



ANNUAL FINANCIAL REPORT

Lake County, Tennessee

For the Year Ended June 30, 2025

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

ANNUAL FINANCIAL REPORT
LAKE COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2025

COMPTROLLER OF THE TREASURY
JASON E. MUMPOWER

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

LEE ANN WEST, CPA, CGFM
Audit Manager

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

LAKE COUNTY, TENNESSEE

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Summary of Audit Findings

Annual Financial Report
Lake County, Tennessee
For the Year Ended June 30, 2025

Scope

We have audited the basic financial statements of Lake County as of and for the year ended June 30, 2025.

Results

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

Our audit resulted in 11 findings and recommendations, which we have reviewed with Lake County management. Detailed findings, recommendations, and management's responses are included in the Single Audit section of this report.

Findings

The following are summaries of the audit findings:

OFFICES OF COUNTY MAYOR AND DIRECTOR OF SCHOOLS

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

OFFICE OF COUNTY MAYOR

- ◆ The office had accounting deficiencies.
- ◆ The office had deficiencies in purchasing procedures.

OFFICE OF THE AMBULANCE SERVICE DEPARTMENT

- ◆ Duties were not segregated adequately.



OFFICE OF DIRECTOR OF SCHOOLS

- ◆ The office had accounting deficiencies.
- ◆ The school department did not maintain adequate control over its capital asset records.
- ◆ The school department was assessed interest and penalties totaling \$125,880 by the Internal Revenue Service.

OFFICE OF SHERIFF

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



INTRODUCTORY SECTION

LAKE COUNTY OFFICIALS

June 30, 2025

Officials

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

Board of County Commissioners

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

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

Highway Commission

Clifford Berry, Jr., Chairman
Emily Ann Dargery
Clifford Berry, Sr

Lori Dean
James Hyde
Thomas Watts

Board of Education

Jo Beth Cook, Chairman
Mike Cain
John Cochran
Debra Holliman
Dianne Homra

Judie Jones
Jodi Neil
Jimmy Dale Snyder
Vivian Windsor

Audit Committee

Albert Markham, Chairman
Sonya Covington
Pete Keiser

FINANCIAL SECTION



JASON E. MUMPOWER
Comptroller

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lake County, Tennessee, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lake County, Tennessee, as of June 30, 2025, and the respective changes in financial position and the respective budgetary comparison for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Internal School Fund of the Lake County School Department (a discretely presented component unit), which represent two percent, 2.2 percent, and 2.9 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented school department. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Internal School Fund of the Lake County School Department is based solely on the reports of the other auditors.

Basis for Opinions

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

Changes in Accounting Principle

As described in Note V.B., Lake County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* and GASB Statement No. 102, *Certain Risk Disclosures*. GASB 101 updates the recognition and measurement guidance for compensated absences under a unified model and amends certain previously required disclosures. GASB 102 provides users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

Emphasis of Matter

We draw attention to Note I.D.9. to the financial statements, which describes restatements to the beginning Governmental Activities net position totaling (\$62,289) for the primary government and (\$11,281) for the discretely presented Lake County School Department. These restatements were necessary because of the transitional requirements of GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Lake County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Lake County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

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

Required Supplementary Information

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

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

Supplementary Information

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

Other Information

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

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

Other Reporting Requirements by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2025, on our consideration of Lake County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Lake County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lake County's internal control over financial reporting and compliance.

Very truly yours,


Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

December 15, 2025

JEM/gc

BASIC FINANCIAL STATEMENTS SECTION

LAKE COUNTY, TENNESSEE
Statement of Net Position
June 30, 2025

	Primary Governmental Activities	Component Unit Lake County School Department
ASSETS		
Cash	\$ 2,843	\$ 327,335
Equity in Pooled Cash and Investments	7,195,582	2,111,853
Accounts Receivable	3,436,022	21,754
Allowance for Uncollectibles	(1,784,632)	0
Due from Other Governments	953,820	755,018
Property Taxes Receivable	4,109,568	678,124
Allowance for Uncollectible Property Taxes	(122,745)	(21,641)
Cash Shortage	3,417	0
Net Pension Asset - Agent Plan	302,380	111,443
Net Pension Asset - Teacher Retirement Plan	0	71,457
Net Pension Asset - Teacher Legacy Pension Plan	0	1,324,418
Restricted Assets - Amounts Accumulated for Pension Benefits	0	250,514
Capital Assets:		
Assets Not Depreciated:		
Land	1,805,581	67,365
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	214,296	10,085,805
Infrastructure	4,106,838	0
Other Capital Assets	1,403,815	722,333
Total Assets	<u>\$ 21,626,785</u>	<u>\$ 16,505,778</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Amount on Refunding	\$ 108,198	\$ 0
Pension Changes in Experience	37,386	372,869
Pension Changes in Assumptions	0	28,396
Pension Changes in Proportion	0	245,797
Pension Contributions After Measurement Date	201,426	309,893
OPEB Changes in Experience	0	84,678
OPEB Changes is Proportion	0	8,145
OPEB Changes in Assumptions	0	159,761
OPEB Contributions After Measurement Date	0	38,002
Total Deferred Outflows of Resources	<u>\$ 347,010</u>	<u>\$ 1,247,541</u>
LIABILITIES		
Accounts Payable	\$ 325,528	\$ 13,183
Accrued Payroll	224	0
Payroll Deductions Payable	44,363	141,547

(Continued)

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

	Primary Governmental Activities	Component Unit Lake County School Department
LIABILITIES (CONT.)		
Contracts Payable	\$ 335,848	\$ 0
Accrued Interest Payable	13,918	0
Due to State of Tennessee	431	0
Due to Other Governments	0	125,880
Noncurrent Liabilities:		
Due Within One Year - Debt	633,162	0
Due Within One Year - Other	20,706	87,032
Due in More Than One Year - Debt	6,818,925	0
Due in More Than One Year - Other	143,936	857,716
Total Liabilities	<u>\$ 7,966,926</u>	<u>\$ 1,070,628</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Current Property Taxes	\$ 3,896,063	\$ 639,350
Pension Changes in Experience	8,916	25,240
Pension Changes in Investment Earnings	99,522	306,676
Pension Changes in Proportion	0	79,952
OPEB Changes in Experience	0	348,603
OPEB Changes in Proportion	0	78,248
OPEB Changes in Assumptions	0	90,374
Total Deferred Inflows of Resources	<u>\$ 4,004,501</u>	<u>\$ 1,568,443</u>
NET POSITION		
Net Investment in Capital Assets	\$ 5,118,411	\$ 10,875,503
Restricted for:		
General Government	164,370	0
Finance	53,625	0
Administration of Justice	15,952	0
Public Safety	50,268	0
Public Health and Welfare	170,708	0
Highway/Public Works	3,513,067	0
Debt Service	612,913	0
Education	0	434,769
Operational of Non-Instructional Services	0	368,482
Hybrid Retirement Stabilization Funds	0	250,514
Pensions	302,380	1,507,318
Unrestricted	<u>(369,441)</u>	<u>1,522,932</u>
Total Net Position	<u>\$ 9,632,253</u>	<u>\$ 14,959,518</u>

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

LAKE COUNTY, TENNESSEE
Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs					Net (Expense) Revenue and Changes in Net Position	
	Expenses	Program Revenues			Primary Government Governmental Activities	Component Unit Lake County School Department
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
Primary Government:						
Governmental Activities:						
General Government	\$ 1,156,619	\$ 86,727	\$ 300,081	\$ 0	\$ (769,811)	\$ 0
Finance	518,500	224,056	0	0	(294,444)	0
Administration of Justice	614,623	91,976	13,500	0	(509,147)	0
Public Safety	2,059,503	355,592	286,597	0	(1,417,314)	0
Public Health and Welfare	1,580,681	1,197,098	138,841	0	(244,742)	0
Social, Cultural, and Recreational Services	185,723	0	97,019	0	(88,704)	0
Agriculture and Natural Resources	29,146	0	14,800	0	(14,346)	0
Highways	2,344,606	18,281	1,850,684	815,185	339,544	0
Interest on Long-term Debt	199,104	0	0	0	(199,104)	0
Total Primary Government	<u>\$ 8,688,505</u>	<u>\$ 1,973,730</u>	<u>\$ 2,701,522</u>	<u>\$ 815,185</u>	<u>\$ (3,198,068)</u>	<u>\$ 0</u>
Component Unit:						
Lake County School Department	\$ 13,354,744	\$ 50,037	\$ 4,020,854	\$ 0	\$ 0	\$ (9,283,853)
Total Component Unit	<u>\$ 13,354,744</u>	<u>\$ 50,037</u>	<u>\$ 4,020,854</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (9,283,853)</u>

(Continued)

LAKE COUNTY, TENNESSEE
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Unit Lake County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 3,554,336	\$ 730,627
Property Taxes Levied for Debt Service					302,364	0
Local Option Sales Taxes					635,943	441,285
Hotel/Motel Tax					43,008	0
Wheel Tax					308,513	37,986
Litigation Tax					13,447	0
Business Tax					38,738	4,186
Other Local Taxes					5,056	0
Grants and Contributions Not Restricted to Specific Programs					124,811	7,487,257
Unrestricted Investment Income					328,489	22,121
Miscellaneous					92,086	73,620
Total General Revenues					<u>\$ 5,446,791</u>	<u>\$ 8,797,082</u>
Change in Net Position					\$ 2,248,723	\$ (486,771)
Net Position, July 1, 2024					7,445,819	15,457,570
Restatement - See Note I.D.9.					<u>(62,289)</u>	<u>(11,281)</u>
Net Position, June 30, 2025					<u><u>\$ 9,632,253</u></u>	<u><u>\$ 14,959,518</u></u>

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

LAKE COUNTY, TENNESSEE
Balance Sheet - Governmental Funds
June 30, 2025

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 0	\$ 0	\$ 0	\$ 2,843	\$ 2,843
Equity in Pooled Cash and Investments	1,918,054	3,542,053	1,374,145	361,330	7,195,582
Accounts Receivable	3,435,204	0	0	818	3,436,022
Allowance for Uncollectibles	(1,784,632)	0	0	0	(1,784,632)
Due from Other Governments	187,467	646,540	119,813	0	953,820
Due from Other Funds	4,377	0	0	0	4,377
Property Taxes Receivable	3,555,623	26,958	318,895	208,092	4,109,568
Allowance for Uncollectible Property Taxes	(106,011)	(840)	(9,618)	(6,276)	(122,745)
Cash Shortage	3,417	0	0	0	3,417
Total Assets	\$ 7,213,499	\$ 4,214,711	\$ 1,803,235	\$ 566,807	\$ 13,798,252
LIABILITIES					
Accounts Payable	\$ 99,430	\$ 226,098	\$ 0	\$ 0	\$ 325,528
Accrued Payroll	224	0	0	0	224
Payroll Deductions Payable	43,025	0	0	1,338	44,363
Contracts Payable	0	335,848	0	0	335,848
Due to Other Funds	0	0	0	4,377	4,377
Due to State of Tennessee	123	0	0	308	431
Total Liabilities	\$ 142,802	\$ 561,946	\$ 0	\$ 6,023	\$ 710,771

(Continued)

LAKE COUNTY, TENNESSEE**Balance Sheet - Governmental Funds (Cont.)**

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	\$ 3,371,378	\$ 25,467	\$ 302,091	\$ 197,127	\$ 3,896,063
Deferred Delinquent Property Taxes	73,939	616	6,792	4,432	85,779
Other Deferred/Unavailable Revenue	1,569,140	152,982	42,826	0	1,764,948
Total Deferred Inflows of Resources	<u>\$ 5,014,457</u>	<u>\$ 179,065</u>	<u>\$ 351,709</u>	<u>\$ 201,559</u>	<u>\$ 5,746,790</u>
FUND BALANCES					
Restricted:					
Restricted for General Government	\$ 18,827	\$ 0	\$ 0	\$ 0	\$ 18,827
Restricted for General Government - American Rescue Plan Act	0	0	0	136,019	136,019
Restricted for Finance	53,625	0	0	0	53,625
Restricted for Administration of Justice	0	0	0	15,952	15,952
Restricted for Public Safety	10,072	0	0	40,196	50,268
Restricted for Public Health and Welfare	92,605	0	0	73,671	166,276
Restricted for Other Operations	9,524	0	0	0	9,524
Restricted for Highways/Public Works	0	3,473,700	0	0	3,473,700
Restricted for Debt Service	0	0	469,015	0	469,015
Committed:					
Committed for Public Health and Welfare	0	0	0	93,387	93,387
Committed for Debt Service	0	0	982,511	0	982,511
Unassigned	1,871,587	0	0	0	1,871,587
Total Fund Balances	<u>\$ 2,056,240</u>	<u>\$ 3,473,700</u>	<u>\$ 1,451,526</u>	<u>\$ 359,225</u>	<u>\$ 7,340,691</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 7,213,499</u>	<u>\$ 4,214,711</u>	<u>\$ 1,803,235</u>	<u>\$ 566,807</u>	<u>\$ 13,798,252</u>

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

LAKE COUNTY, TENNESSEE**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position****June 30, 2025**

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)	\$	7,340,691
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$	1,805,581
Add: buildings and improvements net of accumulated depreciation		214,296
Add: infrastructure net of accumulated depreciation		4,106,838
Add: other capital assets net of accumulated depreciation		<u>1,403,815</u>
		7,530,530
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: other loan payable	\$	(1,114,476)
Less: bonds payable		(6,030,000)
Less: accrued interest payable		(13,918)
Less: unamortized premium on debt		(313,631)
Add: unamortized discount on debt		6,020
Less: compensated absences payable		(164,642)
Add: deferred amount on refunding		<u>108,198</u>
		(7,522,449)
(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	\$	238,812
Less: deferred inflows of resources related to pensions		<u>(108,438)</u>
		130,374
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		302,380
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>1,850,727</u>
Net position of governmental activities (Exhibit A)	\$	<u><u>9,632,253</u></u>

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

LAKE COUNTY, TENNESSEE
Statement of Revenues, Expenditures, and Changes
in Fund Balances - Governmental Funds
For the Year Ended June 30, 2025

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
Revenues					
Local Taxes	\$ 3,736,455	\$ 27,847	\$ 927,684	\$ 208,104	\$ 4,900,090
Licenses and Permits	6,291	0	0	0	6,291
Fines, Forfeitures, and Penalties	34,294	0	0	1,591	35,885
Charges for Current Services	1,030,565	0	0	23,037	1,053,602
Other Local Revenues	465,685	21,223	0	9,684	496,592
Fees Received From County Officials	286,509	0	0	0	286,509
State of Tennessee	662,489	2,672,332	0	0	3,334,821
Federal Government	120,876	0	0	0	120,876
Other Governments and Citizens Groups	259,749	15,185	244,172	3,546	522,652
Total Revenues	<u>\$ 6,602,913</u>	<u>\$ 2,736,587</u>	<u>\$ 1,171,856</u>	<u>\$ 245,962</u>	<u>\$ 10,757,318</u>
Expenditures					
Current:					
General Government	\$ 791,780	\$ 0	\$ 0	\$ 0	\$ 791,780
Finance	515,102	0	0	0	515,102
Administration of Justice	610,556	0	0	925	611,481
Public Safety	2,001,174	0	0	8,882	2,010,056
Public Health and Welfare	1,358,217	0	0	257,445	1,615,662
Social, Cultural, and Recreational Services	184,025	0	0	0	184,025
Agriculture and Natural Resources	28,917	0	0	0	28,917
Other Operations	381,490	0	0	0	381,490
Highways	0	2,766,297	0	0	2,766,297

(Continued)

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

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
Expenditures (Cont.)					
Debt Service:					
Principal on Debt	\$ 0	\$ 0	\$ 611,624	\$ 0	\$ 611,624
Interest on Debt	0	0	207,360	0	207,360
Other Debt Service	0	0	12,857	0	12,857
Total Expenditures	<u>\$ 5,871,261</u>	<u>\$ 2,766,297</u>	<u>\$ 831,841</u>	<u>\$ 267,252</u>	<u>\$ 9,736,651</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 731,652</u>	<u>\$ (29,710)</u>	<u>\$ 340,015</u>	<u>\$ (21,290)</u>	<u>\$ 1,020,667</u>
Other Financing Sources (Uses)					
Insurance Recovery	\$ 32,128	\$ 0	\$ 0	\$ 0	\$ 32,128
Total Other Financing Sources (Uses)	<u>\$ 32,128</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 32,128</u>
Net Change in Fund Balances	\$ 763,780	\$ (29,710)	\$ 340,015	\$ (21,290)	\$ 1,052,795
Fund Balance, July 1, 2024	<u>1,292,460</u>	<u>3,503,410</u>	<u>1,111,511</u>	<u>380,515</u>	<u>6,287,896</u>
Fund Balance, June 30, 2025	<u>\$ 2,056,240</u>	<u>\$ 3,473,700</u>	<u>\$ 1,451,526</u>	<u>\$ 359,225</u>	<u>\$ 7,340,691</u>

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

LAKE COUNTY, TENNESSEE**Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2025**

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)		\$ 1,052,795
(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	\$ 1,166,808	
Less: current-year depreciation expense	<u>(799,581)</u>	367,227
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2025	\$ 1,850,727	
Less: deferred delinquent property taxes and other deferred June 30, 2024	<u>(1,670,817)</u>	179,910
(3) The issuance of long-term debt (e.g., notes, other loans, bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect on premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Add: principal payments on bonds	\$ 510,000	
Add: principal payments on other loans	101,624	
Less: change in deferred amount on refunding debt	(19,228)	
Add: change in premium on debt issuance	26,136	
Less: change in discount on debt issuance	<u>(552)</u>	617,980
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 1,900	
Change in compensated absences payable	9,793	
Change in deferred outflows related to pensions	(196,635)	
Change in deferred inflows related to pensions	(90,751)	
Change in net pension asset	<u>306,504</u>	30,811
Change in net position of governmental activities (Exhibit B)		<u><u>\$ 2,248,723</u></u>

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

LAKE COUNTY, TENNESSEE
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Fund
For the Year Ended June 30, 2025

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 3,736,455	\$ 3,610,571	\$ 3,610,571	\$ 125,884
Licenses and Permits	6,291	5,625	5,625	666
Fines, Forfeitures, and Penalties	34,294	34,150	34,150	144
Charges for Current Services	1,030,565	730,725	730,725	299,840
Other Local Revenues	465,685	437,600	437,600	28,085
Fees Received From County Officials	286,509	251,600	251,600	34,909
State of Tennessee	662,489	694,181	694,181	(31,692)
Federal Government	120,876	24,850	24,850	96,026
Other Governments and Citizens Groups	259,749	183,383	183,383	76,366
Total Revenues	\$ 6,602,913	\$ 5,972,685	\$ 5,972,685	\$ 630,228
Expenditures				
General Government				
County Commission	\$ 43,765	\$ 42,725	\$ 43,725	\$ (40)
County Mayor/Executive	219,552	215,569	221,203	1,651
County Attorney	11,250	27,000	27,000	15,750
Election Commission	143,162	149,313	149,337	6,175
Register of Deeds	121,100	126,869	126,876	5,776
Development	10,583	17,525	17,525	6,942
County Buildings	242,368	287,968	292,275	49,907
Finance				
Property Assessor's Office	165,486	169,851	172,564	7,078
County Trustee's Office	168,312	174,232	174,499	6,187
County Clerk's Office	181,304	185,768	185,829	4,525
Administration of Justice				
Circuit Court	245,865	342,436	342,365	96,500
General Sessions Court	134,389	137,431	137,431	3,042
Chancery Court	128,404	136,695	136,702	8,298
Juvenile Court	63,282	72,447	73,265	9,983
Other Administration of Justice	5,235	0	9,957	4,722
Courtroom Security	33,381	38,156	38,156	4,775
Public Safety				
Sheriff's Department	869,342	866,129	869,801	459
Special Patrols	209,562	225,000	229,575	20,013

(Continued)

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Expenditures (Cont.)				
Public Safety (Cont.)				
Jail	\$ 877,545	\$ 935,445	\$ 937,434	\$ 59,889
Civil Defense	17,725	15,942	20,047	2,322
Rescue Squad	27,000	27,000	27,000	0
Public Health and Welfare				
Local Health Center	37,143	35,500	35,682	(1,461)
Ambulance/Emergency Medical Services	1,280,553	1,034,580	1,380,643	100,090
Sanitation Management	40,521	29,489	42,639	2,118
Social, Cultural, and Recreational Services				
Senior Citizens Assistance	119,459	104,673	130,083	10,624
Libraries	28,700	28,700	28,700	0
Other Social, Cultural, and Recreational	35,866	0	35,773	(93)
Agriculture and Natural Resources				
Agricultural Extension Service	28,917	33,256	39,065	10,148
Other Operations				
Tourism	49,398	45,000	59,002	9,604
Other Economic and Community Development	49,487	20,000	42,204	(7,283)
Other Charges	86,485	62,000	86,000	(485)
Contributions to Other Agencies	42,541	0	40,000	(2,541)
Employee Benefits	153,579	347,086	297,086	143,507
Total Expenditures	<u>\$ 5,871,261</u>	<u>\$ 5,933,785</u>	<u>\$ 6,449,443</u>	<u>\$ 578,182</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 731,652</u>	<u>\$ 38,900</u>	<u>\$ (476,758)</u>	<u>\$ 1,208,410</u>
Other Financing Sources (Uses)				
Insurance Recovery	<u>\$ 32,128</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 32,128</u>
Total Other Financing Sources	<u>\$ 32,128</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 32,128</u>
Net Change in Fund Balance	<u>\$ 763,780</u>	<u>\$ 38,900</u>	<u>\$ (476,758)</u>	<u>\$ 1,240,538</u>
Fund Balance, July 1, 2024	<u>1,292,460</u>	<u>1,182,053</u>	<u>1,182,053</u>	<u>110,407</u>
Fund Balance, June 30, 2025	<u><u>\$ 2,056,240</u></u>	<u><u>\$ 1,220,953</u></u>	<u><u>\$ 705,295</u></u>	<u><u>\$ 1,350,945</u></u>

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

LAKE COUNTY, TENNESSEE
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2025

		Budgeted Amounts		Variance with Final Budget - Positive (Negative)
	Actual	Original	Final	
Revenues				
Local Taxes	\$ 27,847	\$ 29,950	\$ 29,950	\$ (2,103)
Other Local Revenues	21,223	60,000	60,000	(38,777)
State of Tennessee	2,672,332	3,444,206	3,444,206	(771,874)
Other Governments and Citizens Groups	15,185	20,000	20,000	(4,815)
Total Revenues	<u>\$ 2,736,587</u>	<u>\$ 3,554,156</u>	<u>\$ 3,554,156</u>	<u>\$ (817,569)</u>
Expenditures				
Highways				
Administration	\$ 286,619	\$ 301,677	\$ 301,677	\$ 15,058
Highway and Bridge Maintenance	1,357,644	1,601,500	1,601,500	243,856
Operation and Maintenance of Equipment	385,429	490,000	490,000	104,571
Other Charges	178,683	183,176	183,176	4,493
Employee Benefits	116,693	166,500	166,500	49,807
Capital Outlay	441,229	672,000	672,000	230,771
Total Expenditures	<u>\$ 2,766,297</u>	<u>\$ 3,414,853</u>	<u>\$ 3,414,853</u>	<u>\$ 648,556</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (29,710)</u>	<u>\$ 139,303</u>	<u>\$ 139,303</u>	<u>\$ (169,013)</u>
Net Change in Fund Balance	\$ (29,710)	\$ 139,303	\$ 139,303	\$ (169,013)
Fund Balance, July 1, 2024	<u>3,503,410</u>	<u>2,960,337</u>	<u>2,960,337</u>	<u>543,073</u>
Fund Balance, June 30, 2025	<u><u>\$ 3,473,700</u></u>	<u><u>\$ 3,099,640</u></u>	<u><u>\$ 3,099,640</u></u>	<u><u>\$ 374,060</u></u>

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

LAKE COUNTY, TENNESSEE
Statement of Net Position - Fiduciary Funds
June 30, 2025

**Custodial
Funds**

ASSETS

Cash	\$ 66,676
Equity in Pooled Cash and Investments	18,927
Due from Other Governments	47,228
Cash Shortage	35,159
Total Assets	\$ 167,990

LIABILITIES

Due to Other Taxing Units	\$ 47,228
Total Liabilities	\$ 47,228

NET POSITION

Restricted for Individuals, Organizations and Other Governments	\$ 120,762
Total Net Position	\$ 120,762

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

LAKE COUNTY, TENNESSEE
Statement of Changes in Net Position - Fiduciary Funds
For the Year Ended June 30, 2025

**Custodial
Funds**

ADDITIONS

Sales Tax Collections for Other Governments	\$ 288,205
Watershed Authority Collections	7,375
Fines/Fees and Other Collections	1,397,105
Total Additions	<u>\$ 1,692,685</u>

DEDUCTIONS

Payment of Sales Tax Collections to Other Governments	\$ 288,205
Payment of Watershed Expenses	7,618
Payments to State	474,870
Payments to Cities, Individuals, and Others	885,686
Total Deductions	<u>\$ 1,656,379</u>

Net Increase (Decrease) in Fiduciary in Net Position	\$ 36,306
Net Position, July 1, 2024	<u>84,456</u>
Net Position, June 30, 2025	<u><u>\$ 120,762</u></u>

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

LAKE COUNTY, TENNESSEE

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LAKE COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. *Reporting Entity*

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

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

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

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

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

Administrative Office:

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

B. Government-wide and Fund Financial Statements

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

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

Lake County issues all debt for the discretely presented Lake County School Department. There were no debt issues contributed by the county to the school department during the year ended June 30, 2025.

