jennifer Haynes
Martha Tallman

Financial Management Committee

William Newman, County Mayor, Chairman
Tim Gill, Highway Superintendent
Dr. Bill Heath, Director of Schools
Steve Spray
Ben Brown
Doug Cunningham
Kate Guin

Audit Committee

David Sanders, Chairman
Tori Young
Ben Brown
Jason Hambrick
Kate Guin

FINANCIAL SECTION



JASON E. MUMPOWER
Comptroller

Independent Auditor's Report

Lincoln County Mayor and
Board of County Commissioners
Lincoln 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lincoln 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lincoln County, Tennessee, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof 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 Lincoln County Board of Public Utilities (a major fund and the entire business-type activities). We did not audit the financial statements of the Internal School Fund of the Lincoln County School Department (a discretely presented component unit), which represent 0.77 percent, 0.78 percent, and 1.84 percent, respectively, of the assets, net position, and revenues of the discretely presented school department component unit. Those amounts were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to amounts included for the Lincoln County Board of Public Utilities and the Lincoln County School Department's Internal School Fund 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 (GAAS) 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 Lincoln 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., Lincoln 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 Lincoln 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 Lincoln 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 Lincoln 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 schedules of changes in the county's and Board of Public Utilities' net pension liability (asset) and related ratios, schedules of county, utilities, and school contributions, schedules of school's proportionate share of the net pension liability (asset), and schedules of county and school changes in the total OPEB 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 Lincoln 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 and General Capital Projects funds, combining and individual fund financial statements of the Lincoln 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 and General Capital Projects funds, combining and individual fund financial statements of the Lincoln 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 14, 2024, on our consideration of Lincoln 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 Lincoln 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 Lincoln County's internal control over financial reporting and compliance.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

November 14, 2024

JEM/gc

BASIC FINANCIAL STATEMENTS SECTION

Exhibit A

LINCOLN COUNTY, TENNESSEE

Statement of Net Position

June 30, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Lincoln County School Department
ASSETS				
Cash and Cash Equivalents	\$ 0	\$ 11,690,862	\$ 11,690,862	\$ 899,669
Equity in Pooled Cash and Investments	23,472,607	0	23,472,607	41,892,976
Accounts Receivable	260,216	344,534	604,750	11,162
Allowance for Uncollectible	(3,217)	(2,200)	(5,417)	0
Due from Other Governments	2,407,182	0	2,407,182	3,461,412
Property Taxes Receivable	17,104,454	0	17,104,454	5,646,756
Allowance for Uncollectible Property Taxes	(193,485)	0	(193,485)	(63,874)
Inventories	0	359,248	359,248	0
Prepaid Items	5,454	31,300	36,754	835,693
Other Assets	0	730,886	730,886	0
Net Pension Asset - Agent Plan - County	1,628,608	0	1,628,608	991,417
Net Pension Asset - Agent Plan - Public Utility	0	1,562,337	1,562,337	0
Net Pension Asset - Teacher Retirement Plan	0	0	0	153,753
Net Pension Asset - Teacher Legacy Pension Plan	0	0	0	4,376,087
Restricted Assets:				
Restricted Cash	0	750	750	0
Amounts Accumulated for Pension Benefits	0	0	0	671,784
Capital Assets:				
Assets Not Depreciated:				
Land	10,420,747	545,676	10,966,423	1,889,171
Construction in Progress	1,213,297	300,520	1,513,817	9,793,985
Assets Net of Accumulated Depreciation/Amortization:				
Buildings and Improvements	13,601,144	25,709,430	39,310,574	31,851,621
Infrastructure	11,249,213	0	11,249,213	0
Other Capital Assets	10,149,471	0	10,149,471	14,183,864
Intangible Right-to-Use Assets	0	0	0	196,381
Total Assets	\$ 91,315,691	\$ 41,273,343	\$ 132,589,034	\$ 116,791,857
DEFERRED OUTFLOWS OF RESOURCES				
Pension Changes in Experience	\$ 164,536	\$ 93,331	\$ 257,867	\$ 1,147,947
Pension Changes in Assumptions	910,539	220,584	1,131,123	2,095,816
Pension Changes in Investment Earnings	399,817	45,736	445,553	1,041,754
Pension Changes in Proportion	0	0	0	163,629
Pension Contributions After Measurement Date	612,418	139,507	751,925	1,434,904
OPEB Changes in Experience	0	0	0	81,305
OPEB Changes in Assumptions	96,998	0	96,998	685,142
OPEB Changes in Proportion	0	0	0	72,648
OPEB Benefits Paid After Measurement Date	1,372	0	1,372	101,195
Total Deferred Outflows of Resources	\$ 2,185,680	\$ 499,158	\$ 2,684,838	\$ 6,824,340

(Continued)

Exhibit A

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

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Lincoln County School Department
LIABILITIES				
Accounts Payable	\$ 693,445	\$ 253,689	\$ 947,134	\$ 144,977
Accrued Payroll	40,114	0	40,114	1,246,790
Payroll Deductions Payable	0	0	0	0
Due to State of Tennessee	399	0	399	0
Due to Cities	19,988	0	19,988	0
Accrued Interest Payable	524,172	33,024	557,196	0
Unearned Revenue	0	20,855	20,855	0
Other Liabilities	0	17,965	17,965	0
Current Liabilities Payable from Restricted Assets:				
Customer Deposits Payable	0	207,940	207,940	0
Noncurrent Liabilities:				
Due Within One Year - Leases	0	0	0	159,065
Due Within One Year - Debt	2,555,000	529,904	3,084,904	0
Due Within One Year - Other	361,371	74,050	435,421	289,665
Due in More Than One Year - Leases	0	0	0	44,329
Due in More Than One Year - Debt	71,058,981	6,869,412	77,928,393	0
Due in More Than One Year - Other	840,147	0	840,147	2,843,056
Total Liabilities	<u>\$ 76,093,617</u>	<u>\$ 8,006,839</u>	<u>\$ 84,100,456</u>	<u>\$ 4,727,882</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	\$ 16,502,842	\$ 0	\$ 16,502,842	\$ 5,448,157
Pension Changes in Experience	374,218	37,759	411,977	520,628
Pension Changes in Proportion	0	0	0	196,595
OPEB Changes in Experience	105,504	0	105,504	260,323
OPEB Changes in Assumptions	131,635	0	131,635	341,910
OPEB Changes in Proportion	0	0	0	237,456
Total Deferred Inflows of Resources	<u>\$ 17,114,199</u>	<u>\$ 37,759</u>	<u>\$ 17,151,958</u>	<u>\$ 7,005,069</u>
NET POSITION				
Net Investment in Capital Assets	\$ 42,493,872	\$ 19,156,310	\$ 61,650,182	\$ 57,915,022
Restricted for:				
General Government	742,703	0	742,703	0
Finance	138,448	0	138,448	0
Administration of Justice	100,727	0	100,727	0
Public Safety	292,039	0	292,039	0
Public Health and Welfare	1,045,740	0	1,045,740	0
Highway/Public Works	5,627,122	0	5,627,122	0
Education	0	0	0	2,717,585
Capital Outlay	0	0	0	27,138,829
Other Purposes	132,954	0	132,954	0
Pensions	1,628,608	1,562,337	3,190,945	6,193,041
Unrestricted	<u>(51,908,658)</u>	<u>13,009,256</u>	<u>(38,899,402)</u>	<u>17,918,769</u>
Total Net Position	<u>\$ 293,555</u>	<u>\$ 33,727,903</u>	<u>\$ 34,021,458</u>	<u>\$ 111,883,246</u>

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

Exhibit B

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

					Net (Expense) Revenue and Changes in Net Position				Component Unit
Functions/Programs	Expenses	Program Revenues			Primary Government			Lincoln	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	County	
								School	
									Department
Primary Government:									
Governmental Activities:									
General Government	\$ 3,587,621	\$ 450,009	\$ 752,443	\$ 0	\$ (2,385,169)	\$ 0	\$ (2,385,169)	\$ 0	
Finance	1,993,431	1,338,815	0	0	(654,616)	0	(654,616)	0	
Administration of Justice	1,886,539	605,839	58,600	0	(1,222,100)	0	(1,222,100)	0	
Public Safety	9,987,048	932,211	666,552	0	(8,388,285)	0	(8,388,285)	0	
Public Health and Welfare	3,538,011	1,860,326	526,394	0	(1,151,291)	0	(1,151,291)	0	
Social, Cultural, and Recreational Services	286,089	6,940	275	0	(278,874)	0	(278,874)	0	
Agriculture and Natural Resources	269,604	0	12,000	0	(257,604)	0	(257,604)	0	
Highways	6,907,007	0	2,969,287	1,432,896	(2,504,824)	0	(2,504,824)	0	
Education	43,221,028	0	0	0	(43,221,028)	0	(43,221,028)	0	
Interest on Long-term Debt	2,494,641	0	0	0	(2,494,641)	0	(2,494,641)	0	
Total Governmental Activities	\$ 74,171,019	\$ 5,194,140	\$ 4,985,551	\$ 1,432,896	\$ (62,558,432)	\$ 0	\$ (62,558,432)	\$ 0	
Business-type Activities:									
Lincoln County Board of Public Utilities	\$ 6,506,751	\$ 6,926,342	\$ 233,705	\$ 8,877	\$ 0	\$ 662,173	\$ 662,173	\$ 0	
Total Primary Government	\$ 80,677,770	\$ 12,120,482	\$ 5,219,256	\$ 1,441,773	\$ (62,558,432)	\$ 662,173	\$ (61,896,259)	\$ 0	
Component Unit:									
Lincoln County School Department	\$ 47,393,033	\$ 2,432,238	\$ 7,918,111	\$ 33,188,067	\$ 0	\$ 0	\$ 0	\$ (3,854,617)	

(Continued)

Exhibit B

LINCOLN COUNTY, TENNESSEE
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Lincoln County School Department
					Governmental Activities	Business-type Activities	Total	
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes					\$ 11,381,423	\$ 0	\$ 11,381,423	\$ 5,369,514
Property Taxes Levied for Debt Service					4,916,297	0	4,916,297	0
Local Option Sales Tax					2,580,299	0	2,580,299	5,038,306
Other Local Taxes:								
Wheel Tax					2,436,422	0	2,436,422	0
Business Tax					458,453	0	458,453	0
Hotel/Motel Tax					186,550	0	186,550	0
Litigation Tax - Jail, Workhouse, or Courthouse					108,320	0	108,320	0
Litigation Tax - Special Purpose					91,844	0	91,844	0
Litigation Tax - General					75,697	0	75,697	0
Litigation Tax - Courtroom Security					77,734	0	77,734	0
Mineral Severance Tax					35,224	0	35,224	0
Wholesale Beer Tax					0	0	0	121,098
Grants and Contributions Not Restricted to Specific Programs					1,470,315	0	1,470,315	32,143,535
Unrestricted Investment Earnings					2,419,291	501,244	2,920,535	115,406
Miscellaneous					183,527	52,832	236,359	93,929
Gain on Sale of Capital Assets					0	34,108	34,108	0
Total General Revenues					\$ 26,421,396	\$ 588,184	\$ 27,009,580	\$ 42,881,788
Change in Net Position					\$ (36,137,036)	\$ 1,250,357	\$ (34,886,679)	\$ 39,027,171
Net Position, July 1, 2023					36,430,591	32,477,546	68,908,137	72,856,075
Net Position, June 30, 2024					\$ 293,555	\$ 33,727,903	\$ 34,021,458	\$ 111,883,246

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

LINCOLN COUNTY, TENNESSEE**Balance Sheet**

Governmental Funds

June 30, 2024

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
ASSETS					
Equity in Pooled Cash and Investments	\$ 13,541,090	\$ 4,374,372	\$ 4,055,451	\$ 1,501,694	\$ 23,472,607
Accounts Receivable	124,991	230	131,098	3,897	260,216
Allowance for Uncollectibles	0	0	0	(3,217)	(3,217)
Due from Other Governments	1,446,285	647,261	0	313,636	2,407,182
Due from Other Funds	0	600,000	0	0	600,000
Property Taxes Receivable	10,774,815	1,210,815	5,118,824	0	17,104,454
Allowance for Uncollectible Property Taxes	(121,886)	(13,695)	(57,904)	0	(193,485)
Prepaid Items	5,454	0	0	0	5,454
Total Assets	<u>\$ 25,770,749</u>	<u>\$ 6,818,983</u>	<u>\$ 9,247,469</u>	<u>\$ 1,816,010</u>	<u>\$ 43,653,211</u>
LIABILITIES					
Accounts Payable	\$ 693,445	\$ 0	\$ 0	\$ 0	\$ 693,445
Accrued Payroll	16,488	23,626	0	0	40,114
Due to Other Funds	600,000	0	0	0	600,000
Due to State of Tennessee	399	0	0	0	399
Due to Cities	0	0	0	19,988	19,988
Total Liabilities	<u>\$ 1,310,332</u>	<u>\$ 23,626</u>	<u>\$ 0</u>	<u>\$ 19,988</u>	<u>\$ 1,353,946</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	\$ 10,395,827	\$ 1,168,235	\$ 4,938,780	\$ 0	\$ 16,502,842
Deferred Delinquent Property Taxes	247,770	27,836	117,707	0	393,313
Other Deferred/Unavailable Revenue	431,994	386,141	0	158,698	976,833
Total Deferred Inflows of Resources	<u>\$ 11,075,591</u>	<u>\$ 1,582,212</u>	<u>\$ 5,056,487</u>	<u>\$ 158,698</u>	<u>\$ 17,872,988</u>

(Continued)

LINCOLN COUNTY, TENNESSEE**Balance Sheet**

Governmental Funds (Cont.)

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other	
				Governmental Funds	
FUND BALANCES					
Nonspendable:					
Prepaid Items	\$ 5,454	\$ 0	\$ 0	\$ 0	\$ 5,454
Restricted:					
Restricted for General Government	742,703	0	0	0	742,703
Restricted for Finance	138,448	0	0	0	138,448
Restricted for Administration of Justice	100,727	0	0	0	100,727
Restricted for Public Safety	22,527	0	0	269,512	292,039
Restricted for Public Health and Welfare	80,419	0	0	1,367,812	1,448,231
Restricted for Other Operations	132,954	0	0	0	132,954
Restricted for Highways/Public Works	0	5,213,145	0	0	5,213,145
Committed:					
Committed for General Government	94,440	0	0	0	94,440
Committed for Capital Outlay	982,892	0	0	0	982,892
Committed for Debt Service	0	0	4,190,982	0	4,190,982
Assigned:					
Assigned for General Government	1,036,936	0	0	0	1,036,936
Assigned for Finance	11,023	0	0	0	11,023
Assigned for Public Safety	81,954	0	0	0	81,954
Assigned for Public Health and Welfare	22,612	0	0	0	22,612
Assigned for Agriculture and Natural Resources	645	0	0	0	645
Assigned for Other Operations	94,000	0	0	0	94,000
Unassigned	9,837,092	0	0	0	9,837,092
Total Fund Balances	\$ 13,384,826	\$ 5,213,145	\$ 4,190,982	\$ 1,637,324	\$ 24,426,277
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 25,770,749	\$ 6,818,983	\$ 9,247,469	\$ 1,816,010	\$ 43,653,211

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

LINCOLN 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)		\$ 24,426,277
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 10,420,747	
Add: construction in progress	1,213,297	
Add: buildings and improvements net of accumulated depreciation	13,601,144	
Add: infrastructure net of accumulated depreciation	11,249,213	
Add: other capital assets net of accumulated depreciation	<u>10,149,471</u>	46,633,872
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	\$ (270,000)	
Less: bonds payable	(70,395,000)	
Less: unamortized premium on debt	(2,948,981)	
Less: landfill closure/postclosure care costs	(561,189)	
Less: net OPEB liability	(281,711)	
Less: compensated absences payable	(358,618)	
Less: accrued interest on notes and bonds	<u>(524,172)</u>	(75,339,671)
(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 expense and OPEB expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 2,087,310	
Add: deferred outflows of resources related to OPEB	98,370	
Less: deferred inflows of resources related to pensions	(374,218)	
Less: deferred inflows of resources related to OPEB	<u>(237,139)</u>	1,574,323
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		1,628,608
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>1,370,146</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 293,555</u></u>

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

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

	Major Funds				Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern- mental Funds	Total Governmental Funds
Revenues						
Local Taxes	\$ 14,814,105	\$ 2,543,997	\$ 5,767,609	\$ 0	\$ 0	\$ 23,125,711
Licenses and Permits	265,252	0	0	0	0	265,252
Fines, Forfeitures, and Penalties	164,908	0	0	0	105,996	270,904
Charges for Current Services	203,944	0	0	0	1,851,618	2,055,562
Other Local Revenues	1,446,551	36,858	1,114,175	0	11,766	2,609,350
Fees Received From County Officials	1,890,236	0	0	0	0	1,890,236
State of Tennessee	3,001,185	4,247,837	0	0	27,104	7,276,126
Federal Government	143,428	0	0	0	0	143,428
Other Governments and Citizens Groups	182,655	0	0	0	0	182,655
Total Revenues	\$ 22,112,264	\$ 6,828,692	\$ 6,881,784	\$ 0	\$ 1,996,484	\$ 37,819,224
Expenditures						
Current:						
General Government	\$ 2,720,325	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,720,325
Finance	1,908,909	0	0	0	30	1,908,939
Administration of Justice	1,788,981	0	0	0	2,250	1,791,231
Public Safety	8,797,376	0	0	0	236,843	9,034,219
Public Health and Welfare	732,167	0	0	0	1,526,117	2,258,284
Social, Cultural, and Recreational Services	167,752	0	0	0	0	167,752
Agriculture and Natural Resources	245,142	0	0	0	0	245,142
Other Operations	2,885,388	0	0	0	0	2,885,388
Highways	0	7,021,856	0	0	0	7,021,856

(Continued)

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

	Major Funds				Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern- mental Funds	Total Governmental Funds
Expenditures (Cont.)						
Debt Service:						
Principal on Debt	\$ 0	\$ 0	\$ 3,300,000	\$ 0	\$ 0	\$ 3,300,000
Interest on Debt	0	0	2,304,873	0	0	2,304,873
Other Debt Service	0	0	116,454	0	0	116,454
Capital Projects - Donated	0	0	0	43,220,228	0	43,220,228
Total Expenditures	\$ 19,246,040	\$ 7,021,856	\$ 5,721,327	\$ 43,220,228	\$ 1,765,240	\$ 76,974,691
Excess (Deficiency) of Revenues						
Over Expenditures	\$ 2,866,224	\$ (193,164)	\$ 1,160,457	\$ (43,220,228)	\$ 231,244	\$ (39,155,467)
Other Financing Sources (Uses)						
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 41,380,000	\$ 0	\$ 41,380,000
Premiums on Debt Sold	0	0	0	1,840,228	0	1,840,228
Transfers In	0	600,000	0	0	0	600,000
Transfers Out	(600,000)	0	0	0	0	(600,000)
Total Other Financing Sources (Uses)	\$ (600,000)	\$ 600,000	\$ 0	\$ 43,220,228	\$ 0	\$ 43,220,228
Net Change in Fund Balances	\$ 2,266,224	\$ 406,836	\$ 1,160,457	\$ 0	\$ 231,244	\$ 4,064,761
Fund Balance, July 1, 2023	11,118,602	4,806,309	3,030,525	0	1,406,080	20,361,516
Fund Balance, June 30, 2024	\$ 13,384,826	\$ 5,213,145	\$ 4,190,982	\$ 0	\$ 1,637,324	\$ 24,426,277

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

LINCOLN 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)		\$	4,064,761
(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	\$	2,952,463	
Less: current-year depreciation expense		<u>(2,708,093)</u>	244,370
(2) The net effect of various miscellaneous transactions involving capital assets (sales and trade-ins) is to decrease net position.			
Less: book value of capital assets disposed			(321)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Less: deferred delinquent property taxes and other deferred June 30, 2023	\$	(1,155,387)	
Add: deferred delinquent property taxes and other deferred June 30, 2024		<u>1,370,146</u>	214,759
(4) The issuance of long-term debt (e.g., bonds, notes) 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. This amount is the effect of these differences in the treatment of long-term debt and related items.			
Add: principal payments on bonds	\$	3,215,000	
Add: principal payments on notes		85,000	
Less: bond proceeds		(41,380,000)	
Less: change in premium on debt issuances		<u>(1,716,331)</u>	(39,796,331)
(5) 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 landfill closure/postclosure care costs	\$	18,073	
Change in net OPEB liability		(86,960)	
Change in compensated absences payable		(56,799)	
Change in accrued interest payable		(313,665)	
Change in deferred outflows of resources related to pensions		(1,001,391)	
Change in deferred outflows of resources related to OPEB		56,683	
Change in deferred inflows of resources related to pensions		1,038,703	
Change in deferred inflows of resources related to OPEB		35,487	
Change in net pension asset - agent plan		<u>(554,405)</u>	(864,274)
Change in net position of governmental activities (Exhibit B)			<u><u>\$ (36,137,036)</u></u>

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

LINCOLN COUNTY, TENNESSEE
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2024

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 14,814,105	\$ 0	\$ 0	\$ 14,814,105	\$ 13,898,229	\$ 13,898,229	\$ 915,876
Licenses and Permits	265,252	0	0	265,252	209,100	209,100	56,152
Fines, Forfeitures, and Penalties	164,908	0	0	164,908	169,050	169,725	(4,817)
Charges for Current Services	203,944	0	0	203,944	184,100	184,100	19,844
Other Local Revenues	1,446,551	0	0	1,446,551	472,840	609,346	837,205
Fees Received From County Officials	1,890,236	0	0	1,890,236	1,691,000	1,691,000	199,236
State of Tennessee	3,001,185	0	0	3,001,185	1,165,129	1,749,794	1,251,391
Federal Government	143,428	0	0	143,428	50,161	126,412	17,016
Other Governments and Citizens Groups	182,655	0	0	182,655	0	104,430	78,225
Total Revenues	\$ 22,112,264	\$ 0	\$ 0	\$ 22,112,264	\$ 17,839,609	\$ 18,742,136	\$ 3,370,128
Expenditures							
General Government							
County Commission	\$ 307,600	\$ 0	\$ 0	\$ 307,600	\$ 169,905	\$ 324,504	\$ 16,904
County Mayor/Executive	260,980	0	83	261,063	261,547	269,557	8,494
County Attorney	85,024	0	0	85,024	63,923	88,923	3,899
Election Commission	363,854	(420)	200	363,634	418,510	402,198	38,564
Register of Deeds	310,940	0	0	310,940	333,324	334,316	23,376
Planning	318,099	0	0	318,099	353,546	373,136	55,037
County Buildings	1,033,933	0	10,831	1,044,764	895,675	1,156,584	111,820
Preservation of Records	39,895	(520)	1,986	41,361	21,456	52,056	10,695
Finance							
Accounting and Budgeting	610,570	0	10,928	621,498	677,459	684,534	63,036
Property Assessor's Office	290,723	0	0	290,723	306,772	308,004	17,281
Reappraisal Program	90,142	0	0	90,142	99,094	95,383	5,241
County Trustee's Office	336,026	0	0	336,026	345,947	354,068	18,042
County Clerk's Office	426,527	0	95	426,622	443,731	457,295	30,673
Data Processing	154,921	0	0	154,921	156,926	165,144	10,223
Administration of Justice							
Circuit Court	711,635	(66)	0	711,569	748,631	749,191	37,622

(Continued)

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Expenditures (Cont.)							
Administration of Justice (Cont.)							
General Sessions Court	\$ 238,420	\$ 0	\$ 0	\$ 238,420	\$ 209,667	\$ 238,856	\$ 436
Chancery Court	305,205	(280)	0	304,925	313,054	316,054	11,129
Juvenile Court	231,093	0	0	231,093	236,371	247,109	16,016
Judicial Commissioners	50,211	0	0	50,211	52,243	52,175	1,964
Courtroom Security	252,417	0	0	252,417	238,142	271,742	19,325
Public Safety							
Sheriff's Department	3,939,826	(72,736)	65,227	3,932,317	4,664,731	4,547,536	615,219
Special Patrols	324,402	0	0	324,402	0	525,000	200,598
Jail	3,765,128	(9,876)	2,077	3,757,329	3,966,867	4,177,475	420,146
Fire Prevention and Control	481,941	(23,387)	14,360	472,914	473,391	554,491	81,577
Civil Defense	286,079	0	290	286,369	329,874	327,574	41,205
Public Health and Welfare							
Local Health Center	490,193	0	0	490,193	734,588	714,948	224,755
Rabies and Animal Control	46,085	0	0	46,085	0	46,085	0
Maternal and Child Health Services	18,514	0	0	18,514	62,750	18,514	0
Other Local Welfare Services	9,436	0	0	9,436	9,436	9,436	0
Sanitation Management	167,939	0	0	167,939	175,874	175,289	7,350
Social, Cultural, and Recreational Services							
Adult Activities	13,550	0	0	13,550	13,550	13,550	0
Libraries	132,202	0	0	132,202	132,202	132,202	0
Parks and Fair Boards	22,000	0	0	22,000	22,000	22,000	0
Agriculture and Natural Resources							
Agricultural Extension Service	156,540	0	0	156,540	160,783	160,783	4,243
Forest Service	2,000	0	0	2,000	2,000	2,000	0
Soil Conservation	86,602	0	645	87,247	91,285	90,735	3,488
Other Operations							
Industrial Development	1,021,740	0	0	1,021,740	378,888	1,021,740	0
Other Economic and Community Development	110,574	0	0	110,574	84,305	119,863	9,289
Airport	49,012	0	0	49,012	49,012	49,012	0

(Continued)

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Expenditures (Cont.)							
Other Operations (Cont.)							
Veterans' Services	\$ 53,162	\$ 0	\$ 0	\$ 53,162	\$ 60,282	\$ 63,711	\$ 10,549
Contributions to Other Agencies	15,000	0	0	15,000	15,000	15,000	0
American Rescue Plan Act Grant #1	1,091,555	(90,563)	94,000	1,094,992	0	1,099,000	4,008
Miscellaneous	544,345	0	0	544,345	571,695	571,695	27,350
Total Expenditures	<u>\$ 19,246,040</u>	<u>\$ (197,848)</u>	<u>\$ 200,722</u>	<u>\$ 19,248,914</u>	<u>\$ 18,344,436</u>	<u>\$ 21,398,468</u>	<u>\$ 2,149,554</u>
Excess (Deficiency) of Revenues							
Over Expenditures	<u>\$ 2,866,224</u>	<u>\$ 197,848</u>	<u>\$ (200,722)</u>	<u>\$ 2,863,350</u>	<u>\$ (504,827)</u>	<u>\$ (2,656,332)</u>	<u>\$ 5,519,682</u>
Other Financing Sources (Uses)							
Transfers Out	\$ (600,000)	\$ 0	\$ 0	\$ (600,000)	\$ 0	\$ (600,000)	\$ 0
Total Other Financing Sources	<u>\$ (600,000)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (600,000)</u>	<u>\$ 0</u>	<u>\$ (600,000)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 2,266,224	\$ 197,848	\$ (200,722)	\$ 2,263,350	\$ (504,827)	\$ (3,256,332)	\$ 5,519,682
Fund Balance, July 1, 2023	<u>11,118,602</u>	<u>(197,848)</u>	<u>0</u>	<u>10,920,754</u>	<u>5,718,835</u>	<u>10,920,754</u>	<u>0</u>
Fund Balance, June 30, 2024	<u><u>\$ 13,384,826</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (200,722)</u></u>	<u><u>\$ 13,184,104</u></u>	<u><u>\$ 5,214,008</u></u>	<u><u>\$ 7,664,422</u></u>	<u><u>\$ 5,519,682</u></u>

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

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 2,543,997	\$ 0	\$ 0	\$ 2,543,997	\$ 2,535,077	\$ 2,535,077	\$ 8,920
Other Local Revenues	36,858	0	0	36,858	5,000	5,000	31,858
State of Tennessee	4,247,837	0	0	4,247,837	2,623,400	4,056,296	191,541
Total Revenues	<u>\$ 6,828,692</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,828,692</u>	<u>\$ 5,163,477</u>	<u>\$ 6,596,373</u>	<u>\$ 232,319</u>
Expenditures							
Highways							
Administration	\$ 335,693	\$ 0	\$ 0	\$ 335,693	\$ 352,802	\$ 360,797	\$ 25,104
Highway and Bridge Maintenance	4,908,008	(118,019)	5,111	4,795,100	4,267,788	5,632,543	837,443
Operation and Maintenance of Equipment	660,176	(10,176)	1,222	651,222	908,961	986,611	335,389
Quarry Operations	416,695	0	0	416,695	512,860	524,694	107,999
Other Charges	147,549	0	0	147,549	155,000	157,550	10,001
Employee Benefits	43,561	0	0	43,561	106,000	77,876	34,315
American Rescue Plan Act Grant #1	0	0	0	0	0	245,142	245,142
Capital Outlay	510,174	(13,300)	197,576	694,450	870,000	871,500	177,050
Total Expenditures	<u>\$ 7,021,856</u>	<u>\$ (141,495)</u>	<u>\$ 203,909</u>	<u>\$ 7,084,270</u>	<u>\$ 7,173,411</u>	<u>\$ 8,856,713</u>	<u>\$ 1,772,443</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (193,164)</u>	<u>\$ 141,495</u>	<u>\$ (203,909)</u>	<u>\$ (255,578)</u>	<u>\$ (2,009,934)</u>	<u>\$ (2,260,340)</u>	<u>\$ 2,004,762</u>
Other Financing Sources (Uses)							
Transfers In	\$ 600,000	\$ 0	\$ 0	\$ 600,000	\$ 0	\$ 600,000	\$ 0
Total Other Financing Sources	<u>\$ 600,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 600,000</u>	<u>\$ 0</u>	<u>\$ 600,000</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 406,836	\$ 141,495	\$ (203,909)	\$ 344,422	\$ (2,009,934)	\$ (1,660,340)	\$ 2,004,762
Fund Balance, July 1, 2023	<u>4,806,309</u>	<u>(141,495)</u>	<u>0</u>	<u>4,664,814</u>	<u>3,995,475</u>	<u>4,664,814</u>	<u>0</u>
Fund Balance, June 30, 2024	<u><u>\$ 5,213,145</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (203,909)</u></u>	<u><u>\$ 5,009,236</u></u>	<u><u>\$ 1,985,541</u></u>	<u><u>\$ 3,004,474</u></u>	<u><u>\$ 2,004,762</u></u>

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

LINCOLN COUNTY, TENNESSEE**Statement of Net Position**

Proprietary Fund

June 30, 2024

		Business-type Activities <hr/> Major Enterprise Fund <hr/> Lincoln County Board of Public Utilities
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$	11,690,862
Accounts Receivable		344,534
Allowance for Uncollectible		(2,200)
Inventories		359,248
Prepaid Items		31,300
Other Assets		522,946
Total Current Assets	\$	<u>12,946,690</u>
Noncurrent Assets:		
Restricted Cash	\$	750
Net Pension Asset - Agent Plan - Public Utility		1,562,337
Other Assets		207,940
Capital Assets (Assets Not Depreciated):		
Land		545,676
Construction in Progress		300,520
Capital Assets (Net of Accumulated Depreciation):		
Buildings and Improvements		25,709,430
Total Noncurrent Assets	\$	<u>28,326,653</u>
Total Assets	\$	<u>41,273,343</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension Changes in Experience	\$	93,331
Pension Changes in Assumptions		220,584
Pension Changes in Investment Earnings		45,736
Pension Contributions After Measurement Date		139,507
Total Deferred Outflows of Resources	\$	<u>499,158</u>

(Continued)

LINCOLN COUNTY, TENNESSEE**Statement of Net Position**

Proprietary Funds (Cont.)

