



ANNUAL FINANCIAL REPORT

Lincoln County, Tennessee

For the Year Ended June 30, 2025

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

ANNUAL FINANCIAL REPORT
LINCOLN 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

JEFF BAILEY, CPA, CGFM, CFE
Audit Manager

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

LINCOLN COUNTY, TENNESSEE

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Summary of Audit Findings

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

Scope

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

Results

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

Our audit resulted in one finding and recommendation, which we have reviewed with Lincoln County management. The detailed finding, recommendation, and management's response are included in the Single Audit section of this report.

Finding

The following is a summary of the audit finding:

OFFICE OF DIRECTOR OF FINANCE

- ◆ Duties were not segregated adequately.



INTRODUCTORY SECTION

LINCOLN COUNTY OFFICIALS

June 30, 2025

Officials

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

Board of County Commissioners

William Newman, County Mayor, Chairman	Jason Nix
Jason Hambrick	Troy Frassrand
Charles Hunter	Jennie Roles-Walter
Brandon Kolle	Steve Spray
Bonnie Caldwell	Tori Young
David Sanders	Doug Cunningham
Ben Brown	Ricky Bryant
Anthony Taylor	Mary Ann Tackett
Terri Rogers	Pat Haynes
Jack Atchley	Glen Douglas
Mark Mitchell	Steve Guntherberg
Kate Guin	Danny Walker
Daniel Eldridge	

Board of Education

Sammy Tucker, Chairman	Rex Dunn
Steve Miller	Jimmy Daniel
Richard Phelps	Jeremy Ezell
Judy Ashby	Martha Tallman

Financial Management Committee

William Newman, County Mayor
Tim Gill, Highway Superintendent
Jacob Sorrells, Director of Schools
Doug Cunningham, Chairman
Kate Guin
Steve Spray
Ben Brown

Audit Committee

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

FINANCIAL SECTION



JASON E. MUMPOWER
Comptroller

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lincoln County, Tennessee, as of and for the year ended June 30, 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lincoln County, Tennessee, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Lincoln County Board of Public Utilities (a major fund and the entire business-type activities). We did not audit the financial statements of the Internal School Fund of the Lincoln County School Department (a discretely presented component unit), which represent 0.8 percent, 0.84 percent, and 3.2 percent, respectively, of the assets, net position, and revenues of the discretely presented school department component unit. Those amounts were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to amounts included for the Lincoln County Board of Public Utilities and the Lincoln County School Department's Internal School Fund is based solely on the reports of the other auditors.

Basis for Opinions

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

Changes in Accounting Principle

As described in Note V.B., Lincoln 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.10. to the financial statements, which describes restatements to the beginning Governmental Activities – primary government net position (\$33,984), Business-type Activities – primary government net position (\$77,654), and (\$163,745) for the net position of the discretely presented Lincoln 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 Lincoln County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lincoln County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

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

Supplementary Information

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

Other Information

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

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

Other Reporting Requirements by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2025, on our consideration of Lincoln County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Lincoln County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lincoln County's internal control over financial reporting and compliance.

Very truly yours,


Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

November 18, 2025

JEM/gc

BASIC FINANCIAL STATEMENTS SECTION

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

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Lincoln County School Department
ASSETS				
Cash and Cash Equivalents	\$ 0	\$ 13,724,195	\$ 13,724,195	\$ 968,252
Equity in Pooled Cash and Investments	25,671,112	0	25,671,112	26,712,616
Accounts Receivable	370,490	392,956	763,446	268,633
Allowance for Uncollectible	(5,217)	(2,200)	(7,417)	0
Due from Other Governments	1,676,917	0	1,676,917	3,608,869
Property Taxes Receivable	17,554,419	0	17,554,419	5,868,961
Allowance for Uncollectible Property Taxes	(229,353)	0	(229,353)	(76,679)
Inventories	0	351,294	351,294	0
Prepaid Items	0	15,971	15,971	835,941
Other Assets	0	459,445	459,445	0
Net Pension Asset - Agent Plan - County	1,737,518	0	1,737,518	1,031,876
Net Pension Asset - Agent Plan - Public Utility	0	1,619,113	1,619,113	0
Net Pension Asset - Teacher Retirement Plan	0	0	0	250,291
Net Pension Asset - Teacher Legacy Pension Plan	0	0	0	6,338,051
Restricted Assets:				
Restricted Cash	0	223,355	223,355	0
Amounts Accumulated for Pension Benefits	0	0	0	840,818
Capital Assets:				
Assets Not Depreciated:				
Land	10,427,450	546,269	10,973,719	1,889,171
Construction in Progress	1,614,151	450,026	2,064,177	28,751,151
Assets Net of Accumulated Depreciation/Amortization:				
Buildings and Improvements	14,317,071	24,652,077	38,969,148	30,086,279
Infrastructure	12,542,534	0	12,542,534	0
Other Capital Assets	10,100,179	0	10,100,179	14,381,326
Intangible Right-to-Use Assets	0	0	0	678,340
Total Assets	\$ 95,777,271	\$ 42,432,501	\$ 138,209,772	\$ 122,433,896
DEFERRED OUTFLOWS OF RESOURCES				
Pension Changes in Experience	\$ 1,262,635	\$ 312,402	\$ 1,575,037	\$ 2,460,718
Pension Changes in Assumptions	0	159,620	159,620	99,461
Pension Changes in Proportion	0	0	0	133,743
Pension Contributions After Measurement Date	648,024	143,938	791,962	1,437,765
OPEB Changes in Experience	22,418	0	22,418	267,995
OPEB Changes in Proportion	0	0	0	58,387
OPEB Changes in Assumptions	115,626	0	115,626	631,157
OPEB Benefits Paid After Measurement Date	4,267	0	4,267	96,991
Total Deferred Outflows of Resources	\$ 2,052,970	\$ 615,960	\$ 2,668,930	\$ 5,186,217

(Continued)

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

	Primary Government			Component Unit	
	Governmental Activities	Business-type Activities	Total	Lincoln County School Department	
LIABILITIES					
Accounts Payable	\$ 246	\$ 488,989	\$ 489,235	\$ 242,859	
Accrued Payroll	424,546	0	424,546	1,335,934	
Payroll Deductions Payable	19	0	19	0	
Due to State of Tennessee	67,796	0	67,796	0	
Due to Cities	22,899	0	22,899	0	
Accrued Interest Payable	505,226	29,920	535,146	0	
Unearned Revenue	0	14,835	14,835	0	
Other Liabilities	0	27,563	27,563	0	
Current Liabilities Payable from Restricted Assets:					
Customer Deposits Payable	0	223,355	223,355	0	
Noncurrent Liabilities:					
Due Within One Year - Leases	0	0	0	305,067	
Due Within One Year - Debt	2,670,000	541,884	3,211,884	0	
Due Within One Year - Other	462,801	92,757	555,558	335,116	
Due in More Than One Year - Leases	0	0	0	386,023	
Due in More Than One Year - Debt	68,229,177	6,317,172	74,546,349	0	
Due in More Than One Year - Other	920,812	59,501	980,313	3,418,089	
Total Liabilities	\$ 73,303,522	\$ 7,795,976	\$ 81,099,498	\$ 6,023,088	
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	\$ 16,931,616	\$ 0	\$ 16,931,616	\$ 5,660,740	
Pension Changes in Experience	0	22,517	22,517	76,897	
Pension Changes in Investment Earnings	564,403	61,454	625,857	1,611,802	
Pension Changes in Proportion	0	0	0	118,017	
OPEB Changes in Experience	81,748	0	81,748	205,425	
OPEB Changes in Proportion	0	0	0	216,603	
OPEB Changes in Assumptions	107,015	0	107,015	275,991	
Total Deferred Inflows of Resources	\$ 17,684,782	\$ 83,971	\$ 17,768,753	\$ 8,165,475	
NET POSITION					
Net Investment in Capital Assets	\$ 45,281,385	\$ 18,654,050	\$ 63,935,435	\$ 75,095,177	
Restricted for:					
General Government	734,532	0	734,532	0	
Finance	172,109	0	172,109	0	
Administration of Justice	95,366	0	95,366	0	
Public Safety	293,523	0	293,523	0	
Public Health and Welfare	1,341,011	0	1,341,011	0	
Highway/Public Works	5,005,642	0	5,005,642	0	
Education	0	0	0	2,662,440	
Capital Outlay	0	0	0	10,853,022	
Other Purposes	193,551	0	193,551	0	
Pensions	1,737,518	1,619,113	3,356,631	8,461,036	
Unrestricted	(48,012,700)	14,895,351	(33,117,349)	16,359,875	
Total Net Position	\$ 6,841,937	\$ 35,168,514	\$ 42,010,451	\$ 113,431,550	

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

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

Functions/Programs	Expenses	Net (Expense) Revenue and Changes in Net Position						Component Unit				
		Program Revenues			Primary Government							
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total					
Primary Government:												
Governmental Activities:												
General Government	\$ 3,786,718	\$ 462,581	\$ 46,477	0	\$ (3,277,660)	\$ 0	\$ (3,277,660)	\$ 0	0			
Finance	2,186,133	1,372,052	0	0	(814,081)	0	(814,081)	0	0			
Administration of Justice	2,184,426	718,190	9,000	0	(1,457,236)	0	(1,457,236)	0	0			
Public Safety	11,524,152	937,583	794,219	0	(9,792,350)	0	(9,792,350)	0	0			
Public Health and Welfare	3,137,828	1,873,478	739,078	49,916	(475,356)	0	(475,356)	0	0			
Social, Cultural, and Recreational Services	315,385	18,670	0	165,000	(131,715)	0	(131,715)	0	0			
Agriculture and Natural Resources	286,513	0	21,000	0	(265,513)	0	(265,513)	0	0			
Highways	5,349,438	0	2,861,371	1,027,492	(1,460,575)	0	(1,460,575)	0	0			
Education	1,300	0	0	0	(1,300)	0	(1,300)	0	0			
Interest on Long-term Debt	3,031,794	0	0	0	(3,031,794)	0	(3,031,794)	0	0			
Total Governmental Activities	\$ 31,803,687	\$ 5,382,554	\$ 4,471,145	\$ 1,242,408	\$ (20,707,580)	\$ 0	\$ (20,707,580)	\$ 0	0			
Business-type Activities:												
Lincoln County Board of Public Utilities	\$ 6,837,351	\$ 7,316,226	\$ 214,016	\$ 212,750	0	\$ 905,641	\$ 905,641	\$ 0	0			
Total Primary Government	\$ 38,641,038	\$ 12,698,780	\$ 4,685,161	\$ 1,455,158	\$ (20,707,580)	\$ 905,641	\$ (19,801,939)	\$ 0	0			
Component Unit:												
Lincoln County School Department	\$ 50,075,473	\$ 2,567,236	\$ 6,097,983	\$ 5,819	0	\$ 0	\$ 0	\$ (41,404,435)	0			

(Continued)

LINCOLN COUNTY, TENNESSEE

Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit Lincoln County School Department	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government					
					Governmental Activities	Business-type Activities	Total			
General Revenues:										
Taxes:										
Property Taxes Levied for General Purposes		\$ 12,137,555			\$ 0	\$ 12,137,555		\$ 5,669,148		
Property Taxes Levied for Debt Service		4,820,054			0	4,820,054		0		
Local Option Sales Tax		2,709,819			0	2,709,819		5,351,518		
Wheel Tax		2,489,982			0	2,489,982		0		
Business Tax		491,800			0	491,800		0		
Litigation Tax		374,181			0	374,181		0		
Hotel/Motel Tax		187,797			0	187,797		0		
Wholesale Beer Tax		0			0	0		128,919		
Other Local Taxes		35,173			0	35,173		0		
Grants and Contributions Not Restricted to Specific Programs		1,224,875			0	1,224,875		31,765,737		
Unrestricted Investment Earnings		2,398,309			531,378	2,929,687		126,449		
Miscellaneous		420,311			64,799	485,110		74,713		
Gain on Sale of Capital Assets		0			16,447	16,447		0		
Total General Revenues		\$ 27,289,856			\$ 612,624	\$ 27,902,480		\$ 43,116,484		
Change in Net Position		\$ 6,582,276			\$ 1,518,265	\$ 8,100,541		\$ 1,712,049		
Net Position, July 1, 2024		293,555			33,727,903	34,021,458		111,883,246		
Restatement - See Note I.D.10.		(33,894)			(77,654)	(111,548)		(163,745)		
Net Position, June 30, 2025		\$ 6,841,937			\$ 35,168,514	\$ 42,010,451		\$ 113,431,550		

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

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

	Major Funds				Nonmajor Funds	
			General Debt Service	Other Governmental Funds	Total Governmental Funds	
	General	Highway / Public Works				
ASSETS						
Equity in Pooled Cash and Investments	\$ 14,141,998	\$ 4,504,755	\$ 5,253,686	\$ 1,770,673	\$ 25,671,112	
Accounts Receivable	319,248	0	45,400	5,842	370,490	
Allowance for Uncollectibles	0	0	0	(5,217)	(5,217)	
Due from Other Governments	850,997	508,341	0	317,579	1,676,917	
Property Taxes Receivable	11,058,259	1,242,676	5,253,484	0	17,554,419	
Allowance for Uncollectible Property Taxes	(144,479)	(16,236)	(68,638)	0	(229,353)	
Total Assets	\$ 26,226,023	\$ 6,239,536	\$ 10,483,932	\$ 2,088,877	\$ 45,038,368	
LIABILITIES						
Accounts Payable	\$ 246	\$ 0	\$ 0	\$ 0	\$ 0	\$ 246
Accrued Payroll	392,819	26,237	0	5,490	424,546	
Payroll Deductions Payable	0	19	0	0	19	
Due to State of Tennessee	67,796	0	0	0	67,796	
Due to Cities	0	0	0	22,899	22,899	
Total Liabilities	\$ 460,861	\$ 26,256	\$ 0	\$ 28,389	\$ 515,506	
DEFERRED INFLOWS OF RESOURCES						
Deferred Current Property Taxes	\$ 10,665,929	\$ 1,198,588	\$ 5,067,099	\$ 0	\$ 0	\$ 16,931,616
Deferred Delinquent Property Taxes	225,072	25,292	106,926	0	0	357,290
Other Deferred/Unavailable Revenue	416,982	239,825	0	161,296	0	818,103
Total Deferred Inflows of Resources	\$ 11,307,983	\$ 1,463,705	\$ 5,174,025	\$ 161,296	\$ 0	\$ 18,107,009

(Continued)

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other	Govern- mental Funds	
		General	General	Debt Service	Govern- mental Funds	
FUND BALANCES						
Restricted:						
Restricted for General Government	\$ 734,532	\$ 0	\$ 0	\$ 0	\$ 734,532	
Restricted for Finance	172,109	0	0	0	172,109	
Restricted for Administration of Justice	95,366	0	0	0	95,366	
Restricted for Public Safety	25,641	0	0	267,882	293,523	
Restricted for Public Health and Welfare	82,016	0	0	1,631,310	1,713,326	
Restricted for Other Operations	193,551	0	0	0	193,551	
Restricted for Highways/Public Works	0	4,749,575	0	0	4,749,575	
Committed:						
Committed for General Government	110,280	0	0	0	110,280	
Committed for Other Operations	130,990	0	0	0	130,990	
Committed for Capital Outlay	1,311,237	0	0	0	1,311,237	
Committed for Debt Service	0	0	5,309,907	0	5,309,907	
Assigned:						
Assigned for General Government	2,455,252	0	0	0	2,455,252	
Assigned for Finance	329	0	0	0	329	
Assigned for Administration of Justice	2,331	0	0	0	2,331	
Assigned for Public Safety	168,299	0	0	0	168,299	
Assigned for Public Health and Welfare	22,612	0	0	0	22,612	
Unassigned	8,952,634	0	0	0	8,952,634	
Total Fund Balances	\$ 14,457,179	\$ 4,749,575	\$ 5,309,907	\$ 1,899,192	\$ 26,415,853	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 26,226,023	\$ 6,239,536	\$ 10,483,932	\$ 2,088,877	\$ 45,038,368	

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

LINCOLN COUNTY, TENNESSEE
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position
June 30, 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)	\$ 26,415,853
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	
Add: land	\$ 10,427,450
Add: construction in progress	1,614,151
Add: buildings and improvements net of accumulated depreciation	14,317,071
Add: infrastructure net of accumulated depreciation	12,542,534
Add: other capital assets net of accumulated depreciation	<u>10,100,179</u>
	49,001,385
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	
Less: bonds payable	\$ (67,930,000)
Less: notes payable	(180,000)
Less: unamortized premium on debt	(2,789,177)
Less: accrued interest on notes and bonds	(505,226)
Less: compensated absences payable	(461,187)
Less: landfill closure/postclosure care costs	(533,611)
Less: net OPEB liability	<u>(388,815)</u>
	(72,788,016)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension expense and OPEB expense in future years.	
Add: deferred outflows of resources related to pensions	\$ 1,910,659
Add: deferred outflows of resources related to OPEB	142,311
Less: deferred inflows of resources related to pensions	(564,403)
Less: deferred inflows of resources related to OPEB	<u>(188,763)</u>
	1,299,804
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.	1,737,518
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.	<u>1,175,393</u>
Net position of governmental activities (Exhibit A)	<u><u>\$ 6,841,937</u></u>

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

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

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds		
Revenues						
Local Taxes	\$ 15,398,096	\$ 2,632,578	\$ 6,045,307	\$ 0	\$ 0	\$ 24,075,981
Licenses and Permits	263,206	0	0	0	0	263,206
Fines, Forfeitures, and Penalties	222,253	0	0	71,970	0	294,223
Charges for Current Services	204,900	0	0	1,871,942	0	2,076,842
Other Local Revenues	1,847,625	10,324	961,707	8,119	0	2,827,775
Fees Received From County Officials	1,995,215	0	0	0	0	1,995,215
State of Tennessee	2,384,413	3,898,053	0	33,749	0	6,316,215
Federal Government	455,764	0	0	0	0	455,764
Other Governments and Citizens Groups	138,369	137,126	0	0	0	275,495
Total Revenues	\$ 22,909,841	\$ 6,678,081	\$ 7,007,014	\$ 1,985,780	\$ 0	\$ 38,580,716

Expenditures

Current:						
General Government	\$ 3,241,159	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,241,159
Finance	2,121,380	0	0	0	0	2,121,380
Administration of Justice	2,117,969	0	0	5,750	0	2,123,719
Public Safety	10,650,830	0	0	94,104	0	10,744,934
Public Health and Welfare	980,040	0	0	1,640,511	0	2,620,551
Social, Cultural, and Recreational Services	167,752	0	0	0	0	167,752
Agriculture and Natural Resources	260,969	0	0	0	0	260,969

(Continued)

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

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds		
Expenditures (Cont.)						
Current (Cont.)						
Other Operations	\$ 2,323,534	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,323,534
Highways	0	7,172,502	0	0	0	7,172,502
Debt Service:						
Principal on Debt	0	0	2,555,000	0	0	2,555,000
Interest on Debt	0	0	3,210,544	0	0	3,210,544
Other Debt Service	0	0	122,545	0	0	122,545
Total Expenditures	\$ 21,863,633	\$ 7,172,502	\$ 5,888,089	\$ 1,740,365	\$ 36,664,589	
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,046,208	\$ (494,421)	\$ 1,118,925	\$ 245,415	\$ 1,916,127	
Other Financing Sources (Uses)						
Insurance Recovery	\$ 26,145	\$ 30,851	\$ 0	\$ 16,453	\$ 73,449	
Total Other Financing Sources (Uses)	\$ 26,145	\$ 30,851	\$ 0	\$ 16,453	\$ 73,449	
Net Change in Fund Balances	\$ 1,072,353	\$ (463,570)	\$ 1,118,925	\$ 261,868	\$ 1,989,576	
Fund Balance, July 1, 2024	13,384,826	5,213,145	4,190,982	1,637,324	24,426,277	
Fund Balance, June 30, 2025	\$ 14,457,179	\$ 4,749,575	\$ 5,309,907	\$ 1,899,192	\$ 26,415,853	

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

LINCOLN COUNTY, TENNESSEE**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 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)	\$ 1,989,576
(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	\$ 5,205,799
Less: current-year depreciation expense	<u>(2,789,249)</u> 2,416,550
(2) The net effect of various miscellaneous transactions involving capital assets (sales and trade-ins) is to decrease net position.	
Less: book value of capital assets disposed	(49,037)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Less: deferred delinquent property taxes and other deferred June 30, 2024	\$ (1,370,146)
Add: deferred delinquent property taxes and other deferred June 30, 2025	<u>1,175,393</u> (194,753)
(4) The issuance of long-term debt (e.g., bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the effect of these differences in the treatment of long-term debt and related items.	
Add: principal payments on bonds	\$ 2,465,000
Add: principal payments on notes	90,000
Add: change in premium on debt issuances	<u>159,804</u> 2,714,804
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	
Change in accrued interest payable	\$ 18,946
Change in compensated absences payable	(68,675)
Change in landfill closure/postclosure care costs	27,578
Change in net OPEB liability	(107,104)
Change in deferred outflows of resources related to pensions	(176,651)
Change in deferred outflows of resources related to OPEB	43,941
Change in deferred inflows of resources related to pensions	(190,185)
Change in deferred inflows of resources related to OPEB	48,376
Change in net pension asset - agent plan	<u>108,910</u> (294,864)
Change in net position of governmental activities (Exhibit B)	<u>\$ 6,582,276</u>

