



## ANNUAL FINANCIAL REPORT

# The Metropolitan Government of Lynchburg, Moore County, Tennessee

*For the Year Ended June 30, 2024*

**Jason E. Mumpower**  
*Comptroller of the Treasury*



**DIVISION OF  
LOCAL GOVERNMENT AUDIT**

**ANNUAL FINANCIAL REPORT**

**THE METROPOLITAN GOVERNMENT OF  
LYNCHBURG, MOORE 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](http://www.comptroller.tn.gov).

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**THE METROPOLITAN GOVERNMENT OF  
MOORE COUNTY, TENNESSEE  
TABLE OF CONTENTS**

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	Exhibit	Page(s)
Summary of Audit Findings		6
<b>INTRODUCTORY SECTION</b>		7
Metropolitan Lynchburg, Moore County Officials		8
<b>FINANCIAL SECTION</b>		9
Independent Auditor's Report		10-13
<b>BASIC FINANCIAL STATEMENTS:</b>		14
Government-wide Financial Statements:		
Statement of Net Position	A	15-16
Statement of Activities	B	17-18
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	19-20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	21
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	22-23
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	24
Statements of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
General Fund	C-5	25-26
Highway/Public Works Fund	C-6	27
Proprietary Fund:		
Statement of Net Position	D-1	28-29
Statement of Revenues, Expenses, and Changes in Net Position	D-2	30
Statement of Cash Flows	D-3	31-32
Fiduciary Fund:		
Statement of Net Position	E-1	33
Statement of Changes in Net Position	E-2	34
Index and Notes to the Financial Statements		35-93
<b>REQUIRED SUPPLEMENTARY INFORMATION:</b>		94
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	F-1	95
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS – Discretely Presented Metropolitan School Department - Non-Certified Employees	F-2	96
Schedule of Contributions Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	F-3	97
Schedule of Contributions Based on Participation in the Public Employee Pension Plan of TCRS – Discretely Presented Metropolitan School Department - Non-Certified Employees	F-4	98

	Exhibit	Page(s)
Schedule of Contributions Based on Participation in the Teacher Retirement Plan of TCRS – Discretely Presented Metropolitan School Department	F-5	99
Schedule of Contributions Based on Participation in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Metropolitan School Department	F-6	100
Schedule of Proportionate Share of the Net Pension Asset in the Teacher Retirement Plan of TCRS – Discretely Presented Metropolitan School Department	F-7	101
Schedule of Proportionate Share of the Net Pension Asset in the Teacher Legacy Pension Plan of TCRS – Discretely Presented Metropolitan School Department	F-8	102
Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Education Plan – Discretely Presented Metropolitan School Department	F-9	103
Notes to the Required Supplementary Information		104
<b>COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:</b>		105
Nonmajor Governmental Funds:		106
Combining Balance Sheet	G-1	107-108
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	G-2	109
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
Urban Services Fund	G-3	110
Solid Waste/Sanitation Fund	G-4	111
Drug Control Fund	G-5	112
Other General Government Fund	G-6	113
Major Governmental Funds:		114
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
General Debt Service Fund	H-1	115
General Capital Projects Fund	H-2	116
Fiduciary Fund:		117
Combining Statement of Net Position - Custodial Fund	I-1	118
Combining Statement of Changes in Net Position – Custodial Fund	I-2	119
Component Unit:		
Discretely Presented Metropolitan School Department:		120
Statement of Activities	J-1	121
Balance Sheet – Governmental Funds	J-2	122
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	J-3	123
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	J-4	124
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	J-5	125
Combining Balance Sheet – Nonmajor Governmental Funds	J-6	126
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	J-7	127

	Exhibit	Page(s)
Schedules of Revenues, Expenditures, and Changes in Fund		
Balances – Actual and Budget:		
General Purpose School Fund	J-8	128-129
School Federal Projects Fund	J-9	130
Central Cafeteria Fund	J-10	131
Miscellaneous Schedules:		132
Schedule of Changes in Long-term Other Loans	K-1	133
Schedule of Long-term Debt Requirements by Year	K-2	134
Schedule of Transfers - Primary Government	K-3	135
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Metropolitan School Department	K-4	136
Schedule of Detailed Revenues – All Governmental Fund Types	K-5	137-148
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Metropolitan School Department	K-6	149-152
Schedule of Detailed Expenditures – All Governmental Fund Types	K-7	153-166
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Metropolitan School Department	K-8	167-174
<b>SINGLE AUDIT SECTION</b>		175
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 <i>Government Auditing Standards</i>		176-177
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 Uniform Guidance		178-180
Schedule of Expenditures of Federal Awards and State Grants		181-182
Summary Schedule of Prior-year Findings		183
Schedule of Findings and Questioned Costs		184-188
Management's Corrective Action Plan		189-194
Best Practices		195

# Summary of Audit Findings

Annual Financial Report  
Metropolitan Government of Lynchburg, Moore County, Tennessee  
For the Year Ended June 30, 2024

## *Scope*

We have audited the basic financial statements of the Metropolitan Government of Lynchburg, Moore County as of and for the year ended June 30, 2024.

## *Results*

Our report on the metropolitan governmental financial statements is unmodified.

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

## *Findings*

The following are summaries of the audit findings:

### **OFFICE OF METROPOLITAN MAYOR**

- ◆ Consolidated purchasing required by the charter has not been implemented.
- ◆ All accounting records for the year ended June 30, 2024, were not available for audit by August 31, 2024.
- ◆ The General Fund required material audit adjustments for proper financial statement presentation.
- ◆ General ledger payroll liability accounts were not reconciled.

### **OFFICE OF SHERIFF**

- ◆ Commissary bank statements were not properly reconciled with the general ledger.



# INTRODUCTORY SECTION

# METROPOLITAN LYNCHBURG, MOORE COUNTY OFFICIALS

June 30, 2024

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## Officials

Sloan Stewart, Metropolitan Mayor

Shannon Cauble, Highway Superintendent

Chad Moorehead, Director of Schools

Lynn Harrison, Trustee

Shaun Sherrill, Assessor of Property

Lacy Ivey, Metropolitan Clerk

Linda Wolaver, Circuit, General Sessions, and Juvenile Courts Clerk

Tammy Roberts, Clerk and Master

Pam Wells, Register of Deeds

Tyler Hatfield, Sheriff

## Metropolitan Council

Amy Cashion, Chairman

Marty Cashion

Gerald Burnett

Jimmy Hammond

Dexter Golden

Douglas Carson

Arvis Bobo

Shane Taylor

John Taylor

Houston Lindsey

Greg Guinn

Peggy Sue Blackburn

Bradley Dye

Robert Bracewell

Sunny Rae Moorehead

## Board of Education

Tanya Vann, Chairman

Jammie Cashion

Greg Thompson

Ed Cashion

Nathan Buchanan

## Audit Committee

Pam Case, Chairman

Arvis Bobo

Greg Guinn

John Taylor

Dexter Golden

Sunny Rae Moorehead

## FINANCIAL SECTION



JASON E. MUMPOWER  
*Comptroller*

## Independent Auditor's Report

Metropolitan Mayor and  
Metropolitan Council  
Lynchburg, Moore County, Tennessee

To the Metropolitan Mayor and Metropolitan Council:

### 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 metropolitan government as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the metropolitan government'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 the metropolitan government 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 Metropolitan Lynchburg, Moore County Water and Sewer Department (a major fund and the entire business-type activities). We did not audit the financial statements of the Internal School Fund of the Metropolitan School Department (a discretely presented component unit), which represent 0.89 percent, 1.02 percent, and 3.73 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 Metropolitan Lynchburg, Moore County Water and Sewer Department and the Metropolitan 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 the metropolitan government, 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., the metropolitan government 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 the metropolitan government'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 the metropolitan government's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the metropolitan government'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 the metropolitan government and school's changes in net pension liability (asset) and related ratios, schedules of the metropolitan government and school contributions, schedules of school's proportionate share of the net pension liability (asset), and schedule of school's 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 the metropolitan government'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 Metropolitan 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 Metropolitan 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 February 19, 2025, on our consideration of the metropolitan government's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the metropolitan government's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the metropolitan government's internal control over financial reporting and compliance.

Very truly yours,

Jason E. Mumpower  
Comptroller of the Treasury  
Nashville, Tennessee

February 19, 2025

JEM/gc



# BASIC FINANCIAL STATEMENTS SECTION

Exhibit A

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY TENNESSEE**  
**Statement of Net Position**  
**June 30, 2024**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Metropolitan School Department
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 325	\$ 2,630,412	\$ 2,630,737	\$ 295,126
Equity in Pooled Cash and Investments	8,922,618	0	8,922,618	1,816,743
Investments	0	209,850	209,850	0
Inventories	0	107,837	107,837	18,764
Accounts Receivable	767,667	284,223	1,051,890	3,615
Allowance for Uncollectible	(100,944)	(16,569)	(117,513)	0
Due from Other Governments	649,370	0	649,370	396,852
Property Taxes Receivable	4,967,555	0	4,967,555	3,553,915
Allowance for Uncollectible Property Taxes	(38,827)	0	(38,827)	(27,912)
Other Receivables	0	44,076	44,076	0
Net Pension Asset - Agent Plan	64,816	0	64,816	0
Net Pension Asset - Teacher Retirement Plan	0	0	0	28,277
Net Pension Asset - Teacher Legacy Pension Plan	0	0	0	1,303,605
Restricted Assets:				
Customer Deposits	0	520	520	0
Amounts Accumulated for Pension Benefits	0	0	0	133,342
Capital Assets:				
Assets Not Depreciated:				
Land	393,779	196,499	590,278	39,342
Construction in Progress	567,899	2,264,292	2,832,191	0
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	2,874,509	0	2,874,509	23,680,290
Other Capital Assets	1,497,479	15,395,349	16,892,828	1,069,994
Infrastructure	5,473,799	0	5,473,799	0
Intangible Right-to-Use Assets	0	56,994	56,994	0
Total Assets	\$ 26,040,045	\$ 21,173,483	\$ 47,213,528	\$ 32,311,953

**DEFERRED OUTFLOWS OF RESOURCES**

Pension Changes in Experience	\$ 70,973	\$ 0	\$ 70,973	\$ 377,017
Pension Changes in Investment Earnings	23,870	0	23,870	275,707
Pension Changes in Assumptions	43,390	0	43,390	565,484
Pension Changes in Proportion	0	0	0	9,655
Pension Contributions After Measurement Date	53,715	0	53,715	418,979
OPEB Changes in Experience	0	0	0	229,077
OPEB Changes in Assumptions	0	0	0	233,064
OPEB Changes in Proportion	0	0	0	59,441
OPEB Contributions After Measurement Date	0	0	0	55,701
Total Deferred Outflows of Resources	\$ 191,948	\$ 0	\$ 191,948	\$ 2,224,125

(Continued)

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY TENNESSEE**  
**Statement of Net Position (Cont.)**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Metropolitan School Department
<b>LIABILITIES</b>				
Accounts Payable	\$ 27,660	\$ 444,846	\$ 472,506	\$ 3,976
Accrued Payroll	50,484	0	50,484	0
Accrued Interest Payable	107,740	0	107,740	0
Payroll Deductions Payable	127,408	0	127,408	419,308
Due to State of Tennessee	252	0	252	0
Other Current Liabilities	0	108,737	108,737	0
Noncurrent Liabilities:				
Due Within One Year - Leases	0	18,984	18,984	0
Due Within One Year - Debt	905,000	477,340	1,382,340	0
Due Within One Year - Other	99,280	0	99,280	185,418
Due in More Than One Year - Debt	17,521,000	8,465,052	25,986,052	0
Due in More Than One Year - Other	148,922	0	148,922	1,802,729
Total Liabilities	\$ 18,987,746	\$ 9,514,959	\$ 28,502,705	\$ 2,411,431
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Current Property Taxes	\$ 4,884,578	\$ 0	\$ 4,884,578	\$ 3,494,583
Pension Changes in Experience	0	0	0	101,872
Pension Changes in Proportion	0	0	0	57,939
OPEB Changes in Experience	0	0	0	51,630
OPEB Changes in Assumptions	0	0	0	196,785
OPEB Changes in Proportion	0	0	0	78,981
Total Deferred Inflows of Resources	\$ 4,884,578	\$ 0	\$ 4,884,578	\$ 3,981,790
<b>NET POSITION</b>				
Net Investment in Capital Assets	\$ 10,807,465	\$ 8,951,758	\$ 19,759,223	\$ 24,789,626
Restricted for:				
General Government	85,314	0	85,314	0
Administration of Justice	128,312	0	128,312	0
Public Safety	104,954	0	104,954	0
Public Health and Welfare	163,746	0	163,746	0
Other Purposes	39,583	0	39,583	0
Highway/Public Works	1,985,338	0	1,985,338	0
Pensions	64,816	0	64,816	1,465,224
Education	0	0	0	770,646
Capital Projects	334,183	0	334,183	0
Unrestricted	(11,354,042)	2,706,766	(8,647,276)	1,117,361
Total Net Position	\$ 2,359,669	\$ 11,658,524	\$ 14,018,193	\$ 28,142,857

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

Exhibit B

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY TENNESSEE**

**Statement of Activities**

**For the Year Ended June 30, 2024**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position							Component Unit Metropolitan School Department
	Expenses	Program Revenues			Primary Government			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary Government:								
Governmental Activities:								
General Government	\$ 1,037,359	\$ 137,572	\$ 15,164	\$ 0	\$ (884,623)	\$ 0	\$ (884,623)	\$ 0
Finance	452,571	306,960	0	0	(145,611)	0	(145,611)	0
Administration of Justice	466,319	69,440	9,000	0	(387,879)	0	(387,879)	0
Public Safety	3,576,231	139,794	520,183	0	(2,916,254)	0	(2,916,254)	0
Public Health and Welfare	1,536,837	832,803	752,737	0	48,703	0	48,703	0
Social, Cultural, and Recreational Services	352,544	24,093	1,295	0	(327,156)	0	(327,156)	0
Agriculture and Natural Resources	108,354	0	0	0	(108,354)	0	(108,354)	0
Highways	2,498,471	0	1,869,112	1,878,685	1,249,326	0	1,249,326	0
Interest on Long-term Debt	525,911	0	0	0	(525,911)	0	(525,911)	0
Education	32,830	0	0	0	(32,830)	0	(32,830)	0
Total Governmental Activities	\$ 10,587,427	\$ 1,510,662	\$ 3,167,491	\$ 1,878,685	\$ (4,030,589)	\$ 0	\$ (4,030,589)	\$ 0
Business-type Activities:								
Water and Sewer Department	\$ 2,998,819	\$ 3,377,474	\$ 35,743	\$ 798,398	\$ 0	\$ 1,212,796	\$ 1,212,796	\$ 0
Total Primary Government	\$ 13,586,246	\$ 4,888,136	\$ 3,203,234	\$ 2,677,083	\$ (4,030,589)	\$ 1,212,796	\$ (2,817,793)	\$ 0
Component Unit:								
Metropolitan School Department	\$ 13,819,894	\$ 757,046	\$ 1,372,393	\$ 55,523	\$ 0	\$ 0	\$ 0	\$ (11,634,932)

(Continued)

Exhibit B

The Metropolitan Government of Lynchburg, Moore County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit Metropolitan School Department
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes					\$ 3,645,158	\$ 0	\$ 3,645,158	\$ 3,292,301
Property Taxes Levied for Debt Service					945,322	0	945,322	0
Local Option Sales Tax					879,486	0	879,486	946,286
Wholesale Beer Tax					96,856	0	96,856	0
Business Tax					47,695	0	47,695	0
Litigation Tax - Jail, Workhouse, & Courthouse					18,358	0	18,358	0
Litigation Tax - General					13,250	0	13,250	0
Hotel/Motel Tax					58,733	0	58,733	0
Other Local Taxes					266	0	266	254
Grants and Contributions Not Restricted to Specific Programs					776,338	0	776,338	5,646,032
Unrestricted Investment Income					156,380	90,712	247,092	7,495
Miscellaneous					155,322	0	155,322	20,059
Gain on Sale of Capital Assets					0	0	0	3,950
<b>Total General Revenues</b>					<b>\$ 6,793,164</b>	<b>\$ 90,712</b>	<b>\$ 6,883,876</b>	<b>\$ 9,916,377</b>
Change in Net Position					\$ 2,762,575	\$ 1,303,508	\$ 4,066,083	\$ (1,718,555)
Net Position, July 1, 2023					(402,906)	10,355,016	9,952,110	29,861,412
Net Position, June 30, 2024					<b>\$ 2,359,669</b>	<b>\$ 11,658,524</b>	<b>\$ 14,018,193</b>	<b>\$ 28,142,857</b>

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

Exhibit C-1

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**

**Balance Sheet**

Governmental Funds

June 30, 2024

	<b>Major Funds</b>				<b>Nonmajor Funds</b>	<b>Total Governmental Funds</b>
	<b>General</b>	<b>Highway / Public Works</b>	<b>General Debt Service</b>	<b>General Capital Projects</b>	<b>Other Govern- mental Funds</b>	
<b>ASSETS</b>						
Cash	\$ 325	\$ 0	\$ 0	\$ 0	\$ 0	325
Equity in Pooled Cash and Investments	1,860,345	1,669,016	2,785,581	2,263,963	343,713	8,922,618
Accounts Receivable	715,909	0	0	0	51,758	767,667
Allowance for Uncollectibles	(100,944)	0	0	0	0	(100,944)
Due from Other Governments	207,952	401,873	0	0	39,545	649,370
Property Taxes Receivable	3,642,120	52,816	966,625	0	305,994	4,967,555
Allowance for Uncollectible Property Taxes	(28,604)	(213)	(7,797)	0	(2,213)	(38,827)
<b>Total Assets</b>	<b>\$ 6,297,103</b>	<b>\$ 2,123,492</b>	<b>\$ 3,744,409</b>	<b>\$ 2,263,963</b>	<b>\$ 738,797</b>	<b>\$ 15,167,764</b>
<b>LIABILITIES</b>						
Accounts Payable	\$ 25,377	\$ 451	\$ 0	\$ 0	\$ 1,832	27,660
Accrued Payroll	46,136	0	0	0	4,348	50,484
Payroll Deductions Payable	102,386	18,944	0	0	6,078	127,408
Due to State of Tennessee	83	0	0	0	169	252
<b>Total Liabilities</b>	<b>\$ 173,982</b>	<b>\$ 19,395</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 12,427</b>	<b>\$ 205,804</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred Current Property Taxes	\$ 3,581,318	\$ 51,934	\$ 949,807	\$ 0	\$ 301,519	4,884,578
Deferred Delinquent Property Taxes	29,734	632	8,331	0	2,095	40,792
Other Deferred/Unavailable Revenue	624,604	244,704	0	0	63,830	933,138
<b>Total Deferred Inflows of Resources</b>	<b>\$ 4,235,656</b>	<b>\$ 297,270</b>	<b>\$ 958,138</b>	<b>\$ 0</b>	<b>\$ 367,444</b>	<b>\$ 5,858,508</b>

(Continued)

Exhibit C-1

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**

**Balance Sheet**

Governmental Funds (Cont.)

	<b>Major Funds</b>				<b>Nonmajor Funds</b>	<b>Total Governmental Funds</b>
	<b>General</b>	<b>Highway / Public Works</b>	<b>General Debt Service</b>	<b>General Capital Projects</b>	<b>Other Governmental Funds</b>	
<b>FUND BALANCES</b>						
Restricted:						
Restricted for Administration of Justice	\$ 128,312	\$ 0	\$ 0	\$ 0	\$ 0	\$ 128,312
Restricted for Public Safety	19,629	0	0	0	85,325	104,954
Restricted for Public Health and Welfare	122,190	0	0	0	0	122,190
Restricted for Other Operations	39,583	0	0	0	0	39,583
Restricted for Highways/Public Works	0	1,806,827	0	0	0	1,806,827
Restricted for Capital Projects	0	0	0	334,183	0	334,183
Restricted for Other Purposes	0	0	0	0	85,230	85,230
Committed:						
Committed for Public Health and Welfare	0	0	0	0	188,371	188,371
Committed for Social, Cultural, and Recreational Services	12,681	0	0	0	0	12,681
Committed for Debt Service	0	0	2,786,271	0	0	2,786,271
Committed for Capital Projects	0	0	0	1,929,780	0	1,929,780
Assigned:						
Assigned for General Government	260,036	0	0	0	0	260,036
Assigned for Administration of Justice	518	0	0	0	0	518
Assigned for Public Safety	46,369	0	0	0	0	46,369
Assigned for Public Health and Welfare	2,770	0	0	0	0	2,770
Assigned for Social, Cultural, and Recreational Services	303	0	0	0	0	303
Unassigned	1,255,074	0	0	0	0	1,255,074
<b>Total Fund Balances</b>	<b>\$ 1,887,465</b>	<b>\$ 1,806,827</b>	<b>\$ 2,786,271</b>	<b>\$ 2,263,963</b>	<b>\$ 358,926</b>	<b>\$ 9,103,452</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 6,297,103</b>	<b>\$ 2,123,492</b>	<b>\$ 3,744,409</b>	<b>\$ 2,263,963</b>	<b>\$ 738,797</b>	<b>\$ 15,167,764</b>

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

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE 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)	\$	9,103,452
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$	393,779
Add: construction in progress		567,899
Add: buildings and improvements net of accumulated depreciation		2,874,509
Add: other capital assets net of accumulated depreciation		1,497,479
Add: infrastructure net of accumulated depreciation		5,473,799
		<u>10,807,465</u>
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: other loans payable	\$	(18,426,000)
Less: compensated absences payable		(248,202)
Less: accrued interest on other loans payable		(107,740)
		<u>(18,781,942)</u>
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.		
Add: deferred outflows of resources related to pensions		191,948
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		64,816
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		<u>973,930</u>
Net position of governmental activities (Exhibit A)	<u>\$</u>	<u>2,359,669</u>

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

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**

**Statement of Revenues, Expenditures,  
and Changes in Fund Balances**

Governmental Funds

**For the Year Ended June 30, 2024**

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern- mental Funds	
<b>Revenues</b>						
Local Taxes	\$ 4,326,236	\$ 59,164	\$ 1,111,533	\$ 4	\$ 236,609	\$ 5,733,546
Licenses and Permits	83,639	0	0	0	6,825	90,464
Fines, Forfeitures, and Penalties	19,053	0	0	0	5,294	24,347
Charges for Current Services	389,321	0	0	0	276,389	665,710
Other Local Revenues	193,543	600	0	45,603	64,732	304,478
Fees Received From County Officials	398,527	0	0	0	0	398,527
State of Tennessee	991,624	3,653,093	0	529,000	3,440	5,177,157
Federal Government	275,133	0	0	0	0	275,133
Other Governments and Citizens Groups	46,204	0	310,600	25,000	0	381,804
<b>Total Revenues</b>	<b>\$ 6,723,280</b>	<b>\$ 3,712,857</b>	<b>\$ 1,422,133</b>	<b>\$ 599,607</b>	<b>\$ 593,289</b>	<b>\$ 13,051,166</b>
<b>Expenditures</b>						
Current:						
General Government	\$ 791,957	\$ 0	\$ 0	\$ 0	\$ 10,822	\$ 802,779
Finance	313,631	0	0	0	0	313,631
Administration of Justice	322,203	0	0	0	0	322,203
Public Safety	2,663,299	0	0	0	373	2,663,672
Public Health and Welfare	921,721	0	0	0	622,071	1,543,792
Social, Cultural, and Recreational Services	239,802	0	0	0	0	239,802
Agriculture and Natural Resources	83,302	0	0	0	0	83,302
Other Operations	947,879	0	0	0	0	947,879
Highways	0	3,067,007	0	0	0	3,067,007

(Continued)

Exhibit C-3

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**

**Statement of Revenues, Expenditures,  
and Changes in Fund Balances**

Governmental Funds (Cont.)

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Governmental Funds	
<b>Expenditures (Cont.)</b>						
Debt Service:						
Principal on Debt	\$ 0	\$ 0	\$ 881,000	\$ 0	\$ 0	\$ 881,000
Interest on Debt	0	0	530,111	0	0	530,111
Other Debt Service	0	0	53,635	0	0	53,635
Capital Projects	0	0	0	1,062,920	0	1,062,920
Total Expenditures	\$ 6,283,794	\$ 3,067,007	\$ 1,464,746	\$ 1,062,920	\$ 633,266	\$ 12,511,733
Excess (Deficiency) of Revenues Over Expenditures	\$ 439,486	\$ 645,850	\$ (42,613)	\$ (463,313)	\$ (39,977)	\$ 539,433
<b>Other Financing Sources (Uses)</b>						
Insurance Recovery	\$ 41,882	\$ 0	\$ 0	\$ 0	\$ 14,097	\$ 55,979
Transfers In	400,000	0	0	2,643,219	0	3,043,219
Transfers Out	0	0	0	0	(3,043,219)	(3,043,219)
Total Other Financing Sources (Uses)	\$ 441,882	\$ 0	\$ 0	\$ 2,643,219	\$ (3,029,122)	\$ 55,979
Net Change in Fund Balances	\$ 881,368	\$ 645,850	\$ (42,613)	\$ 2,179,906	\$ (3,069,099)	\$ 595,412
Fund Balance, July 1, 2023	1,006,097	1,160,977	2,828,884	84,057	3,428,025	8,508,040
Fund Balance, June 30, 2024	\$ 1,887,465	\$ 1,806,827	\$ 2,786,271	\$ 2,263,963	\$ 358,926	\$ 9,103,452

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

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE 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)		\$ 595,412
(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	\$ 2,239,719	
Less: current-year depreciation expense	<u>(1,117,822)</u>	1,121,897
(2) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2023	\$ (731,073)	
Add: deferred delinquent property taxes and other deferred June 30, 2024	<u>973,930</u>	242,857
(3) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Add: principal payments on other loans		881,000
(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 compensated absences payable	\$ (39,199)	
Change in accrued interest payable	4,200	
Change in deferred outflows of resources related to pensions	8,134	
Change in net pension asset	<u>(51,726)</u>	<u>(78,591)</u>
Change in net position of governmental activities (Exhibit B)		<u><u>\$ 2,762,575</u></u>

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

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**

**Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget**

General Fund

**For the Year Ended June 30, 2024**

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<b>Revenues</b>				
Local Taxes	\$ 4,326,236	\$ 4,251,812	\$ 4,251,812	\$ 74,424
Licenses and Permits	83,639	33,000	33,000	50,639
Fines, Forfeitures, and Penalties	19,053	16,750	16,750	2,303
Charges for Current Services	389,321	403,400	424,918	(35,597)
Other Local Revenues	193,543	94,300	153,625	39,918
Fees Received From County Officials	398,527	377,900	377,900	20,627
State of Tennessee	991,624	591,100	790,378	201,246
Federal Government	275,133	1,100	276,233	(1,100)
Other Governments and Citizens Groups	46,204	1,000	18,740	27,464
<b>Total Revenues</b>	<b>\$ 6,723,280</b>	<b>\$ 5,770,362</b>	<b>\$ 6,343,356</b>	<b>\$ 379,924</b>
<b>Expenditures</b>				
General Government				
County Commission	\$ 237,895	\$ 227,525	\$ 238,025	\$ 130
County Mayor/Executive	206,207	209,224	210,730	4,523
County Attorney	10,500	10,500	10,500	0
Election Commission	127,237	122,354	137,129	9,892
Register of Deeds	87,161	90,276	90,276	3,115
Planning	13,994	18,198	18,198	4,204
County Buildings	94,976	115,431	112,996	18,020
Preservation of Records	13,987	18,748	18,748	4,761
Finance				
Property Assessor's Office	100,964	111,641	111,641	10,677
County Trustee's Office	101,463	102,916	103,916	2,453
County Clerk's Office	111,204	112,711	113,711	2,507
Administration of Justice				
Circuit Court	104,490	117,316	116,816	12,326
General Sessions Court	84,261	83,483	87,465	3,204
Chancery Court	96,150	99,013	98,713	2,563
Juvenile Court	9,000	9,000	9,000	0
Judicial Commissioners	28,302	27,484	28,984	682
Public Safety				
Sheriff's Department	1,159,465	1,130,938	1,327,883	168,418
Special Patrols	481	0	481	0
Administration of the Sexual Offender Registry	0	4,400	4,400	4,400
Jail	757,039	743,750	802,729	45,690
Commissary	980	1,050	1,050	70
Fire Prevention and Control	156,147	145,816	180,816	24,669
Other Emergency Management	575,893	414,773	592,035	16,142
County Coroner/Medical Examiner	13,294	10,000	13,294	0

(Continued)

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**

**Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget**

General Fund (Cont.)