	Business-type Activities <hr/> Major Enterprise Fund <hr/> Lincoln County Board of Public Utilities <hr/>
LIABILITIES	
Current Liabilities:	
Accounts Payable	\$ 253,689
Accrued Interest Payable	33,024
Unearned Revenue	20,855
Other Liabilities	17,965
Customer Deposits	207,940
Current Maturities of Long-term Debt	529,904
Accrued Leave	74,050
Total Current Liabilities	<u>\$ 1,137,427</u>
Noncurrent Liabilities:	
Long-term Debt	\$ 6,869,412
Total Noncurrent Liabilities	<u>\$ 6,869,412</u>
Total Liabilities	<u>\$ 8,006,839</u>
DEFERRED INFLOWS OF RESOURCES	
Pension Changes in Experience	\$ 37,759
Total Deferred Inflows of Resources	<u>\$ 37,759</u>
NET POSITION	
Net Investment in Capital Assets	\$ 19,156,310
Restricted for Pensions	1,562,337
Unrestricted	<u>13,009,256</u>
Total Net Position	<u><u>\$ 33,727,903</u></u>

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

LINCOLN COUNTY, TENNESSEE**Statement of Revenues, Expenses, and Changes
in Net Position**

Proprietary Fund

For the Year Ended June 30, 2024

	Business-type Activities <hr/> Major Enterprise Fund <hr/> Lincoln County Board of Public Utilities <hr/>
Operating Revenues	
Charges for Current Services	\$ 6,926,342
Other Local Revenues	233,705
Total Operating Revenues	<hr/> \$ 7,160,047 <hr/>
Operating Expenses	
Public Health and Welfare	\$ 4,820,913
Depreciation Expense	1,534,427
Total Operating Expenses	<hr/> \$ 6,355,340 <hr/>
Operating Income (Loss)	<hr/> \$ 804,707 <hr/>
Nonoperating Revenues (Expenses)	
Investment Income	\$ 501,244
Interest Expense	(151,411)
Tap Fees in Excess of Cost	52,832
Gain (Loss) on Disposal of Capital Assets	34,108
Total Nonoperating Revenues (Expenses)	<hr/> \$ 436,773 <hr/>
Income(Loss) Before Capital Contributions	\$ 1,241,480
Capital Contributions	<hr/> 8,877 <hr/>
Change in Net Position	\$ 1,250,357
Net Position, July 1, 2023	<hr/> 32,477,546 <hr/>
Net Position, June 30, 2024	<hr/> \$ 33,727,903 <hr/>

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

LINCOLN COUNTY, TENNESSEE**Statement of Cash Flows**

Proprietary Fund

For the Year Ended June 30, 2024

	Business-type Activities <hr/> Major Enterprise Fund <hr/> Lincoln County Board of Public Utilities
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 7,063,928
Payments to Employees	(1,631,970)
Payments to Suppliers	(3,274,402)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 2,157,556</u>
Cash Flows from Capital and Related Financing Activities	
Acquisition of Capital Assets	\$ (600,515)
Proceeds from Sale of Assets	34,108
Principal Payments on Long-term Debt	(494,358)
Interest Payments on Long-term Debt	(166,073)
Contributions, Grants, and Transfers in Aid of Construction	61,710
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (1,165,128)</u>
Cash Flows from Investing Activities	
Investment Income	\$ 501,244
Net Cash Provided By (Used In) Investing Activities	<u>\$ 501,244</u>
Net Increase (Decrease) in Cash	\$ 1,493,672
Cash, July 1, 2023	<u>10,405,130</u>
Cash, June 30, 2024	<u><u>\$ 11,898,802</u></u>

(Continued)

LINCOLN COUNTY, TENNESSEE**Statement of Cash Flows**

Proprietary Funds (Cont.)

	Business-type Activities Major Enterprise Fund Lincoln County Board of Public Utilities
Reconciliation of Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities	
Operating (Loss) Income	\$ 804,707
Adjustments to Reconcile Net Operating Income to Net Cash Provided By (Used In) Operating Activities:	
Depreciation Expense	1,534,427
(Increase) Decrease in Accounts Receivable	(62,455)
(Increase) Decrease in Inventories	58,612
(Increase) Decrease in Other Assets	(186,151)
(Increase) Decrease in Other Deferrals Related to Pensions	(8,336)
Increase (Decrease) in Accounts Payable	6,551
Increase (Decrease) in Customer Deposits	9,800
Increase (Decrease) in Accrued Payroll	586
Increase (Decrease) in Accrued Leave	(185)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 2,157,556</u>
Reconciliation of Cash With Statement of Net Position	
Cash Per Statement of Net Position	\$ 11,690,862
Restricted Cash Per Statement of Net Position	<u>207,940</u>
Cash, June 30, 2024	<u>\$ 11,898,802</u>
Schedule of Noncash Capital and Related Financing Activities:	
Amortization of Bond Premium	\$ 13,999
Purchase of Capital Assets on Account - Net of Prior Year's Amount	145,632

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

LINCOLN COUNTY, TENNESSEE**Statement of Net Position**

Fiduciary Funds

June 30, 2024

	Custodial Funds
ASSETS	
Cash	\$ 2,028,685
Equity in Pooled Cash and Investments	979,063
Accounts Receivable	1,259
Due from Other Governments	973,204
Property Taxes Receivable	1,260,482
Allowance for Uncollectible Property Taxes	<u>(14,259)</u>
Total Assets	<u>\$ 5,228,434</u>
LIABILITIES	
Due to Other Taxing Units	<u>\$ 1,096,650</u>
Total Liabilities	<u>\$ 1,096,650</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Current Property Taxes	<u>\$ 1,245,154</u>
Total Deferred Inflows of Resources	<u>\$ 1,245,154</u>
NET POSITION	
Restricted for Individuals, Organizations, and Other Governments	<u>\$ 2,886,630</u>
Total Net Position	<u><u>\$ 2,886,630</u></u>

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

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

	Custodial Funds
ADDITIONS	
Sales Tax Collections for Other Governments	\$ 3,939,762
ADA - Educational Funds Collected for Cities	2,717,300
Fines/Fees and Other Collections	13,533,827
Drug Task Force Collections	165,944
District Attorney General Collections	25,249
	<hr/>
Total Additions	\$ 20,382,082
DEDUCTIONS	
Payment of Sales Tax Collections to Other Governments	\$ 3,939,762
Payments to City School Systems	2,717,300
Payments to State	6,551,773
Payments to Cities, Individuals, and Others	7,041,058
Payment of Drug Task Force Expenses	191,078
Payment of District Attorney General Expenses	28,573
	<hr/>
Total Deductions	\$ 20,469,544
Net Increase (Decrease) in Fiduciary in Net Position	\$ (87,462)
Net Position, July 1, 2023	2,974,092
	<hr/>
Net Position, June 30, 2024	\$ 2,886,630
	<hr/> <hr/>

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

LINCOLN COUNTY, TENNESSEE

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Lincoln 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 Lincoln County:

A. *Reporting Entity*

Lincoln County is a public municipal corporation governed by an elected 24-member board. As required by GAAP, these financial statements present Lincoln County (the primary government) and its component units. Although required by GAAP, the financial statements of the Lincoln County Emergency Communications District, a component unit requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of the omission 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 Lincoln County School Department operates the public school system in the county, and the voters of Lincoln 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 Lincoln County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Lincoln County, and the Lincoln 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 Lincoln County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Lincoln 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 Lincoln County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Lincoln County Emergency
Communications District
414 Jay Street
Fayetteville, TN 37334

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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Lincoln 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.

Lincoln County issues all debt for the discretely presented Lincoln County School Department. In accordance with state statutes, certain county school debt proceeds must be shared with other public school systems in the county (Fayetteville City School System) based on an average daily attendance proration. Therefore, the county contributed \$32,842,381 to the discretely presented Lincoln County School Department and \$10,161,489 to the Fayetteville City School System of the net debt issues totaling \$43,003,870 during the year ended June 30, 2024.

Separate financial statements are provided for governmental funds, the proprietary fund (enterprise), and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental and enterprise 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 proprietary fund and 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 Lincoln 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 outflow of resources, liabilities, deferred inflow of resources, fund balance/fund net position, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. Lincoln County reports one proprietary fund (major enterprise fund).

Separate financial statements are provided for governmental funds, the proprietary fund, and fiduciary funds. Major individual governmental funds and the major enterprise fund 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. 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 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. Lincoln County considers grants and similar revenues to be available if they are collected within 30 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, including lease obligations, 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.

Lincoln 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.

General Capital Projects Fund – This fund accounts for debt issued by Lincoln County that is subsequently contributed to the discretely presented Lincoln County School Department for construction and renovation projects.

Lincoln County reports the following major proprietary fund:

Lincoln County Board of Public Utilities Fund – This fund accounts for water distribution services and wastewater services to areas of the county not served by existing municipal systems.

Additionally, Lincoln 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 Lincoln County, the city school system’s share of educational revenues, funds held for the benefit of the Judicial District Drug Task Force, and restricted revenues held for the benefit of the Office of District Attorney General.

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

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

Education Capital Projects Fund – This fund is used to account for the school department building construction and renovations.

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

Special Revenue Funds – These funds 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.

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; 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 (excluding the Lincoln County Board of Public Utilities, enterprise funds) and the discretely presented Lincoln 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 and General Debt Service funds. Lincoln County (excluding the Lincoln County Board of Public Utilities, enterprise fund) 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. Lincoln County had no investments in the State Treasurer's Intermediate Term Investment Fund during the year.

All other investments are reported at fair value.

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 property taxes and solid waste receivables are shown with an allowance for uncollectible. Solid waste receivables allowance for uncollectible is based on historical collection data. The allowance for uncollectible property taxes is equal to less than one 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. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as an expenditure when consumed rather than when purchased. Prepaid items are offset in the nonspendable fund balance account in governmental funds.

4. 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 Lincoln 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 Lincoln County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Lincoln 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.

5. 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), and intangible right-to-use assets (e.g., leased assets) are reported in the governmental and business-type columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$25,000 (infrastructure \$25,000) or more and an estimated useful life of more than three years. 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 (excluding the Lincoln County Board of Public Utilities, enterprise fund) and the discretely presented school department are depreciated using the straight-line method over the following estimated useful lives. Right-to-use assets are amortized over the shorter of the lease term or useful life.

Assets	Years
Buildings and Improvements	20 - 40
Other Capital Assets	3 - 15
Infrastructure:	
Roads	10 - 15
Bridges	40
Right-to-Use Assets	3 - 5

6. 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, these items are reported in the government-wide Statement of Net Position. These items are for pension changes in experience, proportion, investment earnings, and assumptions; pension contributions after measurement date; OPEB changes in experience, assumptions, and proportion; and OPEB benefits paid after measurement date.

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, etc.) 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 changes in experience and proportion; OPEB changes in experience, assumptions, and proportion; 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.

7. Compensated Absences

It is the policy of the Lincoln County general government to allow two weeks of vacation after one year of service, with a maximum accumulation of 20 days, which will be paid to employees upon separation from service. Highway department employees are allowed two weeks of vacation after one year of service, with no accumulation of unused vacation days. Support personnel of the discretely presented Lincoln County School Department earn one day of vacation for each 20 days of employment with a maximum accumulation of 15 days, which will be paid to employees upon separation from service. There is no liability for unpaid accumulated sick leave since neither Lincoln County nor the school department has a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements for the county and the discretely presented school department. 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.

8. Long-term Debt, Lease Obligations, and Long-term Obligations

In the government-wide financial statements and the proprietary fund type in the fund financial statements, long-term debt, lease obligations, and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type 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.

Lease obligations are recognized in the government-wide financial statements. At the commencement of a lease, a lease liability is initially measured at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made.

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable and lease obligations, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences, other postemployment benefits, and landfill postclosure care costs, are recognized to the extent that the liabilities have matured (come due for payment) each period.

9. Net Position and Fund Balance

In the government-wide financial statements and the proprietary funds in the fund 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.

The government-wide Statement of Net Position reports \$9,708,341 of restricted net position, of which \$283,527 is restricted by enabling legislation.

As of June 30, 2024, Lincoln County had \$66,525,000 in outstanding debt for capital purposes for the discretely presented Lincoln County School Department. In accordance with state statutes, certain county school debt proceeds must be shared with other public-school systems in the county (Fayetteville City School System) based on an average daily attendance proration. This debt is a liability of Lincoln County, but the capital assets acquired are reported in the financial statements of the school department and the Fayetteville City School System. Therefore, Lincoln 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 Financial Management Committee to make assignments for the general government. The Board of Education makes assignments for the school department.

Unassigned Fund Balance – includes 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 Lincoln County's participation in the Public Employee Pension Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Lincoln 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 Lincoln 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) Plans

Primary Government

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 Lincoln County. For this purpose, Lincoln County recognizes benefit payments when due and payable in accordance with benefit terms. Lincoln County's OPEB plan is not administered through a trust.

Discretely Presented Lincoln 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 Lincoln 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 Lincoln County School Department

Exhibit J-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 Lincoln County School Department

Exhibit J-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

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 GAAP basis is presented on the face of each budgetary schedule.

On June 30, 2024, Lincoln County and the Lincoln County School Department reported the following significant encumbrances:

Funds	Amount
Primary Government:	
Major Funds:	
General	\$ 200,722
Highway/Public Works	203,909
Nonmajor Fund:	
Drug Control	41,691
School Department:	
Major Funds:	
General Purpose School	1,453,177
Education Capital Projects	711,504
Nonmajor Funds:	
School Federal Projects	212,668
Central Cafeteria	148,309
Extended School Program	7,817

IV. DETAILED NOTES ON ALL FUNDS

A. *Deposits and Investments*

Lincoln County (excluding Lincoln County Board of Public Utilities, enterprise fund) and the Lincoln 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 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.

Investment Balances. As of June 30, 2024, Lincoln County had the following investments carried at amortized cost using a Stable Net Asset Value. All investments are in the county trustee’s investment pool. Separate disclosures concerning pooling investments cannot be made for Lincoln County and the discretely presented Lincoln County School Department since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturity	Amortized Cost
State Treasurer's Investment Pool	1 to 48 days	\$ 37,876,349

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes limit the maturities of certain investments as previously disclosed. Lincoln County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Lincoln County has no investment policy that would further limit its investment choices. As of June 30, 2024, Lincoln County’s investment in the State Treasurer’s Investment Pool was unrated.

Further information concerning the legal provisions, investment policies, investment types, and credit risks for the State Treasurer’s Investment Pool can be obtained by reviewing the State of Tennessee Annual Comprehensive Financial Report at <https://www.tn.gov/finance/rd-doa/fa-accfin-ar.html>.

TCRS Stabilization Trust

Legal Provisions. The Lincoln 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 Lincoln 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 Lincoln 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	\$ 208,253
Developed Market International Equity	N/A	N/A	94,050
Emerging Market International Equity	N/A	N/A	26,871
NAV - Private Equity and Strategic Lending	N/A	N/A	134,357
U.S. Fixed Income	N/A	N/A	134,357
Real Estate	N/A	N/A	67,178
Short-term Securities	N/A	N/A	<u>6,718</u>
Total			<u><u>\$ 671,784</u></u>

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	Decreases	Balance 6-30-24
Capital Assets Not Depreciated:				
Land	\$ 10,420,747	\$ 0	\$ 0	\$ 10,420,747
Construction in Progress	712,150	1,065,658	(564,511)	1,213,297
Total Capital Assets Not Depreciated	<u>\$ 11,132,897</u>	<u>\$ 1,065,658</u>	<u>\$ (564,511)</u>	<u>\$ 11,634,044</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 24,456,426	\$ 74,800	\$ 0	\$ 24,531,226
Infrastructure	33,943,574	1,399,605	0	35,343,179
Other Capital Assets	19,635,046	976,911	(118,753)	20,493,204
Total Capital Assets Depreciated	<u>\$ 78,035,046</u>	<u>\$ 2,451,316</u>	<u>\$ (118,753)</u>	<u>\$ 80,367,609</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 10,265,188	\$ 664,894	\$ 0	\$ 10,930,082
Infrastructure	23,208,776	885,190	0	24,093,966
Other Capital Assets	9,304,156	1,158,009	(118,432)	10,343,733
Total Accumulated Depreciation	<u>\$ 42,778,120</u>	<u>\$ 2,708,093</u>	<u>\$ (118,432)</u>	<u>\$ 45,367,781</u>
Total Capital Assets Depreciated, Net	<u>\$ 35,256,926</u>	<u>\$ (256,777)</u>	<u>\$ (321)</u>	<u>\$ 34,999,828</u>
Governmental Activities Capital Assets, Net	<u>\$ 46,389,823</u>	<u>\$ 808,881</u>	<u>\$ (564,832)</u>	<u>\$ 46,633,872</u>

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

Governmental Activities:

General Government	\$ 516,934
Administration of Justice	11,426
Public Safety	861,010
Public Health and Welfare	35,434
Highway	<u>1,283,289</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 2,708,093</u></u>

Net Investment in Capital Assets

Capital Assets	\$ 46,633,872
Less:	
Outstanding principal of capital debt and other capital borrowings	<u>(4,140,000)</u>
Net Investment in Capital Assets	<u><u>\$ 42,493,872</u></u>

Discretely Presented Lincoln County School Department

Governmental Activities:

	Balance		Balance	
	7-1-23	Increases	Decreases	6-30-24
Capital Assets Not Depreciated:				
Land	\$ 1,889,171	\$ 0	\$ 0	\$ 1,889,171
Construction in Progress	938,692	9,348,693	(493,400)	9,793,985
Total Capital Assets Not Depreciated	\$ 2,827,863	\$ 9,348,693	\$ (493,400)	\$ 11,683,156
Capital Assets Depreciated:				
Buildings and Improvements	\$ 68,148,265	\$ 0	\$ 0	\$ 68,148,265
Other Capital Assets	19,655,535	3,081,176	(24,396)	22,712,315
Total Capital Assets Depreciated	\$ 87,803,800	\$ 3,081,176	\$ (24,396)	\$ 90,860,580
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 34,463,468	\$ 1,833,176	\$ 0	\$ 36,296,644
Other Capital Assets	7,494,680	1,058,167	(24,396)	8,528,451
Total Accumulated Depreciation	\$ 41,958,148	\$ 2,891,343	\$ (24,396)	\$ 44,825,095
Total Capital Assets Depreciated, Net	\$ 45,845,652	\$ 189,833	\$ 0	\$ 46,035,485
Intangible Right-to-Use Assets:				
Leased Equipment	\$ 1,027,087	\$ 0	\$ 0	\$ 1,027,087
Less: Accumulated Amortization	585,858	244,848	0	830,706
Net Intangible Right-to-Use Assets	\$ 441,229	\$ (244,848)	\$ 0	\$ 196,381
Governmental Activities Capital Assets, Net	\$ 49,114,744	\$ 9,293,678	\$ (493,400)	\$ 57,915,022

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

Governmental Activities:

Instruction	\$	244,848
Support Services		774,315
Operation of Non-instructional Services		<u>2,117,028</u>
Total Depreciation and Amortization Expense - Governmental Activities	\$	<u><u>3,136,191</u></u>

C. Construction Commitments

On June 30, 2024, the discretely presented Lincoln County School Department had uncompleted construction contracts of approximately \$18,928,499 for the construction of a new Highland Rim School. Funding has been received for these future expenditures.

D. 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:		
Highway/Public Works	General	\$ 600,000

This balance 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

Transfer Out	Transfer In	
	Highway/Public Works Fund	Purpose
General Fund	\$ 600,000	Capital projects

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.

E. Lease Obligations

Discretely Presented Lincoln County School Department

On May 20, 2020, Lincoln County School Department entered into a 48-month agreement as lessee for the use of 420 ThinkPads. The school department is required to make monthly principal and interest payments of \$4,981. Lincoln County School Department recognized \$53,797 in lease principal and \$990 in lease interest expenditures during the current fiscal year to complete the terms of this lease.

On July 1, 2021, Lincoln County School Department entered into a 36-month agreement as lessee for the use of 500 Chromebooks. The school department is required to make monthly principal and interest payments of \$3,365. Lincoln County School Department recognized \$39,589 in lease principal and \$791 in lease interest expenditures during the current fiscal year to complete the terms of this lease.

On March 1, 2022, the school department entered into multiple 60-month agreements as lessee for the use of a variety of copiers. The school department is required to make monthly principal and interest payments of \$2,289, plus additional charges for excess usage and other fees. Lincoln County School Department recognized \$24,423 in lease principal and \$3,045 in lease interest expenditures during the current fiscal year related to these leases. As of June 30, 2024, the lease liability balance was \$69,663.

On May 2, 2022, the school department entered into a 36-month agreement as lessee for the use of 1,500 Chromebooks. The school department is required to make monthly principal and interest payments of \$11,367. Lincoln County School Department recognized \$128,919 in lease principal and \$7,485 in lease interest expenditures during the current fiscal year related to this lease. As of June 30, 2024, the lease liability balance was \$133,731.

The present value of the leases was determined using a discount rate of 3.67 percent, the same interest rate as the county's incremental borrowing rate. The leased assets and accumulated amortization of the right-to-use assets are outlined in Note IV.B.

The future lease payments on these equipment leases include:

Year Ending June 30	Equipment Leases		
	Principal	Interest	Total
2025	\$ 159,065	\$ 4,807	\$ 163,872
2026	26,280	1,188	27,468
2027	18,049	243	18,292
Total	\$ 203,394	\$ 6,238	\$ 209,632

Changes in Lease Obligations

Lease obligation activity for the year ended June 30, 2024, was as follows:

Governmental Activities:

	Leases
Balance, July 1, 2023	\$ 450,122
Reductions	<u>(246,728)</u>
Balance, June 30, 2024	<u>\$ 203,394</u>
Balance Due Within One Year	<u>\$ 159,065</u>

Analysis of Noncurrent Liabilities for Leases Presented on Exhibit A:

Total Noncurrent Liabilities - Leases, June 30, 2024	\$ 203,394
Less: Balance Due Within One Year - Leases	<u>(159,065)</u>
Noncurrent Liabilities - Due in More Than One Year - Leases - Exhibit A	<u>\$ 44,329</u>

F. Long-term Debt

Primary Government (excluding the Lincoln County Board of Public Utilities, enterprise fund)

General Obligation Bonds and Notes

General Obligation Bonds - Lincoln 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. 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 25 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 - Lincoln County issues capital outlay notes to fund capital facilities and other capital outlay purchases, such as equipment. Capital outlay notes are direct obligations and pledge the full faith, credit, and taxing authority of the government. Capital outlay notes were issued for an original term of 12 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. The notes included in long-term debt as of June 30, 2024, will be retired from the General Debt Service Fund.

General obligation bonds and capital outlay notes 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 Bonds	3.25 to 4.39 %	5-1-44	\$ 78,850,000	\$ 70,395,000
Direct Borrowing and Direct Placement:				
Capital Outlay Notes	2.195	4-1-27	1,000,000	270,000

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2025	\$ 2,465,000	\$ 3,204,618	\$ 5,669,618
2026	2,580,000	3,087,968	5,667,968
2027	2,700,000	2,965,767	5,665,767
2028	2,835,000	2,837,329	5,672,329
2029	2,965,000	2,702,151	5,667,151
2030-2034	17,040,000	11,339,575	28,379,575
2035-2039	18,660,000	7,371,000	26,031,000
2040-2044	21,150,000	2,801,050	23,951,050
Total	\$ 70,395,000	\$ 36,309,458	\$ 106,704,458

Year Ending June 30	Notes - Direct Placement		
	Principal	Interest	Total
2025	\$ 90,000	\$ 5,926	\$ 95,926
2026	90,000	3,951	93,951
2027	90,000	1,975	91,975
Total	\$ 270,000	\$ 11,852	\$ 281,852

There is \$4,190,982 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,993 based on the 2020 federal census. Total debt per capita, including bonds, notes, and unamortized debt premiums, totaled \$2,084 based on the 2020 federal census.

Changes in Long-term Debt

Long-term debt activity for the primary government (excluding the Lincoln County Board of Public Utilities, enterprise fund) for the year ended June 30, 2024, was as follows:

Governmental Activities:

			Notes - Direct Placement
	Bonds		
Balance, July 1, 2023	\$ 32,230,000	\$	355,000
Additions	41,380,000		0
Reductions	(3,215,000)		(85,000)
Balance, June 30, 2024	\$ 70,395,000	\$	270,000
Balance Due Within One Year	\$ 2,465,000	\$	90,000

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2024	\$ 70,665,000
Less: Balances Due Within One Year - Debt	(2,555,000)
Add: Unamortized Premium on Debt	2,948,981
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	\$ 71,058,981

G. Long-term Obligations**Primary Government****Changes in Long-term Obligations**

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

Governmental Activities:

	Compensated Absences	Landfill Postclosure Care Costs	Other Postemployment Benefits
Balance, July 1, 2023	\$ 301,819	\$ 579,262	\$ 194,751
Additions	272,842	20,544	101,768
Reductions	(216,043)	(38,617)	(14,808)
Balance, June 30, 2024	\$ 358,618	\$ 561,189	\$ 281,711
Balance Due Within One Year	\$ 322,754	\$ 38,617	\$ 0

Analysis of Noncurrent Liabilities for Other Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2024	\$ 1,201,518
Less: Balances Due Within One Year - Other	<u>(361,371)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 840,147</u>

Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General Fund. Landfill postclosure care costs will be paid from the Solid Waste/Sanitation Fund.

Discretely Presented Lincoln County School Department

Changes in Long-term Obligations

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

Governmental Activities:	Other	
	Compensated Absences	Postemployment Benefits
Balance, July 1, 2023	\$ 50,108	\$ 2,899,276
Additions	77,421	466,298
Reductions	<u>(59,101)</u>	<u>(301,281)</u>
Balance, June 30, 2024	<u>\$ 68,428</u>	<u>\$ 3,064,293</u>
Balance Due Within One Year	<u>\$ 68,428</u>	<u>\$ 221,237</u>

Analysis of Noncurrent Liabilities for Other Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2024	\$ 3,132,721
Less: Balances Due Within One Year - Other	<u>(289,665)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 2,843,056</u>

Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General Purpose School and School Federal Projects funds.

H. *On-Behalf Payments – Discretely Presented Lincoln County School Department*

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Lincoln County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both plans are

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 for the year ended June 30, 2024, totaled \$66,947. 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

Lincoln County is exposed to various risks related to general liability, property, and casualty losses. The county decided it was more economically feasible to join a public entity risk pool instead of purchasing commercial insurance for general liability, property, and casualty coverage. The county joined 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.

Lincoln 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.

Lincoln County participates in the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-207, *Tennessee Code Annotated (TCA)*, all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF 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. The state statute provides for the LGGIF to be self-sustaining through member premiums.

Discretely Presented Lincoln County School Department

The discretely presented Lincoln County 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.

The 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.

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 is involved in several pending lawsuits. The county attorney estimates that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the county's financial statements.

D. Changes in Administration

Vicky Trentham retired from the Office of Director of Finance on June 30, 2023, and was succeeded by Jason Nix on July 1, 2023.

Murray Blackwelder retired from the Office of Sheriff on August 14, 2023, and was succeeded by Joyce McConnell on August 15, 2023.

E. Landfill Postclosure Care Costs

Lincoln County and the city of Fayetteville have an active permit on file with the state Department of Environment and Conservation for a sanitary landfill. The county and city have provided financial assurances for estimated postclosure liabilities as required by the State of Tennessee. These financial assurances are on file with the Department of Environment and Conservation.

State and federal laws and regulations require the entities to place a final cover on their sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site originally for 30 years after closure; however, on April 9, 2021, the postclosure care costs were extended for an additional ten years totaling 40 years for postclosure care cost. Although postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Lincoln County and the city of Fayetteville closed their sanitary landfill in 1995. Lincoln County and the city of Fayetteville each agreed to pay 50 percent of the postclosure costs. The \$561,189 reported as postclosure care liability on June 30, 2024, represents the

county's share based on what it would cost to perform all postclosure care in 2024. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

F. Joint Ventures

The Fayetteville-Lincoln County Public Library is a joint venture of Lincoln County and the city of Fayetteville and is operated by an appointed board. The board comprises seven members, with one member each selected by the Lincoln County Commission and the city of Fayetteville, and other members selected by the existing board of directors subject to the approval of the city and county. Lincoln County has control over budgeting and financing of the joint venture only to the extent of representation by appointed board members. Lincoln County contributed \$132,202 to the operations of the library during the year ended June 30, 2024.

The Fayetteville-Lincoln County Regional Airport Authority is jointly owned by Lincoln County and the city of Fayetteville and is governed by a five-member board. Two members are appointed by the city of Fayetteville, two by the Lincoln County Commission, and one is jointly appointed by the other four board members. The airport is operated through a lease with a private vendor. Lincoln County contributed \$49,012 to the operations of the airport during the year ended June 30, 2024.

The city of Fayetteville and Lincoln County operated a landfill as a joint venture until it closed in February 1995. The operation/closure of the landfill is under the oversight of the Joint City/County Solid Waste Committee, which includes eight members, four each appointed by the city and county.

The Interlocal Solid Waste Authority was formed by joint resolution of the counties of Bedford, Franklin, Moore, and Lincoln; and the municipalities of Tullahoma and Fayetteville to develop a solid waste regional plan. Each participating county commission or city council appointed the authority's board for varying terms of office. Lincoln County made no contribution to the Interlocal Solid Waste Authority for the year ended June 30, 2024.