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

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

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

Fund financial statements of Lake County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/fund net position, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary; however, Lake County has no proprietary funds to report. An emphasis is placed on major funds within the governmental category.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as

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

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

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

Lake County reports the following major governmental funds:

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

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

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

Additionally, Lake County reports the following fund type:

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

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

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

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

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

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

The school department reports a nonmajor special revenue fund (Internal School Fund) which is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities. Collections from students and school activities are the foundational revenues of this fund. To be consistent with the prior year's reporting, the FY 24 balances for the Internal School Fund 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 on the [Tennessee Comptroller of the Treasury's website](#).

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

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

1. Deposits and Investments

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

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

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

Investment Pool complied with accounting principles generally accepted in the United States of America.

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

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

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

All ambulance and property taxes receivables are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 1.57 percent of total taxes levied.

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

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

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

3. Restricted Assets

Restricted assets consist of amounts held in a pension stabilization trust by the Tennessee Consolidated Retirement System (TCRS) for the benefit of the discretely presented Lake County School Department's Teacher Retirement Plan. The purpose of this trust is to

accumulate funds to provide stabilization (smoothing) of retirement costs to the school system in times of fluctuating investment returns and market downturns. These funds are held and invested by TCRS pursuant to an irrevocable agreement and may only be used for the benefit of the Lake County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Lake County School Department has not withdrawn any funds from the trust to pay pension cost. Trust documents provide that the funds are not subject to the claims of general creditors of the school department.

4. Capital Assets

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

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

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

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

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

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

5. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so

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

6. Compensated Absences

The general policy of Lake County (with the exception of the ambulance service and the sheriff's and highway departments) does not allow employees to accumulate earned but unused vacation pay benefits beyond employee anniversary dates. Employees of the ambulance service, the sheriff's department, and the highway department accumulate earned but unused vacation pay benefits up to 20 days, 30 days, and 42 days, respectively. The general policy of the discretely presented school department does not allow employees to accumulate vacation pay benefits beyond the fiscal year end.

The policy of the county (with the exception of the highway department) permits employees to accumulate earned but unused sick pay benefits up to 90 days for most county employees, up to 45 days for employees of the sheriff's department, and up to 144 hours for employees of the ambulance service. The policies of the highway department and the discretely presented school department permit employees to accumulate an unlimited amount of earned but unused sick pay benefits. Only a portion of the unpaid accumulated sick pay benefits are accrued. The criteria for accrual includes a "more likely than not," to be used or paid. Since Lake County and the school department do not have policies to pay any amounts when employees separate from service with the government, only the portion of sick pay benefits "more likely than not" expected to be used is accrued in the government-wide financial statements. Sick pay benefits expected to be credited to TCRS service are not accrued.

A liability for vacation pay or sick pay benefits is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements and payable under the applicable policies.

7. Long-term Debt and Long-term Obligations

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

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

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

8. Net Position and Fund Balance

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

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

The government-wide Statement of Net Position reports \$4,883,283 of restricted net position, of which \$469,015 is restricted by enabling legislation.

As of June 30, 2025, Lake County had \$4,239,976 in outstanding debt for capital purposes for the discretely presented Lake County School Department. This debt is a liability of Lake County, but the capital assets acquired are reported in the financial statements of the school department. Therefore, Lake County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the county commission, the county’s highest level of decision-making authority and the Board of Education, the school department’s highest level of decision-making authority, and shall remain binding unless removed in the same manner.

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

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

9. Restatements

With the implementation of GASB Statement 101, *Compensated Absences*, Lake County must recognize restatements to the beginning net position in the Government-wide financial statements for the primary government and the discretely presented Lake County School Department to record compensated absences liabilities. A restatement of (\$62,289) has been presented to reflect the beginning balance of the primary government and (\$11,281) for the discretely presented Lake County School Department. The following table reflects the restatement amounts necessary to implement this standard:

	Government Wide -	
	Governmental Activities	
	Primary Government	Discretely Presented Lake County School Department
Net Position, as previously reported	\$ 7,445,819	\$ 15,457,570
Adjustments for GASB 101 Implementation:		
Compensated Absences Liability	(62,289)	(11,281)
Net Change in Beginning Net Position	\$ (62,289)	\$ (11,281)
Net Position, June 30, 2025 Restated	\$ 7,383,530	\$ 15,446,289

E. Pension Plans

Primary Government

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

Discretely Presented Lake County School Department

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

F. Other Postemployment Benefit (OPEB) Plan

Discretely Presented Lake County School Department

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined on the same basis as they are reported by the discretely presented Lake County School Department. For this purpose, the school department recognizes benefit payments when due and payable in accordance with benefit terms. The school department's OPEB plan is not administered through a trust.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund Balance Sheet and the government-wide Statement of Net Position

Primary Government

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

Discretely Presented Lake County School Department

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

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

Primary Government

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

Discretely Presented Lake County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. *Budgetary Information*

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

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

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

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

B. *Cash Shortages – Prior Years*

The audit of Lake County for the 2009-10 year reported irregularities in the Lake County Mayor's Office. Our investigation revealed that from October 18, 2005, through July 26, 2010, the county mayor's bookkeeper issued 191 vendor checks totaling \$202,345 from the county's General Fund for personal use. The bookkeeper pled guilty and was ordered to pay \$53,345 in restitution. The county's insurance company paid the county \$149,000, Regions Bank paid the county \$17,500 to settle a civil lawsuit, and the former bookkeeper has paid \$32,428 restitution leaving an outstanding balance of \$3,417 due the county on June 30, 2025.

The audit of Lake County for the 2022-2023 year reported a cash shortage of \$35,159 in the sheriff's department. An investigation by the Comptroller's Division of Investigations revealed that the former jail administrator misappropriated at least \$35,159 of inmate commissary funds during the period January 1, 2018, through July 11, 2023. On November 23, 2023, the former jail administrator was indicted for one count of Theft of Property over \$10,000, one count of Destruction of and Tampering with Governmental Records, and one count of Official Misconduct. As of June 30, 2025, trial is pending, and no restitution has been paid leaving an unpaid shortage of \$35,159.

C. *Expenditures Exceeded Appropriations*

Expenditures exceeded total appropriations approved by the county commission in the Solid Waste/Sanitation and General Purpose School funds by \$23,974 and \$13,641, respectively.

Expenditures exceeded appropriations approved by the county commission in the following major appropriations categories (the legal level of control) of the following funds:

Fund/Major Appropriation Category	Amount Overspent
General:	
General Government - County Commission	\$ 40
Public Health and Welfare - Local Health Center	1,461
Social, Cultural, and Recreational Services - Other Social, Cultural, and Recreational Services	93
Other Operations - Other Economic and Community Development	7,283
Other Operations - Other Charges	485
Other Operations - Contributions to Other Agencies	2,541
General Debt Service:	
Other Debt Service - General Government	857

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

IV. DETAILED NOTES ON ALL FUNDS

A. *Deposits and Investments*

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

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of three methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 90 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

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

In addition, counties may invest in FDIC insured certificates of deposit. The deposit is first made in a bank or savings and loan association, selected by the government entity, with a branch in the state of Tennessee that is authorized to accept county deposits (the depository bank). The depository bank then arranges for the transfer of the moneys into one or more federally insured banks or savings and loan associations, wherever located (secondary depositories), for the account of the county. In turn, the depository bank receives funds from customers of the secondary depositories equal to or greater

than the amount initially invested by the county. The balance of county funds with each secondary depository must not exceed FDIC insurance limits so that all funds are fully insured. Under this program, the trustee must provide the depository bank with a listing of all banks and savings and loan associations holding county funds under the same federal employer identification number (FEIN). To prevent deposits from exceeding FDIC coverage, the depository bank is prohibited from using any of those listed banks or savings and loan associations as secondary depositories. The use of this program must be approved by the county investment committee or finance committee as appropriate for the specific county. Further, the investment committee or finance committee must establish policies and procedures for the investments, including the establishment of controls to ensure that full FDIC insurance coverage is obtained. Service providers used by depositories must be approved by the state treasurer upon concurrence by the commissioner of financial institutions and finance and administration. There are currently only two eligible programs that have been approved by the state treasurer: the Certificate of Deposit Account Registry Service (CDARS) and the Insured Cash Sweep (ICS), which operate through IntraFi Network, LLC.

Investments

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

The county had no pooled and nonpooled investments as of June 30, 2025.

TCRS Stabilization Trust

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

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

On June 30, 2025, the Lake County School Department had the following investments held by the trust on its behalf. These funds are recognized as restricted assets in the General Purpose School Fund of the school department.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 77,659
Developed Market International Equity	N/A	N/A	35,072
Emerging Market International Equity	N/A	N/A	10,021
U.S. Fixed Income	N/A	N/A	50,103
Real Estate	N/A	N/A	25,051
Short-term Securities	N/A	N/A	2,505
NAV - Private Equity and Strategic Lending	N/A	N/A	<u>50,103</u>
Total			<u><u>\$ 250,514</u></u>

For further information concerning the legal provisions, investment policies, investment types, and credit risks of the school department's investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained on the [Tennessee Department of Treasury website](#).

B. Capital Assets

Capital assets activity for the year ended June 30, 2025, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-24	Increases	Decreases	Balance 6-30-25
Capital Assets				
Not Depreciated:				
Land	\$ 1,805,581	\$ 0	\$ 0	\$ 1,805,581
Total Capital Assets				
Not Depreciated	\$ 1,805,581	\$ 0	\$ 0	\$ 1,805,581
Capital Assets Depreciated:				
Buildings and				
Improvements	\$ 3,823,487	\$ 0	\$ 0	\$ 3,823,487
Infrastructure	6,909,892	508,710	0	7,418,602
Other Capital Assets	6,678,330	658,098	(54,406)	7,282,022
Total Capital Assets				
Depreciated	\$ 17,411,709	\$ 1,166,808	\$ (54,406)	\$ 18,524,111
Less Accumulated				
Depreciation For:				
Buildings and				
Improvements	\$ 3,509,572	\$ 99,619	\$ 0	\$ 3,609,191
Infrastructure	3,022,324	289,440	0	3,311,764
Other Capital Assets	5,522,091	410,522	(54,406)	5,878,207
Total Accumulated				
Depreciation	\$ 12,053,987	\$ 799,581	\$ (54,406)	\$ 12,799,162
Total Capital Assets				
Depreciated, Net	\$ 5,357,722	\$ 367,227	\$ 0	\$ 5,724,949
Governmental Activities				
Capital Assets, Net	\$ 7,163,303	\$ 367,227	\$ 0	\$ 7,530,530

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

Governmental Activities:

General Government	\$ 24,175
Finance	422
Administration of Justice	2,182
Public Safety	158,160
Public Health and Welfare	77,602
Agriculture and Natural Resources	493
Highway/Public Works	536,547
Total Depreciation Expense - Governmental Activities	\$ 799,581

Net Investment in Capital Assets

Capital Assets (both tangible and intangible)	\$	7,530,530
Add:		
Unamortized balance of original issue discounts on outstanding capital debt		6,020
Less:		
Outstanding principal of capital debt and other capital borrowings		(2,324,050)
Unamortized balance of original issue premiums on outstanding capital-related debt		(94,089)
Net Investment in Capital Assets	\$	<u>5,118,411</u>

Discretely Presented Lake County School Department

Governmental Activities:

	Balance 7-1-24	Increases	Balance 6-30-25
Capital Assets			
Not Depreciated:			
Land	\$ 67,365	\$ 0	\$ 67,365
Total Capital Assets			
Not Depreciated	\$ 67,365	\$ 0	\$ 67,365
Capital Assets Depreciated:			
Buildings and			
Improvements	\$ 16,678,067	\$ 2,312,429	\$ 18,990,496
Other Capital Assets	2,590,198	66,449	2,656,647
Total Capital Assets			
Depreciated	\$ 19,268,265	\$ 2,378,878	\$ 21,647,143
Less Accumulated			
Depreciation For:			
Buildings and			
Improvements	\$ 8,458,486	\$ 446,205	\$ 8,904,691
Other Capital Assets	1,775,778	158,536	1,934,314
Total Accumulated			
Depreciation	\$ 10,234,264	\$ 604,741	\$ 10,839,005
Total Capital Assets			
Depreciated, Net	\$ 9,034,001	\$ 1,774,137	\$ 10,808,138
Governmental Activities			
Capital Assets, Net	\$ 9,101,366	\$ 1,774,137	\$ 10,875,503

There were no decreases in capital assets to report during the year ended June 30, 2025.

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

Governmental Activities:

Instruction	\$ 333,099
Support Services	242,081
Operation of Non-instructional Services	<u>29,561</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 604,741</u></u>

C. *Interfund Receivables and Payables*

The composition of interfund balances as of June 30, 2025, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 4,377
Discretely Presented School Department:		
General Purpose School	School Federal Projects	153,913
"	Nonmajor governmental	35,256
School Federal Projects	General Purpose School	100,398
Nonmajor governmental	"	4,520

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

D. *Long-term Debt***Primary Government****General Obligation Bonds and Other Loans**

General Obligation Bonds - Lake County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. In addition, general obligation bonds have been issued to refund other general obligation bonds. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds were issued for original terms of up to 20 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2025, will be retired from the General Debt Service Fund.

Direct Borrowing and Direct Placements - Lake County issues other loans to provide funds for the acquisition and construction of major capital facilities and other capital outlay purchases, such as equipment, for the primary government and the discretely presented school department. Other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. The other loan outstanding was issued for original terms of 17 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. The other loan included in long-term debt as of June 30, 2025, will be retired from the General Debt Service Fund.

General obligation bonds and the other loan outstanding as of June 30, 2025, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-25
General Obligation Bonds -				
Refunding	.75 to 5 %	6-1-37	\$ 8,840,000	\$ 6,030,000
Direct Borrowing and Direct Placement:				
Other Loans - Fixed rate	1.5	8-1-35	1,694,232	1,114,476

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

The annual requirements to amortize all general obligation bonds and the other loan outstanding as of June 30, 2025, including interest payments, are presented in the following table:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2026	\$ 530,000	\$ 167,013	\$ 697,013
2027	550,000	143,033	693,033
2028	580,000	118,033	698,033
2029	595,000	104,743	699,743
2030	600,000	91,088	691,088
2031-2035	2,755,000	258,334	3,013,334
2036-2037	420,000	13,913	433,913
Total	\$ 6,030,000	\$ 896,157	\$ 6,926,157

Year Ending June 30	Other Loan - Direct Placement		
	Principal	Interest	Total
2026	\$ 103,162	\$ 16,010	\$ 119,172
2027	104,723	14,449	119,172
2028	106,298	12,874	119,172
2029	107,908	11,264	119,172
2030	109,541	9,631	119,172
2031-2035	572,949	22,911	595,860
2036	9,895	2	9,897
Total	\$ 1,114,476	\$ 87,141	\$ 1,201,617

There is \$1,451,526 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$861, based on the 2020 federal census. Total debt per capita, including bonds, the other loan, unamortized debt premiums, and unamortized debt discounts totaled \$1,064, based on the 2020 federal census.

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

Description of Debt	Outstanding 6-30-25
Other Loan Payable - Direct Placement	
Contributions from the General Purpose School Fund	
Energy Efficient School Initiative, 2018	\$ 1,114,476
Bonds Payable	
Contributions from the General Purpose School Fund	
General Obligation Refunding Bonds, Series 2020	<u>4,465,000</u>
Total	<u><u>\$ 5,579,476</u></u>

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2025, was as follows:

Governmental Activities:	Bonds	Other Loans - Direct Placement
Balance, July 1, 2024	\$ 6,540,000	\$ 1,216,100
Reductions	<u>(510,000)</u>	<u>(101,624)</u>
Balance, June 30, 2025	<u>\$ 6,030,000</u>	<u>\$ 1,114,476</u>
Balance Due Within One Year	<u>\$ 530,000</u>	<u>\$ 103,162</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2025	\$ 7,144,476
Add: Unamortized Premium on Debt	313,631
Less: Unamortized Discount on Debt	(6,020)
Less: Balance Due Within One Year - Debt	<u>(633,162)</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u><u>\$ 6,818,925</u></u>

E. Long-term Obligations

Primary Government

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2025, was as follows:

Governmental Activities:

	Compensated Absences*	Net Pension Liability- Agent Plan**
Balance, July 1, 2024	\$ 174,435	\$ 4,124
Additions	0	883,356
Reductions	(9,793)	(1,189,860)
Balance, June 30, 2025	<u>\$ 164,642</u>	<u>\$ (302,380)</u>
Balance Due Within One Year	<u>\$ 20,706</u>	<u>\$ 0</u>

*Restated beginning balance – see Note I.D.9. The change in compensated absences is presented as a net change.

**On June 30, 2025, the agent plan had a net pension asset.

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2025	\$ 164,642
Less: Balance Due Within One Year - Other	<u>(20,706)</u>
Other Noncurrent Liabilities - Due in More Than One Year - Other- Exhibit A	<u>\$ 143,936</u>

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

Discretely Presented Lake County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Lake County School Department for the year ended June 30, 2025, was as follows:

Governmental Activities:

	Compensated Absences*	Other Postemployment Benefits	Net Pension Liability- Agent Plan**
Balance, July 1, 2024	\$ 11,281	\$ 999,218	\$ 1,224
Additions	37,749	111,517	325,562
Reductions	0	(215,017)	(438,229)
Balance, June 30, 2025	<u>\$ 49,030</u>	<u>\$ 895,718</u>	<u>\$ (111,443)</u>
Balance Due Within One Year	<u>\$ 49,030</u>	<u>\$ 38,002</u>	<u>\$ 0</u>

*Restated beginning balance – see Note I.D.9. The change in compensated absences is presented as a net change.

**On June 30, 2025, the agent plan had a net pension asset.

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2025	\$ 944,748
Less: Due Within One Year - Other	<u>(87,032)</u>
Other Noncurrent Liabilities - Due in More Than One Year - Other -Exhibit A	<u>\$ 857,716</u>

Other postemployment benefits and compensated absences will be paid from the employing funds, the General Purpose School and School Federal Projects funds.

F. On-Behalf Payments

Discretely Presented Lake County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Lake County School Department. These payments are made by the state to the Local Education Group Insurance Plan. The plan is administered by the State of Tennessee and reported in the state's Annual Comprehensive Financial Report. Payments by the state to the Local Education Group Insurance Plan were \$15,378. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

Primary Government

Employee Health Insurance

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

Liability, Property, Casualty, and Workers' Compensation Insurance

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

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

Discretely Presented Lake County School Department

Employee Health Insurance

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

Liability, Property, Casualty, and Workers' Compensation Insurance

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

B. Accounting Changes

GASB Statement No. 101, *Compensated Absences*, became effective for the fiscal year ending June 30, 2025. This statement updates the recognition and measurement guidance for compensated absences under a unified model and amends certain previously required disclosures.

GASB Statement No. 102, *Certain Risk Disclosures*, became effective for the fiscal year ending June 30, 2025. This statement provides users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

C. Contingent Liabilities

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

Attorneys for the county and the school department have advised that there are no pending lawsuits that would materially affect the financial statements.

D. Change in Administration

On December 23, 2024, Stephen Baker left the Office of Road Superintendent and was replaced by James Wiggins on January 7, 2025. On February 17, 2025, James Wiggins left the Office of Road Superintendent, and Stephen Baker returned as Road Superintendent effective February 18, 2025.

E. Joint Ventures

Lake County is a participant with Obion and Dyer counties in a multi-county entity known as the Northwest Tennessee Regional Port Authority. This entity was created to operate and maintain a port to be located in Lake County on the Mississippi River. A board is appointed by the participating counties

with the mayors of each county serving as ex-officio members. The board comprises eight members, four of whom are appointed by the Lake County Commission, two by the Obion County Commission, and two by the Dyer County Commission. Dyer County has control over budgeting and financing the joint venture only to the extent of representation by the two board members appointed. Their administrative office can be contacted at P.O. Box 267, Dyersburg, TN 38025.

The Ten-Ken Railroad Authority was formed by the counties of Dyer, Lake and Obion. The authority is a pass-through entity for state funds used for repairs, maintenance, construction and rehabilitation of a local rail line. The authority is a single entity and not a component unit of any other governmental unit. The mayor of each county appoints representatives to serve on the authority's board of commissioners. The board of commissioners is responsible for the management of the authority. Lake County made no contributions to the authority for the year ended June 30, 2025, and does not have any equity interest in this joint venture. Their administrative office can be contacted at 422 McGaughey Street, Dyersburg, TN 38024.

F. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Lake County and non-certified employees of the discretely presented Lake County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 73.07 percent and the non-certified employees of the discretely presented school department comprised 26.93 percent of the plan based on contribution data. The TCRS was created by state statute under Tennessee Code Annotated (TCA), Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained on the [Tennessee Department of Treasury website](#).