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

LINCOLN COUNTY, TENNESSEE

**Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2025**

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 15,398,096	\$ 0	\$ 0	\$ 15,398,096	\$ 14,691,302	\$ 14,691,302	\$ 706,794
Licenses and Permits	263,206	0	0	263,206	219,200	219,200	44,006
Fines, Forfeitures, and Penalties	222,253	0	0	222,253	161,050	161,050	61,203
Charges for Current Services	204,900	0	0	204,900	185,650	185,650	19,250
Other Local Revenues	1,847,625	0	0	1,847,625	525,200	772,127	1,075,498
Fees Received From County Officials	1,995,215	0	0	1,995,215	1,796,000	1,796,000	199,215
State of Tennessee	2,384,413	0	0	2,384,413	1,816,414	1,916,454	467,959
Federal Government	455,764	0	0	455,764	57,653	423,469	32,295
Other Governments and Citizens Groups	138,369	0	0	138,369	0	45,806	92,563
Total Revenues	\$ 22,909,841	\$ 0	\$ 0	\$ 22,909,841	\$ 19,452,469	\$ 20,211,058	\$ 2,698,783
Expenditures							
General Government							
County Commission	\$ 299,804	\$ 0	\$ 0	\$ 299,804	\$ 188,301	\$ 300,656	\$ 852
County Mayor/Executive	269,107	(83)	0	269,024	277,256	274,022	4,998
County Attorney	68,899	0	0	68,899	89,123	89,123	20,224
Election Commission	466,825	(200)	0	466,625	534,041	505,501	38,876
Register of Deeds	345,453	0	0	345,453	345,611	353,570	8,117
Planning	343,245	0	0	343,245	374,685	408,118	64,873
County Buildings	1,421,633	(10,831)	35,136	1,445,938	1,143,940	1,589,702	143,764

(Continued)

LINCOLN COUNTY, TENNESSEE

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Expenditures (Cont.)							
General Government (Cont.)							
Preservation of Records	\$ 26,193	\$ (1,986)	0	\$ 24,207	\$ 22,612	\$ 30,962	\$ 6,755
Finance							
Accounting and Budgeting	665,570	(10,928)	329	654,971	726,717	685,436	30,465
Property Assessor's Office	320,813	0	0	320,813	330,487	330,593	9,780
Reappraisal Program	134,759	0	0	134,759	126,113	135,706	947
County Trustee's Office	353,019	0	0	353,019	369,514	364,598	11,579
County Clerk's Office	462,734	(95)	0	462,639	469,384	472,683	10,044
Data Processing	184,485	0	0	184,485	183,495	190,302	5,817
Administration of Justice							
Circuit Court	824,917	0	0	824,917	792,090	856,677	31,760
General Sessions Court	431,947	0	1,925	433,872	252,116	468,210	34,338
Chancery Court	330,253	0	0	330,253	325,939	332,350	2,097
Juvenile Court	224,289	0	406	224,695	242,945	243,573	18,878
Judicial Commissioners	52,255	0	0	52,255	52,243	54,678	2,423
Courtroom Security	254,308	0	0	254,308	230,840	263,620	9,312
Public Safety							
Sheriff's Department	5,195,734	(65,227)	57,704	5,188,211	4,779,475	5,482,292	294,081
Special Patrols	525,219	0	1,659	526,878	525,000	571,404	44,526
Jail	3,939,507	(2,077)	87,374	4,024,804	4,287,383	4,360,317	335,513

(Continued)

LINCOLN COUNTY, TENNESSEE

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Expenditures (Cont.)							
Public Safety (Cont.)							
Fire Prevention and Control	\$ 558,800	\$ (14,360)	\$ 21,562	\$ 566,002	\$ 476,741	\$ 631,349	\$ 65,347
Civil Defense	431,570	(290)	0	431,280	433,541	476,591	45,311
Public Health and Welfare							
Local Health Center	676,047	0	0	676,047	759,533	742,033	65,986
Rabies and Animal Control	107,169	0	0	107,169	116,062	116,062	8,893
Other Local Welfare Services	10,436	0	0	10,436	10,436	10,436	0
Sanitation Management	186,388	0	0	186,388	177,018	207,676	21,288
Social, Cultural, and Recreational Services							
Adult Activities	13,550	0	0	13,550	13,550	13,550	0
Libraries	132,202	0	0	132,202	132,202	132,202	0
Parks and Fair Boards	22,000	0	0	22,000	22,000	22,000	0
Agriculture and Natural Resources							
Agricultural Extension Service	163,261	0	0	163,261	184,887	184,887	21,626
Forest Service	2,000	0	0	2,000	2,000	2,000	0
Soil Conservation	95,708	(645)	0	95,063	93,275	95,124	61
Other Operations							
Industrial Development	386,220	0	0	386,220	379,775	386,220	0
Other Economic and Community Development	15,000	0	0	15,000	30,000	30,000	15,000
Airport	32,969	0	0	32,969	32,969	32,969	0

(Continued)

LINCOLN COUNTY, TENNESSEE

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Expenditures (Cont.)							
Other Operations (Cont.)							
Veterans' Services	\$ 98,381	\$ 0	\$ 0	\$ 98,381	\$ 93,147	\$ 103,407	\$ 5,026
Contributions to Other Agencies	15,000	0	0	15,000	15,000	15,000	0
American Rescue Plan Act Grant #1	1,124,247	(94,000)	85,294	1,115,541	0	1,119,541	4,000
American Rescue Plan Act Grant A	62,395	0	0	62,395	0	62,395	0
Miscellaneous	589,322	0	0	589,322	571,695	600,684	11,362
Total Expenditures	\$ 21,863,633	\$ (200,722)	\$ 291,389	\$ 21,954,300	\$ 20,213,141	\$ 23,348,219	\$ 1,393,919
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,046,208	\$ 200,722	\$ (291,389)	\$ 955,541	\$ (760,672)	\$ (3,137,161)	\$ 4,092,702
Other Financing Sources (Uses)							
Insurance Recovery	\$ 26,145	\$ 0	\$ 0	\$ 26,145	\$ 0	\$ 26,145	\$ 0
Total Other Financing Sources	\$ 26,145	\$ 0	\$ 0	\$ 26,145	\$ 0	\$ 26,145	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2024	\$ 1,072,353	\$ 200,722	\$ (291,389)	\$ 981,686	\$ (760,672)	\$ (3,111,016)	\$ 4,092,702
Fund Balance, June 30, 2025	\$ 13,384,826	\$ (200,722)	\$ 0	\$ 13,184,104	\$ 12,053,991	\$ 13,184,104	\$ 0
	\$ 14,457,179	\$ 0	\$ (291,389)	\$ 14,165,790	\$ 11,293,319	\$ 10,073,088	\$ 4,092,702

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

LINCOLN COUNTY, TENNESSEE

**Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget**
Highway/Public Works Fund
For the Year Ended June 30, 2025

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 2,632,578	\$ 0	\$ 0	\$ 2,632,578	\$ 2,557,626	\$ 2,557,626	\$ 74,952
Other Local Revenues	10,324	0	0	10,324	5,000	5,000	5,324
State of Tennessee	3,898,053	0	0	3,898,053	2,647,400	3,436,383	461,670
Other Governments and Citizens Groups	137,126	0	0	137,126	0	0	137,126
Total Revenues	\$ 6,678,081	\$ 0	\$ 0	\$ 6,678,081	\$ 5,210,026	\$ 5,999,009	\$ 679,072
Expenditures							
Highways							
Administration	\$ 346,974	\$ 0	\$ 0	\$ 346,974	\$ 376,159	\$ 376,159	\$ 29,185
Highway and Bridge Maintenance	4,155,953	(5,111)	0	4,150,842	4,312,515	5,145,241	994,399
Operation and Maintenance of Equipment	651,889	(1,222)	2,266	652,933	947,970	947,970	295,037
Quarry Operations	355,435	0	5,500	360,935	531,052	533,202	172,267
Other Charges	153,457	0	0	153,457	165,000	166,858	13,401
Employee Benefits	57,740	0	0	57,740	106,000	63,000	5,260
Capital Outlay	1,451,054	(197,576)	24,868	1,278,346	870,000	1,492,242	213,896
Total Expenditures	\$ 7,172,502	\$ (203,909)	\$ 32,634	\$ 7,001,227	\$ 7,308,696	\$ 8,724,672	\$ 1,723,445
Excess (Deficiency) of Revenues Over Expenditures	\$ (494,421)	\$ 203,909	\$ (32,634)	\$ (323,146)	\$ (2,098,670)	\$ (2,725,663)	\$ 2,402,517
Other Financing Sources (Uses)							
Insurance Recovery	\$ 30,851	\$ 0	\$ 0	\$ 30,851	\$ 0	\$ 30,851	\$ 0
Total Other Financing Sources	\$ 30,851	\$ 0	\$ 0	\$ 30,851	\$ 0	\$ 30,851	\$ 0
Net Change in Fund Balance	\$ (463,570)	\$ 203,909	\$ (32,634)	\$ (292,295)	\$ (2,098,670)	\$ (2,694,812)	\$ 2,402,517
Fund Balance, July 1, 2024	5,213,145	(203,909)	0	5,009,236	3,293,065	5,009,236	0
Fund Balance, June 30, 2025	\$ 4,749,575	\$ 0	\$ (32,634)	\$ 4,716,941	\$ 1,194,395	\$ 2,314,424	\$ 2,402,517

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

LINCOLN COUNTY, TENNESSEE
Statement of Net Position - Proprietary Fund
June 30, 2025

Business-type Activities
Major Enterprise Fund
Lincoln County Board of Public Utilities

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 13,724,195
Accounts Receivable	392,956
Allowance for Uncollectible	(2,200)
Inventories	351,294
Prepaid Items	15,971
Other Assets	458,695
Total Current Assets	<u>\$ 14,940,911</u>

Noncurrent Assets:

Restricted Cash	\$ 223,355
Net Pension Asset - Agent Plan - Public Utility	1,619,113
Other Assets	750
Capital Assets (Assets Not Depreciated):	
Land	546,269
Construction in Progress	450,026
Capital Assets (Net of Accumulated Depreciation):	
Buildings and Improvements	<u>24,652,077</u>
Total Noncurrent Assets	<u>\$ 27,491,590</u>
 Total Assets	 <u>\$ 42,432,501</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension Changes in Experience	\$ 312,402
Pension Changes in Assumptions	159,620
Pension Contributions After Measurement Date	143,938
Total Deferred Outflows of Resources	<u>\$ 615,960</u>

(Continued)

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

Business-type Activities	Major Enterprise Fund
Lincoln County Board of Public Utilities	

LIABILITIES

Current Liabilities:

Accounts Payable	\$ 488,989
Accrued Interest Payable	29,920
Unearned Revenue	14,835
Other Liabilities	27,563
Customer Deposits	223,355
Current Maturities of Long-term Debt	541,884
Accrued Leave	92,757
Total Current Liabilities	<u>\$ 1,419,303</u>

Noncurrent Liabilities:

Long-term Debt	\$ 6,317,172
Accrued Leave	59,501
Total Noncurrent Liabilities	<u>\$ 6,376,673</u>
Total Liabilities	<u>\$ 7,795,976</u>

DEFERRED INFLOWS OF RESOURCES

Pension Changes in Experience	\$ 22,517
Pension Changes in Investment Earnings	61,454
Total Deferred Inflows of Resources	<u>\$ 83,971</u>

NET POSITION

Net Investment in Capital Assets	\$ 18,654,050
Restricted for Pensions	1,619,113
Unrestricted	<u>14,895,351</u>
Total Net Position	<u>\$ 35,168,514</u>

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

LINCOLN COUNTY, TENNESSEE
Statement of Revenues, Expenses, and Changes
in Net Position - Proprietary Fund
For the Year Ended June 30, 2025

	Business-type Activities
	Major Enterprise Fund
Lincoln County Board of Public Utilities	
Operating Revenues	
Charges for Current Services	\$ 7,316,226
Other Local Revenues	214,016
Total Operating Revenues	<u><u>\$ 7,530,242</u></u>
Operating Expenses	
Public Health and Welfare	\$ 5,253,167
Depreciation Expense	1,442,847
Total Operating Expenses	<u><u>\$ 6,696,014</u></u>
Operating Income (Loss)	<u><u>\$ 834,228</u></u>
Nonoperating Revenues (Expenses)	
Investment Income	\$ 531,378
Interest Expense	(141,337)
Tap Fees in Excess of Cost	64,799
Gain (Loss) on Disposal of Capital Assets	16,447
Total Nonoperating Revenues (Expenses)	<u><u>\$ 471,287</u></u>
Income(Loss) Before Capital Contributions	\$ 1,305,515
Capital Contributions	<u><u>212,750</u></u>
Change in Net Position	\$ 1,518,265
Net Position, July 1, 2024	33,727,903
Restatement - See Note I.D.10.	<u><u>(77,654)</u></u>
Net Position, June 30, 2025	<u><u>\$ 35,168,514</u></u>

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

LINCOLN COUNTY, TENNESSEE
Statement of Cash Flows - Proprietary Fund
For the Year Ended June 30, 2025

	Business-type Activities
	Major Enterprise Fund
Lincoln County Board of Public Utilities	
Receipts from Customers and Users	\$ 7,571,895
Payments to Employees	(1,667,349)
Payments to Suppliers	(3,573,076)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 2,331,470</u>
Cash Flows from Capital and Related Financing Activities	
Acquisition of Capital Assets	\$ (423,395)
Proceeds from Sale of Assets	16,447
Principal Payments on Long-term Debt	(529,904)
Interest Payments on Long-term Debt	(154,797)
Contributions, Grants, and Transfers in Aid of Construction	277,549
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (814,100)</u>
Cash Flows from Investing Activities	
Investment Income	\$ 531,378
Net Cash Provided By (Used In) Investing Activities	<u>\$ 531,378</u>
Net Increase (Decrease) in Cash	\$ 2,048,748
Cash, July 1, 2024	<u>11,898,802</u>
Cash, June 30, 2025	<u><u>\$ 13,947,550</u></u>

(Continued)

LINCOLN COUNTY, TENNESSEE
Statement of Cash Flows - Proprietary Fund (Cont.)

	Business-type Activities	
	Major Enterprise Fund	
Lincoln County Board of Public Utilities		
Reconciliation of Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities		
Operating (Loss) Income	\$ 834,228	
Adjustments to Reconcile Net Operating Income to Net Cash Provided By (Used In) Operating Activities:		
Depreciation Expense	1,442,847	
(Increase) Decrease in Accounts Receivable	(48,422)	
(Increase) Decrease in Inventories	7,954	
(Increase) Decrease in Other Assets	22,804	
(Increase) Decrease in Other Deferrals Related to Pensions	(70,590)	
Increase (Decrease) in Accounts Payable	123,102	
Increase (Decrease) in Customer Deposits	9,395	
Increase (Decrease) in Accrued Payroll	9,598	
Increase (Decrease) in Accrued Leave	554	
 Net Cash Provided By (Used In) Operating Activities	 \$ 2,331,470	
Reconciliation of Cash With Statement of Net Position		
Cash Per Statement of Net Position	\$ 13,724,195	
Restricted Cash Per Statement of Net Position	<u>223,355</u>	
 Cash, June 30, 2025	 <u>\$ 13,947,550</u>	
Schedule of Noncash Capital and Related Financing Activities:		
Amortization of Bond Premium	\$ 10,356	

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

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

	Custodial Funds
ASSETS	
Cash	\$ 1,982,920
Equity in Pooled Cash and Investments	970,516
Accounts Receivable	17,895
Due from Other Governments	959,613
Property Taxes Receivable	1,220,000
Allowance for Uncollectible Property Taxes	<u>(15,940)</u>
Total Assets	<u>\$ 5,135,004</u>
LIABILITIES	
Accrued Payroll	\$ 3,955
Due to Cities	140
Due to Other Taxing Units	1,087,603
Due to Litigants, Heirs, and Others	<u>9,720</u>
Total Liabilities	<u>\$ 1,101,418</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Current Property Taxes	<u>\$ 1,201,395</u>
Total Deferred Inflows of Resources	<u>\$ 1,201,395</u>
NET POSITION	
Restricted for Individuals, Organizations, and Other Governments	<u>\$ 2,832,191</u>
Total Net Position	<u>\$ 2,832,191</u>

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

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

	Custodial Funds
ADDITIONS	
Sales Tax Collections for Other Governments	\$ 4,011,996
ADA - Educational Funds Collected for Cities	2,585,740
Fines/Fees and Other Collections	13,666,187
Drug Task Force Collections	247,899
District Attorney General Collections	<u>23,446</u>
Total Additions	<u><u>\$ 20,535,268</u></u>
DEDUCTIONS	
Payment of Sales Tax Collections to Other Governments	\$ 4,011,996
Payments to City School Systems	2,562,036
Payments to State	6,730,334
Payments to Cities, Individuals, and Others	7,006,768
Payment of Drug Task Force Expenses	249,119
Payment of District Attorney General Expenses	<u>29,454</u>
Total Deductions	<u><u>\$ 20,589,707</u></u>
Net Increase (Decrease) in Fiduciary in Net Position	\$ (54,439)
Net Position, July 1, 2024	<u><u>2,886,630</u></u>
Net Position, June 30, 2025	<u><u>\$ 2,832,191</u></u>

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

LINCOLN COUNTY, TENNESSEE

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. *Reporting Entity*

Lincoln County is a public municipal corporation governed by an elected 24-member board. As required by GAAP, these financial statements present Lincoln County (the primary government) and its component units. Although required by GAAP, the financial statements of the Lincoln County Emergency Communications District, a component unit requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of the omission did not affect the independent auditor's opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

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

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

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

Administrative Office:

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

B. *Government-wide and Fund Financial Statements*

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

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

Lincoln County issues all debt for the discretely presented Lincoln County School Department. 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, the proprietary fund (enterprise), and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

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

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

Fund financial statements of Lincoln County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund balance/fund net position, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. Lincoln County reports one proprietary fund (major enterprise fund).

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

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

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

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

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

Lincoln County reports the following major governmental funds:

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

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

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

Lincoln County reports the following major proprietary fund:

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

Additionally, Lincoln County reports the following fund type:

Custodial Funds – These funds account for amounts collected in a custodial capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Lincoln County, the city school system's share of educational revenues, funds held for the benefit of the Judicial District Drug Task Force, and restricted revenues held for the benefit of the Office of District Attorney General.

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

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

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

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

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

The school department reports a nonmajor special revenue fund (Internal School Fund) which is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities. Collections from students and school activities are the foundational revenues of this fund. The current year (FY 25) report was not available from the auditor of the Internal School Fund in time for inclusion in this report. Therefore, the prior year balances (FY 24) 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; the county's own legally issued bonds or notes.

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

Investments in the State Treasurer's Investment Pool are reported at amortized cost using a stable net asset value. The primary oversight responsibility for the investments and operations of the State Treasurer's Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is

administered by the state treasurer. These policies were designed to comply with generally accepted accounting principles. In addition, state statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. Compliance with Funding Board policies is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Investment Pool complied with accounting principles generally accepted in the United States of America.

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

All other investments are reported at fair value. 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 property taxes and solid waste receivables are shown with an allowance for uncollectible. Solid waste receivables allowance for uncollectible is based on historical collection data. The allowance for uncollectible property taxes is equal to less than one percent of total taxes levied.

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

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

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

3. Prepaid Items

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

4. Restricted Assets

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

5. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), and intangible right-to-use assets (e.g., leased assets) are reported in the governmental and business-type columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of \$25,000 or more and an estimated useful life of more than three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

Property, plant, equipment, and infrastructure of the primary government (excluding the Lincoln County Board of Public Utilities, enterprise fund) and the discretely presented school department are depreciated using the straight-line method over the following estimated useful lives. Right-to-use assets are amortized over the shorter of the lease term or useful life.

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

6. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, these items are reported in the government-wide Statement of Net Position. These items are for pension changes in experience, proportion, and assumptions; pension contributions after measurement date; OPEB changes in experience, assumptions, and proportion; and OPEB benefits paid after measurement date.

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

7. Compensated Absences

Primary Government

It is the county's general policy to permit employees to accumulate earned but unused vacation benefits (usually capped at 20 days) and unlimited sick pay benefits. All vacation pay is accrued when incurred in the government-wide financial statements for the county. Only a portion of the unpaid accumulated sick leave is accrued. The criteria for accrual includes a "more likely than not," to be used or paid. Since Lincoln County does not have a policy to pay any amounts when employees separate from service with the government, only the portion of sick leave "more likely than not" expected to be used is accrued in the government-wide financial statements. Sick leave expected to be credited to TCRS service is not accrued. A liability for vacation pay and sick leave is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements and payable under the county's policies.

Discretely Presented Lincoln County School Department

It is the school department's general policy to permit 12-month employees to accumulate earned but unused vacation (usually capped at 15 days) and all full-time school department employees to accumulate unlimited sick pay benefits. All vacation pay is accrued when incurred in the government-wide financial statements for the school department. Only a portion of the unpaid accumulated sick leave is accrued. The criteria for accrual includes a "more likely than not," to be used or paid. Since the school department does not have a policy to pay any amounts when employees separate from service with the government, only the portion of sick leave "more likely than not" expected to be used is accrued in the government-wide financial statements. Sick leave expected to be credited to TCRS service is not accrued. A liability for vacation pay and sick leave is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements and payable under the county's policies.

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

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

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

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

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

9. Net Position and Fund Balance

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

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

The government-wide Statement of Net Position reports \$9,573,252 of restricted net position, of which \$318,054 is restricted by enabling legislation.

As of June 30, 2025, Lincoln County had \$64,390,000 in outstanding debt for capital purposes for the discretely presented Lincoln County School Department. In accordance with state statutes, certain county school debt proceeds must be shared with other public-school systems

in the county (Fayetteville City School System) based on an average daily attendance proration. This debt is a liability of Lincoln County, but the capital assets acquired are reported in the financial statements of the school department and the Fayetteville City School System. Therefore, Lincoln County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

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

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

10. Restatements

With the implementation of GASB Statement 101, *Compensated Absences*, Lincoln County must recognize a restatement to the beginning net position in the Government-wide financial statements for the primary government and the discretely presented Lincoln County School Department to record a compensated absences liability. A restatement of (\$111,548) has been presented to reflect the beginning balance of the primary government and (\$163,745) for the discretely presented Lincoln County School Department.