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<b>Expenditures (Cont.)</b>				
Public Health and Welfare				
Local Health Center	\$ 145,702	\$ 195,990	\$ 215,875	\$ 70,173
Rabies and Animal Control	7,000	7,000	7,000	0
Ambulance/Emergency Medical Services	747,542	668,735	753,409	5,867
Regional Mental Health Center	2,500	2,500	2,500	0
Other Waste Disposal	18,977	18,977	18,977	0
Social, Cultural, and Recreational Services				
Senior Citizens Assistance	8,500	8,500	8,500	0
Libraries	126,352	132,961	138,573	12,221
Parks and Fair Boards	30,754	35,200	35,200	4,446
Other Social, Cultural, and Recreational	74,196	38,776	83,408	9,212
Agriculture and Natural Resources				
Agricultural Extension Service	72,027	117,464	116,464	44,437
Forest Service	350	350	350	0
Soil Conservation	10,925	11,740	12,740	1,815
Other Operations				
Tourism	18,285	21,710	21,260	2,975
Other Charges	714	12,600	12,600	11,886
Employee Benefits	928,880	925,000	966,768	37,888
Total Expenditures	<u>\$ 6,283,794</u>	<u>\$ 6,124,050</u>	<u>\$ 6,823,160</u>	<u>\$ 539,366</u>
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 439,486	\$ (353,688)	\$ (479,804)	\$ 919,290
<b>Other Financing Sources (Uses)</b>				
Insurance Recovery	\$ 41,882	\$ 100	\$ 39,432	\$ 2,450
Transfers In	400,000	416,000	401,000	(1,000)
Total Other Financing Sources	<u>\$ 441,882</u>	<u>\$ 416,100</u>	<u>\$ 440,432</u>	<u>\$ 1,450</u>
Net Change in Fund Balance	\$ 881,368	\$ 62,412	\$ (39,372)	\$ 920,740
Fund Balance, July 1, 2023	<u>1,006,097</u>	<u>844,507</u>	<u>844,507</u>	<u>161,590</u>
Fund Balance, June 30, 2024	<u>\$ 1,887,465</u>	<u>\$ 906,919</u>	<u>\$ 805,135</u>	<u>\$ 1,082,330</u>

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

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE****Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget**

Highway/Public Works Fund

**For the Year Ended June 30, 2024**

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<b>Revenues</b>				
Local Taxes	\$ 59,164	\$ 61,317	\$ 61,317	\$ (2,153)
Other Local Revenues	600	2,500	2,500	(1,900)
State of Tennessee	3,653,093	1,952,091	3,604,591	48,502
Total Revenues	<u>\$ 3,712,857</u>	<u>\$ 2,015,908</u>	<u>\$ 3,668,408</u>	<u>\$ 44,449</u>
<b>Expenditures</b>				
Highways				
Administration	\$ 227,022	\$ 254,695	\$ 254,695	\$ 27,673
Highway and Bridge Maintenance	630,837	1,087,500	1,087,500	456,663
Operation and Maintenance of Equipment	175,213	274,400	274,400	99,187
Other Charges	42,023	53,700	53,700	11,677
Employee Benefits	14,854	30,000	30,000	15,146
Capital Outlay	1,977,058	300,000	2,100,000	122,942
Total Expenditures	<u>\$ 3,067,007</u>	<u>\$ 2,000,295</u>	<u>\$ 3,800,295</u>	<u>\$ 733,288</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 645,850</u>	<u>\$ 15,613</u>	<u>\$ (131,887)</u>	<u>\$ 777,737</u>
Net Change in Fund Balance	\$ 645,850	\$ 15,613	\$ (131,887)	\$ 777,737
Fund Balance, July 1, 2023	<u>1,160,977</u>	<u>704,408</u>	<u>1,160,977</u>	<u>0</u>
Fund Balance, June 30, 2024	<u>\$ 1,806,827</u>	<u>\$ 720,021</u>	<u>\$ 1,029,090</u>	<u>\$ 777,737</u>

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

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY TENNESSEE**

**Statement of Net Position**

Proprietary Fund

June 30, 2024

	<u>Business-type Activities</u>
	<u>Major Enterprise Fund</u>
	<u>Water and Sewer Department</u>
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 1,055,091
Short-term Investments	1,575,321
Long-term Investments	209,850
Inventories	107,837
Accounts Receivable	284,223
Allowance for Uncollectibles	(16,569)
Other Receivables	44,076
Total Current Assets	<u>\$ 3,259,829</u>
Noncurrent Assets:	
Restricted Assets:	
Customer Deposits	\$ 520
Capital Assets:	
Assets Not Depreciated:	
Land	196,499
Construction in Progress	2,264,292
Assets Net of Accumulated Depreciation:	
Utility Plant in Service	15,395,349
Intangible Right-to-Use Assets	56,994
Total Noncurrent Assets	<u>\$ 17,913,654</u>
Total Assets	<u>\$ 21,173,483</u>

(Continued)

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY TENNESSEE**

**Statement of Net Position**

Proprietary Fund (Cont.)

	<b>Business-type Activities</b>
	<b>Major Enterprise Fund</b>
	<b>Water and Sewer Department</b>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	\$ 444,846
Accrued Liabilities	62,880
Current Portion of Long-term Debt Liabilities	477,340
Current Portion of Lease Obligation	18,984
Unearned Revenue	15,266
Customer Deposits	30,591
Total Current Liabilities	<u>\$ 1,049,907</u>
Noncurrent Liabilities:	
Due in More Than One Year - Debt	<u>\$ 8,465,052</u>
Total Noncurrent Liabilities	<u>\$ 8,465,052</u>
Total Liabilities	<u>\$ 9,514,959</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	\$ 8,951,758
Unrestricted	<u>2,706,766</u>
Total Net Position	<u>\$ 11,658,524</u>

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

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY TENNESSEE**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
Proprietary Fund  
**For the Year Ended June 30, 2024**

	<b>Business-type Activities</b>
	<b>Major Enterprise Fund</b>
	Water and Sewer Department
<b>Operating Revenues</b>	
Charges for Current Services	\$ 3,377,474
Total Operating Revenues	\$ 3,377,474
<b>Operating Expenses</b>	
Water Treatment	\$ 247,198
Dues and Subscriptions	10,530
Employee Benefits	187,001
Insurance	60,836
Office Supplies	48,774
Miscellaneous	17,368
Professional Services	64,793
Permits and Other Fees	32,421
Repairs and Maintenance	181,143
Salaries and Wages	1,009,817
Supplies and Parts	74,030
Utilities	233,840
Amortization	9,741
Depreciation	637,871
Total Operating Expenses	\$ 2,815,363
Operating Income (Loss)	\$ 562,111
<b>Nonoperating Revenues (Expenses)</b>	
Interest Earnings	\$ 90,712
Interest Expense	(183,456)
Total Nonoperating Revenues (Expenses)	\$ (92,744)
Income (Loss) Before Contributions, Grants, and Transfers	\$ 469,367
Contributions	798,398
Tap Fees in Excess of Costs	35,743
	\$ 1,303,508
Change in Net Position	\$ 1,303,508
Net Position, July 1, 2023	10,355,016
Net Position, June 30, 2024	\$ 11,658,524

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

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY TENNESSEE****Statement of Cash Flows**

Proprietary Funds

**For the Year Ended June 30, 2024**

	<b>Business-type Activities</b>
	<b>Major Enterprise Fund</b>
	<b>Water and Sewer Department</b>
<b>Cash Flows from Operating Activities</b>	
Receipts from Customers and Users	\$ 3,318,217
Water Purchases	(247,198)
Payments to Employees	(1,009,817)
Payments to Suppliers	(1,400,164)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 661,038</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Purchases of Capital Assets	\$ (735,661)
Proceeds from Borrowings	983,162
Capital Contributions	35,743
Leased Asset Payments	(18,123)
Principal Payments on Long-term Debt	(444,942)
Interest Payments on Long-term Debt	(183,456)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (363,277)</u>
<b>Cash Flows from Investing Activities</b>	
Proceeds from Certificate of Deposit	\$ 137,740
Investment Income	90,712
Net Cash Provided By (Used In) Investing Activities	<u>\$ 228,452</u>
Increase (Decrease) in Cash	\$ 388,472
Cash, July 1, 2023	<u>2,241,940</u>
Cash, June 30, 2024	<u><u>\$ 2,630,412</u></u>
Classified as:	
Cash	\$ 1,055,091
Investment in LGIP	<u>1,575,321</u>
Total Cash	<u><u>\$ 2,630,412</u></u>

(Continued)

**The Metropolitan Government of Lynchburg, Moore County, Tennessee****Statement of Cash Flows**

Proprietary Fund (Cont.)

	<b>Business-type Activities</b>
	<b>Major Enterprise Fund</b>
	<b>Water and Sewer Department</b>
<b>Reconciliation of Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities</b>	
Operating Income (Loss)	\$ 562,111
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Depreciation and Amortization Expense	647,612
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(59,257)
(Increase) Decrease in Prepaid Expenses	(7,003)
(Increase) Decrease in Inventories	(15,484)
Increase (Decrease) in Accounts Payable	(463,389)
Increase (Decrease) in Other Payables	(3,552)
	<u>661,038</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ 661,038</u>
<b>Schedule of Capital Activities That Did Not Result in Cash Payments</b>	
Contribution of Capital Assets	\$ 798,398
Purchase of Capital Assets on Account	2,082,270

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

Exhibit E-1

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY TENNESSEE**

**Statement of Net Position**

Fiduciary Funds

**June 30, 2024**

	<u>Custodial Fund</u>
<b>ASSETS</b>	
Cash	\$ 99,971
Accounts Receivable	<u>12</u>
Total Assets	<u>\$ 99,983</u>
<b>NET POSITION</b>	
Restricted For Individuals, Organizations, and Other Governments	<u>\$ 99,983</u>
Total Net Position	<u><u>\$ 99,983</u></u>

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

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY TENNESSEE**  
**Statement of Changes in Net Position**  
 Fiduciary Funds  
 For the Year Ended June 30, 2024

	<u>Custodial Fund</u>
<b>ADDITIONS</b>	
Fines/Fees and Other Collections	\$ 1,407,580
Total Additions	<u>\$ 1,407,580</u>
<b>DEDUCTIONS</b>	
Payments to State	\$ 1,210,339
Payments to Individuals and Others	<u>271,592</u>
Total Deductions	<u>\$ 1,481,931</u>
Net Increase (Decrease) in Fiduciary in Net Position	\$ (74,351)
Net Position, July 1, 2023	<u>174,334</u>
Net Position, June 30, 2024	<u><u>\$ 99,983</u></u>

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

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**THE METROPOLITAN GOVERNMENT OF  
LYNCHBURG, MOORE COUNTY, TENNESSEE  
INDEX OF NOTES TO THE FINANCIAL STATEMENTS**

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Note	Page(s)
<b>I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</b>	
A. Reporting Entity	36
B. Government-wide and Fund Financial Statements	37
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	37
D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance	
1. Deposits and Investments	40
2. Receivables and Payables	41
3. Inventories	41
4. Restricted Assets	42
5. Capital Assets	42
6. Deferred Outflows/Inflows of Resources	43
7. Compensated Absences	43
8. Long-term Debt and Long-term Obligations	44
9. Net Position and Fund Balance	44
10. Minimum Fund Balance Policy	45
E. Pension Plans	46
F. Other Postemployment Benefit (OPEB) Plans	46
<b>II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS</b>	
A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position	47
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	47
<b>III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY</b>	
Budgetary Information	47
<b>IV. DETAILED NOTES ON ALL FUNDS</b>	
A. Deposits and Investments	48
B. Capital Assets	51
C. Interfund Transfers	54
D. Long-term Debt	54
E. Long-term Obligations	56
F. On-Behalf Payments	58
<b>V. OTHER INFORMATION</b>	
A. Risk Management	58
B. Accounting Change	58
C. Contingent Liabilities	59
D. Change in Administration	59
E. Joint Ventures	59
F. Retirement Commitments	
1. Tennessee Consolidated Retirement System (TCRS)	60
2. Deferred Compensation	78
G. Other Postemployment Benefits (OPEB)	79
H. Purchasing Law	83
<b>VI. OTHER NOTES - WATER AND SEWER DEPARTMENT (ENTERPRISE FUND)</b>	84

**THE METROPOLITAN GOVERNMENT OF  
LYNCHBURG, MOORE COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Metropolitan Government of Lynchburg, Moore 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 the metropolitan government:

**A. *Reporting Entity***

The Metropolitan Government of Lynchburg, Moore County (metropolitan government,) is a public municipal corporation governed by an elected 15-member metropolitan council. As required by GAAP, these financial statements present the metropolitan government (the primary government) and its component units. Although required by GAAP, the financial statements of the Moore County Emergency Communications District, a component unit requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of its omission did not affect the independent auditor's opinion thereon. The component units discussed below are included in the metropolitan government's reporting entity because of the significance of their operational or financial relationships with the metropolitan government.

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

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

The Moore County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Moore County, and the metropolitan council 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 metropolitan council's approval. The financial statements of the Moore County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The school department does not issue separate financial statements from those of the metropolitan government. 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 Moore County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Moore County Emergency Communications District  
1333 Main Street  
Lynchburg, TN 37352

***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 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. The primary government has one business-type activity to report, the Metropolitan Lynchburg – Moore County Water and Sewer Department. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The metropolitan 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.

The Metropolitan Government of Lynchburg, Moore County issues all debt for the discretely presented metropolitan school department. There were no debt issues contributed by the metropolitan government to the school department during the year ended June 30, 2024.

Separate financial statements are provided for governmental funds, the proprietary fund, and the fiduciary fund. The fiduciary fund is excluded from the government-wide financial statements. Major individual governmental funds and the major enterprise fund 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 and the fiduciary fund 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 the metropolitan government 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. The metropolitan government only reports one proprietary fund, the Metropolitan Lynchburg – Moore County Water and Sewer Department Fund, an enterprise fund.

Separate financial statements are provided for governmental funds, the proprietary fund, and the fiduciary fund. 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. The fiduciary fund is 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 metropolitan government considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. The metropolitan government considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

The fiduciary fund 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 a custodial fund.

The metropolitan government reports the following major governmental funds:

**General Fund** – This is the metropolitan government’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 metropolitan government’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 resources accumulated to be used for the general capital expenditures of the metropolitan government and the receipt of debt issued by the metropolitan government and contributed to the school department for building construction and renovations.

The metropolitan government reports the following major proprietary fund:

**Water and Sewer Department Fund** – This fund accounts for water and sewer services provided by the metropolitan government.

Additionally, the metropolitan government reports the following fund type:

**Custodial Fund** – This fund accounts for amounts collected in a custodial capacity by the constitutional officers.

The discretely presented metropolitan school department reports the following major governmental fund:

**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.

Additionally, the metropolitan 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; and the metropolitan government's own legally issued bonds or notes.

The metropolitan trustee maintains a cash and internal investment pool that is used by all funds (excluding the Water and Sewer Fund, enterprise fund) and the discretely presented metropolitan school department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Fund. The metropolitan government 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. Metropolitan Government of Lynchburg, Moore County had no investments in the State Treasurer's Intermediate Term Investment Fund during the year.

All other investments are reported at fair value. Other than the pension stabilization trust discussed in Note IV.A., no investments required to be reported at fair value were held at the balance sheet date.

## **2. Receivables and Payables**

All ambulance, property taxes, and solid waste receivables are shown with allowances for uncollectible. Ambulance and solid waste receivables allowances for uncollectible are 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. Inventories**

Inventories of the metropolitan school department are recorded at cost, determined on the first-in, first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Inventories 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 metropolitan 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 metropolitan school department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the metropolitan 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., lease) 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 \$5,000 or more (\$25,000 for infrastructure) and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

Property, plant, equipment, and infrastructure of the primary government (excluding the Water and Sewer Fund, enterprise fund) and the discretely presented school department are depreciated using the straight-line method over the following estimated useful lives.

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	20 - 50
Other Capital Assets	5 - 15
Infrastructure:	
Roads	10 - 15
Bridges	40

## 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, the items are reported in the government-wide Statement of Net Position. These items are for pension and OPEB changes in experience, pension and OPEB changes in assumptions, pension changes in investment earnings, pension and OPEB changes in proportionate share, and employer contributions made to the pension and OPEB plans after the 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) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes, pension and OPEB changes in experience, pension and OPEB changes in proportionate share, OPEB changes in assumptions, and various receivables for revenues, which do not meet the availability criteria for governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

## 7. **Compensated Absences**

### **Primary Government**

It is the metropolitan government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the metropolitan government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred for the metropolitan government. 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.

### **Discretely Presented Metropolitan School Department**

The general policy of the metropolitan school department for all professional personnel (teachers) permits the unlimited accumulation of unused sick leave days. The granting of sick leave for professional personnel has no guaranteed payment attached and therefore requires no accrual or recording. Noncertified personnel of the metropolitan school department earn varying amounts of annual and sick leave days. The metropolitan school department will only pay for accumulated sick leave balances in excess of 30 days that have accrued during the current year. Sick leave may only be paid in December or June. Therefore, no liability for accrued sick leave exists. A liability for annual leave is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

## 8. Long-term Debt and Long-term Obligations

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

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

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

## 9. Net Position and Fund Balance

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

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

As of June 30, 2024, the metropolitan government had \$18,426,000 in outstanding debt for capital purposes for the discretely presented metropolitan school department. This debt is a liability of the metropolitan government, but the capital assets acquired are reported in the financial statements of the metropolitan school department. Therefore, the metropolitan government has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the metropolitan government's capital assets.

It is the metropolitan government'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 metropolitan government'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 metropolitan council, the primary government's highest level of decision-making authority and the Board of Education, the metropolitan 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 metropolitan government's intent to be used for specific purposes but are neither restricted nor committed (excluding stabilization arrangements). The metropolitan council has by resolution authorized the Budget Committee to make assignments for the general government. The Board of Education makes assignments for the metropolitan school department.

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification represents fund balance that has not been assigned to other funds and 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.

## **10. Minimum Fund Balance Policy**

To provide management with appropriate guidelines and direction to assist in making sound decisions related to managing the fund balance of certain governmental funds, the following minimum fund balance policy exists and consists of the sum of committed, assigned, and unassigned fund balance:

General Fund – five percent of current-year appropriations.

General Debt Service Fund – the metropolitan government will typically have at least 75 percent of budgeted annual expenditures as 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 the Metropolitan Government of Lynchburg, Moore County's participation in the Public Employee Pension Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from the metropolitan government'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 Metropolitan School Department**

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

***F. Other Postemployment Benefit (OPEB) Plan***

**Discretely Presented Metropolitan 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 metropolitan school department. For this purpose, the school department recognizes benefit payments when due and payable in accordance with benefit terms. The metropolitan 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 Metropolitan 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 Metropolitan 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 metropolitan government 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 metropolitan council 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 metropolitan council may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The metropolitan government'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, the metropolitan government and the discretely presented metropolitan government school department reported no significant encumbrances.

#### IV. DETAILED NOTES ON ALL FUNDS

##### A. *Deposits and Investments*

The metropolitan government (excluding the Water and Sewer Fund, an enterprise fund) and the metropolitan school department participate in an internal cash and investment pool through the Office of Trustee. The metropolitan trustee is the treasurer of the metropolitan government and in this capacity is responsible for receiving, disbursing, and investing most metropolitan government 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 metropolitan government.

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 metropolitan government's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The metropolitan government 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 metropolitan government 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 metropolitan government at amortized cost using a floating net asset value. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

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

## TCRS Stabilization Trust

**Legal Provisions.** The metropolitan 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 metropolitan 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 metropolitan 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	\$ 41,337
Developed Market International Equity	N/A	N/A	18,668
Emerging Market International Equity	N/A	N/A	5,334
U.S. Fixed Income	N/A	N/A	26,668
Real Estate	N/A	N/A	13,334
Short-term Securities	N/A	N/A	1,333
NAV - Private Equity and Strategic Lending	N/A	N/A	26,668
Total			\$ 133,342

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

**B. Capital Assets**

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

**Primary Government**

**Governmental Activities:**

	Balance 7-1-23	Increases	Balance 6-30-24
Capital Assets Not Depreciated:			
Land	\$ 393,779	\$ 0	\$ 393,779
Construction in Progress	0	567,899	567,899
<b>Total Capital Assets Not Depreciated</b>	<b>\$ 393,779</b>	<b>\$ 567,899</b>	<b>\$ 961,678</b>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 5,141,424	\$ 0	\$ 5,141,424
Other Capital Assets	6,751,738	400,004	7,151,742
Infrastructure	8,624,489	1,271,816	9,896,305
<b>Total Capital Assets Depreciated</b>	<b>\$ 20,517,651</b>	<b>\$ 1,671,820</b>	<b>\$ 22,189,471</b>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 2,101,620	\$ 165,295	\$ 2,266,915
Other Capital Assets	5,231,555	422,708	5,654,263
Infrastructure	3,892,687	529,819	4,422,506
<b>Total Accumulated Depreciation</b>	<b>\$ 11,225,862</b>	<b>\$ 1,117,822</b>	<b>\$ 12,343,684</b>
<b>Total Capital Assets Depreciated, Net</b>	<b>\$ 9,291,789</b>	<b>\$ 553,998</b>	<b>\$ 9,845,787</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 9,685,568</b>	<b>\$ 1,121,897</b>	<b>\$ 10,807,465</b>

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

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

**Governmental Activities:**

General Government	\$	20,150
Administration of Justice		2,370
Public Safety		218,825
Public Health and Welfare		115,689
Social, Cultural, and Recreational Services		67,100
Highway/Public Works		<u>693,688</u>
Total Depreciation Expense - Governmental Activities	\$	<u><u>1,117,822</u></u>

## Discretely Presented Metropolitan School Department

### Governmental Activities:

	Balance 7-1-23	Increases	Decreases	Balance 6-30-24
Capital Assets Not Depreciated:				
Land	\$ 39,342	\$ 0	\$ 0	\$ 39,342
<b>Total Capital Assets Not Depreciated</b>	<b>\$ 39,342</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 39,342</b>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 37,361,659	\$ 0	\$ 0	\$ 37,361,659
Other Capital Assets	2,468,216	24,990	(39,500)	2,453,706
<b>Total Capital Assets Depreciated</b>	<b>\$ 39,829,875</b>	<b>\$ 24,990</b>	<b>\$ (39,500)</b>	<b>\$ 39,815,365</b>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 12,736,091	\$ 945,278	\$ 0	\$ 13,681,369
Other Capital Assets	1,253,598	169,614	(39,500)	1,383,712
<b>Total Accumulated Depreciation</b>	<b>\$ 13,989,689</b>	<b>\$ 1,114,892</b>	<b>\$ (39,500)</b>	<b>\$ 15,065,081</b>
<b>Total Capital Assets Depreciated, Net</b>	<b>\$ 25,840,186</b>	<b>\$ (1,089,902)</b>	<b>\$ 0</b>	<b>\$ 24,750,284</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 25,879,528</b>	<b>\$ (1,089,902)</b>	<b>\$ 0</b>	<b>\$ 24,789,626</b>

Depreciation expense was charged to functions of the metropolitan school department as follows:

### Governmental Activities:

Instruction	\$ 370,991
Support Services	143,930
Operation of Non-Instructional Services	599,971
<b>Total Depreciation Expense - Governmental Activities</b>	<b>\$ 1,114,892</b>

**C. Interfund Transfers**

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

**Primary Government**

Transfer Out	Transfers In		Purpose
	General Fund	General Capital Projects Fund	
Nonmajor governmental funds	\$ 400,000	\$ 2,643,219	Various 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 and to use unrestricted revenues collected in funds to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The county made a one-time transfer of \$2,643,219 from the Other General Government Fund to the General Capital Projects Fund to fund various capital projects.

**D. Long-term Debt**

**Primary Government (excluding the debt of the Water and Sewer Department Fund which is discussed in notes VI.D. and VI.E.)**

**Other Loans**

*Direct Borrowing and Direct Placement* - The metropolitan government issues other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented metropolitan school department. Other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. The other loans outstanding were issued for original terms of up to 28 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. The other loans included in long-term debt as of June 30, 2024, will be retired from the General Debt Service Fund.

Other loans 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
Direct Borrowing and Direct Placement:				
Other Loans	variable	% 5-25-35	\$ 8,300,000	\$ 4,238,000
Other Loans - Fixed rate	2.51 to 2.59	3-1-45	17,000,000	14,188,000

During prior years, the metropolitan government entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned \$8,300,000 to the metropolitan government for various capital projects. This loan is repayable at interest rates that are tax-exempt variable rates determined by the remarketing agent daily or weekly, depending on the particular program. In addition, the metropolitan government pays various other fees (trustee, letter of credit, and debt remarketing) in connection with this loan. On June 30, 2024, the variable interest rate was 3.96 percent, and other fees totaled approximately 0.50 percent (letter of credit), 0.07 percent (remarketing), and \$85 per month (trustee) for the \$8,300,000 loan.

During the 2017-18 year, the metropolitan government entered into a loan agreement with the City of Clarksville Public Building Authority. Under this loan agreement the authority has loaned \$14,000,000 to the metropolitan government for various renovation and construction projects. This loan is repayable at a fixed interest rate of 2.51 percent.

During the 2019-2020 year, the metropolitan government entered into a loan agreement with the City of Clarksville Public Building Authority. Under this loan agreement the authority has loaned \$3,000,000 to the metropolitan government for various renovation and construction projects. This loan is repayable at a fixed interest rate of 2.59 percent.