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

Employees Covered by Benefit Terms. At the measurement date of June 30, 2024, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	90
Inactive Employees Entitled to But Not Yet Receiving Benefits	225
Active Employees	137
Total	<u><u>452</u></u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Lake County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2025, the employer contribution for Lake County was \$288,344 based on a rate of 5.81 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Lake County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Lake County's net pension liability (asset) was measured as of June 30, 2024, 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, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2024, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2023	\$ 11,915,396	\$ 11,910,048	\$ 5,348
Changes for the Year:			
Service Cost	\$ 319,150	\$ 0	\$ 319,150
Interest	804,600	0	804,600
Differences Between Expected and Actual Experience	68,220	0	68,220
Contributions-Employer	0	254,648	(254,648)
Contributions-Employees	0	219,147	(219,147)
Net Investment Income	0	1,154,294	(1,154,294)
Benefit Payments, Including Refunds of Employee Contributions	(629,089)	(629,089)	0
Administrative Expense	0	(16,948)	16,948
Net Changes	\$ 562,881	\$ 982,052	\$ (419,171)
Balance, June 30, 2024	\$ 12,478,277	\$ 12,892,100	\$ (413,823)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	73.07%	\$ 9,117,877	\$ 9,420,257	\$ (302,380)
School Department	26.93%	3,360,400	3,471,843	(111,443)
Total		\$ 12,478,277	\$ 12,892,100	\$ (413,823)

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

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Lake County			
Net Pension Liability (Asset)	\$ 1,117,788	\$ (413,823)	\$ (1,680,150)

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, 2025, Lake County recognized pension expense (negative pension expense) of \$230,653.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2025, Lake County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 51,165	\$ 12,202
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	136,201
Contributions Subsequent to the Measurement Date of June 30, 2024 (1)	288,344	N/A
Total	<u>\$ 339,509</u>	<u>\$ 148,403</u>

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2024,” will be recognized as a reduction (increase) to net pension liability (asset) in the subsequent fiscal period.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 238,812	\$ 108,438
School Department	100,697	39,965
Total	<u>\$ 339,509</u>	<u>\$ 148,403</u>

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

Year Ending June 30	Amount
2026	\$ (170,189)
2027	197,728
2028	(53,547)
2029	(71,236)
2030	0
Thereafter	0

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

Discretely Presented Lake County School Department - Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Lake County and non-certified employees of the discretely presented Lake County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 73.07 percent and the non-certified employees of the discretely presented school department comprised 26.93 percent of the plan based on contribution data.

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

General Information About the Pension Plan

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

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost of

living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. Members who leave employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLAs, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year end June 30, 2025, to the Teacher Retirement Plan were \$69,000, which is three percent of covered payroll. In addition, employer contributions of \$21,783, which is one percent of covered payroll were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). On June 30, 2025, the school department reported a liability (asset) of (\$71,457) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2024, 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, 2024, the school department's proportion was .100276 percent. The proportion as of June 30, 2023, was .095612 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2025, the school department recognized pension expense of \$58,485.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2025, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 5,903	\$ 21,954
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	12,054
Changes in Assumptions	28,396	0
Changes in Proportion of Net Pension Liability (Asset)	17,108	23,157
LEA's Contributions Subsequent to the Measurement Date of June 30, 2024	69,000	N/A
Total	<u>\$ 120,407</u>	<u>\$ 57,165</u>

The school department's employer contributions of \$69,000, 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, 2026. 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
2026	\$ (8,206)
2027	8,471
2028	(5,668)
2029	(5,602)
2030	19
Thereafter	5,228

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

Actuarial Assumptions. The total pension liability in the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2024, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June

30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (Asset)	\$ 188,456	\$ (71,457)	\$ (264,888)

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

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

General Information About the Pension Plan

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

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid.

The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Lake County School Department for the year ended June 30, 2025, to the Teacher Legacy Pension Plan were \$153,975, which is 6.36 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, 2025, the school department reported a liability (asset) of (\$1,324,418) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2024, the school department's proportion was .076873 percent. The proportion measured on June 30, 2023, was .092935 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2025, the school department recognized (negative pension expense) of \$375,992.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2025, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 353,187	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	257,943
Changes in Proportion of Net Pension Liability (Asset)	228,689	56,795
LEA's Contributions Subsequent to the Measurement Date of June 30, 2024	153,975	N/A
Total	<u>\$ 735,851</u>	<u>\$ 314,738</u>

The school department's employer contributions of \$153,975 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, 2026. 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
2026	\$ (54,595)
2027	592,118
2028	(134,577)
2029	(135,808)
2030	0
Thereafter	0

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

Actuarial Assumptions. The total pension liability in the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2024, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

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

School Department's 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)	\$ 1,682,470	\$ (1,324,418)	\$ (3,818,222)

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

2. Deferred Compensation

Teachers hired after July 1, 2014, by the school department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion which is placed into the state's 401(k) plan and is managed by the employee. The defined contribution portion of the plan requires that the school department contribute five percent of each teacher's salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year, the school department contributed \$93,635 and teachers contributed \$24,022 to this deferred compensation pension plan.

G. Other Postemployment Benefits (OPEB)

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

OPEB Provided through State Administered Public Entity Risk Pools

Discretely Presented Lake County School Department

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

The school department's total OPEB liability for the plan was measured as of June 30, 2024, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2024, 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	3.93%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 10.68% for pre-65 retirees in the 2024 calendar year, and decreasing annually over a 13-year period to an ultimate trend rate of 4.5%
Retirees Share of Benefit Related Cost	Discussed below

The discount rate was 3.93 percent, 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, 2024, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2024, valuations were the same as those employed in the July 1, 2020, Pension Actuarial Valuation of the TCRS. These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 - June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the PUB-2010 Headcount-weighted employee mortality table for non-disabled pre-retirement mortality, with mortality improvement projected generationally with MP-2021 from 2010. Post-retirement rates are headcount-weighted below median healthy annuitant and adjusted with a 19 percent load for males and an 18 percent load for females, projected generationally with MP-2021 from 2010. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 percent load, projected generationally from 2018 with MP-2021.

Changes in Assumptions. The discount rate changed from 3.65 percent as of the beginning of the measurement period to 3.93 percent as of the measurement date of June 30, 2024. 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 2024 plan year was revised from 10.31 percent to 10.68 percent.

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

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

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

Employees Covered by Benefit Terms – At the measurement date of June 30, 2024, the following employees were covered by the benefit terms:

Inactive Employees Currently Receiving Benefits	3
Inactive Employees Entitled To But Not Yet Receiving Benefits	0
Active Employees Eligible for Benefits	<u>59</u>
Total	<u><u>62</u></u>

A state insurance committee, created in accordance with Section 8-27-301, TCA, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$38,002 to the LEP for OPEB benefits as they came due.

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

	Share of Collective Liability		
	Lake County	State of	
	School Department	TN	Total OPEB
	65.52%	35.48%	Liability
Balance July 1, 2023	\$ 999,218	\$ 525,219	\$ 1,524,437
Changes for the Year:			
Service Cost	\$ 54,420	\$ 28,638	\$ 83,058
Interest	37,823	19,904	57,727
Difference between			
Expected and			
Actuarial Experience	(180,328)	(94,898)	(275,226)
Changes in Proportion	(397)	397	0
Changes in Assumption	19,273	10,143	29,416
Benefit Payments	(34,291)	(18,045)	(52,336)
Net Changes	<u>\$ (103,500)</u>	<u>\$ (53,861)</u>	<u>\$ (157,361)</u>
Balance June 30, 2024	<u>\$ 895,718</u>	<u>\$ 471,358</u>	<u>\$ 1,367,076</u>

The Lake County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The Lake County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employers' long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized \$41,921 in revenue for subsidies provided by non-employer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Lake County School Department's proportionate share of the collective OPEB liability was 65.52 percent and the State of Tennessee's share was 35.48 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2025, the school department recognized OPEB expense of \$75,411, including the state's share of the expense. On June 30, 2025, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Actual and Expected Experience	\$ 84,678	\$ 348,603
Changes in Proportion	8,145	78,248
Changes of Assumptions	159,761	90,374
Benefits Paid After the Measurement Date of June 30, 2024	38,002	0
Total	<u>\$ 290,586</u>	<u>\$ 517,225</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
2026	\$ (58,753)
2027	(58,753)
2028	(57,692)
2029	(35,884)
2030	(22,708)
Thereafter	(30,851)

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

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

Discount Rate	1% Decrease 2.93%	Current Discount Rate 3.93%	1% Increase 4.93%
Proportionate Share of the Collective Total OPEB Liability	\$ 967,224	\$ 895,718	\$ 827,702

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

Healthcare Cost Trend Rate

	1% Decrease 9.68 to 3.5%	Current Rate 10.68 to 4.5%	1% Increase 11.68 to 5.5%
Proportionate Share of the Collective Total OPEB Liability	\$ 793,590	\$ 895,718	\$ 1,014,845

H. Purchasing Laws**Office of County Mayor**

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

Office of Road Superintendent

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

Office of Director of Schools

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

REQUIRED SUPPLEMENTARY INFORMATION SECTION

LAKE COUNTY, TENNESSEE**Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on
Participation in the Public Employee Pension Plan of TCRS**

Primary Government

For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Pension Liability										
Service Cost	\$ 187,866	\$ 178,580	\$ 187,842	\$ 186,180	\$ 197,495	\$ 214,871	\$ 217,713	\$ 241,972	\$ 300,863	\$ 319,150
Interest	529,301	559,368	570,709	623,045	657,969	682,513	708,485	747,931	774,466	804,600
Differences Between Actual and Expected Experience	6,551	(199,556)	360,787	140,481	(34,811)	27	112,587	(37,046)	(5,884)	68,220
Change of Assumptions	0	0	333,687	0	0	0	824,765	0	0	0
Benefit Payments, Including Refunds of Employee Contributions	(300,035)	(327,042)	(465,836)	(468,343)	(490,286)	(508,693)	(575,356)	(583,761)	(653,506)	(629,089)
Net Change in Total Pension Liability	\$ 423,683	\$ 211,350	\$ 987,189	\$ 481,363	\$ 330,367	\$ 388,718	\$ 1,288,194	\$ 369,096	\$ 415,939	\$ 562,881
Total Pension Liability, Beginning	7,019,497	7,443,180	7,654,530	8,641,719	9,123,082	9,453,449	9,842,167	11,130,361	11,499,457	11,915,396
Total Pension Liability, Ending (a)	\$ 7,443,180	\$ 7,654,530	\$ 8,641,719	\$ 9,123,082	\$ 9,453,449	\$ 9,842,167	\$ 11,130,361	\$ 11,499,457	\$ 11,915,396	\$ 12,478,277
Plan Fiduciary Net Position										
Contributions - Employer	\$ 161,991	\$ 169,326	\$ 170,573	\$ 174,720	\$ 188,419	\$ 185,820	\$ 189,487	\$ 214,856	\$ 228,198	\$ 254,648
Contributions - Employee	137,640	143,803	146,793	150,621	170,547	162,432	163,071	184,903	196,385	219,147
Net Investment Income	225,295	199,647	865,706	693,134	662,432	466,422	2,494,267	(457,141)	757,791	1,154,294
Benefit Payments, Including Refunds of Employee Contributions	(300,035)	(327,042)	(465,836)	(468,343)	(490,286)	(508,693)	(575,356)	(583,761)	(653,506)	(629,089)
Administrative Expense	(5,254)	(8,225)	(10,585)	(9,952)	(9,756)	(9,436)	(9,438)	(11,090)	(13,603)	(16,948)
Other	0	0	3,290	0	0	0	0	0	0	0
Net Change in Plan Fiduciary Net Position	\$ 219,637	\$ 177,509	\$ 709,941	\$ 540,180	\$ 521,356	\$ 296,545	\$ 2,262,031	\$ (652,233)	\$ 515,265	\$ 982,052
Plan Fiduciary Net Position, Beginning	7,319,817	7,539,454	7,716,963	8,426,904	8,967,084	9,488,440	9,784,985	12,047,016	11,394,783	11,910,048
Plan Fiduciary Net Position, Ending (b)	\$ 7,539,454	\$ 7,716,963	\$ 8,426,904	\$ 8,967,084	\$ 9,488,440	\$ 9,784,985	\$ 12,047,016	\$ 11,394,783	\$ 11,910,048	\$ 12,892,100
Net Pension Liability (Asset), Ending (a - b)	\$ (96,274)	\$ (62,433)	\$ 214,815	\$ 155,998	\$ (34,991)	\$ 57,182	\$ (916,655)	\$ 104,674	\$ 5,348	\$ (413,823)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	101.29%	100.82%	97.51%	98.29%	100.37%	99.42%	108.24%	99.09%	99.96%	103.32%
Covered Payroll	\$ 2,788,136	\$ 2,927,063	\$ 2,935,835	\$ 3,012,402	\$ 3,233,497	\$ 3,248,604	\$ 3,261,385	\$ 3,698,036	\$ 3,928,988	\$ 4,381,237
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(3.45)%	(2.13)%	7.32%	5.18%	(1.08)%	1.76%	(28.11)%	2.83%	0.14%	(9.45)%

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

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially Determined Contribution	\$ 169,326	\$ 170,573	\$ 174,720	\$ 188,419	\$ 185,820	\$ 186,878	\$ 211,898	\$ 225,056	\$ 251,141	\$ 284,373
Less: Contributions in Relation to the Actuarially Determined Contribution	(169,326)	(170,573)	(174,720)	(188,419)	(185,820)	(189,487)	(214,856)	(228,198)	(254,648)	(288,344)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (2,609)	\$ (2,958)	\$ (3,142)	\$ (3,507)	\$ (3,971)
Covered Payroll	\$ 2,927,063	\$ 2,935,835	\$ 3,012,402	\$ 3,233,497	\$ 3,248,604	\$ 3,261,385	\$ 3,698,036	\$ 3,928,988	\$ 4,381,237	\$ 4,962,883
Contributions as a Percentage of Covered Payroll	5.78%	5.81%	5.80%	5.83%	5.72%	5.73%	5.81%	5.81%	5.81%	5.81%

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

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

Discretely Presented Lake County School Department

For the Fiscal Year Ended June 30

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually Required Contribution	\$ 1,824	\$ 0	\$ 16,176	\$ 25,554	\$ 26,406	\$ 33,559	\$ 36,457	\$ 54,580	\$ 69,491	\$ 69,000
Less: Contributions in Relation to the Contractually Required Contribution	(1,824)	0	(39,679)	(25,554)	(26,406)	(33,559)	(36,457)	(54,580)	(69,491)	(69,000)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ (23,503)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 45,591	\$ 0	\$ 1,003,549	\$ 1,348,417	\$ 1,300,789	\$ 1,661,333	\$ 1,813,756	\$ 1,901,755	\$ 2,355,627	\$ 2,300,007
Contributions as a Percentage of Covered Payroll	4.00%	0.00%	3.95%	1.90%	2.03%	2.02%	2.01%	2.87%	2.95%	3.00%

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%

2025: Pension - 3.00%, SRT - 1.00%

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

Discretely Presented Lake County School Department

For the Fiscal Year Ended June 30

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually Required Contribution	\$ 345,132	\$ 297,007	\$ 293,277	\$ 308,531	\$ 313,126	\$ 306,403	\$ 295,864	\$ 262,072	\$ 173,352	\$ 153,975
Less: Contributions in Relation to the Contractually Required Contribution	(345,132)	(297,007)	(293,277)	(308,531)	(313,126)	(306,403)	(295,864)	(262,072)	(173,352)	(153,975)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 3,817,833	\$ 3,285,478	\$ 3,218,348	\$ 2,936,493	\$ 2,952,115	\$ 2,950,189	\$ 2,886,579	\$ 3,016,125	\$ 2,545,540	\$ 2,420,990
Contributions as a Percentage of Covered Payroll	9.04%	9.04%	9.11%	10.51%	10.61%	10.39%	10.25%	8.69%	6.81%	6.36%

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
School Department's Proportion of the Net Pension Liability (Asset)	0.115904%	0.010361%	0.000000%	0.113513%	0.124474%	0.103078%	0.115112%	0.106211%	0.095612%	0.100276%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (4,663)	\$ (1,079)	\$ (1)	\$ (51,481)	\$ (70,264)	\$ (58,615)	\$ (124,691)	\$ (32,174)	\$ (40,543)	\$ (71,457)
Covered Payroll	\$ 240,819	\$ 45,591	0	\$ 1,003,549	\$ 1,348,417	\$ 1,300,789	\$ 1,661,333	\$ 1,813,756	\$ 1,901,755	\$ 2,355,627
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	0.00%	(5.13)%	(5.21)%	(4.51)%	(7.51)%	(1.77)%	(2.13)%	(3.03)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	127.46%	121.88%	0.00%	126.97%	123.07%	116.52%	121.53%	104.55%	104.97%	106.49%

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
School Department's Proportion of the Net Pension Liability (Asset)	0.105009%	0.105763%	0.092943%	0.092239%	0.087966%	0.088505%	0.090899%	0.872840%	0.092935%	0.76873%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ 43,015	\$ 660,960	\$ (30,410)	\$ (324,583)	\$ (904,450)	\$ (674,919)	\$ (3,920,708)	\$ (1,070,458)	\$ (1,095,679)	\$ (1,324,418)
Covered Payroll	\$ 3,930,998	\$ 3,817,833	\$ 3,285,478	\$ 3,218,348	\$ 2,936,493	\$ 2,952,115	\$ 2,950,189	\$ 2,886,579	\$ 3,016,125	\$ 2,545,540
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	1.094254%	17.31%	(.93)%	(10.09)%	(30.80)%	(27.86)%	(132.90)%	(37.08)%	(36.33)%	(52.03)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%	116.13%	104.42%	104.11%	105.76%

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

Discretely Presented Lake County School Department

For the Fiscal Year Ended June 30

	2017	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability								
Service Cost	\$ 128,864	\$ 119,703	\$ 68,587	\$ 62,229	\$ 79,393	\$ 90,277	\$ 77,601	\$ 83,058
Interest	55,891	68,860	46,293	43,582	29,132	28,555	49,605	57,727
Changes in Benefit Terms	0	(294,090)	(52,234)	0	0	0	0	0
Differences Between Actual and Expected Experience	0	(459,873)	96,882	(83,414)	(153,317)	156,238	(24,097)	(275,226)
Changes in Assumptions or Other Inputs	(87,346)	40,739	(96,327)	128,598	102,126	(133,930)	122,150	29,416
Benefit Payments	(60,226)	(75,902)	(84,208)	(103,940)	(78,820)	(49,896)	(48,574)	(52,336)
Net Change in Total OPEB Liability	\$ 37,183	\$ (600,563)	\$ (21,007)	\$ 47,055	\$ (21,486)	\$ 91,244	\$ 176,685	\$ (157,361)
Total OPEB Liability, Beginning	1,815,326	1,852,509	1,251,946	1,230,939	1,277,994	1,256,508	1,347,752	1,524,437
Total OPEB Liability, Ending	\$ 1,852,509	\$ 1,251,946	\$ 1,230,939	\$ 1,277,994	\$ 1,256,508	\$ 1,347,752	\$ 1,524,437	\$ 1,367,076
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 478,594	\$ 367,798	\$ 369,469	\$ 370,615	\$ 385,791	\$ 440,113	\$ 525,219	\$ 471,358
Employer Proportionate Share of the Total OPEB Liability	1,373,915	884,148	861,470	907,379	870,717	907,639	999,218	895,718
Covered Employee Payroll	\$ 4,274,827	\$ 3,852,219	\$ 3,839,784	\$ 3,803,780	\$ 3,743,283	\$ 3,888,878	\$ 3,779,204	\$ 3,916,985
Net OPEB Liability as a Percentage of Covered Employee Payroll	32.14%	22.95%	22.44%	23.85%	23.26%	23.34%	26.44%	22.87%

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%
2024	3.93%

(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%
For the 2025 plan year - from 10.31% to 10.68%

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

LAKE COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2025

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2025 were calculated based on the June 30, 2023, 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 Fair Value
Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, averaging 4%
Investment Rate of Return	6.75%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.125%

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

LAKE COUNTY, TENNESSEE**Combining Balance Sheet - Nonmajor Governmental Funds****June 30, 2025**

	Special Revenue Funds					
	Law Library	Solid Waste / Sanitation	Drug Control	Other General Government	Constitu - tional Officers - Fees	Total Nonmajor Governmental Funds
ASSETS						
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,843	\$ 2,843
Equity in Pooled Cash and Investments	15,952	169,163	40,196	136,019	0	361,330
Accounts Receivable	0	0	0	0	818	818
Property Taxes Receivable	0	208,092	0	0	0	208,092
Allowance for Uncollectible Property Taxes	0	(6,276)	0	0	0	(6,276)
Total Assets	\$ 15,952	\$ 370,979	\$ 40,196	\$ 136,019	\$ 3,661	\$ 566,807
LIABILITIES						
Payroll Deductions Payable	\$ 0	\$ 1,338	\$ 0	\$ 0	\$ 0	\$ 1,338
Due to Other Funds	0	716	0	0	3,661	4,377
Due to State of Tennessee	0	308	0	0	0	308
Total Liabilities	\$ 0	\$ 2,362	\$ 0	\$ 0	\$ 3,661	\$ 6,023
DEFERRED INFLOWS OF RESOURCES						
Deferred Current Property Taxes	\$ 0	\$ 197,127	\$ 0	\$ 0	\$ 0	\$ 197,127
Deferred Delinquent Property Taxes	0	4,432	0	0	0	4,432
Total Deferred Inflows of Resources	\$ 0	\$ 201,559	\$ 0	\$ 0	\$ 0	\$ 201,559

(Continued)

LAKE COUNTY, TENNESSEE**Combining Balance Sheet - Nonmajor Governmental Funds (Cont.)**

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Law Library	Solid Waste / Sanitation	Drug Control	Other General Government	Constitu - tional Officers - Fees	
FUND BALANCES						
Restricted:						
Restricted for General Government - American Rescue Plan Act	\$ 0	\$ 0	\$ 0	\$ 136,019	\$ 0	\$ 136,019
Restricted for Administration of Justice	15,952	0	0	0	0	15,952
Restricted for Public Safety	0	0	40,196	0	0	40,196
Restricted for Public Health and Welfare	0	73,671	0	0	0	73,671
Committed:						
Committed for Public Health and Welfare	0	93,387	0	0	0	93,387
Total Fund Balances	<u>\$ 15,952</u>	<u>\$ 167,058</u>	<u>\$ 40,196</u>	<u>\$ 136,019</u>	<u>\$ 0</u>	<u>\$ 359,225</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 15,952</u>	<u>\$ 370,979</u>	<u>\$ 40,196</u>	<u>\$ 136,019</u>	<u>\$ 3,661</u>	<u>\$ 566,807</u>

LAKE COUNTY, TENNESSEE**Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances - Nonmajor Governmental Funds****For the Year Ended June 30, 2025**