The following table reflects the restatement amounts necessary to implement this standard:

	Government Wide			
	Primary Government		Discretely Presented	
	Governmental Activities	Business-type Activities	Total	School Department
Net Position, as previously reported	\$ 293,555	\$ 33,727,903	\$ 34,021,458	\$ 111,883,246
Adjustments for GASB 101 Implementation:				
Compensated Absences Liability	(33,894)	(77,654)	(111,548)	(163,745)
Net Change in Beginning Net Position	<u>\$ (33,894)</u>	<u>\$ (77,654)</u>	<u>\$ (111,548)</u>	<u>\$ (163,745)</u>
Net Position, June 30, 2024 Restated	<u>\$ 259,661</u>	<u>\$ 33,650,249</u>	<u>\$ 33,909,910</u>	<u>\$ 111,719,501</u>

11. Change To or Within the Financial Reporting Entity

Change in Major Fund Classification

Fund classifications are evaluated annually in accordance with the criteria established in GASB Statement No. 34. During fiscal year 2025, the following funds experienced changes in major fund status:

The General Capital Projects Fund was reported as a major governmental fund in the prior year but ended with a zero fund balance; therefore, this fund is not presented in the current year's governmental fund financial statements.

E. Pension Plans

Primary Government

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

Discretely Presented Lincoln County School Department

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

F. Other Postemployment Benefit (OPEB) Plans

Primary Government

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined on the same basis as they

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

Discretely Presented Lincoln County School Department

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Lincoln County School Department

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

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

Primary Government

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

Discretely Presented Lincoln County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. *Budgetary Information*

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

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures

and encumbrances may not legally exceed appropriations authorized by the county commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

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

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

On June 30, 2025, Lincoln County and the Lincoln County School Department reported the following significant encumbrances:

Funds	Amount
Primary Government:	
Major Funds:	
General	\$ 291,389
Highway/Public Works	32,634
Nonmajor Funds:	
Solid Waste/Sanitation	2,570
Drug Control	4,600
School Department:	
Major Funds:	
General Purpose School	801,687
Education Capital Projects	926,678
Nonmajor Funds:	
School Federal Projects	16
Central Cafeteria	22,648
Extended School Program	7,817

B. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the county commission in the Director of Schools major appropriations category (the legal level of control) of the General Purpose School Fund by \$38,281. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balance.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

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

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

Investments

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

asset value. The primary oversight responsibility for the investments and operations of the Intermediate Term Investment Fund rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the Intermediate Term Investment Fund are reported both by the pool and the county at amortized cost using a floating net asset value. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

Investment Balances. As of June 30, 2025, Lincoln County had the following investments carried at amortized cost using a Stable Net Asset Value. All investments are in the county trustee's investment pool. Separate disclosures concerning pooling investments cannot be made for Lincoln County and the discretely presented Lincoln County School Department since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturity	Amortized Cost
State Treasurer's Investment Pool	1 to 45 days	\$ 32,662,360

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

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Lincoln County has no investment policy that would further limit its investment choices. As of June 30, 2025, Lincoln County's investment in the State Treasurer's Investment Pool was unrated.

Further information concerning the legal provisions, investment policies, investment types, and credit risks for the State Treasurer's Investment Pool can be obtained by reviewing the [State of Tennessee Annual Comprehensive Financial Report](#).

TCRS Stabilization Trust

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

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

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

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 260,654
Developed Market International Equity	N/A	N/A	117,714
Emerging Market International Equity	N/A	N/A	33,632
NAV - Private Equity and Strategic Lending	N/A	N/A	168,164
U.S. Fixed Income	N/A	N/A	168,164
Real Estate	N/A	N/A	84,082
Short-term Securities	N/A	N/A	<u>8,408</u>
Total			<u>\$ 840,818</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	\$ 10,420,747	\$ 6,703	\$ 0	\$ 10,427,450
Construction in Progress	1,213,297	2,099,767	(1,698,913)	1,614,151
Total Capital Assets Not Depreciated	<u>\$ 11,634,044</u>	<u>\$ 2,106,470</u>	<u>\$ (1,698,913)</u>	<u>\$ 12,041,601</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 24,531,226	\$ 1,422,186	\$ (41,200)	\$ 25,912,212
Infrastructure	35,343,179	2,252,786	0	37,595,965
Other Capital Assets	20,493,204	1,123,270	(302,931)	21,313,543
Total Capital Assets Depreciated	<u>\$ 80,367,609</u>	<u>\$ 4,798,242</u>	<u>\$ (344,131)</u>	<u>\$ 84,821,720</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 10,930,082	\$ 667,291	\$ (2,232)	\$ 11,595,141
Infrastructure	24,093,966	959,465	0	25,053,431
Other Capital Assets	10,343,733	1,162,493	(292,862)	11,213,364
Total Accumulated Depreciation	<u>\$ 45,367,781</u>	<u>\$ 2,789,249</u>	<u>\$ (295,094)</u>	<u>\$ 47,861,936</u>
Total Capital Assets Depreciated, Net	<u>\$ 34,999,828</u>	<u>\$ 2,008,993</u>	<u>\$ (49,037)</u>	<u>\$ 36,959,784</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 46,633,872</u>	<u>\$ 4,115,463</u>	<u>\$ (1,747,950)</u>	<u>\$ 49,001,385</u>

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

Governmental Activities:

General Government	\$ 522,483
Administration of Justice	11,232
Public Safety	866,412
Public Health and Welfare	27,541
Highway/Public Works	<u>1,361,581</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,789,249</u>

Net Investment in Capital Assets

Capital Assets		\$ 49,001,385
Less:		
Outstanding principal of capital debt and other capital borrowings		<u>(3,720,000)</u>
Net Investment in Capital Assets		<u><u>\$ 45,281,385</u></u>

Discretely Presented Lincoln County School Department

Governmental Activities:

	Balance 7-1-24	Increases	Decreases	Balance 6-30-25
Capital Assets Not Depreciated:				
Land	\$ 1,889,171	\$ 0	\$ 0	\$ 1,889,171
Construction in Progress	9,793,985	19,147,651	(190,485)	28,751,151
Total Capital Assets Not Depreciated	<u>\$ 11,683,156</u>	<u>\$ 19,147,651</u>	<u>\$ (190,485)</u>	<u>\$ 30,640,322</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 68,148,265	\$ 60,624	\$ 0	\$ 68,208,889
Other Capital Assets	22,712,315	1,388,285	(366,869)	23,733,731
Total Capital Assets Depreciated	<u>\$ 90,860,580</u>	<u>\$ 1,448,909</u>	<u>\$ (366,869)</u>	<u>\$ 91,942,620</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 36,296,644	\$ 1,825,966	\$ 0	\$ 38,122,610
Other Capital Assets	8,528,451	1,183,487	(359,533)	9,352,405
Total Accumulated Depreciation	<u>\$ 44,825,095</u>	<u>\$ 3,009,453</u>	<u>\$ (359,533)</u>	<u>\$ 47,475,015</u>
Total Capital Assets Depreciated, Net	<u><u>\$ 46,035,485</u></u>	<u><u>\$ (1,560,544)</u></u>	<u><u>\$ (7,336)</u></u>	<u><u>\$ 44,467,605</u></u>
Intangible Right-to-Use Assets:				
Leased Equipment	\$ 1,027,087	\$ 917,760	\$ (901,415)	\$ 1,043,432
Less: Accumulated Amortization	830,706	435,801	(901,415)	365,092
Net Intangible Right-to-Use Assets	<u>\$ 196,381</u>	<u>\$ 481,959</u>	<u>\$ 0</u>	<u>\$ 678,340</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 57,915,022</u></u>	<u><u>\$ 18,069,066</u></u>	<u><u>\$ (197,821)</u></u>	<u><u>\$ 75,786,267</u></u>

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

Governmental Activities:

Instruction	\$ 435,801
Support Services	799,502
Operation of Non-instructional Services	<u>2,209,951</u>
Total Depreciation and Amortization Expense - Governmental Activities	<u>\$ 3,445,254</u>

Net Investment in Capital Assets

Capital Assets	\$ 75,786,267
Less:	
Outstanding principal of lease obligations	<u>(691,090)</u>
Net Investment in Capital Assets	<u>\$ 75,095,177</u>

C. *Construction Commitments*

On June 30, 2025, the discretely presented Lincoln County School Department had uncompleted construction contracts of approximately \$2,557,935 for the construction of a new Highland Rim School. Funding has been received for these future expenditures.

D. *Lease Obligations*

Discretely Presented Lincoln County School Department

On March 1, 2022, the school department entered into multiple 60-month agreements as lessee for the use of a variety of copiers. The school department is required to make monthly principal and interest payments of \$2,289, plus additional charges for excess usage and other fees. Lincoln County School Department recognized \$25,334 in lease principal and \$2,134 in lease interest expenditures during the current fiscal year related to these leases. As of June 30, 2025, the lease liability balance was \$44,329.

On May 2, 2022, the school department entered into a 36-month agreement as lessee for the use of 1,500 Chromebooks. The school department is required to make monthly principal and interest payments of \$11,367. Lincoln County School Department recognized \$133,731 in lease principal and \$2,673 in lease interest expenditures during the current fiscal year to complete the terms of this lease.

On July 1, 2024, the school department entered into a 36-month agreement as lessee for the use of 2,400 Chromebooks. The school department is required to make monthly principal and interest payments of \$18,307. Lincoln County School Department recognized \$200,607 in lease principal and \$19,077 in lease interest expenditures during the current fiscal year related to these leases. As of June 30, 2025, the lease liability balance was \$421,621.

On July 1, 2024, the school department entered into a 48-month agreement as lessee for the use of 440 laptops. The school department is required to make monthly principal and interest payments of \$6,633. Lincoln County School Department recognized \$70,392 in lease principal and \$9,204 in lease interest expenditures during the current fiscal year related to these leases. As of June 30, 2025, the lease liability balance was \$225,140.

The present value of the leases issued during 2022 was determined using a discount rate of 3.67 percent, the same interest rate as the county's incremental borrowing rate. The present value of the 36-month

Chromebooks lease was determined using 3.99 percent and the present value of the 48-month laptops lease was determined using 3.86 percent – stated rates in the respective lease documents. The leased assets and accumulated amortization of the right-to-use assets are outlined in Note IV.B.

The future lease payments on these equipment leases include:

Year Ending June 30	Equipment Leases		
	Principal	Interest	Total
2026	\$ 305,067	\$ 21,681	\$ 326,748
2027	308,066	9,504	317,570
2028	77,957	1,640	79,597
Total	\$ 691,090	\$ 32,825	\$ 723,915

Changes in Lease Obligations

Lease obligation activity for the year ended June 30, 2025, was as follows:

Governmental Activities:

	Leases
Balance, July 1, 2024	\$ 203,394
Additions	917,760
Reductions	<u>(430,064)</u>
 Balance, June 30, 2025	 <u>\$ 691,090</u>
 Balance Due Within One Year	 <u>\$ 305,067</u>

Analysis of Noncurrent Liabilities for Leases Presented on Exhibit A:

Total Noncurrent Liabilities - Leases, June 30, 2025	\$ 691,090
Less: Balance Due Within One Year - Leases	<u>(305,067)</u>
 Noncurrent Liabilities - Due in More Than One Year - Leases - Exhibit A	 <u>\$ 386,023</u>

E. Long-term Debt

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

General Obligation Bonds and Notes

General Obligation Bonds - Lincoln County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds were issued for original terms of up to 25 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2025, will be retired from the General Debt Service Fund.

Direct Borrowing and Direct Placements - Lincoln County issues capital outlay notes to fund capital facilities and other capital outlay purchases, such as equipment. Capital outlay notes are direct obligations and pledge the full faith, credit, and taxing authority of the government. Capital outlay notes were issued for an original term of 12 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. The notes included in long-term debt as of June 30, 2025, will be retired from the General Debt Service Fund.

General obligation bonds and capital outlay notes 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	3.25 to 4.39 %	5-1-44	\$ 78,850,000	\$ 67,930,000
Direct Borrowing and Direct Placement:				
Capital Outlay Notes	2.195	4-1-27	1,000,000	180,000

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2026	\$ 2,580,000	\$ 3,087,968	\$ 5,667,968
2027	2,700,000	2,965,767	5,665,767
2028	2,835,000	2,837,329	5,672,329
2029	2,965,000	2,702,151	5,667,151
2030	3,110,000	2,560,463	5,670,463
2031-2035	17,335,000	10,579,462	27,914,462
2036-2040	19,505,000	6,525,969	26,030,969
2041-2044	16,900,000	1,845,731	18,745,731
Total	\$ 67,930,000	\$ 33,104,840	\$ 101,034,840

Year Ending June 30	Notes - Direct Placement		
	Principal	Interest	Total
2026	\$ 90,000	\$ 3,951	\$ 93,951
2027	90,000	1,975	91,975
Total	\$ 180,000	\$ 5,926	\$ 185,926

There is \$5,309,907 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,923 based on the 2020 federal census. Total debt per capita, including bonds, notes, and unamortized debt premiums, totaled \$2,007 based on the 2020 federal census.

Changes in Long-term Debt

Long-term debt activity for the primary government (excluding the Lincoln County Board of Public Utilities, enterprise fund) for the year ended June 30, 2025, was as follows:

Governmental Activities:

	Bonds	Notes - Direct Placement
Balance, July 1, 2024	\$ 70,395,000	\$ 270,000
Reductions	(2,465,000)	(90,000)
 Balance, June 30, 2025	 \$ 67,930,000	 \$ 180,000
 Balance Due Within One Year	 \$ 2,580,000	 \$ 90,000

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2025	\$ 68,110,000
Less: Balances Due Within One Year - Debt	(2,670,000)
Add: Unamortized Premium on Debt	<u>2,789,177</u>
 Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	 <u>\$ 68,229,177</u>

F. *Long-term Obligations*

Primary Government

Changes in Long-term Obligations

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

Governmental Activities:

	Compensated Absences*	Landfill Postclosure	Other Postemployment Benefits
Balance, July 1, 2024	\$ 392,512	\$ 561,189	\$ 281,711
Additions	68,675	12,507	108,476
Reductions	0	(40,085)	(1,372)
 Balance, June 30, 2025	 \$ 461,187	 \$ 533,611	 \$ 388,815
 Balance Due Within One Year	 \$ 418,449	 \$ 40,085	 \$ 4,267

*Restated beginning balance – see Note I.D.10. The change in compensated absences is presented as a net change.

Analysis of Noncurrent Liabilities for Other Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2025	\$ 1,383,613
Less: Balances Due Within One Year - Other	<u>(462,801)</u>

Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	\$ 920,812
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Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General Fund. Landfill postclosure care costs will be paid from the Solid Waste/Sanitation Fund.

Discretely Presented Lincoln County School Department

Changes in Long-term Obligations

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

Governmental Activities:	Compensated Absences*	Other Postemployment Benefits
Balance, July 1, 2024	\$ 232,173	\$ 3,064,293
Additions	13,407	563,908
Reductions	0	(120,576)
Balance, June 30, 2025	<u>\$ 245,580</u>	<u>\$ 3,507,625</u>
Balance Due Within One Year	<u>\$ 238,125</u>	<u>\$ 96,991</u>

* Restated beginning balance – see Note I.D.10. The change in compensated absences is presented as a net change.

Analysis of Noncurrent Liabilities for Other Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2025	\$ 3,753,205
Less: Balances Due Within One Year - Other	<u>(335,116)</u>

Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	\$ 3,418,089
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Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General Purpose School and School Federal Projects funds.

G. On-Behalf Payments

Discretely Presented Lincoln County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Lincoln County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both plans are administered by the State of Tennessee and reported in the state's Annual Comprehensive Financial Report. Payments by the state to the Local Education Group Insurance Plan for the year ended June 30, 2025, totaled \$81,391. The school

department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. *Risk Management*

Primary Government

Lincoln County is exposed to various risks related to general liability, property, and casualty losses. The county decided it was more economically feasible to join a public entity risk pool instead of purchasing commercial insurance for general liability, property, and casualty coverage. The county joined the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding \$250,000 for property and \$450,000 for liability for each insured event.

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

Lincoln County participates in the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-207, *Tennessee Code Annotated (TCA)*, all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Annual Comprehensive Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

Discretely Presented Lincoln County School Department

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

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

B. Accounting 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.

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

D. Changes in Administration

On March 31, 2025, Bill Heath retired from the office of Director of Schools and was succeeded by Jacob Sorrells.

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

E. Landfill Postclosure Care Costs

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

State and federal laws and regulations require the entities to place a final cover on their sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site originally for 30 years after closure; however, on April 9, 2021, the postclosure care costs were extended for an additional ten years totaling 40 years for postclosure care cost. Although postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Lincoln County and the city of Fayetteville closed their sanitary landfill in 1995. Lincoln County and the city of Fayetteville each agreed to pay 50 percent of the postclosure costs. The \$533,611 reported as postclosure care liability on June 30, 2025, represents the county's share based on what it would cost to perform all postclosure care in 2025. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

F. Joint Ventures

The Fayetteville-Lincoln County Public Library is a joint venture of Lincoln County and the city of Fayetteville and is operated by an appointed board. The board comprises seven members, with one member each selected by the Lincoln County Commission and the city of Fayetteville, and other members selected by the existing board of directors subject to the approval of the city and county. Lincoln County has control over budgeting and financing of the joint venture only to the extent of

representation by appointed board members. Lincoln County contributed \$132,202 to the operations of the library during the year ended June 30, 2025.

The Fayetteville-Lincoln County Regional Airport Authority is jointly owned by Lincoln County and the city of Fayetteville and is governed by a five-member board. Two members are appointed by the city of Fayetteville, two by the Lincoln County Commission, and one is jointly appointed by the other four board members. The airport is operated through a lease with a private vendor. Lincoln County contributed \$32,969 to the operations of the airport during the year ended June 30, 2025.

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

The Interlocal Solid Waste Authority was formed by joint resolution of the counties of Bedford, Franklin, Moore, and Lincoln; and the municipalities of Tullahoma and Fayetteville to develop a solid waste regional plan. Each participating county commission or city council appointed the authority's board for varying terms of office. Lincoln County made no contribution to the Interlocal Solid Waste Authority for the year ended June 30, 2025.

The Industrial Development Board of the City of Fayetteville and Lincoln County is a joint venture of the city of Fayetteville and Lincoln County and is operated by an appointed board. The board comprises seven members. Three members each are appointed by the city and county. The seventh member's appointment is alternated between the city and county every six years. Lincoln County has control over budgeting and financing the joint venture only to the extent of representation of the board members it appoints. Lincoln County contributed \$108,945 to the operations of the Industrial Development Board during the year ended June 30, 2025. In addition, Lincoln County contributed \$277,275 to the Industrial Development Board for the debt payment as detailed in Note V.G.

The Seventeenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Seventeenth Judicial District, Marshall, Lincoln, Moore, and Bedford counties, and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within the judicial district. Lincoln County made no contributions to the DTF for the year ended June 30, 2025.

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

Administrative Offices:

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

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

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

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

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

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

G. Commitments

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

Year Ending <u>June 30</u>	Amount
2026	\$ 278,075
2027	283,788
2028	284,325
2029	289,775
2030	295,050
2031	295,150
2032	<u>300,162</u>
Total	<u>\$ 2,026,325</u>

H. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Lincoln County and the non-certified employees of the discretely presented Lincoln County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The Lincoln County employees comprise 62.74 percent and the non-certified employees of the discretely presented school department comprise 37.26 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](#).

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

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

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions plus any accumulated interest.

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	473
Inactive Employees Entitled to But Not Yet Receiving Benefits	1,001
Active Employees	391
Total	<u>1,865</u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary to the plan. Lincoln County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2025, the employer contributions for Lincoln County were \$1,040,955 based on a rate of 6.85 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Lincoln County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability. Employer contributions to separately finance specific liabilities were \$5,972 for the year ended June 30, 2025. The contributions to separately finance specific liabilities were related to employees who have returned to work under a TCRS Return to Work program which requires employer contributions.

Net Pension Liability (Asset)

Lincoln 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
Cost of Living Adjustment	2.125%

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

The actuarial assumptions used in the June 30, 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 historic market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of

return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

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

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

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

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2023	\$ 79,811,723	\$ 82,431,748	\$ (2,620,025)
Changes for the Year:			
Service Cost	\$ 1,256,836	\$ 0	\$ 1,256,836
Interest	5,340,073	0	5,340,073
Differences Between Expected and Actual Experience	2,820,208	0	2,820,208
Contributions-Employer	0	976,429	(976,429)
Contributions-Employees	0	715,778	(715,778)
Net Investment Income	0	7,935,885	(7,935,885)
Benefit Payments, Including Refunds of Employee Contributions	(3,912,731)	(3,912,731)	0
Administrative Expense	0	(61,606)	61,606
Net Changes	\$ 5,504,386	\$ 5,653,755	\$ (149,369)
Balance, June 30, 2024	<u>\$ 85,316,109</u>	<u>\$ 88,085,503</u>	<u>\$ (2,769,394)</u>

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

		Plan	Net
	Total Pension Liability	Fiduciary Net Position	Pension Liability (Asset)
Primary Government	62.74%	\$ 53,527,327	\$ 55,264,845
School Department	37.26%	<u>31,788,782</u>	<u>32,820,658</u>
Total		<u>\$ 85,316,109</u>	<u>\$ 88,085,503</u>
			\$ (2,769,394)

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

Lincoln County	1%	Current Discount Rate	1%
	Decrease 5.75%	6.75%	Increase 7.75%
Net Pension Liability (Asset)	\$ 8,043,748	\$ (2,769,394)	\$ (11,593,862)

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, Lincoln County recognized pension expense (negative pension expense) of \$1,484,872.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 2,012,488	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	899,590
Contributions Subsequent to the Measurement Date of June 30, 2024 (1)	<u>1,040,955</u>	N/A
Total	<u>\$ 3,053,443</u>	<u>\$ 899,590</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 measurement period.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government School Department	<u>\$ 1,910,659</u>	<u>\$ 564,403</u>
	<u>1,142,784</u>	<u>335,187</u>
Total	<u>\$ 3,053,443</u>	<u>\$ 899,590</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	\$ (128,712)
2027	2,216,697
2028	(485,338)
2029	(489,749)
2030	0
Thereafter	0

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

Discretely Presented Lincoln County School Department - Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Lincoln County, including employees of the Lincoln Health System (an enterprise fund of the primary government), and the non-certified employees of the discretely presented Lincoln County School Department are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 62.74 percent and the non-certified employees of the discretely presented school department comprise 37.26 percent of the plan based on contribution data.