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

Year Ending June 30	Other Loans - Direct Placement			
	Principal	Interest	Other Fees	Total
2025	\$ 905,000	\$ 526,187	\$ 25,022	\$ 1,456,209
2026	930,000	498,633	23,164	1,451,797
2027	956,000	470,304	21,250	1,447,554
2028	982,000	441,162	19,273	1,442,435
2029	1,009,000	411,206	17,234	1,437,440
2030-2034	5,481,000	1,576,061	53,229	7,110,290
2035-2039	4,342,000	800,872	3,472	5,146,344
2040-2044	3,651,000	266,182	0	3,917,182
2045	170,000	4,403	0	174,403
<b>Total</b>	<b>\$ 18,426,000</b>	<b>\$ 4,995,010</b>	<b>\$ 162,644</b>	<b>\$ 23,583,654</b>

There is \$2,786,271 available in the General Debt Service Fund to service long-term debt. Debt per capita totaled \$2,852, based on the 2020 federal census.

### *Changes in Long-term Debt*

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

<b>Governmental Activities:</b>	<u>Other Loans - Direct Placement</u>
Balance, July 1, 2023	\$ 19,307,000
Reductions	<u>(881,000)</u>
Balance, June 30, 2024	<u>\$ 18,426,000</u>
Balance Due Within One Year	<u>\$ 905,000</u>
Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:	
Total Noncurrent Liabilities - Debt, June 30, 2024	\$ 18,426,000
Less: Balance Due Within One Year - Debt	<u>(905,000)</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 17,521,000</u>

### *E. Long-term Obligations*

#### **Primary Government**

### *Changes in Long-term Obligations*

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

<b>Governmental Activities:</b>	<u>Compensated Absences</u>
Balance, July 1, 2023	\$ 209,003
Additions	178,158
Reductions	<u>(138,959)</u>
Balance, June 30, 2024	<u>\$ 248,202</u>
Balance Due Within One Year	<u>\$ 99,280</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2024	\$	248,202
Less: Balance Due Within One Year - Other		<u>(99,280)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	\$	<u>148,922</u>

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

**Discretely Presented Metropolitan School Department**

*Changes in Long-term Obligations*

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

Governmental Activities:			Net Pension
	Compensated Absences	Other Postemployment Benefits	Liability- Agent Pension Plan
Balance, July 1, 2023	\$ 28,268	\$ 1,563,591	\$ 93,983
Additions	32,151	334,850	573,220
Reductions	<u>(31,239)</u>	<u>(47,267)</u>	<u>(559,410)</u>
Balance, June 30, 2024	<u>\$ 29,180</u>	<u>\$ 1,851,174</u>	<u>\$ 107,793</u>
Balance Due Within One Year	<u>\$ 29,180</u>	<u>\$ 156,238</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2024	\$	1,988,147
Less: Balance Due Within One Year - Other		<u>(185,418)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	\$	<u>1,802,729</u>

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

**F. *On-Behalf Payments***

**Discretely Presented Metropolitan School Department**

The State of Tennessee pays health insurance premiums for retired teachers on behalf of the metropolitan school department. These payments are made by the state to the Local Education Group Insurance Plan. The plan is administered by the State of Tennessee and reported in the state's Annual Comprehensive Financial Report. Payments by the state to the Local Education Group Insurance Plan for the year ended June 30, 2024, were \$26,475. The metropolitan school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

**V. OTHER INFORMATION**

**A. *Risk Management***

The metropolitan government and the discretely presented metropolitan school department participate 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 metropolitan government and the metropolitan school department pay 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.

**Employee Health Insurance**

**Metropolitan Government**

The metropolitan government 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 Metropolitan School Department**

The discretely presented metropolitan 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, *Tennessee Code Annotated (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 metropolitan government 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. Metropolitan management is not aware of any potential disallowances and believes that reimbursements, if any, would not be material.

The metropolitan government is involved in several pending lawsuits. The metropolitan government attorney has not responded to requests to provide estimates of the potential claims not covered by insurance. However, management believes that any claims resulting from such litigation would not materially affect the metropolitan government's financial statements.

**D. *Change in Administration***

On October 31, 2023, Assessor of Property Darin Harrison passed away and was succeeded by Shaun Sherrill effective November 20, 2023.

**E. *Joint Ventures***

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. The metropolitan government did not contribute to the DTF for the year ended June 30, 2024.

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. The metropolitan government made no contribution to the Interlocal Solid Waste Authority for the year ended June 30, 2024.

The metropolitan government does not retain an equity interest in any of the above-noted joint ventures.

Complete financial statements for the Seventeenth Judicial District Drug Task Force and the Interlocal Solid Waste Authority can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Office of District Attorney General  
Seventeenth Judicial District Drug Task Force  
P.O. Box 878  
Fayetteville, TN 37334

Interlocal Solid Waste Authority  
c/o City of Tullahoma  
P.O. Box 807  
Tullahoma, TN 37388

**F. Retirement Commitments**

**1. Tennessee Consolidated Retirement System (TCRS)**

**Primary Government**

***General Information About the Pension Plan***

*Plan Description.* Certain employees of the metropolitan government are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by 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 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	7
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	4
Active Employees	11
 Total	 22

*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. The metropolitan government makes employer contribution at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2024, the employer contribution for the metropolitan government was \$53,715 based on a rate of 5.85 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the metropolitan government’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)***

The metropolitan government’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 Emerging Market	5.37	14
International Equity Private Equity and Strategic Lending	6.09	4
U.S. Fixed Income	6.57	20
Real Estate	1.20	20
Short-term Securities	4.38	10
	0.00	1
Total		100 %

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

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

investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Changes in the Net Pension Liability (Asset)*

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2022	\$ 2,589,346	\$ 2,705,888	\$ (116,542)
Changes for the Year:			
Service Cost	\$ 87,544	\$ 0	\$ 87,544
Interest	176,967	0	176,967
Differences Between Expected and Actual Experience	62,187	0	62,187
Contributions-Employer	0	51,085	(51,085)
Contributions-Employees	0	43,662	(43,662)
Net Investment Income	0	181,327	(181,327)
Benefit Payments, Including Refunds of Employee Contributions	(110,302)	(110,302)	0
Administrative Expense	0	(1,102)	1,102
Net Changes	\$ 216,396	\$ 164,670	\$ 51,726
Balance, June 30, 2023	\$ 2,805,742	\$ 2,870,558	\$ (64,816)

*Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the net pension liability (asset) of the metropolitan government 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%	Current	1%
	Decrease	Discount Rate	Increase
Metropolitan Government	5.75%	6.75%	7.75%
Net Pension Liability (Asset)	\$ 286,261	\$ (64,816)	\$ (360,540)

***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, the metropolitan government recognized pension expense (negative pension expense) of \$96,587.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2024, the metropolitan government 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
	<u>Resources</u>	<u>Resources</u>
Difference Between Expected and Actual Experience	\$ 70,973	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	23,870	0
Changes in Assumptions	43,390	0
Contributions Subsequent to the Measurement Date of June 30, 2023	<u>53,715</u>	N/A
Total	<u>\$ 191,948</u>	<u>\$ 0</u>

The metropolitan government's employer contributions of \$53,715 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	\$ 30,716
2026	21,167
2027	73,759
2028	12,591
2029	0
Thereafter	0

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

## Discretely Presented Metropolitan School Department - Non-certified Employees

### *General Information About the Pension Plan*

*Plan Description.* Non-certified employees of the metropolitan school department 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 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	42
Inactive Employees Entitled to But Not Yet Receiving Benefits	75
Active Employees	<u>59</u>
Total	<u><u>176</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 to the plan. The metropolitan government 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 metropolitan government were \$122,229 based on a rate of 7.61 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the metropolitan government’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)***

The metropolitan government’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 Emerging Market	5.37	14
International Equity Private Equity and Strategic Lending	6.09	4
U.S. Fixed Income	6.57	20
Real Estate	1.20	20
Short-term Securities	4.38	10
	0.00	1
Total		100 %

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

*Discount Rate.* The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from the metropolitan government 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 Liability (a)	Fiduciary Net Position (b)	Liability (Asset) (a)-(b)
Balance, July 1, 2022	\$ 5,561,437	\$ 5,467,454	\$ 93,983
Changes for the Year:			
Service Cost	\$ 163,328	\$ 0	\$ 163,328
Interest	377,653	0	377,653
Differences Between Expected and Actual Experience	26,077	0	26,077
Contributions-Employer	0	117,138	(117,138)
Contributions-Employees	0	77,166	(77,166)
Net Investment Income	0	365,106	(365,106)
Benefit Payments, Including Refunds of Employee Contributions	(259,814)	(259,814)	0
Administrative Expense	0	(6,162)	6,162
Net Changes	<u>\$ 307,244</u>	<u>\$ 293,434</u>	<u>\$ 13,810</u>
Balance, June 30, 2023	<u>\$ 5,868,681</u>	<u>\$ 5,760,888</u>	<u>\$ 107,793</u>

*Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the net pension liability (asset) of the metropolitan government 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%	Current	1%
	Decrease	Discount Rate	Increase
Metropolitan School Department	5.75%	6.75%	7.75%
Net Pension Liability (Asset)	\$ 875,430	\$ 107,793	\$ (529,093)

### ***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, the metropolitan government recognized pension expense (negative pension expense) of \$204,207.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2024, the metropolitan government 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	\$ 65,479	\$ 24,871
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	42,336	0
Changes in Assumptions	119,460	0
Contributions Subsequent to the Measurement Date of June 30, 2023	122,229	N/A
Total	<u>\$ 349,504</u>	<u>\$ 24,871</u>

The metropolitan school department's employer contributions of \$122,229 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	\$ 94,502
2026	(20,610)
2027	128,206
2028	306
2029	0
Thereafter	0

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

**Discretely Presented Metropolitan School Department - Certified Employees - Teacher Retirement Plan**

***General Information About the Pension Plan***

*Plan Description.* Teachers of the metropolitan 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 \$47,414, which is 2.95 percent of covered payroll. In addition, employer contributions of \$16,876, 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 metropolitan school department reported a liability (asset) of (\$28,277) 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 metropolitan school department's proportion was 0.066686 percent. The proportion as of June 30, 2022, was 0.065891 percent.

*Pension Expense (Negative Pension Expense).* For the year ended June 30, 2024, the metropolitan school department recognized pension expense (negative pension expense) of \$36,733.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2024, the metropolitan 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	\$ 953	\$ 16,505
Net Difference Between Projected and Actual Earnings on Pension Plan		
Investments	7,189	0
Changes in Assumptions	21,274	0
Changes in Proportion of Net Pension Liability (Asset)	9,655	2,574
LEA's Contributions Subsequent to the Measurement Date of June 30, 2023	47,414	N/A
Total	<u>\$ 86,485</u>	<u>\$ 19,079</u>

The metropolitan school department's employer contributions of \$47,414, 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	\$ 814
2026	(233)
2027	10,858
2028	1,455
2029	1,499
Thereafter	5,599

*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 Emerging Market	5.37	14
International Equity Private Equity and Strategic Lending	6.09	4
U.S. Fixed Income	6.57	20
Real Estate	1.20	20
Short-term Securities	4.38	10
	0.00	1
Total		100 %

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

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

*Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the net pension liability (asset) of the metropolitan government 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	Current Discount Rate	1% Increase
Liability (Asset)	5.75%	6.75%	7.75%
Net Pension Liability (Asset)	\$ 130,074	\$ (28,277)	\$ (142,277)

*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 Metropolitan School Department - Certified Employees - Teacher Legacy Pension Plan**

### ***General Information About the Pension Plan***

*Plan Description.* Teachers of the metropolitan 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 metropolitan school department for the year ended June 30, 2024, to the Teacher Legacy Pension Plan were \$249,336, 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 metropolitan school department reported a liability (asset) of (\$1,303,605) 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 metropolitan school department's proportion of the net pension liability (asset) was based on the metropolitan 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 metropolitan school department's proportion was 0.110571 percent. The proportion measured on June 30, 2022, was 0.109345 percent.

*Pension Expense (Negative Pension Expense).* For the year ended June 30, 2024, the metropolitan school department recognized pension expense (negative pension expense) of \$305,343.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2024, the metropolitan 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	\$ 310,585	\$ 60,496
Changes in Assumptions	424,750	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	226,182	0
Changes in Proportion of Net Pension Liability (Asset)	0	55,365
LEA's Contributions Subsequent to the Measurement Date of June 30, 2023	249,336	N/A
Total	<u>\$ 1,210,853</u>	<u>\$ 115,861</u>

The metropolitan school department's employer contributions of \$249,336 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	\$ 281,521
2026	(202,925)
2027	765,289
2028	1,771
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 Developed Market	4.88 %	31 %
International Equity Emerging Market	5.37	14
International Equity Private Equity and Strategic Lending	6.09	4
U.S. Fixed Income Real Estate	6.57	20
Short-term Securities	1.20	20
	4.38	10
	0.00	1
Total		100 %

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

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

*Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the net pension liability (asset) of the metropolitan government 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)	\$ 2,839,343	\$ (1,303,605)	\$ (4,749,371)

*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 metropolitan government offers its employees a deferred compensation plan established pursuant to IRC Section 457. The metropolitan government contributes three percent of the costs of administering and funding this program. All other costs of administering and funding this program are the responsibility of plan participants. Section 457 plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Section 457 establishes participation, contribution, and withdrawal provisions for the plan.

Teachers hired after July 1, 2014, by the metropolitan 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 metropolitan 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 metropolitan school department contributed \$82,979 and teachers contributed \$73,050 to this deferred compensation pension plan.

**G. Other Postemployment Benefits (OPEB)**

**Discretely Presented Metropolitan School Department**

The metropolitan school department provides OPEB benefits to its retirees under an OPEB plan provided through the state administered public entity risk pools. For reporting purposes, the plan is considered a single employer defined benefit OPEB plan based on criteria in Statement No. 75 of the Governmental Accounting Standards Board (GASB). The plan is funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

**OPEB Provided through State Administered Public Entity Risk Pool**

The metropolitan school department provides healthcare benefits to its certified retirees under the Local Education Plan (LEP) until they reach Medicare eligibility. The certified retirees of the metropolitan school department may then join the Tennessee Plan – Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare. However, the metropolitan 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 metropolitan school department’s total OPEB liability for the plan was measured as of June 30, 2023, and was determined by an actuarial valuation as of that date.

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

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

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

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

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

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

### **Closed Local Education (LEP) OPEB Plan – Discretely Presented Metropolitan School Department**

*Plan Description.* Employees of the metropolitan 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 metropolitan 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. During the year, the metropolitan school department provided a direct subsidy ranging from \$300 to \$392 per month toward the cost of the insurance plan selected by the retiree. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees' premiums based on years of service. Therefore, retirees with 30 or more years of service will receive 45 percent; 20 but

less than 30 years, 35 percent; and less than 20 years, 25 percent of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

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

Inactive Employees Currently Receiving	
Benefits Payments	6
Inactive Employees Entitled to But Not Yet	
Receiving Benefits Payments	0
Active Employees Eligible For Benefits	<u>90</u>
Total	<u><u>96</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 metropolitan school department paid \$55,701 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
	Metropolitan Moore School Department 67.3685%	State of TN 32.6315%		
Balance July 1, 2022	\$ 1,563,591	\$ 710,477	\$	<u>2,274,068</u>
Changes for the Year:				
Service Cost	\$ 70,944	\$ 34,364	\$	105,308
Interest	56,019	27,134		83,153
Difference between Expected and Actuarial Experience	81,443	39,449		120,892
Changes in Proportion	(31,587)	31,587		0
Changes in Assumption	155,383	70,418		225,801
Benefit Payments	(44,619)	(16,767)		(61,386)
Net Changes	<u>\$ 287,583</u>	<u>\$ 186,185</u>	<u>\$</u>	<u>473,768</u>
Balance June 30, 2023	<u>\$ 1,851,174</u>	<u>\$ 896,662</u>	<u>\$</u>	<u><u>2,747,836</u></u>

The metropolitan 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 metropolitan 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 nonemployer contributing entities, actuarially determined. The metropolitan school department recognized \$76,401 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the metropolitan school department’s proportionate share of the collective OPEB liability was 67.3685 percent and the State of Tennessee’s share was 32.6315 percent.

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2024, the metropolitan school department recognized OPEB expense of \$232,640, including the state’s share of the expense. On June 30, 2024, the metropolitan 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	\$ 229,077	\$ 51,630
Changes of Assumptions	233,064	196,785
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	59,441	78,981
Benefits Paid After the Measurement Date of June 30, 2023	55,701	0
Total	<u>\$ 577,283</u>	<u>\$ 327,396</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	\$ 29,276
2026	29,276
2027	29,278
2028	35,500
2029	30,226
Thereafter	40,630

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 metropolitan school department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate.

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

Proportionate Share of the Collective Total OPEB Liability	\$ 2,002,496	\$	1,851,174	\$	1,707,860
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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 metropolitan school department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

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

Proportionate Share of the Collective Total OPEB Liability	\$ 1,646,131	\$	1,851,174	\$	2,089,692
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#### ***H. Purchasing Law***

The metropolitan government follows the Metropolitan Charter, which provides for all purchases and contracts for goods or services to be made through a consolidated

metropolitan purchasing department. The charter further provides for the metropolitan mayor to manage/conduct the metropolitan purchasing department according to the procedures adopted by the metropolitan council. The metropolitan council is required by the charter to establish a three-member oversight committee to oversee the activity of the metropolitan purchasing department.

The metropolitan council has not created a consolidated metropolitan purchasing department. However, effective June 21, 1999, (amended October 18, 2004) the council adopted the following purchasing procedures to be administered by the metropolitan mayor assisted by the director of schools and the highway superintendent:

1. Purchase orders are required for all purchases estimated to exceed \$500.
2. Purchase orders shall be approved by the metropolitan mayor for the general metropolitan government, the director of schools for the metropolitan school department, and the highway superintendent for the highway department.
3. Evidence of receiving goods or services should be noted on all invoices prior to payment.
4. The metropolitan council set the bid requirements for the Office of Metropolitan Mayor to follow the general statutes of the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, *Tennessee Code Annotated (TCA)*, which provide for competitive bids on all purchases exceeding \$10,000.
5. The metropolitan council set the bid requirements for the Office of Highway Superintendent to follow the general statutes of the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, *TCA*, and the Uniform Road Law, Section 54-7-113, *TCA*, which provide for purchases exceeding \$25,000 to be made after public advertisement and solicitation of competitive bids.
6. The metropolitan council set the bid requirements for the Office of Director of Schools to follow the general statutes applicable to schools as set forth in Section 49-2-203, *TCA*, which provides for the Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also requires that competitive bids be solicited through newspaper advertisement on all purchases exceeding \$25,000.

## **VI. OTHER NOTES – WATER AND SEWER DEPARTMENT (ENTERPRISE FUND)**

### ***A. Summary of Significant Accounting Policies***

These financial statements include the accounts of the Metropolitan Lynchburg – Moore County Water and Sewer Department (the department), which is a proprietary fund of Metropolitan Lynchburg – Moore County, Tennessee, (the primary government) and governed by the Metropolitan Council and a Utility Board composed of members of the council. The department does not represent a separate legal entity separate and apart from the primary government.

The financial statements of the department have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) applicable to governmental units. The Governmental Accounting Standards Board (GASB) is accepted the

standard-setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of the more significant accounting policies:

*Reporting Entity* – The department’s financial statements include all funds over which the Utility Board exercises oversight responsibility. Oversight responsibility includes such aspects as designation of management and the ability to significantly influence operations.

The department provides water and sewer services to the local market. Water and sewer services are the major source of income for the department.

*Measurement Focus and Basis of Accounting* – The financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the department’s principal ongoing operation. The principal operating revenues of the department are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

*Budgets and Budgetary Accounting* – A formal budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). An annual appropriated budget is adopted by the members of the Utility Board and all appropriations lapse at year-end.

*Cash and Cash Equivalents* – Cash consists of cash-on-hand and cash-on-deposit with financial institutions. For purposes of reporting cash on the Statement of Cash Flows, the department considers unrestricted highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Cash is reported on the Statement of Net Position as “Cash”. On June 30, 2024, the department had no cash equivalents.

*Investments* – All investments are reported at fair value, which is based on quoted market prices. The department is authorized by state statutes to invest in the following: bonds, notes or treasury bills of the United States. Nonconvertible debt securities of the Federal Home Loan Bank, the Federal National Mortgage Association, the Federal Farm Credit Bank and the Student Loan Marketing Association. Any obligation guaranteed by the United States or any of its agencies. Certificates-of-deposit at state and federal chartered banks and savings and loan associations. The Local Government Investment Pool created by Title 9.

*Prepayment of Expenditures* – Expenditures for insurance and similar services extending over more than one accounting period are allocated between the accounting periods to which they relate.

*Inventories* – Inventories are stated at cost, first-in, first-out method. On June 30, 2024, the department had inventory totaling \$107,837.

*Capital Assets* – Capital assets are stated at cost or estimated fair value when original cost is not available. Capital assets are defined as those with a cost in excess of \$3,000 and a useful life in excess of a year. Major additions are capitalized while maintenance and repairs, including the cost of minor items of property, are expensed as incurred. Upon disposal of such assets, the accounts are relieved of the related costs and accumulated depreciation, and resulting gains or losses are reflected in income. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets.

The estimated useful lives are as follows:

<u>Assets</u>	<u>Years</u>
Structures	20 - 50
Utility plant other than structures and equipment	25 - 50
Equipment	5 - 10
Vehicles	10

Donated capital assets are valued at their estimated fair value on the date donated.

*Compensated Absences* – The department employees are granted annual leave in varying amounts. The department accrues vacation benefits in the period they are earned.

*Leases* – The department is a lessee for a noncancellable lease of equipment. The department recognizes a lease liability and an intangible right-to-use lease asset.

At the commencement of a lease, the department initially measures the lease liability 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. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases include how the department determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The government uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the government generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the government is reasonably certain to exercise.

The department monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

*Net Position* – Net position is the residual of all elements presented in the Statement of Financial Position (i.e., assets + deferred outflows – liabilities – deferred inflows). Net investment in capital assets represent capital assets reduced by accumulated depreciation and by any outstanding debt related to the acquisition, construction or improvement of those assets. Restricted net position represents restricted assets reduced by any related outstanding debt.

**B. Deposits and Investments**

*Deposits.* Custodial credit risk is the risk that in the event of a bank failure the department’s deposits may not be returned to it. The department does not have a deposit or investment policy for custodial credit risk; however, the State of Tennessee requires its governmental entities to either meet the deposit and collateralization regulations under *TCA*, Title 9, Chapter 4, Parts 1 and 4, or as provided in the collateral pool. As of June 30, 2024, the carrying amount of the department’s deposits was \$1,055,092 and the bank balance was \$1,060,657. None of the department’s bank balance was exposed to custodial credit risk as uninsured or uncollateralized due to the fact that all of its deposits and investments are in a financial institution that is a participant in the State of Tennessee collateral pool or are fully collateralized.

The carrying amount of the department’s deposits on June 30, 2024, is classified as follows on the Statement of Net Position:

Cash and cash equivalents	\$ 1,054,437
Cash-on-hand	<u>655</u>
Total	<u><u>\$ 1,055,092</u></u>

*Investments.* The department does not have any derivative instruments as defined by GASB Statement No. 53.

**C. *Accounts Receivable - Net***

Accounts receivable – net on June 30, 2024, consist of the following:

Water and sewer usage fees	\$ 265,280
Unbilled receivables	18,943
Miscellaneous receivables	44,076
Allowance for uncollectible accounts	<u>(16,569)</u>
 Total	 <u><u>\$ 311,730</u></u>

The department incurred bad debt expense of \$10,153.

**D. *Long-term Debt***

Details of water and sewer revenue bonds of the department are as follows:

Type	Balance 6-30-24
Series 2014 Sewer Revenue and Tax Bonds, 2.25% payable \$4,696 per month,with final maturity in 2054	\$ 1,235,004
Series 2014 Sewer Revenue and Tax Bonds, 2.25% payable \$1,586 per month, with final maturity in 2055	421,154
Series 2019 Water Revenue and Tax Refunding Bonds, 3%, and 2.875% payable \$4,696 per month, with final maturity in 2044	2,811,000
Series 2022 Revenue and Tax Bonds, 2.69%, with final maturity in 2046	689,928
Unamortized premium	<u>92,185</u>
 Total	 <u><u>\$ 5,249,271</u></u>

The department has a Series 2022 Revenue and Tax Bond that is currently being drawn on but is expected to total \$1.3 million when fully funded. \$766,928 had been used as of June 30, 2024, leaving \$533,072 available to draw. The outstanding balance as of June 30, 2024, was \$689,928.

The bonds are payable from and secured primarily by a pledge of the net revenues of the department; in the event such revenues are insufficient, the bonds are further secured by the taxing power of the metropolitan government.

The annual requirements to amortize principal and interest for all revenue bonds as of June 30, 2024, are as follows:

Year Ending June 30	Principal	Interest	Total
2025	\$ 192,516	\$ 152,777	\$ 345,293
2026	197,391	147,393	344,784
2027	203,287	141,871	345,158
2028	208,203	136,181	344,384
2029	214,139	130,356	344,495
2030-2034	1,162,509	558,417	1,720,926
2035-2039	1,228,268	389,971	1,618,239
2040-2044	1,056,354	162,545	1,218,899
2045-2049	315,940	60,980	376,920
2050-2054	353,524	23,396	376,920
2055	24,955	145	25,100
<b>Total</b>	<b>\$ 5,157,086</b>	<b>\$ 1,904,032</b>	<b>\$ 7,061,118</b>

Under provisions of the bond agreements, the department is required to establish and maintain various funds as follows:

Revenue Fund – All revenues are to be deposited in this fund and shall be disbursed for the establishment of the other required funds.

Operation and Maintenance Fund – The money transferred from the revenue fund is to be deposited to this fund for payment of current expenses. The maximum balance of this fund shall not exceed one-fourth of the amount budgeted for current expenses for the fiscal year.

Details of the revolving loan funds of the department are as follows:

Type	Balance 6-30-24
Series 2000 Revolving Loan Fund, 2.95% payable, matures 2024	\$ 22,245
Series 2010 Revolving Loan Fund, 0.00% payable, matures 2036	764,183
Series 2021 Revolving Loan Fund, 1.03% payable, matures 2043	<u>2,417,835</u>
<b>Total</b>	<b><u>\$ 3,204,263</u></b>

The State Revolving Fund Loan CG8 22-463 was closed during the current fiscal year. The total loan was approved for \$2,500,000. The department utilized \$2,482,776 of this and returned the unspent \$17,224.

Metropolitan Lynchburg, Moore County, Tennessee, (the primary government) has borrowed funds under the State of Tennessee’s revolving loan program for the department’s various construction projects. The loans are secured by the department’s revenues and have stated interest rates of 2.95 percent, 1.03 percent, and zero percent.