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Law Library	Solid Waste / Sanitation	Drug Control	Other General Government	
Revenues					
Local Taxes	\$ 849	\$ 207,255	\$ 0	\$ 0	\$ 208,104
Fines, Forfeitures, and Penalties	0	0	1,591	0	1,591
Charges for Current Services	0	23,037	0	0	23,037
Other Local Revenues	0	5,500	0	4,184	9,684
Other Governments and Citizens Groups	0	3,546	0	0	3,546
Total Revenues	<u>\$ 849</u>	<u>\$ 239,338</u>	<u>\$ 1,591</u>	<u>\$ 4,184</u>	<u>\$ 245,962</u>
Expenditures					
Current:					
Administration of Justice	\$ 925	\$ 0	\$ 0	\$ 0	\$ 925
Public Safety	0	0	8,882	0	8,882
Public Health and Welfare	0	257,445	0	0	257,445
Total Expenditures	<u>\$ 925</u>	<u>\$ 257,445</u>	<u>\$ 8,882</u>	<u>\$ 0</u>	<u>\$ 267,252</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (76)</u>	<u>\$ (18,107)</u>	<u>\$ (7,291)</u>	<u>\$ 4,184</u>	<u>\$ (21,290)</u>
Net Change in Fund Balances	\$ (76)	\$ (18,107)	\$ (7,291)	\$ 4,184	\$ (21,290)
Fund Balance, July 1, 2024	16,028	185,165	47,487	131,835	380,515
Fund Balance, June 30, 2025	<u>\$ 15,952</u>	<u>\$ 167,058</u>	<u>\$ 40,196</u>	<u>\$ 136,019</u>	<u>\$ 359,225</u>

LAKE COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
 Law Library Fund
For the Year Ended June 30, 2025

		Budgeted Amounts		Variance with Final Budget - Positive (Negative)
	Actual	Original	Final	
Revenues				
Local Taxes	\$ 849	\$ 1,000	\$ 1,000	\$ (151)
Total Revenues	\$ 849	\$ 1,000	\$ 1,000	\$ (151)
Expenditures				
Administration of Justice				
Other Administration of Justice	\$ 925	\$ 5,025	\$ 4,025	\$ 3,100
Total Expenditures	\$ 925	\$ 5,025	\$ 4,025	\$ 3,100
Excess (Deficiency) of Revenues Over Expenditures	\$ (76)	\$ (4,025)	\$ (3,025)	\$ 2,949
Net Change in Fund Balance	\$ (76)	\$ (4,025)	\$ (3,025)	\$ 2,949
Fund Balance, July 1, 2024	16,028	16,029	16,029	(1)
Fund Balance, June 30, 2025	\$ 15,952	\$ 12,004	\$ 13,004	\$ 2,948

LAKE COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2025

			Budgeted Amounts		Variance with Final Budget - Positive (Negative)
	Actual		Original	Final	
Revenues					
Local Taxes	\$ 207,255	\$ 189,271	\$ 189,271	\$ 17,984	
Charges for Current Services	23,037	1,200	1,200	21,837	
Other Local Revenues	5,500	0	0	5,500	
Other Governments and Citizens Groups	3,546	21,000	21,000	(17,454)	
Total Revenues	<u>\$ 239,338</u>	<u>\$ 211,471</u>	<u>\$ 211,471</u>	<u>\$ 27,867</u>	
Expenditures					
Public Health and Welfare					
Waste Incinerator	\$ 206,808	\$ 101,471	\$ 203,471	\$ (3,337)	
Other Waste Disposal	50,637	110,000	30,000	(20,637)	
Total Expenditures	<u>\$ 257,445</u>	<u>\$ 211,471</u>	<u>\$ 233,471</u>	<u>\$ (23,974)</u>	
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (18,107)</u>	<u>\$ 0</u>	<u>\$ (22,000)</u>	<u>\$ 3,893</u>	
Net Change in Fund Balance	\$ (18,107)	\$ 0	\$ (22,000)	\$ 3,893	
Fund Balance, July 1, 2024	<u>185,165</u>	<u>174,417</u>	<u>174,417</u>	<u>10,748</u>	
Fund Balance, June 30, 2025	<u><u>\$ 167,058</u></u>	<u><u>\$ 174,417</u></u>	<u><u>\$ 152,417</u></u>	<u><u>\$ 14,641</u></u>	

LAKE COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2025

		Budgeted Amounts		Variance with Final Budget - Positive (Negative)
	Actual	Original	Final	
Revenues				
Fines, Forfeitures, and Penalties	\$ 1,591	\$ 3,000	\$ 3,000	\$ (1,409)
Total Revenues	<u>\$ 1,591</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ (1,409)</u>
Expenditures				
Public Safety				
Drug Enforcement	\$ 8,882	\$ 5,100	\$ 9,100	\$ 218
Total Expenditures	<u>\$ 8,882</u>	<u>\$ 5,100</u>	<u>\$ 9,100</u>	<u>\$ 218</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (7,291)</u>	<u>\$ (2,100)</u>	<u>\$ (6,100)</u>	<u>\$ (1,191)</u>
Net Change in Fund Balance	\$ (7,291)	\$ (2,100)	\$ (6,100)	\$ (1,191)
Fund Balance, July 1, 2024	<u>47,487</u>	<u>47,487</u>	<u>47,487</u>	<u>0</u>
Fund Balance, June 30, 2025	<u><u>\$ 40,196</u></u>	<u><u>\$ 45,387</u></u>	<u><u>\$ 41,387</u></u>	<u><u>\$ (1,191)</u></u>

MAJOR GOVERNMENTAL FUND

GENERAL DEBT SERVICE FUND

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

LAKE COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
 General Debt Service Fund
For the Year Ended June 30, 2025

		Budgeted Amounts		Variance with Final Budget - Positive (Negative)
	Actual	Original	Final	
Revenues				
Local Taxes	\$ 927,684	\$ 785,225	\$ 785,225	\$ 142,459
Other Governments and Citizens Groups	244,172	125,000	244,172	0
Total Revenues	<u>\$ 1,171,856</u>	<u>\$ 910,225</u>	<u>\$ 1,029,397</u>	<u>\$ 142,459</u>
Expenditures				
Principal on Debt				
General Government	\$ 237,000	\$ 120,000	\$ 237,000	\$ 0
Education	374,624	491,624	476,248	101,624
Interest on Debt				
General Government	95,899	55,650	95,899	0
Education	111,461	151,711	128,010	16,549
Other Debt Service				
General Government	12,157	11,000	11,300	(857)
Education	700	0	700	0
Total Expenditures	<u>\$ 831,841</u>	<u>\$ 829,985</u>	<u>\$ 949,157</u>	<u>\$ 117,316</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 340,015</u>	<u>\$ 80,240</u>	<u>\$ 80,240</u>	<u>\$ 259,775</u>
Net Change in Fund Balance	\$ 340,015	\$ 80,240	\$ 80,240	\$ 259,775
Fund Balance, July 1, 2024	<u>1,111,511</u>	<u>1,114,458</u>	<u>1,114,458</u>	<u>(2,947)</u>
Fund Balance, June 30, 2025	<u>\$ 1,451,526</u>	<u>\$ 1,194,698</u>	<u>\$ 1,194,698</u>	<u>\$ 256,828</u>

CUSTODIAL FUNDS

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

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

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

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

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

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

LAKE COUNTY, TENNESSEE**Combining Statement of Net Position - Custodial Funds****June 30, 2025**

	Custodial Funds					Total
	Cities - Sales Tax	Watershed District	Joint Venture	Constitu - tional Officers - Custodial	Other Custodial	
ASSETS						
Cash	\$ 0	\$ 0	\$ 0	\$ 66,676	\$ 0	\$ 66,676
Equity in Pooled Cash and Investments	0	16,995	531	0	1,401	18,927
Due from Other Governments	47,228	0	0	0	0	47,228
Cash Shortage	0	0	0	35,159	0	35,159
Total Assets	<u>\$ 47,228</u>	<u>\$ 16,995</u>	<u>\$ 531</u>	<u>\$ 101,835</u>	<u>\$ 1,401</u>	<u>\$ 167,990</u>
LIABILITIES						
Due to Other Taxing Units	\$ 47,228	\$ 0	\$ 0	\$ 0	\$ 0	\$ 47,228
Total Liabilities	<u>\$ 47,228</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 47,228</u>
NET POSITION						
Restricted for Individuals, Organizations, and Other Governments	\$ 0	\$ 16,995	\$ 531	\$ 101,835	\$ 1,401	\$ 120,762
Total Net Position	<u>\$ 0</u>	<u>\$ 16,995</u>	<u>\$ 531</u>	<u>\$ 101,835</u>	<u>\$ 1,401</u>	<u>\$ 120,762</u>

LAKE COUNTY, TENNESSEE**Combining Statement of Changes in Net Position - Custodial Funds****For the Year Ended June 30, 2025**

	Custodial Funds					
	Cities - Sales Tax	Watershed District	Joint Venture	Constitu - tional Officers - Custodial	Other Custodial	Total
Additions						
Sales Tax Collections for Other Governments	\$ 288,205	\$ 0	\$ 0	\$ 0	\$ 0	\$ 288,205
Watershed Authority Collections	0	7,375	0	0	0	7,375
Fines/Fees and Other Collections	0	0	0	1,397,105	0	1,397,105
Total Additions	\$ 288,205	\$ 7,375	\$ 0	\$ 1,397,105	\$ 0	\$ 1,692,685
Deductions						
Payment of Sales Tax Collections for Other Governments	\$ 288,205	\$ 0	\$ 0	\$ 0	\$ 0	\$ 288,205
Payment of Watershed Expenses	0	7,618	0	0	0	7,618
Payments to State	0	0	0	474,870	0	474,870
Payments to Cities, Individuals, and Others	0	0	0	885,686	0	885,686
Total Deductions	\$ 288,205	\$ 7,618	\$ 0	\$ 1,360,556	\$ 0	\$ 1,656,379
Change in Net Position	\$ 0	\$ (243)	\$ 0	\$ 36,549	\$ 0	\$ 36,306
Net Position, July 1, 2024	0	17,238	531	65,286	1,401	84,456
Net Position, June 30, 2025	\$ 0	\$ 16,995	\$ 531	\$ 101,835	\$ 1,401	\$ 120,762

LAKE COUNTY SCHOOL DEPARTMENT

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

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

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

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

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

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

LAKE COUNTY, TENNESSEE**Statement of Activities**

Discretely Presented Lake County School Department

For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Total Governmental Activities
Governmental Activities:				
Instruction	\$ 5,898,670	\$ 0	\$ 383,560	\$ (5,515,110)
Support Services	5,999,155	400	2,011,418	(3,987,337)
Operation of Non-instructional Services	1,456,919	49,637	1,625,876	218,594
Total Governmental Activities	\$ 13,354,744	\$ 50,037	\$ 4,020,854	\$ (9,283,853)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 730,627
Local Option Sales Taxes				441,285
Wheel Tax				37,986
Business Tax				4,186
Grants and Contributions Not Restricted for Specific Programs				7,487,257
Unrestricted Investment Income				22,121
Miscellaneous				73,620
Total General Revenues				\$ 8,797,082
Change in Net Position				\$ (486,771)
Net Position, July 1, 2024				15,457,570
Restatement - See Note I.D.9.				(11,281)
Net Position, June 30, 2025				\$ 14,959,518

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

Discretely Presented Lake County School Department

June 30, 2025

	Major Funds		Nonmajor Funds	
	General Purpose School	School Federal Projects	Other Govern- mental Funds	Total Governmental Funds
ASSETS				
Cash	\$ 0	\$ 0	\$ 327,335	\$ 327,335
Equity in Pooled Cash and Investments	1,749,666	32,808	329,379	2,111,853
Accounts Receivable	0	20,066	1,688	21,754
Due from Other Governments	308,938	376,404	69,676	755,018
Due from Other Funds	189,169	100,398	4,520	294,087
Property Taxes Receivable	678,124	0	0	678,124
Allowance for Uncollectible Property Taxes	(21,641)	0	0	(21,641)
Restricted Assets	250,514	0	0	250,514
Total Assets	<u>\$ 3,154,770</u>	<u>\$ 529,676</u>	<u>\$ 732,598</u>	<u>\$ 4,417,044</u>
LIABILITIES				
Accounts Payable	\$ 9,747	\$ 0	\$ 3,436	\$ 13,183
Payroll Deductions Payable	131,473	8,549	1,525	141,547
Due to Other Funds	104,918	153,913	35,256	294,087
Due to Other Governments	125,880	0	0	125,880
Total Liabilities	<u>\$ 372,018</u>	<u>\$ 162,462</u>	<u>\$ 40,217</u>	<u>\$ 574,697</u>

(Continued)

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

Discretely Presented Lake County School Department (Cont.)

	Major Funds		Nonmajor Funds	
	General Purpose School	School Federal Projects	Other Govern- mental Funds	Total Governmental Funds
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	\$ 639,350	\$ 0	\$ 0	\$ 639,350
Deferred Delinquent Property Taxes	16,192	0	0	16,192
Other Deferred/Unavailable Revenue	42,810	109,809	0	152,619
Total Deferred Inflows of Resources	<u>\$ 698,352</u>	<u>\$ 109,809</u>	<u>\$ 0</u>	<u>\$ 808,161</u>
FUND BALANCES				
Restricted:				
Restricted for Education	\$ 0	\$ 0	\$ 323,899	\$ 323,899
Restricted for Instruction	1,061	0	0	1,061
Restricted for Operation of Non-instructional Services	0	0	368,482	368,482
Restricted for Hybrid Retirement Stabilization Funds	250,514	0	0	250,514
Committed:				
Committed for Education	1,092,416	0	0	1,092,416
Assigned:				
Assigned for Education	0	257,405	0	257,405
Unassigned	740,409	0	0	740,409
Total Fund Balances	<u>\$ 2,084,400</u>	<u>\$ 257,405</u>	<u>\$ 692,381</u>	<u>\$ 3,034,186</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,154,770</u>	<u>\$ 529,676</u>	<u>\$ 732,598</u>	<u>\$ 4,417,044</u>

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

Discretely Presented Lake County School Department

June 30, 2025

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$	3,034,186
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	67,365	
Add: buildings and improvements net of accumulated depreciation		10,085,805	
Add: other capital assets net of accumulated depreciation		<u>722,333</u>	10,875,503
(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 payables	\$	(49,030)	
Less: net OPEB liability		<u>(895,718)</u>	(944,748)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.			
Add: deferred outflows of resources related to pensions	\$	956,955	
Less: deferred inflows of resources related to pensions		(411,868)	
Add: deferred outflows of resources related to OPEB		290,586	
Less: deferred inflows of resources related to OPEB		<u>(517,225)</u>	318,448
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - agent plan	\$	111,443	
Add: net pension asset - teacher retirement plan		71,457	
Add: net pension asset - teacher legacy pension plan		<u>1,324,418</u>	1,507,318
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>168,811</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>14,959,518</u></u>

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

Discretely Presented Lake County School Department

For the Year Ended June 30, 2025

	Major Funds		Nonmajor Funds	
	General Purpose School	School Federal Projects	Other Govern- mental Funds	Total Governmental Funds
Revenues				
Local Taxes	\$ 1,209,612	\$ 0	\$ 0	\$ 1,209,612
Licenses and Permits	275	0	0	275
Charges for Current Services	13,590	0	36,447	50,037
Other Local Revenues	92,000	0	381,001	473,001
State of Tennessee	7,179,070	33,589	4,520	7,217,179
Federal Government	78,511	2,841,512	674,531	3,594,554
Other Governments and Citizens Groups	182,491	0	0	182,491
Total Revenues	<u>\$ 8,755,549</u>	<u>\$ 2,875,101</u>	<u>\$ 1,096,499</u>	<u>\$ 12,727,149</u>
Expenditures				
Current:				
Instruction	\$ 4,554,598	\$ 650,849	\$ 0	\$ 5,205,447
Support Services	4,029,992	923,453	0	4,953,445
Operation of Non-Instructional Services	255,093	3,077	1,155,481	1,413,651
Capital Outlay	1,631,601	1,447,296	0	3,078,897
Debt Service:				
Other Debt Service	244,172	0	0	244,172
Total Expenditures	<u>\$ 10,715,456</u>	<u>\$ 3,024,675</u>	<u>\$ 1,155,481</u>	<u>\$ 14,895,612</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,959,907)</u>	<u>\$ (149,574)</u>	<u>\$ (58,982)</u>	<u>\$ (2,168,463)</u>
Net Change in Fund Balances	\$ (1,959,907)	\$ (149,574)	\$ (58,982)	\$ (2,168,463)
Fund Balance, July 1, 2024	<u>4,044,307</u>	<u>406,979</u>	<u>751,363</u>	<u>5,202,649</u>
Fund Balance, June 30, 2025	<u>\$ 2,084,400</u>	<u>\$ 257,405</u>	<u>\$ 692,381</u>	<u>\$ 3,034,186</u>

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

Discretely Presented Lake County School Department

For the Year Ended June 30, 2025

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

Net change in fund balances - total governmental funds (Exhibit I-4)		\$ (2,168,463)
(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	\$ 2,378,878	
Less: current-year depreciation expense	<u>(604,741)</u>	1,774,137
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2025	\$ 168,811	
Less: deferred delinquent property taxes and other deferred June 30, 2024	<u>(54,530)</u>	114,281
(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	\$ (37,749)	
Change in net OPEB liability	103,500	
Change in deferred outflows related to OPEB	(31,507)	
Change in deferred inflows related to OPEB	(67,481)	
Change in net pension asset/liability - agent plan	112,667	
Change in net pension asset - teacher retirement plan	30,914	
Change in net pension asset - teacher legacy pension plan	228,739	
Change in deferred outflows related to pensions	(326,596)	
Change in deferred inflows related to pensions	<u>(219,213)</u>	<u>(206,726)</u>
Change in net position of governmental activities (Exhibit B)		<u><u>\$ (486,771)</u></u>

LAKE COUNTY, TENNESSEE**Combining Balance Sheet - Nonmajor Governmental Funds**

Discretely Presented Lake County School Department

June 30, 2025

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	Central Cafeteria	Internal School	
ASSETS			
Cash	\$ 0	\$ 327,335	\$ 327,335
Equity in Pooled Cash and Investments	329,379	0	329,379
Accounts Receivable	1,688	0	1,688
Due from Other Governments	69,676	0	69,676
Due from Other Funds	4,520	0	4,520
Total Assets	\$ 405,263	\$ 327,335	\$ 732,598
LIABILITIES			
Accounts Payable	\$ 0	\$ 3,436	\$ 3,436
Payroll Deductions Payable	1,525	0	1,525
Due to Other Funds	35,256	0	35,256
Total Liabilities	\$ 36,781	\$ 3,436	\$ 40,217
FUND BALANCES			
Restricted:			
Restricted for Education	\$ 0	\$ 323,899	\$ 323,899
Restricted for Operation of Non-instructional Services	368,482	0	368,482
Total Fund Balances	\$ 368,482	\$ 323,899	\$ 692,381
Total Liabilities and Fund Balances	\$ 405,263	\$ 327,335	\$ 732,598

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

Discretely Presented Lake County School Department

For the Year Ended June 30, 2025

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	Central Cafeteria	Internal School	
Revenues			
Charges for Current Services	\$ 36,447	\$ 0	\$ 36,447
Other Local Revenues	10,741	370,260	381,001
State of Tennessee	4,520	0	4,520
Federal Government	674,531	0	674,531
Total Revenues	<u>\$ 726,239</u>	<u>\$ 370,260</u>	<u>\$ 1,096,499</u>
Expenditures			
Current:			
Operation of Non-Instructional Services	\$ 802,301	\$ 353,180	\$ 1,155,481
Total Expenditures	<u>\$ 802,301</u>	<u>\$ 353,180</u>	<u>\$ 1,155,481</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (76,062)</u>	<u>\$ 17,080</u>	<u>\$ (58,982)</u>
Net Change in Fund Balances	\$ (76,062)	\$ 17,080	\$ (58,982)
Fund Balance, July 1, 2024	<u>444,544</u>	<u>306,819</u>	<u>751,363</u>
Fund Balance, June 30, 2025	<u><u>\$ 368,482</u></u>	<u><u>\$ 323,899</u></u>	<u><u>\$ 692,381</u></u>

LAKE COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Lake County School Department
General Purpose School Fund
For the Year Ended June 30, 2025

			Budgeted Amounts		Variance with Final Budget - Positive (Negative)
	Actual		Original	Final	
Revenues					
Local Taxes	\$ 1,209,612	\$	1,229,963	\$ 1,228,963	\$ (19,351)
Licenses and Permits	275		200	200	75
Charges for Current Services	13,590		0	0	13,590
Other Local Revenues	92,000		35,000	35,000	57,000
State of Tennessee	7,179,070		7,720,202	7,747,771	(568,701)
Federal Government	78,511		0	0	78,511
Other Governments and Citizens Groups	182,491		0	182,491	0
Total Revenues	<u>\$ 8,755,549</u>	<u>\$</u>	<u>8,985,365</u>	<u>\$ 9,194,425</u>	<u>\$ (438,876)</u>
Expenditures					
Instruction					
Regular Instruction Program	\$ 3,513,095	\$	3,618,471	\$ 3,497,762	\$ (15,333)
Special Education Program	508,237		470,810	481,249	(26,988)
Career and Technical Education Program	533,266		894,905	882,605	349,339
Support Services					
Attendance	55,333		95,342	62,342	7,009
Health Services	183,611		190,690	192,190	8,579
Other Student Support	387,065		188,094	397,357	10,292
Regular Instruction Program	428,020		413,203	517,432	89,412
Special Education Program	95,771		99,907	100,552	4,781
Career and Technical Education Program	47,000		77,057	7,426	(39,574)
Technology	114,494		152,491	166,608	52,114
Other Programs	15,378		0	15,378	0
Board of Education	277,343		164,739	342,819	65,476
Director of Schools	304,103		238,834	305,334	1,231
Office of the Principal	612,334		612,096	652,096	39,762
Fiscal Services	269,315		240,464	288,464	19,149
Human Services/Personnel	43,682		49,569	48,185	4,503
Operation of Plant	773,738		640,921	766,421	(7,317)
Maintenance of Plant	145,260		153,792	153,792	8,532
Transportation	277,545		276,064	297,870	20,325
Operation of Non-Instructional Services					
Community Services	80,502		0	80,228	(274)
Early Childhood Education	174,591		215,801	215,803	41,212

(Continued)

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

		Budgeted Amounts		Variance
	Actual	Original	Final	with Final Budget - Positive (Negative)
Expenditures (Cont.)				
Capital Outlay				
Regular Capital Outlay	\$ 1,631,601	\$ 161,000	\$ 985,730	\$ (645,871)
Principal on Debt				
Education	0	119,172	0	0
Other Debt Service				
Education	244,172	0	244,172	0
Total Expenditures	<u>\$ 10,715,456</u>	<u>\$ 9,073,422</u>	<u>\$ 10,701,815</u>	<u>\$ (13,641)</u>
Excess (Deficiency) of Revenues				
Over Expenditures	\$ (1,959,907)	\$ (88,057)	\$ (1,507,390)	\$ (452,517)
Other Financing Sources (Uses)				
Transfers In	\$ 0	\$ 10,000	\$ 10,000	\$ (10,000)
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ (10,000)</u>
Net Change in Fund Balance	\$ (1,959,907)	\$ (78,057)	\$ (1,497,390)	\$ (462,517)
Fund Balance, July 1, 2024	<u>4,044,307</u>	<u>4,030,302</u>	<u>4,030,302</u>	<u>14,005</u>
Fund Balance, June 30, 2025	<u><u>\$ 2,084,400</u></u>	<u><u>\$ 3,952,245</u></u>	<u><u>\$ 2,532,912</u></u>	<u><u>\$ (448,512)</u></u>