The Industrial Development Board of the City of Fayetteville and Lincoln County is a joint venture of the city of Fayetteville and Lincoln County and is operated by an appointed board. The board comprises seven members. Three members each are appointed by the city and county. The seventh member's appointment is alternated between the city and county every six years. Lincoln County has control over budgeting and financing the joint venture only to the extent of representation of the board members it appoints. Lincoln County contributed \$745,352 to the operations of the Industrial Development Board during the year ended June 30, 2024. In addition, Lincoln County contributed \$276,388 to the Industrial Development Board for the debt payment as detailed in Note V.G.

The Seventeenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Seventeenth Judicial District, Marshall, Lincoln, Moore, and Bedford counties, and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law

enforcement agencies within the judicial district. Lincoln County made no contributions to the DTF for the year ended June 30, 2024.

Lincoln County does not have an equity interest in any of the above-noted joint ventures. Complete financial statements for the Fayetteville-Lincoln County Public Library, Fayetteville-Lincoln County Regional Airport Authority, Fayetteville-Lincoln County Landfill Fund, Interlocal Solid Waste Authority, Industrial Development Board of the City of Fayetteville and Lincoln County, and Seventeenth Judicial District Drug Task Force can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Fayetteville-Lincoln County Public Library
306 Elk Avenue North
Fayetteville, TN 37334

Fayetteville-Lincoln County Regional Airport Authority
37 Airport Road
Fayetteville, TN 37334

Fayetteville-Lincoln County Landfill Fund
City of Fayetteville
110 Elk Avenue South
Fayetteville, TN 37334

Interlocal Solid Waste Authority of Bedford, Franklin,
Moore and Lincoln Counties, Tennessee
P.O. Box 807
Tullahoma, TN 37388

Industrial Development Board of the City of Fayetteville
and Lincoln County
16 Franke Blvd.
Fayetteville, TN 37334

Office of District Attorney General
Seventeenth Judicial District Drug Task Force
1798 Wilson Parkway
Fayetteville, TN 37334

G. Commitments

During the year ended June 30, 2022, Lincoln County approved a contribution agreement with the Industrial Development Board of Fayetteville and Lincoln County for the purchase of 129.8 acres of real property. An initial contribution of \$1,055,504 was made by Lincoln County to the Industrial Development Board for a portion of the purchase price and for bond issuance costs. The remainder of the purchase was funded with bonds issued by the Industrial Development Board in the amount of \$2,590,000. The land purchased will become the Horizon Industrial Park. Funds received from the sale of land in the Horizon Industrial Park are required to be used for debt retirement. Lincoln County has the option to purchase the

Horizon Industrial Park from the Industrial Development Board for the amount of debt outstanding. Future maximum contributions are listed in the table below.

Year Ending June 30	Amount
2025	\$ 277,275
2026	278,075
2027	283,788
2028	284,325
2029	289,775
2030	295,050
2031	295,150
2032	300,162
Total	<u>\$ 2,303,600</u>

H. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Lincoln County and the non-certified employees of the discretely presented Lincoln 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 Lincoln County employees comprise 62.16 percent and the non-certified employees of the discretely presented school department comprise 37.84 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>.

In addition, employees of Lincoln County Board of Public Utilities (an enterprise fund of the primary government) are provided, a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The details of this plan are disclosed in Note VI.F.

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.

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. A member who leaves employment may withdraw their employee contributions plus any accumulated interest.

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	443
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	1,007
Active Employees	<u>378</u>
Total	<u>1,828</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 to the plan. Lincoln 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 contributions for Lincoln County were \$976,152 based on a rate of 6.85 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Lincoln 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)

Lincoln 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
Cost of Living Adjustment	2.125%

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 historic 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 weighing 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	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 Lincoln 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	Plan	Net Pension
	Pension	Fiduciary	Liability
	Liability	Net Position	(Asset)
	(a)	(b)	(a)-(b)
Balance, July 1, 2022	\$ 77,119,149	\$ 79,774,559	\$ (2,655,410)
Changes for the Year:			
Service Cost	\$ 1,206,146	\$ 0	\$ 1,206,146
Interest	5,149,914	0	5,149,914
Differences Between Expected and Actual Experience	397,045	0	397,045
Contributions-Employer	0	859,900	(859,900)
Contributions-Employees	0	633,045	(633,045)
Net Investment Income	0	5,274,379	(5,274,379)
Benefit Payments, Including Refunds of Employee Contributions	(4,060,531)	(4,060,531)	0
Administrative Expense	0	(49,604)	49,604
Net Changes	\$ 2,692,574	\$ 2,657,189	\$ 35,385
Balance, June 30, 2023	\$ 79,811,723	\$ 82,431,748	\$ (2,620,025)

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

		Total	Plan	Net
		Pension	Fiduciary	Pension
		Liability	Net	Liability
			Position	(Asset)
Primary Government	62.16%	\$ 49,610,967	\$ 51,239,575	\$ (1,628,608)
School Department	37.84%	30,200,756	31,192,173	(991,417)
Total		\$ 79,811,723	\$ 82,431,748	\$ (2,620,025)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Lincoln 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 percent) or one percentage point higher (7.75 percent) than the current rate:

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

Net Pension Liability (Asset) \$ 7,752,037 \$ (2,620,025) \$ (11,149,012)

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, Lincoln County recognized pension expense (negative pension expense) of \$516,694.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2024, Lincoln 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	\$ 264,697	\$ 602,024
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	643,206	0
Changes in Assumptions	1,464,831	0
Contributions Subsequent to the Measurement Date of June 30, 2023 (1)	976,152	N/A
Total	<u>\$ 3,348,886</u>	<u>\$ 602,024</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 measurement period.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 2,087,310	\$ 374,218
School Department	1,261,576	227,806
Total	<u>\$ 3,348,886</u>	<u>\$ 602,024</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	\$ 578,938
2026	(579,028)
2027	1,766,381
2028	4,419
2029	0
Thereafter	0

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

Discretely Presented Lincoln County School Department - Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Lincoln County, including employees of the Lincoln Health System (an enterprise fund of the primary government), and the non-certified employees of the discretely presented Lincoln 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 comprise 62.16 percent and the non-certified employees of the discretely presented school department comprise 37.84 percent of the plan based on contribution data.

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

General Information About the Pension Plan

Plan Description. Teachers of the Lincoln 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 ended June 30, 2024, to the Teacher Retirement Plan were \$241,577, which is 2.95 percent of covered payroll. In addition, employer contributions of \$85,985, 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, 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 (\$153,753) 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 .362597 percent. The proportion as of June 30, 2022, was .353248 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2024, the Lincoln County School Department recognized pension expense (negative pension expense) of \$194,742.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2024, the school department reported deferred outflows 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	\$ 5,179	\$ 89,742
Net Difference Between Projected and Actual Earnings on Pension Plan		
Investments	39,091	0
Changes in Assumptions	115,675	0
Changes in Proportion of Net Pension Liability (Asset)	4,500	10,373
LEA's Contributions Subsequent to the Measurement Date of June 30, 2023	241,577	N/A
Total	<u>\$ 406,022</u>	<u>\$ 100,115</u>

The school department's employer contributions of \$241,577, 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	\$ (562)
2026	(6,252)
2027	54,052
2028	2,925
2029	3,164
Thereafter	11,003

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

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
Cost of Living Adjustment	2.125%

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 historic 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 weighing 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 net pension liability (asset) of Lincoln 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 percent) or one percentage point higher (7.75 percent) 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%
Net Pension Liability (Asset)	\$ 707,258	\$ (153,753)	\$ (773,611)

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 Lincoln County School Department - Certified Employees - Teacher Legacy Pension Plan

General Information About the Pension Plan

Plan Description. Teachers of the Lincoln 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 Lincoln County School Department for the year ended June 30, 2024, to the Teacher Legacy Pension Plan were \$829,593, 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 (\$4,376,087) 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 .371178 percent. The proportion measured as of June 30, 2022, was .360344 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2024, the school department recognized pension expense (negative pension expense) of \$1,121,349.

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	\$ 1,042,607	\$ 203,080
Changes in Assumptions	1,425,849	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	759,274	0
Changes in Proportion of Net Pension Liability (Asset)	159,129	186,222
LEA's Contributions Subsequent to the Measurement Date of June 30, 2023	829,593	N/A
Total	<u>\$ 4,216,452</u>	<u>\$ 389,302</u>

The school department's employer contributions of \$829,593 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	\$ 1,037,496
2026	(581,142)
2027	2,535,255
2028	5,948
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 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
Cost of Living Adjustment	2.125%

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 historic 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 weighing 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 net pension liability (asset) of Lincoln 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 percent) or one percentage point higher (7.75 percent) 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) \$ 9,531,423 \$ (4,376,087) \$ (15,943,214)

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**

The Lincoln County School Department offers its employees a deferred compensation plan established pursuant to IRC Section 403(b). All costs of administering and funding this program are the responsibility of plan participants. The Section 403(b) plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Section 403(b) establishes participation, contribution, and withdrawal provisions for the plan.

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 \$414,597 to this deferred compensation pension plan.

I. Other Postemployment Benefits (OPEB)

Lincoln County and the discretely presented Lincoln County School Department provide OPEB benefits to its retirees under the state administered public entity risk pools. For reporting purposes, the plans are considered single employer defined benefit OPEB plans based on criteria in Statement No. 75 of the Governmental Accounting Standards Board (GASB). The plans are 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

Retirees of Lincoln County are provided healthcare under the Local Government Plan (LGP) until they reach Medicare eligibility. Likewise, the school department provides healthcare benefits to its retirees under the Local Education Plan (LEP) until they reach Medicare eligibility. Both certified and noncertified retirees of Lincoln County 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 county and school department's total OPEB liability for each 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 plans 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 percent based on an average rating of AA/Aa as shown on the 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, 2022, Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 - June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the 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 6 percent load for males and a 14 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 increased 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.

Local Government OPEB Plan (Primary Government)

Plan Description. Employees of Lincoln County are provided with pre-65 retiree health insurance benefits through the closed Local Government Plan (LGP) administered by the Tennessee Department of Finance and Administration. All eligible pre-65 retired employees and disability participants of local governments, who choose coverage, participate in the LGP.

Benefits Provided. Lincoln County offers the LGP to provide health insurance coverage to eligible pre-65 retirees and disabled participants of local governments. With the exception of a small group of grandfathered individuals, retirees are required to discontinue coverage under the LGP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-701 establishes and amends the benefit terms of the LGP. 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 LGP 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 the retiree premiums. Lincoln County does not provide a direct subsidy and is only subject to the implicit subsidy.

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

Inactive Employees Currently Receiving	
Benefit Payments	0
Inactive Employees Entitled to But Not Yet	
Receiving Benefit Payments	0
Active Employees Eligible for Benefits	176
	<hr/>
Total	176
	<hr/>

An insurance committee, created in accordance with TCA 8-27-701, establishes the required payments to the LGP 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. For the fiscal year ended June 30, 2024, the county paid \$1,372 to the LGP for OPEB benefits as they came due.

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

	Lincoln County
Balance July 1, 2022	\$ 194,751
Changes for the Year:	
Service Cost	19,094
Interest	7,536
Difference between Expected and Actuarial Experience	(12,889)
Changes in Assumption	75,138
Benefit Payments	(1,919)
Net Changes	<u>\$ 86,960</u>
Balance June 30, 2023	<u><u>\$ 281,711</u></u>

OPEB Expense (Negative OPEB Expense) and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2024, the county recognized OPEB expense (negative OPEB expense) of (\$3,838). On June 30, 2024, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 105,504
Changes in Assumptions	96,998	131,635
Benefits Paid After the Measurement Date of June 30, 2023	<u>1,372</u>	<u>N/A</u>
Total	<u><u>\$ 98,370</u></u>	<u><u>\$ 237,139</u></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 June 30	Amount
2025	\$ (30,468)
2026	(30,468)
2027	(30,468)
2028	(25,733)
2029	(19,762)
Thereafter	(3,242)

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

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the county calculated using the current discount rate as well as what the OPEB liability would be if it was calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

<u>Discount Rate</u>	1% Decrease 2.65%	Current Discount Rate 3.65%	1% Increase 4.65%
Total OPEB Liability	\$ 304,467	\$ 281,711	\$ 260,360

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the total OPEB liability of the county calculated using the current healthcare cost trend rate, as well as what the OPEB liability would be if it was calculated using a trend rate that is one percentage point lower or one percentage point higher than the current rate:

<u>Healthcare Cost Trend Rate</u>	1% Decrease 9.31 to 3.5%	Current Trend Rate 10.31 to 4.5%	1% Increase 11.31 to 5.5%
Total OPEB Liability	\$ 251,028	\$ 281,711	\$ 317,484

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

Plan Description. Employees of the Lincoln 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 Lincoln 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 *TCA* 8-27-301 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 the retiree premiums. The school department does not provide a direct subsidy and is only subject to the implicit subsidy.

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

Inactive Employees Currently Receiving	
Benefit Payments	17
Inactive Employees Entitled to But Not Yet	
Receiving Benefit Payments	1
Active Employees Eligible For Benefits	<u>279</u>
Total	<u><u>297</u></u>

A state insurance committee, created in accordance with *TCA* 8-27-301, 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 \$101,195 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		Total OPEB Liability
	Lincoln County School Department 60.86%	State of TN 39.14%	
Balance July 1, 2022	\$ 2,899,276	\$ 1,647,960	\$ 4,547,236
Changes for the Year:			
Service Cost	\$ 133,562	\$ 85,895	\$ 219,457
Interest	99,960	64,286	164,246
Difference between Expected and Actuarial Experience	(13,596)	(8,744)	(22,340)
Changes in Proportions	(131,784)	131,784	0
Changes in Assumption	232,776	149,701	382,477
Benefit Payments	(155,901)	(100,263)	(256,164)
Net Changes	\$ 165,017	\$ 322,659	\$ 487,676
Balance June 30, 2023	\$ 3,064,293	\$ 1,970,619	\$ 5,034,912

The Lincoln 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 Lincoln County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and non-employer contributing entities, actuarially determined. The school department recognized \$179,592 in revenue for subsidies provided by non-employer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Lincoln County School Department's proportionate share of the collective OPEB liability was 60.86 percent and the State of Tennessee's share was 39.14 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 \$400,829, 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	\$ 81,305	\$ 260,323
Changes in Assumptions	685,142	341,910
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	72,648	237,456
Benefits Paid After the Measurement Date of June 30, 2023	101,195	N/A
Total	<u>\$ 940,290</u>	<u>\$ 839,689</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 June 30	School Department
2025	\$ (12,289)
2026	(12,289)
2027	(12,289)
2028	(442)
2029	19,094
Thereafter	17,621

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>		Current	
	1%	Discount	1%
	Decrease	Rate	Increase
	2.65%	3.65%	4.65%

Proportionate Share of the Collective Total OPEB Liability	\$	3,307,305	\$	3,064,293	\$	2,833,272
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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>		Curent	
	1%	Rates	1%
	Decrease		Increase
	9.31 to 3.5%	10.31 to 4.5%	11.31 to 5.5%

Proportionate Share of the Collective Total OPEB Liability	\$	2,721,783	\$	3,064,293	\$	3,464,467
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J. Office of Central Accounting, Budgeting, and Purchasing

Office of Director of Finance

Lincoln County operates under provisions of the County Financial Management System of 1981. This act provides for a central system of accounting, budgeting, and purchasing covering all county departments. This act provides for the creation of a finance department operated under the direction of the finance director.

K. Purchasing Law

The County Financial Management System of 1981 provides for the finance director or a deputy appointed by him to serve as the county purchasing agent. The finance director serves as the purchasing agent for Lincoln County. All purchase orders are issued by the finance department. Purchases exceeding \$25,000 for the Office of County Mayor, the discretely presented school department, and the Office of Highway Superintendent are required to be competitively bid.

L. Subsequent Event

On August 31, 2024, Joyce McConnell left the Office of Sheriff and was succeeded by Tull Malone.

VI. OTHER NOTES – LINCOLN COUNTY BOARD OF PUBLIC UTILITIES (ENTERPRISE FUND)

A. *Summary of Significant Accounting Policies*

Reporting Entity – The Lincoln County Board of Public Utilities is an enterprise fund established under Section 5-16-101, *Tennessee Code Annotated*, by Lincoln County, Tennessee. The board sells drinking water and provides wastewater service to the residents of Lincoln County not served by municipal systems. The board is operated by a five-member board of commissioners appointed by the Lincoln County Commission. The Board of Commissioners employs a superintendent who is responsible for day-to-day operations of the water and wastewater system including hiring its other employees. The board is responsible for generating its own revenue and servicing its debt. The Lincoln County Commission has the authority to approve or reject budgets presented by the board and to approve bonds issued by the board. Bonds issued by the board are secured by a pledge of the taxing authority of Lincoln County.

Measurement Focus and Basis of Accounting – The board's financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America and general practices of the utility industry. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows.

The board is intended to operate in a manner whereby the costs of providing water distribution services, wastewater services, and system expansion are recovered through user charges. The board distinguishes operating revenues and expenses from nonoperating items. Operating revenues generally result from charges to customers for the provision of water or wastewater and related services. Operating expenses include the purchased cost of these services as well as costs to operate and maintain the various treatment, storage, transmission, and distribution systems plus general and administrative costs and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Cash and Cash Equivalents for General Use – For purposes of the Statement of Cash Flows, the board considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Allowance for Doubtful Accounts – The board provides an allowance for uncollectible accounts equal to estimated losses that may be incurred in collection of water and wastewater sales receivables when it is probable that a customer account will be uncollectible. The current year's provision is offset against water and wastewater sales revenues.

Materials and Supplies Inventories – Inventory of repair and maintenance supplies and extension materials are stated at the lower of average cost or net realizable value.

Water and Wastewater Plant and Equipment – The board's water and wastewater plant assets are capitalized at cost at the time they become part of operations. Donated capital assets

are recorded at estimated current cost of construction. Extensions and betterments are capitalized at cost.

Depreciation of water and wastewater plant capital cost is provided on a group straight-line basis over the estimated useful lives of the assets. Under the group depreciation method, gains and losses on asset dispositions are applied against accumulated depreciation and are not reflected as gains or losses in the Statement of Revenues, Expenses, and Changes in Net Position. Equipment and buildings are depreciated on the straight-line basis over their estimated useful lives as follows: buildings from 15 to 40 years, vehicles, and construction equipment over seven to 15 years, and all other equipment from six to 20 years, water and wastewater distribution plant from 10 to 50 years. The board capitalizes equipment and plant additions with a cost in excess of \$5,000.

Interest – Net interest cost incurred on borrowed funds during the period of construction of capital assets is recognized as an expense in the period in which the cost is incurred.

Debt Issue Costs – Costs of issuance other than insurance are charged to expense in the period incurred. Premiums and discounts realized on debt issuances are deferred and amortized over the terms of the respective debt using a method that approximates the effective interest method.

Compensated Absences – The costs of vacation benefits are recorded as expenses when earned. Employees accrue vacation leave from one to three weeks annually based on years of service. Up to 120 hours of vacation leave not used by each employee's anniversary date can be carried over to the following year. Sick leave benefits are recorded as expenses when used. Employees accrue 12 days sick leave each year with no accumulation limit. Sick leave does not vest, and no liability for unused sick leave is recorded in the financial statements.

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 and so will not be recognized as an outflow of resources (expense) until then. The board has four items reported in this category – contributions to the pension plan made subsequent to the measurement date of June 30, 2023, the difference between expected and actual experience in the calculation of the total pension liability, the difference due to actuarial assumption changes, and the difference between projected and actual earnings of plan investments. Experience gains or losses and changes in actuarial assumptions are amortized over the average working lifetime of all participants and investment gains or losses are amortized over five years.

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 and so will not be recognized as an inflow of resources (revenue) until that time. The board has one item in this category – the difference between expected and actual experience in the calculation of the total pension liability. Experience gains or losses are amortized over the average working lifetime of all participants.

Pensions – 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 board's participation in the Public

Employee Retirement Plan of Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from the board's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement 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 Retirement Plan of TCRS. Investments are reported at fair value.

Net Position – Net position is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets represents capital assets reduced by accumulated depreciation and by any outstanding debt related to the acquisition, construction, or improvement of those assets as well as any deferred outflows or inflows of resources attributable to the acquisition, construction, or improvement of those assets. The restricted component of net position consists of restricted assets reduced by liabilities related to those assets. Restricted assets occur when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributions, laws, regulations, etc. Unrestricted net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

As a general rule, when both restricted and unrestricted resources are available for use, it is the department's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Contributions in Aid of Construction – Connection fees charged to customers (including developers) in excess of the actual cost of installation of new services are reflected as nonoperating revenues in the period of new service installation. Amounts received as contributions or grants related to new line construction are reflected as capital contributions or grants.

Income Taxes and Tax Equivalents – The board is an instrumentality of Lincoln County, Tennessee; therefore, it is exempt from the payment of federal and state income taxes.

Management Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The most significant estimates relate to the pension plan, depreciation, and the value of distribution lines contributed to the board.

Budgets – State law requires the board to adopt a budget for submission to the Lincoln County Board of Commissioners prior to the start of each fiscal year. The board adopts its budget considering all cash receipts and disbursements.

B. Cash and Restricted Funds

The following is a summary of cash and restricted funds as of June 30, 2024:

Cash and Cash Equivalents for General Use	\$ 11,690,862
Special Funds - Restricted for Customer Deposits	<u>207,940</u>
Total	<u>\$ 11,898,802</u>

Investments in the State Treasurer's Investment Pool are reported at amortized cost. 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.

Board cash consists of deposits in financial institutions or the State Treasurer's Investment Pool with bank balances of \$12,200,206 and carrying amounts of \$11,898,302. Of the amounts on deposit, all is fully insured by the Federal Deposit Insurance Corporation (FDIC) or Tennessee Bank Collateral Pool. The remaining \$500 is cash on hand.

Legal Provisions: All deposits with financial institutions must be secured by one of two methods depending on whether the financial institution participates in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund's accounts for the state of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 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 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 board.

Types of investments authorized: State statutes authorize the entity 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; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; the government's own legally issued bonds or notes; the State Treasurer's Investment Pool; and repurchase agreements. The board has not adopted policies that would further limit its investments.

Restricted Assets: Amounts held for payment of customer deposits are restricted assets.

C. *Capital Assets*

The following is a summary of capital asset activity for the year ended June 30, 2024:

	Balance				Balance
	7-1-23		Increases	Retirements	6-30-24
Capital Assets Not Depreciated:					
Land & Land Rights	\$ 540,381	\$ 5,295	\$ 0	\$ 545,676	
Construction in Progress	214,785	85,735	0	300,520	
Total Capital Assets Not Depreciated	\$ 755,166	\$ 91,030	\$ 0	\$ 846,196	
Capital Assets Depreciated:					
Distribution Lines & Tanks	\$ 44,593,128	\$ 218,190	\$ 0	\$ 44,811,318	
Wells & Treatment Plant	4,634,287	0	0	4,634,287	
Buildings & Equipment	3,542,655	145,663	(75,900)	3,612,418	
Total Capital Assets Depreciated	\$ 52,770,070	\$ 363,853	\$ (75,900)	\$ 53,058,023	
Less Accumulated Depreciation For:					
Distribution Lines & Tanks	\$ (20,591,301)	\$ (1,270,046)	\$ 0	\$ (21,861,347)	
Wells & Treatment Plant	(2,508,289)	(108,287)	0	(2,616,576)	
Buildings & Equipment	(2,790,476)	(156,094)	75,900	(2,870,670)	
Total Accumulated Depreciation	\$ (25,890,066)	\$ (1,534,427)	\$ 75,900	\$ (27,348,593)	
Capital Assets, Net	\$ 27,635,170	\$ (1,079,544)	\$ 0	\$ 26,555,626	

D. Long-term Debt

Direct borrowings and direct placements:

Clean Water State Revolving Loan Fund, due in monthly installments of principal and interest through April, 2037 at an interest rate of 0.75%.

\$ 395,264

Capitalization Grants for Clean Water State Revolving Loan, due in monthly installments of principal and interest through September, 2036, at an interest rate of 0.91%.

2,142,714

Drinking Water Revolving Loan Fund, due in monthly installments of principal and interest through October 29, 2039, at an interest rate of 0.82%

239,214

Drinking Water Revolving Loan Fund, due in monthly installments of principal and interest through March 20, 2040, at an interest rate of 0.82%

245,237

Total direct borrowings and direct placements debt

\$ 3,022,429

A schedule of annual maturities of direct borrowing and direct placements debt as of June 30, 2024, are as follows:

Year Ending June 30	Principal	Interest	Total
2025	\$ 224,904	\$ 25,536	\$ 250,440
2026	226,884	23,556	250,440
2027	228,876	21,564	250,440
2028	230,904	19,536	250,440
2029	232,944	17,496	250,440
2030-2034	1,195,824	56,376	1,252,200
2035-2039	664,022	9,511	673,533
2040-2041	18,071	59	18,130
Total	\$ 3,022,429	\$ 173,634	\$ 3,196,063

All direct borrowings and direct placements debt are secured by the revenues of the board and the state shared taxes of Lincoln County, Tennessee. In the event of default by the board, the state shared revenues of Lincoln County, Tennessee will be withheld by the State of Tennessee.

Other Debt:

Revenue and tax bonds:

Water Revenue and Tax Bonds, Series 2015, issued August 26, 2015. The bonds mature serially at annual interest rates ranging from 2.20% to 4% with final maturity in 2036. The bonds are subject to redemption prior to maturity on or after April 1, 2025, at a redemption price of 100%.		\$	4,275,000
Plus: unamortized bond premium			<u>101,887</u>
Total other debt		\$	<u><u>4,376,887</u></u>

A schedule of annual maturities of other debt outstanding as of June 30, 2024, follows:

Year Ending June 30	Principal	Interest	Total
2025	\$ 305,000	\$ 129,261	\$ 434,261
2026	315,000	117,061	432,061
2027	320,000	110,131	430,131
2028	330,000	102,131	432,131
2029	340,000	93,469	433,469
2030-2034	1,845,000	316,070	2,161,070
2035-2036	<u>820,000</u>	<u>42,718</u>	<u>862,718</u>
Total	<u>\$ 4,275,000</u>	<u>\$ 910,841</u>	<u>\$ 5,185,841</u>

The bonds are payable from revenues of the board and are also secured by Lincoln County property taxes. In the event of default by the board, the county would have to increase property taxes in order to meet the obligations of the bonds.

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

	Balance July 1, 2023	Reductions	Balance June 30, 2024	Balance Due Within One Year
Direct Borrowings	\$ 3,226,787	\$ 204,358	\$ 3,022,429	\$ 224,904
Other Debt	<u>4,565,000</u>	<u>290,000</u>	<u>4,275,000</u>	<u>305,000</u>
Total Long-Term Debt	<u>\$ 7,791,787</u>	<u>\$ 494,358</u>	<u>\$ 7,297,429</u>	<u>\$ 529,904</u>

Scheduled principal and interest payments for this long-term debt as a percentage of pledged revenue totaled 9.16 percent for the year. Interest totaled \$151,411 for the year.

E. Pledged Revenues

The board has pledged its revenues to secure its long-term debt described in Note VI.D. The current year revenues, debt service, and future pledge commitment are as follows:

Operating Revenues	Current-Year		Percent of Current Revenue	Remaining Pledge	
	Principal and Interest Paid on Long-Term Debt			Based on Future Principal and Interest Requirements	Commitment Period Through Fiscal Year
\$ 7,212,880	\$ 660,431	9.2%		\$ 8,381,904	2041

F. Pension Plan

General Information About the Pension Plan

Plan Description. Employees of Lincoln County Board of Public Utilities are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent 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 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 service credit. Reduced benefits for early retirement are available at age 55 and vested. 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 are 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	3
Inactive Employees Entitled to But Not Yet Receiving Benefits	13
Active Employees	<u>32</u>
Total	<u><u>48</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. The board 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 contributions for the board were \$139,507 based on a rate of 8.7 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the board’s state shared taxes if required employer contributions are not remitted. The employer’s actuarially determined contribution (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)

The board’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(asset) 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 investment expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return		Target 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 assumed that employee contributions will be made at the current rate and that contributions from the board 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)

	Total Pension Liability (Asset)	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a)-(b)
Balance, July 1, 2022	\$ 3,401,183	\$ 4,841,081	\$ (1,439,898)
Changes for the Year:			
Service Cost	\$ 124,687	\$ 0	\$ 124,687
Interest	235,419	0	235,419
Differences Between Expected and Actual Experience	47,479	0	47,479
Contributions-Employer	0	128,599	(128,599)
Contributions-Employees	0	73,907	(73,907)
Net Investment Income	0	329,582	(329,582)
Benefit Payments, Including Refunds of Employee Contributions	(76,363)	(76,363)	0
Administrative Expense	0	(2,064)	2,064
Net Changes	\$ 331,222	\$ 453,661	\$ (122,439)
Balance, June 30, 2023	\$ 3,732,405	\$ 5,294,742	\$ (1,562,337)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of the board 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 percent) or one percentage point higher (7.75 percent) than the current rate:

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (Asset)	\$ (1,071,035)	\$ (1,562,337)	\$ (1,979,282)

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

Negative Pension Expense - For the year ended June 30, 2024, the board recognized pension expense of \$8,732.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2024, the board 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	\$ 93,331	\$ 37,759
Changes in assumptions	220,584	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	45,736	0
Contributions Subsequent to the Measurement Date of June 30, 2023	139,507	N/A
Total	<u>\$ 499,158</u>	<u>\$ 37,759</u>

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 following measurement period.

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	\$ 48,843
2026	39,952
2027	170,602
2028	52,932
2029	9,561
Thereafter	0

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

Payable to the Pension Plan

On June 30, 2024, the board reported a payable of \$16,764 (included in accounts payable on the Statement of Net Position) for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2024.

G. Risk Management

The board is exposed to various risks of losses related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. During 2024, the board participated in a public entity risk pool for coverage of general liability,

property, and workers’ compensation losses. The Local Government Fund is a public entity risk pool established by an association of Tennessee local governments. The board pays an annual premium to the pool for the insurance coverage. The pool was created to be self-sustaining through member premiums.

The board is self-insured for employee health claims between \$250 and \$5,000 per year per covered individual. Employees are responsible for the first \$250 of covered claims, with commercial insurance responsible for amounts over \$5,000. The plan liability at year end is determined based on subsequent payments. The change in liability for medical benefits (included in accounts payable on the Statement of Net Position) for the year ended June 30, 2024, is as follows:

Balance, June 30, 2023	\$ 8,332
Incurred Claims	31,499
Payments Made	<u>(39,831)</u>
Balance, June 30, 2024	<u><u>\$ 0</u></u>

The board continues to carry commercial insurance for other risks of loss, including employee bonds and employee health and accident losses above the \$5,000 level. Settled claims in the past three years have not exceeded the coverage.