Should the department fail to remit monthly payments in accordance with the terms of the agreement, the metropolitan government has consented to the withholding and application of state-shared taxes.

The annual requirements to amortize the principal and interest of the above revolving loans are as follows:

Year Ending June 30	Principal	Interest	Total
2025	\$ 200,779	\$ 24,128	\$ 224,907
2026	179,868	23,208	203,076
2027	181,056	22,020	203,076
2028	182,244	20,832	203,076
2029	183,456	19,620	203,076
2030-2034	935,832	79,548	1,015,380
2035-2039	747,695	47,448	795,143
2040-2044	581,752	14,136	595,888
2045	11,581	120	11,701
Total	\$ 3,204,263	\$ 251,060	\$ 3,455,323

Details of the directly placed debt of the department are as follows:

The department financed its purchase of water meters and AMI in the amount of \$765,997 under an agreement requiring annual payments of \$90,242 for ten years at a stated interest rate of 3.637 percent. In the event of default, title shall revert back to Government Capital Corporation. Remaining principal and interest payments as of June 30, 2024, are as follows:

Year Ending June 30	Principal	Interest	Total
2025	\$ 75,152	\$ 15,090	\$ 90,242
2026	77,479	12,763	90,242
2027	79,878	10,364	90,242
2028	82,352	7,890	90,242
2029	84,902	5,340	90,242
2030	89,095	2,711	91,806
Total	\$ 488,858	\$ 54,158	\$ 543,016

A summary of the changes in long-term debt for the year ended June 30, 2024, are as follows:

	<u>Loans</u>	<u>Bonds</u>
Balance, July 1, 2023	\$ 3,534,207	\$ 4,777,780
Additions	417,197	565,965
Reductions	<u>(258,283)</u>	<u>(186,659)</u>
Balance, June 30, 2024	<u>\$ 3,693,121</u>	<u>\$ 5,157,086</u>
Balance Due Within One Year	<u>\$ 275,931</u>	<u>\$ 192,516</u>

***E. Leases***

During July 2022, the department entered into a three-year lease agreement as lessee for the use of certain excavation equipment. An initial lease liability was recorded in the amount of \$56,994. As of June 30, 2024, the amount of the lease liability was \$18,984. The department is required to make annual principal and interest payments of \$19,886. The lease liability carries an interest rate of 4.75 percent. The equipment's useful life is the same as the term of the lease. The value of the right-to-use asset as of the end of the current fiscal year was \$56,994 and had accumulated amortization of \$37,996.

The future principal and interest lease payments as of June 30, 2024, were as follows:

Year Ending	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
June 30			
2025	\$ 18,984	\$ 902	\$ 19,886

A summary of the changes in leases payable for the year ended June 30, 2024, are as follows:

	<u>Lease</u>
Balance, July 1, 2023	\$ 37,107
Reductions	<u>(18,123)</u>
Balance, June 30, 2024	<u>\$ 18,984</u>
Balance Due Within One Year	<u>\$ 18,984</u>

**F. Capital Assets**

	Balance 7-1-23		Additions	Deductions	Balance 6-30-24			
Capital Assets Not Depreciated:								
Land and Land Rights	\$	196,499	\$	0	\$	0	\$	196,499
Construction in Progress		4,166,770		780,906		(2,683,384)		2,264,292
Total Capital Assets Not Depreciated	\$	4,363,269	\$	780,906	\$	(2,683,384)	\$	2,460,791
Capital Assets Depreciated:								
Buildings	\$	394,963	\$	0	\$	0	\$	394,963
Utility plant in service		20,306,420		3,610,530		0		23,916,950
Machinery and equipment		306,482		5,799		0		312,281
Right-of-use asset		56,994		0		0		56,994
Acquisition Adjustment		301,099		0		0		301,099
Utility Plant	\$	21,365,958	\$	3,616,329	\$	0	\$	24,982,287
Less Accumulated Depreciated For:								
Right-of-use asset	\$	0	\$	18,998	\$	0	\$	18,998
All others - restated		8,892,073		618,873		0		9,510,946
Total Accumulated Depreciation	\$	8,892,073	\$	637,871	\$	0	\$	9,529,944
Total Accumulated Depreciation	\$	12,473,885	\$	2,978,458	\$	0	\$	15,452,343
Total Capital Assets Depreciated, Net	\$	16,837,154	\$	3,759,364	\$	(2,683,384)	\$	17,913,134

Depreciation expense for the year totaled \$637,871.

The department did not acquire any intangible assets that would require reporting under GASB Statement No. 51.

**G. Defined Contribution Plans**

The department offers its employees the following defined contribution plans: State of Tennessee Deferred Compensation Plan I for Participating Governmental Employers – 457(b) and State of Tennessee Deferred Compensation Plan II for Participating

Governmental Employers – 401(k) plans. The plans are administered by the Treasurer, State of Tennessee. Full-time employees (30 or more hours of service per week) are immediately eligible to make elective deferrals under the plans. All contributions after February 2018 have been made to Plan II. The department contributes up to three percent of employee compensation as matching contributions. Matching contributions related to distributed permissible withdrawals will be placed in a forfeiture account, which will be used first to reduce the employer’s matching contributions to the plan and then to offset plan expenses. The election provisions of the plan may be amended, so long as the amendment is not inconsistent with the plan, the Code, Tennessee law, or other applicable law and is approved by the chair of the Tennessee Consolidated Retirement System. The chair may amend the plans on behalf of all employers for changes in the Code, the regulations thereunder, Tennessee law, revenue rulings, other statements published by the IRS, and for other reasons that are deemed at the chair’s sole discretion to be in the interest of the plans. The department recognized \$25,341 in retirement plan expense for the year.

***H. Environmental Contingency***

The department’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 department 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 department’s financial position or its future cash flows.

***I. Risk Management***

The department is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The department manages risk through the purchase of commercial insurance. The department obtains insurance coverage covering the above risks of loss through a public risk entity pool, Tennessee Risk Management Trust (TRMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The creation of the TRMT provides for it to be self-sustaining through member premiums. Settled claims in the past three years have not exceeded coverage.

***J. Commitments and Contingencies***

The department has various engineering and construction contracts related to ongoing improvement of the system.

***K. Significant Concentrations***

Water and sewer revenues from Jack Daniel’s Distillery account for approximately 55 percent of the department’s total water and sewer revenues.

***L. Litigation and Claims***

The department is not aware of any litigation or claims that would be material to the department’s financial statements.

# REQUIRED SUPPLEMENTARY INFORMATION SECTION

Exhibit F-1

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY TENNESSEE**

**Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on**

**Participation in the Public Employee Pension Plan of TCRS**

Primary Government

**For the Fiscal Year Ended June 30**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Total Pension Liability</b>										
Service Cost	\$ 43,773	\$ 45,336	\$ 45,961	\$ 55,432	\$ 57,974	\$ 60,156	\$ 70,791	\$ 73,262	\$ 84,452	\$ 87,544
Interest	104,800	111,497	105,928	113,805	120,071	128,481	145,491	156,783	166,069	176,967
Differences Between Actual and Expected Experience	8,069	(169,046)	(984)	(13,152)	6,805	109,241	19,623	39,045	9,341	62,187
Changes in Assumptions	0	0	0	42,387	0	0	0	108,472	0	0
Benefit Payments, Including Refunds of Employee Contributions	(68,860)	(68,943)	(56,403)	(54,281)	(70,245)	(71,826)	(75,950)	(89,293)	(92,700)	(110,302)
Net Change in Total Pension Liability	\$ 87,782	\$ (81,156)	\$ 94,502	\$ 144,191	\$ 114,605	\$ 226,052	\$ 159,955	\$ 288,269	\$ 167,162	\$ 216,396
Total Pension Liability, Beginning	1,387,984	1,475,766	1,394,610	1,489,112	1,633,303	1,747,908	1,973,960	2,133,915	2,422,184	2,589,346
Total Pension Liability, Ending (a)	\$ 1,475,766	\$ 1,394,610	\$ 1,489,112	\$ 1,633,303	\$ 1,747,908	\$ 1,973,960	\$ 2,133,915	\$ 2,422,184	\$ 2,589,346	\$ 2,805,742
<b>Plan Fiduciary Net Position</b>										
Contributions - Employer	\$ 54,991	\$ 57,406	\$ 60,945	\$ 64,426	\$ 67,844	\$ 77,552	\$ 67,059	\$ 69,942	\$ 71,309	\$ 51,085
Contributions - Employee	26,286	27,494	29,189	30,856	32,461	37,107	38,943	40,617	41,363	43,662
Net Investment Income	194,294	42,397	38,281	172,419	143,487	142,037	103,422	570,933	(107,259)	181,327
Benefit Payments, Including Refunds of Employee Contributions	(68,860)	(68,943)	(56,403)	(54,281)	(70,245)	(71,826)	(75,950)	(89,293)	(92,700)	(110,302)
Administrative Expense	(384)	(457)	(748)	(849)	(950)	(979)	(975)	(984)	(1,086)	(1,102)
Net Change in Plan Fiduciary Net Position	\$ 206,327	\$ 57,897	\$ 71,264	\$ 212,571	\$ 172,597	\$ 183,891	\$ 132,499	\$ 591,215	\$ (88,373)	\$ 164,670
Plan Fiduciary Net Position, Beginning	1,166,000	1,372,327	1,430,224	1,501,488	1,714,059	1,886,656	2,070,547	2,203,046	2,794,261	2,705,888
Plan Fiduciary Net Position, Ending (b)	\$ 1,372,327	\$ 1,430,224	\$ 1,501,488	\$ 1,714,059	\$ 1,886,656	\$ 2,070,547	\$ 2,203,046	\$ 2,794,261	\$ 2,705,888	\$ 2,870,558
Net Pension Liability (Asset), Ending (a - b)	\$ 103,439	\$ (35,614)	\$ (12,376)	\$ (80,756)	\$ (138,748)	\$ (96,587)	\$ (69,131)	\$ (372,077)	\$ (116,542)	\$ (64,816)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	92.99%	102.55%	100.83%	104.94%	107.94%	104.89%	103.24%	115.36%	104.50%	102.31%
Covered Payroll	\$ 525,725	\$ 549,868	\$ 583,769	\$ 617,107	\$ 649,228	\$ 742,131	\$ 778,842	\$ 812,335	\$ 827,254	\$ 873,245
Net Pension Liability (Asset) as a Percentage of Covered Payroll	19.68%	6.48%	(2.12%)	(13.09%)	(21.37%)	(13.01%)	(8.88%)	(45.80%)	(14.09%)	(7.42%)

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY TENNESSEE****Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on****Participation in the Public Employee Pension Plan of TCRS**

Discretely Presented Metropolitan School Department - Non-Certified Employees

**For the Fiscal Year Ended June 30**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Total Pension Liability</b>										
Service Cost	\$ 89,333	\$ 95,048	\$ 110,147	\$ 106,742	\$ 115,127	\$ 118,656	\$ 119,382	\$ 126,606	\$ 150,047	\$ 163,328
Interest	240,127	249,499	264,200	278,235	284,044	298,548	314,350	333,453	353,544	377,653
Differences Between Actual and Expected Experience	(66,797)	(18,827)	(28,157)	(116,331)	(24,161)	6,783	26,679	(99,481)	91,841	26,077
Changes in Assumptions	0	0	0	84,069	0	0	0	477,840	0	0
Benefit Payments, Including Refunds of Employee Contributions	(150,417)	(136,435)	(153,168)	(158,125)	(147,992)	(208,982)	(204,511)	(203,771)	(243,279)	(259,814)
Net Change in Total Pension Liability	\$ 112,246	\$ 189,285	\$ 193,022	\$ 194,590	\$ 227,018	\$ 215,005	\$ 255,900	\$ 634,647	\$ 352,153	\$ 307,244
Total Pension Liability, Beginning	3,187,571	3,299,817	3,489,102	3,682,124	3,876,714	4,103,732	4,318,737	4,574,637	5,209,284	5,561,437
Total Pension Liability, Ending (a)	\$ 3,299,817	\$ 3,489,102	\$ 3,682,124	\$ 3,876,714	\$ 4,103,732	\$ 4,318,737	\$ 4,574,637	\$ 5,209,284	\$ 5,561,437	\$ 5,868,681
<b>Plan Fiduciary Net Position</b>										
Contributions - Employer	\$ 30,992	\$ 25,086	\$ 25,635	\$ 27,462	\$ 28,289	\$ 62,991	\$ 65,418	\$ 67,457	\$ 70,633	\$ 117,138
Contributions - Employee	55,743	56,246	57,478	61,574	63,429	67,443	69,299	71,459	74,666	77,166
Net Investment Income	517,468	110,225	96,230	413,102	330,846	316,013	222,259	1,194,618	(219,541)	365,106
Benefit Payments, Including Refunds of Employee Contributions	(150,417)	(136,435)	(153,168)	(158,125)	(147,992)	(208,982)	(204,511)	(203,771)	(243,279)	(259,814)
Administrative Expense	(2,135)	(2,893)	(4,324)	(4,616)	(5,345)	(4,998)	(4,928)	(5,120)	(5,518)	(6,162)
Net Change in Plan Fiduciary Net Position	\$ 451,651	\$ 52,229	\$ 21,851	\$ 339,397	\$ 269,227	\$ 232,467	\$ 147,537	\$ 1,124,643	\$ (323,039)	\$ 293,434
Plan Fiduciary Net Position, Beginning	3,151,491	3,603,142	3,655,371	3,677,222	4,016,619	4,285,846	4,518,313	4,665,850	5,790,493	5,467,454
Plan Fiduciary Net Position, Ending (b)	\$ 3,603,142	\$ 3,655,371	\$ 3,677,222	\$ 4,016,619	\$ 4,285,846	\$ 4,518,313	\$ 4,665,850	\$ 5,790,493	\$ 5,467,454	\$ 5,760,888
Net Pension Liability (Asset), Ending (a - b)	\$ (303,325)	\$ (166,269)	\$ 4,902	\$ (139,905)	\$ (182,114)	\$ (199,576)	\$ (91,213)	\$ (581,209)	\$ 93,983	\$ 107,793
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	109.19%	104.77%	99.87%	103.61%	104.44%	104.62%	101.99%	111.16%	98.31%	98.16%
Covered Payroll	\$ 1,114,845	\$ 1,124,926	\$ 1,149,541	\$ 1,231,478	\$ 1,268,564	\$ 1,348,844	\$ 1,385,975	\$ 1,429,188	\$ 1,493,307	\$ 1,543,321
Net Pension Liability (Asset) as a Percentage of Covered Payroll	27.21%	14.78%	0.43%	(11.36%)	(14.36%)	(14.8%)	(6.58%)	(40.67%)	6.29%	6.98%

Exhibit F-3

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY TENNESSEE**

**Schedule of Contributions Based on Participation in the Public**

**Employee Pension Plan of TCRS**

Primary Government

**For the Fiscal Year Ended June 30**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially Determined Contribution	\$ 57,406	\$ 60,945	\$ 64,426	\$ 67,844	\$ 77,552	\$ 67,059	\$ 69,942	\$ 71,309	\$ 51,085	\$ 53,715
Less: Contributions in Relation to the Actuarially Determined Contribution	(57,406)	(60,945)	(64,426)	(67,844)	(77,552)	(67,059)	(69,942)	(71,309)	(51,085)	(53,715)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 549,868	\$ 583,769	\$ 617,107	\$ 649,228	\$ 742,131	\$ 778,842	\$ 812,335	\$ 827,254	\$ 873,245	\$ 918,205
Contributions as a Percentage of Covered Payroll	10.44%	10.44%	10.44%	10.45%	10.45%	8.61%	8.61%	8.62%	5.85%	5.85%

Exhibit F-4

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY TENNESSEE**

**Schedule of Contributions Based on Participation in the Public**

**Employee Pension Plan of TCRS**

Discretely Presented Metropolitan School Department - Non-Certified Employees

**For the Fiscal Year Ended June 30**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially Determined Contribution	\$ 25,086	\$ 25,635	\$ 27,462	\$ 28,289	\$ 62,991	\$ 65,418	\$ 67,457	\$ 70,633	\$ 117,138	\$ 122,229
Less: Contributions in Relation to the Actuarially Determined Contribution	(25,086)	(25,635)	(27,462)	(28,289)	(62,991)	(65,418)	(67,457)	(70,633)	(117,138)	(122,229)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 1,124,926	\$ 1,149,541	\$ 1,231,478	\$ 1,268,564	\$ 1,348,844	\$ 1,385,975	\$ 1,429,188	\$ 1,493,307	\$ 1,543,321	\$ 1,606,163
Contributions as a Percentage of Covered Payroll	2.23%	2.23%	2.23%	2.23%	4.67%	4.72%	4.72%	4.73%	7.59%	7.61%

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY TENNESSEE**

**Schedule of Contributions Based on Participation in the Teacher**

**Retirement Plan of TCRS**

Discretely Presented Metropolitan School Department

**For the Fiscal Year Ended June 30**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually Required Contribution	\$ 4,015	\$ 14,486	\$ 26,160	\$ 28,640	\$ 14,823	\$ 19,058	\$ 21,130	\$ 22,617	\$ 38,068	\$ 47,414
Less: Contributions in Relation to the Contractually Required Contribution	(4,015)	(14,486)	(26,160)	(28,640)	(14,823)	(19,058)	(21,130)	(22,617)	(38,068)	(47,414)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 100,386	\$ 362,154	\$ 652,058	\$ 715,986	\$ 764,086	\$ 938,799	\$ 1,046,060	\$ 1,125,203	\$ 1,326,423	\$ 1,607,238
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%

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY TENNESSEE**

**Schedule of Contributions Based on Participation in the Teacher**

**Legacy Pension Plan of TCRS**

Discretely Presented Metropolitan School Department

**For the Fiscal Year Ended June 30**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually Required Contribution	\$ 346,443	\$ 336,183	\$ 305,916	\$ 323,741	\$ 375,685	\$ 363,548	\$ 355,614	\$ 370,642	\$ 311,805	\$ 249,336
Less: Contributions in Relation to the Contractually Required Contribution	(346,443)	(336,183)	(305,916)	(323,741)	(375,685)	(363,548)	(355,614)	(370,642)	(311,805)	(249,336)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 3,832,343	\$ 3,718,842	\$ 3,389,818	\$ 3,565,424	\$ 3,591,631	\$ 3,420,016	\$ 3,462,648	\$ 3,598,468	\$ 3,588,083	\$ 3,661,322
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%

Exhibit F-7

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY TENNESSEE**

**Schedule of Proportionate Share of the Net Pension Liability (Asset)**

**in the Teacher Retirement Plan of TCRS**

Discretely Presented Metropolitan 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)	0.048314%	0.082307%	0.099644%	0.081932%	0.072206%	0.074395%	0.072480%	0.065891%	0.066686%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (1,944)	\$ (8,568)	\$ (26,290)	\$ (37,159)	\$ (40,759)	\$ (42,304)	\$ (78,511)	\$ (19,960)	\$ (28,277)
Covered Payroll	\$ 100,386	\$ 362,154	\$ 652,058	\$ 715,986	\$ 764,086	\$ 938,799	\$ 1,046,060	\$ 1,125,203	\$ 1,326,423
School Department's Proportionate Share of the Net Pension Liability(Asset) as a Percentage of its Covered Payroll	1.94%	(2.37%)	(4.03%)	(5.19%)	(5.33%)	(4.51%)	(7.51%)	(1.77%)	(2.13%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%	126.81%	126.97%	123.07%	116.52%	121.53%	104.55%	104.97%

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

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY TENNESSEE**

**Schedule of Proportionate Share of the Net Pension Liability (Asset)**

**in the Teacher Legacy Pension Plan of TCRS**

Discretely Presented Metropolitan 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)	0.098332%	0.102373%	0.103021%	0.095730%	0.101821%	0.107112%	0.102757%	0.105499%	0.109345%	0.110571%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (15,979)	\$ 41,935	\$ 643,822	\$ (31,322)	\$ (358,299)	\$ (1,101,309)	\$ (783,597)	\$ (4,550,415)	\$ (1,341,009)	\$ (1,303,605)
Covered Payroll	\$ 3,859,537	\$ 3,832,343	\$ 3,718,842	\$ 3,389,818	\$ 3,565,424	\$ 3,591,631	\$ 3,420,016	\$ 3,462,648	\$ 3,598,468	\$ 3,588,083
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0.414002%	1.094252%	17.310000%	(0.92%)	(10.05%)	(30.66%)	(22.91%)	(131.41%)	(37.27%)	(36.33%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%	116.13%	104.42%	104.11%

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY TENNESSEE**  
**Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Education Plan**  
 Discretely Presented Metropolitan School Department  
**For the Fiscal Year Ended June 30**

	2017	2018	2019	2020	2021	2022	2023
<b>Total OPEB Liability</b>							
Service Cost	\$ 99,481	\$ 91,570	\$ 101,930	\$ 88,030	\$ 108,338	\$ 127,903	\$ 105,308
Interest	56,319	66,184	67,945	67,067	47,444	49,467	83,153
Changes in Benefit Terms	0	(33,522)	0	0	0	0	0
Differences Between Actual and Expected Experience	0	(73,214)	89,536	(82,572)	68,612	197,238	120,892
Changes in Assumptions or Other Inputs	(92,380)	57,851	(135,024)	228,693	(28,670)	(242,799)	225,801
Benefit Payments	(132,714)	(117,546)	(86,016)	(67,152)	(103,811)	(39,728)	(61,386)
Net Change in Total OPEB Liability	\$ (69,294)	\$ (8,677)	\$ 38,371	\$ 234,066	\$ 91,913	\$ 92,081	\$ 473,768
Total OPEB Liability, Beginning	1,895,608	1,826,314	1,817,637	1,856,008	2,090,074	2,181,987	2,274,068
<b>Total OPEB Liability, Ending</b>	<b>\$ 1,826,314</b>	<b>\$ 1,817,637</b>	<b>\$ 1,856,008</b>	<b>\$ 2,090,074</b>	<b>\$ 2,181,987</b>	<b>\$ 2,274,068</b>	<b>\$ 2,747,836</b>
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 629,118	\$ 511,319	\$ 520,915	\$ 571,107	\$ 646,707	\$ 710,477	\$ 896,662
Employer Proportionate Share of the Total OPEB Liability	1,197,196	1,306,318	1,335,093	1,518,967	1,535,280	1,563,591	1,851,174
Covered Employee Payroll	\$ 4,264,311	\$ 5,365,762	\$ 5,407,042	\$ 5,535,640	\$ 5,912,390	\$ 6,204,914	\$ 6,396,720
Net OPEB Liability as a Percentage of Covered Employee Payroll	28.07%	24.35%	24.69%	27.44%	25.97%	25.20%	28.94%

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.

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG,  
MOORE 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

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*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.*

**Urban Services Fund** – The Urban Services Fund represents financial activity for the Urban Services District.

**Solid Waste/Sanitation Fund** – The Solid Waste/Sanitation Fund is used to account for household garbage pick-up and the convenience center operations.

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

**Other General Government Fund** – The Other General Government Fund is used to account for the funding related to the Coronavirus State and Local Fiscal Recovery Funds, established by the American Rescue Plan Act of 2021, received by the metropolitan government to be used to respond to the acute pandemic response needs, fill revenue shortfalls, and support communities and populations hit by the COVID-19 crisis.

**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.

Exhibit G-1

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**

**Combining Balance Sheet**

Nonmajor Governmental Funds

**June 30, 2024**

	<u>Special Revenue Funds</u>			Total Nonmajor Governmental Funds
	Urban Services	Solid Waste / Sanitation	Drug Control	
<b>ASSETS</b>				
Equity in Pooled Cash and Investments	\$ 83,676	\$ 174,760	\$ 85,277	\$ 343,713
Accounts Receivable	1,554	50,156	48	51,758
Due from Other Governments	0	39,545	0	39,545
Property Taxes Receivable	6,122	299,872	0	305,994
Allowance for Uncollectible Property Taxes	(62)	(2,151)	0	(2,213)
Total Assets	<u>\$ 91,290</u>	<u>\$ 562,182</u>	<u>\$ 85,325</u>	<u>\$ 738,797</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 0	\$ 1,832	\$ 0	\$ 1,832
Accrued Payroll	0	4,348	0	4,348
Payroll Deductions Payable	0	6,078	0	6,078
Due to State of Tennessee	0	169	0	169
Total Liabilities	<u>\$ 0</u>	<u>\$ 12,427</u>	<u>\$ 0</u>	<u>\$ 12,427</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Current Property Taxes	\$ 5,976	\$ 295,543	\$ 0	\$ 301,519
Deferred Delinquent Property Taxes	84	2,011	0	2,095
Other Deferred/Unavailable Revenue	0	63,830	0	63,830
Total Deferred Inflows of Resources	<u>\$ 6,060</u>	<u>\$ 361,384</u>	<u>\$ 0</u>	<u>\$ 367,444</u>

(Continued)

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**

**Combining Balance Sheet**

Nonmajor Governmental Funds (Cont.)