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

General Information About the Pension Plan

Plan Description. Teachers of the Lincoln County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained 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 ended June 30, 2025, to the Teacher Retirement Plan were \$287,508, which is three percent of covered payroll. In addition, employer contributions of \$95,836, 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, 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 (\$250,291) 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 0.351233 percent. The proportion as of June 30, 2023, was 0.362597 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2025, the Lincoln County School Department recognized pension expense (negative pension expense) of \$208,972.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 20,675	\$ 76,897
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	42,220
Changes in Assumptions	99,461	0
Changes in Proportion of Net Pension Liability (Asset)	10,336	9,131
LEA's Contributions Subsequent to the Measurement Date of June 30, 2024	<u>287,508</u>	N/A
Total	<u>\$ 417,980</u>	<u>\$ 128,248</u>

The school department's employer contributions of \$287,508, 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	\$ (24,622)
2027	33,792
2028	(15,732)
2029	(15,501)
2030	5,044
Thereafter	19,243

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

Actuarial Assumptions. The total pension liability as of the June 30, 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 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 historic market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (Asset)	\$ 660,099	\$ (250,291)	\$ (927,812)

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

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

General Information About the Pension Plan

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

Lincoln County School Department for the year ended June 30, 2025, to the Teacher Legacy Pension Plan were \$757,326, 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 (\$6,338,051) 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 0.367879 percent. The proportion measured as of June 30, 2023, was 0.371178 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2025, the school department recognized pension expense (negative pension expense) of \$1,394,856.

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	\$ 1,690,190	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	1,234,395
Changes in Proportion of Net Pension Liability (Asset)	123,407	108,886
LEA's Contributions Subsequent to the Measurement Date of June 30, 2024	<u>757,326</u>	N/A
 Total	 <u>\$ 2,570,923</u>	 <u>\$ 1,343,281</u>

The school department's employer contributions of \$757,326 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	\$ (661,872)
2027	2,426,126
2028	(644,022)
2029	(649,916)
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 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
Cost of Living Adjustment	2.125%

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

The actuarial assumptions used in the June 30, 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 historic market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCPS investment policy target asset allocation for each major asset class are summarized in the following table:

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (Asset)	\$ 8,051,522	\$ (6,338,051)	\$ (18,272,239)

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

2. Deferred Compensation

The Lincoln County School Department offers its employees a deferred compensation plan established pursuant to IRC Section 403(b). All costs of administering and funding this

program are the responsibility of plan participants. The Section 403(b) plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Section 403(b) establishes participation, contribution, and withdrawal provisions for the plan.

Teachers hired after July 1, 2014, by the school department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion which is placed into the state's 401(k) plan and is managed by the employee. The defined contribution portion of the plan requires that the school department contribute five percent of each teacher's salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year, the school department contributed \$491,042 to this deferred compensation pension plan.

I. Other Postemployment Benefits (OPEB)

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

OPEB Provided through State Administered Public Entity Risk Pools

Retirees of Lincoln County are provided healthcare under the Local Government Plan (LGP) until they reach Medicare eligibility. Likewise, the school department provides healthcare benefits to its retirees under the Local Education Plan (LEP) until they reach Medicare eligibility. Both certified and noncertified retirees of Lincoln County School Department may then join the Tennessee Plan – Medicare (TNM), which provides supplemental medical insurance for retirees with Medicare. However, the school department does not provide any subsidy (direct or indirect) to this plan and therefore does not recognize any OPEB liability associated with the TNM.

The county and school department's total OPEB liability for each plan was measured as of June 30, 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 plans was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Salary increases used in the July 1, 2021, TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.93%
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 under each plan

The discount rate was 3.93 percent based on an average rating of AA/Aa as shown on the Bond Buyer's 20-year Municipal GO AA index closest to but not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 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, 2022, Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 - June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the PUB-2010 Headcount-weighted employee mortality table for non-disabled pre-retirement mortality, with mortality improvement projected generationally with MP-2021 from 2010. Post-retirement rates are headcount-weighted below median healthy annuitant and adjusted with a 6 percent load for males and a 14 percent load for females, projected generationally with MP-2021 from 2010. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 percent load, projected generationally from 2018 with MP-2021.

Changes in Assumptions. The discount rate changed from 3.65 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.

Local Government OPEB Plan (Primary Government)

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

Benefits Provided. Lincoln County offers the LGP to provide health insurance coverage to eligible pre-65 retirees and disabled participants of local governments. With the exception of a small group of grandfathered individuals, retirees are required to discontinue coverage under the LGP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with *TCA 8-27-701* establishes and amends the benefit terms of the LGP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO, or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LGP receive the same plan benefits as active employees, at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for the retiree premiums. Lincoln County does not provide a direct subsidy and is only subject to the implicit subsidy.

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

Inactive Employees Currently Receiving Benefits	1
Inactive Employees Entitled To But Not Yet Receiving Benefits	0
Active Employees Eligible for Benefits	<u>182</u>
 Total	 <u>183</u>

An insurance committee, created in accordance with *TCA 8-27-701*, establishes the required payments to the LGP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. For the fiscal year ended June 30, 2025, the county paid \$4,267 to the LGP for OPEB benefits as they came due.

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

	<u>Lincoln County</u>
Balance July 1, 2023	\$ 281,711
Changes for the Year:	
Service Cost	28,938
Interest	11,314
Difference between Expected and Actuarial Experience	25,943
Changes in Assumption	42,281
Benefit Payments	<u>(1,372)</u>
Net Changes	<u>\$ 107,104</u>
 Balance June 30, 2024	 <u>\$ 388,815</u>

OPEB Expense (Negative OPEB Expense) and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2025, the county recognized OPEB expense (negative OPEB expense) of \$19,054. On June 30, 2025, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 22,418	\$ 81,748
Changes in Assumptions	115,626	107,015
Benefits Paid After the Measurement Date of June 30, 2024	<u>4,267</u>	N/A
 Total	 <u>\$ 142,311</u>	 <u>\$ 188,763</u>

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

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

Year Ending June 30	Amount
2026	\$ (21,198)
2027	(21,198)
2028	(16,463)
2029	(10,492)
2030	2,824
Thereafter	15,808

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

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

Discount Rate	1%	Current Discount	1%
	Decrease	Rate	Increase
	2.93%	3.93%	4.93%
Total OPEB Liability	\$ 419,967	\$ 388,815	\$ 359,806

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

Healthcare Cost Trend Rate	1%	Current Trend	1%
	Decrease	Rate	Increase
	9.68 to 3.5%	10.68 to 4.5%	11.68 to 5.5%
Total OPEB Liability	\$ 348,783	\$ 388,815	\$ 435,512

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

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

Benefits Provided. The Lincoln County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO, or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active

employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for the retiree premiums. The school department does not provide a direct subsidy and is only subject to the implicit subsidy.

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

Inactive Employees Currently Receiving Benefits	15
Inactive Employees Entitled To But Not Yet Receiving Benefits	0
Active Employees Eligible for Benefits	<u>267</u>
Total	<u><u>282</u></u>

A state insurance committee, created in accordance with *TCA 8-27-301*, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$96,991 to the LEP for OPEB benefits as they came due.

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

	Share of Collective Liability			Total OPEB Liability
	Lincoln County		State of	
	School Department	TN		
	60.49%	39.51%		
Balance July 1, 2023	\$ 3,064,293	\$ 1,970,619	\$ 5,034,912	
Changes for the Year:				
Service Cost	\$ 147,842	\$ 96,566	\$ 244,408	
Interest	114,722	74,932	189,654	
Difference between				
Expected and Actuarial				
Experience	230,656	150,657	381,313	
Changes in Proportions	(18,867)	18,867	0	
Changes in Assumption	70,688	46,171	116,859	
Benefit Payments	(101,709)	(66,433)	(168,142)	
Net Changes	\$ 443,332	\$ 320,760	\$ 764,092	
Balance June 30, 2024	\$ 3,507,625	\$ 2,291,379	\$ 5,799,004	

The Lincoln County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The Lincoln County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and non-employer contributing entities, actuarially determined. The school department recognized \$227,013 in revenue for subsidies provided by non-employer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Lincoln County School Department's proportionate share of the collective OPEB liability was 60.49 percent and the State of Tennessee's share was 39.51 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 \$511,426, 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	\$ 267,995	\$ 205,425
Changes in Proportion	58,387	216,603
Changes of Assumptions	631,157	257,991
Benefits Paid After the Measurement Date of June 30, 2024	<u>96,991</u>	0
Total	<u>\$ 1,054,530</u>	<u>\$ 680,019</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	\$ 21,864
2027	21,864
2028	33,637
2029	53,058
2030	56,041
Thereafter	73,056

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	\$ 3,784,301	\$ 3,507,625	\$ 3,245,287

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	Current	1%	1%
	Trend	Decrease	Increase
		9.68 to 3.5%	10.68 to 4.5%
			11.68 to 5.5%

Proportionate Share of the Collective Total OPEB Liability	\$ 3,132,469	\$ 3,507,625	\$ 3,943,348
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J. *Office of Central Accounting, Budgeting, and Purchasing*

Office of Director of Finance

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

K. *Purchasing Law*

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

L. *Subsequent Event*

On August 1, 2025, the discretely presented Lincoln County School Department entered into a Chromebook lease agreement totaling \$508,206.

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

A. *Summary of Significant Accounting Policies*

The accounting policies of the Lincoln County Board of Public Utilities (the board) conform to generally accepted accounting principles applicable to utilities. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting standards. The GASB's Codification of Governmental Accounting and Financial Reporting Standards document these principles. The following is a summary of significant policies:

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

reject budgets presented by the board and to approve bonds issued by the board. Bonds issued by the board are secured by a pledge of the taxing authority of Lincoln County.

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

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

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

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

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

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

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

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

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

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

Compensated Absences – The costs of vacation benefits are recorded as expense when earned. Employees accrue vacation leave from one to three weeks annually based on years of service. Up to

120 hours of vacation leave not used by each employee's anniversary date can be carried over to the following year. Employees accrue 12 days sick leave each year with no accumulation limit. Accumulated unpaid sick leave can only be used as paid time off. Unused sick leave will be converted to service credits upon retirement from the board. In accordance with GASB Statement No. 101, the board estimates an accrual for sick leave based on the hours accumulated and the pay rate as of June 30.

Deferred Outflows/Inflows of Resources – In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. The board has three items reported in this category – contributions to the pension plan made subsequent to the measurement date of June 30, 2024, the difference between expected and actual experience in the calculation of the total pension liability, and the difference due to actuarial assumption changes. Experience gains or losses and changes in actuarial assumptions are amortized over the average working lifetime of all participants.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The board has two items in this category – the difference between expected and actual experience in the calculation of the total pension liability and the difference between projected and actual earnings of plan investments. Experience gains or losses are amortized over the average working lifetime of all participants, and investment gains or losses are amortized over five years.

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

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

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

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

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

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

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

B. Cash and Restricted Funds

The following is a summary of cash and restricted funds as of June 30, 2025:

Cash and Cash Equivalents for General Use	\$ 13,724,195
Special Funds - Restricted for Customer Deposits	<u>223,355</u>
Total	<u><u>\$ 13,947,550</u></u>

Investments in the State Treasurer's Investment Pool are reported at amortized cost. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer.

Board cash consists of deposits in financial institutions or the State Treasurer's Investment Pool with bank balances of \$13,938,187 and carrying amounts of \$13,947,050. Of the amounts on deposit, all is fully insured by the Federal Deposit Insurance Corporation (FDIC) or Tennessee Bank Collateral Pool. The remaining \$500 is cash on hand.

Legal Provisions: All deposits with financial institutions must be secured by one of two methods depending on whether the financial institution participates in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund's accounts for the state of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure. For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the board.

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

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

C. Capital Assets

The following is a summary of capital asset activity for the year ended June 30, 2025:

	Balance 7-1-24	Increases	Retirements	Balance 6-30-25
Capital Assets Not Depreciated:				
Land & Land Rights	\$ 545,676	\$ 593	\$ 0	\$ 546,269
Construction in Progress	300,520	149,506	0	450,026
Total Capital Assets Not Depreciated	<u>\$ 846,196</u>	<u>\$ 150,099</u>	<u>\$ 0</u>	<u>\$ 996,295</u>
Capital Assets Depreciated:				
Distribution Lines & Tanks	\$ 44,811,321	\$ 248,674	\$ 0	\$ 45,059,995
Wells & Treatment Plant	4,634,287	0	0	4,634,287
Buildings & Equipment	3,612,415	136,820	(61,969)	3,687,266
Total Capital Assets Depreciated	<u>\$ 53,058,023</u>	<u>\$ 385,494</u>	<u>\$ (61,969)</u>	<u>\$ 53,381,548</u>
Less Accumulated Depreciation For:				
Distribution Lines & Tanks	\$ (21,861,347)	\$ (1,170,656)	\$ 0	\$ (23,032,003)
Wells & Treatment Plant	(2,616,576)	(108,287)	0	(2,724,863)
Buildings & Equipment	(2,870,670)	(163,904)	61,969	(2,972,605)
Total Accumulated Depreciation	<u>\$ (27,348,593)</u>	<u>\$ (1,442,847)</u>	<u>\$ 61,969</u>	<u>\$ (28,729,471)</u>
Capital Assets, Net	<u><u>\$ 26,555,626</u></u>	<u><u>\$ (907,254)</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 25,648,372</u></u>

D. Long-term Debt

Direct borrowings and direct placements:

Clean Water State Revolving Loan Fund, due in monthly installments of principal and interest through April, 2037 at an interest rate of 0.75%. \$ 365,816

Capitalization Grants for Clean Water State Revolving Loan, due in monthly installments of principal and interest through September, 2036, at an interest rate of 0.91%. 1,976,598

Drinking Water Revolving Loan Fund, due in monthly installments of principal and interest through October 29, 2039, at an interest rate of 0.82% 224,514

Drinking Water Revolving Loan Fund, due in monthly installments of principal and interest through March 20, 2040, at an interest rate of 0.82% 230,597

Total direct borrowings and direct placements debt \$ 2,797,525

A schedule of annual maturities of direct borrowing and direct placements debt as of June 30, 2025, are as follows:

Year Ending June 30	Principal	Interest	Total
2026	\$ 226,884	\$ 23,556	\$ 250,440
2027	228,876	21,564	250,440
2028	230,904	19,536	250,440
2029	232,944	17,496	250,440
2030	234,984	15,456	250,440
2031-2035	1,206,360	45,840	1,252,200
2036-2040	433,661	4,648	438,309
2041	2,912	2	2,914
Total	\$ 2,797,525	\$ 148,098	\$ 2,945,623

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

Other Debt:**Revenue and tax bonds:**

Water Revenue and Tax Bonds, Series 2015, issued August 26, 2015. The bonds mature serially at annual interest rates ranging from 2.20% to 4% with final maturity in 2036. The bonds are subject to redemption prior to maturity on or after April 1, 2025, at a redemption price of 100%.

Plus: unamortized bond premium

	<u>\$ 3,970,000</u>
	<u>91,531</u>
	<u><u>\$ 4,061,531</u></u>

Total other debt

A schedule of annual maturities of other debt outstanding as of June 30, 2025, follows:

Year Ending June 30	Principal	Interest	Total
2026	\$ 315,000	\$ 117,061	\$ 432,061
2027	320,000	110,131	430,131
2028	330,000	102,131	432,131
2029	340,000	93,469	433,469
2030	350,000	84,119	434,119
2031-2035	1,900,000	260,144	2,160,144
2036	<u>415,000</u>	<u>14,525</u>	<u>429,525</u>
Total	\$ 3,970,000	\$ 781,580	\$ 4,751,580

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

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

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Balance Due Within One Year
Direct Borrowings	\$ 3,022,429	\$ 0	\$ 224,904	\$ 2,797,525	\$ 226,884
Other Debt	4,275,000	0	305,000	3,970,000	315,000
Compensated absences(net)	<u>151,704</u>	<u>554</u>	<u>0</u>	<u>152,258</u>	<u>92,757</u>
Total Long-Term Debt	\$ 7,449,133	\$ 554	\$ 529,904	\$ 6,919,783	\$ 634,641

Scheduled principal and interest payments for this long-term debt as a percentage of pledged revenue totaled 9.02 percent for the year. Interest totaled \$141,337 for the year.

E. Pledged Revenues

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

Operating Revenues	Current-Year Principal and Interest Paid on Long-Term Debt	Percent of Current Revenue	Remaining Pledge Based on Future Principal and Interest Requirements	Commitment Period Through Fiscal Year
\$ 7,595,041	\$ 684,701	9.02%	\$ 7,697,203	2041

F. Pension Plan

General Information About the Pension Plan

Plan Description. Employees of Lincoln County Board of Public Utilities are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at 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 service credit. Reduced benefits for early retirement are available at age 55 and vested. Members vest with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	4
Inactive Employees Entitled to But Not Yet Receiving Benefits	15
Active Employees	<u>31</u>
Total	<u>50</u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. The board makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2025, the employer contributions in relation to the actuarially determined contribution (ADC) for the board were \$143,938 based on a rate of 8.7 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the board's state shared taxes if required employer contributions are not remitted. The employer's 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. Employer contributions to separately finance specific liabilities were \$0 for the year ended June 30, 2025. The contributions to separately finance specific liabilities were related to employees who have returned to work under a TCRS Return to Work program which requires employer contributions.

Net Pension Liability (Asset)

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

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

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

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

Changes in the Net Pension Liability (Asset)

	Total Pension Liability (Asset) (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2023	\$ 3,732,405	\$ 5,294,742	\$ (1,562,337)
Changes for the Year:			
Service Cost	\$ 132,571	\$ 0	\$ 132,571
Interest	257,415	0	257,415
Differences Between Expected and Actual Experience	292,779	0	292,779
Contributions-Employer	0	139,507	(139,507)
Contributions-Employees	0	80,177	(80,177)
Net Investment Income	0	522,467	(522,467)
Benefit Payments, Including Refunds of Employee Contributions	(102,840)	(102,840)	0
Administrative Expense	0	(2,610)	2,610
Net Changes	\$ 579,925	\$ 636,701	\$ (56,776)
Balance, June 30, 2024	\$ 4,312,330	\$ 5,931,443	\$ (1,619,113)

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

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (Asset)	\$ (1,049,627)	\$ (1,619,113)	\$ (2,099,176)

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

Pension Expense (Negative Pension Expense) - For the year ended June 30, 2025, the board recognized pension expense of \$16,572.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 312,402	\$ 22,517
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	61,454
Changes in assumptions	159,620	0
Contributions Subsequent to the Measurement Date of June 30, 2024	<u>143,938</u>	N/A
 Total	 <u>\$ 615,960</u>	 <u>\$ 83,971</u>

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 following measurement period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2026	\$ 56,506
2027	187,156
2028	69,486
2029	26,115
2030	48,797
Thereafter	0

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

G. Risk Management

The board is exposed to various risks of losses related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. During 2025, the board participated in a public entity risk pool for coverage of general liability, property, and workers’ compensation losses. The Local Government Fund is a public entity risk pool established by an association of Tennessee local governments. The board pays an annual premium to the pool for insurance coverage. The pool was created to be self-sustaining through member premiums. Settled claims in the past three years have not exceeded the coverage.

H. Water Sources

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

I. Related-party Transactions

The board provides water and wastewater services to Lincoln County, Tennessee, related entities at the same billing rate as other customers. For the year ended June 30, 2025, these sales totaled \$53,913 for water and wastewater and accounts receivable related to these sales were \$2,411 on June 30, 2025.

J. Current and Planned Projects

The board is requesting permits from the state of Tennessee that would allow for the construction of a water treatment plant on the Elk River. The plant would enhance the water available from the board's current wells that are the primary source of water to 91 percent of the board's customers. On June 30, 2025, the board purchased land for \$202,000 and had recorded construction in progress cost of \$214,785 related to roadway, other site development costs, and engineering and permitting costs. The estimated cost of the treatment plant and related distribution lines is \$18,000,000. No significant costs are anticipated to be incurred in the near term and actual plant construction is not expected to begin within the next three years.

K. Commitments and Contingency

During the year ended June 30, 2014, the Tennessee Comptroller's Office issued a report that concluded that unauthorized pension contributions were made for both active and currently retired employees. No further communication has been received by the board concerning what action, if any, will be required due to the unauthorized pension contributions.

In August 2025, the board signed a contract with Hawkins & Price, LLC for water line replacements. The project is expected to cost a total of \$6,727,150 with \$4,171,567 of the project cost to be funded by a grant from the state.