LAKE COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Lake County School Department
School Federal Projects Fund
For the Year Ended June 30, 2025

		Budgeted Amounts		Variance with Final Budget - Positive (Negative)
	Actual	Original	Final	
Revenues				
State of Tennessee	\$ 33,589	\$ 0	\$ 0	\$ 33,589
Federal Government	2,841,512	3,548,053	3,548,053	(706,541)
Total Revenues	<u>\$ 2,875,101</u>	<u>\$ 3,548,053</u>	<u>\$ 3,548,053</u>	<u>\$ (672,952)</u>
Expenditures				
Instruction				
Regular Instruction Program	\$ 474,330	\$ 513,204	\$ 514,846	\$ 40,516
Special Education Program	159,648	185,731	185,131	25,483
Career and Technical Education Program	16,871	15,847	16,910	39
Support Services				
Attendance	3,178	5,922	5,922	2,744
Other Student Support	440,431	851,447	944,667	504,236
Regular Instruction Program	365,899	473,953	472,644	106,745
Special Education Program	109,061	115,773	116,373	7,312
Career and Technical Education Program	1,970	3,000	1,970	0
Transportation	2,914	3,620	6,545	3,631
Operation of Non-Instructional Services				
Food Service	3,077	3,090	3,090	13
Capital Outlay				
Regular Capital Outlay	1,447,296	1,447,296	1,447,296	0
Total Expenditures	<u>\$ 3,024,675</u>	<u>\$ 3,618,883</u>	<u>\$ 3,715,394</u>	<u>\$ 690,719</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (149,574)</u>	<u>\$ (70,830)</u>	<u>\$ (167,341)</u>	<u>\$ 17,767</u>
Net Change in Fund Balance	\$ (149,574)	\$ (70,830)	\$ (167,341)	\$ 17,767
Fund Balance, July 1, 2024	<u>406,979</u>	<u>406,979</u>	<u>406,979</u>	<u>0</u>
Fund Balance, June 30, 2025	<u><u>\$ 257,405</u></u>	<u><u>\$ 336,149</u></u>	<u><u>\$ 239,638</u></u>	<u><u>\$ 17,767</u></u>

LAKE COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Lake County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2025

		Budgeted Amounts		Variance with Final Budget - Positive (Negative)
	Actual	Original	Final	
Revenues				
Charges for Current Services	\$ 36,447	\$ 58,500	\$ 58,500	\$ (22,053)
Other Local Revenues	10,741	22,225	22,225	(11,484)
State of Tennessee	4,520	4,000	4,000	520
Federal Government	674,531	767,621	806,257	(131,726)
Total Revenues	<u>\$ 726,239</u>	<u>\$ 852,346</u>	<u>\$ 890,982</u>	<u>\$ (164,743)</u>
Expenditures				
Support Services				
Other Student Support	\$ 0	\$ 500	\$ 500	\$ 500
Operation of Non-Instructional Services				
Food Service	802,301	851,846	890,482	88,181
Total Expenditures	<u>\$ 802,301</u>	<u>\$ 852,346</u>	<u>\$ 890,982</u>	<u>\$ 88,681</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (76,062)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (76,062)</u>
Net Change in Fund Balance	\$ (76,062)	\$ 0	\$ 0	\$ (76,062)
Fund Balance, July 1, 2024	<u>444,544</u>	<u>444,544</u>	<u>444,544</u>	<u>0</u>
Fund Balance, June 30, 2025	<u><u>\$ 368,482</u></u>	<u><u>\$ 444,544</u></u>	<u><u>\$ 444,544</u></u>	<u><u>\$ (76,062)</u></u>

LAKE COUNTY, TENNESSEE**Statement of Net Position - Fiduciary Fund**

Discretely Presented Lake County School Department

June 30, 2025**Other
Trust
Fund**

Private
Purpose
Trust

ASSETS

Equity in Pooled Cash and Investments

\$ 347,712

Total Assets

\$ 347,712

NET POSITION

Held in Trust for College Scholarships for Lake County Students

\$ 347,712

LAKE COUNTY, TENNESSEE**Statement of Changes in Net Position - Fiduciary Fund**

Discretely Presented Lake County School Department

For the Year Ended June 30, 2025

	Other Trust Fund
	<u>Private Purpose Trust</u>
ADDITIONS	
Other Local Revenues	
Investment Income	\$ 10,528
Total Additions	<u>\$ 10,528</u>
DEDUCTIONS	
Other	
Scholarships	\$ 1,000
Trustee Commission	110
Total Deductions	<u>\$ 1,110</u>
Change in Net Position	\$ 9,418
Net Position, July 1, 2024	<u>338,294</u>
Net Position, June 30, 2025	<u><u>\$ 347,712</u></u>

MISCELLANEOUS SCHEDULES

LAKE COUNTY, TENNESSEE
Schedule of Changes in Long-term Other Loans and Bonds
For the Year Ended June 20, 2025

Description of Indebtedness	Original Amount of Issue	Interest Rate		Date of Issue	Last Maturity Date	Outstanding 7-1-24	Paid and/or Matured During Period	Outstanding 6-30-25
OTHER LOANS PAYABLE								
Payable through General Debt Service Fund								
Energy Efficient School Initiative, 2018	\$ 1,694,232	1.5	%	8-20-18	8-1-35	\$ 1,216,100	\$ 101,624	\$ 1,114,476
Total Other Loans Payable						<u>\$ 1,216,100</u>	<u>\$ 101,624</u>	<u>\$ 1,114,476</u>
BONDS PAYABLE								
Payable through General Debt Service Fund								
General Obligation Refunding Bonds, Series 2016	2,595,000	.75 to 3.5		3-24-16	6-1-36	\$ 1,685,000	\$ 120,000	\$ 1,565,000
General Obligation Refunding Bonds, Series 2020	6,245,000	2 to 5		6-19-20	6-1-37	4,855,000	390,000	4,465,000
Total Bonds Payable						<u>\$ 6,540,000</u>	<u>\$ 510,000</u>	<u>\$ 6,030,000</u>

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

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2026	\$ 103,162	\$ 16,010	\$ 119,172
2027	104,723	14,449	119,172
2028	106,298	12,874	119,172
2029	107,908	11,264	119,172
2030	109,541	9,631	119,172
2031	111,188	7,984	119,172
2032	112,870	6,302	119,172
2033	114,576	4,596	119,172
2034	116,306	2,866	119,172
2035	118,009	1,163	119,172
2036	9,895	2	9,897
Total	\$ 1,114,476	\$ 87,141	\$ 1,201,617

Year Ending June 30	Bonds		
	Principal	Interest	Total
2026	\$ 530,000	\$ 167,013	\$ 697,013
2027	550,000	143,033	693,033
2028	580,000	118,033	698,033
2029	595,000	104,743	699,743
2030	600,000	91,088	691,088
2031	530,000	77,333	607,333
2032	535,000	64,912	599,912
2033	550,000	52,038	602,038
2034	560,000	38,788	598,788
2035	580,000	25,263	605,263
2036	295,000	11,263	306,263
2037	125,000	2,650	127,650
Total	\$ 6,030,000	\$ 896,157	\$ 6,926,157

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

Primary Government and Discretely Presented Lake County School Department

For the Year Ended June 20, 2025

Official	Salary	Authorization	Bond	Surety
County Mayor		Section 8-24-102, <i>TCA</i>	\$ 400,000	Local Government Property and Casualty Fund
Base salary	\$ 99,043			
Planning commission compensation	1,200			
County commission compensation	3,600			
Total compensation	<u>\$ 103,843</u>			
Road Superintendent -		Section 8-24-102, <i>TCA</i>	400,000	"
Stephen Baker (7/1/24 - 12/23/24 and 2/18/25 - 6/30/25)				
Base salary	\$ 81,132			
Bonus	1,000			
Total compensation	<u>\$ 82,132</u>			
Road Superintendent - James Wiggins (1/7/25 to 2/17/25)		Section 8-24-102, <i>TCA</i>	400,000	"
Base salary/Total Compensation	\$ 13,195			
Total Road Superintendent compensation	<u>\$ 95,327</u>			
Director of Schools		State Board of Education and Lake County Board of Education	400,000	Tennessee Risk Management Trust
Base salary	\$ 121,712			
Bonus	2,000			
Vacation leave payout	13,488			
Chief executive officer training supplement	1,000			
Vehicle allowance	4,800			
Total compensation	<u>\$ 143,000</u>			
Trustee		Section 8-24-102, <i>TCA</i>	400,000	Local Government Property and Casualty Fund
Base salary/Total compensation	<u>\$ 85,752</u>			
Assessor of Property		Section 8-24-102, <i>TCA</i>	400,000	"
Base salary	\$ 85,752			
Planning commission compensation	1,200			
Total compensation	<u>\$ 86,952</u>			
County Clerk		Section 8-24-102, <i>TCA</i>	400,000	"
Base salary/Total compensation	<u>\$ 85,752</u>			
Circuit/General Sessions/Juvenile Courts Clerk		Section 8-24-102, <i>TCA</i>	400,000	"
Base salary/Total compensation	<u>\$ 85,752</u>			
Clerk and Master		Section 8-24-102, <i>TCA</i>	50,000	RLI Insurance Company
Base salary/Total compensation	<u>\$ 85,752</u>			
Register of Deeds		Section 8-24-102, <i>TCA</i>	400,000	Local Government Property and Casualty Fund
Base salary/Total compensation	<u>\$ 85,752</u>			
Sheriff		Section 8-24-102, <i>TCA</i>	400,000	"
Base salary	\$ 94,327			
Law enforcement training supplement	1,600			
Total compensation	<u>\$ 95,927</u>			
Administrator of Elections		Section 2-12-208, <i>TCA</i>	400,000	"
Base salary	\$ 77,177			
Commission approved increase	8,575			
Total compensation	<u>\$ 85,752</u>			
Blanket Bond:				
County and Highway Employees			400,000	Local Government Property and Casualty Fund
Director of Schools			400,000	Tennessee Risk Management Trust

LAKE COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2025

	Special Revenue Funds					
	General	Law Library	Solid Waste / Sanitation	Drug Control	Other General Government	Highway / Public Works
Local Taxes						
County Property Taxes						
Current Property Tax	\$ 3,210,200	\$ 0	\$ 192,033	\$ 0	\$ 0	\$ 26,700
Trustee's Collections - Prior Year	68,668	0	6,289	0	0	807
Circuit Clerk/Clerk and Master Collections - Prior Years	15,378	0	1,332	0	0	173
Interest and Penalty	15,287	0	1,200	0	0	167
Payments in-Lieu-of Taxes - Other	18,274	0	0	0	0	0
County Local Option Taxes						
Local Option Sales Tax	69,614	0	0	0	0	0
Hotel/Motel Tax	43,008	0	0	0	0	0
Wheel Tax	231,850	0	6,401	0	0	0
Litigation Tax - General	6,272	0	0	0	0	0
Litigation Tax - Special Purpose	2,105	793	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	56	0	0	0	0
Litigation Tax - Courthouse Security	902	0	0	0	0	0
Business Tax	35,579	0	0	0	0	0
Statutory Local Taxes						
Bank Excise Tax	14,262	0	0	0	0	0
Wholesale Beer Tax	5,056	0	0	0	0	0
Total Local Taxes	\$ 3,736,455	\$ 849	\$ 207,255	\$ 0	\$ 0	\$ 27,847

(Continued)

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

	Special Revenue Funds					
	General	Law Library	Solid Waste / Sanitation	Drug Control	Other General Government	Highway / Public Works
Licenses and Permits						
Licenses						
Cable TV Franchise	\$ 3,291	\$ 0	\$ 0	\$ 0	\$ 0	0
Permits						
Building Permits	3,000	0	0	0	0	0
Total Licenses and Permits	<u>\$ 6,291</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
Fines, Forfeitures, and Penalties						
Circuit Court						
Officers Costs	\$ 2,216	\$ 0	\$ 0	\$ 0	\$ 0	0
Drug Control Fines	2,908	0	0	0	0	0
Drug Court Fees	133	0	0	0	0	0
Data Entry Fee - Circuit Court	243	0	0	0	0	0
Courtroom Security Fee	629	0	0	0	0	0
Criminal Court						
DUI Treatment Fines	59	0	0	0	0	0
General Sessions Court						
Fines	2,053	0	0	0	0	0
Officers Costs	9,308	0	0	0	0	0
Game and Fish Fines	22	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					
	General	Law Library	Solid Waste / Sanitation	Drug Control	Other General Government	Highway / Public Works
Fines, Forfeitures, and Penalties (Cont.)						
General Sessions Court (Cont.)						
Drug Control Fines	\$ 558	\$ 0	\$ 0	\$ 1,591	\$ 0	\$ 0
Drug Court Fees	1,802	0	0	0	0	0
Jail Fees	3,988	0	0	0	0	0
DUI Treatment Fines	665	0	0	0	0	0
Data Entry Fee - General Sessions Court	8,569	0	0	0	0	0
Courtroom Security Fee	13	0	0	0	0	0
Juvenile Court						
Fines	238	0	0	0	0	0
Courtroom Security Fee	25	0	0	0	0	0
Chancery Court						
Officers Costs	464	0	0	0	0	0
Data Entry Fee - Chancery Court	401	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 34,294	\$ 0	\$ 0	\$ 1,591	\$ 0	\$ 0
Charges for Current Services						
General Service Charges						
Tipping Fees	\$ 0	\$ 0	\$ 22,158	\$ 0	\$ 0	\$ 0
Surcharge - Waste Tire Disposal	0	0	879	0	0	0
Patient Charges	1,004,208	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					
	General	Law Library	Solid Waste / Sanitation	Drug Control	Other General Government	Highway / Public Works
Charges for Current Services (Cont.)						
Fees						
Copy Fees	\$ 110	\$ 0	\$ 0	\$ 0	\$ 0	0
Archives and Records Management Fee	2,486	0	0	0	0	0
Telephone Commissions	13,139	0	0	0	0	0
Vending Machine Collections	25	0	0	0	0	0
Additional Fees - Titling and Registration	3,012	0	0	0	0	0
Data Processing Fee - Register	1,292	0	0	0	0	0
Data Processing Fee - Sheriff	455	0	0	0	0	0
Data Processing Fee - County Clerk	165	0	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	5,673	0	0	0	0	0
Total Charges for Current Services	<u>\$ 1,030,565</u>	<u>\$ 0</u>	<u>\$ 23,037</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
Other Local Revenues						
Recurring Items						
Investment Income	\$ 324,305	\$ 0	\$ 0	\$ 0	4,184	0
Lease/Rentals/PPP	61,935	0	0	0	0	0
Sale of Materials and Supplies	0	0	5,500	0	0	3,096
Commissary Sales	2,518	0	0	0	0	0
Miscellaneous Refunds	37,579	0	0	0	0	6,127

(Continued)

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

	Special Revenue Funds					
	General	Law Library	Solid Waste / Sanitation	Drug Control	Other General Government	Highway / Public Works
Other Local Revenues (Cont.)						
Nonrecurring Items						
Sale of Equipment	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,000
Sale of Property	36,355	0	0	0	0	0
Other Local Revenues						
Other Local Revenues	2,993	0	0	0	0	0
Total Other Local Revenues	<u>\$ 465,685</u>	<u>\$ 0</u>	<u>\$ 5,500</u>	<u>\$ 0</u>	<u>\$ 4,184</u>	<u>\$ 21,223</u>
Fees Received From County Officials						
Fees In-Lieu-of Salary						
County Clerk	\$ 54,729	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	17,725	0	0	0	0	0
General Sessions Court Clerk	23,278	0	0	0	0	0
Clerk and Master	12,077	0	0	0	0	0
Juvenile Court Clerk	18	0	0	0	0	0
Register	17,099	0	0	0	0	0
Sheriff	3,592	0	0	0	0	0
Trustee	157,991	0	0	0	0	0
Total Fees Received From County Officials	<u>\$ 286,509</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

(Continued)

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

	Special Revenue Funds					
	General	Law Library	Solid Waste / Sanitation	Drug Control	Other General Government	Highway / Public Works
State of Tennessee						
General Government Grants						
Juvenile Services Program	\$ 13,500	\$ 0	\$ 0	\$ 0	\$ 0	0
Aging Programs	87,019	0	0	0	0	0
Public Safety Grants						
Law Enforcement Training Programs	7,200	0	0	0	0	0
School Resource Officer Grants	225,000	0	0	0	0	0
Other Public Safety Grants	29,470	0	0	0	0	0
Public Works Grants						
Bridge Program	0	0	0	0	0	815,185
Litter Program	7,598	0	0	0	0	0
Other State Revenues						
Beer Tax	17,752	0	0	0	0	0
Vehicle Certificate of Title Fees	7,091	0	0	0	0	0
Alcoholic Beverage Tax	25,192	0	0	0	0	0
Opioid Settlement Funds - TN Abatement Council	27,967	0	0	0	0	0
State Revenue Sharing - Telecommunications	7,519	0	0	0	0	0
State Shared Sports Gaming Privilege Tax	2,926	0	0	0	0	0
Contracted Prisoner Boarding	78,597	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	1,830,443

(Continued)

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

	Special Revenue Funds					
	General	Law Library	Solid Waste / Sanitation	Drug Control	Other General Government	Highway / Public Works
State of Tennessee (Cont.)						
Other State Revenues (Cont.)						
Hybrid/Electric Vehicle Registration Fee	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	22,063
Petroleum Special Tax	0	0	0	0	0	4,641
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	14,000	0	0	0	0	0
Other State Revenues	96,494	0	0	0	0	0
Total State of Tennessee	<u>\$ 662,489</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>2,672,332</u>
Federal Government						
Federal Through State						
Community Development	\$ 9,870	\$ 0	\$ 0	\$ 0	\$ 0	0
Homeland Security Grants	6,150	0	0	0	0	0
American Rescue Plan Act Grant #1	29,786	0	0	0	0	0
American Rescue Plan Act Grant #2	29,898	0	0	0	0	0
Other Federal through State	30,172	0	0	0	0	0
Direct Federal Revenue						
Other Direct Federal Revenue	15,000	0	0	0	0	0
Total Federal Government	<u>\$ 120,876</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>

(Continued)

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

		Special Revenue Funds					
		General	Law Library	Solid Waste / Sanitation	Drug Control	Other General Government	Highway / Public Works
Other Governments and Citizens Groups							
Other Governments							
Paving and Maintenance	\$	0	\$	0	\$	0	\$ 15,185
Contributions		3,500		0		0	0
Contracted Services		246,345		3,546		0	0
Other							
Opioid Settlement Funds - Past Remediation		9,904		0		0	0
Total Other Governments and Citizens Groups	\$	259,749	\$	3,546	\$	0	\$ 15,185
Total	\$	6,602,913	\$	239,338	\$	4,184	\$ 2,736,587

(Continued)

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

	Debt Service Fund	
	General Debt Service	Total
Local Taxes		
County Property Taxes		
Current Property Tax	\$ 294,884	\$ 3,723,817
Trustee's Collections - Prior Year	267	76,031
Circuit Clerk/Clerk and Master Collections - Prior Years	0	16,883
Interest and Penalty	421	17,075
Payments in-Lieu-of Taxes - Other	0	18,274
County Local Option Taxes		
Local Option Sales Tax	556,439	626,053
Hotel/Motel Tax	0	43,008
Wheel Tax	70,262	308,513
Litigation Tax - General	0	6,272
Litigation Tax - Special Purpose	185	3,083
Litigation Tax - Jail, Workhouse, or Courthouse	3,134	3,190
Litigation Tax - Courthouse Security	0	902
Business Tax	2,092	37,671
Statutory Local Taxes		
Bank Excise Tax	0	14,262
Wholesale Beer Tax	0	5,056
Total Local Taxes	<u>\$ 927,684</u>	<u>\$ 4,900,090</u>

(Continued)

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

	Debt Service Fund		
	General Debt Service		Total
Licenses and Permits			
Licenses			
Cable TV Franchise	\$	0	\$ 3,291
Permits			
Building Permits		0	3,000
Total Licenses and Permits	<u>\$</u>	<u>0</u>	<u>\$ 6,291</u>
Fines, Forfeitures, and Penalties			
Circuit Court			
Officers Costs	\$	0	\$ 2,216
Drug Control Fines		0	2,908
Drug Court Fees		0	133
Data Entry Fee - Circuit Court		0	243
Courtroom Security Fee		0	629
Criminal Court			
DUI Treatment Fines		0	59
General Sessions Court			
Fines		0	2,053
Officers Costs		0	9,308
Game and Fish Fines		0	22

(Continued)

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

	Debt Service Fund		
	General Debt Service		Total
Fines, Forfeitures, and Penalties (Cont.)			
General Sessions Court (Cont.)			
Drug Control Fines	\$	0	\$ 2,149
Drug Court Fees		0	1,802
Jail Fees		0	3,988
DUI Treatment Fines		0	665
Data Entry Fee - General Sessions Court		0	8,569
Courtroom Security Fee		0	13
Juvenile Court			
Fines		0	238
Courtroom Security Fee		0	25
Chancery Court			
Officers Costs		0	464
Data Entry Fee - Chancery Court		0	401
Total Fines, Forfeitures, and Penalties	<u>\$</u>	<u>0</u>	<u>\$ 35,885</u>
Charges for Current Services			
General Service Charges			
Tipping Fees	\$	0	\$ 22,158
Surcharge - Waste Tire Disposal		0	879
Patient Charges		0	1,004,208

(Continued)

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

	Debt Service Fund		
	General Debt Service		Total
Charges for Current Services (Cont.)			
Fees			
Copy Fees	\$	0	\$ 110
Archives and Records Management Fee		0	2,486
Telephone Commissions		0	13,139
Vending Machine Collections		0	25
Additional Fees - Titling and Registration		0	3,012
Data Processing Fee - Register		0	1,292
Data Processing Fee - Sheriff		0	455
Data Processing Fee - County Clerk		0	165
Vehicle Insurance Coverage and Reinstatement Fees		0	5,673
Total Charges for Current Services	<u>\$</u>	<u>0</u>	<u>\$ 1,053,602</u>
 Other Local Revenues			
Recurring Items			
Investment Income	\$	0	\$ 328,489
Lease/Rentals/PPP		0	61,935
Sale of Materials and Supplies		0	8,596
Commissary Sales		0	2,518
Miscellaneous Refunds		0	43,706

(Continued)

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

	Debt Service Fund		
	General Debt Service		Total
Other Local Revenues (Cont.)			
Nonrecurring Items			
Sale of Equipment	\$	0	\$ 12,000
Sale of Property		0	36,355
Other Local Revenues			
Other Local Revenues		0	2,993
Total Other Local Revenues	<u>\$</u>	<u>0</u>	<u>\$ 496,592</u>
 Fees Received From County Officials			
Fees In-Lieu-of Salary			
County Clerk	\$	0	\$ 54,729
Circuit Court Clerk		0	17,725
General Sessions Court Clerk		0	23,278
Clerk and Master		0	12,077
Juvenile Court Clerk		0	18
Register		0	17,099
Sheriff		0	3,592
Trustee		0	157,991
Total Fees Received From County Officials	<u>\$</u>	<u>0</u>	<u>\$ 286,509</u>

(Continued)

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

	Debt Service Fund		
	General Debt Service		Total
State of Tennessee			
General Government Grants			
Juvenile Services Program	\$ 0	\$	13,500
Aging Programs	0		87,019
Public Safety Grants			
Law Enforcement Training Programs	0		7,200
School Resource Officer Grants	0		225,000
Other Public Safety Grants	0		29,470
Public Works Grants			
Bridge Program	0		815,185
Litter Program	0		7,598
Other State Revenues			
Beer Tax	0		17,752
Vehicle Certificate of Title Fees	0		7,091
Alcoholic Beverage Tax	0		25,192
Opioid Settlement Funds - TN Abatement Council	0		27,967
State Revenue Sharing - Telecommunications	0		7,519
State Shared Sports Gaming Privilege Tax	0		2,926
Contracted Prisoner Boarding	0		78,597
Gasoline and Motor Fuel Tax	0		1,830,443

(Continued)

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

	Debt Service Fund		
	General Debt Service		Total
State of Tennessee (Cont.)			
Other State Revenues (Cont.)			
Hybrid/Electric Vehicle Registration Fee	\$	0	\$ 22,063
Petroleum Special Tax		0	4,641
Registrar's Salary Supplement		0	15,164
Other State Grants		0	14,000
Other State Revenues		0	96,494
Total State of Tennessee	<u>\$</u>	<u>0</u>	<u>\$ 3,334,821</u>
Federal Government			
Federal Through State			
Community Development	\$	0	\$ 9,870
Homeland Security Grants		0	6,150
American Rescue Plan Act Grant #1		0	29,786
American Rescue Plan Act Grant #2		0	29,898
Other Federal through State		0	30,172
Direct Federal Revenue			
Other Direct Federal Revenue		0	15,000
Total Federal Government	<u>\$</u>	<u>0</u>	<u>\$ 120,876</u>

(Continued)

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

	Debt Service Fund	
	General Debt Service	Total
Other Governments and Citizens Groups		
Other Governments		
Paving and Maintenance	\$ 0	\$ 15,185
Contributions	244,172	247,672
Contracted Services	0	249,891
Other		
Opioid Settlement Funds - Past Remediation	0	9,904
Total Other Governments and Citizens Groups	<u>\$ 244,172</u>	<u>\$ 522,652</u>
Total	<u><u>\$ 1,171,856</u></u>	<u><u>\$ 10,757,318</u></u>

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

Discretely Presented Lake County School Department

For the Year Ended June 30, 2025

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total
Local Taxes					
County Property Taxes					
Current Property Tax	\$ 702,136	\$ 0	\$ 0	\$ 0	\$ 702,136
Trustee's Collections - Prior Year	20,860	0	0	0	20,860
Circuit Clerk/Clerk and Master Collections - Prior Years	4,724	0	0	0	4,724
Interest and Penalty	4,275	0	0	0	4,275
County Local Option Taxes					
Local Option Sales Tax	435,445	0	0	0	435,445
Wheel Tax	37,986	0	0	0	37,986
Business Tax	4,186	0	0	0	4,186
Total Local Taxes	<u>\$ 1,209,612</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,209,612</u>
Licenses and Permits					
Licenses					
Marriage Licenses	\$ 275	\$ 0	\$ 0	\$ 0	\$ 275
Total Licenses and Permits	<u>\$ 275</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 275</u>

(Continued)

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

Discretely Presented Lake County School Department (Cont.)