**FUND BALANCES**

	<u>Special Revenue Funds</u>			Total
	Urban Services	Solid Waste / Sanitation	Drug Control	Nonmajor Governmental Funds
Restricted:				
Restricted for Public Safety	\$ 0	\$ 0	\$ 85,325	\$ 85,325
Restricted for Other Purposes	85,230	0	0	85,230
Committed:				
Committed for Public Health and Welfare	0	188,371	0	188,371
Total Fund Balances	<u>\$ 85,230</u>	<u>\$ 188,371</u>	<u>\$ 85,325</u>	<u>\$ 358,926</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 91,290</u>	<u>\$ 562,182</u>	<u>\$ 85,325</u>	<u>\$ 738,797</u>

Exhibit G-2

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**

**Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances**

Nonmajor Governmental Funds

**For the Year Ended June 30, 2024**

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Urban Services	Solid Waste / Sanitation	Drug Control	Other General Government Fund	Constitu - tional Officers - Fees	
<b>Revenues</b>						
Local Taxes	\$ 8,097	\$ 228,512	\$ 0	\$ 0	\$ 0	236,609
Licenses and Permits	6,825	0	0	0	0	6,825
Fines, Forfeitures, and Penalties	0	0	5,294	0	0	5,294
Charges for Current Services	0	276,359	0	0	30	276,389
Other Local Revenues	0	64,732	0	0	0	64,732
State of Tennessee	2,190	1,250	0	0	0	3,440
<b>Total Revenues</b>	<b>\$ 17,112</b>	<b>\$ 570,853</b>	<b>\$ 5,294</b>	<b>\$ 0</b>	<b>\$ 30</b>	<b>\$ 593,289</b>
<b>Expenditures</b>						
Current:						
General Government	\$ 10,822	\$ 0	\$ 0	\$ 0	\$ 0	10,822
Public Safety	0	0	343	0	30	373
Public Health and Welfare	0	622,071	0	0	0	622,071
<b>Total Expenditures</b>	<b>\$ 10,822</b>	<b>\$ 622,071</b>	<b>\$ 343</b>	<b>\$ 0</b>	<b>\$ 30</b>	<b>\$ 633,266</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 6,290	\$ (51,218)	\$ 4,951	\$ 0	\$ 0	(39,977)
<b>Other Financing Sources (Uses)</b>						
Insurance Recovery	\$ 0	\$ 0	\$ 14,097	\$ 0	\$ 0	14,097
Transfers Out	0	0	0	(3,043,219)	0	(3,043,219)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 14,097</b>	<b>\$ (3,043,219)</b>	<b>\$ 0</b>	<b>(3,029,122)</b>
Net Change in Fund Balances	\$ 6,290	\$ (51,218)	\$ 19,048	\$ (3,043,219)	\$ 0	(3,069,099)
Fund Balance, July 1, 2023	78,940	239,589	66,277	3,043,219	0	3,428,025
Fund Balance, June 30, 2024	\$ 85,230	\$ 188,371	\$ 85,325	\$ 0	\$ 0	358,926

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**  
**Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balance - Actual and Budget**  
 Urban Services Fund  
**For the Year Ended June 30, 2024**

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<b>Revenues</b>				
Local Taxes	\$ 8,097	\$ 5,980	\$ 5,980	\$ 2,117
Licenses and Permits	6,825	4,100	4,100	2,725
State of Tennessee	2,190	1,398	1,398	792
Total Revenues	<u>\$ 17,112</u>	<u>\$ 11,478</u>	<u>\$ 11,478</u>	<u>\$ 5,634</u>
<b>Expenditures</b>				
General Government				
Other General Administration	\$ 10,822	\$ 22,850	\$ 22,850	\$ 12,028
Total Expenditures	<u>\$ 10,822</u>	<u>\$ 22,850</u>	<u>\$ 22,850</u>	<u>\$ 12,028</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 6,290</u>	<u>\$ (11,372)</u>	<u>\$ (11,372)</u>	<u>\$ 17,662</u>
Net Change in Fund Balance	\$ 6,290	\$ (11,372)	\$ (11,372)	\$ 17,662
Fund Balance, July 1, 2023	<u>78,940</u>	<u>79,310</u>	<u>79,310</u>	<u>(370)</u>
Fund Balance, June 30, 2024	<u><u>\$ 85,230</u></u>	<u><u>\$ 67,938</u></u>	<u><u>\$ 67,938</u></u>	<u><u>\$ 17,292</u></u>

Exhibit G-4

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**  
**Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balance - Actual and Budget**  
Solid Waste/Sanitation Fund  
**For the Year Ended June 30, 2024**

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<b>Revenues</b>				
Local Taxes	\$ 228,512	\$ 231,005	\$ 231,005	\$ (2,493)
Charges for Current Services	276,359	232,000	232,000	44,359
Other Local Revenues	64,732	40,100	40,100	24,632
State of Tennessee	1,250	47,589	47,589	(46,339)
Total Revenues	<u>\$ 570,853</u>	<u>\$ 550,694</u>	<u>\$ 550,694</u>	<u>\$ 20,159</u>
<b>Expenditures</b>				
Public Health and Welfare				
Waste Pickup	\$ 40,193	\$ 44,200	\$ 44,200	\$ 4,007
Recycling Center	581,878	645,199	652,699	70,821
Total Expenditures	<u>\$ 622,071</u>	<u>\$ 689,399</u>	<u>\$ 696,899</u>	<u>\$ 74,828</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (51,218)</u>	<u>\$ (138,705)</u>	<u>\$ (146,205)</u>	<u>\$ 94,987</u>
Net Change in Fund Balance	\$ (51,218)	\$ (138,705)	\$ (146,205)	\$ 94,987
Fund Balance, July 1, 2023	<u>239,589</u>	<u>196,420</u>	<u>196,420</u>	<u>43,169</u>
Fund Balance, June 30, 2024	<u><u>\$ 188,371</u></u>	<u><u>\$ 57,715</u></u>	<u><u>\$ 50,215</u></u>	<u><u>\$ 138,156</u></u>

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**  
**Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balance - Actual and Budget**  
Drug Control Fund  
**For the Year Ended June 30, 2024**

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<b>Revenues</b>				
Fines, Forfeitures, and Penalties	\$ 5,294	\$ 6,000	\$ 6,000	\$ (706)
Total Revenues	\$ 5,294	\$ 6,000	\$ 6,000	\$ (706)
<b>Expenditures</b>				
Public Safety				
Drug Enforcement	\$ 343	\$ 6,500	\$ 6,500	\$ 6,157
Total Expenditures	\$ 343	\$ 6,500	\$ 6,500	\$ 6,157
Excess (Deficiency) of Revenues Over Expenditures	\$ 4,951	\$ (500)	\$ (500)	\$ 5,451
<b>Other Financing Sources (Uses)</b>				
Insurance Recovery	\$ 14,097	\$ 0	\$ 0	\$ 14,097
Total Other Financing Sources	\$ 14,097	\$ 0	\$ 0	\$ 14,097
Net Change in Fund Balance	\$ 19,048	\$ (500)	\$ (500)	\$ 19,548
Fund Balance, July 1, 2023	66,277	53,649	53,649	12,628
Fund Balance, June 30, 2024	\$ 85,325	\$ 53,149	\$ 53,149	\$ 32,176

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**  
**Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balance - Actual and Budget**  
 Other General Government Fund  
**For the Year Ended June 30, 2024**

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 0	\$ 0	\$ 0
<b>Other Financing Sources (Uses)</b>				
Transfers Out	\$ (3,043,219)	\$ 0	\$ (3,043,219)	\$ 0
Total Other Financing Sources	\$ (3,043,219)	\$ 0	\$ (3,043,219)	\$ 0
Net Change in Fund Balance	\$ (3,043,219)	\$ 0	\$ (3,043,219)	\$ 0
Fund Balance, July 1, 2023	3,043,219	0	3,043,219	0
Fund Balance, June 30, 2024	\$ 0	\$ 0	\$ 0	\$ 0

## MAJOR GOVERNMENTAL FUND

### GENERAL DEBT SERVICE FUND

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*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

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*The General Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.*

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**  
**Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balance - Actual and Budget**  
 General Debt Service Fund  
**For the Year Ended June 30, 2024**

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<b>Revenues</b>				
Local Taxes	\$ 1,111,533	\$ 1,110,485	\$ 1,110,485	\$ 1,048
Other Governments and Citizens Groups	310,600	250,000	250,000	60,600
Total Revenues	<u>\$ 1,422,133</u>	<u>\$ 1,360,485</u>	<u>\$ 1,360,485</u>	<u>\$ 61,648</u>
<b>Expenditures</b>				
Principal on Debt				
Education	\$ 881,000	\$ 881,000	\$ 881,000	\$ 0
Interest on Debt				
Education	530,111	591,452	591,452	61,341
Other Debt Service				
General Government	20,805	30,000	30,000	9,195
Education	32,830	50,000	50,000	17,170
Total Expenditures	<u>\$ 1,464,746</u>	<u>\$ 1,552,452</u>	<u>\$ 1,552,452</u>	<u>\$ 87,706</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (42,613)</u>	<u>\$ (191,967)</u>	<u>\$ (191,967)</u>	<u>\$ 149,354</u>
Net Change in Fund Balance	\$ (42,613)	\$ (191,967)	\$ (191,967)	\$ 149,354
Fund Balance, July 1, 2023	<u>2,828,884</u>	<u>2,681,966</u>	<u>2,681,966</u>	<u>146,918</u>
Fund Balance, June 30, 2024	<u>\$ 2,786,271</u>	<u>\$ 2,489,999</u>	<u>\$ 2,489,999</u>	<u>\$ 296,272</u>

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE 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**

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<b>Revenues</b>				
Local Taxes	\$ 4	\$ 900	\$ 900	\$ (896)
Other Local Revenues	45,603	0	0	45,603
State of Tennessee	529,000	6,129	104,954	424,046
Federal Government	0	0	142,985	(142,985)
Other Governments and Citizens Groups	25,000	0	50,000	(25,000)
<b>Total Revenues</b>	<b>\$ 599,607</b>	<b>\$ 7,029</b>	<b>\$ 298,839</b>	<b>\$ 300,768</b>
<b>Expenditures</b>				
Capital Projects				
General Administration Projects	\$ 171,623	\$ 0	\$ 171,623	\$ 0
Administration of Justice Projects	0	1,000,000	432,101	432,101
Public Safety Projects	323,398	0	329,150	5,752
Public Health and Welfare Projects	0	0	120,187	120,187
Agriculture and Natural Resources Projects	567,899	0	567,899	0
<b>Total Expenditures</b>	<b>\$ 1,062,920</b>	<b>\$ 1,000,000</b>	<b>\$ 1,620,960</b>	<b>\$ 558,040</b>
Excess (Deficiency) of Revenues Over Expenditures				
	\$ (463,313)	\$ (992,971)	\$ (1,322,121)	\$ 858,808
<b>Other Financing Sources (Uses)</b>				
Transfers In	\$ 2,643,219	\$ 1,000,000	\$ 2,643,219	\$ 0
<b>Total Other Financing Sources</b>	<b>\$ 2,643,219</b>	<b>\$ 1,000,000</b>	<b>\$ 2,643,219</b>	<b>\$ 0</b>
Net Change in Fund Balance				
Fund Balance, July 1, 2023	\$ 2,179,906	\$ 7,029	\$ 1,321,098	\$ 858,808
	84,057	246,792	246,792	(162,735)
<b>Fund Balance, June 30, 2024</b>	<b>\$ 2,263,963</b>	<b>\$ 253,821</b>	<b>\$ 1,567,890</b>	<b>\$ 696,073</b>

## CUSTODIAL FUNDS

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*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.*

**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 the state, cities, litigants, heirs, and others.

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG,  
MOORE COUNTY, TENNESSEE**

**Statement of Net Position**

Custodial Fund

**June 30, 2024**

	<b>Custodial Funds</b>
	<u>Constitu - tional Officers - Custodial</u>
<b>ASSETS</b>	
Cash	\$ 99,971
Accounts Receivable	12
Total Assets	<u>\$ 99,983</u>
<b>NET POSITION</b>	
Restricted for Individuals, Organizations, and Other Governments	<u>\$ 99,983</u>
Total Net Position	<u><u>\$ 99,983</u></u>

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG,  
MOORE COUNTY, TENNESSEE**  
**Statement of Changes in Net Position**  
 Custodial Fund  
**For the Year Ended June 30, 2024**

	<u><b>Custodial Funds</b></u>
	Constitu - tional Officers - Custodial
<b>ADDITIONS</b>	
Fines/Fees and Other Collections	\$ 1,407,580
Total Additions	<u>\$ 1,407,580</u>
<b>DEDUCTIONS</b>	
Payments to State	\$ 1,210,339
Payments to Individuals and Others	<u>271,592</u>
Total Deductions	<u>\$ 1,481,931</u>
Change in Net Position	\$ (74,351)
Net Position July 1, 2023	<u>174,334</u>
Net Position June 30, 2024	<u><u>\$ 99,983</u></u>

# METROPOLITAN SCHOOL DEPARTMENT

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

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

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

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

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

Exhibit J-1

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY TENNESSEE**

**Statement of Activities**

Discretely Presented Metropolitan 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	\$ 7,048,068	\$ 28,883	\$ 447,446	\$ 50,148	\$ (6,521,591)
Support Services	5,021,387	457,923	461,413	5,375	(4,096,676)
Operation of Non-instructional Services	1,750,439	270,240	463,534	0	(1,016,665)
Total Governmental Activities	\$ 13,819,894	\$ 757,046	\$ 1,372,393	\$ 55,523	\$ (11,634,932)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 3,292,301
Local Option Sales Tax					946,286
Other Local Taxes					254
Grants and Contributions Not Restricted for Specific Programs					5,646,032
Unrestricted Investment Income					7,495
Miscellaneous					20,059
Gain on Sale of Capital Assets					3,950
Total General Revenues					\$ 9,916,377
Change in Net Position					\$ (1,718,555)
Net Position, July 1, 2023					29,861,412
Net Position, June 30, 2024					\$ 28,142,857

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**

**Balance Sheet - Governmental Funds**

Discretely Presented Metropolitan School Department

**June 30, 2024**

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash	\$ 0	\$ 295,126	\$ 295,126
Equity in Pooled Cash and Investments	1,259,652	557,091	1,816,743
Inventories	0	18,764	18,764
Accounts Receivable	3,518	97	3,615
Due from Other Governments	396,852	0	396,852
Property Taxes Receivable	3,553,915	0	3,553,915
Allowance for Uncollectible Property Taxes	(27,912)	0	(27,912)
Restricted Assets	133,342	0	133,342
Total Assets	<u>\$ 5,319,367</u>	<u>\$ 871,078</u>	<u>\$ 6,190,445</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 3,976	\$ 0	\$ 3,976
Payroll Deductions Payable	388,255	31,053	419,308
Total Liabilities	<u>\$ 392,231</u>	<u>\$ 31,053</u>	<u>\$ 423,284</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Current Property Taxes	\$ 3,494,583	\$ 0	\$ 3,494,583
Deferred Delinquent Property Taxes	29,016	0	29,016
Other Deferred/Unavailable Revenue	95,996	0	95,996
Total Deferred Inflows of Resources	<u>\$ 3,619,595</u>	<u>\$ 0</u>	<u>\$ 3,619,595</u>
<b>FUND BALANCES</b>			
Nonspendable:			
Inventory	\$ 0	\$ 18,764	\$ 18,764
Restricted:			
Restricted for Education	621	751,261	751,882
Restricted for Hybrid Retirement Stabilization Funds	133,342	0	133,342
Committed:			
Committed for Education	69,010	70,000	139,010
Assigned:			
Assigned for Education	972,991	0	972,991
Unassigned	131,577	0	131,577
Total Fund Balances	<u>\$ 1,307,541</u>	<u>\$ 840,025</u>	<u>\$ 2,147,566</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,319,367</u>	<u>\$ 871,078</u>	<u>\$ 6,190,445</u>

Exhibit J-3

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY TENNESSEE**  
**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position**  
 Discretely Presented Metropolitan 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)		\$ 2,147,566	
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$ 39,342		
Add: buildings and improvements net of accumulated depreciation	23,680,290		
Add: other capital assets net of accumulated depreciation	<u>1,069,994</u>	24,789,626	
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: compensated absences payable	\$ (29,180)		
Less: OPEB liability	(1,851,174)		
Less: net pension liability - agent plan	<u>(107,793)</u>	(1,988,147)	
(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	\$ 1,646,842		
Add: deferred outflows of resources related to OPEB	577,283		
Less: deferred inflows of resources related to pensions	(159,811)		
Less: deferred inflows of resources related to OPEB	<u>(327,396)</u>	1,736,918	
(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 - teacher retirement plan	\$ 28,277		
Add: net pension asset - teacher legacy pension plan	<u>1,303,605</u>	1,331,882	
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.			<u>125,012</u>
Net position of governmental activities (Exhibit A)			<u><u>\$ 28,142,857</u></u>

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**

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

Discretely Presented Metropolitan School Department

**For the Year Ended June 30, 2024**

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<b>Revenues</b>			
Local Taxes	\$ 4,225,618	\$ 0	\$ 4,225,618
Licenses and Permits	560	0	560
Charges for Current Services	78,751	214,247	292,998
Other Local Revenues	48,046	458,701	506,747
State of Tennessee	5,792,471	4,213	5,796,684
Federal Government	8,142	1,125,443	1,133,585
Other Governments and Citizens Groups	55,523	0	55,523
<b>Total Revenues</b>	<b>\$ 10,209,111</b>	<b>\$ 1,802,604</b>	<b>\$ 12,011,715</b>
<b>Expenditures</b>			
Current:			
Instruction	\$ 5,552,658	\$ 659,272	\$ 6,211,930
Support Services	4,824,335	113,521	4,937,856
Operation of Non-Instructional Services	172,354	1,002,354	1,174,708
Capital Outlay	144,385	0	144,385
<b>Total Expenditures</b>	<b>\$ 10,693,732</b>	<b>\$ 1,775,147</b>	<b>\$ 12,468,879</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (484,621)	\$ 27,457	\$ (457,164)
<b>Other Financing Sources (Uses)</b>			
Insurance Recovery	\$ 42,288	\$ 0	\$ 42,288
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 42,288</b>	<b>\$ 0</b>	<b>\$ 42,288</b>
Net Change in Fund Balances	\$ (442,333)	\$ 27,457	\$ (414,876)
Fund Balance, July 1, 2023	1,749,874	812,568	2,562,442
Fund Balance, June 30, 2024	<b>\$ 1,307,541</b>	<b>\$ 840,025</b>	<b>\$ 2,147,566</b>

Exhibit J-5

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY TENNESSEE**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**of Governmental Funds to the Statement of Activities**  
Discretely Presented Metropolitan 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)		\$ (414,876)
(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	\$ 24,990	
Less: current-year depreciation expense	<u>(1,114,892)</u>	(1,089,902)
(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	\$ (111,789)	
Add: deferred delinquent property taxes and other deferred June 30, 2024	<u>125,012</u>	13,223
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in compensated absences payable	\$ (912)	
Change in net OPEB liability	(287,583)	
Change in net pension asset/liability - agent plan	(13,810)	
Change in deferred outflows of resources related to pensions	(272,199)	
Change in deferred outflows of resources related to OPEB	146,470	
Change in deferred inflows of resources related to pensions	189,546	
Change in deferred inflows of resources related to OPEB	40,575	
Change in net pension asset - teacher retirement plan	8,317	
Change in net pension asset - teacher legacy pension plan	<u>(37,404)</u>	<u>(227,000)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ (1,718,555)</u>

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**

**Combining Balance Sheet - Nonmajor Governmental Funds**

Discretely Presented Metropolitan School Department

**June 30, 2024**

	<u>Special Revenue Funds</u>			Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Internal School	
<b>ASSETS</b>				
Cash	\$ 0	\$ 7,802	\$ 287,324	\$ 295,126
Equity in Pooled Cash and Investments	95,320	461,771	0	557,091
Inventories	0	18,764	0	18,764
Accounts Receivable	0	97	0	97
Total Assets	<u>\$ 95,320</u>	<u>\$ 488,434</u>	<u>\$ 287,324</u>	<u>\$ 871,078</u>
<b>LIABILITIES</b>				
Payroll Deductions Payable	\$ 25,320	\$ 5,733	\$ 0	\$ 31,053
Total Liabilities	<u>\$ 25,320</u>	<u>\$ 5,733</u>	<u>\$ 0</u>	<u>\$ 31,053</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Inventory	\$ 0	\$ 18,764	\$ 0	\$ 18,764
Restricted:				
Restricted for Education	0	463,937	287,324	751,261
Committed:				
Committed for Education	70,000	0	0	70,000
Total Fund Balances	<u>\$ 70,000</u>	<u>\$ 482,701</u>	<u>\$ 287,324</u>	<u>\$ 840,025</u>
Total Liabilities and Fund Balances	<u>\$ 95,320</u>	<u>\$ 488,434</u>	<u>\$ 287,324</u>	<u>\$ 871,078</u>

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**

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

Discretely Presented Metropolitan School Department

**For the Year Ended June 30, 2024**

	<u>Special Revenue Funds</u>			Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Internal School	
<b>Revenues</b>				
Charges for Current Services	\$ 0	\$ 214,247	\$ 0	\$ 214,247
Other Local Revenues	0	7,524	451,177	458,701
State of Tennessee	0	4,213	0	4,213
Federal Government	772,793	352,650	0	1,125,443
Total Revenues	<u>\$ 772,793</u>	<u>\$ 578,634</u>	<u>\$ 451,177</u>	<u>\$ 1,802,604</u>
<b>Expenditures</b>				
Current:				
Instruction	\$ 659,272	\$ 0	\$ 0	\$ 659,272
Support Services	113,521	0	0	113,521
Operation of Non-Instructional Services	0	549,083	453,271	1,002,354
Total Expenditures	<u>\$ 772,793</u>	<u>\$ 549,083</u>	<u>\$ 453,271</u>	<u>\$ 1,775,147</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 0</u>	<u>\$ 29,551</u>	<u>\$ (2,094)</u>	<u>\$ 27,457</u>
Net Change in Fund Balances	\$ 0	\$ 29,551	\$ (2,094)	\$ 27,457
Fund Balance, July 1, 2023	70,000	453,150	289,418	812,568
Fund Balance, June 30, 2024	<u>\$ 70,000</u>	<u>\$ 482,701</u>	<u>\$ 287,324</u>	<u>\$ 840,025</u>

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE****Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget**

Discretely Presented Metropolitan School Department

General Purpose School Fund

**For the Year Ended June 30, 2024**

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<b>Revenues</b>				
Local Taxes	\$ 4,225,618	\$ 4,099,865	\$ 4,149,865	\$ 75,753
Licenses and Permits	560	600	600	(40)
Charges for Current Services	78,751	62,341	76,000	2,751
Other Local Revenues	48,046	97,185	81,185	(33,139)
State of Tennessee	5,792,471	6,074,448	6,065,656	(273,185)
Federal Government	8,142	0	8,142	0
Other Governments and Citizens Groups	55,523	0	55,523	0
Total Revenues	\$ 10,209,111	\$ 10,334,439	\$ 10,436,971	\$ (227,860)
<b>Expenditures</b>				
Instruction				
Regular Instruction Program	\$ 4,484,402	\$ 4,631,212	\$ 4,547,556	\$ 63,154
Alternative Instruction Program	62,731	64,310	63,459	728
Special Education Program	710,925	692,260	727,429	16,504
Career and Technical Education Program	294,600	357,203	303,219	8,619
Support Services				
Attendance	57,279	57,402	58,509	1,230
Health Services	144,200	172,228	149,768	5,568
Other Student Support	320,590	374,940	328,077	7,487
Regular Instruction Program	416,110	464,971	423,969	7,859
Special Education Program	170,859	184,958	180,685	9,826
Career and Technical Education Program	53,616	48,625	53,733	117
Technology	216,264	178,834	219,119	2,855
Other Programs	26,475	0	26,475	0
Board of Education	243,836	268,606	255,952	12,116
Director of Schools	234,458	249,535	237,931	3,473
Office of the Principal	780,469	781,864	791,569	11,100
Fiscal Services	134,539	133,554	134,950	411
Operation of Plant	951,072	934,722	961,378	10,306
Maintenance of Plant	487,279	286,380	517,074	29,795
Transportation	587,289	772,630	617,536	30,247
Operation of Non-Instructional Services				
Food Service	6,514	0	8,700	2,186
Community Services	51,589	47,341	51,603	14
Early Childhood Education	114,251	119,902	119,991	5,740
Capital Outlay				
Regular Capital Outlay	144,385	235,000	150,000	5,615
Total Expenditures	\$ 10,693,732	\$ 11,056,477	\$ 10,928,682	\$ 234,950

(Continued)

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**

**Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget**

Discretely Presented Metropolitan School Department  
General Purpose School Fund (Cont.)

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Excess (Deficiency) of Revenues				
Over Expenditures	\$ (484,621)	\$ (722,038)	\$ (491,711)	\$ 7,090
<b>Other Financing Sources (Uses)</b>				
Insurance Recovery	\$ 42,288	\$ 0	\$ 42,288	\$ 0
Total Other Financing Sources	\$ 42,288	\$ 0	\$ 42,288	\$ 0
Net Change in Fund Balance	\$ (442,333)	\$ (722,038)	\$ (449,423)	\$ 7,090
Fund Balance, July 1, 2023	1,749,874	1,058,883	1,058,883	690,991
Fund Balance, June 30, 2024	\$ 1,307,541	\$ 336,845	\$ 609,460	\$ 698,081

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**

**Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget**

Discretely Presented Metropolitan School Department  
School Federal Projects Fund

**For the Year Ended June 30, 2024**

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<b>Revenues</b>				
Federal Government	\$ 772,793	\$ 829,349	\$ 831,272	\$ (58,479)
Total Revenues	<u>\$ 772,793</u>	<u>\$ 829,349</u>	<u>\$ 831,272</u>	<u>\$ (58,479)</u>
<b>Expenditures</b>				
Instruction				
Regular Instruction Program	\$ 405,565	\$ 414,152	\$ 425,182	\$ 19,617
Special Education Program	243,682	268,268	248,095	4,413
Career and Technical Education Program	10,025	8,550	10,025	0
Support Services				
Other Student Support	66,586	56,866	68,132	1,546
Regular Instruction Program	9,579	39,077	35,979	26,400
Special Education Program	29,894	33,526	36,397	6,503
Career and Technical Education Program	1,835	3,200	1,835	0
Transportation	5,627	5,710	5,627	0
Total Expenditures	<u>\$ 772,793</u>	<u>\$ 829,349</u>	<u>\$ 831,272</u>	<u>\$ 58,479</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balance				
Fund Balance, July 1, 2023	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>	<u>0</u>
Fund Balance, June 30, 2024	<u><u>\$ 70,000</u></u>	<u><u>\$ 70,000</u></u>	<u><u>\$ 70,000</u></u>	<u><u>\$ 0</u></u>

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE****Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget**Discretely Presented Metropolitan School Department  
Central Cafeteria Fund**For the Year Ended June 30, 2024**

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<b>Revenues</b>				
Charges for Current Services	\$ 214,247	\$ 296,650	\$ 296,650	\$ (82,403)
Other Local Revenues	7,524	200	200	7,324
State of Tennessee	4,213	4,800	4,800	(587)
Federal Government	352,650	337,000	337,000	15,650
Total Revenues	<u>\$ 578,634</u>	<u>\$ 638,650</u>	<u>\$ 638,650</u>	<u>\$ (60,016)</u>
<b>Expenditures</b>				
Operation of Non-Instructional Services				
Food Service	\$ 549,083	\$ 668,324	\$ 668,324	\$ 119,241
Total Expenditures	<u>\$ 549,083</u>	<u>\$ 668,324</u>	<u>\$ 668,324</u>	<u>\$ 119,241</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 29,551</u>	<u>\$ (29,674)</u>	<u>\$ (29,674)</u>	<u>\$ 59,225</u>
Net Change in Fund Balance	\$ 29,551	\$ (29,674)	\$ (29,674)	\$ 59,225
Fund Balance, July 1, 2023	<u>453,150</u>	<u>380,402</u>	<u>380,402</u>	<u>72,748</u>
Fund Balance, June 30, 2024	<u><u>\$ 482,701</u></u>	<u><u>\$ 350,728</u></u>	<u><u>\$ 350,728</u></u>	<u><u>\$ 131,973</u></u>

## MISCELLANEOUS SCHEDULES

Exhibit K-1

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY TENNESSEE**  
**Schedule of Changes in Long-term Other Loans**  
**For the Year Ended June 30, 2024**