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

L. Implementation of GASB Statement No. 101

Effective for the fiscal year ending June 30, 2025, the board implemented the provisions of GASB Statement No. 101, *Compensated Absences*. This statement's primary objective is to update the recognition and measurement guidance for compensated absences. The objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The adoption of this standard resulted in increasing the liability for compensated absences as of June 30, 2024, by \$77,654.

The implementation of the standard resulted in the following adjustment to the Statement of Net Position as of June 30, 2024:

Net position - original	\$ 33,727,903
Accrued compensated absences	<u>(77,654)</u>
Net position - restated	<u>\$ 33,650,249</u>

REQUIRED SUPPLEMENTARY INFORMATION SECTION

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

Primary Government - County Plan

For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Pension Liability										
Service Cost	\$ 1,671,820	\$ 1,699,206	\$ 2,009,800	\$ 2,325,979	\$ 2,264,847	\$ 2,146,952	\$ 2,040,896	\$ 2,467,525	\$ 1,206,146	\$ 1,256,836
Interest	3,523,331	3,664,827	3,871,795	4,098,023	4,388,649	4,638,053	4,749,021	5,075,607	5,149,914	5,340,073
Differences Between Actual and Expected Experience	(1,346,469)	(750,316)	18,256	300,534	(205,295)	(2,058,485)	(278,210)	(1,597,421)	397,045	2,820,208
Changes in Assumptions	0	0	1,069,744	0	0	0	5,859,321	0	0	0
Benefit Payments, Including Refunds of Employee Contributions	(1,819,228)	(2,159,695)	(2,169,775)	(2,600,733)	(2,708,816)	(3,071,682)	(3,108,043)	(3,106,416)	(4,060,531)	(3,912,731)
Net Change in Total Pension Liability	\$ 2,029,454	\$ 2,454,022	\$ 4,799,820	\$ 4,123,803	\$ 3,739,385	\$ 1,654,838	\$ 9,262,985	\$ 2,839,295	\$ 2,692,574	\$ 5,504,386
Total Pension Liability, Beginning	46,215,547	48,245,001	50,699,023	55,498,843	59,622,646	63,362,031	65,016,869	74,279,854	77,119,149	79,811,723
Total Pension Liability, Ending (a)	\$ 48,245,001	\$ 50,699,023	\$ 55,498,843	\$ 59,622,646	\$ 63,362,031	\$ 65,016,869	\$ 74,279,854	\$ 77,119,149	\$ 79,811,723	\$ 85,316,109
Plan Fiduciary Net Position										
Contributions - Employer	\$ 601,764	\$ 594,431	\$ 647,113	\$ 701,475	\$ 1,018,497	\$ 1,121,437	\$ 1,224,154	\$ 1,246,156	\$ 859,900	\$ 976,429
Contributions - Employee	926,755	923,579	1,008,589	1,046,868	1,132,508	1,072,072	1,168,618	1,230,283	633,045	715,778
Net Investment Income	1,536,071	1,350,375	5,851,321	4,710,434	4,519,622	3,196,705	17,231,575	(3,186,864)	5,274,379	7,935,885
Benefit Payments, Including Refunds of Employee Contributions	(1,819,228)	(2,159,695)	(2,169,775)	(2,600,733)	(2,708,816)	(3,071,682)	(3,108,043)	(3,106,416)	(4,060,531)	(3,912,731)
Administrative Expense	(29,352)	(42,837)	(50,840)	(55,825)	(53,324)	(50,786)	(52,020)	(53,632)	(49,604)	(61,606)
Other	0	16,241	0	0	0	0	0	0	0	0
Net Change in Plan Fiduciary Net Position	\$ 1,216,010	\$ 682,094	\$ 5,286,408	\$ 3,802,219	\$ 3,908,487	\$ 2,267,746	\$ 16,464,284	\$ (3,870,473)	\$ 2,657,189	\$ 5,653,755
Plan Fiduciary Net Position, Beginning	50,017,784	51,233,794	51,915,888	57,202,296	61,004,515	64,913,002	67,180,748	83,645,032	79,774,559	82,431,748
Plan Fiduciary Net Position, Ending (b)	\$ 51,233,794	\$ 51,915,888	\$ 57,202,296	\$ 61,004,515	\$ 64,913,002	\$ 67,180,748	\$ 83,645,032	\$ 79,774,559	\$ 82,431,748	\$ 88,085,503
Net Pension Liability (Asset), Ending (a - b)	\$ (2,988,793)	\$ (1,216,865)	\$ (1,703,453)	\$ (1,381,869)	\$ (1,550,971)	\$ (2,163,879)	\$ (9,365,178)	\$ (2,655,410)	\$ (2,620,025)	\$ (2,769,394)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	106.20%	102.40%	103.07%	102.32%	102.45%	103.33%	112.61%	103.44%	103.28%	103.25%
Covered Payroll	\$ 18,688,322	\$ 18,449,895	\$ 20,060,385	\$ 20,788,204	\$ 22,482,268	\$ 21,360,690	\$ 23,319,353	\$ 23,736,288	\$ 12,554,004	\$ 14,254,423
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(15.99)%	(6.60)%	(8.49)%	(6.65)%	(6.90)%	(10.13)%	(40.16)%	(11.19)%	(20.87)%	(19.43)%

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

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

Primary Government - Board of Public Utilities Plan

For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Pension Liability										
Service Cost	\$ 64,598	\$ 77,693	\$ 80,252	\$ 88,024	\$ 85,717	\$ 92,286	\$ 90,381	\$ 121,411	\$ 124,687	\$ 132,571
Interest	132,868	144,409	150,013	165,112	170,519	171,573	190,559	216,886	235,419	257,415
Differences Between Actual and Expected Experience	35,235	(69,206)	15,227	(1,386)	(66,621)	87,446	8,165	11,533	47,479	292,779
Changes in Assumptions	0	0	104,694	0	0	0	345,314	0	0	0
Benefit Payments, Including Refunds of Employee Contributions	(103,109)	(80,727)	(80,727)	(80,727)	(269,005)	(94,298)	(80,727)	(80,727)	(76,363)	(102,840)
Net Change in Total Pension Liability	\$ 129,592	\$ 72,169	\$ 269,459	\$ 171,023	\$ (79,390)	\$ 257,007	\$ 553,692	\$ 269,103	\$ 331,222	\$ 579,925
Total Pension Liability, Beginning	\$ 1,758,528	\$ 1,888,120	\$ 1,960,289	\$ 2,229,748	\$ 2,400,771	\$ 2,321,381	\$ 2,578,388	\$ 3,132,080	\$ 3,401,183	\$ 3,732,405
Total Pension Liability, Ending (a)	\$ 1,888,120	\$ 1,960,289	\$ 2,229,748	\$ 2,400,771	\$ 2,321,381	\$ 2,578,388	\$ 3,132,080	\$ 3,401,183	\$ 3,732,405	\$ 4,312,330
Plan Fiduciary Net Position										
Contributions - Employer	\$ 87,393	\$ 90,392	\$ 98,122	\$ 99,400	\$ 100,999	\$ 106,554	\$ 110,870	\$ 118,641	\$ 128,599	\$ 139,507
Contributions - Employee	50,226	51,949	56,392	57,126	58,261	61,238	63,718	68,185	73,907	80,177
Net Investment Income	77,098	69,676	312,986	261,232	252,327	179,581	1,001,272	(190,514)	329,582	522,467
Benefit Payments, Including Refunds of Employee Contributions	(103,109)	(80,727)	(80,727)	(80,727)	(269,005)	(94,298)	(80,727)	(80,727)	(76,363)	(102,840)
Administrative Expense	(1,289)	(2,001)	(2,432)	(2,688)	(2,561)	(2,365)	(2,458)	(2,843)	(2,064)	(2,610)
Net Change in Plan Fiduciary Net Position	\$ 110,319	\$ 129,289	\$ 384,341	\$ 334,343	\$ 140,021	\$ 250,710	\$ 1,092,675	\$ (87,258)	\$ 453,661	\$ 636,701
Plan Fiduciary Net Position, Beginning	\$ 2,486,641	\$ 2,596,960	\$ 2,726,249	\$ 3,110,590	\$ 3,444,933	\$ 3,584,954	\$ 3,835,664	\$ 4,928,339	\$ 4,841,081	\$ 5,294,742
Plan Fiduciary Net Position, Ending (b)	\$ 2,596,960	\$ 2,726,249	\$ 3,110,590	\$ 3,444,933	\$ 3,584,954	\$ 3,835,664	\$ 4,928,339	\$ 4,841,081	\$ 5,294,742	\$ 5,931,443
Net Pension Liability (Asset), Ending (a - b)	\$ (708,840)	\$ (765,960)	\$ (880,842)	\$ (1,044,162)	\$ (1,263,573)	\$ (1,257,276)	\$ (1,796,259)	\$ (1,439,898)	\$ (1,562,337)	\$ (1,619,113)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	137.54%	139.07%	139.50%	143.49%	154.43%	148.76%	157.35%	142.34%	141.86%	137.55%
Covered Payroll	\$ 1,004,520	\$ 1,038,984	\$ 1,127,834	\$ 1,142,526	\$ 1,165,218	\$ 1,224,758	\$ 1,274,366	\$ 1,363,695	\$ 1,478,146	\$ 1,603,534
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(70.57)%	(73.72)%	(78.10)%	(91.39)%	(108.44)%	(102.66)%	(140.95)%	(105.59)%	(105.70)%	(100.97)%

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

Primary Government - County Plan

For the Fiscal Year Ended June 30

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially Determined Contribution	\$ 594,431	\$ 647,113	\$ 701,475	\$ 1,018,497	\$ 1,121,437	\$ 1,224,154	\$ 1,246,156	\$ 859,900	\$ 976,429	\$ 1,040,955
Less: Contributions in Relation to the Actuarially Determined Contribution	(594,431)	(647,113)	(701,475)	(1,018,497)	(1,121,437)	(1,224,154)	(1,246,156)	(859,900)	(976,429)	(1,040,955)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 18,449,895	\$ 20,060,385	\$ 20,788,204	\$ 22,482,268	\$ 21,360,690	\$ 23,319,353	\$ 23,736,288	\$ 12,554,004	\$ 14,254,423	\$ 15,196,423
Contributions as a Percentage of Covered Payroll	3.22%	3.22%	3.37%	4.53%	5.25%	5.25%	5.25%	6.85%	6.85%	6.85%

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

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

Primary Government - Board of Public Utilities Plan

For the Fiscal Year Ended June 30

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially Determined Contribution	\$ 90,392	\$ 31,805	\$ 34,276	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Less: Contributions in Relation to the Actuarially Determined Contribution	(90,392)	(98,122)	(99,400)	(100,999)	(106,554)	(110,870)	(118,641)	(128,599)	(139,507)	(143,938)
Contribution Deficiency (Excess)	\$ 0	\$ (66,317)	\$ (65,124)	\$ (100,999)	\$ (106,554)	\$ (110,870)	\$ (118,641)	\$ (128,599)	\$ (139,507)	\$ (143,938)
Covered Payroll	\$ 1,038,984	\$ 1,127,834	\$ 1,142,526	\$ 1,165,218	\$ 1,224,758	\$ 1,274,366	\$ 1,363,695	\$ 1,478,146	\$ 1,603,534	\$ 1,654,458
Contributions as a Percentage of Covered Payroll	8.70%	8.70%	8.70%	8.67%	8.70%	8.70%	8.70%	8.70%	8.70%	8.70%

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

Discretely Presented Lincoln County School Department

For the Fiscal Year Ended June 30

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually Required Contribution	\$ 54,382	\$ 93,022	\$ 127,662	\$ 72,644	\$ 91,163	\$ 102,754	\$ 121,252	\$ 206,990	\$ 243,404	\$ 287,508
Less: Contributions in Relation to the Contractually Required Contribution	(54,382)	(93,022)	(127,662)	(72,644)	(91,163)	(102,754)	(121,252)	(206,990)	(243,404)	(287,508)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 1,359,555	\$ 2,288,662	\$ 3,191,549	\$ 3,744,517	\$ 4,490,814	\$ 5,086,821	\$ 6,032,431	\$ 7,219,093	\$ 8,250,999	\$ 9,583,600
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	1.94%	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%

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

Discretely Presented Lincoln County School Department

For the Fiscal Year Ended June 30

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually Required Contribution	\$ 1,308,473	\$ 1,252,725	\$ 1,215,979	\$ 1,337,413	\$ 1,293,115	\$ 1,278,473	\$ 1,221,446	\$ 1,046,701	\$ 829,580	\$ 757,326
Less: Contributions in Relation to the Contractually Required Contribution	(1,308,473)	(1,252,725)	(1,215,979)	(1,337,413)	(1,293,115)	(1,278,473)	(1,221,446)	(1,046,701)	(829,580)	(757,326)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 14,474,266	\$ 13,894,489	\$ 13,391,813	\$ 12,785,963	\$ 12,164,755	\$ 12,448,621	\$ 11,858,698	\$ 12,042,619	\$ 12,181,807	\$ 11,907,642
Contributions as a Percentage of Covered Payroll	9.04%	9.04%	9.08%	10.46%	10.63%	10.27%	10.30%	8.69%	6.81%	6.36%

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

Discretely Presented Lincoln County School Department

For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
School Department's Proportion of the Net Pension Liability (Asset)	0.309886%	0.308985%	0.354321%	0.365217%	0.353857%	0.355869%	0.352465%	0.353248%	0.362597%	0.351233%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (12,467)	\$ (32,166)	\$ (93,483)	\$ (165,636)	\$ (199,747)	\$ (202,363)	\$ (381,794)	\$ (107,008)	\$ (153,753)	\$ (250,291)
Covered Payroll	\$ 643,863	\$ 1,359,555	\$ 2,288,662	\$ 3,191,549	\$ 3,744,517	\$ 4,490,814	\$ 5,086,821	\$ 6,032,431	\$ 7,219,093	\$ 8,250,999
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.08)%	(5.19)%	(5.33)%	(4.51)%	(7.51)%	(1.77)%	(2.13)%	(3.03)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	127.46%	121.88%	126.81%	126.97%	123.07%	116.52%	121.53%	104.55%	104.97%	106.49%

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

Discretely Presented Lincoln County School Department

For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
School Department's Proportion of the Net Pension Liability (Asset)	0.387060%	0.400971%	0.392016%	0.382441%	0.381313%	0.365500%	0.379280%	0.360344%	0.371178%	0.367879%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ 158,553	\$ 2,505,848	\$ (128,261)	\$ (1,345,777)	\$ (3,920,585)	\$ (2,787,203)	\$ (16,359,263)	\$ (4,419,280)	\$ (4,376,087)	\$ (6,338,051)
Covered Payroll	\$ 14,489,626	\$ 14,474,266	\$ 13,894,489	\$ 13,391,813	\$ 12,785,963	\$ 12,164,755	\$ 12,448,621	\$ 11,858,698	\$ 12,042,619	\$ 12,181,807
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	1.09%	17.31%	(.92)%	(10.05)%	(30.66)%	(22.91)%	(131.41)%	(37.27)%	(36.34)%	(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%

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

Primary Government

For the Fiscal Year Ended June 30

	2017	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability								
Service Cost	\$ 26,157	\$ 24,461	\$ 30,729	\$ 28,580	\$ 36,161	\$ 30,174	\$ 19,094	\$ 28,938
Interest	10,162	12,703	13,929	11,675	8,647	6,591	7,536	11,314
Differences Between Actual and Expected Experience	0	(30,712)	(99,794)	(8,275)	(29,150)	(22,735)	(12,889)	25,943
Changes in Assumptions	(19,244)	23,333	15,095	30,882	(88,569)	(93,499)	75,138	42,281
Benefit Payments	(6,140)	(6,953)	(9,331)	(10,598)	(12,978)	(1,463)	(1,919)	(1,372)
Net Change in Total OPEB Liability	\$ 10,935	\$ 22,832	\$ (49,372)	\$ 52,264	\$ (85,889)	\$ (80,932)	\$ 86,960	\$ 107,104
Total OPEB Liability, Beginning	324,913	335,848	358,680	309,308	361,572	275,683	194,751	281,711
Total OPEB Liability, Ending	\$ 335,848	\$ 358,680	\$ 309,308	\$ 361,572	\$ 275,683	\$ 194,751	\$ 281,711	\$ 388,815
 Covered Employee Payroll	 \$ 6,117,200	 \$ 6,314,608	 \$ 6,940,045	 \$ 6,969,847	 \$ 6,715,181	 \$ 6,983,367	 \$ 7,756,482	 \$ 8,940,409
Net OPEB Liability as a Percentage of Covered Employee Payroll	5.49%	5.68%	4.46%	5.19%	4.11%	2.79%	3.63%	4.35%

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.

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

Discretely Presented Lincoln County School Department

For the Fiscal Year Ended June 30

	2017	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability								
Service Cost	\$ 227,756	\$ 212,678	\$ 186,189	\$ 173,993	\$ 222,810	\$ 292,043	\$ 219,457	\$ 244,408
Interest	123,879	148,020	128,780	123,237	90,199	106,755	164,246	189,654
Differences Between Actual and Expected Experience	0	(786,604)	163,806	(10,901)	(90,558)	72,820	(22,340)	381,313
Changes in Assumptions	(194,714)	93,846	(275,723)	437,856	746,262	(486,515)	382,477	116,859
Benefit Payments	(215,553)	(237,293)	(248,606)	(225,719)	(178,543)	(175,428)	(256,164)	(168,142)
Net Change in Total OPEB Liability	\$ (58,632)	\$ (569,353)	\$ (45,554)	\$ 498,466	\$ 790,170	\$ (190,325)	\$ 487,676	\$ 764,092
Total OPEB Liability, Beginning	4,122,464	4,063,832	3,494,479	3,448,925	3,947,391	4,737,561	4,547,236	5,034,912
Total OPEB Liability, Ending	\$ 4,063,832	\$ 3,494,479	\$ 3,448,925	\$ 3,947,391	\$ 4,737,561	\$ 4,547,236	\$ 5,034,912	\$ 5,799,004
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 1,460,232	\$ 1,203,502	\$ 1,219,475	\$ 1,301,680	\$ 1,646,322	\$ 1,647,960	\$ 1,970,619	\$ 2,291,379
Employer Proportionate Share of the Total OPEB Liability	2,603,600	2,290,977	2,229,450	2,645,711	3,091,239	2,899,276	3,064,293	3,507,625
Covered Employee Payroll	\$ 20,159,458	\$ 20,254,516	\$ 20,053,557	\$ 20,665,314	\$ 25,961,134	\$ 21,905,335	\$ 23,864,557	\$ 25,681,015
Employer Proportionate Share of the Total OPEB Liability as a Percentage of Covered Employee Payroll	12.92%	11.31%	11.12%	12.80%	11.91%	13.24%	12.84%	13.66%

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.

LINCOLN 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.