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total
Charges for Current Services					
Education Charges					
Lunch Payments - Adults	\$ 0	\$ 0	\$ 12,818	\$ 0	\$ 12,818
Income from Breakfast	0	0	898	0	898
Special Milk Sales	0	0	73	0	73
A la Carte Sales	0	0	22,658	0	22,658
Receipts from Individual Schools	13,190	0	0	0	13,190
Other Charges for Services	400	0	0	0	400
Total Charges for Current Services	<u>\$ 13,590</u>	<u>\$ 0</u>	<u>\$ 36,447</u>	<u>\$ 0</u>	<u>\$ 50,037</u>
Other Local Revenues					
Recurring Items					
Investment Income	\$ 22,121	\$ 0	\$ 0	\$ 0	\$ 22,121
Miscellaneous Refunds	62,879	0	10,741	0	73,620
Nonrecurring Items					
Contributions and Gifts	7,000	0	0	0	7,000
Other Local Revenues					
Other Local Revenues	0	0	0	370,260	370,260
Total Other Local Revenues	<u>\$ 92,000</u>	<u>\$ 0</u>	<u>\$ 10,741</u>	<u>\$ 370,260</u>	<u>\$ 473,001</u>

(Continued)

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

Discretely Presented Lake County School Department (Cont.)

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total
State of Tennessee					
General Government Grants					
On-behalf Contributions for OPEB	\$ 15,378	\$ 0	\$ 0	\$ 0	\$ 15,378
State Education Funds					
Tennessee Investment in Student Achievement	6,527,466	0	0	0	6,527,466
TISA - On-behalf Payments	12,191	0	0	0	12,191
Early Childhood Education	160,208	0	0	0	160,208
School Food Service	0	0	4,520	0	4,520
Other State Education Funds	81,320	0	0	0	81,320
Career Ladder Program	5,125	0	0	0	5,125
Other Vocational	129,975	0	0	0	129,975
Other State Revenues					
State Revenue Sharing - T.V.A.	247,407	0	0	0	247,407
Other State Grants	0	33,589	0	0	33,589
Total State of Tennessee	\$ 7,179,070	\$ 33,589	\$ 4,520	\$ 0	\$ 7,217,179
Federal Government					
Federal Through State					
USDA School Lunch Program	\$ 0	\$ 0	\$ 402,487	\$ 0	\$ 402,487

(Continued)

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

Discretely Presented Lake County School Department (Cont.)

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	Internal School	Total
Federal Government (Cont.)					
Federal Through State (Cont.)					
USDA - Commodities	\$ 0	\$ 0	\$ 38,636	\$ 0	\$ 38,636
Breakfast	0	0	227,288	0	227,288
USDA - Other	0	0	6,120	0	6,120
Vocational Education - Basic Grants to States	0	22,130	0	0	22,130
Title I Grants to Local Education Agencies	0	489,499	0	0	489,499
Special Education - Grants to States	0	172,962	0	0	172,962
Special Education Preschool Grants	0	10,178	0	0	10,178
Rural Education	0	15,581	0	0	15,581
Eisenhower Professional Development State Grants	0	39,086	0	0	39,086
American Rescue Plan Act Grant #1	0	1,655,546	0	0	1,655,546
Other Federal through State	78,511	436,530	0	0	515,041
Total Federal Government	<u>\$ 78,511</u>	<u>\$ 2,841,512</u>	<u>\$ 674,531</u>	<u>\$ 0</u>	<u>\$ 3,594,554</u>
Other Governments and Citizens Groups					
Other Governments					
Contributions	\$ 182,491	\$ 0	\$ 0	\$ 0	\$ 182,491
Total Other Governments and Citizens Groups	<u>\$ 182,491</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 182,491</u>
Total	<u>\$ 8,755,549</u>	<u>\$ 2,875,101</u>	<u>\$ 726,239</u>	<u>\$ 370,260</u>	<u>\$ 12,727,149</u>

LAKE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2025

General Fund

General Government

County Commission

Other Per Diem and Fees	\$	37,000	
Social Security		2,846	
Pensions		837	
Audit Services		3,082	
Total County Commission			\$ 43,765

County Mayor/Executive

County Official/Administrative Officer	\$	99,043	
Accountants/Bookkeepers		30,273	
Secretary(ies)		30,179	
Longevity Pay		250	
Other Per Diem and Fees		2,467	
Social Security		12,081	
Pensions		9,205	
Unemployment Compensation		134	
Communication		2,035	
Data Processing Services		22,375	
Postal Charges		1,564	
Printing, Stationery, and Forms		2,463	
Travel		1,890	
Office Supplies		1,373	
Other Charges		4,220	
Total County Mayor/Executive			219,552

County Attorney

County Official/Administrative Officer	\$	11,250	
Total County Attorney			11,250

Election Commission

County Official/Administrative Officer	\$	85,752
Other Salaries and Wages		1,740
Election Commission		4,000
Election Workers		10,675
Social Security		6,435
Pensions		4,949
Communication		1,971

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Data Processing Services	\$	20,097	
Legal Notices, Recording, and Court Costs		2,996	
Postal Charges		1,369	
Printing, Stationery, and Forms		1,638	
Travel		396	
Office Supplies		1,144	
Total Election Commission			\$ 143,162

Register of Deeds

County Official/Administrative Officer	\$	85,752	
Deputy(ies)		15,054	
Longevity Pay		100	
Social Security		7,687	
Pensions		5,825	
Unemployment Compensation		35	
Communication		1,459	
Data Processing Services		1,628	
Dues and Memberships		160	
Postal Charges		536	
Printing, Stationery, and Forms		2,340	
Other Contracted Services		22	
Office Supplies		502	
Total Register of Deeds			121,100

Development

Board and Committee Members Fees	\$	6,381	
Social Security		486	
Unemployment Compensation		16	
Other Contracted Services		3,700	
Total Development			10,583

County Buildings

Maintenance and Repair Services - Buildings	\$	47,237	
Maintenance and Repair Services - Equipment		3,856	
Pest Control		3,093	
Custodial Supplies		4,722	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Electricity	\$	70,336	
Natural Gas		25,351	
Water and Sewer		17,593	
Other Supplies and Materials		6	
Building and Contents Insurance		70,174	
Total County Buildings			\$ 242,368

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	85,752	
Secretary(ies)		32,998	
Longevity Pay		400	
Other Salaries and Wages		2,500	
Board and Committee Members Fees		1,000	
Social Security		9,171	
Pensions		6,998	
Unemployment Compensation		70	
Communication		1,204	
Dues and Memberships		1,000	
Postal Charges		2,645	
Printing, Stationery, and Forms		202	
Travel		1,160	
Other Contracted Services		17,188	
Office Supplies		3,176	
Data Processing Equipment		22	
Total Property Assessor's Office			165,486

County Trustee's Office

County Official/Administrative Officer	\$	85,752	
Deputy(ies)		41,193	
Longevity Pay		350	
Social Security		9,525	
Pensions		7,339	
Unemployment Compensation		70	
Communication		1,517	
Data Processing Services		16,214	

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Dues and Memberships	\$	1,373	
Postal Charges		745	
Printing, Stationery, and Forms		430	
Rentals		1,227	
Travel		1,703	
Office Supplies		874	
Total County Trustee's Office			\$ 168,312

County Clerk's Office

County Official/Administrative Officer	\$	85,752	
Deputy(ies)		59,537	
Longevity Pay		400	
Social Security		11,119	
Pensions		8,357	
Unemployment Compensation		140	
Communication		4,944	
Data Processing Services		8,064	
Dues and Memberships		100	
Postal Charges		1,575	
Printing, Stationery, and Forms		42	
Office Supplies		1,274	
Total County Clerk's Office			181,304

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	85,752	
Deputy(ies)		85,051	
Longevity Pay		400	
Other Salaries and Wages		150	
Jury and Witness Expense		4,396	
Social Security		12,960	
Pensions		9,865	
Unemployment Compensation		256	
Communication		2,124	
Data Processing Services		19,296	
Dues and Memberships		165	

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Postal Charges	\$	1,024	
Printing, Stationery, and Forms		395	
Travel		209	
Other Contracted Services		11,212	
Office Supplies		4,379	
Other Charges		8,231	
Total Circuit Court			\$ 245,865

General Sessions Court

Judge(s)	\$	116,146	
Social Security		8,885	
Pensions		6,710	
Unemployment Compensation		140	
Communication		934	
Postal Charges		417	
Travel		995	
Office Supplies		162	
Total General Sessions Court			134,389

Chancery Court

County Official/Administrative Officer	\$	85,752	
Deputy(ies)		15,219	
Longevity Pay		100	
Social Security		7,076	
Pensions		5,825	
Unemployment Compensation		35	
Communication		1,065	
Data Processing Services		8,334	
Dues and Memberships		219	
Postal Charges		1,095	
Printing, Stationery, and Forms		542	
Travel		1,089	
Other Contracted Services		348	
Office Supplies		1,705	
Total Chancery Court			128,404

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court

County Official/Administrative Officer	\$	38,735	
Longevity Pay		50	
Other Salaries and Wages		1,400	
Social Security		3,085	
Pensions		2,335	
Unemployment Compensation		68	
Communication		1,608	
Maintenance and Repair Services - Vehicles		291	
Postal Charges		473	
Travel		1,166	
Other Contracted Services		12,010	
Gasoline		91	
Office Supplies		1,970	
Total Juvenile Court			\$ 63,282

Other Administration of Justice

Library Books/Media	\$	5,235	
Total Other Administration of Justice			5,235

Courtroom Security

Deputy(ies)	\$	26,727	
Social Security		2,316	
Unemployment Compensation		143	
Other Contracted Services		4,195	
Total Courtroom Security			33,381

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	94,327	
Deputy(ies)		410,133	
Salary Supplements		12,000	
Secretary(ies)		51,895	
Longevity Pay		2,300	
Overtime Pay		21,110	
In-service Training		2,146	
Social Security		44,652	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Pensions	\$	27,057	
Medical Insurance		180	
Unemployment Compensation		932	
Communication		17,988	
Contracts with Government Agencies		3,058	
Data Processing Services		6,148	
Dues and Memberships		2,000	
Maintenance and Repair Services - Vehicles		16,914	
Postal Charges		1,335	
Printing, Stationery, and Forms		272	
Travel		760	
Gasoline		15,803	
Office Supplies		2,029	
Uniforms		6,030	
Other Supplies and Materials		4,176	
Other Capital Outlay		126,097	
Total Sheriff's Department			\$ 869,342

Special Patrols

Deputy(ies)	\$	147,883	
Salary Supplements		6,400	
Longevity Pay		100	
Social Security		10,346	
Pensions		8,271	
Employee and Dependent Insurance		9,308	
Unemployment Compensation		201	
Maintenance and Repair Services - Equipment		168	
Maintenance and Repair Services - Vehicles		1,078	
Other Supplies and Materials		23,186	
Refunds		2,621	
Total Special Patrols			209,562

Jail

Dispatchers/Radio Operators	\$	412,668	
Secretary(ies)		16,224	
Part-time Personnel		49,451	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Longevity Pay	\$	1,350	
Overtime Pay		56,452	
In-service Training		2,698	
Social Security		40,418	
Pensions		26,662	
Unemployment Compensation		1,237	
Maintenance and Repair Services - Buildings		6,802	
Maintenance and Repair Services - Equipment		7,506	
Maintenance and Repair Services - Vehicles		2,069	
Medical and Dental Services		93,155	
Custodial Supplies		17,782	
Food Supplies		130,242	
Uniforms		1,118	
Other Supplies and Materials		11,099	
Other Capital Outlay		612	
Total Jail			\$ 877,545

Civil Defense

Supervisor/Director	\$	12,013	
Social Security		919	
Pensions		688	
Unemployment Compensation		5	
Travel		125	
Other Charges		3,975	
Total Civil Defense			17,725

Rescue Squad

Motor Vehicles	\$	27,000	
Total Rescue Squad			27,000

Public Health and Welfare

Local Health Center

Communication	\$	1,735	
Contracts with Government Agencies		2,882	
Maintenance and Repair Services - Buildings		15,926	
Other Contracted Services		7,685	

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Office Supplies	\$	460	
Other Capital Outlay		8,455	
Total Local Health Center			\$ 37,143

Ambulance/Emergency Medical Services

Supervisor/Director	\$	41,591	
Deputy(ies)		1,041	
Medical Personnel		654,772	
Longevity Pay		1,650	
Other Salaries and Wages		259,335	
Social Security		72,499	
Pensions		20,859	
Unemployment Compensation		1,606	
Communication		9,166	
Data Processing Services		5,841	
Maintenance and Repair Services - Equipment		10,226	
Maintenance and Repair Services - Vehicles		23,360	
Travel		1,676	
Other Contracted Services		113,534	
Drugs and Medical Supplies		27,925	
Gasoline		29,346	
Office Supplies		743	
Uniforms		4,619	
Other Supplies and Materials		764	
Total Ambulance/Emergency Medical Services			1,280,553

Sanitation Management

Deputy(ies)	\$	22,074	
Education Media Personnel		11,386	
Social Security		959	
Pensions		237	
Unemployment Compensation		71	
Maintenance and Repair Services - Vehicles		1,132	
Gasoline		1,109	
Other Charges		3,553	
Total Sanitation Management			40,521

(Continued)

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

General Fund (Cont.)

Social, Cultural, and Recreational Services

Senior Citizens Assistance

County Official/Administrative Officer	\$	27,656	
Supervisor/Director		29,766	
Part-time Personnel		11,121	
Social Security		4,425	
Pensions		3,347	
Unemployment Compensation		140	
Communication		3,368	
Contributions		1,121	
Maintenance and Repair Services - Buildings		4,927	
Travel		980	
Other Contracted Services		8,391	
Gasoline		746	
Office Supplies		54	
Other Supplies and Materials		384	
Other Charges		23,033	
Total Senior Citizens Assistance			\$ 119,459

Libraries

Contributions	\$	28,700	
Total Libraries			28,700

Other Social, Cultural, and Recreational

Contracts with Other Public Agencies	\$	28,798	
Other Charges		7,068	
Total Other Social, Cultural, and Recreational			35,866

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	17,694	
Secretary(ies)		6,092	
Pensions		3,008	
Communication		2,123	
Total Agricultural Extension Service			28,917

(Continued)

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

General Fund (Cont.)

Other Operations

Tourism

Contributions	\$ 49,398	
Total Tourism		\$ 49,398

Other Economic and Community Development

Contracts with Government Agencies	\$ 7,020	
Engineering Services	18,684	
Matching Share	3,000	
Other Contracted Services	20,783	
Total Other Economic and Community Development		49,487

Other Charges

Trustee's Commission	\$ 86,485	
Total Other Charges		86,485

Contributions to Other Agencies

Contributions	\$ 42,541	
Total Contributions to Other Agencies		42,541

Employee Benefits

Employee and Dependent Insurance	\$ 99,772	
Workers' Compensation Insurance	53,807	
Total Employee Benefits		153,579

Total General Fund		\$ 5,871,261
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Law Library Fund

Administration of Justice

Other Administration of Justice

Library Books/Media	\$ 916	
Trustee's Commission	9	
Total Other Administration of Justice		\$ 925

Total Law Library Fund		925
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(Continued)

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

Solid Waste/Sanitation Fund

Public Health and Welfare

Waste Incinerator

Foremen	\$	39,900	
Other Salaries and Wages		3,232	
Social Security		3,274	
Pensions		2,268	
Unemployment Compensation		98	
Bank Charges		5,325	
Maintenance and Repair Services - Buildings		748	
Maintenance and Repair Services - Equipment		22,075	
Diesel Fuel		3,601	
Electricity		94	
Trustee's Commission		4,343	
Solid Waste Equipment		121,850	
Total Waste Incinerator			\$ 206,808

Other Waste Disposal

Contracts with Government Agencies	\$	50,637	
Total Other Waste Disposal			50,637

Total Solid Waste/Sanitation Fund \$ 257,445

Drug Control Fund

Public Safety

Drug Enforcement

Law Enforcement Supplies	\$	8,865	
Trustee's Commission		17	
Total Drug Enforcement			\$ 8,882

Total Drug Control Fund 8,882

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	95,327	
Accountants/Bookkeepers		59,902	
Secretary(ies)		53,250	
Board and Committee Members Fees		13,100	

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Advertising	\$	1,930	
Communication		3,834	
Data Processing Services		23,760	
Dues and Memberships		3,397	
Legal Services		12,862	
Maintenance and Repair Services - Buildings		477	
Printing, Stationery, and Forms		379	
Travel		225	
Drugs and Medical Supplies		458	
Electricity		7,720	
Natural Gas		6,283	
Office Supplies		2,301	
Water and Sewer		1,414	
Total Administration			\$ 286,619

Highway and Bridge Maintenance

Equipment Operators	\$	382,494	
Engineering Services		15,756	
Asphalt - Cold Mix		1,175	
Asphalt - Hot Mix		815,895	
Asphalt - Liquid		43,296	
Crushed Stone		60,688	
Pipe - Metal		22,764	
Road Signs		7,485	
Chemicals		8,091	
Total Highway and Bridge Maintenance			1,357,644

Operation and Maintenance of Equipment

Foremen	\$	49,680	
Mechanic(s)		116,614	
Laundry Service		4,478	
Custodial Supplies		1,462	
Diesel Fuel		45,197	
Equipment and Machinery Parts		103,662	
Garage Supplies		14,470	
Gasoline		11,786	

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Lubricants	\$	6,516	
Propane Gas		3,468	
Tires and Tubes		27,721	
Chemicals		375	
Total Operation and Maintenance of Equipment			\$ 385,429

Other Charges

Building and Contents Insurance	\$	14,676	
Liability Insurance		35,394	
Trustee's Commission		19,096	
Vehicle and Equipment Insurance		45,004	
Workers' Compensation Insurance		49,768	
Other Charges		14,745	
Total Other Charges			178,683

Employee Benefits

Social Security	\$	58,342	
Pensions		44,555	
Employee and Dependent Insurance		13,523	
Unemployment Compensation		273	
Total Employee Benefits			116,693

Capital Outlay

Building Improvements	\$	11,827	
Communication Equipment		5,766	
Furniture and Fixtures		416	
Highway Equipment		97,400	
Motor Vehicles		325,820	
Total Capital Outlay			441,229

Total Highway/Public Works Fund \$ 2,766,297

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	237,000	
Total General Government			\$ 237,000

(Continued)

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

General Debt Service Fund (Cont.)

Principal on Debt (Cont.)

Education

Principal on Bonds	\$ 273,000	
Principal on Other Loans	101,624	
Total Education		\$ 374,624

Interest on Debt

General Government

Interest on Bonds	\$ 95,899	
Total General Government		95,899

Education

Interest on Bonds	\$ 93,913	
Interest on Other Loans	17,548	
Total Education		111,461

Other Debt Service

General Government

Trustee's Commission	\$ 11,857	
Other Debt Service	300	
Total General Government		12,157

Education

Other Debt Service	\$ 700	
Total Education		700

Total General Debt Service Fund		<u>\$ 831,841</u>
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Total Governmental Funds - Primary Government		<u><u>\$ 9,736,651</u></u>
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LAKE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Lake County School Department
For the Year Ended June 30, 2025

General Purpose School Fund

Instruction

Regular Instruction Program

Supervisor/Director	\$	4,640	
Teachers		2,121,526	
Career Ladder Program		500	
Educational Assistants		262,162	
Bonus Payments		27,400	
Other Salaries and Wages		76,590	
Non-certified Substitute Teachers		32,970	
Social Security		143,677	
Pensions		231,799	
Medical Insurance		309,889	
Unemployment Compensation		4,386	
Employer Medicare		33,594	
Other Contracted Services		62,524	
Instructional Supplies and Materials		96,247	
Textbooks - Bound		38,796	
Software		26,870	
Other Supplies and Materials		776	
In Service/Staff Development		3,097	
TISA - On-behalf Payments		12,191	
Other Charges		15,462	
Regular Instruction Equipment		7,999	
Total Regular Instruction Program			\$ 3,513,095

Special Education Program

Teachers	\$	275,400	
Homebound Teachers		1,200	
Educational Assistants		100,364	
Non-certified Substitute Teachers		875	
Social Security		21,838	
Pensions		29,580	
Medical Insurance		34,379	
Employer Medicare		5,145	
Instructional Supplies and Materials		494	
Other Supplies and Materials		4,662	
Special Education Equipment		34,300	
Total Special Education Program			508,237

(Continued)

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

Discretely Presented Lake County School Department (Cont.)