H. Water Sources

The board’s primary sources of water are the Taft and Flintville well fields with additional sources being the Elora well field and the City of Fayetteville, Tennessee. The City of Fayetteville is the sole supplier of water to nine percent of the board’s customers and is a supplemental and primary back-up source of water for the remaining customers.

I. Related-party Transactions

The board provides water and wastewater services to Lincoln County related entities at the same billing rate as other customers. For the year ended June 30, 2024, these sales totaled \$46,938 for water and wastewater and accounts receivable related to these sales were \$1,365 on June 30, 2024.

J. Current and Planned Projects

The board is requesting permits from the State of Tennessee that would allow for the construction of a water treatment plant on the Elk River. The plant would enhance the water available from the board’s current wells that are the primary source of water to 91 percent of the board’s customers. On June 30, 2024, the board had purchased land for \$202,000, and had recorded construction in progress cost of \$214,785 related to roadway, other site development costs, and engineering and permitting costs. The estimated cost of the treatment plant and related distribution lines is \$18,000,000. No significant costs are anticipated to be incurred in the near term and actual plant construction is not expected to begin within the next three years.

K Contingency

During the year ended June 30, 2014, the Tennessee Comptroller's Office issued a report that concluded that unauthorized pension contributions were made for both active and currently retired employees. The board has taken no action concerning these unauthorized pension contributions.

The board's facilities and operations are subject to a wide range of environmental protection laws related to the use and disposal of hazardous materials. As a result, there is the possibility that environmental conditions may arise, which would require the board to incur cleanup costs. As in prior years, management continues its efforts to comply, and to determine compliance, with all applicable environmental protection laws and does not believe such costs, if any, would materially affect the board's financial position or its future cash flows.

REQUIRED SUPPLEMENTARY INFORMATION SECTION

Exhibit F-1

LINCOLN 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 - County Plan

For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Pension Liability										
Service Cost	\$ 1,678,947	\$ 1,671,820	\$ 1,699,206	\$ 2,009,800	\$ 2,325,979	\$ 2,264,847	\$ 2,146,952	\$ 2,040,896	\$ 2,467,525	\$ 1,206,146
Interest	3,271,086	3,523,331	3,664,827	3,871,795	4,098,023	4,388,649	4,638,053	4,749,021	5,075,607	5,149,914
Differences Between Actual and Expected Experience	254,576	(1,346,469)	(750,316)	18,256	300,534	(205,295)	(2,058,485)	(278,210)	(1,597,421)	397,045
Changes in Assumptions	0	0	0	1,069,744	0	0	0	5,859,321	0	0
Benefit Payments, Including Refunds of Employee Contributions	(1,849,190)	(1,819,228)	(2,159,695)	(2,169,775)	(2,600,733)	(2,708,816)	(3,071,682)	(3,108,043)	(3,106,416)	(4,060,531)
Net Change in Total Pension Liability	\$ 3,355,419	\$ 2,029,454	\$ 2,454,022	\$ 4,799,820	\$ 4,123,803	\$ 3,739,385	\$ 1,654,838	\$ 9,262,985	\$ 2,839,295	\$ 2,692,574
Total Pension Liability, Beginning	42,860,128	46,215,547	48,245,001	50,699,023	55,498,843	59,622,646	63,362,031	65,016,869	74,279,854	77,119,149
Total Pension Liability, Ending (a)	\$ 46,215,547	\$ 48,245,001	\$ 50,699,023	\$ 55,498,843	\$ 59,622,646	\$ 63,362,031	\$ 65,016,869	\$ 74,279,854	\$ 77,119,149	\$ 79,811,723
Plan Fiduciary Net Position										
Contributions - Employer	\$ 1,145,798	\$ 601,764	\$ 594,431	\$ 647,113	\$ 701,475	\$ 1,018,497	\$ 1,121,437	\$ 1,224,154	\$ 1,246,156	\$ 859,900
Contributions - Employee	937,568	926,755	923,579	1,008,589	1,046,868	1,132,508	1,072,072	1,168,618	1,230,283	633,045
Net Investment Income	7,103,007	1,536,071	1,350,375	5,851,321	4,710,434	4,519,622	3,196,705	17,231,575	(3,186,864)	5,274,379
Benefit Payments, Including Refunds of Employee Contributions	(1,849,190)	(1,819,228)	(2,159,695)	(2,169,775)	(2,600,733)	(2,708,816)	(3,071,682)	(3,108,043)	(3,106,416)	(4,060,531)
Administrative Expense	(23,285)	(29,352)	(42,837)	(50,840)	(55,825)	(53,324)	(50,786)	(52,020)	(53,632)	(49,604)
Other	0	0	16,241	0	0	0	0	0	0	0
Net Change in Plan Fiduciary Net Position	\$ 7,313,898	\$ 1,216,010	\$ 682,094	\$ 5,286,408	\$ 3,802,219	\$ 3,908,487	\$ 2,267,746	\$ 16,464,284	\$ (3,870,473)	\$ 2,657,189
Plan Fiduciary Net Position, Beginning	42,703,886	50,017,784	51,233,794	51,915,888	57,202,296	61,004,515	64,913,002	67,180,748	83,645,032	79,774,559
Plan Fiduciary Net Position, Ending (b)	\$ 50,017,784	\$ 51,233,794	\$ 51,915,888	\$ 57,202,296	\$ 61,004,515	\$ 64,913,002	\$ 67,180,748	\$ 83,645,032	\$ 79,774,559	\$ 82,431,748
Net Pension Liability (Asset), Ending (a - b)	\$ (3,802,237)	\$ (2,988,793)	\$ (1,216,865)	\$ (1,703,453)	\$ (1,381,869)	\$ (1,550,971)	\$ (2,163,879)	\$ (9,365,178)	\$ (2,655,410)	\$ (2,620,025)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	108.23%	106.20%	102.40%	103.07%	102.32%	102.45%	103.33%	112.61%	103.44%	103.28%
Covered Payroll	\$ 18,722,223	\$ 18,688,322	\$ 18,449,895	\$ 20,060,385	\$ 20,788,204	\$ 22,482,268	\$ 21,360,690	\$ 23,319,353	\$ 23,736,288	\$ 12,554,004
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(20.31)%	(15.99)%	(6.60)%	(8.49)%	(6.65)%	(6.90)%	(10.13)%	(40.16)%	(11.19)%	(20.87)%

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 the non-certified employees of the discretely presented school department.

LINCOLN 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 - Board of Public Utilities Plan

For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Pension Liability										
Service Cost	\$ 74,745	\$ 64,598	\$ 77,693	\$ 80,252	\$ 88,024	\$ 85,717	\$ 92,286	\$ 90,381	\$ 121,411	\$ 124,687
Interest	138,371	132,868	144,409	150,013	165,112	170,519	171,573	190,559	216,886	235,419
Differences Between Actual and Expected Experience	(156,724)	35,235	(69,206)	15,227	(1,386)	(66,621)	87,446	8,165	11,533	47,479
Changes in Assumptions	0	0	0	104,694	0	0	0	345,314	0	0
Benefit Payments, Including Refunds of Employee Contributions	(136,129)	(103,109)	(80,727)	(80,727)	(80,727)	(269,005)	(94,298)	(80,727)	(80,727)	(76,363)
Net Change in Total Pension Liability	\$ (79,737)	\$ 129,592	\$ 72,169	\$ 269,459	\$ 171,023	\$ (79,390)	\$ 257,007	\$ 553,692	\$ 269,103	\$ 331,222
Total Pension Liability, Beginning	1,838,265	1,758,528	1,888,120	1,960,289	2,229,748	2,400,771	2,321,381	2,578,388	3,132,080	3,401,183
Total Pension Liability, Ending (a)	\$ 1,758,528	\$ 1,888,120	\$ 1,960,289	\$ 2,229,748	\$ 2,400,771	\$ 2,321,381	\$ 2,578,388	\$ 3,132,080	\$ 3,401,183	\$ 3,732,405
Plan Fiduciary Net Position										
Contributions - Employer	\$ 89,791	\$ 87,393	\$ 90,392	\$ 98,122	\$ 99,400	\$ 100,999	\$ 106,554	\$ 110,870	\$ 118,641	\$ 128,599
Contributions - Employee	52,509	50,226	51,949	56,392	57,126	58,261	61,238	63,718	68,185	73,907
Net Investment Income	353,248	77,098	69,676	312,986	261,232	252,327	179,581	1,001,272	(190,514)	329,582
Benefit Payments, Including Refunds of Employee Contributions	(136,129)	(103,109)	(80,727)	(80,727)	(80,727)	(269,005)	(94,298)	(80,727)	(80,727)	(76,363)
Administrative Expense	(1,066)	(1,289)	(2,001)	(2,432)	(2,688)	(2,561)	(2,365)	(2,458)	(2,843)	(2,064)
Net Change in Plan Fiduciary Net Position	\$ 358,353	\$ 110,319	\$ 129,289	\$ 384,341	\$ 334,343	\$ 140,021	\$ 250,710	\$ 1,092,675	\$ (87,258)	\$ 453,661
Plan Fiduciary Net Position, Beginning	2,128,288	2,486,641	2,596,960	2,726,249	3,110,590	3,444,933	3,584,954	3,835,664	4,928,339	4,841,081
Plan Fiduciary Net Position, Ending (b)	\$ 2,486,641	\$ 2,596,960	\$ 2,726,249	\$ 3,110,590	\$ 3,444,933	\$ 3,584,954	\$ 3,835,664	\$ 4,928,339	\$ 4,841,081	\$ 5,294,742
Net Pension Liability (Asset), Ending (a - b)	\$ (728,113)	\$ (708,840)	\$ (765,960)	\$ (880,842)	\$ (1,044,162)	\$ (1,263,573)	\$ (1,257,276)	\$ (1,796,259)	\$ (1,439,898)	\$ (1,562,337)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	141.40%	137.54%	139.07%	139.50%	143.49%	154.43%	148.76%	157.35%	142.34%	141.86%
Covered Payroll	\$ 1,050,185	\$ 1,004,520	\$ 1,038,984	\$ 1,127,834	\$ 1,142,526	\$ 1,165,218	\$ 1,224,758	\$ 1,274,366	\$ 1,363,695	\$ 1,478,146
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(69.33)%	(70.57)%	(73.72)%	(78.10)%	(91.39)%	(108.44)%	(102.66)%	(140.95)%	(105.59)%	(105.70)%

LINCOLN COUNTY, TENNESSEE**Schedule of Contributions Based on Participation in the Public****Employee Pension Plan of TCRS**

Primary Government - County Plan

For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially Determined Contribution	\$ 601,764	\$ 594,431	\$ 647,113	\$ 701,475	\$ 1,018,497	\$ 1,121,437	\$ 1,224,154	\$ 1,246,156	\$ 859,900	\$ 976,152
Less: Contributions in Relation to the Actuarially Determined Contribution	(601,764)	(594,431)	(647,113)	(701,475)	(1,018,497)	(1,121,437)	(1,224,154)	(1,246,156)	(859,900)	(976,152)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 18,688,322	\$ 18,449,895	\$ 20,060,385	\$ 20,788,204	\$ 22,482,268	\$ 21,360,690	\$ 23,319,353	\$ 23,736,288	\$ 12,554,004	\$ 14,250,394
Contributions as a Percentage of Covered Payroll	3.22%	3.22%	3.22%	3.37%	4.53%	5.25%	5.25%	5.25%	6.85%	6.85%

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 the non-certified employees of the discretely presented school department.

LINCOLN COUNTY, TENNESSEE**Schedule of Contributions Based on Participation in the Public****Employee Pension Plan of TCRS**

Primary Government - Board of Public Utilities Plan

For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially Determined Contribution	\$ 87,393	\$ 90,392	\$ 31,805	\$ 34,276	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Less: Contributions in Relation to the Actuarially Determined Contribution	(87,393)	(90,392)	(98,122)	(99,400)	(100,999)	(106,554)	(110,870)	(118,641)	(128,599)	(139,507)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ (66,317)	\$ (65,124)	\$ (100,999)	\$ (106,554)	\$ (110,870)	\$ (118,641)	\$ (128,599)	\$ (139,507)
Covered Payroll	\$ 1,004,520	\$ 1,038,984	\$ 1,127,834	\$ 1,142,526	\$ 1,165,218	\$ 1,224,758	\$ 1,274,366	\$ 1,363,695	\$ 1,478,146	\$ 1,603,534
Contributions as a Percentage of Covered Payroll	8.70%	8.70%	8.70%	8.70%	8.67%	8.70%	8.70%	8.70%	8.70%	8.70%

LINCOLN COUNTY, TENNESSEE**Schedule of Contributions Based on Participation in the Teacher****Retirement Plan of TCRS**

Discretely Presented Lincoln County School Department

For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually Required Contribution	\$ 25,754	\$ 54,382	\$ 93,022	\$ 127,662	\$ 72,644	\$ 91,163	\$ 102,754	\$ 121,252	\$ 206,990	\$ 241,577
Less: Contributions in Relation to the Contractually Required Contribution	(25,754)	(54,382)	(93,022)	(127,662)	(72,644)	(91,163)	(102,754)	(121,252)	(206,990)	(241,577)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 643,863	\$ 1,359,555	\$ 2,288,662	\$ 3,191,549	\$ 3,744,517	\$ 4,490,814	\$ 5,086,821	\$ 6,032,431	\$ 7,219,093	\$ 8,189,048
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%	1.94%	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%

LINCOLN COUNTY, TENNESSEE**Schedule of Contributions Based on Participation in the Teacher****Legacy Pension Plan of TCRS**

Discretely Presented Lincoln County School Department

For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually Required Contribution	\$ 1,309,860	\$ 1,308,473	\$ 1,252,725	\$ 1,215,979	\$ 1,337,413	\$ 1,293,115	\$ 1,278,473	\$ 1,221,446	\$ 1,046,701	\$ 829,593
Less: Contributions in Relation to the Contractually Required Contribution	(1,309,860)	(1,308,473)	(1,252,725)	(1,215,979)	(1,337,413)	(1,293,115)	(1,278,473)	(1,221,446)	(1,046,701)	(829,593)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 14,489,626	\$ 14,474,266	\$ 13,894,489	\$ 13,391,813	\$ 12,785,963	\$ 12,164,755	\$ 12,448,621	\$ 11,858,698	\$ 12,042,619	\$ 12,181,982
Contributions as a Percentage of Covered Payroll	9.04%	9.04%	9.04%	9.08%	10.46%	10.63%	10.27%	10.30%	8.69%	6.81%

LINCOLN COUNTY, TENNESSEE**Schedule of Proportionate Share of the Net Pension Liability (Asset)****in the Teacher Retirement Plan of TCRS**

Discretely Presented Lincoln 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)	0.309886%	0.308985%	0.354321%	0.365217%	0.353857%	0.355869%	0.352465%	0.353248%	0.362597%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (12,467)	\$ (32,166)	\$ (93,483)	\$ (165,636)	\$ (199,747)	\$ (202,363)	\$ (381,794)	\$ (107,008)	\$ (153,753)
Covered Payroll	\$ 643,863	\$ 1,359,555	\$ 2,288,662	\$ 3,191,549	\$ 3,744,517	\$ 4,490,814	\$ 5,086,821	\$ 6,032,431	\$ 7,219,093
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.08)%	(5.19)%	(5.33)%	(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%	126.81%	126.97%	123.07%	116.52%	121.53%	104.55%	104.97%

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

LINCOLN COUNTY, TENNESSEE**Schedule of Proportionate Share of the Net Pension Liability (Asset)
in the Teacher Legacy Pension Plan of TCRS**

Discretely Presented Lincoln County School Department

For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
School Department's Proportion of the Net Pension Liability (Asset)	0.380747%	0.387060%	0.400971%	0.392016%	0.382441%	0.381313%	0.365500%	0.379280%	0.360344%	0.371178%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (61,870)	\$ 158,553	\$ 2,505,848	\$ (128,261)	\$ (1,345,777)	\$ (3,920,585)	\$ (2,787,203)	\$ (16,359,263)	\$ (4,419,280)	\$ (4,376,087)
Covered Payroll	\$ 14,944,287	\$ 14,489,626	\$ 14,474,266	\$ 13,894,489	\$ 13,391,813	\$ 12,785,963	\$ 12,164,755	\$ 12,448,621	\$ 11,858,698	\$ 12,042,619
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(.41)%	1.09%	17.31%	(.92)%	(10.05)%	(30.66)%	(22.91)%	(131.41)%	(37.27)%	(36.34)%
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%

LINCOLN COUNTY, TENNESSEE**Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Government Plan**

Primary Government

For the Fiscal Year Ended June 30

	2017	2018	2019	2020	2021	2022	2023
Total OPEB Liability							
Service Cost	\$ 26,157	\$ 24,461	\$ 30,729	\$ 28,580	\$ 36,161	\$ 30,174	\$ 19,094
Interest	10,162	12,703	13,929	11,675	8,647	6,591	7,536
Differences Between Actual and Expected Experience	0	(30,712)	(99,794)	(8,275)	(29,150)	(22,735)	(12,889)
Changes in Assumptions	(19,244)	23,333	15,095	30,882	(88,569)	(93,499)	75,138
Benefit Payments	(6,140)	(6,953)	(9,331)	(10,598)	(12,978)	(1,463)	(1,919)
Net Change in Total OPEB Liability	\$ 10,935	\$ 22,832	\$ (49,372)	\$ 52,264	\$ (85,889)	\$ (80,932)	\$ 86,960
Total OPEB Liability, Beginning	324,913	335,848	358,680	309,308	361,572	275,683	194,751
Total OPEB Liability, Ending	\$ 335,848	\$ 358,680	\$ 309,308	\$ 361,572	\$ 275,683	\$ 194,751	\$ 281,711
Covered Employee Payroll	\$ 6,117,200	\$ 6,314,608	\$ 6,940,045	\$ 6,969,847	\$ 6,715,181	\$ 6,983,367	\$ 7,756,482
Net OPEB Liability as a Percentage of Covered Employee Payroll	5.49%	5.68%	4.46%	5.19%	4.11%	2.79%	3.63%

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.

LINCOLN COUNTY, TENNESSEE**Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Education Plan**

Discretely Presented Lincoln County School Department

For the Fiscal Year Ended June 30

	2017	2018	2019	2020	2021	2022	2023
Total OPEB Liability							
Service Cost	\$ 227,756	\$ 212,678	\$ 186,189	\$ 173,993	\$ 222,810	\$ 292,043	\$ 219,457
Interest	123,879	148,020	128,780	123,237	90,199	106,755	164,246
Differences Between Actual and Expected Experience	0	(786,604)	163,806	(10,901)	(90,558)	72,820	(22,340)
Changes in Assumptions	(194,714)	93,846	(275,723)	437,856	746,262	(486,515)	382,477
Benefit Payments	(215,553)	(237,293)	(248,606)	(225,719)	(178,543)	(175,428)	(256,164)
Net Change in Total OPEB Liability	\$ (58,632)	\$ (569,353)	\$ (45,554)	\$ 498,466	\$ 790,170	\$ (190,325)	\$ 487,676
Total OPEB Liability, Beginning	4,122,464	4,063,832	3,494,479	3,448,925	3,947,391	4,737,561	4,547,236
Total OPEB Liability, Ending	\$ 4,063,832	\$ 3,494,479	\$ 3,448,925	\$ 3,947,391	\$ 4,737,561	\$ 4,547,236	\$ 5,034,912
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 1,460,232	\$ 1,203,502	\$ 1,219,475	\$ 1,301,680	\$ 1,646,322	\$ 1,647,960	\$ 1,970,619
Employer Proportionate Share of the Total OPEB Liability	2,603,600	2,290,977	2,229,450	2,645,711	3,091,239	2,899,276	3,064,293
Covered Employee Payroll	\$ 20,159,458	\$ 20,254,516	\$ 20,053,557	\$ 20,665,314	\$ 25,961,134	\$ 21,905,335	\$ 23,864,557
Employer Proportionate Share of the Total OPEB Liability as a Percentage of Covered Employee Payroll	12.92%	11.31%	11.12%	12.80%	11.91%	13.24%	12.84%

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.

LINCOLN 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.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for the county's convenience center operations and transfer fees for hauling solid waste.

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

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.

LINCOLN COUNTY, TENNESSEE**Combining Balance Sheet**

Nonmajor Governmental Funds

June 30, 2024

	Special Revenue Funds		Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	
ASSETS			
Equity in Pooled Cash and Investments	\$ 1,232,182	\$ 269,512	\$ 1,501,694
Accounts Receivable	3,897	0	3,897
Allowance for Uncollectibles	(3,217)	0	(3,217)
Due from Other Governments	313,636	0	313,636
Total Assets	\$ 1,546,498	\$ 269,512	\$ 1,816,010
LIABILITIES			
Due to Cities	\$ 19,988	\$ 0	\$ 19,988
Total Liabilities	\$ 19,988	\$ 0	\$ 19,988
DEFERRED INFLOWS OF RESOURCES			
Other Deferred/Unavailable Revenue	\$ 158,698	\$ 0	\$ 158,698
Total Deferred Inflows of Resources	\$ 158,698	\$ 0	\$ 158,698
FUND BALANCES			
Restricted:			
Restricted for Public Safety	\$ 0	\$ 269,512	\$ 269,512
Restricted for Public Health and Welfare	1,367,812	0	1,367,812
Total Fund Balances	\$ 1,367,812	\$ 269,512	\$ 1,637,324
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,546,498	\$ 269,512	\$ 1,816,010

LINCOLN 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
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Nonmajor Governmental Funds
Revenues				
Fines, Forfeitures, and Penalties	\$ 0	\$ 105,996	\$ 0	\$ 105,996
Charges for Current Services	1,849,338	0	2,280	1,851,618
Other Local Revenues	9,691	2,075	0	11,766
State of Tennessee	27,104	0	0	27,104
Total Revenues	<u>\$ 1,886,133</u>	<u>\$ 108,071</u>	<u>\$ 2,280</u>	<u>\$ 1,996,484</u>
Expenditures				
Current:				
Finance	\$ 0	\$ 0	\$ 30	\$ 30
Administration of Justice	0	0	2,250	2,250
Public Safety	0	236,843	0	236,843
Public Health and Welfare	1,526,117	0	0	1,526,117
Total Expenditures	<u>\$ 1,526,117</u>	<u>\$ 236,843</u>	<u>\$ 2,280</u>	<u>\$ 1,765,240</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 360,016</u>	<u>\$ (128,772)</u>	<u>\$ 0</u>	<u>\$ 231,244</u>
Net Change in Fund Balances	\$ 360,016	\$ (128,772)	\$ 0	\$ 231,244
Fund Balance, July 1, 2023	<u>1,007,796</u>	<u>398,284</u>	<u>0</u>	<u>1,406,080</u>
Fund Balance, June 30, 2024	<u><u>\$ 1,367,812</u></u>	<u><u>\$ 269,512</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 1,637,324</u></u>

Exhibit G-3

LINCOLN COUNTY, TENNESSEE

**Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget**

Solid Waste/Sanitation Fund

For the Year Ended June 30, 2024

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Revenues						
Charges for Current Services	\$ 1,849,338	\$ 0	\$ 1,849,338	\$ 1,775,000	\$ 1,775,000	\$ 74,338
Other Local Revenues	9,691	0	9,691	8,000	8,000	1,691
State of Tennessee	27,104	0	27,104	30,000	30,000	(2,896)
Total Revenues	<u>\$ 1,886,133</u>	<u>\$ 0</u>	<u>\$ 1,886,133</u>	<u>\$ 1,813,000</u>	<u>\$ 1,813,000</u>	<u>\$ 73,133</u>
Expenditures						
Public Health and Welfare						
Sanitation Management	\$ 44,846	\$ 0	\$ 44,846	\$ 86,400	\$ 56,400	\$ 11,554
Convenience Centers	230,797	(1,000)	229,797	279,439	264,823	35,026
Other Waste Disposal	1,204,269	0	1,204,269	1,217,386	1,276,225	71,956
Postclosure Care Costs	46,205	0	46,205	85,000	85,000	38,795
Total Expenditures	<u>\$ 1,526,117</u>	<u>\$ (1,000)</u>	<u>\$ 1,525,117</u>	<u>\$ 1,668,225</u>	<u>\$ 1,682,448</u>	<u>\$ 157,331</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 360,016</u>	<u>\$ 1,000</u>	<u>\$ 361,016</u>	<u>\$ 144,775</u>	<u>\$ 130,552</u>	<u>\$ 230,464</u>
Net Change in Fund Balance	\$ 360,016	\$ 1,000	\$ 361,016	\$ 144,775	\$ 130,552	\$ 230,464
Fund Balance, July 1, 2023	<u>1,007,796</u>	<u>(1,000)</u>	<u>1,006,796</u>	<u>1,039,594</u>	<u>1,006,796</u>	<u>0</u>
Fund Balance, June 30, 2024	<u><u>\$ 1,367,812</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 1,367,812</u></u>	<u><u>\$ 1,184,369</u></u>	<u><u>\$ 1,137,348</u></u>	<u><u>\$ 230,464</u></u>

LINCOLN COUNTY, TENNESSEE**Schedule of Revenues, Expenditures, and Changes****in Fund Balance - Actual (Budgetary Basis) and Budget**

Drug Control Fund

For the Year Ended June 30, 2024

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Fines, Forfeitures, and Penalties	\$ 105,996	\$ 0	\$ 0	\$ 105,996	\$ 17,750	\$ 55,154	\$ 50,842
Other Local Revenues	2,075	0	0	2,075	0	0	2,075
Total Revenues	\$ 108,071	\$ 0	\$ 0	\$ 108,071	\$ 17,750	\$ 55,154	\$ 52,917
Expenditures							
Public Safety							
Drug Enforcement	\$ 236,843	\$ (10,247)	\$ 41,691	\$ 268,287	\$ 52,000	\$ 304,404	\$ 36,117
Total Expenditures	\$ 236,843	\$ (10,247)	\$ 41,691	\$ 268,287	\$ 52,000	\$ 304,404	\$ 36,117
Excess (Deficiency) of Revenues Over Expenditures	\$ (128,772)	\$ 10,247	\$ (41,691)	\$ (160,216)	\$ (34,250)	\$ (249,250)	\$ 89,034
Net Change in Fund Balance	\$ (128,772)	\$ 10,247	\$ (41,691)	\$ (160,216)	\$ (34,250)	\$ (249,250)	\$ 89,034
Fund Balance, July 1, 2023	398,284	(10,247)	0	388,037	453,495	388,037	0
Fund Balance, June 30, 2024	\$ 269,512	\$ 0	\$ (41,691)	\$ 227,821	\$ 419,245	\$ 138,787	\$ 89,034

MAJOR GOVERNMENTAL FUNDS

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.

GENERAL CAPITAL PROJECTS FUND

The General Capital Projects Fund is used to account for debt issued by Lincoln County that is subsequently contributed to the discretely presented Lincoln County School Department for construction and renovation projects.

LINCOLN 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

		Budgeted Amounts		Variance with Final Budget - Positive (Negative)
	Actual	Original	Final	
Revenues				
Local Taxes	\$ 5,767,609	\$ 5,708,311	\$ 5,708,311	\$ 59,298
Other Local Revenues	1,114,175	66,981	66,981	1,047,194
Total Revenues	<u>\$ 6,881,784</u>	<u>\$ 5,775,292</u>	<u>\$ 5,775,292</u>	<u>\$ 1,106,492</u>
Expenditures				
Principal on Debt				
General Government	\$ 405,000	\$ 405,000	\$ 405,000	\$ 0
Education	2,895,000	895,000	2,895,000	0
Interest on Debt				
General Government	148,422	148,422	148,423	1
Education	2,156,451	1,184,938	2,156,451	0
Other Debt Service				
General Government	115,654	70,000	117,000	1,346
Education	800	5,000	2,999	2,199
Total Expenditures	<u>\$ 5,721,327</u>	<u>\$ 2,708,360</u>	<u>\$ 5,724,873</u>	<u>\$ 3,546</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,160,457</u>	<u>\$ 3,066,932</u>	<u>\$ 50,419</u>	<u>\$ 1,110,038</u>
Net Change in Fund Balance	\$ 1,160,457	\$ 3,066,932	\$ 50,419	\$ 1,110,038
Fund Balance, July 1, 2023	<u>3,030,525</u>	<u>3,067,179</u>	<u>3,030,525</u>	<u>0</u>
Fund Balance, June 30, 2024	<u><u>\$ 4,190,982</u></u>	<u><u>\$ 6,134,111</u></u>	<u><u>\$ 3,080,944</u></u>	<u><u>\$ 1,110,038</u></u>

LINCOLN COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Capital Projects Fund
For the Year Ended June 30, 2024

		Budgeted Amounts		Variance with Final Budget - Positive (Negative)
	Actual	Original	Final	
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures				
Capital Projects - Donated				
Capital Projects Donated to School Department	\$ 43,220,228	\$ 0	\$ 43,220,229	\$ 1
Total Expenditures	\$ 43,220,228	\$ 0	\$ 43,220,229	\$ 1
Excess (Deficiency) of Revenues Over Expenditures	\$ (43,220,228)	\$ 0	\$ (43,220,229)	\$ 1
Other Financing Sources (Uses)				
Bonds Issued	\$ 41,380,000	\$ 0	\$ 41,380,000	\$ 0
Premiums on Debt Sold	1,840,228	0	1,840,229	(1)
Total Other Financing Sources	\$ 43,220,228	\$ 0	\$ 43,220,229	\$ (1)
Net Change in Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balance, July 1, 2023	0	0	0	0
Fund Balance, June 30, 2024	\$ 0	\$ 0	\$ 0	\$ 0

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.

City School ADA - Fayetteville Fund – The City School ADA - Fayetteville Fund is used to account for the city school system's share of education revenues collected by the county that must be apportioned between the city and county school systems on an average daily attendance basis. These collections are remitted to the city school system on a monthly basis.

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 and general sessions courts clerk, clerk and master, register of deeds, and sheriff. Such collections include amounts due to the state, cities, litigants, heirs, and others.

Judicial District Drug Fund – The Judicial District Drug Fund is used to account for grants and other restricted revenues for the benefit of the multi-jurisdictional drug task force, which was created by contract (mutual aid agreement) between the participating city and county governments.

District Attorney General Fund – The District Attorney General Fund is used to account for restricted revenue held for the benefit of the Office of District Attorney General.