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

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

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

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

	Special Revenue Funds		Total
	Solid Waste / Sanitation	Drug Control	Nonmajor Governmental Funds
ASSETS			
Equity in Pooled Cash and Investments	\$ 1,502,791	\$ 267,882	\$ 1,770,673
Accounts Receivable	5,842	0	5,842
Allowance for Uncollectibles	(5,217)	0	(5,217)
Due from Other Governments	317,579	0	317,579
Total Assets	\$ 1,820,995	\$ 267,882	\$ 2,088,877
LIABILITIES			
Accrued Payroll	\$ 5,490	\$ 0	\$ 5,490
Due to Cities	22,899	0	22,899
Total Liabilities	\$ 28,389	\$ 0	\$ 28,389
DEFERRED INFLOWS OF RESOURCES			
Other Deferred/Unavailable Revenue	\$ 161,296	\$ 0	\$ 161,296
Total Deferred Inflows of Resources	\$ 161,296	\$ 0	\$ 161,296
FUND BALANCES			
Restricted:			
Restricted for Public Safety	\$ 0	\$ 267,882	\$ 267,882
Restricted for Public Health and Welfare	1,631,310	0	1,631,310
Total Fund Balances	\$ 1,631,310	\$ 267,882	\$ 1,899,192
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,820,995	\$ 267,882	\$ 2,088,877

LINCOLN 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
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Nonmajor Governmental Funds
Revenues				
Fines, Forfeitures, and Penalties	\$ 0	\$ 71,970	\$ 0	\$ 71,970
Charges for Current Services	1,866,192	0	5,750	1,871,942
Other Local Revenues	4,068	4,051	0	8,119
State of Tennessee	33,749	0	0	33,749
Total Revenues	\$ 1,904,009	\$ 76,021	\$ 5,750	\$ 1,985,780
Expenditures				
Current:				
Administration of Justice	\$ 0	\$ 0	\$ 5,750	\$ 5,750
Public Safety	0	94,104	0	94,104
Public Health and Welfare	1,640,511	0	0	1,640,511
Total Expenditures	\$ 1,640,511	\$ 94,104	\$ 5,750	\$ 1,740,365
Excess (Deficiency) of Revenues Over Expenditures	\$ 263,498	\$ (18,083)	\$ 0	\$ 245,415
Other Financing Sources (Uses)				
Insurance Recovery	\$ 0	\$ 16,453	\$ 0	\$ 16,453
Total Other Financing Sources (Uses)	\$ 0	\$ 16,453	\$ 0	\$ 16,453
Net Change in Fund Balances	\$ 263,498	\$ (1,630)	\$ 0	\$ 261,868
Fund Balance, July 1, 2024	1,367,812	269,512	0	1,637,324
Fund Balance, June 30, 2025	\$ 1,631,310	\$ 267,882	\$ 0	\$ 1,899,192

LINCOLN COUNTY, TENNESSEE

**Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2025**

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)		Budgeted Amounts		Variance with Final Budget - Positive (Negative)
			Original	Final	Original	Final	
Revenues							
Charges for Current Services	\$ 1,866,192	\$ 0	\$ 1,866,192	\$ 1,860,000	\$ 1,860,000	\$ 6,192	
Other Local Revenues	4,068	0	4,068	8,000	8,000		(3,932)
State of Tennessee	33,749	0	33,749	25,000	25,000		8,749
Total Revenues	\$ 1,904,009	\$ 0	\$ 1,904,009	\$ 1,893,000	\$ 1,893,000	\$ 11,009	
Expenditures							
Public Health and Welfare							
Sanitation Management	\$ 46,053	\$ 2,570	\$ 48,623	\$ 86,400	\$ 60,905	\$ 12,282	
Convenience Centers	256,823	0	256,823	289,923	290,918		34,095
Other Waste Disposal	1,273,143	0	1,273,143	1,331,095	1,370,595		97,452
Postclosure Care Costs	64,492	0	64,492	85,000	85,000		20,508
Total Expenditures	\$ 1,640,511	\$ 2,570	\$ 1,643,081	\$ 1,792,418	\$ 1,807,418	\$ 164,337	
Excess (Deficiency) of Revenues Over Expenditures	\$ 263,498	\$ (2,570)	\$ 260,928	\$ 100,582	\$ 85,582	\$ 175,346	
Net Change in Fund Balance	\$ 263,498	\$ (2,570)	\$ 260,928	\$ 100,582	\$ 85,582	\$ 175,346	
Fund Balance, July 1, 2024	1,367,812	0	1,367,812	1,311,778	1,367,812		0
Fund Balance, June 30, 2025	\$ 1,631,310	\$ (2,570)	\$ 1,628,740	\$ 1,412,360	\$ 1,453,394	\$ 175,346	

LINCOLN COUNTY, TENNESSEE

**Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget**
Drug Control Fund
For the Year Ended June 30, 2025

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Fines, Forfeitures, and Penalties	\$ 71,970	\$ 0	\$ 0	\$ 71,970	\$ 17,750	\$ 17,750	\$ 54,220
Other Local Revenues	4,051	0	0	4,051	0	0	4,051
Total Revenues	\$ 76,021	\$ 0	\$ 0	\$ 76,021	\$ 17,750	\$ 17,750	\$ 58,271
Expenditures							
Public Safety							
Drug Enforcement	\$ 94,104	\$ (41,691)	\$ 4,600	\$ 57,013	\$ 48,000	\$ 64,784	\$ 7,771
Total Expenditures	\$ 94,104	\$ (41,691)	\$ 4,600	\$ 57,013	\$ 48,000	\$ 64,784	\$ 7,771
Excess (Deficiency) of Revenues Over Expenditures	\$ (18,083)	\$ 41,691	\$ (4,600)	\$ 19,008	\$ (30,250)	\$ (47,034)	\$ 66,042
Other Financing Sources (Uses)							
Insurance Recovery	\$ 16,453	\$ 0	\$ 0	\$ 16,453	\$ 0	\$ 16,453	\$ 0
Total Other Financing Sources	\$ 16,453	\$ 0	\$ 0	\$ 16,453	\$ 0	\$ 16,453	\$ 0
Net Change in Fund Balance	\$ (1,630)	\$ 41,691	\$ (4,600)	\$ 35,461	\$ (30,250)	\$ (30,581)	\$ 66,042
Fund Balance, July 1, 2024	269,512	(41,691)	0	227,821	195,455	227,821	0
Fund Balance, June 30, 2025	\$ 267,882	\$ 0	\$ (4,600)	\$ 263,282	\$ 165,205	\$ 197,240	\$ 66,042

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.

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

General Debt Service Fund

For the Year Ended June 30, 2025

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 6,045,307	\$ 5,812,217	\$ 5,812,217	\$ 233,090
Other Local Revenues	961,707	1,150,000	1,150,000	(188,293)
Total Revenues	\$ 7,007,014	\$ 6,962,217	\$ 6,962,217	\$ 44,797
Expenditures				
Principal on Debt				
General Government	\$ 420,000	\$ 420,000	\$ 420,000	\$ 0
Education	2,135,000	2,135,000	2,135,000	0
Interest on Debt				
General Government	136,956	136,957	136,957	1
Education	3,073,588	3,073,588	3,073,588	0
Other Debt Service				
General Government	121,245	125,000	125,000	3,755
Education	1,300	5,000	5,000	3,700
Total Expenditures	\$ 5,888,089	\$ 5,895,545	\$ 5,895,545	\$ 7,456
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,118,925	\$ 1,066,672	\$ 1,066,672	\$ 52,253
Net Change in Fund Balance	\$ 1,118,925	\$ 1,066,672	\$ 1,066,672	\$ 52,253
Fund Balance, July 1, 2024	4,190,982	4,174,328	4,190,982	0
Fund Balance, June 30, 2025	\$ 5,309,907	\$ 5,241,000	\$ 5,257,654	\$ 52,253

CUSTODIAL FUNDS

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

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

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

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

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

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

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

		Custodial Funds								
		City Sales Tax	School ADA - Fayetteville	Constitu - tional Officers - Custodial	Judicial District Drug	District Attorney General	Total			
ASSETS										
Cash	\$ 0	\$ 0	\$ 1,980,774	\$ 2,146	\$ 0	\$ 0	\$ 1,982,920			
Equity in Pooled Cash and Investments		0	136,187	0	814,806	19,523		970,516		
Accounts Receivable		0	0	1,395	16,500	0		17,895		
Due from Other Governments		693,264	255,487	0	10,862	0		959,613		
Property Taxes Receivable		0	1,220,000	0	0	0		1,220,000		
Allowance for Uncollectible Property Taxes		0	(15,940)	0	0	0		(15,940)		
Total Assets	\$ 693,264	\$ 1,595,734	\$ 1,982,169	\$ 844,314	\$ 19,523	\$ 0	\$ 5,135,004			
LIABILITIES										
Accrued Payroll	\$ 0	\$ 0	\$ 0	\$ 3,955	\$ 0	\$ 0	\$ 0	3,955		
Due to Cities		0	0	0	140	0		140		
Due to Other Taxing Units		693,264	394,339	0	0	0		1,087,603		
Due to Litigants, Heirs, and Others		0	0	0	9,720	0		9,720		
Total Liabilities	\$ 693,264	\$ 394,339	\$ 0	\$ 13,815	\$ 0	\$ 0	\$ 0	1,101,418		
DEFERRED INFLOWS OF RESOURCES										
Deferred Current Property Taxes	\$ 0	\$ 1,201,395	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,201,395		
Total Deferred Inflows of Resources	\$ 0	\$ 1,201,395	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,201,395		
NET POSITION										
Restricted for Individuals, Organizations, and Other Governments	\$ 0	\$ 0	\$ 1,982,169	\$ 830,499	\$ 19,523	\$ 0	\$ 0	2,832,191		
Total Net Position	\$ 0	\$ 0	\$ 1,982,169	\$ 830,499	\$ 19,523	\$ 0	\$ 0	2,832,191		

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

Custodial Funds						
	City School ADA - Fayetteville	Constitu - tional Officers - Custodial	Judicial District Drug	District Attorney General	Total	
ADDITIONS						
Sales Tax Collections for Other Governments	\$ 4,011,996	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,011,996
ADA - Educational Funds Collected for Cities	0	2,585,740	0	0	0	2,585,740
Fines/Fees and Other Collections	0	0	13,666,187	0	0	13,666,187
Drug Task Force Collections	0	0	0	247,899	0	247,899
District Attorney General Collections	0	0	0	0	23,446	23,446
Total Additions	\$ 4,011,996	\$ 2,585,740	\$ 13,666,187	\$ 247,899	\$ 23,446	\$ 20,535,268
DEDUCTIONS						
Payment of Sales Tax Collections for Other Governments	\$ 4,011,996	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,011,996
Payments to City School Systems	0	2,562,036	0	0	0	2,562,036
Payments to State	0	0	6,730,334	0	0	6,730,334
Payments to Cities, Individuals, and Others	0	23,704	6,983,064	0	0	7,006,768
Payment of Drug Task Force Expenses	0	0	0	249,119	0	249,119
Payment of District Attorney General Expenses	0	0	0	0	29,454	29,454
Total Deductions	\$ 4,011,996	\$ 2,585,740	\$ 13,713,398	\$ 249,119	\$ 29,454	\$ 20,589,707
Change in Net Position	\$ 0	\$ 0	\$ (47,211)	\$ (1,220)	\$ (6,008)	\$ (54,439)
Net Position July 1, 2024	0	0	2,029,380	831,719	25,531	2,886,630
Net Position June 30, 2025	\$ 0	\$ 0	\$ 1,982,169	\$ 830,499	\$ 19,523	\$ 2,832,191

LINCOLN COUNTY SCHOOL DEPARTMENT

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

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

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

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

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

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

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

LINCOLN COUNTY, TENNESSEE**Statement of Activities**

Discretely Presented Lincoln County School Department
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 29,498,306	\$ 0	\$ 3,535,496	\$ 0	\$ (25,962,810)
Support Services	12,714,448	46,437	650,696	5,819	(12,011,496)
Operation of Non-instructional Services	7,862,719	2,520,799	1,911,791	0	(3,430,129)
Total Governmental Activities	\$ 50,075,473	\$ 2,567,236	\$ 6,097,983	\$ 5,819	\$ (41,404,435)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 5,669,148
Local Option Sales Tax					5,351,518
Wholesale Beer Tax					128,919
Grants and Contributions Not Restricted to Specific Programs					31,765,737
Unrestricted Investment Earnings					126,449
Miscellaneous					74,713
Total General Revenues					\$ 43,116,484
Change in Net Position					\$ 1,712,049
Net Position, July 1, 2024					111,883,246
Restatement - See Note I.D.10.					(163,745)
Net Position, June 30, 2025					\$ 113,431,550

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

Discretely Presented Lincoln County School Department

June 30, 2025

	Major Funds			Nonmajor Funds	
	General Purpose School	Education Capital Projects	Other Governmental Funds	Total Governmental Funds	
ASSETS					
Cash	\$ 1,425	\$ 0	\$ 966,827	\$ 968,252	
Equity in Pooled Cash and Investments	14,195,085	10,822,175	1,695,356	26,712,616	
Accounts Receivable	7,218	0	261,415	268,633	
Due from Other Governments	2,791,736	0	817,133	3,608,869	
Property Taxes Receivable	4,492,678	1,376,283	0	5,868,961	
Allowance for Uncollectible Property Taxes	(58,698)	(17,981)	0	(76,679)	
Prepaid Items	835,941	0	0	835,941	
Restricted Assets	840,818	0	0	840,818	
Total Assets	\$ 23,106,203	\$ 12,180,477	\$ 3,740,731	\$ 39,027,411	
LIABILITIES					
Accounts Payable	\$ 184,179	\$ 0	\$ 58,680	\$ 242,859	
Accrued Payroll	1,178,989	0	156,945	1,335,934	
Total Liabilities	\$ 1,363,168	\$ 0	\$ 215,625	\$ 1,578,793	
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	\$ 4,333,285	\$ 1,327,455	\$ 0	\$ 5,660,740	
Deferred Delinquent Property Taxes	91,592	28,012	0	119,604	
Other Deferred/Unavailable Revenue	1,563,530	0	113,623	1,677,153	
Total Deferred Inflows of Resources	\$ 5,988,407	\$ 1,355,467	\$ 113,623	\$ 7,457,497	
FUND BALANCES					
Nonspendable:					
Prepaid Items	\$ 835,941	\$ 0	\$ 0	\$ 835,941	
Restricted:					
Restricted for Education	175,576	0	2,395,272	2,570,848	
Restricted for Capital Projects	0	10,825,010	0	10,825,010	
Restricted for Hybrid Retirement Stabilization Funds	840,818	0	0	840,818	
Committed:					
Committed for Education	23,951	0	1,016,211	1,040,162	
Assigned:					
Assigned for Education	5,252,181	0	0	5,252,181	
Unassigned	8,626,161	0	0	8,626,161	
Total Fund Balances	\$ 15,754,628	\$ 10,825,010	\$ 3,411,483	\$ 29,991,121	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 23,106,203	\$ 12,180,477	\$ 3,740,731	\$ 39,027,411	

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

Discretely Presented Lincoln County School Department

June 30, 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 J-2)	\$ 29,991,121
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	
Add: land	\$ 1,889,171
Add: construction in progress	28,751,151
Add: buildings and improvements net of accumulated depreciation	30,086,279
Add: other capital assets net of accumulated depreciation	14,381,326
Add: intangible right-to-use assets net of accumulated amortization	<u>678,340</u>
	75,786,267
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	
Less: leases payable	\$ (691,090)
Less: compensated absences payable	(245,580)
Less: net OPEB liability	<u>(3,507,625)</u>
	(4,444,295)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension expense and OPEB expense in future years.	
Add: deferred outflows of resources related to pensions	\$ 4,131,687
Add: deferred outflows of resources related to OPEB	1,054,530
Less: deferred inflows of resources related to pensions	(1,806,716)
Less: deferred inflows of resources related to OPEB	<u>(698,019)</u>
	2,681,482
(4) Net pension assets of the agent and cost-sharing plans are not current financial resources and therefore are not reported in the governmental funds.	
Add: net pension asset - agent plan	\$ 1,031,876
Add: net pension asset - teacher retirement plan	250,291
Add: net pension asset - teacher legacy pension plan	<u>6,338,051</u>
	7,620,218
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.	<u>1,796,757</u>
Net position of governmental activities (Exhibit A)	<u>\$ 113,431,550</u>

LINCOLN COUNTY, TENNESSEE**Statement of Revenues, Expenditures, and Changes
in Fund Balances - Governmental Funds**Discretely Presented Lincoln County School Department
For the Year Ended June 30, 2025

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General Purpose School	Education Capital Projects	Other Govern- mental Funds			
Revenues						
Local Taxes	\$ 9,801,194	\$ 1,332,372	\$ 0	\$ 0	\$ 11,133,566	
Licenses and Permits		1,547	0	0	1,547	
Charges for Current Services		58,896	0	814,790	873,686	
Other Local Revenues		184,425	0	1,717,623	1,902,048	
State of Tennessee		32,491,741	0	14,853	32,506,594	
Federal Government		101,039	0	5,080,367	5,181,406	
Other Governments and Citizens Groups		472,841	0	5,000	477,841	
Total Revenues	<u>\$ 43,111,683</u>	<u>\$ 1,332,372</u>	<u>\$ 7,632,633</u>	<u>\$ 52,076,688</u>		
Expenditures						
Current:						
Instruction	\$ 25,711,284	\$ 0	\$ 2,324,614	\$ 28,035,898		
Support Services		14,004,769	0	493,720	14,498,489	
Operation of Non-Instructional Services		1,349,423	0	4,293,769	5,643,192	
Capital Outlay		1,254,930	17,615,366	199,856	19,070,152	
Total Expenditures	<u>\$ 42,320,406</u>	<u>\$ 17,615,366</u>	<u>\$ 7,311,959</u>	<u>\$ 67,247,731</u>		
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 791,277</u>	<u>\$ (16,282,994)</u>	<u>\$ 320,674</u>	<u>\$ (15,171,043)</u>		
Other Financing Sources (Uses)						
Leases Issued	\$ 917,760	\$ 0	\$ 0	\$ 917,760		
Insurance Recovery		34,350	0	0	34,350	
Total Other Financing Sources (Uses)	<u>\$ 952,110</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 952,110</u>		
Net Change in Fund Balances	\$ 1,743,387	\$ (16,282,994)	\$ 320,674	\$ (14,218,933)		
Fund Balance, July 1, 2024		14,011,241	27,108,004	3,090,809	44,210,054	
Fund Balance, June 30, 2025	<u>\$ 15,754,628</u>	<u>\$ 10,825,010</u>	<u>\$ 3,411,483</u>	<u>\$ 29,991,121</u>		

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

Discretely Presented Lincoln County School Department

For the Year Ended June 30, 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 J-4)	\$ (14,218,933)
(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	\$ 21,323,835
Less: current-year depreciation and amortization expense	<u>(3,445,254)</u> 17,878,581
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.	
Less: book value of capital assets disposed	(7,336)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Less: deferred delinquent property taxes and other deferred June 30, 2024	\$ (2,305,600)
Add: deferred delinquent property taxes and other deferred June 30, 2025	<u>1,796,757</u> (508,843)
(4) The issuance of lease obligations provides current financial resources to governmental funds, while the payment of principal of leases consumes current resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the effect of these differences in the treatment of lease obligations.	
Less: lease proceeds	\$ (917,760)
Add: principal payments on lease obligations	<u>430,064</u> (487,696)
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	
Change in compensated absences payable	\$ (13,407)
Change in net OPEB liability	(443,332)
Change in deferred outflows of resources related to pensions	(1,752,363)
Change in deferred outflows of resources related to OPEB	114,240
Change in deferred inflows of resources related to pensions	(1,089,493)
Change in deferred inflows of resources related to OPEB	141,670
Change in net pension asset - agent plan	40,459
Change in net pension asset - teacher retirement plan	96,538
Change in net pension asset - teacher legacy pension plan	<u>1,961,964</u> (943,724)
Change in net position of governmental activities (Exhibit B)	<u>\$ 1,712,049</u>

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

Discretely Presented Lincoln County School Department

June 30, 2025

Special Revenue Funds						Total
	School	Extended		Internal	Nonmajor	Governmental
	Federal	Central	School	School	Funds	Funds
	Projects	Cafeteria	Program	School		
ASSETS						
Cash	\$ 0	\$ 2,000	\$ 0	\$ 964,827	\$ 966,827	
Equity in Pooled Cash and Investments	259,108	1,312,244	124,004	0	1,695,356	
Accounts Receivable	181,186	57,442	5,689	17,098	261,415	
Due from Other Governments	673,159	143,974	0	0	817,133	
Total Assets	\$ 1,113,453	\$ 1,515,660	\$ 129,693	\$ 981,925	\$ 3,740,731	
LIABILITIES						
Accounts Payable	\$ 0	\$ 34,757	\$ 0	\$ 23,923	\$ 58,680	
Accrued Payroll	113,312	43,633	0	0	156,945	
Total Liabilities	\$ 113,312	\$ 78,390	\$ 0	\$ 23,923	\$ 215,625	
DEFERRED INFLOWS OF RESOURCES						
Other Deferred/Unavailable Revenue	\$ 113,623	\$ 0	\$ 0	\$ 0	\$ 113,623	
Total Deferred Inflows of Resources	\$ 113,623	\$ 0	\$ 0	\$ 0	\$ 113,623	
FUND BALANCES						
Restricted:						
Restricted for Education	\$ 0	\$ 1,437,270	\$ 0	\$ 958,002	\$ 2,395,272	
Committed:						
Committed for Education	886,518	0	129,693	0	1,016,211	
Total Fund Balances	\$ 886,518	\$ 1,437,270	\$ 129,693	\$ 958,002	\$ 3,411,483	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,113,453	\$ 1,515,660	\$ 129,693	\$ 981,925	\$ 3,740,731	

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

Discretely Presented Lincoln County School Department

For the Year Ended June 30, 2025

	Special Revenue Funds					Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Extended School Program	Internal School		
Revenues						
Charges for Current Services	\$ 0	\$ 723,058	\$ 91,732	\$ 0	\$ 814,790	
Other Local Revenues	0	58,885	0	1,658,738		1,717,623
State of Tennessee	0	14,853	0	0		14,853
Federal Government	3,381,792	1,698,575	0	0		5,080,367
Other Governments and Citizens Groups	0	5,000	0	0		5,000
Total Revenues	\$ 3,381,792	\$ 2,500,371	\$ 91,732	\$ 1,658,738	\$ 7,632,633	
Expenditures						
Current:						
Instruction	\$ 2,324,614	\$ 0	\$ 0	\$ 0	\$ 2,324,614	
Support Services	493,720	0	0	0		493,720
Operation of Non-Instructional Services	0	2,650,298	66,415	1,577,056		4,293,769
Capital Outlay	199,856	0	0	0		199,856
Total Expenditures	\$ 3,018,190	\$ 2,650,298	\$ 66,415	\$ 1,577,056	\$ 7,311,959	
Excess (Deficiency) of Revenues Over Expenditures	\$ 363,602	\$ (149,927)	\$ 25,317	\$ 81,682	\$ 320,674	
Net Change in Fund Balances	\$ 363,602	\$ (149,927)	\$ 25,317	\$ 81,682	\$ 320,674	
Fund Balance, July 1, 2024	522,916	1,587,197	104,376	876,320		3,090,809
Fund Balance, June 30, 2025	\$ 886,518	\$ 1,437,270	\$ 129,693	\$ 958,002	\$ 3,411,483	

LINCOLN COUNTY, TENNESSEE

**Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget**
Discretely Presented Lincoln County School Department
General Purpose School Fund
For the Year Ended June 30, 2025