General Purpose School Fund (Cont.)

Instruction (Cont.)

Career and Technical Education Program

Teachers	\$	252,625	
Bonus Payments		200	
Other Salaries and Wages		32,750	
Non-certified Substitute Teachers		525	
Social Security		16,557	
Pensions		21,077	
Medical Insurance		24,288	
Employer Medicare		3,872	
Other Contracted Services		12,960	
Instructional Supplies and Materials		24,597	
Other Supplies and Materials		80,963	
In Service/Staff Development		3,564	
Vocational Instruction Equipment		59,288	
Total Career and Technical Education Program			\$ 533,266

Support Services

Attendance

Other Salaries and Wages	\$	43,920	
Social Security		2,628	
Pensions		4,432	
Medical Insurance		3,453	
Employer Medicare		615	
Travel		285	
Total Attendance			55,333

Health Services

Supervisor/Director	\$	86,351	
Medical Personnel		12,821	
Other Salaries and Wages		41,882	
Social Security		8,115	
Pensions		9,459	
Medical Insurance		16,962	
Employer Medicare		1,898	
Other Supplies and Materials		2,883	
In Service/Staff Development		1,719	
Health Equipment		1,521	
Total Health Services			183,611

(Continued)

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

Discretely Presented Lake County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support

Guidance Personnel	\$	68,090	
Other Salaries and Wages		76,817	
Social Security		7,404	
Pensions		8,404	
Medical Insurance		18,753	
Employer Medicare		1,731	
Internet Connectivity		182,491	
Travel		5,484	
Other Contracted Services		14,669	
Other Supplies and Materials		383	
In Service/Staff Development		2,021	
Other Charges		818	
Total Other Student Support			\$ 387,065

Regular Instruction Program

Supervisor/Director	\$	92,075	
Career Ladder Program		600	
Librarians		48,638	
Educational Assistants		63,621	
Other Salaries and Wages		94,487	
Social Security		14,665	
Pensions		18,593	
Medical Insurance		45,978	
Employer Medicare		3,873	
Travel		1,919	
Other Contracted Services		900	
Library Books/Media		16,491	
Other Supplies and Materials		500	
In Service/Staff Development		4,884	
Other Charges		18,677	
Other Equipment		2,119	
Total Regular Instruction Program			428,020

Special Education Program

Supervisor/Director	\$	28,147	
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(Continued)

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

Discretely Presented Lake County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Clerical Personnel	\$	13,854	
Social Security		2,474	
Pensions		2,632	
Medical Insurance		5,431	
Employer Medicare		579	
Other Contracted Services		40,355	
Other Supplies and Materials		2,070	
In Service/Staff Development		229	
Total Special Education Program			\$ 95,771

Career and Technical Education Program

Other Salaries and Wages	\$	32,003	
Social Security		1,789	
Pensions		2,018	
Medical Insurance		4,173	
Employer Medicare		418	
Software		6,599	
Total Career and Technical Education Program			47,000

Technology

Supervisor/Director	\$	13,517	
Other Salaries and Wages		23,833	
Social Security		2,249	
Pensions		3,840	
Medical Insurance		2,469	
Employer Medicare		526	
Internet Connectivity		27,893	
Other Contracted Services		3,290	
Software		30,040	
Other Equipment		6,837	
Total Technology			114,494

Other Programs

On-behalf Payments to OPEB	\$	15,378	
Total Other Programs			15,378

(Continued)

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

Discretely Presented Lake County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education

Board and Committee Members Fees	\$	5,050	
Social Security		309	
Employer Medicare		72	
Audit Services		15,450	
Dues and Memberships		600	
Travel		9,550	
Penalties		125,880	
Boiler Insurance		1,789	
Liability Insurance		29,181	
Trustee's Commission		36,083	
Workers' Compensation Insurance		50,547	
Other Charges		2,832	
Total Board of Education			\$ 277,343

Director of Schools

County Official/Administrative Officer	\$	136,200	
Secretary(ies)		29,640	
Bonus Payments		2,000	
Social Security		10,055	
Pensions		10,893	
Medical Insurance		14,518	
Employer Medicare		2,352	
Other Fringe Benefits		4,800	
Communication		3,266	
Dues and Memberships		2,871	
Postal Charges		959	
Travel		2,939	
Other Contracted Services		60,668	
Office Supplies		566	
Other Supplies and Materials		13,011	
In Service/Staff Development		7,594	
Other Charges		1,771	
Total Director of Schools			304,103

(Continued)

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

Discretely Presented Lake County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal

Principals	\$	273,139	
Career Ladder Program		3,000	
Accountants/Bookkeepers		58,459	
Assistant Principals		105,704	
Secretary(ies)		53,120	
Social Security		28,779	
Pensions		33,446	
Medical Insurance		35,408	
Employer Medicare		6,731	
Communication		10,713	
Travel		3,017	
Office Supplies		170	
In Service/Staff Development		648	
Total Office of the Principal			\$ 612,334

Fiscal Services

Supervisor/Director	\$	81,120	
Accountants/Bookkeepers		43,406	
Clerical Personnel		2,520	
Social Security		7,438	
Pensions		7,899	
Medical Insurance		11,880	
Employer Medicare		1,740	
Bank Charges		72	
Data Processing Services		371	
Other Contracted Services		104,834	
Data Processing Supplies		739	
Office Supplies		429	
In Service/Staff Development		4,184	
Administration Equipment		2,683	
Total Fiscal Services			269,315

Human Services/Personnel

Supervisor/Director	\$	2,905	
Other Salaries and Wages		35,360	

(Continued)

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

Discretely Presented Lake County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Human Services/Personnel (Cont.)

Social Security	\$	2,276	
Pensions		2,252	
Medical Insurance		211	
Employer Medicare		532	
In Service/Staff Development		146	
Total Human Services/Personnel			\$ 43,682

Operation of Plant

Supervisor/Director	\$	54,340	
Custodial Personnel		181,805	
Other Salaries and Wages		32,640	
Social Security		15,728	
Pensions		15,476	
Medical Insurance		21,360	
Employer Medicare		3,678	
Travel		2,457	
Other Contracted Services		10,473	
Custodial Supplies		51,272	
Electricity		163,790	
Natural Gas		95,470	
Water and Sewer		45,291	
Other Supplies and Materials		524	
Building and Contents Insurance		79,434	
Total Operation of Plant			773,738

Maintenance of Plant

Other Salaries and Wages	\$	28,939	
Social Security		1,724	
Pensions		1,700	
Medical Insurance		4,116	
Employer Medicare		403	
Maintenance and Repair Services - Buildings		9,735	
Maintenance and Repair Services - Equipment		7,039	
Travel		1,177	
Other Contracted Services		66,285	

(Continued)

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

Discretely Presented Lake County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Other Supplies and Materials	\$	13,082	
Other Equipment		11,060	
Total Maintenance of Plant			\$ 145,260

Transportation

Bus Drivers	\$	83,610	
Bonus Payments		4,265	
Other Salaries and Wages		44,318	
Social Security		7,974	
Pensions		5,915	
Employer Medicare		1,865	
Maintenance and Repair Services - Vehicles		31,240	
Travel		1,156	
Diesel Fuel		58,952	
Gasoline		12,035	
Tires and Tubes		3,578	
Vehicle Parts		1,763	
Other Supplies and Materials		1,283	
Vehicle and Equipment Insurance		18,285	
Other Charges		1,306	
Total Transportation			277,545

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	30,951	
Teachers		30,328	
Educational Assistants		1,194	
Other Salaries and Wages		3,398	
Social Security		4,008	
Pensions		3,914	
Medical Insurance		4,236	
Employer Medicare		937	
Instructional Supplies and Materials		450	
Other Supplies and Materials		130	
In Service/Staff Development		196	
Other Charges		760	
Total Community Services			80,502

(Continued)

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

Discretely Presented Lake County School Department (Cont.)

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education

Teachers	\$	90,188	
Career Ladder Program		1,000	
Educational Assistants		38,749	
Non-certified Substitute Teachers		1,470	
Social Security		5,981	
Pensions		8,111	
Medical Insurance		23,505	
Employer Medicare		1,399	
Food Supplies		3,599	
Instructional Supplies and Materials		273	
Other Supplies and Materials		76	
In Service/Staff Development		240	
Total Early Childhood Education			\$ 174,591

Capital Outlay

Regular Capital Outlay

Other Contracted Services	\$	38,844	
Building Improvements		544,686	
Other Capital Outlay		1,048,071	
Total Regular Capital Outlay			1,631,601

Other Debt Service

Education

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

Total General Purpose School Fund \$ 10,715,456

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	160,341	
Educational Assistants		6,015	
Social Security		7,071	
Pensions		6,065	

(Continued)

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

Discretely Presented Lake County School Department (Cont.)

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Regular Instruction Program (Cont.)

Medical Insurance	\$	11,361	
Employer Medicare		2,238	
Instructional Supplies and Materials		38,421	
Textbooks - Bound		3,240	
Other Supplies and Materials		1,352	
Regular Instruction Equipment		238,226	
Total Regular Instruction Program			\$ 474,330

Special Education Program

Teachers	\$	52,337	
Educational Assistants		61,082	
Social Security		6,500	
Pensions		6,897	
Medical Insurance		8,653	
Employer Medicare		1,520	
Evaluation and Testing		10,581	
Instructional Supplies and Materials		799	
Other Supplies and Materials		332	
Special Education Equipment		10,947	
Total Special Education Program			159,648

Career and Technical Education Program

Software	\$	1,127	
Other Supplies and Materials		5,789	
Vocational Instruction Equipment		9,955	
Total Career and Technical Education Program			16,871

Support Services

Attendance

Supervisor/Director	\$	2,800	
Social Security		174	
Pensions		163	
Employer Medicare		41	
Total Attendance			3,178

(Continued)

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

Discretely Presented Lake County School Department (Cont.)

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support

Supervisor/Director	\$	632	
Guidance Personnel		45,600	
Psychological Personnel		58,500	
Other Salaries and Wages		202,594	
Social Security		16,227	
Pensions		19,789	
Medical Insurance		48,130	
Employer Medicare		3,795	
Other Contracted Services		16,444	
Other Supplies and Materials		9,740	
In Service/Staff Development		3,064	
Other Charges		15,916	
Total Other Student Support			\$ 440,431

Regular Instruction Program

Supervisor/Director	\$	2,075	
Clerical Personnel		1,408	
Other Salaries and Wages		253,128	
Social Security		14,398	
Pensions		17,302	
Medical Insurance		32,282	
Employer Medicare		3,367	
Other Supplies and Materials		5,691	
In Service/Staff Development		36,248	
Total Regular Instruction Program			365,899

Special Education Program

Supervisor/Director	\$	41,034	
Social Security		2,637	
Pensions		2,720	
Medical Insurance		152	
Employer Medicare		617	
Other Contracted Services		53,661	
In Service/Staff Development		8,240	
Total Special Education Program			109,061

(Continued)

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

Discretely Presented Lake County School Department (Cont.)

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Career and Technical Education Program

In Service/Staff Development	\$ 1,970	
Total Career and Technical Education Program		\$ 1,970

Transportation

Bus Drivers	\$ 1,600	
Other Salaries and Wages	960	
Social Security	159	
Pensions	158	
Employer Medicare	37	
Total Transportation		2,914

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$ 2,712	
Social Security	168	
Pensions	158	
Employer Medicare	39	
Total Food Service		3,077

Capital Outlay

Regular Capital Outlay

Building Improvements	\$ 1,447,296	
Total Regular Capital Outlay		1,447,296

Total School Federal Projects Fund		\$ 3,024,675
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Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$ 55,200	
Accountants/Bookkeepers	10,057	
Cafeteria Personnel	255,141	
Social Security	18,637	
Pensions	17,217	
Medical Insurance	24,421	

(Continued)

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

Discretely Presented Lake County School Department (Cont.)

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Employer Medicare	\$	4,359	
Advertising		4	
Audit Services		5,150	
Dues and Memberships		99	
Laundry Service		894	
Maintenance and Repair Services - Equipment		15,431	
Travel		361	
Permits		25	
Other Contracted Services		9,997	
Food Preparation Supplies		21,128	
Food Supplies		288,384	
Office Supplies		9,622	
USDA - Commodities		38,636	
Other Supplies and Materials		759	
In Service/Staff Development		587	
Other Charges		7,585	
Food Service Equipment		18,607	
Total Food Service			\$ 802,301

Total Central Cafeteria Fund \$ 802,301

Internal School Fund

Operation of Non-Instructional Services

Community Services

Other Charges	\$	353,180	
Total Community Services			\$ 353,180

Total Internal School Fund 353,180

Total Governmental Funds - Lake County School Department \$ 14,895,612

SINGLE AUDIT SECTION



JASON E. MUMPOWER
Comptroller

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lake County, Tennessee, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Lake County's basic financial statements, as listed in the table of contents, and have issued our report thereon date December 15, 2025. Our report includes a reference to other auditors who audited the financial statements of the Internal School Fund of the Lake County School Department (a discretely presented component unit) as described in our report on Lake County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies, described in the accompanying Schedule of Findings and Questioned Costs, to be material weaknesses: 2025-001 and 2025-002.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies, described in the accompanying Schedule of Findings and Questioned Costs, to be significant deficiencies: 2025-004(A,C), 2025-005(A,B), 2025-006, 2025-007(A,C,E), 2025-008, 2025-011.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lake County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2025-003, 2025-004(B), 2025-005(C), 2025-007(B,D), 2025-009, and 2025-010.

Lake County's Responses to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lake County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,


Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

December 15, 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

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Lake County's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Lake County's major federal programs for the year ended June 30, 2025. Lake County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Lake County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

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 (*Government Auditing Standards*) issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance.) Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lake County, Tennessee, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Lake County's basic financial statements. We issued our report thereon dated December 15, 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

December 15, 2025

JEM/gc

LAKE COUNTY, TENNESSEE, AND THE LAKE COUNTY SCHOOL DEPARTMENT
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (7)
For the Year-Ended June 30, 2025

Federal/Pass-through Agency/State Grantor Program Title	Assistance Listing Number	Passed-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster: (4)			
School Breakfast Program	10.553	N/A	\$ 227,288
National School Lunch Program	10.555	N/A	408,607 (6)
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (4)			
National School Lunch Program(Commodities - Noncash Assistance)	10.555	N/A	38,636 (6)
Direct Program:			
Community Facilities Loans and Grants	10.766	N/A	14,800
Total U.S. Department of Agriculture			<u>\$ 689,331</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program	14.228	33004-48424	\$ 9,870
Total U.S. Department of Housing and Urban Development			<u>\$ 9,870</u>
U.S. Department of the Treasury:			
Passed-through State Department of Economic and Community Development:			
COVID 19 - Coronavirus State And Local Fiscal Recovery Funds (ARP)	21.027	33023-47924	\$ 29,898 (6)
Passed-through State Department of Environment and Conservation:			
COVID 19 - Coronavirus State And Local Fiscal Recovery Funds (ARP)	21.027	32701-05122	29,786 (6)
Passed-through State Department of Education:			
COVID 19 - Coronavirus State And Local Fiscal Recovery Funds (ARP)	21.027	N/A	21,178 (6)
Total U.S. Department of the Treasury			<u>\$ 80,862</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 510,499
Special Education Cluster (IDEA): (4)			
Special Education Grants to States	84.027	N/A	261,148
Special Education Preschool Grants	84.173	N/A	10,179
Career and Technical Education - Basic Grants to States	84.048	N/A	22,826
Twenty-first Century Community Learning Centers	84.287	N/A	78,511
Rural Education	84.358	N/A	15,624
Supporting Effective Instruction State Grants	84.367	N/A	39,112
Student Support and Academic Enrichment Program	84.424	N/A	415,352
COVID 19 - Education Stabilization Fund Program – Elementary and Secondary			
School Emergency Relief Fund (ESSER ARP)	84.425U	N/A	1,655,546
Total U.S. Department of Education			<u>\$ 3,008,797</u>
U.S. Department of Health and Human Services:			
Passed-through Northwest Tennessee Development District:			
Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention			
of Elder Abuse, Neglect, and Exploitation	93.041	(5)	\$ 200
Special Programs for the Aging, Title III, Part D, Disease Prevention			
and Health Promotion Services	93.043	(5)	1,830 (6)
COVID 19 - Special Programs for the Aging, Title III, Part D, Disease			
Prevention and Health Promotion Services	93.043	(5)	1,500 (6)
Aging Cluster: (4)			
Special Programs for the Aging, Title III, Part B, Grants for Supportive			
Services and Senior Centers	93.044	(5)	33,409
National Family Caregiver Support, Title III, Part E	93.052	(5)	3,930
Passed-through State Department of Health:			
COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ARP)	93.323	GG-24-80614-2	17,795
Total U.S. Department of Health and Human Services			<u>\$ 58,664</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(5)	\$ 12,377
Homeland Security Grant Program	97.067	(5)	6,150
Total U.S. Department of Homeland Security			<u>\$ 18,527</u>
Total Expenditures of Federal Grants			<u>\$ 3,866,051</u>

(Continued)

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

State Grants	Assistance Listing Number	Contract Number	Expenditures
Home and Community Based Services - Northwest Tennessee Development District	N/A	(5)	\$ 33,210
State Senior Center - Northwest Tennessee Development District	N/A	(5)	12,940
Juvenile Court State Supplemental Funds - State Department of Children's Services	N/A	35910-10153	13,500
Tennessee Law Enforcement Hiring, Training, and Recruitment Program - State Department of Commerce and Insurance	N/A	33501-24481	4,000
Minor Senior Center Grant - State Department of Disability and Aging	N/A	34401-99475	10,000
Early Childhood Education - State Department of Education	N/A	N/A	131,600
Innovative School Models - State Department of Education	N/A	N/A	129,975
State Special Education Preschool Grant - State Department of Education	N/A	N/A	28,608
COVID 19 - Summer Learning Camps - State Department of Education	N/A	N/A	33,589
Violent Crime Intervention Fund- Formula Based Grant - State Department of Finance and Administration	N/A	(5)	29,470
School Resource Officer Grant Program - State Department of Safety and Homeland Security	N/A	(5)	225,000
Litter Program - State Department of Transportation	N/A	(5)	7,598
Total State Grants			<u>\$ 659,490</u>

ALN = Assistance Listing Number

N/A = Not Applicable

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

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

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

(4) Child Nutrition Cluster total \$674,531; Special Education Cluster (IDEA) total \$271,327; Aging Cluster total \$33,409.

(5) Information not available.

(6) Total for ALN 10.555 is \$447,243; Total for ALN 21.027 is \$80,862; Total for ALN 93.043 is \$3,330.

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

Program Title	ALN	Amount Provided to Consolidated Administration
Title I Grants to Local Educational Agencies	84.010	\$ 92,324
Rural Education	84.358	10,378
Supporting Effective Instruction State Grant	84.367	4,502
Total amounts consolidated for administration purposes		<u>\$ 107,204</u>

LAKE COUNTY, TENNESSEE
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2025

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Annual Financial Report for Lake County, Tennessee, for the year ended June 30, 2025.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	ALN	Current Status
OFFICES OF COUNTY MAYOR AND DIRECTOR OF SCHOOLS					
2024	172	2024-001	The General, General Purpose School, School Federal Projects, and Central Cafeteria funds required material audit adjustments for proper financial statement presentation.	N/A	Not Corrected - See Explanation on Corrective Action Plan
2024	173	2024-002	Lake County has a material recurring audit finding.	N/A	Not Corrected - See Explanation on Corrective Action Plan
OFFICE OF COUNTY MAYOR					
2024	173	2024-003	The office had accounting deficiencies.	N/A	Not Corrected - See Explanation on Corrective Action Plan
2024	174	2024-004	Lake County did not comply with the reporting requirements for Provider Relief Funds.	N/A	Not Repeated
2024	175	2024-005	The office had deficiencies in purchasing procedures.	N/A	Parts A and B - Not Corrected - See Explanation on Corrective Action Plan; Parts C, D, and E - Corrected
OFFICE OF THE AMBULANCE SERVICE DEPARTMENT					
2024	176	2024-006	Duties were not segregated adequately.	N/A	Not Corrected - See Explanation on Corrective Action Plan
2024	176	2024-007	The ambulance service department did not always issue receipts at the time of collection.	N/A	Corrected
OFFICE OF ROAD SUPERINTENDENT					
2024	177	2024-008	Purchase orders were not always issued properly.	N/A	Corrected

(Continued)

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

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	ALN	Current Status
OFFICE OF DIRECTOR OF SCHOOLS					
2024	177	2024-009	The office had deficiencies in budget operations.	N/A	Not Corrected - See Explanation on Corrective Action Plan
2024	178	2024-010	General ledger payroll liability accounts were not reconciled with subsidiary payroll records and payments.	N/A	Not Corrected - See Explanation on Corrective Action Plan
2024	179	2024-011	The office had deficiencies in purchasing procedures.	N/A	Corrected
2024	180	2024-012	Accounting records were not closed and available for audit by August 31, 2024.	N/A	Not Corrected - See Explanation on Corrective Action Plan
OFFICE OF SHERIFF					
2024	180	2024-013	The office had accounting deficiencies.	N/A	Part A: Corrected; Part B: Not Corrected - See Explanation on Corrective Action Plan
2024	181	2024-014	The office did not review its software audit logs.	N/A	Not Corrected - See Explanation on Corrective Action Plan

Prior-year Federal Awards Findings

2024	182	2024-015	Lake County did not comply with the reporting requirements for Provider Relief Funds.	93.498	Not Repeated
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LAKE COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2025

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

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

Federal Awards:

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

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICES OF COUNTY MAYOR AND DIRECTOR OF SCHOOLS

FINDING 2025-001

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

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

On June 30, 2025, certain general ledger account balances in the General, General Purpose School, School Federal Projects, and Central Cafeteria funds were not materially correct, and audit adjustments for cash with trustee, accounts receivable, related deferred revenues, accounts payable, and restricted accounts totaling \$200,431, \$3,075,450, \$720,742 and \$77,572, respectively, were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require the county and school department to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the county and the school department's financial reporting systems did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the county and the school department have ineffective controls over the maintenance of their accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. This deficiency is the result of a lack of management oversight, management's failure to correct the finding noted in the prior year audit report, and management's failure to implement their corrective action plan. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – COUNTY MAYOR

I concur with this audit finding.

MANAGEMENT'S RESPONSE – JO BETH COOK, BOARD OF EDUCATION CHAIRMAN

We concur.

FINDING 2025-002

LAKE COUNTY HAS A MATERIAL RECURRING AUDIT FINDING

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

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

Finding Numbers	Description
2023-001, 2024-001, 2025-001	Material audit adjustments were required for proper financial statement presentation

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

RECOMMENDATION

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

MANAGEMENT’S RESPONSE – COUNTY MAYOR

I concur with this audit finding.

MANAGEMENT’S RESPONSE – JO BETH COOK, BOARD OF EDUCATION CHAIRMAN

We concur.