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

	Custodial Funds					
	Cities - Sales Tax	City School ADA - Fayetteville	Constitu - tional Officers - Custodial	Judicial District Drug	District Attorney General	Total
ASSETS						
Cash	\$ 0	\$ 0	\$ 2,028,121	\$ 564	\$ 0	\$ 2,028,685
Equity in Pooled Cash and Investments	0	131,859	0	821,673	25,531	979,063
Accounts Receivable	0	0	1,259	0	0	1,259
Due from Other Governments	696,373	267,349	0	9,482	0	973,204
Property Taxes Receivable	0	1,260,482	0	0	0	1,260,482
Allowance for Uncollectible Property Taxes	0	(14,259)	0	0	0	(14,259)
Total Assets	\$ 696,373	\$ 1,645,431	\$ 2,029,380	\$ 831,719	\$ 25,531	\$ 5,228,434
LIABILITIES						
Due to Other Taxing Units	\$ 696,373	\$ 400,277	\$ 0	\$ 0	\$ 0	\$ 1,096,650
Total Liabilities	\$ 696,373	\$ 400,277	\$ 0	\$ 0	\$ 0	\$ 1,096,650
DEFERRED INFLOWS OF RESOURCES						
Deferred Current Property Taxes	\$ 0	\$ 1,245,154	\$ 0	\$ 0	\$ 0	\$ 1,245,154
Total Deferred Inflows of Resources	\$ 0	\$ 1,245,154	\$ 0	\$ 0	\$ 0	\$ 1,245,154
NET POSITION						
Restricted for Individuals, Organizations, and Other Governments	\$ 0	\$ 0	\$ 2,029,380	\$ 831,719	\$ 25,531	\$ 2,886,630
Total Net Position	\$ 0	\$ 0	\$ 2,029,380	\$ 831,719	\$ 25,531	\$ 2,886,630

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

	Custodial Funds					
	Cities - Sales Tax	City School ADA - Fayetteville	Constitu - tional Officers - Custodial	Judicial District Drug	District Attorney General	Total
Additions						
Sales Tax Collections for Other Governments	\$ 3,939,762	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,939,762
ADA - Educational Funds Collected for Cities	0	2,717,300	0	0	0	2,717,300
Fines/Fees and Other Collections	0	0	13,533,827	0	0	13,533,827
Drug Task Force Collections	0	0	0	165,944	0	165,944
District Attorney General Collections	0	0	0	0	25,249	25,249
Total Additions	\$ 3,939,762	\$ 2,717,300	\$ 13,533,827	\$ 165,944	\$ 25,249	\$ 20,382,082
Deductions						
Payment of Sales Tax Collections for Other Governments	\$ 3,939,762	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,939,762
Payments to City School Systems	0	2,717,300	0	0	0	2,717,300
Payments to State	0	0	6,551,773	0	0	6,551,773
Payments to Cities, Individuals, and Others	0	0	7,041,058	0	0	7,041,058
Payment of Drug Task Force Expenses	0	0	0	191,078	0	191,078
Payment of District Attorney General Expenses	0	0	0	0	28,573	28,573
Total Deductions	\$ 3,939,762	\$ 2,717,300	\$ 13,592,831	\$ 191,078	\$ 28,573	\$ 20,469,544
Change in Net Position	\$ 0	\$ 0	\$ (59,004)	\$ (25,134)	\$ (3,324)	\$ (87,462)
Net Position July 1, 2023	0	0	2,088,384	856,853	28,855	2,974,092
Net Position June 30, 2024	\$ 0	\$ 0	\$ 2,029,380	\$ 831,719	\$ 25,531	\$ 2,886,630

LINCOLN COUNTY SCHOOL DEPARTMENT

This section presents combining and individual fund financial statements for the Lincoln County School Department, a discretely presented component unit. The school department uses a General Fund, four Special Revenue Funds, and one Capital Projects 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.

Extended School Program Fund – The Extended School Program Fund is used to account for before- and after-school programs in the individual 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.

Education Capital Projects Fund – The Educational Capital Projects Fund is used to account for resources accumulated to be used for the acquisition, construction, and/or renovation projects for the school department.

LINCOLN COUNTY, TENNESSEE**Statement of Activities**

Discretely Presented Lincoln County School Department

For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Total Governmental Activities
Governmental Activities:					
Instruction	\$ 27,363,786	\$ 0	\$ 4,978,775	\$ 0	\$ (22,385,011)
Support Services	11,396,843	39,958	691,193	325,236	(10,340,456)
Operation of Non-instructional Services	8,632,404	2,392,280	2,248,143	32,862,831	28,870,850
Total Governmental Activities	<u>\$ 47,393,033</u>	<u>\$ 2,432,238</u>	<u>\$ 7,918,111</u>	<u>\$ 33,188,067</u>	<u>\$ (3,854,617)</u>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 5,369,514
Local Option Sales Tax					5,038,306
Wholesale Beer Tax					121,098
Grants and Contributions Not Restricted to Specific Programs					32,143,535
Unrestricted Investment Earnings					115,406
Miscellaneous					93,929
Total General Revenues					<u>\$ 42,881,788</u>
Change in Net Position					\$ 39,027,171
Net Position, July 1, 2023					<u>72,856,075</u>
Net Position, June 30, 2024					<u>\$ 111,883,246</u>

LINCOLN COUNTY, TENNESSEE**Balance Sheet - Governmental Funds**

Discretely Presented Lincoln County School Department

June 30, 2024

	Major Funds		Nonmajor Funds	
	General Purpose School	Education Capital Projects	Other Govern- mental Funds	Total Governmental Funds
ASSETS				
Cash	\$ 0	\$ 0	\$ 899,669	\$ 899,669
Equity in Pooled Cash and Investments	12,435,494	27,106,843	2,350,639	41,892,976
Accounts Receivable	6,057	0	5,105	11,162
Due from Other Governments	2,734,614	0	726,798	3,461,412
Property Taxes Receivable	4,305,765	1,340,991	0	5,646,756
Allowance for Uncollectible Property Taxes	(48,707)	(15,167)	0	(63,874)
Prepaid Items	835,133	0	560	835,693
Restricted Assets	671,784	0	0	671,784
Total Assets	\$ 20,940,140	\$ 28,432,667	\$ 3,982,771	\$ 53,355,578
LIABILITIES				
Accounts Payable	\$ 91,275	\$ 0	\$ 53,702	\$ 144,977
Accrued Payroll	1,098,282	0	148,508	1,246,790
Total Liabilities	\$ 1,189,557	\$ 0	\$ 202,210	\$ 1,391,767
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	\$ 4,154,319	\$ 1,293,838	\$ 0	\$ 5,448,157
Deferred Delinquent Property Taxes	98,987	30,825	0	129,812
Other Deferred/Unavailable Revenue	1,486,036	0	689,752	2,175,788
Total Deferred Inflows of Resources	\$ 5,739,342	\$ 1,324,663	\$ 689,752	\$ 7,753,757

(Continued)

LINCOLN COUNTY, TENNESSEE**Balance Sheet - Governmental Funds**

Discretely Presented Lincoln County School Department (Cont.)

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	Education Capital Projects	Other Govern- mental Funds	
FUND BALANCES				
Nonspendable:				
Prepaid Items	\$ 835,133	\$ 0	\$ 560	\$ 835,693
Restricted:				
Restricted for Education	155,081	0	2,462,957	2,618,038
Restricted for Capital Projects	0	27,108,004	0	27,108,004
Restricted for Hybrid Retirement Stabilization Funds	671,784	0	0	671,784
Committed:				
Committed for Education	23,951	0	627,292	651,243
Assigned:				
Assigned for Education	2,388,527	0	0	2,388,527
Unassigned	9,936,765	0	0	9,936,765
Total Fund Balances	<u>\$ 14,011,241</u>	<u>\$ 27,108,004</u>	<u>\$ 3,090,809</u>	<u>\$ 44,210,054</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 20,940,140</u>	<u>\$ 28,432,667</u>	<u>\$ 3,982,771</u>	<u>\$ 53,355,578</u>

LINCOLN COUNTY, TENNESSEE**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position**

Discretely Presented Lincoln 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 J-2)		\$	44,210,054
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	1,889,171	
Add: construction in progress		9,793,985	
Add: buildings and improvements net of accumulated depreciation		31,851,621	
Add: other capital assets net of accumulated depreciation		14,183,864	
Add: intangible right-to-use assets net of accumulated amortization		<u>196,381</u>	57,915,022
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: net OPEB liability	\$	(3,064,293)	
Less: compensated absences payable		(68,428)	
Less: leases payable		<u>(203,394)</u>	(3,336,115)
(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 expense and OPEB expense in future years.			
Add: deferred outflows of resources related to pensions	\$	5,884,050	
Add: deferred outflows of resources related to OPEB		940,290	
Less: deferred inflows of resources related to pensions		(717,223)	
Less: deferred inflows of resources related to OPEB		<u>(839,689)</u>	5,267,428
(4) Net pension assets of the agent and cost-sharing plans are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - agent plan	\$	991,417	
Add: net pension asset - teacher retirement plan		153,753	
Add: net pension asset - teacher legacy pension plan		<u>4,376,087</u>	5,521,257
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.			<u>2,305,600</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>111,883,246</u></u>

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

Discretely Presented Lincoln County School Department

For the Year Ended June 30, 2024

	Major Funds		Nonmajor Funds	
	General Purpose School	Education Capital Projects	Other Govern- mental Funds	Total Governmental Funds
Revenues				
Local Taxes	\$ 9,240,259	\$ 1,267,237	\$ 0	\$ 10,507,496
Licenses and Permits	1,542	0	0	1,542
Charges for Current Services	51,716	0	757,205	808,921
Other Local Revenues	172,882	0	1,659,770	1,832,652
State of Tennessee	34,209,960	0	15,763	34,225,723
Federal Government	133,527	0	5,116,857	5,250,384
Other Governments and Citizens Groups	134,449	32,842,381	0	32,976,830
Total Revenues	<u>\$ 43,944,335</u>	<u>\$ 34,109,618</u>	<u>\$ 7,549,595</u>	<u>\$ 85,603,548</u>
Expenditures				
Current:				
Instruction	\$ 24,464,746	\$ 0	\$ 2,607,884	\$ 27,072,630
Support Services	12,438,918	0	673,621	13,112,539
Operation of Non-Instructional Services	1,352,906	0	4,422,835	5,775,741
Capital Outlay	2,089,327	8,801,086	20,450	10,910,863
Total Expenditures	<u>\$ 40,345,897</u>	<u>\$ 8,801,086</u>	<u>\$ 7,724,790</u>	<u>\$ 56,871,773</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 3,598,438</u>	<u>\$ 25,308,532</u>	<u>\$ (175,195)</u>	<u>\$ 28,731,775</u>
Other Financing Sources (Uses)				
Insurance Recovery	\$ 9,126	\$ 0	\$ 0	\$ 9,126
Total Other Financing Sources (Uses)	<u>\$ 9,126</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,126</u>
Net Change in Fund Balances	\$ 3,607,564	\$ 25,308,532	\$ (175,195)	\$ 28,740,901
Fund Balance, July 1, 2023	<u>10,403,677</u>	<u>1,799,472</u>	<u>3,266,004</u>	<u>15,469,153</u>
Fund Balance, June 30, 2024	<u><u>\$ 14,011,241</u></u>	<u><u>\$ 27,108,004</u></u>	<u><u>\$ 3,090,809</u></u>	<u><u>\$ 44,210,054</u></u>

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

Discretely Presented Lincoln 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 J-4) \$ 28,740,901

- (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	\$ 11,936,469	
Less: current-year depreciation and amortization expense	<u>(3,136,191)</u>	8,800,278

- (2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Less: deferred delinquent property taxes and other deferred June 30, 2023	\$ (1,668,536)	
Add: deferred delinquent property taxes and other deferred June 30, 2024	<u>2,305,600</u>	637,064

- (3) The issuance of lease obligations provides current financial resources to governmental funds, while the payment of principal of leases consumes current resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the effect of these differences in the treatment of lease obligations.

Add: principal payments on lease obligations		246,728
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- (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 net OPEB liability	\$ (165,017)	
Change in compensated absences payable	(18,320)	
Change in deferred outflows of resources related to pensions	(234,202)	
Change in deferred outflows of resources related to OPEB	(3,303)	
Change in deferred inflows of resources related to pensions	452,192	
Change in deferred inflows of resources related to OPEB	48,278	
Change in net pension asset - agent plan	519,020	
Change in net pension asset - teacher retirement plan	46,745	
Change in net pension asset - teacher legacy pension plan	<u>(43,193)</u>	<u>602,200</u>

Change in net position of governmental activities (Exhibit B)		<u><u>\$ 39,027,171</u></u>
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LINCOLN COUNTY, TENNESSEE
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Lincoln County School Department
June 30, 2024

	Special Revenue Funds				Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Extended School Program	Internal School	
ASSETS					
Cash	\$ 0	\$ 1,842	\$ 0	\$ 897,827	\$ 899,669
Equity in Pooled Cash and Investments	649,519	1,596,744	104,376	0	2,350,639
Accounts Receivable	0	5,105	0	0	5,105
Due from Other Governments	694,997	31,801	0	0	726,798
Prepaid Items	0	560	0	0	560
Total Assets	<u>\$ 1,344,516</u>	<u>\$ 1,636,052</u>	<u>\$ 104,376</u>	<u>\$ 897,827</u>	<u>\$ 3,982,771</u>
LIABILITIES					
Accounts Payable	\$ 19,656	\$ 12,539	\$ 0	\$ 21,507	\$ 53,702
Accrued Payroll	112,192	36,316	0	0	148,508
Total Liabilities	<u>\$ 131,848</u>	<u>\$ 48,855</u>	<u>\$ 0</u>	<u>\$ 21,507</u>	<u>\$ 202,210</u>
DEFERRED INFLOWS OF RESOURCES					
Other Deferred/Unavailable Revenue	\$ 689,752	\$ 0	\$ 0	\$ 0	\$ 689,752
Total Deferred Inflows of Resources	<u>\$ 689,752</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 689,752</u>
FUND BALANCES					
Nonspendable:					
Prepaid Items	\$ 0	\$ 560	\$ 0	\$ 0	\$ 560
Restricted:					
Restricted for Education	0	1,586,637	0	876,320	2,462,957
Committed for Education	522,916	0	104,376	0	627,292
Total Fund Balances	<u>\$ 522,916</u>	<u>\$ 1,587,197</u>	<u>\$ 104,376</u>	<u>\$ 876,320</u>	<u>\$ 3,090,809</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,344,516</u>	<u>\$ 1,636,052</u>	<u>\$ 104,376</u>	<u>\$ 897,827</u>	<u>\$ 3,982,771</u>

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

Discretely Presented Lincoln County School Department

For the Year Ended June 30, 2024

	Special Revenue Funds				Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Extended School Program	Internal School	
Revenues					
Charges for Current Services	\$ 0	\$ 670,260	\$ 86,945	\$ 0	\$ 757,205
Other Local Revenues	0	71,265	0	1,588,505	1,659,770
State of Tennessee	0	15,763	0	0	15,763
Federal Government	3,348,281	1,768,576	0	0	5,116,857
Total Revenues	\$ 3,348,281	\$ 2,525,864	\$ 86,945	\$ 1,588,505	\$ 7,549,595
Expenditures					
Current:					
Instruction	\$ 2,607,884	\$ 0	\$ 0	\$ 0	\$ 2,607,884
Support Services	673,621	0	0	0	673,621
Operation of Non-Instructional Services	3,023	2,681,369	82,996	1,655,447	4,422,835
Capital Outlay	20,450	0	0	0	20,450
Total Expenditures	\$ 3,304,978	\$ 2,681,369	\$ 82,996	\$ 1,655,447	\$ 7,724,790
Excess (Deficiency) of Revenues Over Expenditures	\$ 43,303	\$ (155,505)	\$ 3,949	\$ (66,942)	\$ (175,195)
Net Change in Fund Balances	\$ 43,303	\$ (155,505)	\$ 3,949	\$ (66,942)	\$ (175,195)
Fund Balance, July 1, 2023	479,613	1,742,702	100,427	943,262	3,266,004
Fund Balance, June 30, 2024	\$ 522,916	\$ 1,587,197	\$ 104,376	\$ 876,320	\$ 3,090,809

LINCOLN COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Lincoln County School Department
General Purpose School Fund
For the Year Ended June 30, 2024

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 9,240,259	\$ 0	\$ 0	\$ 9,240,259	\$ 8,667,706	\$ 8,667,706	\$ 572,553
Licenses and Permits	1,542	0	0	1,542	1,500	1,500	42
Charges for Current Services	51,716	0	0	51,716	95,338	95,338	(43,622)
Other Local Revenues	172,882	0	0	172,882	79,812	118,553	54,329
State of Tennessee	34,209,960	0	0	34,209,960	30,380,731	35,815,044	(1,605,084)
Federal Government	133,527	0	0	133,527	70,000	70,000	63,527
Other Governments and Citizens Groups	134,449	0	0	134,449	17,440	103,120	31,329
Total Revenues	\$ 43,944,335	\$ 0	\$ 0	\$ 43,944,335	\$ 39,312,527	\$ 44,871,261	\$ (926,926)
Expenditures							
Instruction							
Regular Instruction Program	\$ 18,578,759	\$ (95,528)	\$ 135,814	\$ 18,619,045	\$ 20,177,602	\$ 20,069,049	\$ 1,450,004
Alternative Instruction Program	152,754	0	0	152,754	149,005	156,805	4,051
Special Education Program	2,872,812	0	0	2,872,812	2,870,953	3,067,312	194,500
Career and Technical Education Program	2,782,712	(13,400)	279,623	3,048,935	1,400,606	4,115,982	1,067,047
Student Body Education Program	77,709	0	0	77,709	102,740	195,530	117,821
Support Services							
Attendance	216,126	0	0	216,126	211,242	229,492	13,366
Health Services	499,315	(33,032)	0	466,283	504,585	504,585	38,302
Other Student Support	981,129	(46,346)	48,373	983,156	884,516	1,082,826	99,670
Regular Instruction Program	1,196,852	(817)	2,845	1,198,880	1,276,265	1,329,865	130,985
Special Education Program	221,139	0	0	221,139	281,164	257,181	36,042
Career and Technical Education Program	171,401	0	0	171,401	174,424	181,574	10,173
Technology	95,955	0	0	95,955	51,720	122,400	26,445
Other Programs	66,947	0	0	66,947	0	66,947	0
Board of Education	924,384	0	3,350	927,734	1,001,159	1,044,329	116,595
Director of Schools	389,864	0	0	389,864	397,899	429,599	39,735
Office of the Principal	1,868,254	0	0	1,868,254	1,851,805	1,954,510	86,256
Operation of Plant	2,287,891	(438)	4,530	2,291,983	2,459,598	2,593,158	301,175

(Continued)

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Expenditures (Cont.)							
Support Services (Cont.)							
Maintenance of Plant	\$ 1,359,442	\$ (48,824)	\$ 47,373	\$ 1,357,991	\$ 1,355,665	\$ 1,495,666	\$ 137,675
Transportation	2,160,219	(561,906)	805,812	2,404,125	2,393,704	2,899,250	495,125
Operation of Non-Instructional Services							
Food Service	133,614	0	0	133,614	103,529	147,113	13,499
Community Services	288,051	0	0	288,051	74,498	314,298	26,247
Early Childhood Education	931,241	(13,941)	8,889	926,189	206,629	993,062	66,873
Capital Outlay							
Regular Capital Outlay	2,089,327	(181,540)	116,568	2,024,355	1,723,000	2,856,098	831,743
Total Expenditures	<u>\$ 40,345,897</u>	<u>\$ (995,772)</u>	<u>\$ 1,453,177</u>	<u>\$ 40,803,302</u>	<u>\$ 39,652,308</u>	<u>\$ 46,106,631</u>	<u>\$ 5,303,329</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 3,598,438</u>	<u>\$ 995,772</u>	<u>\$ (1,453,177)</u>	<u>\$ 3,141,033</u>	<u>\$ (339,781)</u>	<u>\$ (1,235,370)</u>	<u>\$ 4,376,403</u>
Other Financing Sources (Uses)							
Insurance Recovery	\$ 9,126	\$ 0	\$ 0	\$ 9,126	\$ 0	\$ 8,626	\$ 500
Total Other Financing Sources	<u>\$ 9,126</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,126</u>	<u>\$ 0</u>	<u>\$ 8,626</u>	<u>\$ 500</u>
Net Change in Fund Balance	\$ 3,607,564	\$ 995,772	\$ (1,453,177)	\$ 3,150,159	\$ (339,781)	\$ (1,226,744)	\$ 4,376,903
Fund Balance, July 1, 2023	<u>10,403,677</u>	<u>(995,772)</u>	<u>0</u>	<u>9,407,905</u>	<u>7,768,595</u>	<u>9,407,905</u>	<u>0</u>
Fund Balance, June 30, 2024	<u><u>\$ 14,011,241</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (1,453,177)</u></u>	<u><u>\$ 12,558,064</u></u>	<u><u>\$ 7,428,814</u></u>	<u><u>\$ 8,181,161</u></u>	<u><u>\$ 4,376,903</u></u>

LINCOLN COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Lincoln County School Department
School Federal Projects Fund
For the Year Ended June 30, 2024

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Federal Government	\$ 3,348,281	\$ 0	\$ 0	\$ 3,348,281	\$ 4,165,561	\$ 4,191,919	\$ (843,638)
Total Revenues	\$ 3,348,281	\$ 0	\$ 0	\$ 3,348,281	\$ 4,165,561	\$ 4,191,919	\$ (843,638)
Expenditures							
Instruction							
Regular Instruction Program	\$ 1,641,714	\$ (19,056)	\$ 46,783	\$ 1,669,441	\$ 2,076,073	\$ 2,009,340	\$ 339,899
Special Education Program	906,544	0	0	906,544	928,897	933,284	26,740
Career and Technical Education Program	59,626	0	0	59,626	51,934	59,626	0
Support Services							
Other Student Support	56,750	0	0	56,750	118,398	94,109	37,359
Regular Instruction Program	348,179	0	10,000	358,179	437,148	469,589	111,410
Special Education Program	149,905	0	0	149,905	88,597	154,375	4,470
Career and Technical Education Program	5,391	0	0	5,391	7,500	5,391	0
Technology	0	0	0	0	250,000	45,000	45,000
Board of Education	669	0	0	669	1,400	669	0
Office of the Principal	0	0	0	0	42,085	42,085	42,085
Operation of Plant	0	0	0	0	3,864	3,864	3,864
Transportation	112,727	0	0	112,727	109,655	115,455	2,728
Operation of Non-Instructional Services							
Food Service	3,023	0	0	3,023	2,955	3,161	138
Capital Outlay							
Regular Capital Outlay	20,450	0	155,885	176,335	57,000	255,971	79,636
Total Expenditures	\$ 3,304,978	\$ (19,056)	\$ 212,668	\$ 3,498,590	\$ 4,175,506	\$ 4,191,919	\$ 693,329
Excess (Deficiency) of Revenues Over Expenditures	\$ 43,303	\$ 19,056	\$ (212,668)	\$ (150,309)	\$ (9,945)	\$ 0	\$ (150,309)
Other Financing Sources (Uses)							
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,945	\$ 0	\$ 0
Total Other Financing Sources	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,945	\$ 0	\$ 0
Net Change in Fund Balance	\$ 43,303	\$ 19,056	\$ (212,668)	\$ (150,309)	\$ 0	\$ 0	\$ (150,309)
Fund Balance, July 1, 2023	479,613	(19,056)	0	460,557	1,000,000	1,000,000	(539,443)
Fund Balance, June 30, 2024	\$ 522,916	\$ 0	\$ (212,668)	\$ 310,248	\$ 1,000,000	\$ 1,000,000	\$ (689,752)

LINCOLN COUNTY, TENNESSEE**Schedule of Revenues, Expenditures, and Changes****in Fund Balance - Actual (Budgetary Basis) and Budget**

Discretely Presented Lincoln County School Department

Central Cafeteria Fund

For the Year Ended June 30, 2024

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2023	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Charges for Current Services	\$ 670,260	\$ 0	\$ 0	\$ 670,260	\$ 755,000	\$ 755,000	\$ (84,740)
Other Local Revenues	71,265	0	0	71,265	36,000	36,000	35,265
State of Tennessee	15,763	0	0	15,763	17,600	17,600	(1,837)
Federal Government	1,768,576	0	0	1,768,576	1,445,000	1,535,000	233,576
Total Revenues	<u>\$ 2,525,864</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,525,864</u>	<u>\$ 2,253,600</u>	<u>\$ 2,343,600</u>	<u>\$ 182,264</u>
Expenditures							
Operation of Non-Instructional Services							
Food Service	\$ 2,681,369	\$ (488,082)	\$ 148,309	\$ 2,341,596	\$ 2,548,757	\$ 3,030,507	\$ 688,911
Total Expenditures	<u>\$ 2,681,369</u>	<u>\$ (488,082)</u>	<u>\$ 148,309</u>	<u>\$ 2,341,596</u>	<u>\$ 2,548,757</u>	<u>\$ 3,030,507</u>	<u>\$ 688,911</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (155,505)</u>	<u>\$ 488,082</u>	<u>\$ (148,309)</u>	<u>\$ 184,268</u>	<u>\$ (295,157)</u>	<u>\$ (686,907)</u>	<u>\$ 871,175</u>
Net Change in Fund Balance	\$ (155,505)	\$ 488,082	\$ (148,309)	\$ 184,268	\$ (295,157)	\$ (686,907)	\$ 871,175
Fund Balance, July 1, 2023	1,742,702	(488,082)	0	1,254,620	589,398	1,254,620	0
Fund Balance, June 30, 2024	<u><u>\$ 1,587,197</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (148,309)</u></u>	<u><u>\$ 1,438,888</u></u>	<u><u>\$ 294,241</u></u>	<u><u>\$ 567,713</u></u>	<u><u>\$ 871,175</u></u>

LINCOLN COUNTY, TENNESSEE**Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget**

Discretely Presented Lincoln County School Department

Extended School Program Fund

For the Year Ended June 30, 2024

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Revenues						
Charges for Current Services	\$ 86,945	\$ 0	\$ 86,945	\$ 128,000	\$ 128,000	\$ (41,055)
Total Revenues	<u>\$ 86,945</u>	<u>\$ 0</u>	<u>\$ 86,945</u>	<u>\$ 128,000</u>	<u>\$ 128,000</u>	<u>\$ (41,055)</u>
Expenditures						
Operation of Non-Instructional Services						
Community Services	\$ 82,996	\$ 7,817	\$ 90,813	\$ 128,000	\$ 135,818	\$ 45,005
Total Expenditures	<u>\$ 82,996</u>	<u>\$ 7,817</u>	<u>\$ 90,813</u>	<u>\$ 128,000</u>	<u>\$ 135,818</u>	<u>\$ 45,005</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 3,949</u>	<u>\$ (7,817)</u>	<u>\$ (3,868)</u>	<u>\$ 0</u>	<u>\$ (7,818)</u>	<u>\$ 3,950</u>
Net Change in Fund Balance	\$ 3,949	\$ (7,817)	\$ (3,868)	\$ 0	\$ (7,818)	\$ 3,950
Fund Balance, July 1, 2023	<u>100,427</u>	<u>0</u>	<u>100,427</u>	<u>111,254</u>	<u>100,427</u>	<u>0</u>
Fund Balance, June 30, 2024	<u><u>\$ 104,376</u></u>	<u><u>\$ (7,817)</u></u>	<u><u>\$ 96,559</u></u>	<u><u>\$ 111,254</u></u>	<u><u>\$ 92,609</u></u>	<u><u>\$ 3,950</u></u>

LINCOLN COUNTY, TENNESSEE**Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget**

Discretely Presented Lincoln County School Department

Education Capital Projects Fund

For the Year Ended June 30, 2024

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Revenues						
Local Taxes	\$ 1,267,237	\$ 0	\$ 1,267,237	\$ 1,258,543	\$ 1,258,543	\$ 8,694
Other Governments and Citizens Groups	32,842,381	0	32,842,381	0	32,842,381	0
Total Revenues	<u>\$ 34,109,618</u>	<u>\$ 0</u>	<u>\$ 34,109,618</u>	<u>\$ 1,258,543</u>	<u>\$ 34,100,924</u>	<u>\$ 8,694</u>
Expenditures						
Capital Outlay						
Regular Capital Outlay	\$ 8,801,086	\$ 711,504	\$ 9,512,590	\$ 1,530,000	\$ 35,617,381	\$ 26,104,791
Total Expenditures	<u>\$ 8,801,086</u>	<u>\$ 711,504</u>	<u>\$ 9,512,590</u>	<u>\$ 1,530,000</u>	<u>\$ 35,617,381</u>	<u>\$ 26,104,791</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 25,308,532</u>	<u>\$ (711,504)</u>	<u>\$ 24,597,028</u>	<u>\$ (271,457)</u>	<u>\$ (1,516,457)</u>	<u>\$ 26,113,485</u>
Net Change in Fund Balance	\$ 25,308,532	\$ (711,504)	\$ 24,597,028	\$ (271,457)	\$ (1,516,457)	\$ 26,113,485
Fund Balance, July 1, 2023	<u>1,799,472</u>	<u>0</u>	<u>1,799,472</u>	<u>1,577,222</u>	<u>1,799,472</u>	<u>0</u>
Fund Balance, June 30, 2024	<u><u>\$ 27,108,004</u></u>	<u><u>\$ (711,504)</u></u>	<u><u>\$ 26,396,500</u></u>	<u><u>\$ 1,305,765</u></u>	<u><u>\$ 283,015</u></u>	<u><u>\$ 26,113,485</u></u>

MISCELLANEOUS SCHEDULES

LINCOLN COUNTY, TENNESSEE**Schedule of Changes in Long-term Bonds, Notes, and Other Loans****For the Year Ended June 30, 2024**

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-23	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-24
GOVERNMENTAL ACTIVITIES								
BONDS PAYABLE								
Payable through General Debt Service Fund								
General Obligation Public Improvement Bonds, Series 2014	\$ 7,000,000	3.25 %	3-6-14	6-1-34	\$ 4,190,000	\$ 0	\$ 320,000	\$ 3,870,000
General Obligation School Bonds, Series 2018	30,470,000	3.67	11-20-18	5-1-43	28,040,000	0	895,000	27,145,000
General Obligation School Bonds, Series 2023	41,380,000	4.39	11-9-23	5-1-44	0	41,380,000	2,000,000	39,380,000
Total Bonds Payable					<u>\$ 32,230,000</u>	<u>\$ 41,380,000</u>	<u>\$ 3,215,000</u>	<u>\$ 70,395,000</u>
NOTES PAYABLE								
Payable through General Debt Service Fund								
Jail Renovations	1,000,000	2.195	4-14-15	4-1-27	\$ 355,000	\$ 0	\$ 85,000	\$ 270,000
Total Notes Payable					<u>\$ 355,000</u>	<u>\$ 0</u>	<u>\$ 85,000</u>	<u>\$ 270,000</u>
BUSINESS-TYPE ACTIVITIES								
BONDS PAYABLE								
Payable through Lincoln County Board of Public Utilities Fund								
Water Revenue and Tax Bond	6,575,000	2.2 to 4.0	8-26-15	4-1-36	\$ 4,565,000	\$ 0	\$ 290,000	\$ 4,275,000
Total Bonds Payable					<u>\$ 4,565,000</u>	<u>\$ 0</u>	<u>\$ 290,000</u>	<u>\$ 4,275,000</u>
OTHER LOANS PAYABLE								
Payable through Lincoln County Board of Public Utilities Fund								
Clean Water State Revolving Loan Fund	600,000	0.75	11-10-16	4-1-37	\$ 422,060	\$ 0	\$ 26,796	\$ 395,264
Capitalization Grants for Clean Water State Revolving Loan Fund	3,558,000	0.91	9-18-15	9-1-36	2,293,601	0	150,887	2,142,714
Drinking Water State Revolving Loan Fund	306,250	0.82	6-26-17	10-20-39	252,579	0	13,365	239,214
Drinking Water State Revolving Loan Fund	306,134	0.82	6-26-17	3-20-41	258,547	0	13,310	245,237
Total Other Loans Payable					<u>\$ 3,226,787</u>	<u>\$ 0</u>	<u>\$ 204,358</u>	<u>\$ 3,022,429</u>