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 9,801,194	\$ 0	\$ 0	\$ 9,801,194	\$ 9,109,690	\$ 9,109,690	\$ 691,504
Licenses and Permits	1,547	0	0	1,547	1,500	1,500	47
Charges for Current Services	58,896	0	0	58,896	97,240	97,240	(38,344)
Other Local Revenues	184,425	0	0	184,425	84,812	130,896	53,529
State of Tennessee	32,491,741	0	0	32,491,741	30,303,858	33,629,027	(1,137,286)
Federal Government	101,039	0	0	101,039	70,000	112,397	(11,358)
Other Governments and Citizens Groups	472,841	0	0	472,841	0	521,020	(48,179)
Total Revenues	\$ 43,111,683	\$ 0	\$ 0	\$ 43,111,683	\$ 39,667,100	\$ 43,601,770	\$ (490,087)
Expenditures							
Instruction							
Regular Instruction Program	\$ 20,188,146	\$ (135,814)	\$ 148,669	\$ 20,201,001	\$ 21,369,488	\$ 21,488,979	\$ 1,287,978
Alternative Instruction Program	162,100	0	0	162,100	157,401	165,596	3,496
Special Education Program	3,101,359	0	38,674	3,140,033	3,188,677	3,254,928	114,895
Career and Technical Education Program	2,167,048	(279,623)	60,197	1,947,622	1,550,846	2,882,716	935,094
Student Body Education Program	92,631	0	0	92,631	103,240	190,426	97,795
Support Services							
Attendance	239,171	0	0	239,171	235,061	257,454	18,283
Health Services	497,641	0	0	497,641	486,964	523,379	25,738
Other Student Support	1,027,806	(48,373)	44,184	1,023,617	1,145,987	1,143,913	120,296
Regular Instruction Program	1,263,765	(2,845)	0	1,260,920	1,352,121	1,485,571	224,651
Special Education Program	374,568	0	0	374,568	270,641	387,980	13,412
Career and Technical Education Program	167,734	0	0	167,734	187,285	190,760	23,026

(Continued)

LINCOLN COUNTY, TENNESSEE

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Expenditures (Cont.)							
Support Services (Cont.)							
Technology	\$ 423,334	\$ 0	\$ 2,025	\$ 425,359	\$ 51,720	\$ 456,795	\$ 31,436
Other Programs	81,391	0	0	81,391	0	81,391	0
Board of Education	1,009,149	(3,350)	0	1,005,799	1,104,508	1,139,810	134,011
Director of Schools	489,951	0	100	490,051	451,770	451,770	(38,281)
Office of the Principal	1,927,320	0	0	1,927,320	1,949,845	2,041,220	113,900
Operation of Plant	2,292,181	(4,530)	5,707	2,293,358	2,698,032	2,578,242	284,884
Maintenance of Plant	1,358,582	(47,373)	54,190	1,365,399	1,252,867	1,466,137	100,738
Transportation	2,852,176	(805,812)	163,544	2,209,908	2,134,358	2,754,697	544,789
Operation of Non-Instructional Services							
Food Service	161,739	0	0	161,739	119,326	163,590	1,851
Community Services	240,752	0	0	240,752	77,684	322,758	82,006
Early Childhood Education	946,932	(8,889)	10,519	948,562	206,629	1,033,558	84,996
Capital Outlay							
Regular Capital Outlay	1,254,930	(116,568)	273,878	1,412,240	508,000	1,425,760	13,520
Total Expenditures	\$ 42,320,406	\$ (1,453,177)	\$ 801,687	\$ 41,668,916	\$ 40,602,450	\$ 45,887,430	\$ 4,218,514
Excess (Deficiency) of Revenues Over Expenditures	\$ 791,277	\$ 1,453,177	\$ (801,687)	\$ 1,442,767	\$ (935,350)	\$ (2,285,660)	\$ 3,728,427
Other Financing Sources (Uses)							
Leases Issued	\$ 917,760	\$ 0	\$ 0	\$ 917,760	\$ 0	\$ 917,760	\$ 0
Insurance Recovery	34,350	0	0	34,350	0	25,040	9,310
Total Other Financing Sources	\$ 952,110	\$ 0	\$ 0	\$ 952,110	\$ 0	\$ 942,800	\$ 9,310
Net Change in Fund Balance Fund Balance, July 1, 2024	\$ 1,743,387	\$ 1,453,177	\$ (801,687)	\$ 2,394,877	\$ (935,350)	\$ (1,342,860)	\$ 3,737,737
Fund Balance, June 30, 2025	\$ 14,011,241	\$ (1,453,177)	\$ 0	\$ 12,558,064	\$ 10,415,715	\$ 12,558,064	\$ 0
	\$ 15,754,628	\$ 0	\$ (801,687)	\$ 14,952,941	\$ 9,480,365	\$ 11,215,204	\$ 3,737,737

LINCOLN COUNTY, TENNESSEE

**Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget**
Discretely Presented Lincoln County School Department
School Federal Projects Fund
For the Year Ended June 30, 2025

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Federal Government	\$ 3,381,792	\$ 0	\$ 0	\$ 3,381,792	\$ 0	\$ 2,948,250	\$ 433,542
Total Revenues	\$ 3,381,792	\$ 0	\$ 0	\$ 3,381,792	\$ 0	\$ 2,948,250	\$ 433,542
Expenditures							
Instruction							
Regular Instruction Program	\$ 1,395,305	\$ (46,783)	\$ 0	\$ 1,348,522	\$ 0	\$ 1,415,038	\$ 66,516
Special Education Program	811,248	0	16	811,264	0	813,163	1,899
Career and Technical Education Program	118,061	0	0	118,061	0	118,749	688
Support Services							
Other Student Support	52,131	0	0	52,131	0	61,703	9,572
Regular Instruction Program	99,074	(10,000)	0	89,074	0	139,789	50,715
Special Education Program	216,679	0	0	216,679	0	227,029	10,350
Career and Technical Education Program	5,514	0	0	5,514	0	5,514	0
Maintenance of Plant	1,666	0	0	1,666	0	1,666	0
Transportation	118,656	0	0	118,656	0	121,628	2,972
Capital Outlay							
Regular Capital Outlay	199,856	(155,885)	0	43,971	0	43,971	0
Total Expenditures	\$ 3,018,190	\$ (212,668)	\$ 16	\$ 2,805,538	\$ 0	\$ 2,948,250	\$ 142,712
Excess (Deficiency) of Revenues Over Expenditures	\$ 363,602	\$ 212,668	\$ (16)	\$ 576,254	\$ 0	\$ 0	\$ 576,254
Net Change in Fund Balance Fund Balance, July 1, 2024	\$ 363,602	\$ 212,668	\$ (16)	\$ 576,254	\$ 0	\$ 0	\$ 576,254
Fund Balance, June 30, 2025	\$ 522,916	\$ (212,668)	\$ 0	\$ 310,248	\$ 1,000,000	\$ 1,000,000	\$ (689,752)
Fund Balance, June 30, 2025	\$ 886,518	\$ 0	\$ (16)	\$ 886,502	\$ 1,000,000	\$ 1,000,000	\$ (113,498)

LINCOLN COUNTY, TENNESSEE

**Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget**
Discretely Presented Lincoln County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2025

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Charges for Current Services	\$ 723,058	\$ 0	\$ 0	\$ 723,058	\$ 772,000	\$ 772,000	\$ (48,942)
Other Local Revenues	58,885	0	0	58,885	50,000	50,000	8,885
State of Tennessee	14,853	0	0	14,853	16,000	16,000	(1,147)
Federal Government	1,698,575	0	0	1,698,575	1,550,000	1,550,000	148,575
Other Governments and Citizens Groups	5,000	0	0	5,000	0	5,000	0
Total Revenues	\$ 2,500,371	\$ 0	\$ 0	\$ 2,500,371	\$ 2,388,000	\$ 2,393,000	\$ 107,371
Expenditures							
Operation of Non-Instructional Services	\$ 2,650,298	\$ (148,309)	\$ 22,648	\$ 2,524,637	\$ 2,648,010	\$ 3,488,010	\$ 963,373
Food Service							
Total Expenditures	\$ 2,650,298	\$ (148,309)	\$ 22,648	\$ 2,524,637	\$ 2,648,010	\$ 3,488,010	\$ 963,373
Excess (Deficiency) of Revenues Over Expenditures	\$ (149,927)	\$ 148,309	\$ (22,648)	\$ (24,266)	\$ (260,010)	\$ (1,095,010)	\$ 1,070,744
Net Change in Fund Balance	\$ (149,927)	\$ 148,309	\$ (22,648)	\$ (24,266)	\$ (260,010)	\$ (1,095,010)	\$ 1,070,744
Fund Balance, July 1, 2024	1,587,197	(148,309)	0	1,438,888	792,665	1,438,888	0
Fund Balance, June 30, 2025	\$ 1,437,270	\$ 0	\$ (22,648)	\$ 1,414,622	\$ 532,655	\$ 343,878	\$ 1,070,744

LINCOLN COUNTY, TENNESSEE

**Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget**
Discretely Presented Lincoln County School Department
Extended School Program Fund
For the Year Ended June 30, 2025

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Charges for Current Services	\$ 91,732	\$ 0	\$ 0	\$ 91,732	\$ 128,000	\$ 128,000	\$ (36,268)
Total Revenues	<u>\$ 91,732</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 91,732</u>	<u>\$ 128,000</u>	<u>\$ 128,000</u>	<u>\$ (36,268)</u>
Expenditures							
Operation of Non-Instructional Services	\$ 66,415	\$ (7,817)	\$ 7,817	\$ 66,415	\$ 128,000	\$ 133,604	\$ 67,189
Community Services	<u>\$ 66,415</u>	<u>\$ (7,817)</u>	<u>\$ 7,817</u>	<u>\$ 66,415</u>	<u>\$ 128,000</u>	<u>\$ 133,604</u>	<u>\$ 67,189</u>
Total Expenditures	<u>\$ 66,415</u>	<u>\$ (7,817)</u>	<u>\$ 7,817</u>	<u>\$ 66,415</u>	<u>\$ 128,000</u>	<u>\$ 133,604</u>	<u>\$ 67,189</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 25,317	\$ 7,817	\$ (7,817)	\$ 25,317	\$ 0	\$ (5,604)	\$ 30,921
Net Change in Fund Balance	\$ 25,317	\$ 7,817	\$ (7,817)	\$ 25,317	\$ 0	\$ (5,604)	\$ 30,921
Fund Balance, July 1, 2024	<u>\$ 104,376</u>	<u>\$ (7,817)</u>	<u>\$ 0</u>	<u>\$ 96,559</u>	<u>\$ 100,427</u>	<u>\$ 96,559</u>	<u>\$ 0</u>
Fund Balance, June 30, 2025	<u>\$ 129,693</u>	<u>\$ 0</u>	<u>\$ (7,817)</u>	<u>\$ 121,876</u>	<u>\$ 100,427</u>	<u>\$ 90,955</u>	<u>\$ 30,921</u>

LINCOLN COUNTY, TENNESSEE

**Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget**
Discretely Presented Lincoln County School Department
Education Capital Projects Fund
For the Year Ended June 30, 2025

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 1,332,372	\$ 0	\$ 0	\$ 1,332,372	\$ 1,284,237	\$ 1,284,237	\$ 48,135
Total Revenues	\$ 1,332,372	\$ 0	\$ 0	\$ 1,332,372	\$ 1,284,237	\$ 1,284,237	\$ 48,135
Expenditures							
Capital Outlay							
Regular Capital Outlay	\$ 17,615,366	\$ (711,504)	\$ 926,678	\$ 17,830,540	\$ 22,096,164	\$ 27,471,164	\$ 9,640,624
Total Expenditures	\$ 17,615,366	\$ (711,504)	\$ 926,678	\$ 17,830,540	\$ 22,096,164	\$ 27,471,164	\$ 9,640,624
Excess (Deficiency) of Revenues Over Expenditures	\$ (16,282,994)	\$ 711,504	\$ (926,678)	\$ (16,498,168)	\$ (20,811,927)	\$ (26,186,927)	\$ 9,688,759
Net Change in Fund Balance Fund Balance, July 1, 2024	\$ (16,282,994)	\$ 711,504	\$ (926,678)	\$ (16,498,168)	\$ (20,811,927)	\$ (26,186,927)	\$ 9,688,759
	27,108,004	(711,504)	0	26,396,500	27,082,451	26,396,500	0
Fund Balance, June 30, 2025	\$ 10,825,010	\$ 0	\$ (926,678)	\$ 9,898,332	\$ 6,270,524	\$ 209,573	\$ 9,688,759

MISCELLANEOUS SCHEDULES

LINCOLN COUNTY, TENNESSEE**Schedule of Changes in Long-term Bonds, Notes, and Other Loans
For the Year Ended June 30, 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
GOVERNMENTAL ACTIVITIES							
BONDS PAYABLE							
Payable through General Debt Service Fund							
General Obligation Public Improvement Bonds, Series 2014	\$ 7,000,000	3.25 %	3-6-14	6-1-34	\$ 3,870,000	\$ 330,000	\$ 3,540,000
General Obligation School Bonds, Series 2018	30,470,000	3.67	11-20-18	5-1-43	27,145,000	940,000	26,205,000
General Obligation School Bonds, Series 2023	41,380,000	4.39	11-9-23	5-1-44	39,380,000	1,195,000	38,185,000
Total Bonds Payable					\$ 70,395,000	\$ 2,465,000	\$ 67,930,000
NOTES PAYABLE							
Payable through General Debt Service Fund							
Jail Renovations	1,000,000	2.195	4-14-15	4-1-27	\$ 270,000	\$ 90,000	\$ 180,000
Total Notes Payable					\$ 270,000	\$ 90,000	\$ 180,000
BUSINESS-TYPE ACTIVITIES							
BONDS PAYABLE							
Payable through Lincoln County Board of Public Utilities Fund							
Water Revenue and Tax Bond	6,575,000	2.2 to 4.0	8-26-15	4-1-36	\$ 4,275,000	\$ 305,000	\$ 3,970,000
Total Bonds Payable					\$ 4,275,000	\$ 305,000	\$ 3,970,000
OTHER LOANS PAYABLE							
Payable through Lincoln County Board of Public Utilities Fund							
Clean Water State Revolving Loan Fund	600,000	0.75	11-10-16	4-1-37	\$ 395,264	\$ 29,448	\$ 365,816
Capitalization Grants for Clean Water State Revolving Loan Fund	3,558,000	0.91	9-18-15	9-1-36	2,142,714	166,116	1,976,598
Drinking Water State Revolving Loan Fund	306,250	0.82	6-26-17	10-20-39	239,214	14,700	224,514
Drinking Water State Revolving Loan Fund	306,134	0.82	6-26-17	3-20-41	245,237	14,640	230,597
Total Other Loans Payable					\$ 3,022,429	\$ 224,904	\$ 2,797,525

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

GOVERNMENTAL ACTIVITIES

Year Ending June 30	Bonds		
	Principal	Interest	Total
2026	\$ 2,580,000	\$ 3,087,968	\$ 5,667,968
2027	2,700,000	2,965,767	5,665,767
2028	2,835,000	2,837,329	5,672,329
2029	2,965,000	2,702,151	5,667,151
2030	3,110,000	2,560,463	5,670,463
2031	3,260,000	2,411,300	5,671,300
2032	3,400,000	2,276,337	5,676,337
2033	3,555,000	2,125,112	5,680,112
2034	3,715,000	1,966,363	5,681,363
2035	3,405,000	1,800,350	5,205,350
2036	3,565,000	1,644,700	5,209,700
2037	3,725,000	1,481,650	5,206,650
2038	3,890,000	1,311,200	5,201,200
2039	4,075,000	1,133,100	5,208,100
2040	4,250,000	955,319	5,205,319
2041	4,440,000	766,756	5,206,756
2042	4,635,000	569,731	5,204,731
2043	4,845,000	363,969	5,208,969
2044	2,980,000	145,275	3,125,275
Total	\$ 67,930,000	\$ 33,104,840	\$ 101,034,840

Year Ending June 30	Notes		
	Principal	Interest	Total
2026	\$ 90,000	\$ 3,951	\$ 93,951
2027	90,000	1,975	91,975
Total	\$ 180,000	\$ 5,926	\$ 185,926

(Continued)

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2026	\$ 315,000	\$ 117,061	\$ 432,061
2027	320,000	110,131	430,131
2028	330,000	102,131	432,131
2029	340,000	93,469	433,469
2030	350,000	84,119	434,119
2031	355,000	74,494	429,494
2032	370,000	63,844	433,844
2033	380,000	52,744	432,744
2034	390,000	40,869	430,869
2035	405,000	28,193	433,193
2036	415,000	14,525	429,525
Total	\$ 3,970,000	\$ 781,580	\$ 4,751,580

Year Ending June 30	Other Loans Payable		
	Principal	Interest	Total
2026	\$ 226,884	\$ 23,556	\$ 250,440
2027	228,876	21,564	250,440
2028	230,904	19,536	250,440
2029	232,944	17,496	250,440
2030	234,984	15,456	250,440
2031	237,048	13,392	250,440
2032	239,148	11,292	250,440
2033	241,260	9,180	250,440
2034	243,384	7,056	250,440
2035	245,520	4,920	250,440
2036	247,692	2,748	250,440
2037	105,266	979	106,245
2038	32,640	564	33,204
2039	32,904	300	33,204
2040	15,159	57	15,216
2041	2,912	2	2,914
Total	\$ 2,797,525	\$ 148,098	\$ 2,945,623

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

Discretely Presented Lincoln County School Department

For the Year Ended June 30, 2025

Description	Original Amount of Issue	Interest Rate	Date of Issue	Maturity Date	Outstanding 7-1-24	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-25
DISCRETELY PRESENTED LINCOLN COUNTY SCHOOL DEPARTMENT								
LEASES PAYABLE								
Payable through the General Purpose School Fund								
Copiers - 2022	\$ 125,672	3.67 %	3-1-22	3-1-27	\$ 69,663	\$ 0	\$ 25,334	\$ 44,329
Lenovo - Chromebooks - 2022	388,113	3.67	5-2-22	9-6-24	133,731	0	133,731	0
Lenovo - Laptops - 2024	295,532	3.86	7-1-24	6-30-28	0	295,532	70,392	225,140
Lenovo - Chromebooks - 2024	622,228	3.99	7-1-24	6-30-27	0	622,228	200,607	421,621
Total Leases Payable					\$ 203,394	\$ 917,760	\$ 430,064	\$ 691,090

LINCOLN COUNTY, TENNESSEE**Schedule of Lease Requirements by Year**

Discretely Presented Lincoln County School Department

Year Ending June 30	Leases		
	Principal	Interest	Total
2026	\$ 305,067	\$ 21,681	\$ 326,748
2027	308,066	9,504	317,570
2028	77,957	1,640	79,597
Total	\$ 691,090	\$ 32,825	\$ 723,915

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

Primary Government and Discretely Presented Lincoln County School Department

For the Year Ended June 30, 2025

Official	Salary	Authorization	Bond	Surety
County Mayor Base salary/Total compensation	<u>\$ 113,940</u>	Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Highway Superintendent Base salary/Total compensation	<u>\$ 108,514</u>	Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Director of Schools - Bill Heath (7/1/24 - 3/31/25) Base salary Professional development Employee portion of TCRS contribution Travel allowance Bonus Accrued leave payout Chief executive officers training supplement Total compensation	\$ 177,635 7,500 9,787 9,600 1,100 15,324 1,000 <u>\$ 221,946</u>	State Board of Education and County Board of Education	(1)	Tennessee Risk Management Trust
Director of Schools - Jacob Sorrells (4/1/25 - 6/30/25) Base salary Employee portion of health, life, and ltd insurance premiums Chief executive officers training supplement Total compensation Total Director of Schools compensation	\$ 45,000 3,646 1,000 <u>\$ 49,646</u> <u>\$ 271,592</u>	State Board of Education and County Board of Education	(1)	Tennessee Risk Management Trust
Trustee Base salary/Total compensation	<u>\$ 98,649</u>	Section 8-24-102, <i>TCA</i>	\$ 1,495,112	RLI Insurance Company
Assessor of Property Base salary/Total compensation	<u>\$ 98,649</u>	Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
County Clerk Base salary/Total compensation	<u>\$ 98,649</u>	Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Circuit and General Sessions Courts Clerk Base salary/Total compensation	<u>\$ 98,649</u>	Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund

(Continued)

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

Primary Government and Discretely Presented Lincoln County School Department

Official	Salary	Authorization	Bond	Surety
Clerk and Master		Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary	\$ 98,649			
Special commissioner fees	5,750			
Total compensation	<u><u>\$ 104,399</u></u>			
Election Commissioner		Section 2-12-208, <i>TCA</i>		
Base salary/Total compensation	<u><u>\$ 88,784</u></u>			
Register of Deeds		Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	<u><u>\$ 98,649</u></u>			
Sheriff - Joyce McConnell (7/1/24 - 8/31/24)		Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary	\$ 18,086			
Law enforcement training supplement	800			
Law enforcement retention bonus	800			
Total compensation	<u><u>\$ 19,686</u></u>			
Sheriff - Tull Malone (9/1/24 - 6/30/25)		Section 8-24-102, <i>TCA</i>	(1)	Local Government Property and Casualty Fund
Base salary	\$ 90,428			
Law enforcement training supplement	800			
Law enforcement retention bonus	800			
Total compensation	<u><u>\$ 92,028</u></u>			
Total Sheriff compensation	<u><u>\$ 111,714</u></u>			
Director of Finance		County Commission	(1)	Local Government Property and Casualty Fund
Base salary/Total compensation	<u><u>\$ 110,250</u></u>			
Employee Blanket Bonds:				
Public Employee Dishonesty - County Departments			\$ 400,000	Local Government Property and Casualty Fund
Public Employee Dishonesty - School Department			500,000	Tennessee Risk Management Trust

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

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

	General	Special Revenue Funds			
		Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
Local Taxes					
County Property Taxes					
Current Property Tax	\$ 10,325,816	\$ 0	\$ 0	\$ 0	\$ 1,160,363
Trustee's Collections - Prior Year	247,223	0	0	0	27,808
Trustee's Collections - Bankruptcy	10,298	0	0	0	1,157
Circuit Clerk/Clerk and Master Collections - Prior Years	75,674	0	0	0	8,504
Interest and Penalty	46,109	0	0	0	5,197
Payments in-Lieu-of Taxes - T.V.A.	2,794	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	322,302	0	0	0	0
Payments in-Lieu-of Taxes - Other	282,580	0	0	0	0
County Local Option Taxes					
Local Option Sales Tax	2,686,567	0	0	0	0
Hotel/Motel Tax	187,797	0	0	0	0
Wheel Tax	215,798	0	0	0	1,394,390
Litigation Tax - General	80,825	0	0	0	0
Litigation Tax - Special Purpose	96,155	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	34,526	0	0	0	0
Litigation Tax - Courthouse Security	82,645	0	0	0	0
Business Tax	490,116	0	0	0	0
Mixed Drink Tax	14	0	0	0	0
Mineral Severance Tax	0	0	0	0	35,159