<b>Description of Indebtedness</b>	<b>Original Amount of Issue</b>	<b>Interest Rate</b>	<b>Date of Issue</b>	<b>Last Maturity Date</b>	<b>Outstanding 7-1-23</b>	<b>Paid and/or Matured During Period</b>	<b>Outstanding 6-30-24</b>
<b>OTHER LOANS PAYABLE</b>							
Payable through General Debt Service Fund							
School Construction	\$ 8,300,000	Variable %	7-17-07	5-25-35	\$ 4,556,000	\$ 318,000	\$ 4,238,000
School Construction	14,000,000	2.51	12-22-17	3-1-45	11,848,000	463,000	11,385,000
School Construction	3,000,000	2.59	5-1-20	3-1-36	2,903,000	100,000	2,803,000
Total Other Loans Payable					<u>\$ 19,307,000</u>	<u>\$ 881,000</u>	<u>\$ 18,426,000</u>

Exhibit K-2

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY TENNESSEE**  
**Schedule of Long-term Debt Requirements by Year**

Year Ending June 30	Other Loans			Total
	Principal	Interest	Other Fees	
2025	\$ 905,000	\$ 526,187	\$ 25,022	\$ 1,456,209
2026	930,000	498,633	23,164	1,451,797
2027	956,000	470,304	21,250	1,447,554
2028	982,000	441,162	19,273	1,442,435
2029	1,009,000	411,206	17,234	1,437,440
2030	1,037,000	380,397	15,128	1,432,525
2031	1,066,000	348,721	12,959	1,427,680
2032	1,095,000	316,127	10,716	1,421,843
2033	1,125,000	282,628	8,405	1,416,033
2034	1,158,000	248,188	6,021	1,412,209
2035	1,189,000	212,711	3,472	1,405,183
2036	759,000	176,265	0	935,265
2037	778,000	157,106	0	935,106
2038	798,000	137,467	0	935,467
2039	818,000	117,323	0	935,323
2040	839,000	96,675	0	935,675
2041	860,000	75,496	0	935,496
2042	882,000	53,787	0	935,787
2043	904,000	31,522	0	935,522
2044	166,000	8,702	0	174,702
2045	170,000	4,403	0	174,403
Total	\$ 18,426,000	\$ 4,995,010	\$ 162,644	\$ 23,583,654

Exhibit K-3

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY TENNESSEE**

**Schedule of Transfers**

Primary Government

**For the Year Ended June 30, 2024**

<b>From Fund</b>	<b>To Fund</b>	<b>Purpose</b>	<b>Amount</b>
<b>PRIMARY GOVERNMENT</b>			
Other General Government	General	Various projects	\$ 400,000
"	General Capital Projects	"	<u>2,643,219</u>
Total Transfers Primary Government			<u><u>\$ 3,043,219</u></u>

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY TENNESSEE**

**Schedule of Salaries and Official Bonds of Principal Officials**

Primary Government and Discretely Presented Metropolitan School Department

**For the Year Ended June 30, 2024**

<b>Official</b>	<b>Salary</b>	<b>Authorization</b>	<b>Bond</b>	<b>Surety</b>
<b>Metropolitan Mayor</b> Base salary/Total compensation	<u>\$ 93,805</u>	Section 8-24-102, <i>TCA</i> , and Metropolitan Council	(1)	Tennessee Risk Management Trust
<b>Highway Superintendent</b> Base salary/Total compensation	<u>\$ 93,805</u>	Section 8-24-102, <i>TCA</i> , and Metropolitan Council	(1)	Tennessee Risk Management Trust
<b>Director of Schools</b> Base salary Chief executive officer training supplement Total compensation	\$ 105,287 1,000 <u>\$ 106,287</u>	State Board of Education and Metropolitan Board of Education	(1)	Tennessee Risk Management Trust
<b>Trustee</b> Base salary/Total compensation	<u>\$ 81,216</u>	Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
<b>Assessor of Property - Darin Harrison (7/1/23-10/31/23)</b> Base salary/Total compensation	<u>\$ 28,738</u>	Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
<b>Assessor of Property - Shaun Sherrill (11/20/23-6/30/24)</b> Base salary/Total compensation Total Assessor of Property Compensation	\$ 48,105 <u>\$ 76,843</u>	Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
<b>Metropolitan Clerk</b> Base salary/Total compensation	<u>\$ 81,216</u>	Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
<b>Circuit, General Sessions, and Juvenile Courts Clerk</b> Base salary/Total compensation	<u>\$ 81,216</u>	Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
<b>Clerk and Master</b> Base salary/Total compensation	<u>\$ 81,216</u>	Section 8-24-102, <i>TCA</i> , and Chancery Court Judge	(1)	Tennessee Risk Management Trust
<b>Register of Deeds</b> Base salary/Total compensation	<u>\$ 81,216</u>	Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
<b>Sheriff</b> Base salary Law enforcement training supplement Total compensation	\$ 89,338 800 <u>\$ 90,138</u>	Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Employee Blanket Bonds: Employee Fidelity - Metropolitan Departments Employee Fidelity - School Department			\$ 400,000 400,000	Tennessee Risk Management Trust "

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

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**  
**Schedule of Detailed Revenues -**  
**All Governmental Fund Types**  
**For the Year Ended June 30, 2024**

	<b>Special Revenue Funds</b>					
	General	Urban Services	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<b>Local Taxes</b>						
County Property Taxes						
Current Property Tax	\$ 3,318,589	\$ 2,310	\$ 224,987	\$ 0	\$ 0	\$ 48,209
Trustee's Collections - Prior Year	32,905	77	2,379	0	0	510
Circuit Clerk/Clerk and Master Collections - Prior Years	10,349	0	706	0	0	151
Interest and Penalty	6,163	12	440	0	0	94
Payments in-Lieu-of Taxes - T.V.A.	429	5,698	0	0	0	0
County Local Option Taxes						
Local Option Sales Tax	729,010	0	0	0	0	0
Hotel/Motel Tax	58,733	0	0	0	0	0
Litigation Tax - General	13,250	0	0	0	0	0
Litigation Tax - Special Purpose	24	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	18,358	0	0	0	0	0
Business Tax	37,495	0	0	0	0	10,200
Mixed Drink Tax	242	0	0	0	0	0
Statutory Local Taxes						
Bank Excise Tax	3,833	0	0	0	0	0
Wholesale Beer Tax	96,856	0	0	0	0	0
Total Local Taxes	<u>\$ 4,326,236</u>	<u>\$ 8,097</u>	<u>\$ 228,512</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 59,164</u>
<b>Licenses and Permits</b>						
Licenses						
Cable TV Franchise	\$ 10,999	\$ 6,825	\$ 0	\$ 0	\$ 0	0
Permits						
Building Permits	72,640	0	0	0	0	0
Total Licenses and Permits	<u>\$ 83,639</u>	<u>\$ 6,825</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>

(Continued)

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**  
**Schedule of Detailed Revenues -**  
**All Governmental Fund Types (Cont.)**

	<b>Special Revenue Funds</b>					
	General	Urban Services	Solid Waste / Sanitation	Drug Control	Constitu- tional Officers - Fees	Highway / Public Works
<b>Fines, Forfeitures, and Penalties</b>						
Circuit Court						
Officers Costs	\$ 544	\$ 0	\$ 0	\$ 0	\$ 0	0
Drug Control Fines	0	0	0	3,957	0	0
Drug Court Fees	66	0	0	0	0	0
Jail Fees	76	0	0	0	0	0
Data Entry Fee - Circuit Court	136	0	0	0	0	0
Criminal Court						
DUI Treatment Fines	142	0	0	0	0	0
Courtroom Security Fee	10	0	0	0	0	0
General Sessions Court						
Fines	1,044	0	0	0	0	0
Officers Costs	6,182	0	0	0	0	0
Game and Fish Fines	27	0	0	0	0	0
Drug Control Fines	0	0	0	1,337	0	0
Drug Court Fees	532	0	0	0	0	0
Jail Fees	418	0	0	0	0	0
DUI Treatment Fines	285	0	0	0	0	0
Data Entry Fee - General Sessions Court	1,456	0	0	0	0	0
Courtroom Security Fee	207	0	0	0	0	0
Chancery Court						
Officers Costs	390	0	0	0	0	0
Data Entry Fee - Chancery Court	460	0	0	0	0	0
Other Fines, Forfeitures, and Penalties						
Other Fines, Forfeitures, and Penalties	7,078	0	0	0	0	0
<b>Total Fines, Forfeitures, and Penalties</b>	<b>\$ 19,053</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 5,294</b>	<b>\$ 0</b>	<b>0</b>

(Continued)

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**

**Schedule of Detailed Revenues -**

**All Governmental Fund Types (Cont.)**

	<b>Special Revenue Funds</b>					
	General	Urban Services	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<b>Charges for Current Services</b>						
General Service Charges						
Solid Waste Disposal Fee	\$ 0	\$ 0	\$ 276,359	\$ 0	\$ 0	0
Patient Charges	353,383	0	0	0	0	0
Fees						
Recreation Fees	23,296	0	0	0	0	0
Copy Fees	555	0	0	0	0	0
Library Fees	797	0	0	0	0	0
Greenbelt Late Application Fee	50	0	0	0	0	0
Additional Fees - Titling and Registration	4,545	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	30	0
Data Processing Fee - Register	2,448	0	0	0	0	0
Data Processing Fee - Sheriff	476	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	2,100	0	0	0	0	0
Data Processing Fee - County Clerk	1,236	0	0	0	0	0
Vehicle Registration Reinstatement Fees	435	0	0	0	0	0
<b>Total Charges for Current Services</b>	<b>\$ 389,321</b>	<b>\$ 0</b>	<b>\$ 276,359</b>	<b>\$ 0</b>	<b>\$ 30</b>	<b>0</b>
<b>Other Local Revenues</b>						
Recurring Items						
Investment Income	\$ 110,777	\$ 0	\$ 0	\$ 0	\$ 0	0
Lease/Rentals/PPP	986	0	0	0	0	0
Commissary Sales	1,062	0	0	0	0	0
Sale of Recycled Materials	0	0	56,532	0	0	0
E-Rate Funding	940	0	0	0	0	0
Miscellaneous Refunds	28,159	0	0	0	0	600

(Continued)

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**

**Schedule of Detailed Revenues -**

**All Governmental Fund Types (Cont.)**

	<b>Special Revenue Funds</b>					
	General	Urban Services	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<b>Other Local Revenues (Cont.)</b>						
Nonrecurring Items						
Sale of Equipment	\$ 764	\$ 0	\$ 8,200	\$ 0	\$ 0	\$ 0
Damages Recovered from Individuals	332	0	0	0	0	0
Contributions and Gifts	47,546	0	0	0	0	0
Other Local Revenues						
Other Local Revenues	2,977	0	0	0	0	0
<b>Total Other Local Revenues</b>	<b>\$ 193,543</b>	<b>\$ 0</b>	<b>\$ 64,732</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 600</b>
<b>Fees Received From County Officials</b>						
Fees In-Lieu-of Salary						
County Clerk	\$ 75,026	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	7,916	0	0	0	0	0
General Sessions Court Clerk	25,676	0	0	0	0	0
Clerk and Master	17,791	0	0	0	0	0
Juvenile Court Clerk	788	0	0	0	0	0
Register	38,620	0	0	0	0	0
Sheriff	2,527	0	0	0	0	0
Trustee	230,183	0	0	0	0	0
<b>Total Fees Received From County Officials</b>	<b>\$ 398,527</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>State of Tennessee</b>						
General Government Grants						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Public Safety Grants						
Law Enforcement Training Programs	12,800	0	0	0	0	0
School Resource Officer Grants	150,000	0	0	0	0	0

(Continued)

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**

**Schedule of Detailed Revenues -**

**All Governmental Fund Types (Cont.)**

	<b>Special Revenue Funds</b>					
	General	Urban Services	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<b>State of Tennessee (Cont.)</b>						
Health and Welfare Grants						
Health Department Programs	\$ 109,770	\$ 0	\$ 0	\$ 0	\$ 0	0
Public Works Grants						
State Aid Program	0	0	0	0	0	1,878,685
Other State Revenues						
Beer Tax	8,369	0	0	0	0	0
Vehicle Certificate of Title Fees	5,330	0	0	0	0	0
Alcoholic Beverage Tax	21,885	0	0	0	0	0
Opioid Settlement Funds - TN Abatement Council	29,544	0	0	0	0	0
State Revenue Sharing - T.V.A.	264,691	0	0	0	0	0
State Revenue Sharing - Telecommunications	8,104	0	0	0	0	0
State Shared Sports Gaming Privilege Tax	12,061	0	0	0	0	0
Contracted Prisoner Boarding	123,574	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	1,762,151
Hybrid/Electric Vehicle Registration Fee	0	0	0	0	0	7,136
Petroleum Special Tax	0	0	0	0	0	5,121
Registrar's Salary Supplement	15,164	0	0	0	0	0
State Shared Sales Tax - Cities	58,760	0	0	0	0	0
Other State Grants	104,724	0	0	0	0	0
Other State Revenues	57,848	2,190	1,250	0	0	0
Total State of Tennessee	<u>\$ 991,624</u>	<u>\$ 2,190</u>	<u>\$ 1,250</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>3,653,093</u>
<b>Federal Government</b>						
Federal Through State						
Other Federal through State	\$ 242,085	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**

**Schedule of Detailed Revenues -**

**All Governmental Fund Types (Cont.)**

	<b>Special Revenue Funds</b>					
	General	Urban Services	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<b>Federal Government (Cont.)</b>						
Direct Federal Revenue						
Other Direct Federal Revenue	\$ 33,048	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Federal Government	<u>\$ 275,133</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Other Governments and Citizens Groups</b>						
Other Governments						
Contributions	\$ 15,940	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Citizens Groups						
Donations	6,094	0	0	0	0	0
Other						
Opioid Settlement Funds - Past Remediation	24,170	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 46,204</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 6,723,280</u>	<u>\$ 17,112</u>	<u>\$ 570,853</u>	<u>\$ 5,294</u>	<u>\$ 30</u>	<u>\$ 3,712,857</u>

(Continued)

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**  
**Schedule of Detailed Revenues -**  
**All Governmental Fund Types (Cont.)**

	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	
	General Debt Service	General Capital Projects	Total
<b>Local Taxes</b>			
County Property Taxes			
Current Property Tax	\$ 932,083	\$ 0	\$ 4,526,178
Trustee's Collections - Prior Year	9,851	3	45,725
Circuit Clerk/Clerk and Master Collections - Prior Years	2,926	0	14,132
Interest and Penalty	1,821	1	8,531
Payments in-Lieu-of Taxes - T.V.A.	0	0	6,127
County Local Option Taxes			
Local Option Sales Tax	164,852	0	893,862
Hotel/Motel Tax	0	0	58,733
Litigation Tax - General	0	0	13,250
Litigation Tax - Special Purpose	0	0	24
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	18,358
Business Tax	0	0	47,695
Mixed Drink Tax	0	0	242
Statutory Local Taxes			
Bank Excise Tax	0	0	3,833
Wholesale Beer Tax	0	0	96,856
Total Local Taxes	<u>\$ 1,111,533</u>	<u>\$ 4</u>	<u>\$ 5,733,546</u>
<b>Licenses and Permits</b>			
Licenses			
Cable TV Franchise	\$ 0	\$ 0	\$ 17,824
Permits			
Building Permits	0	0	72,640
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 90,464</u>

(Continued)

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**  
**Schedule of Detailed Revenues -**  
**All Governmental Fund Types (Cont.)**

	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	Total
	General Debt Service	General Capital Projects	
<b>Fines, Forfeitures, and Penalties</b>			
Circuit Court			
Officers Costs	\$ 0	\$ 0	\$ 544
Drug Control Fines	0	0	3,957
Drug Court Fees	0	0	66
Jail Fees	0	0	76
Data Entry Fee - Circuit Court	0	0	136
Criminal Court			
DUI Treatment Fines	0	0	142
Courtroom Security Fee	0	0	10
General Sessions Court			
Fines	0	0	1,044
Officers Costs	0	0	6,182
Game and Fish Fines	0	0	27
Drug Control Fines	0	0	1,337
Drug Court Fees	0	0	532
Jail Fees	0	0	418
DUI Treatment Fines	0	0	285
Data Entry Fee - General Sessions Court	0	0	1,456
Courtroom Security Fee	0	0	207
Chancery Court			
Officers Costs	0	0	390
Data Entry Fee - Chancery Court	0	0	460
Other Fines, Forfeitures, and Penalties			
Other Fines, Forfeitures, and Penalties	0	0	7,078
<b>Total Fines, Forfeitures, and Penalties</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 24,347</b>

(Continued)

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**  
**Schedule of Detailed Revenues -**  
**All Governmental Fund Types (Cont.)**

	<u>Debt Service</u> <u>Fund</u>	<u>Capital</u> <u>Projects Fund</u>	
	General Debt Service	General Capital Projects	Total
<b>Charges for Current Services</b>			
General Service Charges			
Solid Waste Disposal Fee	\$ 0	\$ 0	\$ 276,359
Patient Charges	0	0	353,383
Fees			
Recreation Fees	0	0	23,296
Copy Fees	0	0	555
Library Fees	0	0	797
Greenbelt Late Application Fee	0	0	50
Additional Fees - Titling and Registration	0	0	4,545
Constitutional Officers' Fees and Commissions	0	0	30
Data Processing Fee - Register	0	0	2,448
Data Processing Fee - Sheriff	0	0	476
Sexual Offender Registration Fee - Sheriff	0	0	2,100
Data Processing Fee - County Clerk	0	0	1,236
Vehicle Registration Reinstatement Fees	0	0	435
Total Charges for Current Services	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 665,710</u>
<b>Other Local Revenues</b>			
Recurring Items			
Investment Income	\$ 0	\$ 45,603	\$ 156,380
Lease/Rentals/PPP	0	0	986
Commissary Sales	0	0	1,062
Sale of Recycled Materials	0	0	56,532
E-Rate Funding	0	0	940
Miscellaneous Refunds	0	0	28,759

(Continued)

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**  
**Schedule of Detailed Revenues -**  
**All Governmental Fund Types (Cont.)**

	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	
	General Debt Service	General Capital Projects	Total
<b>Other Local Revenues (Cont.)</b>			
Nonrecurring Items			
Sale of Equipment	\$ 0	\$ 0	\$ 8,964
Damages Recovered from Individuals	0	0	332
Contributions and Gifts	0	0	47,546
Other Local Revenues			
Other Local Revenues	0	0	2,977
Total Other Local Revenues	<u>\$ 0</u>	<u>\$ 45,603</u>	<u>\$ 304,478</u>
<b>Fees Received From County Officials</b>			
Fees In-Lieu-of Salary			
County Clerk	\$ 0	\$ 0	\$ 75,026
Circuit Court Clerk	0	0	7,916
General Sessions Court Clerk	0	0	25,676
Clerk and Master	0	0	17,791
Juvenile Court Clerk	0	0	788
Register	0	0	38,620
Sheriff	0	0	2,527
Trustee	0	0	230,183
Total Fees Received From County Officials	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 398,527</u>
<b>State of Tennessee</b>			
General Government Grants			
Juvenile Services Program	\$ 0	\$ 0	\$ 9,000
Public Safety Grants			
Law Enforcement Training Programs	0	0	12,800
School Resource Officer Grants	0	0	150,000

(Continued)

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**  
**Schedule of Detailed Revenues -**  
**All Governmental Fund Types (Cont.)**

	<u>Debt Service</u> <u>Fund</u>	<u>Capital</u> <u>Projects Fund</u>	Total
	General Debt Service	General Capital Projects	
<b>State of Tennessee (Cont.)</b>			
Health and Welfare Grants			
Health Department Programs	\$ 0	\$ 0	\$ 109,770
Public Works Grants			
State Aid Program	0	0	1,878,685
Other State Revenues			
Beer Tax	0	0	8,369
Vehicle Certificate of Title Fees	0	0	5,330
Alcoholic Beverage Tax	0	0	21,885
Opioid Settlement Funds - TN Abatement Council	0	0	29,544
State Revenue Sharing - T.V.A.	0	0	264,691
State Revenue Sharing - Telecommunications	0	0	8,104
State Shared Sports Gaming Privilege Tax	0	0	12,061
Contracted Prisoner Boarding	0	0	123,574
Gasoline and Motor Fuel Tax	0	0	1,762,151
Hybrid/Electric Vehicle Registration Fee	0	0	7,136
Petroleum Special Tax	0	0	5,121
Registrar's Salary Supplement	0	0	15,164
State Shared Sales Tax - Cities	0	0	58,760
Other State Grants	0	529,000	633,724
Other State Revenues	0	0	61,288
Total State of Tennessee	<u>\$ 0</u>	<u>\$ 529,000</u>	<u>\$ 5,177,157</u>
<b>Federal Government</b>			
Federal Through State			
Other Federal through State	\$ 0	\$ 0	\$ 242,085

(Continued)

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**  
**Schedule of Detailed Revenues -**  
**All Governmental Fund Types (Cont.)**

	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	
	General Debt Service	General Capital Projects	Total
<b>Federal Government (Cont.)</b>			
Direct Federal Revenue			
Other Direct Federal Revenue	\$ 0	\$ 0	\$ 33,048
Total Federal Government	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 275,133</u>
<b>Other Governments and Citizens Groups</b>			
Other Governments			
Contributions	\$ 310,600	\$ 0	\$ 326,540
Citizens Groups			
Donations	0	25,000	31,094
Other			
Opioid Settlement Funds - Past Remediation	0	0	24,170
Total Other Governments and Citizens Groups	<u>\$ 310,600</u>	<u>\$ 25,000</u>	<u>\$ 381,804</u>
Total	<u>\$ 1,422,133</u>	<u>\$ 599,607</u>	<u>\$ 13,051,166</u>

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**

**Schedule of Detailed Revenues -**

**All Governmental Fund Types**

Discretely Presented Metropolitan School Department

**For the Year Ended June 30, 2024**

	<u>Special Revenue Funds</u>					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School		
<b>Local Taxes</b>						
County Property Taxes						
Current Property Tax	\$ 3,246,217	\$ 0	\$ 0	\$ 0	\$ 0	3,246,217
Trustee's Collections - Prior Year	34,007	0	0	0	0	34,007
Circuit Clerk/Clerk and Master Collections - Prior Years	10,180	0	0	0	0	10,180
Interest and Penalty	6,297	0	0	0	0	6,297
County Local Option Taxes						
Local Option Sales Tax	928,663	0	0	0	0	928,663
Mixed Drink Tax	254	0	0	0	0	254
Total Local Taxes	<u>\$ 4,225,618</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>4,225,618</u>
<b>Licenses and Permits</b>						
Licenses						
Marriage Licenses	\$ 560	\$ 0	\$ 0	\$ 0	\$ 0	560
Total Licenses and Permits	<u>\$ 560</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>560</u>
<b>Charges for Current Services</b>						
Education Charges						
Tuition - Regular Day Students	\$ 28,883	\$ 0	\$ 0	\$ 0	\$ 0	28,883
Lunch Payments - Children	0	0	184,066	0	0	184,066
Lunch Payments - Adults	0	0	694	0	0	694
Income from Breakfast	0	0	27,877	0	0	27,877
A la Carte Sales	0	0	1,610	0	0	1,610
Community Service Fees - Children	49,868	0	0	0	0	49,868
Total Charges for Current Services	<u>\$ 78,751</u>	<u>\$ 0</u>	<u>\$ 214,247</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>292,998</u>

(Continued)

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**

**Schedule of Detailed Revenues -**

**All Governmental Fund Types**

Discretely Presented Metropolitan School Department (Cont.)

	<u>Special Revenue Funds</u>					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School		
<b>Other Local Revenues</b>						
Recurring Items						
Investment Income	\$ 11,195	\$ 0	\$ 7,495	\$ 0	\$	18,690
Sale of Materials and Supplies	6,125	0	0	0		6,125
E-Rate Funding	6,746	0	0	0		6,746
Miscellaneous Refunds	23,561	0	29	0		23,590
Nonrecurring Items						
Damages Recovered from Individuals	174	0	0	0		174
Other Local Revenues						
Other Local Revenues	245	0	0	451,177		451,422
<b>Total Other Local Revenues</b>	<b>\$ 48,046</b>	<b>\$ 0</b>	<b>\$ 7,524</b>	<b>\$ 451,177</b>	<b>\$</b>	<b>506,747</b>
<b>State of Tennessee</b>						
General Government Grants						
On-behalf Contributions for OPEB	\$ 26,475	\$ 0	\$ 0	\$ 0	\$	26,475
State Education Funds						
Tennessee Investment in Student Achievement	5,309,554	0	0	0		5,309,554
TISA - On-behalf Payments	11,568	0	0	0		11,568
Early Childhood Education	106,671	0	0	0		106,671
School Food Service	0	0	4,213	0		4,213
Other State Education Funds	89,743	0	0	0		89,743
Career Ladder Program	4,560	0	0	0		4,560
Other Vocational	33,475	0	0	0		33,475
Other State Revenues						
Beer Tax	202	0	0	0		202
Alcoholic Beverage Tax	133,695	0	0	0		133,695

(Continued)

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**

**Schedule of Detailed Revenues -**

**All Governmental Fund Types**

Discretely Presented Metropolitan School Department (Cont.)

	<u>Special Revenue Funds</u>				Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	
<b>State of Tennessee (Cont.)</b>					
Other State Revenues (Cont.)					
Other State Grants	\$ 35,313	\$ 0	\$ 0	\$ 0	35,313
Other State Revenues	41,215	0	0	0	41,215
Total State of Tennessee	<u>\$ 5,792,471</u>	<u>\$ 0</u>	<u>\$ 4,213</u>	<u>\$ 0</u>	<u>5,796,684</u>
<b>Federal Government</b>					
Federal Through State					
USDA School Lunch Program	\$ 0	\$ 0	\$ 207,036	\$ 0	207,036
USDA - Commodities	0	0	45,345	0	45,345
Breakfast	0	0	72,236	0	72,236
USDA - Other	0	0	28,033	0	28,033
Vocational Education - Basic Grants to States	0	15,000	0	0	15,000
Title I Grants to Local Education Agencies	0	163,978	0	0	163,978
Special Education - Grants to States	0	216,663	0	0	216,663
Special Education Preschool Grants	0	13,624	0	0	13,624
Eisenhower Professional Development State Grants	0	3,904	0	0	3,904
American Rescue Plan Act Grant #1	0	341,495	0	0	341,495
American Rescue Plan Act Grant #2	0	11,119	0	0	11,119
American Rescue Plan Act Grant #3	0	3,102	0	0	3,102
Other Federal through State	8,142	3,908	0	0	12,050
Total Federal Government	<u>\$ 8,142</u>	<u>\$ 772,793</u>	<u>\$ 352,650</u>	<u>\$ 0</u>	<u>1,133,585</u>
<b>Other Governments and Citizens Groups</b>					
Other Governments					
Contributions	\$ 50,148	\$ 0	\$ 0	\$ 0	50,148

(Continued)

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**

**Schedule of Detailed Revenues -**

**All Governmental Fund Types**

Discretely Presented Metropolitan School Department (Cont.)