LINCOLN COUNTY, TENNESSEE**Schedule of Long-term Debt Requirements by Year****GOVERNMENTAL ACTIVITIES**

Year Ending June 30	Bonds		
	Principal	Interest	Total
2025	\$ 2,465,000	\$ 3,204,618	\$ 5,669,618
2026	2,580,000	3,087,968	5,667,968
2027	2,700,000	2,965,767	5,665,767
2028	2,835,000	2,837,329	5,672,329
2029	2,965,000	2,702,151	5,667,151
2030	3,110,000	2,560,463	5,670,463
2031	3,260,000	2,411,300	5,671,300
2032	3,400,000	2,276,337	5,676,337
2033	3,555,000	2,125,112	5,680,112
2034	3,715,000	1,966,363	5,681,363
2035	3,405,000	1,800,350	5,205,350
2036	3,565,000	1,644,700	5,209,700
2037	3,725,000	1,481,650	5,206,650
2038	3,890,000	1,311,200	5,201,200
2039	4,075,000	1,133,100	5,208,100
2040	4,250,000	955,319	5,205,319
2041	4,440,000	766,756	5,206,756
2042	4,635,000	569,731	5,204,731
2043	4,845,000	363,969	5,208,969
2044	2,980,000	145,275	3,125,275
Total	\$ 70,395,000	\$ 36,309,458	\$ 106,704,458

Year Ending June 30	Notes		
	Principal	Interest	Total
2025	\$ 90,000	\$ 5,926	\$ 95,926
2026	90,000	3,951	93,951
2027	90,000	1,975	91,975
Total	\$ 270,000	\$ 11,852	\$ 281,852

(Continued)

LINCOLN COUNTY, TENNESSEE**Schedule of Long-term Debt Requirements by Year (Cont.)****BUSINESS-TYPE ACTIVITIES**

Year Ending June 30	Bonds		
	Principal	Interest	Total
2025	\$ 305,000	\$ 129,261	\$ 434,261
2026	315,000	117,061	432,061
2027	320,000	110,131	430,131
2028	330,000	102,131	432,131
2029	340,000	93,469	433,469
2030	350,000	84,119	434,119
2031	355,000	74,494	429,494
2032	370,000	63,844	433,844
2033	380,000	52,744	432,744
2034	390,000	40,869	430,869
2035	405,000	28,193	433,193
2036	415,000	14,525	429,525
Total	\$ 4,275,000	\$ 910,841	\$ 5,185,841

Year Ending June 30	Other Loans Payable		
	Principal	Interest	Total
2025	\$ 224,904	\$ 25,536	\$ 250,440
2026	226,884	23,556	250,440
2027	228,876	21,564	250,440
2028	230,904	19,536	250,440
2029	232,944	17,496	250,440
2030	234,984	15,456	250,440
2031	237,048	13,392	250,440
2032	239,148	11,292	250,440
2033	241,260	9,180	250,440
2034	243,384	7,056	250,440
2035	245,520	4,920	250,440
2036	247,692	2,748	250,440
2037	105,266	979	106,245
2038	32,640	564	33,204
2039	32,904	300	33,204
2040	15,159	57	15,216
2041	2,912	2	2,914
Total	\$ 3,022,429	\$ 173,634	\$ 3,196,063

LINCOLN COUNTY, TENNESSEE**Schedule of Changes in Lease Obligations**

Discretely Presented Lincoln County School Department

For the Year Ended June 30, 2024

Description	Original Amount of Issue	Interest Rate		Date of Issue	Maturity Date	Outstanding 7-1-23	Paid and/or Matured During Period	Outstanding 6-30-24
LEASES PAYABLE								
Payable through the General Purpose School Fund								
Lenovo - Laptops - 2020	\$ 239,093	3.67	%	5-20-20	11-17-23	\$ 53,797	\$ 53,797	\$ 0
Lenovo - Chromebooks - 2021	114,894	3.67		7-1-21	9-14-23	39,589	39,589	0
Copiers - 2022	125,672	3.67		3-1-22	3-1-27	94,086	24,423	69,663
Lenovo - Chromebooks - 2022	388,113	3.67		5-2-22	5-2-25	262,650	128,919	133,731
Total Leases Payable						\$ 450,122	\$ 246,728	\$ 203,394

Exhibit K-4

LINCOLN COUNTY, TENNESSEE

Schedule of Lease Requirements by Year

Discretely Presented Lincoln County School Department

Year Ending June 30	Leases		
	Principal	Interest	Total
2025	\$ 159,065	\$ 4,807	\$ 163,872
2026	26,280	1,188	27,468
2027	18,049	243	18,292
Total	\$ 203,394	\$ 6,238	\$ 209,632

LINCOLN COUNTY, TENNESSEE
Schedule of Transfers
For the Year Ended June 30, 2024

From Fund	To Fund	Purpose	Amount
General	Highway/Public Works	Capital projects	<u>\$ 600,000</u>
Total Transfers			<u><u>\$ 600,000</u></u>

LINCOLN COUNTY, TENNESSEE**Schedule of Salaries and Official Bonds of Principal Officials**

Primary Government and Discretely Presented Lincoln County School Department

For the Year Ended June 30, 2024

Official	Salary	Authorization	Bond	Surety
County Mayor		Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	<u>\$ 108,513</u>			
Highway Superintendent		Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	<u>\$ 103,346</u>			
Director of Schools		State Board of Education and County Board of Education	(1)	Tennessee Risk Management Trust
Base salary	\$ 166,014			
Professional development	7,500			
Employee portion of TCRS contribution	9,206			
Travel allowance	9,600			
Bonus	1,100			
Accrued leave payout	15,324			
Chief executive officers training supplement	1,000			
Total compensation	<u>\$ 209,744</u>			
Trustee		Section 8-24-102, <i>TCA</i>	\$ 1,495,112	RLI Insurance Company
Base salary/Total compensation	<u>\$ 93,951</u>			
Assessor of Property		Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	<u>\$ 93,951</u>			
County Clerk		Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	<u>\$ 93,951</u>			
Circuit and General Sessions Courts Clerk		Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	<u>\$ 93,951</u>			

(Continued)

LINCOLN COUNTY, TENNESSEE**Schedule of Salaries and Official Bonds of Principal Officials (Cont.)**

Primary Government and Discretely Presented Lincoln County School Department

Official	Salary	Authorization	Bond	Surety
Clerk and Master		Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary	\$ 93,951			
Special commissioner fees	2,250			
Total compensation	<u>\$ 96,201</u>			
Register of Deeds		Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	<u>\$ 93,951</u>			
Sheriff - Murray Blackwelder (7/1/23 - 8/14/23)		Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	<u>\$ 12,322</u>			
Sheriff - Joyce McConnell (8/15/23 - 6/30/24)		Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary	\$ 91,024			
Law enforcement training supplement	800			
Total compensation	<u>\$ 91,824</u>			
Total Sheriff compensation	<u>\$ 104,146</u>			
Director of Finance		County Commission	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	<u>\$ 100,962</u>			
Employee Blanket Bonds:				
Public Employee Dishonesty - County Departments			\$ 400,000	Local Government Property and Casualty Fund
Public Employee Dishonesty - School Department			500,000	Tennessee Risk Management Trust

(1) Official is under the employee fidelity insurance coverage.

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
Local Taxes					
County Property Taxes					
Current Property Tax	\$ 9,887,661	\$ 0	\$ 0	\$ 0	\$ 1,116,696
Trustee's Collections - Prior Year	145,667	0	0	0	17,839
Trustee's Collections - Bankruptcy	9,736	0	0	0	1,094
Circuit Clerk/Clerk and Master Collections - Prior Years	39,692	0	0	0	5,337
Interest and Penalty	29,362	0	0	0	3,411
Payments in-Lieu-of Taxes - T.V.A.	2,794	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	289,603	0	0	0	0
Payments in-Lieu-of Taxes - Other	511,274	0	0	0	0
County Local Option Taxes					
Local Option Sales Tax	2,581,538	0	0	0	0
Hotel/Motel Tax	186,550	0	0	0	0
Wheel Tax	211,157	0	0	0	1,364,396
Litigation Tax - General	75,697	0	0	0	0
Litigation Tax - Special Purpose	91,844	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	32,415	0	0	0	0
Litigation Tax - Courthouse Security	77,734	0	0	0	0
Business Tax	444,253	0	0	0	0
Mineral Severance Tax	0	0	0	0	35,224
Statutory Local Taxes					
Bank Excise Tax	197,128	0	0	0	0
Total Local Taxes	\$ 14,814,105	\$ 0	\$ 0	\$ 0	\$ 2,543,997
Licenses and Permits					
Licenses					
Cable TV Franchise	\$ 58,271	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitutional - Officers - Fees	Highway / Public Works
Licenses and Permits (Cont.)					
Permits					
Beer Permits	\$ 4,712	\$ 0	\$ 0	\$ 0	0
Building Permits	202,269	0	0	0	0
Total Licenses and Permits	<u>\$ 265,252</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
Fines, Forfeitures, and Penalties					
Circuit Court					
Fines	\$ 238	\$ 0	\$ 0	\$ 0	0
Officers Costs	9,034	0	0	0	0
Drug Control Fines	5,097	0	6,908	0	0
Jail Fees	4,521	0	0	0	0
DUI Treatment Fines	158	0	0	0	0
Data Entry Fee - Circuit Court	2,176	0	0	0	0
Courtroom Security Fee	211	0	0	0	0
General Sessions Court					
Fines	18,202	0	0	0	0
Officers Costs	51,483	0	0	0	0
Game and Fish Fines	544	0	0	0	0
Drug Control Fines	12,862	0	11,318	0	0
Jail Fees	17,756	0	0	0	0
Judicial Commissioner Fees	3,050	0	0	0	0
DUI Treatment Fines	7,629	0	0	0	0
Data Entry Fee - General Sessions Court	11,244	0	0	0	0
Courtroom Security Fee	11,451	0	0	0	0
Juvenile Court					
Officers Costs	139	0	0	0	0

(Continued)

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works
Fines, Forfeitures, and Penalties (Cont.)					
Chancery Court					
Officers Costs	\$ 733	\$ 0	\$ 0	\$ 0	0
Data Entry Fee - Chancery Court	2,005	0	0	0	0
Courtroom Security Fee	21	0	0	0	0
Other Courts - In-county					
Fines	6,354	0	0	0	0
Other Fines, Forfeitures, and Penalties					
Proceeds from Confiscated Property	0	0	37,404	0	0
Other Fines, Forfeitures, and Penalties	0	0	50,366	0	0
Total Fines, Forfeitures, and Penalties	<u>\$ 164,908</u>	<u>\$ 0</u>	<u>\$ 105,996</u>	<u>\$ 0</u>	<u>0</u>
Charges for Current Services					
General Service Charges					
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 118,484	\$ 0	\$ 0	0
Residential Waste Collection Charge	0	1,730,854	0	0	0
Patient Charges	11,195	0	0	0	0
Zoning Studies	13,097	0	0	0	0
Fees					
Copy Fees	485	0	0	0	0
Archives and Records Management Fee	6,940	0	0	0	0
Telephone Commissions	112,337	0	0	0	0
Additional Fees - Titling and Registration	35,332	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	2,280	0
Data Processing Fee - Register	10,654	0	0	0	0
Data Processing Fee - Sheriff	2,864	0	0	0	0
Sexual Offender Registration Fee - Sheriff	6,400	0	0	0	0
Data Processing Fee - County Clerk	4,248	0	0	0	0

(Continued)

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
Charges for Current Services (Cont.)					
Education Charges					
Other Charges for Services	\$ 392	\$ 0	\$ 0	\$ 0	\$ 0
Total Charges for Current Services	\$ 203,944	\$ 1,849,338	\$ 0	\$ 2,280	\$ 0
Other Local Revenues					
Recurring Items					
Investment Income	\$ 1,305,116	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals/PPP	89,840	0	0	0	0
Sale of Materials and Supplies	7,812	1,581	0	0	36,858
Commissary Sales	6,537	0	0	0	0
Miscellaneous Refunds	4,852	8,110	250	0	0
Nonrecurring Items					
Sale of Equipment	16,400	0	1,825	0	0
Damages Recovered from Individuals	15,994	0	0	0	0
Total Other Local Revenues	\$ 1,446,551	\$ 9,691	\$ 2,075	\$ 0	\$ 36,858
Fees Received From County Officials					
Fees In-Lieu-of Salary					
County Clerk	\$ 640,108	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	111,279	0	0	0	0
General Sessions Court Clerk	214,859	0	0	0	0
Clerk and Master	93,945	0	0	0	0
Register	160,521	0	0	0	0
Sheriff	10,447	0	0	0	0
Trustee	659,077	0	0	0	0
Total Fees Received From County Officials	\$ 1,890,236	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

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

	General	Special Revenue Funds			
		Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
State of Tennessee					
General Government Grants					
Juvenile Services Program	\$ 4,500	\$ 0	\$ 0	\$ 0	0
Public Safety Grants					
Law Enforcement Training Programs	33,600	0	0	0	0
School Resource Officer Grants	448,253	0	0	0	0
Other Public Safety Grants	13,818	0	0	0	0
Health and Welfare Grants					
Health Department Programs	421,499	0	0	0	0
Other Health and Welfare Grants	32,818	0	0	0	0
Public Works Grants					
State Aid Program	0	0	0	0	1,432,896
Litter Program	28,342	0	0	0	0
Other State Revenues					
Vehicle Certificate of Title Fees	8,757	0	0	0	0
Alcoholic Beverage Tax	108,263	0	0	0	0
Opioid Settlement Funds - TN Abatement Council	147,855	0	0	0	0
State Revenue Sharing - Telecommunications	47,370	0	0	0	0
State Shared Sports Gaming Privilege Tax	51,489	0	0	0	0
Contracted Prisoner Boarding	830,455	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	2,780,287
Hybrid/Electric Vehicle Registration Fee	0	0	0	0	11,252
Petroleum Special Tax	0	0	0	0	23,402
Registrar's Salary Supplement	15,164	0	0	0	0
State Shared Sales Tax - Cities	13,288	0	0	0	0
Other State Grants	714,461	0	0	0	0
Other State Revenues	81,253	27,104	0	0	0
Total State of Tennessee	\$ 3,001,185	\$ 27,104	\$ 0	\$ 0	4,247,837

(Continued)

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
Federal Government					
Federal Through State					
Civil Defense Reimbursement	\$ 55,177	\$ 0	\$ 0	\$ 0	0
Other Federal through State	88,251	0	0	0	0
Total Federal Government	<u>\$ 143,428</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
Other Governments and Citizens Groups					
Other Governments					
Contributions	\$ 24,014	\$ 0	\$ 0	\$ 0	0
Citizens Groups					
Donations	71,105	0	0	0	0
Other					
Opioid Settlement Funds - Past Remediation	87,536	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 182,655</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
Total	<u>\$ 22,112,264</u>	<u>\$ 1,886,133</u>	<u>\$ 108,071</u>	<u>\$ 2,280</u>	<u>\$ 6,828,692</u>

(Continued)

LINCOLN 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	\$ 4,727,897	\$ 15,732,254	
Trustee's Collections - Prior Year	62,318	225,824	
Trustee's Collections - Bankruptcy	4,625	15,455	
Circuit Clerk/Clerk and Master Collections - Prior Years	22,567	67,596	
Interest and Penalty	13,428	46,201	
Payments in-Lieu-of Taxes - T.V.A.	0	2,794	
Payments in-Lieu-of Taxes - Local Utilities	0	289,603	
Payments in-Lieu-of Taxes - Other	0	511,274	
County Local Option Taxes			
Local Option Sales Tax	0	2,581,538	
Hotel/Motel Tax	0	186,550	
Wheel Tax	860,869	2,436,422	
Litigation Tax - General	0	75,697	
Litigation Tax - Special Purpose	0	91,844	
Litigation Tax - Jail, Workhouse, or Courthouse	75,905	108,320	
Litigation Tax - Courthouse Security	0	77,734	
Business Tax	0	444,253	
Mineral Severance Tax	0	35,224	
Statutory Local Taxes			
Bank Excise Tax	0	197,128	
Total Local Taxes	<u>\$ 5,767,609</u>	<u>\$ 23,125,711</u>	
Licenses and Permits			
Licenses			
Cable TV Franchise	\$ 0	\$ 58,271	

(Continued)

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

	Debt Service Fund		
	General Debt Service		Total
<hr/>			
Licenses and Permits (Cont.)			
Permits			
Beer Permits	\$ 0	\$	4,712
Building Permits	0		202,269
Total Licenses and Permits	<u>\$ 0</u>	<u>\$</u>	<u>265,252</u>
 Fines, Forfeitures, and Penalties			
Circuit Court			
Fines	\$ 0	\$	238
Officers Costs	0		9,034
Drug Control Fines	0		12,005
Jail Fees	0		4,521
DUI Treatment Fines	0		158
Data Entry Fee - Circuit Court	0		2,176
Courtroom Security Fee	0		211
General Sessions Court			
Fines	0		18,202
Officers Costs	0		51,483
Game and Fish Fines	0		544
Drug Control Fines	0		24,180
Jail Fees	0		17,756
Judicial Commissioner Fees	0		3,050
DUI Treatment Fines	0		7,629
Data Entry Fee - General Sessions Court	0		11,244
Courtroom Security Fee	0		11,451
Juvenile Court			
Officers Costs	0		139

(Continued)

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

	Debt Service Fund		
	General Debt Service		Total
Fines, Forfeitures, and Penalties (Cont.)			
Chancery Court			
Officers Costs	\$	0	\$ 733
Data Entry Fee - Chancery Court		0	2,005
Courtroom Security Fee		0	21
Other Courts - In-county			
Fines		0	6,354
Other Fines, Forfeitures, and Penalties			
Proceeds from Confiscated Property		0	37,404
Other Fines, Forfeitures, and Penalties		0	50,366
Total Fines, Forfeitures, and Penalties	\$	0	\$ 270,904
Charges for Current Services			
General Service Charges			
Commercial and Industrial Waste Collection Charge	\$	0	\$ 118,484
Residential Waste Collection Charge		0	1,730,854
Patient Charges		0	11,195
Zoning Studies		0	13,097
Fees			
Copy Fees		0	485
Archives and Records Management Fee		0	6,940
Telephone Commissions		0	112,337
Additional Fees - Titling and Registration		0	35,332
Constitutional Officers' Fees and Commissions		0	2,280
Data Processing Fee - Register		0	10,654
Data Processing Fee - Sheriff		0	2,864
Sexual Offender Registration Fee - Sheriff		0	6,400
Data Processing Fee - County Clerk		0	4,248

(Continued)

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

	Debt Service Fund	
	General Debt Service	Total
Charges for Current Services (Cont.)		
Education Charges		
Other Charges for Services	\$ 0	\$ 392
Total Charges for Current Services	\$ 0	\$ 2,055,562
Other Local Revenues		
Recurring Items		
Investment Income	\$ 1,114,175	\$ 2,419,291
Lease/Rentals/PPP	0	89,840
Sale of Materials and Supplies	0	46,251
Commissary Sales	0	6,537
Miscellaneous Refunds	0	13,212
Nonrecurring Items		
Sale of Equipment	0	18,225
Damages Recovered from Individuals	0	15,994
Total Other Local Revenues	\$ 1,114,175	\$ 2,609,350
Fees Received From County Officials		
Fees In-Lieu-of Salary		
County Clerk	\$ 0	\$ 640,108
Circuit Court Clerk	0	111,279
General Sessions Court Clerk	0	214,859
Clerk and Master	0	93,945
Register	0	160,521
Sheriff	0	10,447
Trustee	0	659,077
Total Fees Received From County Officials	\$ 0	\$ 1,890,236

(Continued)

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

	Debt Service Fund		
	General Debt Service		Total
State of Tennessee			
General Government Grants			
Juvenile Services Program	\$	0	\$ 4,500
Public Safety Grants			
Law Enforcement Training Programs		0	33,600
School Resource Officer Grants		0	448,253
Other Public Safety Grants		0	13,818
Health and Welfare Grants			
Health Department Programs		0	421,499
Other Health and Welfare Grants		0	32,818
Public Works Grants			
State Aid Program		0	1,432,896
Litter Program		0	28,342
Other State Revenues			
Vehicle Certificate of Title Fees		0	8,757
Alcoholic Beverage Tax		0	108,263
Opioid Settlement Funds - TN Abatement Council		0	147,855
State Revenue Sharing - Telecommunications		0	47,370
State Shared Sports Gaming Privilege Tax		0	51,489
Contracted Prisoner Boarding		0	830,455
Gasoline and Motor Fuel Tax		0	2,780,287
Hybrid/Electric Vehicle Registration Fee		0	11,252
Petroleum Special Tax		0	23,402
Registrar's Salary Supplement		0	15,164
State Shared Sales Tax - Cities		0	13,288
Other State Grants		0	714,461
Other State Revenues		0	108,357
Total State of Tennessee	\$	0	\$ 7,276,126

(Continued)

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

	Debt Service Fund	
	General Debt Service	Total
Federal Government		
Federal Through State		
Civil Defense Reimbursement	\$ 0	\$ 55,177
Other Federal through State	0	88,251
Total Federal Government	<u>\$ 0</u>	<u>\$ 143,428</u>
Other Governments and Citizens Groups		
Other Governments		
Contributions	\$ 0	\$ 24,014
Citizens Groups		
Donations	0	71,105
Other		
Opioid Settlement Funds - Past Remediation	0	87,536
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 182,655</u>
Total	<u>\$ 6,881,784</u>	<u>\$ 37,819,224</u>

LINCOLN COUNTY, TENNESSEE**Schedule of Detailed Revenues -****All Governmental Fund Types**

Discretely Presented Lincoln County School Department

For the Year Ended June 30, 2024

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Internal School
Local Taxes					
County Property Taxes					
Current Property Tax	\$ 3,972,034	\$ 0	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	63,489	0	0	0	0
Trustee's Collections - Bankruptcy	3,914	0	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	18,894	0	0	0	0
Interest and Penalty	12,131	0	0	0	0
County Local Option Taxes					
Local Option Sales Tax	5,048,699	0	0	0	0
Statutory Local Taxes					
Wholesale Beer Tax	121,098	0	0	0	0
Total Local Taxes	<u>\$ 9,240,259</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
Licenses and Permits					
Licenses					
Marriage Licenses	\$ 1,542	\$ 0	\$ 0	\$ 0	0
Total Licenses and Permits	<u>\$ 1,542</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
Charges for Current Services					
Education Charges					
Lunch Payments - Children	\$ 0	\$ 0	\$ 298,968	\$ 0	0
Lunch Payments - Adults	0	0	23,968	0	0
Income from Breakfast	0	0	133,589	0	0
A la Carte Sales	0	0	213,735	0	0
Receipts from Individual Schools	39,958	0	0	0	0
Community Service Fees - Children	0	0	0	86,945	0

(Continued)

LINCOLN COUNTY, TENNESSEE**Schedule of Detailed Revenues -****All Governmental Fund Types**

Discretely Presented Lincoln County School Department (Cont.)

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Internal School
Charges for Current Services (Cont.)					
Education Charges (Cont.)					
Other Charges for Services	\$ 11,758	\$ 0	\$ 0	\$ 0	\$ 0
Total Charges for Current Services	<u>\$ 51,716</u>	<u>\$ 0</u>	<u>\$ 670,260</u>	<u>\$ 86,945</u>	<u>\$ 0</u>
Other Local Revenues					
Recurring Items					
Investment Income	\$ 56,547	\$ 0	\$ 58,859	\$ 0	\$ 0
Lease/Rentals/PPP	34,812	0	0	0	0
Sale of Materials and Supplies	1,841	0	0	0	0
Miscellaneous Refunds	49,219	0	10,596	0	0
Nonrecurring Items					
Sale of Equipment	1,001	0	1,810	0	0
Damages Recovered from Individuals	28,962	0	0	0	0
Contributions and Gifts	500	0	0	0	0
Other Local Revenues					
Other Local Revenues	0	0	0	0	1,588,505
Total Other Local Revenues	<u>\$ 172,882</u>	<u>\$ 0</u>	<u>\$ 71,265</u>	<u>\$ 0</u>	<u>\$ 1,588,505</u>
State of Tennessee					
General Government Grants					
On-behalf Contributions for OPEB	\$ 66,947	\$ 0	\$ 0	\$ 0	\$ 0
State Education Funds					
Tennessee Investment in Student Achievement	29,850,666	0	0	0	0
TISA - On-behalf Payments	53,741	0	0	0	0
Early Childhood Education	712,604	0	0	0	0

(Continued)

LINCOLN COUNTY, TENNESSEE**Schedule of Detailed Revenues -****All Governmental Fund Types**

Discretely Presented Lincoln County School Department (Cont.)

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Internal School
State of Tennessee (Cont.)					
State Education Funds (Cont.)					
School Food Service	\$ 0	\$ 0	\$ 15,763	\$ 0	\$ 0
Driver Education	16,368	0	0	0	0
Other State Education Funds	519,891	0	0	0	0
Coordinated School Health	12,869	0	0	0	0
Family Resource Centers	2,468	0	0	0	0
Career Ladder Program	33,795	0	0	0	0
Other Vocational	1,874,704	0	0	0	0
Other State Revenues					
Income Tax	154	0	0	0	0
Beer Tax	14,357	0	0	0	0
State Revenue Sharing - T.V.A.	935,920	0	0	0	0
Other State Grants	30,588	0	0	0	0
Safe Schools	52,675	0	0	0	0
Other State Revenues	32,213	0	0	0	0
Total State of Tennessee	\$ 34,209,960	\$ 0	\$ 15,763	\$ 0	\$ 0
Federal Government					
Federal Through State					
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,090,771	\$ 0	\$ 0
USDA - Commodities	0	0	141,747	0	0
Breakfast	0	0	442,800	0	0
USDA - Other	0	0	93,258	0	0
Vocational Education - Basic Grants to States	0	78,967	0	0	0
Title I Grants to Local Education Agencies	0	987,557	0	0	0

(Continued)

LINCOLN COUNTY, TENNESSEE**Schedule of Detailed Revenues -****All Governmental Fund Types**

Discretely Presented Lincoln County School Department (Cont.)

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Internal School
Federal Government (Cont.)					
Federal Through State (Cont.)					
Special Education - Grants to States	\$ 0	\$ 1,099,483	\$ 0	\$ 0	\$ 0
Special Education Preschool Grants	0	46,178	0	0	0
Eisenhower Professional Development State Grants	0	139,838	0	0	0
COVID-19 Grant B	0	20,645	0	0	0
COVID-19 Grant D	0	18,375	0	0	0
American Rescue Plan Act Grant #1	0	804,543	0	0	0
American Rescue Plan Act Grant #2	0	48,481	0	0	0
Other Federal through State	92,272	104,214	0	0	0
Direct Federal Revenue					
ROTC Reimbursement	41,255	0	0	0	0
Total Federal Government	\$ 133,527	\$ 3,348,281	\$ 1,768,576	\$ 0	\$ 0
Other Governments and Citizens Groups					
Other Governments					
Contributions	\$ 98,790	\$ 0	\$ 0	\$ 0	\$ 0
Citizens Groups					
Donations	35,659	0	0	0	0
Total Other Governments and Citizens Groups	\$ 134,449	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 43,944,335	\$ 3,348,281	\$ 2,525,864	\$ 86,945	\$ 1,588,505

(Continued)

LINCOLN COUNTY, TENNESSEE**Schedule of Detailed Revenues -**

All Governmental Fund Types

Discretely Presented Lincoln County School Department (Cont.)

	Capital Projects Fund	
	Education Capital Projects	Total
Local Taxes		
County Property Taxes		
Current Property Tax	\$ 1,236,585	\$ 5,208,619
Trustee's Collections - Prior Year	19,754	83,243
Trustee's Collections - Bankruptcy	1,211	5,125
Circuit Clerk/Clerk and Master Collections - Prior Years	5,910	24,804
Interest and Penalty	3,777	15,908
County Local Option Taxes		
Local Option Sales Tax	0	5,048,699
Statutory Local Taxes		
Wholesale Beer Tax	0	121,098
Total Local Taxes	<u>\$ 1,267,237</u>	<u>\$ 10,507,496</u>
Licenses and Permits		
Licenses		
Marriage Licenses	\$ 0	\$ 1,542
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 1,542</u>
Charges for Current Services		
Education Charges		
Lunch Payments - Children	\$ 0	\$ 298,968
Lunch Payments - Adults	0	23,968
Income from Breakfast	0	133,589
A la Carte Sales	0	213,735
Receipts from Individual Schools	0	39,958
Community Service Fees - Children	0	86,945

(Continued)

LINCOLN COUNTY, TENNESSEE**Schedule of Detailed Revenues -****All Governmental Fund Types**

Discretely Presented Lincoln County School Department (Cont.)

	Capital Projects Fund	
	Education Capital Projects	Total
Charges for Current Services (Cont.)		
Education Charges (Cont.)		
Other Charges for Services	\$ 0	\$ 11,758
Total Charges for Current Services	\$ 0	\$ 808,921
Other Local Revenues		
Recurring Items		
Investment Income	\$ 0	\$ 115,406
Lease/Rentals/PPP	0	34,812
Sale of Materials and Supplies	0	1,841
Miscellaneous Refunds	0	59,815
Nonrecurring Items		
Sale of Equipment	0	2,811
Damages Recovered from Individuals	0	28,962
Contributions and Gifts	0	500
Other Local Revenues		
Other Local Revenues	0	1,588,505
Total Other Local Revenues	\$ 0	\$ 1,832,652
State of Tennessee		
General Government Grants		
On-behalf Contributions for OPEB	\$ 0	\$ 66,947
State Education Funds		
Tennessee Investment in Student Achievement	0	29,850,666
TISA - On-behalf Payments	0	53,741
Early Childhood Education	0	712,604

(Continued)

LINCOLN COUNTY, TENNESSEE**Schedule of Detailed Revenues -****All Governmental Fund Types**

Discretely Presented Lincoln County School Department (Cont.)