FINDING 2025-003

THE OFFICES HAD DEFICIENCIES IN BUDGET OPERATIONS

(Noncompliance Under *Government Auditing Standards*)

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

- A. Expenditures exceeded total appropriations approved by the county commission in the Solid Waste/Sanitation and General Purpose School funds by \$23,974 and \$13,641, respectively.
- B. Expenditures exceeded appropriations approved by the county commission in six of 39 major appropriations categories (the legal level on control) of the General Fund, and in one of 6 major categories in the General Debt Service Fund as follows:

Fund/Major Appropriation Category	Amount Overspent
General:	
General Government - County Commission	\$ 40
Public Health and Welfare - Local Health Center	1,461
Social, Cultural, and Recreational Services - Other Social, Cultural, and Recreational Services	93
Other Operations - Other Economic and Community Development	7,283
Other Operations - Other Charges	485
Other Operations - Contributions to Other Agencies	2,541
General Debt Service:	
Other Debt Service - General Government	857

- C. Salaries exceeded appropriations in seven of 69 salary line-items in the General Fund by amounts ranging from \$100 to \$8,580, in one of two salary line-items in the Solid Waste/Sanitation Fund by \$500, 13 of 64 salary line-items in the General Purpose School Fund by amounts ranging from \$525 to \$41,882, and in three of 16 salary line-items in the School Federal Projects Fund by amounts ranging from \$1,408 to \$5,956. The budget resolution approved by the county commission states that the salary, wages, or remuneration of each official, employee, or agent of the county will not exceed appropriations that accompany this resolution. Therefore, the salaries that exceeded line-item appropriations were expenditures not approved by the county commission.

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

RECOMMENDATION

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

MANAGEMENT’S RESPONSE – COUNTY MAYOR

I concur with this audit finding.

MANAGEMENT’S RESPONSE – JO BETH COOK, BOARD OF EDUCATION CHAIRMAN

We concur.

OFFICE OF COUNTY MAYOR

FINDING 2025-004

THE OFFICE HAD ACCOUNTING DEFICIENCIES

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

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

- A. The office did not accurately reconcile its check clearing bank account or accurately prepare lists of outstanding checks. Therefore, on June 30, 2025, the account did not reconcile with the general ledger by \$23,587 since all errors had not been corrected or identified. The monthly reconciliation of bank statements and the accurate preparation of lists of outstanding checks are necessary procedures to ensure all transactions are recorded properly in the accounting records. The trustee's office maintains this bank clearing account for checks written by the county mayor's office; however, the county mayor's office is responsible for reconciling this account with the trustee's general ledger balance.
- B. The office did not properly reconcile the general ledger cash account in the General Fund with county trustee's reports. The office attempted to reconcile the cash account with the trustee's reports monthly; however, the account did not reconcile by \$23,587 on June 30, 2025. Section 9-2-138, *Tennessee Code Annotated*, requires officials to reconcile their respective fund accounts with the trustee's reports monthly. The failure to reconcile the general ledger cash account with the county trustee's reports increases the risks that errors may occur and not be detected.
- C. General ledger payroll liability accounts were not reconciled with subsidiary payroll records and payments each month in the General and Solid Waste/Sanitation funds. As a result, unidentified balances accumulated in the liability accounts for several payroll deductions. Sound business practices dictate that payroll liability accounts should be reconciled with payroll reports and payments monthly. The failure to regularly reconcile payroll liability accounts is a significant deficiency that increases the risk that errors will not be discovered and corrected in a timely manner.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – COUNTY MAYOR

I concur with this audit finding.

FINDING 2025-005

THE OFFICE HAD DEFICIENCIES IN PURCHASING PROCEDURES

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

As part of our audit procedures for determining whether the purchasing process was operating as designed, we selected a sample of 50 disbursements totaling \$356,058 from a population of 1,935 vendor checks totaling \$2,776,323. Our sample revealed the following deficiencies, which are the result of a lack of management oversight and a lack of understanding of internal controls and sound business practices.

- A. In six of 11 applicable instances, purchase orders were not issued properly. Purchase orders are necessary to control who has purchasing authority for the department and to document purchase commitments. The failure to issue purchase orders properly increases the risks of unauthorized purchases.
- B. In two of 17 instances, the office was unable to present proper documentation to support the purchases. Sound business practices dictate that proper documentation should be on file to support all purchases. The failure to maintain adequate documentation increases the risks of unauthorized purchases.

- C. Competitive bids were solicited through public advertising for sound and video equipment totaling \$23,553; however, the bid specifications were written based on a previous proposal received from the vendor that was ultimately awarded the bid. Using bid specifications that apply to a particular vendor violates the intent of the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, *Tennessee Code Annotated*.

RECOMMENDATION

Purchase orders should be issued for all applicable purchases before purchases are made. Adequate documentation should be maintained to support all disbursements and should be on file for audit inspection. Bid specifications should be developed that are not vendor or brand specific. Bids should be evaluated on the basis of several criteria, including price, quality, availability, warranty, maintenance costs, experience, etc.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

I concur with this audit finding.

OFFICE OF THE AMBULANCE SERVICE DEPARTMENT

FINDING 2025-006

DUTIES WERE NOT SEGREGATED ADEQUATELY

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

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

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – COUNTY MAYOR

I concur with the audit finding.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2025-007

THE OFFICE HAD ACCOUNTING DEFICIENCIES

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

The following deficiencies were noted during our examination of the office's accounting records. These deficiencies exist due to a lack of management oversight, and a lack of understanding of internal controls and sound business practices. Also, the deficiencies noted in parts C. and D. exist due to management's failure to correct the finding noted in the prior-year audit report and management's failure to implement their corrective action plan.

- A. The office did not accurately reconcile its check clearing bank accounts or accurately prepare lists of outstanding checks for the General Purpose School, School Federal Projects, and Central Cafeteria funds. Therefore, on June 30, 2025, the accounts did not reconcile with the general ledger by \$201,442, \$251,551, and \$13,432, respectively, since all errors had not been corrected or identified. The monthly reconciliation of bank statements and the accurate preparation of lists of outstanding checks are necessary procedures to ensure all transactions are recorded properly in the accounting records. The trustee's office maintains these bank clearing accounts for checks written by the school department, and the school department is responsible for reconciling these accounts with the trustee's general ledger balance.
- B. The office did not properly reconcile the general ledger cash accounts in the General Purpose School, School Federal Projects, and Central Cafeteria funds with the county trustee's reports. Therefore, on June 30, 2025, the accounts did not reconcile by \$2,222,425, \$145,747, and \$125,039 respectively, since all errors had not been corrected or identified and trustee reports and some electronic payments had not been posted since December 2024. The errors identified by auditors are as follows:

Description	General Purpose School Fund	School Federal Projects Fund	Central Cafeteria Fund
Insurance payments not posted	\$ 554,165	\$ 11,230	\$ 0
Retirement payments not posted	514,752	0	0
Payroll tax payments not posted	695,087	90,317	0
Utility payments not posted	210,599	0	0
Trustee's commission not posted	18,675	0	0
EESI loan payments not posted	59,586	0	0
Credit card payments not posted	28,288	3,042	0
Posting errors	141,273	41,158	125,039
Total	<u>\$ 2,222,425</u>	<u>\$ 145,747</u>	<u>\$ 125,039</u>

Section 9-2-138, *Tennessee Code Annotated (TCA)*, requires officials to reconcile their respective fund accounts with the trustee's reports monthly. The failure to reconcile the general ledger cash accounts with the county trustee's reports increases the risks that errors may occur and are not detected. It should be noted that as of December 9, 2025, the date of the exit conference with officials, no revenues or electronic payments had been posted and cash accounts had not been reconciled for the period July 1, 2025, through November 30, 2025.

- C. General ledger payroll liability accounts were not reconciled with subsidiary payroll records and payments each month in the General Purpose School, School Federal Projects, and Central Cafeteria funds. As a result, unidentified balances accumulated in the liability accounts for several payroll deductions. Sound business practices dictate that payroll liability accounts should be reconciled with payroll reports and payments monthly. The failure to regularly reconcile payroll liability accounts is a significant deficiency that increases the risk that errors will not be discovered and corrected in a timely manner.
- D. Accounting records were not closed and available for audit by August 31, 2025, as required by Section 9-2-102, *TCA*. This statute provides that records should be available for audit no later than two months after the close of the June 30 fiscal year. The accounting records were closed and made available to auditors on October 31, 2025. Additionally, during the year, accounting records remained open up to nine months before being closed. The failure to properly maintain and close accounting and subsidiary records on a current basis diminishes the usefulness of the financial records as a management tool, results in the loss of budgetary and accounting controls, and increases the risk that errors will not be discovered and corrected timely.

- E. Auditors were unable to determine whether adequate segregation of duties existed. School department personnel were unable to clearly describe their specific job responsibilities or identify which employees were responsible for key financial tasks. As a result, auditors could not verify whether duties were appropriately segregated to mitigate the risk of fraud and misappropriation.

RECOMMENDATION

Bank statements should be reconciled accurately with the general ledger monthly, and any errors should be corrected promptly. Accurate lists of outstanding checks should be prepared monthly. The office should reconcile its general ledger cash accounts with the county trustee's reports monthly as required by state statute, and any errors should be corrected promptly. Monthly trustee reports and electronic payments should be posted through the current date and timely thereafter. General ledger payroll liability accounts should be reconciled monthly with payroll reports and payments, and any errors should be corrected promptly. Management should ensure all accounting records for the fiscal year ended June 30 are available for audit by the following August 31, as required by state statute, and that accounting records are maintained on a current basis throughout the year. Management should clearly identify employee job responsibilities and ensure that duties are segregated to the extent possible using available resources.

MANAGEMENT'S RESPONSE – JO BETH COOK, BOARD OF EDUCATION CHAIRMAN

We concur.

FINDING 2025-008

THE SCHOOL DEPARTMENT DID NOT MAINTAIN ADEQUATE CONTROL OVER ITS CAPITAL ASSETS RECORDS

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

Our examination of capital assets records revealed that current-year purchases and additions were not recorded in the capital assets records. As a result, capital assets and accumulated depreciation were understated by \$2,378,878 and \$604,741, respectively. Generally accepted accounting principles require accountability for all assets owned by the school department, such as equipment, vehicles, buildings, and infrastructure. These deficiencies can be attributed to a lack of management oversight to ensure capital assets are accounted for properly on a current basis. We provided management with audit adjustments that they approved and posted to properly present capital assets in the financial statements of this report. Without accurate capital assets records, the school department cannot adequately control its assets.

RECOMMENDATION

The school department should maintain accurate capital assets records for all school department-owned assets as required by generally accepted accounting principles.

MANAGEMENT'S RESPONSE – JO BETH COOK, BOARD OF EDUCATION CHAIRMAN

We concur.

FINDING 2025-009

THE SCHOOL DEPARTMENT WAS ASSESSED INTEREST AND PENALTIES TOTALING \$125,880 BY THE INTERNAL REVENUE SERVICE

(Noncompliance Under *Government Auditing Standards*)

The Lake County School Department maintains a payroll clearing bank account to deposit employee payroll taxes due to the Internal Revenue Service (IRS) and is required to notify the IRS of all deposits so timely withdrawals can be. The payroll tax deposits for the period September 2020 through June 2025 were deposited to the account monthly; however, in some instances, the school department failed to notify the IRS timely to provide for the withdrawal of the deposits

resulting in the assessment of interest and penalties totaling \$125,880. This deficiency resulted from a lack of management oversight.

RECOMMENDATION

Federal payroll taxes deposited to the bank account should be reported to the IRS accurately and in a timely manner to avoid interest and penalty assessments.

MANAGEMENT'S RESPONSE – JO BETH COOK, BOARD OF EDUCATION CHAIRMAN

We concur.

OFFICE OF SHERIFF

FINDING 2025-010

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

The following deficiencies were noted during our examination of the office's accounting records. These deficiencies can be attributed to management's failure to provide sufficient oversight and management's failure to follow state statutes. The deficiency noted in Part A. of this finding is also the result of management's failure to correct the finding noted in the prior-year audit report and management's failure to implement their corrective action plan.

- A. As part of our audit procedures for obtaining reasonable assurance that funds were deposited within three days of collection as required by Section 5-8-207, *Tennessee Code Annotated (TCA)*, we judgmentally selected receipts issued from January through March 2025 to trace to deposits. In eight of 84 instances, receipts were held from six to 10 business days after the receipts were issued before being deposited to the office bank account. The delay in depositing funds weakens internal controls over collections and increases the risks of fraud and misappropriation.
- B. Cash bond collections were not always reported and paid to the various courts in compliance with Section 67-4-213, *TCA*. This statute requires that all county funds be reported and paid to the county by the 15th day of the month following collection. Auditors reviewed cash bond collections for the months of February and March 2025 and noted in 2 or 6 instances, cash bond collections were held from 35 to 108 days before being reported and paid to the court.

RECOMMENDATION

All funds should be deposited within three days of collection as required by state statute. The office should remit all collections due to the county no later than the 15 days after the end of the month in which the funds were collected as required by state statute.

MANAGEMENT'S RESPONSE – SHERIFF

I concur with the finding. We will continue to work on depositing funds within three days of collections. We will also remit any cash bonds collected by the 15th day of the following month.

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

The software application used by the office generated two reports that displayed changes made by users. Because these logs provided the only audit trail of these changes, they should be routinely reviewed for inappropriate activity. Although the official was aware of the importance of the logs, they were not routinely reviewed. This deficiency exists because management failed to correct the finding noted in the prior-year audit report and failed to implement its corrective action plan. When the importance of this report was brought to management's attention again in July 2025, the review process was resumed. Procedures for reviewing the report are currently in place.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – SHERIFF

We concur with this finding, but a review process was implemented July 2025 to correct the finding.

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, 2025.

LAKE COUNTY, TENNESSEE
MANAGEMENT'S CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2025

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

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

2025-001	The General Fund required material audit adjustments for proper financial statement presentation.	183
2025-002	Lake County has a material recurring audit finding.	184
2025-003	The office had deficiencies in budget operations.	185
2025-004	The office had accounting deficiencies.	186
2025-005	The office had deficiencies in purchasing procedures.	187
2025-006	Duties were not segregated adequately at the ambulance service.	188

OFFICE OF DIRECTOR OF SCHOOLS

2025-001	The General Purpose School, School Federal Projects, and Central Cafeteria funds required material audit adjustments for proper financial statement presentation.	189
2025-002	Lake County has a material recurring audit finding.	190
2025-003	The office had deficiencies in budget operations.	194
2025-007	The office had accounting deficiencies.	191
2025-008	The school department did not maintain adequate control over its capital asset records.	192
2025-009	The school department was assessed interest and penalties totaling \$125,880 by the Internal Revenue Service.	193

OFFICE OF SHERIFF

2025-010	The office had accounting deficiencies.	195
2025-011	The office did not review its software audit logs.	196

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County Mayor, Lake County
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Corrective Action Plan

FINDING

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

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

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

Anticipated Completion Date of Corrective Action:
August 31, 2026

Repeat Finding:
Yes

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

Planned Corrective Action:
Management realizes the scope of existing adjustments and will strive to make our financial records acceptable. Office staff will attempt to make any changes in practice or policy to help prevent accounting problems. All departments are asked to assist with this and to follow best practices in the information and figures that are reported.

TELEPHONE
731-253-7382

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



Corrective Action Plan

FINDING

**LAKE COUNTY HAS A MATERIAL RECURRING AUDIT
FINDING**

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

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

Anticipated Completion Date of Corrective Action:
August 31, 2026

Repeat Finding:
Yes

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

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

TELEPHONE
731-253-7382

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



Corrective Action Plan

FINDING

THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS

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

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

Anticipated Completion Date of Corrective Action:
June 30, 2026

Repeat Finding:
No

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

Planned Corrective Action:
We will monitor the budget more closely and submit amendments to the county commission for approval as necessary.

TELEPHONE
731-253-7382

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



Corrective Action Plan

FINDING

THE OFFICE HAD ACCOUNTING DEFICIENCIES

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

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

Anticipated Completion Date of Corrective Action:
June 30, 2026

Repeat Finding:
Yes

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

Planned Corrective Action:
Management realizes the accounting deficiencies have been an existing problem for a long period of time. Staff will make every effort to maintain accurate accounts and reconciliations of cash and payroll liability amounts in order to achieve compliance.

TELEPHONE
731-253-7382

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



Corrective Action Plan

FINDING

**THE OFFICE HAD DEFICIENCIES IN PURCHASING
PROCEDURES**

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

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

Anticipated Completion Date of Corrective Action:
Immediately

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
Although some improvements were made, we are still trying to correct all parts of this finding.

Planned Corrective Action:

The County Mayor's Office has informed all departments and offices to receive a purchase order before purchases are made and to ensure adequate documentation is provided to our office before any payments are made. We will make sure all bids are general in specifications and are not vendor specific.

TELEPHONE
731-253-7382

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



Corrective Action Plan

FINDING

DUTIES WERE NOT SEGREGATED ADEQUATELY AT THE
AMBULANCE SERVICE

Response and Corrective Action Plan Prepared by:

Danny Cook, County Mayor

Person Responsible for Implementing the Corrective Action:

Danny Cook, County Mayor

Anticipated Completion Date of Corrective Action:

June 30, 2026

Repeat Finding:

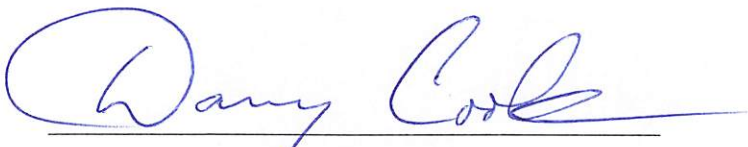
Yes

Reason Corrective Action was Not Taken in the Prior Year:

We have limited resources and funding.

Planned Corrective Action:

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



Danny Cook, Lake County Mayor



LAKE COUNTY SCHOOL SYSTEM

Corrective Action Plan

FINDING

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

Response and Corrective Action Plan Prepared by:
JoBeth Cook, School Board Chairman

Person Responsible for Implementing the Corrective Action:
Dr. Woody Burton, Director of Schools

Anticipated Completion Date of Corrective Action:
June 30, 2026

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
We failed to make the correct accruals at year-end. Lack of processes, lack of understanding accounting practices, changing the software system mid-year from Local Government to Skyward.

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



LAKE COUNTY SCHOOL SYSTEM

Corrective Action Plan

FINDING THE SCHOOL DEPARTMENT HAS A MATERIAL RECURRING
AUDIT FINDING

Response and Corrective Action Plan Prepared by:
JoBeth Cook, School Board Chairman

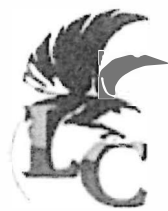
Person Responsible for Implementing the Corrective Action:
Dr. Woody Burton, Director of Schools

Anticipated Completion Date of Corrective Action:
August 31, 2026

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
There was change of personnel, lack of understanding of audit processes and new software system, failure to do monthly reconciliation.

Planned Corrective Action:
We will work to prevent a material audit adjustment finding in the future, which is the cause of this finding. Based on reconciliation outcomes, complete budget amendments quarterly.



LAKE COUNTY SCHOOL SYSTEM

Corrective Action Plan

FINDING

THE OFFICE HAD ACCOUNTING DEFICIENCIES

Response and Corrective Action Plan Prepared by:
JoBeth Cook, School Board Chairman

Person Responsible for Implementing the Corrective Action:
Dr. Woody Burton, Director of Schools

Anticipated Completion Date of Corrective Action:
June 30, 2026. This will be monitored monthly.

Repeat Finding:
No

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

Planned Corrective Action:
We will monitor funds to ensure that they stay within budgeted amounts. Obtained CCFO certifications. Administer sound accounting practices. Utilizing processes of reconciliation in a timely manner.



LAKE COUNTY SCHOOL SYSTEM

Corrective Action Plan

FINDING

THE SCHOOL DEPARTMENT DID NOT MAINTAIN
ADEQUATE CONTROL OVER ITS CAPITAL ASSETS RECORDS

Response and Corrective Action Plan Prepared by:
JoBeth Cook, School Board Chairman

Person Responsible for Implementing the Corrective Action:
Dr. Woody Burton, Director of Schools

Anticipated Completion Date of Corrective Action:
March 31, 2026

Repeat Finding:
No

Reason Corrective Action was Not Taken in the Prior Year:
N/A – the transition from Local Government to Skyward was not completed

Planned Corrective Action:
Transferring asset records from Local Government platform to Skyward



LAKE COUNTY SCHOOL SYSTEM

Corrective Action Plan

FINDING

THE SCHOOL DEPARTMENT WAS ASSESSED INTEREST AND PENALTIES TOTALING \$125,880 BY THE INTERNAL REVENUE SERVICE

Response and Corrective Action Plan Prepared by:
JoBeth Cook, School Board Chairman

Person Responsible for Implementing the Corrective Action:
Dr. Woody Burton, Director of Schools

Anticipated Completion Date of Corrective Action:
In accordance, we will pay to the IRS pay schedule

Repeat Finding:
No

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

Planned Corrective Action:
Seeking relief from department of treasury with our board attorney. Federal payroll taxes deposited to the bank account will be reported to the IRS accurately in a timely manner to avoid interest and penalty assessments.



LAKE COUNTY SCHOOL SYSTEM

Corrective Action Plan

FINDING

THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS

Response and Corrective Action Plan Prepared by:

JoBeth Cook, School Board Chairman

Person Responsible for Implementing the Corrective Action:

Dr. Woody Burton, Director of Schools

Anticipated Completion Date of Corrective Action:

June 30, 2026

Repeat Finding:

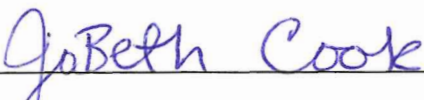
Yes

Reason Corrective Action was Not Taken in the Prior Year:

Board minutes were not refined as required

Planned Corrective Action:

We will create more detailed board minutes that are reflective of the budget amendments that were approved in schedule board meetings. Updating budget to reflect the change and signed.



Jo Beth Cook, School Board Chairman



Bryan Avery
Sheriff Lake County

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

Corrective Action Plan

FINDING: THE OFFICE HAD ACCOUNTING DEFICIENCIES

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

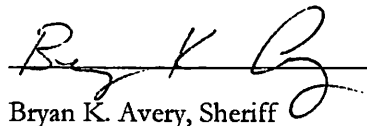
Person Responsible for Implementing the Corrective Action:
Bryan Avery, Sheriff

Anticipated Completion Date of Corrective Action:
Immediately

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
We were able to correct one part of the prior year finding, and although some improvements were made, we failed to consistently deposit funds within three days of collection.

Planned Corrective Action:
We will continue to work on depositing funds within three days of collections. We will also remit any cash bonds collected by the 15th day of the following month.


Bryan K. Avery, Sheriff



Bryan Avery
Sheriff Lake County

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

Corrective Action Plan

FINDING: THE OFFICE DID NOT REVIEW ITS SOFTWARE
AUDIT LOGS

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

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

Anticipated Completion Date of Corrective Action:
July 2025

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
Previous Bookkeeper left during the middle of the year and new bookkeeper wasn't aware of this process.

Planned Corrective Action:
We will review these logs monthly and also email a copy of the signed logs to the auditor monthly.

Signature:



BEST PRACTICE

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

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

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

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