	<u>Special Revenue Funds</u>				Total
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	
<b>Other Governments and Citizens Groups (Cont.)</b>					
Citizens Groups					
Donations	\$ 5,375	\$ 0	\$ 0	\$ 0	\$ 5,375
Total Other Governments and Citizens Groups	<u>\$ 55,523</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 55,523</u>
 Total	 <u>\$ 10,209,111</u>	 <u>\$ 772,793</u>	 <u>\$ 578,634</u>	 <u>\$ 451,177</u>	 <u>\$ 12,011,715</u>

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**  
**Schedule of Detailed Expenditures -**  
**All Governmental Fund Types**  
**For the Year Ended June 30, 2024**

**General Fund**

## General Government

**County Commission**

Other Per Diem and Fees	\$ 9,295	
Audit Services	2,778	
Dues and Memberships	1,000	
Liability Insurance	92,871	
Refunds	50	
Trustee's Commission	87,337	
Workers' Compensation Insurance	44,564	
Total County Commission	\$ 237,895	

**County Mayor/Executive**

County Official/Administrative Officer	\$ 93,805	
Accountants/Bookkeepers	56,537	
Data Processing Personnel	25,582	
Longevity Pay	4,000	
Communication	951	
Data Processing Services	16,518	
Dues and Memberships	5,843	
Legal Notices, Recording, and Court Costs	500	
Printing, Stationery, and Forms	1,432	
Office Supplies	793	
Office Equipment	246	
Total County Mayor/Executive	206,207	

**County Attorney**

County Official/Administrative Officer	\$ 10,500	
Total County Attorney		10,500

**Election Commission**

County Official/Administrative Officer	\$ 73,094	
Part-time Personnel	2,304	
Election Commission	2,925	
Election Workers	9,200	
In-service Training	1,975	
Communication	328	
Legal Notices, Recording, and Court Costs	2,503	
Maintenance and Repair Services - Office Equipment	26,195	
Postal Charges	434	
Printing, Stationery, and Forms	7,657	
Office Supplies	622	
Total Election Commission	127,237	

**Register of Deeds**

County Official/Administrative Officer	\$ 81,216	
Part-time Personnel	2,134	
Communication	312	
Maintenance Agreements	2,367	
Printing, Stationery, and Forms	792	

(Continued)

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**  
**Schedule of Detailed Expenditures -**  
**All Governmental Fund Types (Cont.)**

**General Fund (Cont.)**

General Government (Cont.)

**Register of Deeds (Cont.)**

Other Contracted Services	\$	200	
Office Equipment		<u>140</u>	
Total Register of Deeds	\$		87,161

**Planning**

County Official/Administrative Officer	\$	8,714	
Part-time Personnel		4,223	
Communication		312	
Office Supplies		<u>745</u>	
Total Planning			13,994

**County Buildings**

Custodial Personnel	\$	24,890	
Maintenance Personnel		15,280	
Legal Notices, Recording, and Court Costs		1,305	
Maintenance and Repair Services - Buildings		9,495	
Pest Control		925	
Postal Charges		5,727	
Printing, Stationery, and Forms		660	
Internet Connectivity		5,371	
Custodial Supplies		5,544	
Electricity		11,936	
Gasoline		212	
Natural Gas		4,881	
Office Supplies		4,163	
Water and Sewer		<u>4,587</u>	
Total County Buildings			94,976

**Preservation of Records**

County Official/Administrative Officer	\$	8,271	
Part-time Personnel		4,134	
Communication		328	
Data Processing Services		229	
Office Supplies		940	
In Service/Staff Development		<u>85</u>	
Total Preservation of Records			13,987

Finance

**Property Assessor's Office**

County Official/Administrative Officer	\$	76,843	
Part-time Personnel		10,952	
Communication		312	
Data Processing Services		2,825	
Legal Notices, Recording, and Court Costs		103	
Travel		206	
Other Contracted Services		9,007	
In Service/Staff Development		650	
Office Equipment		<u>66</u>	
Total Property Assessor's Office			100,964

(Continued)

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**  
**Schedule of Detailed Expenditures -**  
**All Governmental Fund Types (Cont.)**

**General Fund (Cont.)**

## Finance (Cont.)

**County Trustee's Office**

County Official/Administrative Officer	\$ 81,216	
Part-time Personnel	7,000	
Communication	312	
Data Processing Services	11,644	
Dues and Memberships	250	
Legal Notices, Recording, and Court Costs	36	
Travel	402	
Office Supplies	427	
In Service/Staff Development	85	
Office Equipment	91	
Total County Trustee's Office	\$ 101,463	

**County Clerk's Office**

County Official/Administrative Officer	\$ 81,216	
Part-time Personnel	20,764	
Communication	284	
Dues and Memberships	75	
Maintenance and Repair Services - Office Equipment	8,754	
Printing, Stationery, and Forms	104	
Office Equipment	7	
Total County Clerk's Office	111,204	

## Administration of Justice

**Circuit Court**

County Official/Administrative Officer	\$ 81,216	
Part-time Personnel	6,652	
Jury and Witness Expense	694	
Communication	465	
Data Processing Services	12,073	
Dues and Memberships	618	
Legal Notices, Recording, and Court Costs	428	
Maintenance Agreements	1,815	
Printing, Stationery, and Forms	482	
Periodicals	47	
Total Circuit Court	104,490	

**General Sessions Court**

Judge(s)	\$ 83,629	
Travel	632	
Total General Sessions Court	84,261	

**Chancery Court**

County Official/Administrative Officer	\$ 81,216	
Part-time Personnel	3,366	
Communication	328	
Dues and Memberships	983	
Maintenance Agreements	6,812	

(Continued)

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**

**Schedule of Detailed Expenditures -**

**All Governmental Fund Types (Cont.)**

**General Fund (Cont.)**

Administration of Justice (Cont.)

**Chancery Court (Cont.)**

Postal Charges	\$	9	
Printing, Stationery, and Forms		951	
Office Supplies		698	
Periodicals		690	
Office Equipment		1,097	
Total Chancery Court		<u>1,097</u>	\$ 96,150

**Juvenile Court**

Supervisor/Director	\$	9,000	
Total Juvenile Court			9,000

**Judicial Commissioners**

County Official/Administrative Officer	\$	26,834	
Dues and Memberships		300	
Travel		1,168	
Total Judicial Commissioners		<u>1,168</u>	28,302

Public Safety

**Sheriff's Department**

County Official/Administrative Officer	\$	89,338	
Assistant(s)		55,071	
Deputy(ies)		261,397	
Investigator(s)		136,090	
Lieutenant(s)		47,273	
Sergeant(s)		132,669	
Salary Supplements		12,800	
Part-time Personnel		4,545	
School Resource Officer		100,834	
Longevity Pay		29,909	
Overtime Pay		59,381	
Other Salaries and Wages		46,289	
Communication		19,369	
Contracts with Private Agencies		2,137	
Dues and Memberships		1,125	
Maintenance and Repair Services - Buildings		99	
Maintenance and Repair Services - Equipment		760	
Maintenance and Repair Services - Vehicles		31,270	
Medical and Dental Services		1,107	
Postal Charges		25	
Printing, Stationery, and Forms		1,906	
Travel		414	
Other Contracted Services		2,667	
Gasoline		49,064	
Office Supplies		4,665	
Uniforms		4,843	
Other Supplies and Materials		34,584	
In Service/Staff Development		3,569	

(Continued)

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**  
**Schedule of Detailed Expenditures -**  
**All Governmental Fund Types (Cont.)**

**General Fund (Cont.)**

## Public Safety (Cont.)

**Sheriff's Department (Cont.)**

Data Processing Equipment	\$ 962	
Law Enforcement Equipment	7,269	
Motor Vehicles	<u>18,034</u>	
Total Sheriff's Department		\$ 1,159,465

**Special Patrols**

Law Enforcement Equipment	\$ 481	
Total Special Patrols		481

**Jail**

Foremen	\$ 40,818	
Guards	359,513	
Secretary(ies)	42,131	
Longevity Pay	4,962	
Overtime Pay	17,424	
Other Salaries and Wages	19,058	
Contracts with Government Agencies	1,677	
Contracts with Private Agencies	50,054	
Maintenance and Repair Services - Buildings	3,102	
Maintenance and Repair Services - Equipment	2,265	
Medical and Dental Services	85,337	
Pest Control	600	
Travel	2,968	
Other Contracted Services	1,506	
Custodial Supplies	4,663	
Drugs and Medical Supplies	252	
Electricity	20,199	
Food Preparation Supplies	452	
Food Supplies	51,562	
Natural Gas	4,236	
Prisoners Clothing	2,885	
Uniforms	2,625	
Water and Sewer	30,071	
Other Supplies and Materials	7,767	
In Service/Staff Development	587	
Other Charges	<u>325</u>	
Total Jail		757,039

**Commissary**

Office Supplies	\$ 980	
Total Commissary		980

**Fire Prevention and Control**

Supervisor/Director	\$ 48,423	
Communication	1,421	
Dues and Memberships	850	
Maintenance and Repair Services - Buildings	12,884	

(Continued)

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**  
**Schedule of Detailed Expenditures -**  
**All Governmental Fund Types (Cont.)**

**General Fund (Cont.)**

Public Safety (Cont.)

**Fire Prevention and Control (Cont.)**

Maintenance and Repair Services - Vehicles	\$	26,507	
Pest Control		1,500	
Other Contracted Services		619	
Electricity		4,406	
Gasoline		4,754	
Natural Gas		3,845	
Water and Sewer		2,483	
Excess Risk Insurance		3,779	
In Service/Staff Development		3,128	
Motor Vehicles		10,000	
Other Equipment		31,548	
Total Fire Prevention and Control	\$		156,147

**Other Emergency Management**

Supervisor/Director	\$	56,819	
Salary Supplements		15,577	
Dispatchers/Radio Operators		214,620	
Part-time Personnel		35,512	
Longevity Pay		5,923	
Overtime Pay		38,050	
Other Salaries and Wages		15,846	
Communication		12,074	
Data Processing Services		404	
Dues and Memberships		110	
Maintenance and Repair Services - Vehicles		1,281	
Travel		362	
Gasoline		5,375	
Instructional Supplies and Materials		3,083	
Office Supplies		294	
Uniforms		380	
Other Supplies and Materials		83,431	
In Service/Staff Development		850	
Other Equipment		85,902	
Total Other Emergency Management			575,893

**County Coroner/Medical Examiner**

County Official/Administrative Officer	\$	3,225	
Other Contracted Services		10,069	
Total County Coroner/Medical Examiner			13,294

Public Health and Welfare

**Local Health Center**

Medical Personnel	\$	110,812	
Longevity Pay		2,000	
Communication		4,118	
Contracts with Government Agencies		7,000	
Maintenance and Repair Services - Buildings		1,224	

(Continued)

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**

**Schedule of Detailed Expenditures -**

**All Governmental Fund Types (Cont.)**

**General Fund (Cont.)**

Public Health and Welfare (Cont.)

**Local Health Center (Cont.)**

Pest Control	\$ 275	
Travel	991	
Tuition	10,284	
Custodial Supplies	11	
Drugs and Medical Supplies	2,745	
Electricity	4,870	
Natural Gas	825	
Water and Sewer	444	
Other Supplies and Materials	<u>103</u>	
Total Local Health Center		\$ 145,702

**Rabies and Animal Control**

Other Supplies and Materials	\$ <u>7,000</u>	
Total Rabies and Animal Control		7,000

**Ambulance/Emergency Medical Services**

Supervisor/Director	\$ 603	
Paraprofessionals	294,394	
Part-time Personnel	20,971	
Longevity Pay	10,346	
Overtime Pay	245,469	
Other Salaries and Wages	37,412	
Communication	2,298	
Data Processing Services	35,745	
Dues and Memberships	1,945	
Maintenance and Repair Services - Buildings	1,100	
Maintenance and Repair Services - Equipment	7,603	
Maintenance and Repair Services - Vehicles	19,445	
Medical and Dental Services	3,000	
Travel	362	
Custodial Supplies	574	
Drugs and Medical Supplies	38,470	
Gasoline	8,246	
Office Supplies	667	
Uniforms	2,449	
Refunds	1,380	
In Service/Staff Development	2,535	
Fines, Assessments, and Penalties	<u>12,528</u>	
Total Ambulance/Emergency Medical Services		747,542

**Regional Mental Health Center**

Contracts with Other Public Agencies	\$ <u>2,500</u>	
Total Regional Mental Health Center		2,500

**Other Waste Disposal**

Contracts with Private Agencies	\$ <u>18,977</u>	
Total Other Waste Disposal		18,977

(Continued)

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**  
**Schedule of Detailed Expenditures -**  
**All Governmental Fund Types (Cont.)**

**General Fund (Cont.)**

Social, Cultural, and Recreational Services

**Senior Citizens Assistance**

Contributions	\$ 8,500	
Total Senior Citizens Assistance		\$ 8,500

**Libraries**

Assistant(s)	\$ 25,210	
Supervisor/Director	38,560	
Custodial Personnel	2,253	
Part-time Personnel	20,948	
Longevity Pay	1,000	
Communication	3,265	
Data Processing Services	2,931	
Dues and Memberships	277	
Maintenance and Repair Services - Buildings	1,522	
Pest Control	300	
Postal Charges	283	
Printing, Stationery, and Forms	49	
Internet Connectivity	940	
Travel	570	
Custodial Supplies	1,409	
Electricity	3,076	
Instructional Supplies and Materials	5,217	
Library Books/Media	6,966	
Natural Gas	1,491	
Office Supplies	2,006	
Periodicals	191	
Water and Sewer	973	
Other Charges	3,309	
Office Equipment	3,606	
Total Libraries		126,352

**Parks and Fair Boards**

Communication	\$ 22	
Maintenance and Repair Services - Buildings	8,473	
Maintenance and Repair Services - Equipment	1,418	
Maintenance and Repair Services - Vehicles	803	
Electricity	11,591	
Gasoline	2,846	
Natural Gas	47	
Water and Sewer	5,554	
Total Parks and Fair Boards		30,754

**Other Social, Cultural, and Recreational**

Assistant(s)	\$ 5,374	
Attendants	12,460	
Dues and Memberships	2,180	
Maintenance and Repair Services - Buildings	38,903	
Maintenance and Repair Services - Equipment	564	

(Continued)

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**

**Schedule of Detailed Expenditures -**

**All Governmental Fund Types (Cont.)**

**General Fund (Cont.)**

Social, Cultural, and Recreational Services (Cont.)

**Other Social, Cultural, and Recreational (Cont.)**

Electricity	\$	5,934	
Water and Sewer		4,470	
Chemicals		4,266	
Other Supplies and Materials		45	
Total Other Social, Cultural, and Recreational			\$ 74,196

Agriculture and Natural Resources

**Agricultural Extension Service**

Salary Supplements	\$	51,283	
Part-time Personnel		958	
Longevity Pay		2,345	
Employee and Dependent Insurance		6,830	
Communication		1,607	
Data Processing Services		2,500	
Travel		6,504	
Total Agricultural Extension Service			72,027

**Forest Service**

Contracts with Government Agencies	\$	350	
Total Forest Service			350

**Soil Conservation**

Part-time Personnel	\$	9,481	
Communication		328	
Dues and Memberships		295	
Postal Charges		98	
Travel		723	
Total Soil Conservation			10,925

Other Operations

**Tourism**

Maintenance Agreements	\$	12,900	
Maintenance and Repair Services - Buildings		135	
Pest Control		300	
Custodial Supplies		901	
Electricity		1,558	
Natural Gas		20	
Water and Sewer		2,471	
Total Tourism			18,285

**Other Charges**

Tax Relief Program	\$	714	
Total Other Charges			714

**Employee Benefits**

Social Security	\$	271,452	
Pensions		48,227	

(Continued)

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**  
**Schedule of Detailed Expenditures -**  
**All Governmental Fund Types (Cont.)**

**General Fund (Cont.)**

Other Operations (Cont.)

**Employee Benefits (Cont.)**

Employee and Dependent Insurance	\$	563,673	
Unemployment Compensation		1,954	
Local Retirement		43,574	
Total Employee Benefits			\$ 928,880

Total General Fund \$ 6,283,794

**Urban Services Fund**

General Government

**Other General Administration**

Electricity	\$	10,590	
Trustee's Commission		232	
Total Other General Administration			\$ 10,822

Total Urban Services Fund 10,822

**Solid Waste/Sanitation Fund**

Public Health and Welfare

**Waste Pickup**

County Official/Administrative Officer	\$	3,373	
Laborers		24,363	
Social Security		2,090	
Unemployment Compensation		51	
Maintenance and Repair Services - Vehicles		452	
Gasoline		1,220	
Instructional Supplies and Materials		8,644	
Total Waste Pickup			\$ 40,193

**Recycling Center**

Assistant(s)	\$	6,100	
Supervisor/Director		33,701	
Laborers		107,003	
Part-time Personnel		39,777	
Longevity Pay		7,000	
Overtime Pay		372	
Other Salaries and Wages		11,899	
Social Security		15,147	
Medical Insurance		32,529	
Unemployment Compensation		244	
Local Retirement		451	
Communication		25	
Contracts with Private Agencies		226,017	
Maintenance and Repair Services - Buildings		709	
Maintenance and Repair Services - Equipment		7,971	
Maintenance and Repair Services - Vehicles		27,650	
Diesel Fuel		29,886	
Electricity		2,372	

(Continued)

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**

**Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)**

**Solid Waste/Sanitation Fund (Cont.)**

Public Health and Welfare (Cont.)

**Recycling Center (Cont.)**

Garage Supplies	\$	120	
Office Supplies		59	
Tires and Tubes		5,842	
Water and Sewer		955	
Trustee's Commission		7,314	
Vehicle and Equipment Insurance		5,094	
Workers' Compensation Insurance		8,600	
Solid Waste Equipment		5,041	
Total Recycling Center		<u>5,041</u>	\$ 581,878

Total Solid Waste/Sanitation Fund \$ 622,071

**Drug Control Fund**

Public Safety

**Drug Enforcement**

Communication	\$	343	
Total Drug Enforcement		<u>343</u>	\$ 343

Total Drug Control Fund 343

**Constitutional Officers - Fees Fund**

Public Safety

**Sheriff's Department**

Bank Charges	\$	30	
Total Sheriff's Department		<u>30</u>	\$ 30

Total Constitutional Officers - Fees Fund 30

**Highway/Public Works Fund**

Highways

**Administration**

County Official/Administrative Officer	\$	93,805	
Secretary(ies)		63,399	
Temporary Personnel		333	
Social Security		9,285	
Pensions		7,454	
Employee and Dependent Insurance		29,784	
Life Insurance		272	
Unemployment Compensation		164	
Employer Medicare		2,171	
Data Processing Services		16,640	
Postal Charges		66	
Printing, Stationery, and Forms		88	
Travel		1,301	
Office Supplies		365	
Other Charges		1,656	
Data Processing Equipment		160	
Office Equipment		79	
Total Administration		<u>227,022</u>	\$ 227,022

(Continued)

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**  
**Schedule of Detailed Expenditures -**  
**All Governmental Fund Types (Cont.)**

**Highway/Public Works Fund (Cont.)**

## Highways (Cont.)

**Highway and Bridge Maintenance**

Equipment Operators	\$ 393,843	
Social Security	22,700	
Pensions	10,948	
Employee and Dependent Insurance	106,156	
Life Insurance	1,001	
Unemployment Compensation	1,232	
Employer Medicare	5,309	
Contracts with Private Agencies	3,630	
Dues and Memberships	2,544	
Asphalt	12,446	
Concrete	160	
Crushed Stone	21,733	
Riprap	10,565	
Pipe	7,942	
Road Signs	4,795	
Salt	23,178	
Other Charges	1,926	
Communication Equipment	100	
Maintenance Equipment	629	
Total Highway and Bridge Maintenance	\$ 630,837	

**Operation and Maintenance of Equipment**

Mechanic(s)	\$ 61,234	
Social Security	3,575	
Pensions	1,900	
Employee and Dependent Insurance	12,061	
Life Insurance	136	
Unemployment Compensation	154	
Employer Medicare	836	
Other Contracted Services	14,082	
Custodial Supplies	161	
Diesel Fuel	33,438	
Equipment and Machinery Parts	17,274	
Garage Supplies	4,691	
Gasoline	10,266	
Lubricants	4,808	
Small Tools	525	
Tires and Tubes	5,167	
Vehicle Parts	2,373	
Other Charges	2,532	
Total Operation and Maintenance of Equipment	175,213	

**Other Charges**

Advertising	\$ 110	
Communication	1,860	
Internet Connectivity	940	
Electricity	3,337	

(Continued)

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**  
**Schedule of Detailed Expenditures -**  
**All Governmental Fund Types (Cont.)**

**Highway/Public Works Fund (Cont.)**

Highways (Cont.)

**Other Charges (Cont.)**

Propane Gas	\$	26	
Water and Sewer		365	
Liability Insurance		10,303	
Trustee's Commission		18,900	
Vehicle and Equipment Insurance		6,182	
Total Other Charges	\$		42,023

**Employee Benefits**

Workers' Compensation Insurance	\$	14,854	
Total Employee Benefits			14,854

**Capital Outlay**

Highway Equipment	\$	14,920	
State Aid Projects		1,962,138	
Total Capital Outlay			1,977,058

Total Highway/Public Works Fund \$ 3,067,007

**General Debt Service Fund**

Principal on Debt

**Education**

Principal on Other Loans	\$	881,000	
Total Education	\$		881,000

Interest on Debt

**Education**

Interest on Other Loans	\$	530,111	
Total Education			530,111

Other Debt Service

**General Government**

Trustee's Commission	\$	20,805	
Total General Government			20,805

**Education**

Other Debt Service	\$	32,830	
Total Education			32,830

Total General Debt Service Fund 1,464,746

**General Capital Projects Fund**

Capital Projects

**General Administration Projects**

Trustee's Commission	\$	5,746	
Building Improvements		158,877	
Communication Equipment		7,000	
Total General Administration Projects	\$		171,623

(Continued)

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**  
**Schedule of Detailed Expenditures -**  
**All Governmental Fund Types (Cont.)**

**General Capital Projects Fund (Cont.)**

Capital Projects (Cont.)

**Public Safety Projects**

Building Improvements	\$	18,200	
Motor Vehicles		294,258	
Other Equipment		10,940	
Total Public Safety Projects			\$ 323,398

**Agriculture and Natural Resources Projects**

Consultants	\$	121,683	
Other Construction		446,216	
Total Agriculture and Natural Resources Projects			567,899

Total General Capital Projects Fund \$ 1,062,920

Total Governmental Funds - Primary Government \$ 12,511,733

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**  
**Schedule of Detailed Expenditures -**  
**All Governmental Fund Types**  
Discretely Presented Metropolitan School Department  
**For the Year Ended June 30, 2024**

**General Purpose School Fund**

## Instruction

**Regular Instruction Program**

Teachers	\$ 3,058,683	
Career Ladder Program	3,000	
Homebound Teachers	2,589	
Educational Assistants	105,495	
Other Salaries and Wages	20,645	
Non-certified Substitute Teachers	97,156	
Social Security	191,201	
Pensions	232,858	
Medical Insurance	547,620	
Employer Medicare	44,716	
Instructional Supplies and Materials	51,554	
Software	21,956	
Other Supplies and Materials	14,877	
TISA - On-behalf Payments	11,568	
Regular Instruction Equipment	80,484	
Total Regular Instruction Program	<u>4,484,402</u>	\$ 4,484,402

**Alternative Instruction Program**

Teachers	\$ 48,959	
Social Security	2,901	
Pensions	3,892	
Medical Insurance	6,300	
Employer Medicare	679	
Total Alternative Instruction Program	<u>62,731</u>	62,731

**Special Education Program**

Teachers	\$ 341,247	
Homebound Teachers	7,597	
Educational Assistants	134,869	
Speech Pathologist	50,934	
Social Security	31,675	
Pensions	38,594	
Medical Insurance	97,578	
Employer Medicare	7,408	
Instructional Supplies and Materials	1,023	
Total Special Education Program	<u>710,925</u>	710,925

**Career and Technical Education Program**

Teachers	\$ 201,098	
Social Security	11,978	
Pensions	15,987	
Medical Insurance	25,837	
Employer Medicare	2,835	
Instructional Supplies and Materials	2,037	
Software	4,990	
Other Charges	545	
Vocational Instruction Equipment	29,293	
Total Career and Technical Education Program	<u>294,600</u>	294,600

(Continued)

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**  
**Schedule of Detailed Expenditures -**  
**All Governmental Fund Types**  
 Discretely Presented Metropolitan School Department (Cont.)

**General Purpose School Fund (Cont.)**

Support Services

**Attendance**

Supervisor/Director	\$	35,003	
Social Security		1,918	
Pensions		2,384	
Medical Insurance		7,025	
Employer Medicare		448	
Software		10,501	
Total Attendance			\$ 57,279

**Health Services**

Supervisor/Director	\$	40,839	
Medical Personnel		45,676	
Clerical Personnel		11,807	
Social Security		5,494	
Pensions		6,790	
Medical Insurance		20,125	
Employer Medicare		1,285	
Other Supplies and Materials		4,103	
In Service/Staff Development		2,964	
Health Equipment		5,117	
Total Health Services			144,200

**Other Student Support**

Guidance Personnel	\$	144,990	
Psychological Personnel		35,289	
Other Salaries and Wages		1,512	
Social Security		10,413	
Pensions		12,782	
Medical Insurance		26,822	
Employer Medicare		2,435	
Evaluation and Testing		217	
Travel		363	
Other Contracted Services		64,034	
Other Supplies and Materials		387	
In Service/Staff Development		1,428	
Other Charges		19,918	
Total Other Student Support			320,590

**Regular Instruction Program**

Supervisor/Director	\$	154,331	
Career Ladder Program		1,000	
Librarians		137,962	
Educational Assistants		20,679	
Social Security		18,743	
Pensions		21,546	
Medical Insurance		43,255	
Employer Medicare		4,384	

(Continued)

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE****Schedule of Detailed Expenditures -****All Governmental Fund Types**

Discretely Presented Metropolitan School Department (Cont.)

**General Purpose School Fund (Cont.)**

## Support Services (Cont.)

**Regular Instruction Program (Cont.)**

Travel	\$	1,579	
Library Books/Media		4,385	
Software		2,551	
In Service/Staff Development		5,695	
Total Regular Instruction Program			\$ 416,110

**Special Education Program**

Supervisor/Director	\$	53,819	
Psychological Personnel		35,289	
Medical Personnel		36,771	
Social Security		7,359	
Pensions		9,394	
Medical Insurance		25,042	
Employer Medicare		1,721	
Retirement - Hybrid Stabilization		652	
Travel		807	
Other Supplies and Materials		5	
Total Special Education Program			170,859

**Career and Technical Education Program**

Supervisor/Director	\$	34,992	
Other Salaries and Wages		6,000	
Social Security		2,275	
Pensions		2,792	
Medical Insurance		7,025	
Employer Medicare		532	
Total Career and Technical Education Program			53,616

**Technology**

Supervisor/Director	\$	57,727	
Other Salaries and Wages		47,488	
Social Security		6,422	
Pensions		8,007	
Medical Insurance		15,618	
Employer Medicare		1,502	
Internet Connectivity		78,105	
Other Equipment		1,395	
Total Technology			216,264

**Other Programs**

On-behalf Payments to OPEB	\$	26,475	
Total Other Programs			26,475

**Board of Education**

Board and Committee Members Fees	\$	2,530	
Social Security		157	

(Continued)

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**

**Schedule of Detailed Expenditures -  
All Governmental Fund Types**

Discretely Presented Metropolitan School Department (Cont.)