	Capital Projects Fund	
	Education Capital Projects	Total
State of Tennessee (Cont.)		
State Education Funds (Cont.)		
School Food Service	\$ 0	\$ 15,763
Driver Education	0	16,368
Other State Education Funds	0	519,891
Coordinated School Health	0	12,869
Family Resource Centers	0	2,468
Career Ladder Program	0	33,795
Other Vocational	0	1,874,704
Other State Revenues		
Income Tax	0	154
Beer Tax	0	14,357
State Revenue Sharing - T.V.A.	0	935,920
Other State Grants	0	30,588
Safe Schools	0	52,675
Other State Revenues	0	32,213
Total State of Tennessee	<u>\$ 0</u>	<u>\$ 34,225,723</u>
Federal Government		
Federal Through State		
USDA School Lunch Program	\$ 0	\$ 1,090,771
USDA - Commodities	0	141,747
Breakfast	0	442,800
USDA - Other	0	93,258
Vocational Education - Basic Grants to States	0	78,967
Title I Grants to Local Education Agencies	0	987,557

(Continued)

LINCOLN COUNTY, TENNESSEE**Schedule of Detailed Revenues -****All Governmental Fund Types**

Discretely Presented Lincoln County School Department (Cont.)

	Capital Projects Fund	
	Education Capital Projects	Total
Federal Government (Cont.)		
Federal Through State (Cont.)		
Special Education - Grants to States	\$ 0	\$ 1,099,483
Special Education Preschool Grants	0	46,178
Eisenhower Professional Development State Grants	0	139,838
COVID-19 Grant B	0	20,645
COVID-19 Grant D	0	18,375
American Rescue Plan Act Grant #1	0	804,543
American Rescue Plan Act Grant #2	0	48,481
Other Federal through State	0	196,486
Direct Federal Revenue		
ROTC Reimbursement	0	41,255
Total Federal Government	<u>\$ 0</u>	<u>\$ 5,250,384</u>
Other Governments and Citizens Groups		
Other Governments		
Contributions	\$ 32,842,381	\$ 32,941,171
Citizens Groups		
Donations	0	35,659
Total Other Governments and Citizens Groups	<u>\$ 32,842,381</u>	<u>\$ 32,976,830</u>
Total	<u>\$ 34,109,618</u>	<u>\$ 85,603,548</u>

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

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	135,176	
Social Security		8,032	
Employer Medicare		1,960	
Dues and Memberships		3,274	
Legal Notices, Recording, and Court Costs		7,094	
Postal Charges		1,000	
Travel		17,722	
Tax Relief Program		133,342	
Total County Commission			\$ 307,600

County Mayor/Executive

County Official/ Administrative Officer	\$	108,513	
Secretary(ies)		27,895	
Clerical Personnel		51,562	
Other Salaries and Wages		12,776	
Social Security		12,157	
Pensions		10,965	
Medical Insurance		18,102	
Employer Medicare		2,843	
Communication		540	
Dues and Memberships		3,114	
Legal Notices, Recording, and Court Costs		329	
Postal Charges		774	
Travel		4,716	
Duplicating Supplies		1,716	
Office Supplies		1,253	
Periodicals		543	
In Service/Staff Development		3,182	
Total County Mayor/Executive			260,980

County Attorney

County Official/ Administrative Officer	\$	31,233	
Social Security		1,936	
Employer Medicare		453	
Legal Notices, Recording, and Court Costs		2,515	
Other Contracted Services		47,387	
Other Charges		1,500	
Total County Attorney			85,024

Election Commission

County Official/ Administrative Officer	\$	84,556	
Deputy(ies)		94,065	
Election Commission		10,390	
Election Workers		42,277	
Social Security		12,162	
Pensions		12,313	
Medical Insurance		8,852	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Employer Medicare	\$	2,844	
Communication		1,503	
Data Processing Services		6,002	
Legal Notices, Recording, and Court Costs		15,032	
Maintenance Agreements		15,828	
Postal Charges		3,659	
Printing, Stationery, and Forms		16,972	
Other Contracted Services		16,975	
Duplicating Supplies		2,353	
Office Supplies		2,488	
Other Supplies and Materials		10,640	
In Service/Staff Development		4,943	
Total Election Commission			\$ 363,854

Register of Deeds

County Official/Administrative Officer	\$	93,951	
Deputy(ies)		119,338	
Social Security		11,938	
Pensions		14,610	
Medical Insurance		51,654	
Employer Medicare		2,792	
Data Processing Services		10,339	
Dues and Memberships		989	
Postal Charges		547	
Duplicating Supplies		539	
Office Supplies		3,302	
In Service/Staff Development		941	
Total Register of Deeds			310,940

Planning

County Official/Administrative Officer	\$	63,281	
Secretary(ies)		36,094	
Other Salaries and Wages		98,662	
Board and Committee Members Fees		5,425	
Social Security		11,406	
Pensions		12,013	
Medical Insurance		42,807	
Employer Medicare		2,668	
Communication		1,043	
Contracts with Government Agencies		22,421	
Data Processing Services		4,986	
Dues and Memberships		884	
Legal Notices, Recording, and Court Costs		728	
Maintenance and Repair Services - Vehicles		1,545	
Postal Charges		246	
Duplicating Supplies		1,205	
Gasoline		5,529	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Planning (Cont.)

Office Supplies	\$	1,500	
Uniforms		1,423	
In Service/Staff Development		2,676	
Office Equipment		1,557	
Total Planning			\$ 318,099

County Buildings

County Official/Administrative Officer	\$	60,469	
Social Security		3,762	
Pensions		4,142	
Employer Medicare		880	
Communication		4,305	
Janitorial Services		153,000	
Maintenance and Repair Services - Buildings		47,497	
Maintenance and Repair Services - Equipment		42,571	
Maintenance and Repair Services - Vehicles		65	
Pest Control		1,711	
Disposal Fees		1,200	
Custodial Supplies		16,275	
Electricity		91,385	
Gasoline		961	
Natural Gas		14,859	
Water and Sewer		8,210	
Building and Contents Insurance		553,668	
Site Development		21,466	
Disabilities Act Improvements		7,507	
Total County Buildings			1,033,933

Preservation of Records

Board and Committee Members Fees	\$	5,950	
Social Security		369	
Employer Medicare		86	
Other Contracted Services		3,025	
Electricity		821	
Office Supplies		764	
Water and Sewer		398	
Other Charges		28,482	
Total Preservation of Records			39,895

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	100,962	
Accountants/Bookkeepers		297,278	
Social Security		22,804	
Pensions		26,071	
Medical Insurance		77,481	
Employer Medicare		5,429	

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Contracts with Government Agencies	\$	15,187	
Data Processing Services		27,633	
Dues and Memberships		930	
Legal Notices, Recording, and Court Costs		3,990	
Maintenance Agreements		2,842	
Postal Charges		6,000	
Printing, Stationery, and Forms		5,802	
Duplicating Supplies		2,173	
Office Supplies		4,729	
Other Supplies and Materials		2,331	
In Service/Staff Development		1,374	
Office Equipment		7,554	
Total Accounting and Budgeting			\$ 610,570

Property Assessor's Office

County Official/Administrative Officer	\$	93,951	
Deputy(ies)		82,931	
Other Salaries and Wages		33,617	
Board and Committee Members Fees		3,477	
Social Security		12,950	
Pensions		14,492	
Medical Insurance		16,975	
Employer Medicare		3,029	
Contracts with Government Agencies		1,902	
Contracts with Private Agencies		9,261	
Data Processing Services		4,669	
Dues and Memberships		1,800	
Legal Notices, Recording, and Court Costs		521	
Maintenance Agreements		1,910	
Maintenance and Repair Services - Vehicles		576	
Postal Charges		1,305	
Travel		792	
Duplicating Supplies		3,289	
Gasoline		1,169	
Office Supplies		1,211	
In Service/Staff Development		896	
Total Property Assessor's Office			290,723

Reappraisal Program

Secretary(ies)	\$	34,219	
Other Salaries and Wages		33,264	
Social Security		4,118	
Pensions		4,623	
Medical Insurance		8,852	
Employer Medicare		963	
Contracts with Government Agencies		3,694	
Contracts with Private Agencies		409	
Total Reappraisal Program			90,142

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office

County Official/ Administrative Officer	\$	93,951	
Deputy(ies)		126,150	
Other Salaries and Wages		10,059	
Social Security		13,704	
Pensions		15,077	
Medical Insurance		28,271	
Employer Medicare		3,205	
Contracts with Government Agencies		9,395	
Data Processing Services		11,872	
Dues and Memberships		1,159	
Legal Notices, Recording, and Court Costs		190	
Maintenance Agreements		1,177	
Maintenance and Repair Services - Office Equipment		405	
Postal Charges		10,495	
Duplicating Supplies		1,887	
Office Supplies		4,342	
In Service/Staff Development		1,779	
Office Equipment		2,908	
Total County Trustee's Office			\$ 336,026

County Clerk's Office

County Official/ Administrative Officer	\$	93,951	
Deputy(ies)		199,071	
Part-time Personnel		11,556	
Social Security		18,467	
Pensions		18,817	
Medical Insurance		35,406	
Employer Medicare		4,319	
Data Processing Services		8,100	
Dues and Memberships		864	
Maintenance Agreements		13,156	
Postal Charges		10,000	
Printing, Stationery, and Forms		1,948	
Duplicating Supplies		668	
Office Supplies		1,164	
In Service/Staff Development		2,356	
Other Charges		6,606	
Office Equipment		78	
Total County Clerk's Office			426,527

Data Processing

County Official/ Administrative Officer	\$	67,500	
Social Security		4,125	
Pensions		4,624	
Medical Insurance		8,852	
Employer Medicare		965	
Communication		1,272	

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Data Processing (Cont.)

Contracts with Government Agencies	\$	6,648	
Data Processing Services		12,685	
Licenses		18,714	
Maintenance Agreements		1,696	
Maintenance and Repair Services - Vehicles		595	
Other Contracted Services		9,017	
Gasoline		1,034	
Data Processing Equipment		17,194	
Total Data Processing			\$ 154,921

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	93,951	
Clerical Personnel		368,845	
Overtime Pay		2,278	
Other Salaries and Wages		5,750	
Jury and Witness Expense		9,245	
Social Security		27,730	
Pensions		30,893	
Medical Insurance		79,465	
Employer Medicare		6,294	
Communication		2,400	
Data Processing Services		28,230	
Dues and Memberships		1,309	
Evaluation and Testing		800	
Legal Notices, Recording, and Court Costs		775	
Licenses		100	
Maintenance Agreements		24,376	
Maintenance and Repair Services - Office Equipment		687	
Postal Charges		5,177	
Printing, Stationery, and Forms		5,175	
Other Contracted Services		923	
Duplicating Supplies		1,456	
Office Supplies		12,988	
In Service/Staff Development		2,354	
Office Equipment		434	
Total Circuit Court			711,635

General Sessions Court

Judge(s)	\$	164,938	
Social Security		9,848	
Pensions		11,298	
Medical Insurance		13,919	
Employer Medicare		2,303	
Dues and Memberships		900	
Printing, Stationery, and Forms		299	
Travel		1,064	

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court (Cont.)

Drug Treatment	\$	33,600	
Office Supplies		<u>251</u>	
Total General Sessions Court			\$ 238,420

Chancery Court

County Official/ Administrative Officer	\$	93,951	
Deputy(ies)		140,625	
Social Security		14,439	
Pensions		16,068	
Medical Insurance		8,852	
Employer Medicare		3,377	
Data Processing Services		13,755	
Dues and Memberships		949	
Maintenance Agreements		440	
Maintenance and Repair Services - Office Equipment		518	
Postal Charges		1,223	
Printing, Stationery, and Forms		1,787	
Duplicating Supplies		1,313	
Office Supplies		3,897	
In Service/Staff Development		3,574	
Office Equipment		<u>437</u>	
Total Chancery Court			305,205

Juvenile Court

Assistant(s)	\$	53,200	
Youth Service Officer(s)		67,774	
Salary Supplements		10,000	
Other Salaries and Wages		22,224	
Social Security		9,244	
Pensions		10,493	
Medical Insurance		16,975	
Employer Medicare		2,162	
Communication		480	
Postal Charges		163	
Travel		3,076	
Other Contracted Services		32,869	
Office Supplies		<u>2,433</u>	
Total Juvenile Court			231,093

Judicial Commissioners

Other Salaries and Wages	\$	45,800	
Social Security		1,910	
Employer Medicare		664	
Communication		1,537	
In Service/Staff Development		<u>300</u>	
Total Judicial Commissioners			50,211

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Courtroom Security

Deputy(ies)	\$	141,190	
Overtime Pay		14,594	
Social Security		9,432	
Pensions		10,659	
Medical Insurance		21,603	
Employer Medicare		2,206	
Communication		3,133	
Maintenance and Repair Services - Buildings		49,600	
Total Courtroom Security			\$ 252,417

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	103,346	
Assistant(s)		89,653	
Deputy(ies)		654,103	
Detective(s)		51,269	
Investigator(s)		218,233	
Lieutenant(s)		115,832	
Sergeant(s)		331,912	
Accountants/Bookkeepers		66,696	
Salary Supplements		33,600	
Secretary(ies)		268,264	
Temporary Personnel		7,852	
Part-time Personnel		25,090	
School Resource Officer		183,689	
Overtime Pay		105,532	
Other Salaries and Wages		6,200	
Social Security		135,109	
Pensions		148,697	
Medical Insurance		351,921	
Employer Medicare		31,598	
Communication		37,396	
Contracts with Government Agencies		251,375	
Contributions		5,000	
Dues and Memberships		14,258	
Maintenance and Repair Services - Office Equipment		641	
Maintenance and Repair Services - Vehicles		103,544	
Medical and Dental Services		26,625	
Postal Charges		3,075	
Towing Services		2,100	
Travel		2,582	
Duplicating Supplies		1,477	
Gasoline		145,357	
Law Enforcement Supplies		13,077	
Office Supplies		4,867	
Uniforms		28,375	
In Service/Staff Development		10,863	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Other Charges	\$	4,581	
Law Enforcement Equipment		800	
Motor Vehicles		305,862	
Office Equipment		49,375	
Total Sheriff's Department			\$ 3,939,826

Special Patrols

School Resource Officer	\$	228,994	
Overtime Pay		4,312	
Social Security		14,016	
Pensions		15,981	
Medical Insurance		36,485	
Employer Medicare		3,278	
Law Enforcement Equipment		21,336	
Total Special Patrols			324,402

Jail

Assistant(s)	\$	61,575	
Supervisor/Director		51,902	
Lieutenant(s)		30,818	
Sergeant(s)		150,759	
Guards		783,914	
Secretary(ies)		86,060	
Cafeteria Personnel		63,221	
Maintenance Personnel		92,124	
Overtime Pay		136,615	
Other Salaries and Wages		155,622	
Social Security		96,573	
Pensions		90,926	
Medical Insurance		251,173	
Employer Medicare		22,586	
Ambulance Services		29,728	
Communication		10,772	
Data Processing Services		31,700	
Maintenance Agreements		16,174	
Maintenance and Repair Services - Buildings		43,528	
Maintenance and Repair Services - Equipment		47,159	
Maintenance and Repair Services - Office Equipment		741	
Maintenance and Repair Services - Vehicles		16,058	
Medical and Dental Services		531,575	
Pest Control		1,580	
Postal Charges		2,500	
Transportation - Other than Students		20,364	
Disposal Fees		3,360	
Custodial Supplies		82,713	
Drugs and Medical Supplies		38,471	
Duplicating Supplies		1,670	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Electricity	\$	94,628	
Food Supplies		485,525	
Gasoline		19,237	
Natural Gas		32,301	
Office Supplies		4,867	
Prisoners Clothing		33,501	
Uniforms		9,615	
Water and Sewer		87,589	
Other Supplies and Materials		11,840	
In Service/Staff Development		21,704	
Other Charges		2,219	
Communication Equipment		4,620	
Maintenance Equipment		657	
Office Equipment		4,864	
Total Jail			\$ 3,765,128

Fire Prevention and Control

Contracts with Private Agencies	\$	990	
Contributions		55,000	
Data Processing Services		660	
Dues and Memberships		1,285	
Maintenance and Repair Services - Buildings		82,003	
Maintenance and Repair Services - Equipment		14,169	
Maintenance and Repair Services - Vehicles		45,163	
Electricity		18,046	
Food Supplies		2,000	
Gasoline		18,291	
Natural Gas		12,049	
Office Supplies		266	
Uniforms		68,055	
Water and Sewer		4,926	
Other Supplies and Materials		7,806	
Liability Insurance		16,787	
In Service/Staff Development		3,277	
Other Charges		81,023	
Other Equipment		8,074	
Other Capital Outlay		42,071	
Total Fire Prevention and Control			481,941

Civil Defense

Supervisor/Director	\$	72,300	
Deputy(ies)		43,999	
Secretary(ies)		39,500	
Part-time Personnel		11,989	
Social Security		10,238	
Pensions		10,672	
Medical Insurance		17,703	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

Employer Medicare	\$	2,394	
Communication		4,990	
Data Processing Services		37,177	
Dues and Memberships		135	
Maintenance and Repair Services - Buildings		2,340	
Maintenance and Repair Services - Equipment		1,287	
Maintenance and Repair Services - Vehicles		6,787	
Pest Control		455	
Postal Charges		191	
Travel		325	
Other Contracted Services		4,700	
Duplicating Supplies		1,768	
Electricity		4,743	
Gasoline		4,604	
Natural Gas		1,743	
Office Supplies		239	
Uniforms		95	
Water and Sewer		860	
Other Supplies and Materials		1,017	
In Service/Staff Development		700	
Other Charges		314	
Office Equipment		2,058	
Other Equipment		756	
Total Civil Defense			\$ 286,079

Public Health and Welfare

Local Health Center

Other Salaries and Wages	\$	317,956	
Social Security		19,221	
Pensions		20,865	
Medical Insurance		53,109	
Employer Medicare		4,495	
Communication		3,860	
Contracts with Government Agencies		4,950	
Janitorial Services		27,360	
Maintenance and Repair Services - Equipment		5,305	
Pest Control		234	
Travel		13,379	
Disposal Fees		480	
Electricity		12,239	
Natural Gas		895	
Office Supplies		559	
Water and Sewer		1,632	
Other Supplies and Materials		2,136	
In Service/Staff Development		375	
Other Charges		1,143	
Total Local Health Center			490,193

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control

Other Charges	\$ 46,085	
Total Rabies and Animal Control		\$ 46,085

Maternal and Child Health Services

Contracts with Other Public Agencies	\$ 18,264	
Contributions	250	
Total Maternal and Child Health Services		18,514

Other Local Welfare Services

Contracts with Other Public Agencies	\$ 9,436	
Total Other Local Welfare Services		9,436

Sanitation Management

Salary Supplements	\$ 1,200	
Other Salaries and Wages	38,156	
Social Security	2,345	
Pensions	2,696	
Medical Insurance	8,852	
Employer Medicare	548	
Contracts with Private Agencies	86,784	
Instructional Supplies and Materials	14,704	
Other Charges	12,654	
Total Sanitation Management		167,939

Social, Cultural, and Recreational Services

Adult Activities

Contributions	\$ 13,550	
Total Adult Activities		13,550

Libraries

Contributions	\$ 132,202	
Total Libraries		132,202

Parks and Fair Boards

Contributions	\$ 22,000	
Total Parks and Fair Boards		22,000

Agriculture and Natural Resources

Agricultural Extension Service

Board and Committee Members Fees	\$ 250	
Communication	2,239	
Contracts with Other Public Agencies	144,120	
Maintenance and Repair Services - Vehicles	499	
Travel	3,500	
Duplicating Supplies	2,228	
Office Supplies	490	
Office Equipment	3,214	
Total Agricultural Extension Service		156,540

(Continued)

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Forest Service

Contributions	\$ 2,000	
Total Forest Service		\$ 2,000

Soil Conservation

Secretary(ies)	\$ 32,375	
Other Salaries and Wages	33,250	
Social Security	3,985	
Pensions	4,495	
Medical Insurance	8,852	
Employer Medicare	932	
Other Charges	2,713	
Total Soil Conservation		86,602

Other Operations

Industrial Development

Contracts with Other Public Agencies	\$ 276,388	
Contributions	745,352	
Total Industrial Development		1,021,740

Other Economic and Community Development

Contracts with Other Public Agencies	\$ 98,074	
Contributions	12,500	
Total Other Economic and Community Development		110,574

Airport

Airport Improvement	\$ 49,012	
Total Airport		49,012

Veterans' Services

Clerical Personnel	\$ 37,000	
Social Security	2,294	
Pensions	2,534	
Employer Medicare	536	
Communication	2,596	
Maintenance and Repair Services - Vehicles	172	
Postal Charges	4	
Transportation - Other than Students	3,054	
Travel	686	
Duplicating Supplies	868	
Gasoline	66	
Office Supplies	1,912	
Other Charges	1,440	
Total Veterans' Services		53,162

Contributions to Other Agencies

Contributions	\$ 15,000	
Total Contributions to Other Agencies		15,000

(Continued)

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

General Fund (Cont.)

Other Operations (Cont.)

American Rescue Plan Act Grant #1

Other Charges	\$ 1,091,555	
Total American Rescue Plan Act Grant #1		\$ 1,091,555

Miscellaneous

Unemployment Compensation	\$ 4,422	
Dues and Memberships	5,997	
Medical and Dental Services	18,000	
Pauper Burials	2,000	
Premiums on Corporate Surety Bonds	141	
Trustee's Commission	277,290	
Workers' Compensation Insurance	221,420	
Other Charges	15,075	
Total Miscellaneous		<u>544,345</u>

Total General Fund \$ 19,246,040

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Maintenance and Repair Services - Equipment	\$ 212	
Internet Connectivity	108	
Other Contracted Services	42,000	
Electricity	2,251	
Natural Gas	37	
Water and Sewer	238	
Total Sanitation Management		\$ 44,846

Convenience Centers

Part-time Personnel	\$ 104,249	
Social Security	6,463	
Employer Medicare	1,512	
Communication	720	
Contracts with Other Public Agencies	105,180	
Maintenance and Repair Services - Equipment	7,364	
Electricity	3,902	
Water and Sewer	858	
Other Supplies and Materials	549	
Total Convenience Centers		230,797

Other Waste Disposal

County Official/Administrative Officer	\$ 20,000	
Social Security	1,138	
Pensions	1,370	
Employer Medicare	266	
Contracts with Government Agencies	112,743	
Contracts with Other Public Agencies	899,205	
Travel	107	

(Continued)

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Other Waste Disposal (Cont.)

Disposal Fees	\$	150,840	
Trustee's Commission		17,638	
Other Charges		962	
Total Other Waste Disposal			\$ 1,204,269

Postclosure Care Costs

Contracts for Postclosure Care Costs	\$	46,205	
Total Postclosure Care Costs			46,205

Total Solid Waste/Sanitation Fund \$ 1,526,117

Drug Control Fund

Public Safety

Drug Enforcement

Confidential Drug Enforcement Payments	\$	15,000	
Towing Services		325	
Animal Food and Supplies		4,415	
Law Enforcement Supplies		6,572	
Trustee's Commission		1,057	
In Service/Staff Development		5,898	
Law Enforcement Equipment		36,770	
Motor Vehicles		166,806	
Total Drug Enforcement			\$ 236,843

Total Drug Control Fund 236,843

Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Bank Charges	\$	30	
Total County Trustee's Office			\$ 30

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	2,250	
Total Chancery Court			2,250

Total Constitutional Officers - Fees Fund 2,280

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	103,346	
Assistant(s)		63,727	
Accountants/Bookkeepers		64,777	
Longevity Pay		1,000	
Overtime Pay		1,322	

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Social Security	\$	14,046	
Pensions		16,041	
Medical Insurance		32,895	
Employer Medicare		3,285	
Communication		1,334	
Dues and Memberships		5,013	
Janitorial Services		7,200	
Legal Services		1,223	
Maintenance and Repair Services - Office Equipment		686	
Postal Charges		784	
Printing, Stationery, and Forms		351	
Travel		1,192	
Electricity		17,161	
Office Supplies		310	
Total Administration			\$ 335,693

Highway and Bridge Maintenance

Foremen	\$	104,523	
Equipment Operators		188,851	
Truck Drivers		130,092	
Laborers		160,686	
Longevity Pay		6,000	
Overtime Pay		15,269	
Social Security		36,819	
Pensions		40,357	
Medical Insurance		87,760	
Employer Medicare		8,611	
Rentals		72	
Other Contracted Services		220,110	
Asphalt		1,287,019	
Asphalt - Hot Mix		2,517,733	
Crushed Stone		20,573	
General Construction Materials		1,953	
Pipe - Metal		64,890	
Road Signs		16,690	
Total Highway and Bridge Maintenance			4,908,008

Operation and Maintenance of Equipment

Mechanic(s)	\$	157,477	
Longevity Pay		1,500	
Overtime Pay		4,487	
Social Security		9,743	
Pensions		11,186	
Medical Insurance		26,919	
Employer Medicare		2,279	
Laundry Service		1,702	
Maintenance and Repair Services - Equipment		15,275	

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Diesel Fuel	\$	131,467	
Equipment and Machinery Parts		184,320	
Garage Supplies		2,495	
Gasoline		37,167	
Lubricants		15,526	
Propane Gas		7,301	
Tires and Tubes		51,312	
Other Supplies and Materials		20	
Total Operation and Maintenance of Equipment			\$ 660,176

Quarry Operations

Foremen	\$	54,737	
Equipment Operators		86,632	
Truck Drivers		39,892	
Longevity Pay		2,000	
Overtime Pay		3,402	
Social Security		11,008	
Pensions		12,786	
Medical Insurance		38,789	
Employer Medicare		2,574	
Explosive and Drilling Services		99,354	
Maintenance and Repair Services - Equipment		32,977	
Electricity		27,193	
Water and Sewer		3,484	
In Service/Staff Development		1,867	
Total Quarry Operations			416,695

Other Charges

Trustee's Commission	\$	65,039	
Vehicle and Equipment Insurance		82,510	
Total Other Charges			147,549

Employee Benefits

Unemployment Compensation	\$	520	
Workers' Compensation Insurance		43,041	
Total Employee Benefits			43,561

Capital Outlay

Engineering Services	\$	71,047	
Bridge Construction		363,234	
Highway Equipment		75,893	
Total Capital Outlay			510,174

Total Highway/Public Works Fund \$ 7,021,856

(Continued)

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

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 320,000	
Principal on Notes	<u>85,000</u>	
Total General Government		\$ 405,000

Education

Principal on Bonds	<u>\$ 2,895,000</u>	
Total Education		2,895,000

Interest on Debt

General Government

Interest on Bonds	\$ 140,630	
Interest on Notes	<u>7,792</u>	
Total General Government		148,422

Education

Interest on Bonds	<u>\$ 2,156,451</u>	
Total Education		2,156,451

Other Debt Service

General Government

Trustee's Commission	<u>\$ 115,654</u>	
Total General Government		115,654

Education

Other Debt Issuance Charges	<u>\$ 800</u>	
Total Education		<u>800</u>

Total General Debt Service Fund \$ 5,721,327

General Capital Projects Fund

Capital Projects - Donated

Capital Projects Donated to School Department

Contributions	\$ 43,003,870	
Underwriter's Discount	72,969	
Other Debt Issuance Charges	<u>143,389</u>	
Total Capital Projects Donated to School Department		<u>\$ 43,220,228</u>

Total General Capital Projects Fund 43,220,228

Total Governmental Funds - Primary Government \$ 76,974,691

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	12,322,603	
Career Ladder Program		20,500	
Homebound Teachers		1,350	
Educational Assistants		408,172	
Other Salaries and Wages		599,215	
Certified Substitute Teachers		12,130	
Non-certified Substitute Teachers		141,762	
Social Security		784,441	
Pensions		1,040,452	
Employee and Dependent Insurance		92,288	
Medical Insurance		1,695,313	
Unemployment Compensation		4,712	
Employer Medicare		184,450	
Data Processing Services		210,038	
Maintenance and Repair Services - Equipment		48,989	
Contracts for Substitute Teachers - Non-certified		110,975	
Other Contracted Services		55,361	
Instructional Supplies and Materials		129,874	
Textbooks - Bound		133,861	
Other Supplies and Materials		8,557	
Fee Waivers		37,640	
TISA - On-behalf Payments		53,741	
Principal on Leases		246,728	
Interest on Leases		12,311	
Furniture and Fixtures		17,337	
Regular Instruction Equipment		205,959	
Total Regular Instruction Program			\$ 18,578,759

Alternative Instruction Program

Teachers	\$	119,001	
Social Security		6,955	
Pensions		8,104	
Medical Insurance		17,067	
Employer Medicare		1,627	
Total Alternative Instruction Program			152,754

Special Education Program

Teachers	\$	1,333,575	
Career Ladder Program		2,000	
Homebound Teachers		3,469	
Educational Assistants		527,398	
Speech Pathologist		148,592	
Certified Substitute Teachers		255	
Non-certified Substitute Teachers		12,300	
Social Security		118,276	
Pensions		120,889	

(Continued)

LINCOLN COUNTY, TENNESSEE**Schedule of Detailed Expenditures -
All Governmental Fund Types**

Discretely Presented Lincoln County School Department (Cont.)

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Employee and Dependent Insurance	\$	147,194	
Medical Insurance		208,428	
Employer Medicare		27,666	
Contracts with Other Public Agencies		88,100	
Contracts with Private Agencies		41,350	
Maintenance and Repair Services - Equipment		618	
Contracts for Substitute Teachers - Non-certified		77,875	
Instructional Supplies and Materials		13,149	
Other Supplies and Materials		1,178	
Special Education Equipment		500	
Total Special Education Program			\$ 2,872,812

Career and Technical Education Program

Teachers	\$	981,241	
Career Ladder Program		1,000	
Other Salaries and Wages		89,516	
Non-certified Substitute Teachers		2,475	
Social Security		63,378	
Pensions		62,632	
Medical Insurance		135,967	
Employer Medicare		14,824	
Maintenance and Repair Services - Equipment		2,653	
Other Contracted Services		20,263	
Instructional Supplies and Materials		92,404	
Other Supplies and Materials		661,026	
Other Charges		23,103	
Vocational Instruction Equipment		632,230	
Total Career and Technical Education Program			2,782,712

Student Body Education Program

Salary Supplements	\$	29,409	
Other Salaries and Wages		39,507	
Social Security		4,140	
Pensions		3,667	
Employer Medicare		986	
Total Student Body Education Program			77,709

Support Services

Attendance

Supervisor/Director	\$	97,291	
Career Ladder Program		1,000	
Other Salaries and Wages		59,548	
Social Security		9,495	
Pensions		10,773	
Employee and Dependent Insurance		8,927	
Medical Insurance		7,390	

(Continued)

LINCOLN COUNTY, TENNESSEE**Schedule of Detailed Expenditures -
All Governmental Fund Types**

Discretely Presented Lincoln County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Attendance (Cont.)

Employer Medicare	\$	2,221	
Travel		1,863	
Other Contracted Services		17,618	
Total Attendance			\$ 216,126

Health Services

Supervisor/Director	\$	95,771	
Medical Personnel		241,827	
Clerical Personnel		26,617	
Social Security		21,306	
Pensions		27,145	
Employee and Dependent Insurance		32,345	
Medical Insurance		7,390	
Employer Medicare		4,983	
Travel		1,546	
Drugs and Medical Supplies		40,385	
Total Health Services			499,315

Other Student Support

Guidance Personnel	\$	671,649	
Social Workers		26,330	
Social Security		40,808	
Pensions		42,069	
Employee and Dependent Insurance		4,082	
Medical Insurance		79,503	
Employer Medicare		9,544	
Evaluation and Testing		11,384	
Other Supplies and Materials		16,335	
In Service/Staff Development		15,606	
Other Charges		7,849	
Other Equipment		55,970	
Total Other Student Support			981,129

Regular Instruction Program

Supervisor/Director	\$	341,905	
Career Ladder Program		4,000	
Librarians		368,155	
Instructional Computer Personnel		94,581	
Other Salaries and Wages		20,639	
Social Security		48,505	
Pensions		53,754	
Medical Insurance		101,233	
Employer Medicare		11,361	
Travel		7,497	
Other Contracted Services		48,630	
Instructional Supplies and Materials		3,749	

(Continued)

LINCOLN COUNTY, TENNESSEE**Schedule of Detailed Expenditures -
All Governmental Fund Types**

Discretely Presented Lincoln County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Library Books/Media	\$	12,970	
In Service/Staff Development		62,219	
Other Charges		17,654	
Total Regular Instruction Program			\$ 1,196,852

Special Education Program

Supervisor/Director	\$	44,698	
Psychological Personnel		7,011	
Secretary(ies)		35,888	
Other Salaries and Wages		71,692	
Social Security		9,222	
Pensions		10,255	
Employee and Dependent Insurance		10,078	
Medical Insurance		4,415	
Employer Medicare		2,157	
Travel		9,177	
Other Supplies and Materials		2,150	
In Service/Staff Development		4,332	
Other Charges		8,751	
Special Education Equipment		1,313	
Total Special Education Program			221,139

Career and Technical Education Program

Supervisor/Director	\$	83,027	
Clerical Personnel		25,381	
Social Security		6,061	
Pensions		5,865	
Employee and Dependent Insurance		8,312	
Medical Insurance		10,043	
Employer Medicare		1,417	
Travel		26,730	
In Service/Staff Development		466	
Other Charges		4,099	
Total Career and Technical Education Program			171,401

Technology

Data Processing Services	\$	3,675	
Internet Connectivity		92,280	
Total Technology			95,955

Other Programs

On-behalf Payments to OPEB	\$	66,947	
Total Other Programs			66,947

Board of Education

Secretary to Board	\$	2,000	
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(Continued)

LINCOLN COUNTY, TENNESSEE**Schedule of Detailed Expenditures -
All Governmental Fund Types**

Discretely Presented Lincoln County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Board and Committee Members Fees	\$	45,061	
Social Security		2,915	
Pensions		137	
Employer Medicare		682	
Audit Services		15,650	
Data Processing Services		2,273	
Dues and Memberships		16,949	
Legal Services		14,657	
Travel		1,674	
Liability Insurance		450,411	
Trustee's Commission		130,722	
Workers' Compensation Insurance		221,061	
Criminal Investigation of Applicants - TBI		10,870	
Other Charges		9,322	
Total Board of Education			\$ 924,384

Director of Schools

County Official/ Administrative Officer	\$	182,720	
Career Ladder Program		1,000	
Secretary(ies)		92,732	
Other Salaries and Wages		15,324	
Social Security		15,105	
Pensions		18,646	
Employee and Dependent Insurance		7,747	
Medical Insurance		10,153	
Employer Medicare		4,239	
Communication		22,156	
Postal Charges		768	
Travel		14,718	
Office Supplies		4,556	
Total Director of Schools			389,864

Office of the Principal

Assistant(s)	\$	364,646	
Principals		626,070	
Career Ladder Program		3,000	
Assistant Principals		22,875	
Secretary(ies)		3,840	
Clerical Personnel		410,776	
Social Security		84,112	
Pensions		93,940	
Employee and Dependent Insurance		93,528	
Medical Insurance		49,258	
Employer Medicare		19,671	
Communication		2,274	
Contributions		40,000	

(Continued)

LINCOLN COUNTY, TENNESSEE**Schedule of Detailed Expenditures -
All Governmental Fund Types**

Discretely Presented Lincoln County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Travel	\$	2,177	
Duplicating Supplies		52,087	
Total Office of the Principal			\$ 1,868,254

Operation of Plant

Custodial Personnel	\$	581,476	
Social Security		34,166	
Pensions		33,643	
Employee and Dependent Insurance		102,383	
Employer Medicare		7,991	
Other Contracted Services		13,039	
Custodial Supplies		167,724	
Electricity		960,827	
Natural Gas		144,741	
Water and Sewer		192,994	
Other Charges		48,907	
Total Operation of Plant			2,287,891

Maintenance of Plant

Supervisor/Director	\$	55,794	
Maintenance Personnel		310,954	
Other Salaries and Wages		258,226	
Social Security		37,573	
Pensions		39,789	
Employee and Dependent Insurance		65,546	
Medical Insurance		2,992	
Employer Medicare		8,787	
Maintenance and Repair Services - Buildings		117,469	
Maintenance and Repair Services - Equipment		119,547	
Maintenance and Repair Services - Vehicles		8,560	
Contracts for Substitute Teachers - Non-certified		118,304	
General Construction Materials		36,975	
Other Supplies and Materials		26,511	
Other Charges		34,355	
Heating and Air Conditioning Equipment		18,055	
Other Equipment		100,005	
Total Maintenance of Plant			1,359,442

Transportation

Supervisor/Director	\$	95,980	
Mechanic(s)		115,298	
Bus Drivers		751,422	
Secretary(ies)		36,764	
Other Salaries and Wages		111,793	
Social Security		66,632	
Pensions		70,662	

(Continued)

LINCOLN COUNTY, TENNESSEE**Schedule of Detailed Expenditures -
All Governmental Fund Types**

Discretely Presented Lincoln County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Employee and Dependent Insurance	\$	52,413	
Medical Insurance		13,623	
Employer Medicare		15,865	
Communication		4,488	
Maintenance and Repair Services - Vehicles		79	
Medical and Dental Services		5,224	
Diesel Fuel		8,294	
Gasoline		246,496	
Lubricants		9,809	
Tires and Tubes		32,929	
Vehicle Parts		108,751	
Other Supplies and Materials		25,967	
Other Charges		12,762	
Transportation Equipment		374,968	
Total Transportation			\$ 2,160,219

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	88,910	
Clerical Personnel		14,276	
Cafeteria Personnel		14,425	
Social Security		7,262	
Pensions		7,043	
Employer Medicare		1,698	
Total Food Service			133,614

Community Services

Teachers	\$	164,978	
Educational Assistants		18,371	
Other Salaries and Wages		47,410	
Social Security		14,307	
Pensions		14,363	
Employer Medicare		3,346	
Travel		2,500	
Other Supplies and Materials		7,139	
In Service/Staff Development		15,637	
Total Community Services			288,051

Early Childhood Education

Supervisor/Director	\$	48,920	
Teachers		492,209	
Educational Assistants		135,542	
Certified Substitute Teachers		3,018	
Non-certified Substitute Teachers		2,325	
Social Security		38,729	
Pensions		41,673	

(Continued)

LINCOLN COUNTY, TENNESSEE**Schedule of Detailed Expenditures -
All Governmental Fund Types**

Discretely Presented Lincoln County School Department (Cont.)

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Employee and Dependent Insurance	\$	38,645	
Medical Insurance		95,103	
Employer Medicare		9,101	
Communication		862	
Instructional Supplies and Materials		22,457	
In Service/Staff Development		2,657	
Total Early Childhood Education			\$ 931,241

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	455,300	
Other Construction		1,634,027	
Total Regular Capital Outlay			2,089,327

Total General Purpose School Fund	\$	40,345,897
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School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	704,370	
Educational Assistants		89,920	
Other Salaries and Wages		391,010	
Certified Substitute Teachers		170	
Non-certified Substitute Teachers		1,912	
Social Security		70,160	
Pensions		54,595	
Medical Insurance		90,911	
Employer Medicare		16,594	
Instructional Supplies and Materials		54,052	
Textbooks - Bound		25,764	
Software		103,092	
Other Supplies and Materials		34,705	
Other Charges		261	
Regular Instruction Equipment		4,198	
Total Regular Instruction Program			\$ 1,641,714

Special Education Program

Teachers	\$	14,625	
Educational Assistants		454,949	
Speech Pathologist		193,371	
Social Security		39,011	
Pensions		42,044	
Medical Insurance		144,269	
Employer Medicare		9,124	
Instructional Supplies and Materials		7,792	
Special Education Equipment		1,359	
Total Special Education Program			906,544

(Continued)

LINCOLN COUNTY, TENNESSEE**Schedule of Detailed Expenditures -
All Governmental Fund Types**

Discretely Presented Lincoln County School Department (Cont.)

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Career and Technical Education Program

Maintenance and Repair Services - Equipment	\$	855	
Instructional Supplies and Materials		20,360	
Other Supplies and Materials		672	
Vocational Instruction Equipment		37,739	
Total Career and Technical Education Program	\$		59,626

Support Services

Other Student Support

Social Workers	\$	26,330	
Social Security		1,479	
Pensions		1,804	
Medical Insurance		4,892	
Employer Medicare		346	
Evaluation and Testing		930	
Travel		6,000	
In Service/Staff Development		5,916	
Other Charges		9,053	
Total Other Student Support			56,750

Regular Instruction Program

Supervisor/Director	\$	17,471	
Clerical Personnel		9,239	
Other Salaries and Wages		118,594	
Certified Substitute Teachers		150	
Non-certified Substitute Teachers		150	
Social Security		9,002	
Pensions		5,868	
Employer Medicare		2,098	
Other Contracted Services		18,375	
Other Supplies and Materials		7,969	
In Service/Staff Development		152,785	
Other Charges		6,478	
Total Regular Instruction Program			348,179

Special Education Program

Medical Personnel	\$	115,891	
Social Security		6,897	
Pensions		2,735	
Medical Insurance		12,769	
Employer Medicare		1,613	
Evaluation and Testing		10,000	
Total Special Education Program			149,905

Career and Technical Education Program

In Service/Staff Development	\$	5,391	
Total Career and Technical Education Program			5,391

(Continued)

LINCOLN COUNTY, TENNESSEE**Schedule of Detailed Expenditures -
All Governmental Fund Types**

Discretely Presented Lincoln County School Department (Cont.)

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Board of Education

Criminal Investigation of Applicants - TBI	\$ 669	
Total Board of Education		\$ 669

Transportation

Bus Drivers	\$ 78,617	
Other Salaries and Wages	18,381	
Social Security	6,013	
Pensions	5,720	
Employer Medicare	1,406	
Contracts with Parents	2,590	
Total Transportation		112,727

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$ 2,675	
Social Security	156	
Pensions	156	
Employer Medicare	36	
Total Food Service		3,023

Capital Outlay

Regular Capital Outlay

Other Capital Outlay	\$ 20,450	
Total Regular Capital Outlay		20,450

Total School Federal Projects Fund		\$ 3,304,978
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Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$ 573,401
Bonus Payments	18,625
Other Salaries and Wages	10,766
Social Security	35,798
Pensions	37,115
Employee and Dependent Insurance	169,612
Employer Medicare	8,372
Contracts with Other Public Agencies	957,285
Maintenance and Repair Services - Equipment	51,977
Travel	2,720
Contracts for Substitute Teachers - Non-certified	48,828
Other Contracted Services	53,363
Food Preparation Supplies	799
Office Supplies	5,519
USDA - Commodities	141,747
Other Supplies and Materials	2,976

(Continued)

LINCOLN COUNTY, TENNESSEE**Schedule of Detailed Expenditures -
All Governmental Fund Types**

Discretely Presented Lincoln County School Department (Cont.)

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Refunds	\$	710	
Trustee's Commission		590	
Workers' Compensation Insurance		23,996	
Other Charges		4,364	
Food Service Equipment		532,806	
Total Food Service			\$ 2,681,369

Total Central Cafeteria Fund		\$	2,681,369
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Extended School Program Fund

Operation of Non-Instructional Services

Community Services

Other Salaries and Wages	\$	54,433	
Social Security		2,428	
Pensions		2,020	
Employer Medicare		777	
Retirement - Hybrid Stabilization		372	
Trustee's Commission		869	
Other Charges		22,097	
Total Community Services			\$ 82,996

Total Extended School Program Fund			82,996
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Internal School Fund

Operation of Non-Instructional Services

Community Services

Other Charges	\$	1,655,447	
Total Community Services			\$ 1,655,447

Total Internal School Fund			1,655,447
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Education Capital Projects Fund

Capital Outlay

Regular Capital Outlay

Architects	\$	574,800	
Engineering Services		107,242	
Trustee's Commission		25,367	
Other Capital Outlay		8,093,677	
Total Regular Capital Outlay			\$ 8,801,086

Total Education Capital Projects Fund			8,801,086
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Total Governmental Funds - Lincoln County School Department		\$	56,871,773
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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*

Lincoln County Mayor and
Board of County Commissioners
Lincoln 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lincoln County, Tennessee, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Lincoln County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated November 14, 2024. Our report includes references to other auditors who audited the financial statements of the Lincoln County Board of Public Utilities (major proprietary fund) and the Internal School Fund of Lincoln County School Department (a discretely presented component unit), as described in our report on Lincoln County's financial statements. This report does not include the results of the other auditors' 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 Lincoln 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 Lincoln County's internal control. Accordingly, we do not express an opinion on the effectiveness of Lincoln County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified the following deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be a significant deficiency: 2024-003.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lincoln 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: 2024-001 and 2024-002.

Lincoln County's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Lincoln County's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. Lincoln 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 results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lincoln 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 14, 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

Lincoln County Mayor and
Board of County Commissioners
Lincoln 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 Lincoln 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 Lincoln County's major federal programs for the year ended June 30, 2024. Lincoln 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, Lincoln 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 Lincoln 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 Lincoln 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 Lincoln 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 Lincoln 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 Lincoln 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 Lincoln 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 Lincoln 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 Lincoln 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.

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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lincoln County, Tennessee, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Lincoln County's basic financial statements. We issued our report thereon dated November 14, 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 14, 2024

JEM/gc

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

Federal/Pass-through Agency/State Grantor Program Title	Assistance Listing Number	Passed-through Entity Identifying Number	Amount Passed- through to Subrecipients	Expenditures
U.S. Department of Agriculture:				
Passed-through State Department of Agriculture:				
Child Nutrition Cluster: (4)				
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(3)	\$ 0	\$ 141,747 (5)
National School Lunch Program (Commodity Rebate - Food Storage)	10.555	(3)	0	4,111 (5)
Soil and Water Conservation	10.902	(3)	0	12,000
Passed-through State Department of Education:				
Local Food for Schools Cooperative Agreement Program	10.185	(3)	0	90,002
Child Nutrition Cluster: (4)				
School Breakfast Program	10.553	(3)	0	442,800
National School Lunch Program	10.555	(3)	0	1,086,660 (5)
COVID 19 - Pandemic EBT Administrative Costs	10.649	(3)	0	3,256
Passed-through State Department of Health:				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG2480265	(6) 0	74,323
Total U.S. Department of Agriculture				<u>\$ 1,854,899</u>
U.S. Department of Justice:				
Passed-through State Department of Finance and Administration:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	(3)	(7) 70,000	<u>\$ 70,000</u>
Total U.S. Department of Justice				<u>\$ 70,000</u>
U.S. Department of Treasury:				
Passed-through State Department of Education:				
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	(3)	0	<u>\$ 42,441</u>
Total U.S. Department of Treasury				<u>\$ 42,441</u>
U.S. Department of Education:				
Passed-through State Department of Education:				
Title I Grants to Local Educational Agencies	84.010	(3)	0	\$ 932,427
Special Education Cluster: (4)				
Special Education - Grants to States	84.027	(3)	0	1,073,613 (5)
COVID 19 - Special Education - Grants to States - ARP	84.027X	(3)	0	16,205 (5)
Special Education - Preschool Grants	84.173	(3)	0	50,568
Career and Technical Education - Basic Grants to States	84.048	(3)	0	75,934
English Language Acquisition State Grants	84.365	(3)	(7) 24,745	34,564
Supporting Effective Instruction State Grants	84.367	(3)	0	136,428
Comprehensive Literacy Development	84.371	(3)	0	18,375
Student Support and Academic Enrichment Program	84.424	(3)	0	67,280
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary				
School Emergency Relief Fund (ESSER II)	84.425D	(3)	0	234,670 (5)
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary				
School Emergency Relief Fund (ESSER ARP)	84.425U	(3)	0	664,914 (5)
Total U.S. Department of Education				<u>\$ 3,304,978</u>
U.S. Department of Health and Human Services:				
Passed-through State Department of Health:				
Maternal and Child Health Services Block Grant to the States	93.994	GG2480265	(6) 0	<u>\$ 1,928</u>
Total U.S. Department of Health and Human Services				<u>\$ 1,928</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Assistance Listing Number	Passed-through Entity Identifying Number	Amount Passed- through to Subrecipients	Expenditures
U.S. Department of Homeland Security: Passed-through State Department of Military: Emergency Management Performance Grants	97.042	(3)	\$ 0	\$ 50,161
Total U.S. Department of Homeland Security				<u>\$ 50,161</u>
Total Expenditures of Federal Awards				<u>\$ 5,324,407</u>

		Contract Number		
State Grants				
Mental Health Transport Grant - State Department of Finance and Administration	N/A	(3)		\$ 32,818
Juvenile Justice - State Commission on Children and Youth	N/A	(3)		9,000
Health Department Programs - State Department of Health	N/A	GG2480265	(6)	358,540
Safe Schools - State Department of Education	N/A	(3)		5,728
Early Childhood Education Pilot Program - State Department of Education	N/A	(3)		687,805
Lottery for Education Afterschool Program - State Department of Education	N/A	(3)		218,681
Summer Learning Camps - State Department of Education	N/A	(3)		338,540
Transportation Grant - State Department of Education	N/A	(3)		69,293
Public School Security Grant - State Department of Education	N/A	(3)		140,175
Special Education Preschool Grant - State Department of Education	N/A	(3)		17,293
Litter Grant - State Department of Transportation	N/A	(3)		18,031
Innovative School Models - State Department of Education	N/A	(3)		2,182,289
Site Development Grant Program - State Department of Economic and Community Development	N/A	33007-50423		642,591
Training Equipment Grant - Tennessee Corrections Institute	N/A	(3)		13,818
Volunteer Firefighter Equipment and Training Grant Program - State Department of Commerce and Insurance	N/A	(3)		13,270
Court Security Grant Program - State Administrative Office of the Courts	N/A	(3)		49,600
School Resource Officer Program - State Department of Safety and Homeland Security	N/A	(3)		448,253
Student Ticket Subsidy Grant - Tennessee Arts Commission	N/A	(3)		3,000
Conservation Technical Assistance - State Department of Agriculture	N/A	(3)		<u>9,000</u>
Total State Grants				<u>\$ 5,257,725</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) Lincoln County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
(3) Information not available.
(4) Child Nutrition Cluster total \$1,675,318; Special Education Cluster total \$1,140,386.
(5) Total for ALN 10.555 is \$1,232,518; Total for ALN 84.027 is \$1,089,818; Total for ALN 84.425 is \$899,584.
(6) Programs with passed-through entity identifying number GG2480265 are part of a multi-service contract.
(7) SUBRECIPIENT AMOUNTS

The following amounts were paid to subrecipients from the federal grants as noted:

Subrecipients	ALN Number	Amount Provided to Subrecipients
17th Judicial District Drug Task Force	16.738	\$ 70,000
Lawrence County School Department	84.365	9,127
Giles County School Department	84.365	5,614
Fayetteville City School District	84.365	2,463
Tulahoma City School District	84.365	7,541
Total amount provided to subrecipients		<u>\$ 94,745</u>

LINCOLN 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 Lincoln 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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OFFICE OF DIRECTOR OF FINANCE

2023	221	2023-001	Accounting records for capital assets were not closed and available for audit by August 31, 2023.	N/A	Corrected
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Prior-year Federal Awards Findings

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

LINCOLN 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 Lincoln County is unmodified
2. Internal Control Over Financial Reporting:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **YES**
3. Noncompliance material to the financial statements noted? **YES**

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)? **NO**
7. Identification of Major Federal Programs:
 - * Assistance Listing Numbers: 10.553 and 10.555 Child Nutrition Cluster - School Breakfast and National School Lunch Programs
 - * 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. A written responses for all findings are paraphrased and presented following each finding and recommendation. Management's corrective action plan, whether related to the financial statements or federal awards, is 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.

OFFICE OF DIRECTOR OF FINANCE

FINDING 2024-001

VEHICLE BID SPECIFICATIONS APPLIED TO ONLY ONE BRAND

(Noncompliance 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 51 disbursements totaling \$532,021 from a population of 2,416 vendor checks totaling \$40,826,811. Our sample revealed that in one of six applicable purchases, bid specifications were brand specific. The county purchased one 2023 Ford F-150 (\$45,700) using bid specifications that apply only to a particular brand. In *Leech vs. Wright* (622 s.w. 2d 807), the Tennessee Supreme Court stated that "The request for bids must not unduly restrict competition. All persons or corporations having the ability to furnish the supplies or materials needed, to perform the work to be done, should be allowed to compete freely without any unreasonable restrictions." In addition, purchases for Lincoln County are governed by the County Financial Management System of 1981, Sections 5-21-101 through 5-21-130, *Tennessee Code Annotated*. This act provides that the finance director or a deputy appointed by the finance director serve as the purchasing agent, and that competitive bids be solicited for purchases exceeding the \$25,000 bid limit authorized by the financial management committee.

RECOMMENDATION

The office should develop bid specifications that are not brand specific. Bids should be evaluated on the basis of several criteria, including price, quality, availability, warranty, maintenance costs, experience, etc.

MANAGEMENT'S RESPONSE – DIRECTOR OF FINANCE

We concur with this finding. We will work closely with developing bid specifications that are not brand specific and see that bids be evaluated on the basis of several criteria, including price, equality, availability, warranty, maintenance costs, experience, etc.

OFFICES OF DIRECTOR OF SCHOOLS AND DIRECTOR OF FINANCE

FINDING 2024-002

THE SCHOOL DEPARTMENT ENTERED INTO A CONSTRUCTION CONTRACT IN VIOLATION OF THE FINANCIAL MANAGEMENT ACT OF 1981

(Material Noncompliance Under *Government Auditing Standards*)

On September 20, 2023, the director of schools entered into a contract with a construction company totaling \$26,997,175 for the construction of a new Highland Rim School without the participation of the county's finance director. Lincoln County operates under the County Financial Management System of 1981, which establishes a finance department overseen by a director of finance to administer the county's accounting,

budgeting, and purchasing functions. Section 5-21-118(a), *Tennessee Code Annotated (TCA)*, establishes the finance director or an appointed deputy to serve as the county purchasing agent. Section 5-21-118(b)(3), *TCA*, specifically states that contracts for building construction are the responsibility of the director of finance, and Section 5-21-119(5)(F), *TCA*, states that the purchasing agent shall “issue purchase orders and contracts.” Furthermore, the Tennessee Attorney General has opined (Opinion 89-76) that in counties operating under the provisions of the County Financial Management System of 1981, the board of education is authorized to determine the need for contract services and define the requirements; however, any resulting contract, except for employment contracts with necessary personnel, would be issued by the purchasing agent.

This deficiency is the result of a failure to follow the finance department’s purchasing policies and state statutes and is the result of a lack of management oversight.

RECOMMENDATION

All accounting, purchasing, and budget functions of the county should be administered by the finance department in compliance with provisions of the Financial Management Acts of 1981.

MANAGEMENT’S RESPONSE – DIRECTOR OF SCHOOLS

Management agrees with the finding and appreciates the diligence of the audit team in identifying this matter.

Upon review, it appears that there was a lack of awareness among certain members of the County Finance Department and staff within Lincoln County Schools regarding this particular requirement. We recognize the importance of ensuring that all parties involved are fully informed about contractual obligations and compliance measures.

It is important to note that the contract in question was duly approved by the Lincoln County Board of Education, which underscores our commitment to following proper procedures. Moving forward, we will implement additional training and communication strategies to ensure that all relevant stakeholders are aware of and understand these requirements.

MANAGEMENT’S RESPONSE – DIRECTOR OF FINANCE

We concur with this finding. We will ensure proper controls are put into place to establish that all contracts be signed by the finance director and appropriate department heads.

FINDING 2024-003

CONTRACTED EMPLOYEES WERE ALLOWED TO DRIVE SCHOOL DEPARTMENT VEHICLES HOME

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

The school department entered into a contract with StaffEZ for contract employees. Our examination disclosed that two contracted maintenance employees were allowed to drive department vehicles home on a daily basis. This practice weakens internal controls over assets, creates the potential for misuse or theft, and results in questionable insurance coverage in the event of an accident. This deficiency is the result of a management decision.

RECOMMENDATION

Contract employees should not have access to department vehicles outside of working hours.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

Management agrees with the finding and acknowledges the importance of addressing the identified issues.

We are committed to following the corrective action outlined in the corresponding section of the audit response. Our team will implement the necessary steps to ensure compliance and prevent similar findings in the future.

Thank you for your guidance and support as we move forward with these improvements.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs related to federal awards for the year ended June 30, 2024.

LINCOLN 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 DIRECTOR OF FINANCE

2024-001	Vehicle bid specifications applied to only one brand.	217
2024-002	The school department entered into a construction contract in violation of the Financial Management Act of 1981.	218

OFFICE OF DIRECTOR OF SCHOOLS

2024-003	Contracted employees were allowed to drive school department vehicles home.	219
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LINCOLN COUNTY FINANCE DEPARTMENT

206 East Davidson Street
Fayetteville, Tennessee 37334
Phone: 931-438-1565 Ext. 1002
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E-mail: dgentry@lc-tn.com

Corrective Action Plan

FINDING: VEHICLE BID SPECIFICATIONS APPLIED TO ONLY ONE BRAND (Noncompliance Under Government Auditing Standard)

Response and Corrective Action Plan Prepared by:

Jason Nix, Finance Director

Person Responsible for Implementing the Corrective Action:

Jason Nix, Finance Director

Anticipated Completion Date of Corrective Action:

Immediately

Repeat Finding:

No

Planned Corrective Action:

The prior Sheriff Administration's Chief Financial Officer prepared the bid specifications being brand specific for a vehicle that was on the ground and from the dealer of their choice. This was an oversight within the Finance Department when the final bid specification were developed for the purchase of the 2023 Ford F-150. Bid specification language should have been developed that was not brand specific.

Additional training has been conducted to make sure that all bids should not be brand specific. The changes are effective immediately. The purchasing agent will be responsible for ensuring that all bid specification are not brand specific and see that bids be evaluated on the basis of several criteria, including price, equality, availability, warranty, maintenance, costs, experience, etc.

Corrective Action Plan

FINDING: **THE SCHOOL DEPARTMENT ENTERED INTO A
CONSTRUCTION CONTRACT IN VIOLATION OF THE
FINANCIAL MANAGEMENT ACT OF 1981** (Material Noncompliance
Under Government Auditing Standard)

Response and Corrective Action Plan Prepared by:
Jason Nix, Finance Director

Person Responsible for Implementing the Corrective Action:
Jason Nix, Finance Director

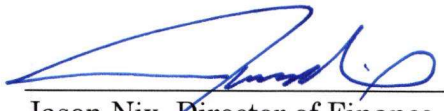
Anticipated Completion Date of Corrective Action:
Immediately

Repeat Finding:
No

Planned Corrective Action:

Lincoln County Finance is addressing all county contracts, current and new, going forward to comply with the provisions of the County Financial Management System of 1981. All accounting, purchasing and budget functions of the county will be administered by the finance department in compliance with those provisions

All contracts conducted will be signed by the finance director and appropriate department heads. The changes are effective immediately.



Jason Nix, Director of Finance



Lincoln County Department of Education

909 Main Avenue, South
Fayetteville, Tennessee 37334

Phone: 931-433-3565
Fax: 931-433-7397

Bill Heath, Ed. D.
Director

Corrective Action Plan

FINDING: **CONTRACTED EMPLOYEES WERE ALLOWED TO DRIVE SCHOOL DEPARTMENT VEHICLES HOME**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Response and Corrective Action Plan Prepared by:
Dr. Bill Heath, Director

Person Responsible for Implementing the Corrective Action:
Dr. Bill Heath, Director

Anticipated Completion Date of Corrective Action:
Immediately

Repeat Finding:
No

Planned Corrective Action:

Management acknowledges the audit finding and is committed to taking the necessary steps to address the identified issues. Our primary focus will be on ensuring proper insurance coverage, limiting the potential for misuse or theft, and strengthening internal controls over assets.

Action Steps:

1. **Detailed Mileage Log:** Maintain a detailed mileage log for all vehicle use associated with Lincoln County Schools. This log will include the date,

purpose of travel, starting and ending odometer readings, and the name of the driver.

2. **Insurance Verification:** Acquire written verification from the insurance carrier confirming that all required coverages are in place and adequate for the needs of Lincoln County Schools.
3. **Training for Staff:** Provide training for staff on proper asset management and the importance of adherence to internal controls to prevent misuse or theft.
4. **Incident Reporting Procedures:** Establish clear procedures for reporting any incidents of misuse or theft, along with defined consequences for violations.
5. **Insurance Reviews:** Schedule regular reviews of insurance policies to ensure that coverage remains adequate and aligned with the needs of Lincoln County Schools.

By executing these action steps, we aim to enhance our internal controls, safeguard our assets, and ensure compliance with all relevant regulations. Thank you for your continued support and guidance.



Dr. Bill Heath, Director