**General Purpose School Fund (Cont.)**

Support Services (Cont.)

**Board of Education (Cont.)**

Medical Insurance	\$	22,358	
Unemployment Compensation		2,432	
Employer Medicare		37	
Audit Services		5,900	
Dues and Memberships		8,003	
Liability Insurance		38,113	
Trustee's Commission		89,849	
Workers' Compensation Insurance		70,031	
In Service/Staff Development		300	
Other Charges		4,126	
Total Board of Education	\$		243,836

**Director of Schools**

County Official/Administrative Officer	\$	105,287	
Career Ladder Program		1,000	
Clerical Personnel		35,148	
Social Security		8,563	
Pensions		9,913	
Medical Insurance		10,342	
Employer Medicare		2,003	
Communication		16,945	
Dues and Memberships		3,429	
Travel		4,076	
Office Supplies		5,293	
Software		16,775	
Other Charges		6,623	
Administration Equipment		9,061	
Total Director of Schools			234,458

**Office of the Principal**

Principals	\$	176,978	
Assistant Principals		219,880	
Secretary(ies)		84,156	
Clerical Personnel		86,760	
Social Security		31,979	
Pensions		39,992	
Medical Insurance		122,246	
Employer Medicare		7,479	
Communication		269	
Administration Equipment		10,730	
Total Office of the Principal			780,469

**Fiscal Services**

Supervisor/Director	\$	66,795	
Accountants/Bookkeepers		36,620	
Social Security		6,223	

(Continued)

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**

**Schedule of Detailed Expenditures -  
All Governmental Fund Types**

Discretely Presented Metropolitan School Department (Cont.)

**General Purpose School Fund (Cont.)**

Support Services (Cont.)

**Fiscal Services (Cont.)**

Pensions	\$	7,870	
Medical Insurance		15,576	
Employer Medicare		1,455	
Total Fiscal Services			\$ 134,539

**Operation of Plant**

Custodial Personnel	\$	258,672	
Social Security		14,939	
Pensions		19,664	
Medical Insurance		87,122	
Employer Medicare		3,494	
Custodial Supplies		47,715	
Electricity		265,053	
Natural Gas		30,878	
Water and Sewer		99,228	
Other Supplies and Materials		23,236	
Building and Contents Insurance		101,071	
Total Operation of Plant			951,072

**Maintenance of Plant**

Maintenance Personnel	\$	139,136	
Social Security		8,302	
Pensions		9,853	
Medical Insurance		17,900	
Employer Medicare		1,942	
Maintenance and Repair Services - Buildings		1,381	
Maintenance and Repair Services - Equipment		35,049	
Pest Control		3,835	
Other Supplies and Materials		32,196	
Other Charges		5,672	
Maintenance Equipment		3,501	
Other Equipment		228,512	
Total Maintenance of Plant			487,279

**Transportation**

Mechanic(s)	\$	40,373	
Bus Drivers		273,716	
Other Salaries and Wages		5,583	
Social Security		19,370	
Pensions		20,777	
Medical Insurance		55,388	
Employer Medicare		4,530	
Retirement - Hybrid Stabilization		312	
Medical and Dental Services		3,014	
Diesel Fuel		67,171	
Tires and Tubes		8,555	

(Continued)

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**  
**Schedule of Detailed Expenditures -**  
**All Governmental Fund Types**  
 Discretely Presented Metropolitan School Department (Cont.)

**General Purpose School Fund (Cont.)**

Support Services (Cont.)

**Transportation (Cont.)**

Vehicle Parts	\$	30,057	
Software		770	
Other Supplies and Materials		6,775	
Vehicle and Equipment Insurance		23,088	
Other Charges		17,925	
Transportation Equipment		9,885	
Total Transportation			\$ 587,289

Operation of Non-Instructional Services

**Food Service**

Food Supplies	\$	6,236	
Other Supplies and Materials		278	
Total Food Service			6,514

**Community Services**

Other Salaries and Wages	\$	42,158	
Social Security		2,614	
Pensions		883	
Employer Medicare		611	
Other Supplies and Materials		5,323	
Total Community Services			51,589

**Early Childhood Education**

Supervisor/Director	\$	8,970	
Teachers		57,435	
Educational Assistants		16,502	
Social Security		4,820	
Pensions		5,778	
Medical Insurance		19,619	
Employer Medicare		1,127	
Total Early Childhood Education			114,251

Capital Outlay

**Regular Capital Outlay**

Building Improvements	\$	144,385	
Total Regular Capital Outlay			144,385

Total General Purpose School Fund \$ 10,693,732

**School Federal Projects Fund**

Instruction

**Regular Instruction Program**

Teachers	\$	203,838	
Other Salaries and Wages		1,000	
Social Security		12,010	
Pensions		13,992	

(Continued)

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**  
**Schedule of Detailed Expenditures -**  
**All Governmental Fund Types**  
 Discretely Presented Metropolitan School Department (Cont.)

**School Federal Projects Fund (Cont.)**

Instruction (Cont.)

**Regular Instruction Program (Cont.)**

Medical Insurance	\$	28,592	
Employer Medicare		2,809	
Instructional Supplies and Materials		17,948	
Textbooks - Bound		11,314	
Software		53,260	
Regular Instruction Equipment		60,802	
Total Regular Instruction Program			\$ 405,565

**Special Education Program**

Teachers	\$	45,838	
Educational Assistants		99,781	
Social Security		7,862	
Pensions		11,221	
Medical Insurance		47,376	
Employer Medicare		1,839	
Contracts with Private Agencies		8,171	
Evaluation and Testing		178	
Instructional Supplies and Materials		2,182	
Other Supplies and Materials		972	
Special Education Equipment		18,262	
Total Special Education Program			243,682

**Career and Technical Education Program**

Vocational Instruction Equipment	\$	10,025	
Total Career and Technical Education Program			10,025

Support Services

**Other Student Support**

Travel	\$	2,305	
Other Supplies and Materials		62,992	
In Service/Staff Development		835	
Other Charges		454	
Total Other Student Support			66,586

**Regular Instruction Program**

In Service/Staff Development	\$	9,579	
Total Regular Instruction Program			9,579

**Special Education Program**

Medical Personnel	\$	13,592	
Social Security		738	
Pensions		1,081	
Medical Insurance		5,189	
Employer Medicare		173	
Contracts with Private Agencies		5,566	
Evaluation and Testing		473	

(Continued)

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**

**Schedule of Detailed Expenditures -  
All Governmental Fund Types**

Discretely Presented Metropolitan School Department (Cont.)

**School Federal Projects Fund (Cont.)**

Support Services (Cont.)

**Special Education Program (Cont.)**

Other Supplies and Materials	\$ 1,945	
In Service/Staff Development	<u>1,137</u>	
Total Special Education Program		\$ 29,894

**Career and Technical Education Program**

In Service/Staff Development	\$ <u>1,835</u>	
Total Career and Technical Education Program		1,835

**Transportation**

Other Salaries and Wages	\$ 4,881	
Social Security	303	
Pensions	372	
Employer Medicare	<u>71</u>	
Total Transportation		<u>5,627</u>

Total School Federal Projects Fund \$ 772,793

**Central Cafeteria Fund**

Operation of Non-Instructional Services

**Food Service**

Cafeteria Personnel	\$ 201,351	
Social Security	12,042	
Pensions	13,225	
Medical Insurance	35,815	
Employer Medicare	2,816	
Maintenance and Repair Services - Equipment	2,896	
Transportation - Other than Students	1,175	
Travel	2,071	
Food Supplies	197,580	
Office Supplies	3,823	
USDA - Commodities	45,345	
Other Supplies and Materials	20,933	
Other Charges	<u>10,011</u>	
Total Food Service		\$ <u>549,083</u>

Total Central Cafeteria Fund 549,083

**Internal School Fund**

Operation of Non-Instructional Services

**Community Services**

Other Charges	\$ <u>453,271</u>	
Total Community Services		\$ <u>453,271</u>

Total Internal School Fund 453,271

Total Governmental Funds - Metropolitan School Department \$ 12,468,879

**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***

Metropolitan Mayor and  
Metropolitan Council  
Lynchburg, Moore County, Tennessee

To the Metropolitan Mayor and Metropolitan Council:

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 the metropolitan government as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the metropolitan government’s basic financial statements, as listed in the table of contents, and have issued our report thereon dated February 19, 2025. Our report includes references to other auditors who audited the financial statements of the Metropolitan Lynchburg, Moore County Water and Sewer Department (major proprietary fund and the entire business-type activities) and the Internal School Fund of the Metropolitan School Department (a discretely presented component unit), as described in our report on the metropolitan government’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 the metropolitan government’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the metropolitan government’s internal control. Accordingly, we do not express an opinion on the effectiveness of the metropolitan government’s internal control.

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiency, described in the accompanying Schedule of Findings and Questioned Costs, to be a material weakness: 2024-003.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider following the deficiencies, described in the accompanying Schedule of Findings and Questioned Costs, to be significant deficiencies: 2024-004 and 2024-005.

### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the metropolitan government’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.

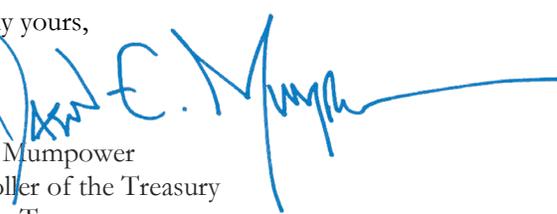
### Metropolitan Government’s Responses to Findings

*Government Auditing Standards* requires the auditor to perform limited procedures on the metropolitan government’s responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The metropolitan government’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 the metropolitan government’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

February 19, 2025

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**

Metropolitan Mayor and  
Metropolitan Council  
Lynchburg, Moore County, Tennessee

To the Metropolitan Mayor and Metropolitan Council:

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Metropolitan Government of Lynchburg, Moore County, Tennessee'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 the metropolitan government's major federal programs for the year ended June 30, 2024. The metropolitan government'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, the metropolitan government 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 the metropolitan government and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the metropolitan government's compliance with the compliance requirements referred to above.

## ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the metropolitan government'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 the metropolitan government'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 the metropolitan government'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 the metropolitan government's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the metropolitan government's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the metropolitan government'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 the metropolitan government, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the metropolitan government's basic financial statements. We issued our report thereon dated February 19, 2025, 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

February 19, 2025

JEM/gc

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**  
**Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3)**  
**For the Year Ended June 30, 2024**

Federal/Pass-through Agency/State Grantor Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (5)			
National School Lunch Program (Commodities Non-cash Assistance)	10.555	(4)	\$ 45,345 (6)
National School Lunch Program (Commodities Rebate)	10.555	(4)	1,098 (6)
Passed-through State Department of Education:			
Child Nutrition Cluster: (5)			
School Breakfast Program	10.553	(4)	72,236
National School Lunch Program	10.555	(4)	233,318 (6)
COVID 19 - Pandemic EBT Administrative Costs	10.649	(4)	653
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-24-80716	23,084
Total U.S. Department of Agriculture			<u>\$ 375,734</u>
U.S. Department of Justice:			
Direct Program:			
Missing Alzheimer's Disease Patient Assistance Program	16.015	N/A	\$ 33,048
Total U.S. Department of Justice			<u>\$ 33,048</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Highway Safety Cluster: (5)			
State and Community Highway Safety	20.600	(7)	\$ 9,121
Alcohol Open Container Requirements	20.607	Z-24THS192	8,273
Total U.S. Department of Transportation			<u>\$ 17,394</u>
U. S. Department of Treasury:			
Passed-through State Department of Education:			
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	(4)	\$ 8,142
Total U.S. Department of Treasury			<u>\$ 8,142</u>
U.S. Department of Environmental Protection Agency:			
Passed-through State Department of Environment and Conservation:			
Clean Water State Revolving Fund	66.458	SD47000121	\$ 417,197
Total U.S. Department of Environmental Protection Agency			<u>\$ 417,197</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	(4)	\$ 163,978
Special Education Cluster: (5)			
Special Education - Grants to States	84.027	(4)	216,663 (6)
COVID 19 - Special Education - Grants to States	84.027	(4)	11,119 (6)
Special Education Preschool Grants	84.173	(4)	13,624 (6)
COVID 19 - Special Education - Preschool Grants	84.173	(4)	3,102 (6)
Career and Technical Education - Basic Grants to States	84.048	(4)	15,000
Supporting Effective Instruction State Grants	84.367	(4)	3,904
Student Support and Academic Enrichment Program	84.424	(4)	3,908
COVID 19 - Education Stabilization Fund Program- Elementary and Secondary			
School Emergency Relief Fund (ESSER ARP)	84.425U	(4)	341,495
Total U.S. Department of Education			<u>\$ 772,793</u>

(Continued)

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE**

**Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (Cont.)**

Federal/Pass-through Agency/State Grantor Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
U. S. Department of Health and Human Services:			
Passed-through State Department of Health:			
COVID 19 - Public Health Emergency Response: Cooperative Agreement for Emergency	93.354	GG-23-77301	\$ 4,548 (6)
Public Health Emergency Response: Cooperative Agreement for Emergency	93.354	GG-24-80850	9,909 (6)
Maternal and Child Health Services Block Grant to the States	93.994	GG-24-80716	14,965
Total U.S. Department of Health and Human Services			<u>\$ 29,422</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
COVID 19 - Emergency Management Performance Grant	97.042	(4)	\$ 125,000 (6)
Emergency Management Performance Grant	97.042	(4)	8,302 (6)
Homeland Security Grant Program	97.067	(4)	38,883
Total U.S. Department of Homeland Security			<u>\$ 172,185</u>
Total Expenditures of Federal Grants			<u>\$ 1,825,915</u>
<b>State Grants</b>			
		<b>Contract Number</b>	
Marketing Grant - State Department of Tourist Development	N/A	(4)	\$ 922
VCIF Community Crime Prevention - State Office of Criminal Justice Programs	N/A	(4)	48,604
Early Childhood Education - State Department of Education	N/A	(4)	106,671
Statewide School Resource Officer Grant - State Department of Safety and Homeland Security	N/A	(4)	150,000
Health Department Programs - State Department of Health	N/A	GG-24-80716	109,770
Innovative School Models - State Department of Education	N/A	(4)	33,475
Training Equipment Grant - Tennessee Corrections Institute	N/A	(4)	7,093
Volunteer Firefighter Equipment and Training Program - State Department of Commerce and Insurance	N/A	(4)	25,000
2024 Tech Grant - Tennessee Secretary of State	N/A	(4)	373
Special Needs Construction - State Department of Health	N/A	(4)	529,000
Juvenile Justice and Delinquency Prevention - State Commission on Children and Youth	N/A	(4)	9,000
Public School Security Grant - State Department of Education	N/A	(4)	35,313
Summer Learning Camps - State Department of Education	N/A	(4)	76,577
Learning Camps Transportation - State Department of Education	N/A	(4)	13,166
Mental Health Transport Grant - State Department of Finance and Administration	N/A	(4)	22,732
Total State Grants			<u>\$ 1,167,696</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) The Metropolitan Government of Lynchburg, Moore County, Tennessee, elected to not use the 10% de minimis cost rate permitted in the Uniform Guidance.
- (3) No amounts (\$0) were passed through to subrecipients.
- (4) Information not available.
- (5) Child Nutrition Cluster total \$351,997; Highway Safety Cluster total \$9,121; Special Education Cluster total \$244,508.
- (6) Total for ALN 10.555 is \$279,761; Total for ALN 84.027 is \$227,782; Total for ALN 84.173 is \$16,726; Total for ALN 93.354 is \$14,457; Total for ALN 97.042 is \$133,302.
- (7) Z23THS182: \$3,551; Z23THS183: \$3,135; Z24THS191: \$2,435.

**THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE 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 of the Metropolitan Government of Lynchburg, Moore 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 METROPOLITAN MAYOR**

2023	200	2023-001	Consolidated purchasing required by the charter has not been implemented.	N/A	Not Corrected - See Explanation on Corrective Action Plan
2023	200	2023-002	All accounting records for the year ended June 30, 2023 were not available for audit by August 31, 2023.	N/A	Not Corrected - See Explanation on Corrective Action Plan
2023	201	2023-003	The office had deficiencies in budget operations.	N/A	Corrected

**OFFICE OF SHERIFF**

2023	202	2023-004	Commissary bank statements were not properly reconciled with the general ledger.	N/A	Not Corrected - See Explanation on Corrective Action Plan
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**Prior-year Federal Awards Findings**

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

**THE METROPOLITAN GOVERNMENT OF  
 LYNCHBURG, MOORE 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 the Metropolitan Government Lynchburg, Moore County, Tennessee, is unmodified.
  
2. Internal Control Over Financial Reporting:
  - \* Material weakness identified? **YES**
  - \* Significant deficiency identified? **YES**
  
3. Noncompliance material to the financial statements noted? **NO**

**Federal Awards:**

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

## PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

### OFFICE OF METROPOLITAN MAYOR

FINDING 2024-001

**CONSOLIDATED PURCHASING REQUIRED BY THE CHARTER HAS NOT BEEN IMPLEMENTED**  
(Noncompliance Under *Government Auditing Standards*)

The metropolitan government follows the metropolitan charter, which provides for all purchases and contracts for goods or services to be made through a consolidated metropolitan purchasing department. The charter further provides for the metropolitan mayor to manage/conduct the metropolitan purchasing department according to the procedures adopted by the metropolitan council. The metropolitan council appointed a three-member oversight committee on February 20, 2023, to oversee the activity of the metropolitan purchasing department. However, the metropolitan council has not yet created a consolidated metropolitan purchasing department. This deficiency exists due to the government's failure to comply with its charter and government's failure to correct the finding noted in the prior-year audit report.

### RECOMMENDATION

The government should create a consolidated metropolitan purchasing department as required by the provisions of the metropolitan charter.

### MANAGEMENT'S RESPONSE – METROPOLITAN MAYOR

No formal management response was submitted. See corrective action plan.

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FINDING 2024-002

**ALL ACCOUNTING RECORDS FOR THE YEAR ENDED JUNE 30, 2024, WERE NOT AVAILABLE FOR AUDIT BY AUGUST 31, 2024**  
(Noncompliance Under *Government Auditing Standards*)

All accounting records were not available for audit by August 31, 2024, as required by Section 9-2-102, *Tennessee Code Annotated*. This statute requires a county to have their records available for audit no later than two months after the close of their fiscal year. The capital assets accounting records were made available to auditors on November 22, 2024. The failure to close accounting records on a current basis diminishes the usefulness of the financial records as a management tool, results in the loss of budgetary and accounting controls, and increases the risk that errors will not be discovered and corrected timely. This deficiency resulted from a lack of management oversight, management's failure to correct the finding noted in the prior-year audit report, and management's failure to implement their corrective action plan.

## RECOMMENDATION

Management should ensure all accounting records are available for audit inspection by the following August 31 as required by state statute.

## MANAGEMENT'S RESPONSE – METROPOLITAN MAYOR

No formal management response was submitted. See corrective action plan.

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*FINDING 2024-003*

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

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

On June 30, 2024, certain general ledger account balances in the General Fund were not materially correct, and audit adjustments for ambulance service accounts receivable totaling \$1,328,598 were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require the Metropolitan Government of Lynchburg, Moore County to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the county's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the county has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

## RECOMMENDATION

The government should have appropriate processes in place to ensure its general ledgers are materially correct.

## MANAGEMENT'S RESPONSE – METROPOLITAN MAYOR

No formal management response was submitted. See corrective action plan.

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*FINDING 2024-004*

### **GENERAL LEDGER PAYROLL LIABILITY ACCOUNTS WERE NOT RECONCILED**

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

General ledger payroll liability accounts for the General Fund were not reconciled monthly with payroll records and payments. As a result, unidentified balances accumulated in the liability accounts for several payroll deductions. Sound business practices dictate that payroll liability accounts should be reconciled with payroll records and payments monthly. The failure to regularly reconcile payroll liability accounts allows errors to remain undiscovered and uncorrected. This deficiency is the result of a lack of management oversight.

## RECOMMENDATION

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

## MANAGEMENT'S RESPONSE – METROPOLITAN MAYOR

No formal management response was submitted. See corrective action plan.

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## OFFICE OF SHERIFF

*FINDING 2024-005*

### **COMMISSARY BANK STATEMENTS WERE NOT PROPERLY RECONCILED WITH THE GENERAL LEDGER**

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

During the audit period, office personnel used a bank reconciliation module in their commissary software to reconcile their monthly bank statements. The computerized reconciliations identified differences between the bank statement and the general ledger balances; however, the differences were not explained or corrected. The reconciliation of bank statements with the general ledger is a necessary procedure to ensure all collections and disbursements are recorded accurately. This deficiency resulted from a lack of management oversight, management's failure to correct the finding noted in the prior-year audit report, and management's failure to implement their corrective action plan.

## RECOMMENDATION

The office should properly reconcile bank statements with the general ledger monthly, and any errors discovered should be corrected promptly.

## MANAGEMENT'S RESPONSE – SHERIFF

I concur with the finding. In early 2024, after working with Keefe Commissary Network and having no resolution to previous findings, the commissary program was suspended. We worked with our area auditors to find a resolution and presented the solution to Keefe. Keefe stated they were unable to complete the journal entry agreed upon by this office and our area auditor. The inmate trust account was closed, and this office is no longer responsible for account management for the commissary program.

### **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.

**METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE 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.

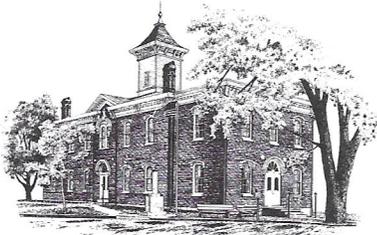
Finding Number	Title of Finding	Corrective Action Plan Page Number
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**OFFICE OF METROPOLITAN MAYOR**

2024-001	Consolidated purchasing required by the charter has not been implemented.	190
2024-002	All accounting records for the year ended June 30, 2024, were not available for audit by August 31, 2024.	190
2024-003	The General Fund required material audit adjustments for proper financial statement presentation.	192
2024-004	General ledger payroll liability accounts were not reconciled.	192

**OFFICE OF SHERIFF**

2024-005	Commissary bank statements were not properly reconciled with the general ledger.	194
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Metro Lynchburg / Moore County

**Sloan Stewart**

*Metro Mayor*

P.O. Box 206 • Lynchburg, TN 37352  
Phone: (931) 759-7076 • Fax: (931) 759-6394

**Corrective Action Plan**

**FINDING: 2024-001**

**CONSOLIDATED PURCHASING REQUIRED BY THE  
CHARTER HAS NOT BEEN IMPLEMENTED**

**Response and Corrective Action Plan Prepared by:**  
Sloan Stewart, Metro Mayor

**Person Responsible for Implementing the Corrective Action:**  
Sloan Stewart Metro Mayor

**Anticipated Completion Date of Corrective Action:**  
Date N/A

**Repeat Finding:**  
Yes

**Reason Corrective Action was Not Taken in the Prior Year:**  
35 plus years when the charter was written with no action taken by Metro Council

**Planned Corrective Action:**

Three options are for corrective action:

- 1) Continue with the finding in the future
- 2) Establish a department with expense being passed onto tax payers
- 3) Place on future ballot by referendum to amend charter

The Metro Council will have to make this decision in what direction to move forward with

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**FINDING: 2024-002**

**ALL ACCOUNTS RECORDS FOR THE YEAR ENDED JUNE 30,  
2024, WERE NOT AVAILABLE FOR AUDIT BY AUGUST 31, 2024**

**Response and Corrective Action Plan Prepared by:**  
Sloan Stewart Metro Mayor

**Person Responsible for Implementing the Corrective Action:**  
Sloan Stewart Metro Mayor

**Anticipated Completion Date of Corrective Action:**  
Date June 30, 202~~5~~

**Repeat Finding:**  
Yes

**Reason Corrective Action was Not Taken in the Prior Year:**

Material weakness in accounting

**Planned Corrective Action:**

Management will make stronger effort to have reports completed in future budget years

Signature:

Sloan Stewart

Finding: 2024-003 THE GENERAL FUND REQUIRED MATERIAL AUDIT ADJUSTMENTS  
FOR PROPER FINANCIAL STATEMENT PRESENTATION

Response and Corrective Action Plan Prepared by:  
Sloan Stewart Metro Mayor

Person Responsible for Implementing the Corrective Action:  
Sloan Stewart Metro Mayor

Anticipated Completion Date of Corrective Action:  
June 30, 2026

Repeat Finding:  
No

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

Planned Corrective Action:  
Clerical error in accounting. Management will take stronger effort in reviewing ledgers before finalizing reports in upcoming budget cycle

Finding: 2024-004 GENERAL LEDGER PAYROLL LIABILITY ACCOUNTS WERE NOT  
RECONCILED

Response and Corrective Action Plan Prepared by:  
Sloan Stewart Metro Mayor

Person Responsible for Implementing the Correction Action:  
Sloan Stewart Metro Mayor

Anticipated Completion Date of Corrective Action:  
June 30, 2026

Repeat Finding:  
No

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

Planned Corrective Action :

Internal weakness due to changing office staff. Management will take stronger stance in reconciling accounts in future.

*Sloan Stewart*



**METRO MOORE COUNTY SHERIFF'S DEPARTMENT**

58 S. Elm Street, Lynchburg, Tennessee 37352  
(931) 759-6389 Fax: (931) 759-5966



Tyler Hatfield  
*Sheriff*

Shane Taylor  
*Captain*

**Corrective Action Plan**

**OFFICE OF SHERIFF**

**FINDING 2024-001:**      **COMMISSARY BANK STATEMENTS WERE NOT PROPERLY RECONCILED WITH THE GENERAL LEDGER**  
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Response and Corrective Action Plan Prepared by:	Tyler Hatfield, Sheriff
Person Responsible for Implementing the Correction Action:	Same
Anticipated Completion Date of Correction Action:	May 30, 2025
Repeat Finding	Yes

**PLANNED CORRECTIVE ACTION:**

The commissary program was suspended in early 2024. The Sheriff’s Office management of the commissary program has been terminated. The inmate trust account has been closed and all funds disbursed to their owners. The Sheriff’s Office is no longer responsible for accounting portion of the commissary program.

 \_\_\_\_\_, Tyler Hatfield, Sheriff

## **BEST PRACTICE**

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

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

### **THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING AND BUDGETING**

The Metropolitan Government of Lynchburg, Moore County, Tennessee, does not have a central system of accounting and budgeting. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting and budgeting processes. The absence of a central system of accounting and budgeting has been a management decision by the metropolitan council resulting in decentralization and some duplication of effort. We recommend the adoption of the County Financial Management System of 1981, an amendment to the metropolitan charter, or a private act, which would provide for a central system of accounting and budgeting covering all county departments.