(Continued)

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

	General	Special Revenue Funds			
		Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
Local Taxes (Cont.)					
Statutory Local Taxes					
Bank Excise Tax	\$ 210,857	\$ 0	\$ 0	\$ 0	\$ 0
Total Local Taxes	\$ 15,398,096	\$ 0	\$ 0	\$ 0	\$ 2,632,578
Licenses and Permits					
Licenses					
Cable TV Franchise	\$ 53,051	\$ 0	\$ 0	\$ 0	\$ 0
Permits					
Beer Permits	4,043	0	0	0	0
Building Permits	206,112	0	0	0	0
Total Licenses and Permits	\$ 263,206	\$ 0	\$ 0	\$ 0	\$ 0
Fines, Forfeitures, and Penalties					
Circuit Court					
Fines	\$ 522	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	12,334	0	0	0	0
Game and Fish Fines	68	0	0	0	0
Drug Control Fines	9,582	0	8,690	0	0
Jail Fees	5,154	0	0	0	0

(Continued)

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

	General	Special Revenue Funds			
		Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
Fines, Forfeitures, and Penalties (Cont.)					
Circuit Court (Cont.)					
DUI Treatment Fines	\$ 190	\$ 0	\$ 0	\$ 0	\$ 0
Data Entry Fee - Circuit Court	2,473	0	0	0	0
Courtroom Security Fee	288	0	0	0	0
General Sessions Court					
Fines	22,676	0	0	0	0
Officers Costs	81,716	0	0	0	0
Game and Fish Fines	2,059	0	0	0	0
Drug Control Fines	11,180	0	13,969	0	0
Jail Fees	22,972	0	0	0	0
Judicial Commissioner Fees	3,493	0	0	0	0
DUI Treatment Fines	6,997	0	0	0	0
Data Entry Fee - General Sessions Court	11,828	0	0	0	0
Courtroom Security Fee	15,584	0	0	0	0
Juvenile Court					
Officers Costs	181	0	0	0	0
Chancery Court					
Officers Costs	1,440	0	0	0	0
Data Entry Fee - Chancery Court	2,596	0	0	0	0
Courtroom Security Fee	10	0	0	0	0

(Continued)

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

	General	Special Revenue Funds			
		Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
Fines, Forfeitures, and Penalties (Cont.)					
Other Courts - In-county					
Fines	\$ 8,910	\$ 0	\$ 0	\$ 0	\$ 0
Other Fines, Forfeitures, and Penalties					
Proceeds from Confiscated Property	0	0	10,366	0	0
Other Fines, Forfeitures, and Penalties	0	0	38,945	0	0
Total Fines, Forfeitures, and Penalties	\$ 222,253	\$ 0	\$ 71,970	\$ 0	\$ 0
Charges for Current Services					
General Service Charges					
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 118,514	\$ 0	\$ 0	\$ 0
Residential Waste Collection Charge	0	1,747,678	0	0	0
Patient Charges	4,045	0	0	0	0
Zoning Studies	9,900	0	0	0	0
Fees					
Copy Fees	500	0	0	0	0
Archives and Records Management Fee	18,620	0	0	0	0
Greenbelt Late Application Fee	50	0	0	0	0
Telephone Commissions	111,154	0	0	0	0
Additional Fees - Titling and Registration	34,828	0	0	0	0

(Continued)

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

	General	Special Revenue Funds				
		Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	
Charges for Current Services (Cont.)						
Fees (Cont.)						
Constitutional Officers' Fees and Commissions	\$ 0	\$ 0	\$ 0	\$ 5,750	\$ 0	
Data Processing Fee - Register	11,410	0	0	0	0	
Data Processing Fee - Sheriff	2,702	0	0	0	0	
Sexual Offender Registration Fee - Sheriff	5,500	0	0	0	0	
Data Processing Fee - County Clerk	4,320	0	0	0	0	
Education Charges						
Other Charges for Services	1,871	0	0	0	0	
Total Charges for Current Services	\$ 204,900	\$ 1,866,192	\$ 0	\$ 5,750	\$ 0	
Other Local Revenues						
Recurring Items						
Investment Income	\$ 1,436,602	\$ 0	\$ 0	\$ 0	\$ 0	
Lease/Rentals/PPP	88,850	0	0	0	0	
Sale of Materials and Supplies	0	1,655	0	0	10,309	
Commissary Sales	8,219	0	0	0	0	
Miscellaneous Refunds	40,710	2,413	375	0	15	
Nonrecurring Items						
Sale of Equipment	54,844	0	1,325	0	0	

(Continued)

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

	General	Special Revenue Funds			
		Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
Other Local Revenues (Cont.)					
Nonrecurring Items (Cont.)					
Sale of Property	\$ 211,783	\$ 0	\$ 0	\$ 0	\$ 0
Damages Recovered from Individuals	6,617	0	0	0	0
Contributions and Gifts	0	0	2,351	0	0
Total Other Local Revenues	\$ 1,847,625	\$ 4,068	\$ 4,051	\$ 0	\$ 10,324
Fees Received From County Officials					
Fees In-Lieu-of Salary					
County Clerk	\$ 651,803	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	116,391	0	0	0	0
General Sessions Court Clerk	235,512	0	0	0	0
Clerk and Master	113,754	0	0	0	0
Register	177,565	0	0	0	0
Sheriff	19,089	0	0	0	0
Trustee	681,101	0	0	0	0
Total Fees Received From County Officials	\$ 1,995,215	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

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

	General	Special Revenue Funds			
		Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
State of Tennessee					
General Government Grants					
Juvenile Services Program	\$ 13,500	\$ 0	\$ 0	\$ 0	\$ 0
Public Safety Grants					
Law Enforcement Training Programs	34,400	0	0	0	0
School Resource Officer Grants	463,188	0	0	0	0
Health and Welfare Grants					
Health Department Programs	441,459	0	0	0	0
Other Health and Welfare Grants	47,990	0	0	0	0
Public Works Grants					
State Aid Program	0	0	0	0	1,027,492
Litter Program	48,930	0	0	0	0
Other State Revenues					
Vehicle Certificate of Title Fees	8,684	0	0	0	0
Alcoholic Beverage Tax	105,635	0	0	0	0
Opioid Settlement Funds - TN Abatement Council	117,689	0	0	0	0
State Revenue Sharing - Telecommunications	47,005	0	0	0	0
State Shared Sports Gaming Privilege Tax	60,597	0	0	0	0
Emergency Hospital - Prisoners	50,211	0	0	0	0
Contracted Prisoner Boarding	741,608	0	0	0	0

(Continued)

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

	General	Special Revenue Funds			
		Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
State of Tennessee (Cont.)					
Other State Revenues (Cont.)					
Gasoline and Motor Fuel Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,813,250
Hybrid/Electric Vehicle Registration Fee	0	0	0	0	33,909
Petroleum Special Tax	0	0	0	0	23,402
Registrar's Salary Supplement	15,164	0	0	0	0
State Shared Sales Tax - Cities	9,710	0	0	0	0
Other State Grants	167,304	0	0	0	0
Other State Revenues	11,339	33,749	0	0	0
Total State of Tennessee	\$ 2,384,413	\$ 33,749	\$ 0	\$ 0	\$ 3,898,053
Federal Government					
Federal Through State					
Community Development	\$ 165,000	\$ 0	\$ 0	\$ 0	\$ 0
Civil Defense Reimbursement	50,161	0	0	0	0
Homeland Security Grants	39,730	0	0	0	0
Law Enforcement Grants	20,896	0	0	0	0
American Rescue Plan Act Grant A	49,916	0	0	0	0
Other Federal through State	117,216	0	0	0	0

(Continued)

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

	General	Special Revenue Funds			
		Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
Federal Government (Cont.)					
Direct Federal Revenue					
Other Direct Federal Revenue	\$ 12,845	\$ 0	\$ 0	\$ 0	\$ 0
Total Federal Government	\$ 455,764	\$ 0	\$ 0	\$ 0	\$ 0
Other Governments and Citizens Groups					
Other Governments					
Contributions	\$ 12,479	\$ 0	\$ 0	\$ 0	\$ 137,126
Citizens Groups					
Donations	68,717	0	0	0	0
Other					
Opioid Settlement Funds - Past Remediation	57,173	0	0	0	0
Total Other Governments and Citizens Groups	\$ 138,369	\$ 0	\$ 0	\$ 0	\$ 137,126
Total	\$ 22,909,841	\$ 1,904,009	\$ 76,021	\$ 5,750	\$ 6,678,081

(Continued)

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

	<u>Debt Service Fund</u>		
	General Debt Service		Total
Local Taxes			
County Property Taxes			
Current Property Tax	\$ 4,905,518	\$ 16,391,697	
Trustee's Collections - Prior Year	117,295	392,326	
Trustee's Collections - Bankruptcy	4,892	16,347	
Circuit Clerk/Clerk and Master Collections - Prior Years	35,951	120,129	
Interest and Penalty	21,827	73,133	
Payments in-Lieu-of Taxes - T.V.A.	0	2,794	
Payments in-Lieu-of Taxes - Local Utilities	0	322,302	
Payments in-Lieu-of Taxes - Other	0	282,580	
County Local Option Taxes			
Local Option Sales Tax	0	2,686,567	
Hotel/Motel Tax	0	187,797	
Wheel Tax	879,794	2,489,982	
Litigation Tax - General	0	80,825	
Litigation Tax - Special Purpose	0	96,155	
Litigation Tax - Jail, Workhouse, or Courthouse	80,030	114,556	
Litigation Tax - Courthouse Security	0	82,645	
Business Tax	0	490,116	
Mixed Drink Tax	0	14	
Mineral Severance Tax	0	35,159	

(Continued)

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

	<u>Debt Service Fund</u>		
	General Debt Service		Total
Local Taxes (Cont.)			
Statutory Local Taxes			
Bank Excise Tax	\$ 0	\$ 210,857	
Total Local Taxes	<u>\$ 6,045,307</u>	<u>\$ 24,075,981</u>	
Licenses and Permits			
Licenses			
Cable TV Franchise	\$ 0	\$ 53,051	
Permits			
Beer Permits	0	4,043	
Building Permits	0	206,112	
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 263,206</u>	
Fines, Forfeitures, and Penalties			
Circuit Court			
Fines	\$ 0	\$ 522	
Officers Costs	0	12,334	
Game and Fish Fines	0	68	
Drug Control Fines	0	18,272	
Jail Fees	0	5,154	

(Continued)

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

	Debt Service Fund		
	General	Debt	Service
	Total		
Fines, Forfeitures, and Penalties (Cont.)			
Circuit Court (Cont.)			
DUI Treatment Fines	\$ 0	\$ 190	
Data Entry Fee - Circuit Court	0	2,473	
Courtroom Security Fee	0	288	
General Sessions Court			
Fines	0	22,676	
Officers Costs	0	81,716	
Game and Fish Fines	0	2,059	
Drug Control Fines	0	25,149	
Jail Fees	0	22,972	
Judicial Commissioner Fees	0	3,493	
DUI Treatment Fines	0	6,997	
Data Entry Fee - General Sessions Court	0	11,828	
Courtroom Security Fee	0	15,584	
Juvenile Court			
Officers Costs	0	181	
Chancery Court			
Officers Costs	0	1,440	
Data Entry Fee - Chancery Court	0	2,596	
Courtroom Security Fee	0	10	

(Continued)

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

	<u>Debt Service Fund</u>		
	General Debt Service		Total
Fines, Forfeitures, and Penalties (Cont.)			
Other Courts - In-county			
Fines	\$ 0	\$ 8,910	
Other Fines, Forfeitures, and Penalties			
Proceeds from Confiscated Property	0	10,366	
Other Fines, Forfeitures, and Penalties	0	38,945	
Total Fines, Forfeitures, and Penalties	<u>\$ 0</u>	<u>\$ 294,223</u>	
Charges for Current Services			
General Service Charges			
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 118,514	
Residential Waste Collection Charge	0	1,747,678	
Patient Charges	0	4,045	
Zoning Studies	0	9,900	
Fees			
Copy Fees	0	500	
Archives and Records Management Fee	0	18,620	
Greenbelt Late Application Fee	0	50	
Telephone Commissions	0	111,154	
Additional Fees - Titling and Registration	0	34,828	

(Continued)

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

	Debt Service Fund		
	General Debt Service		Total
Charges for Current Services (Cont.)			
Fees (Cont.)			
Constitutional Officers' Fees and Commissions	\$ 0	\$ 5,750	5,750
Data Processing Fee - Register	0	11,410	11,410
Data Processing Fee - Sheriff	0	2,702	2,702
Sexual Offender Registration Fee - Sheriff	0	5,500	5,500
Data Processing Fee - County Clerk	0	4,320	4,320
Education Charges			
Other Charges for Services	0	1,871	1,871
Total Charges for Current Services	\$ 0	\$ 2,076,842	
Other Local Revenues			
Recurring Items			
Investment Income	\$ 961,707	\$ 2,398,309	2,398,309
Lease/Rentals/PPP	0	88,850	88,850
Sale of Materials and Supplies	0	11,964	11,964
Commissary Sales	0	8,219	8,219
Miscellaneous Refunds	0	43,513	43,513
Nonrecurring Items			
Sale of Equipment	0	56,169	56,169

(Continued)

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

	Debt Service Fund		
	General Debt Service		Total
Other Local Revenues (Cont.)			
Nonrecurring Items (Cont.)			
Sale of Property	\$ 0	\$ 211,783	
Damages Recovered from Individuals	0	6,617	
Contributions and Gifts	0	2,351	
Total Other Local Revenues	\$ 961,707	\$ 2,827,775	
Fees Received From County Officials			
Fees In-Lieu-of Salary			
County Clerk	\$ 0	\$ 651,803	
Circuit Court Clerk	0	116,391	
General Sessions Court Clerk	0	235,512	
Clerk and Master	0	113,754	
Register	0	177,565	
Sheriff	0	19,089	
Trustee	0	681,101	
Total Fees Received From County Officials	\$ 0	\$ 1,995,215	

(Continued)

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

	Debt Service Fund		
	General Debt Service		Total
State of Tennessee			
General Government Grants			
Juvenile Services Program	\$ 0	\$ 13,500	
Public Safety Grants			
Law Enforcement Training Programs	0	34,400	
School Resource Officer Grants	0	463,188	
Health and Welfare Grants			
Health Department Programs	0	441,459	
Other Health and Welfare Grants	0	47,990	
Public Works Grants			
State Aid Program	0	1,027,492	
Litter Program	0	48,930	
Other State Revenues			
Vehicle Certificate of Title Fees	0	8,684	
Alcoholic Beverage Tax	0	105,635	
Opioid Settlement Funds - TN Abatement Council	0	117,689	
State Revenue Sharing - Telecommunications	0	47,005	
State Shared Sports Gaming Privilege Tax	0	60,597	
Emergency Hospital - Prisoners	0	50,211	
Contracted Prisoner Boarding	0	741,608	

(Continued)

LINCOLN 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.)			
Gasoline and Motor Fuel Tax	\$ 0	\$ 2,813,250	
Hybrid/Electric Vehicle Registration Fee	0	33,909	
Petroleum Special Tax	0	23,402	
Registrar's Salary Supplement	0	15,164	
State Shared Sales Tax - Cities	0	9,710	
Other State Grants	0	167,304	
Other State Revenues	0	45,088	
Total State of Tennessee	\$ 0	\$ 6,316,215	
Federal Government			
Federal Through State			
Community Development	\$ 0	\$ 165,000	
Civil Defense Reimbursement	0	50,161	
Homeland Security Grants	0	39,730	
Law Enforcement Grants	0	20,896	
American Rescue Plan Act Grant A	0	49,916	
Other Federal through State	0	117,216	

(Continued)

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

	<u>Debt Service Fund</u>		
	General Debt Service		Total
Federal Government (Cont.)			
Direct Federal Revenue			
Other Direct Federal Revenue	\$ 0	\$ 12,845	
Total Federal Government	<u>\$ 0</u>	<u>\$ 455,764</u>	
Other Governments and Citizens Groups			
Other Governments			
Contributions	\$ 0	\$ 149,605	
Citizens Groups			
Donations	0	68,717	
Other			
Opioid Settlement Funds - Past Remediation	0	57,173	
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 275,495</u>	
Total	<u><u>\$ 7,007,014</u></u>	<u><u>\$ 38,580,716</u></u>	

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

Discretely Presented Lincoln County School Department

For the Year Ended June 30, 2025

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Internal School
Local Taxes					
County Property Taxes					
Current Property Tax	\$ 4,193,702	\$ 0	\$ 0	\$ 0	\$ 0
Trustee's Collections - Prior Year	99,499	0	0	0	0
Trustee's Collections - Bankruptcy	4,122	0	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	30,927	0	0	0	0
Interest and Penalty	18,734	0	0	0	0
County Local Option Taxes					
Local Option Sales Tax	5,325,291	0	0	0	0
Statutory Local Taxes					
Wholesale Beer Tax	128,919	0	0	0	0
Total Local Taxes	\$ 9,801,194	\$ 0	\$ 0	\$ 0	\$ 0
Licenses and Permits					
Licenses					
Marriage Licenses	\$ 1,547	\$ 0	\$ 0	\$ 0	\$ 0
Total Licenses and Permits	\$ 1,547	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

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

Discretely Presented Lincoln County School Department (Cont.)

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Internal School
Charges for Current Services					
Education Charges					
Lunch Payments - Children	\$ 0	\$ 0	\$ 313,183	\$ 0	\$ 0
Lunch Payments - Adults	0	0	19,804	0	0
Income from Breakfast	0	0	125,216	0	0
A la Carte Sales	0	0	264,855	0	0
Receipts from Individual Schools	46,437	0	0	0	0
Community Service Fees - Children	0	0	0	91,732	0
Other Charges for Services	12,459	0	0	0	0
Total Charges for Current Services	\$ 58,896	\$ 0	\$ 723,058	\$ 91,732	\$ 0
Other Local Revenues					
Recurring Items					
Investment Income	\$ 73,550	\$ 0	\$ 52,899	\$ 0	\$ 0
Lease/Rentals/PPP	34,812	0	0	0	0
Sale of Materials and Supplies	37	0	0	0	0
Rebates	0	0	97	0	0
Miscellaneous Refunds	35,525	0	5,889	0	0

(Continued)

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

Discretely Presented Lincoln County School Department (Cont.)

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Internal School
Other Local Revenues (Cont.)					
Nonrecurring Items					
Sale of Equipment	\$ 17,530	\$ 0	\$ 0	\$ 0	\$ 0
Sale of Property	3,000	0	0	0	0
Damages Recovered from Individuals	19,971	0	0	0	0
Other Local Revenues					
Other Local Revenues	0	0	0	0	1,658,738
Total Other Local Revenues	\$ 184,425	\$ 0	\$ 58,885	\$ 0	\$ 1,658,738
State of Tennessee					
General Government Grants					
On-behalf Contributions for OPEB	\$ 81,391	\$ 0	\$ 0	\$ 0	\$ 0
State Education Funds					
Tennessee Investment in Student Achievement	29,475,151	0	0	0	0
TISA - On-behalf Payments	55,624	0	0	0	0
Early Childhood Education	766,893	0	0	0	0
School Food Service	0	0	14,853	0	0
Driver Education	19,659	0	0	0	0
Other State Education Funds	603,806	0	0	0	0

(Continued)

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

Discretely Presented Lincoln County School Department (Cont.)

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Internal School
State of Tennessee (Cont.)					
State Education Funds (Cont.)					
Career Ladder Program	\$ 27,931	\$ 0	\$ 0	\$ 0	\$ 0
Other Vocational	315,685	0	0	0	0
Other State Revenues					
Beer Tax	13,836	0	0	0	0
State Revenue Sharing - T.V.A.	919,532	0	0	0	0
Other State Grants	130,977	0	0	0	0
Other State Revenues	81,256	0	0	0	0
Total State of Tennessee	\$ 32,491,741	\$ 0	\$ 14,853	\$ 0	\$ 0
Federal Government					
Federal Through State					
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,065,607	\$ 0	\$ 0
USDA - Commodities	0	0	186,064	0	0
Breakfast	0	0	446,904	0	0
Vocational Education - Basic Grants to States	0	125,941	0	0	0
Title I Grants to Local Education Agencies	0	918,877	0	0	0
Special Education - Grants to States	0	1,136,662	0	0	0

(Continued)

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

Discretely Presented Lincoln County School Department (Cont.)

	Special Revenue Funds				
	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Internal School
Federal Government (Cont.)					
Federal Through State (Cont.)					
Special Education Preschool Grants	\$ 0	\$ 54,195	\$ 0	\$ 0	\$ 0
English Language Acquisition Grants	0	44,275	0	0	0
Eisenhower Professional Development State Grants	0	157,386	0	0	0
American Rescue Plan Act Grant #1	0	876,953	0	0	0
Other Federal through State	52,440	67,503	0	0	0
Direct Federal Revenue					
ROTC Reimbursement	48,599	0	0	0	0
Total Federal Government	\$ 101,039	\$ 3,381,792	\$ 1,698,575	\$ 0	\$ 0
Other Governments and Citizens Groups					
Other Governments					
Contributions	\$ 411,788	\$ 0	\$ 0	\$ 0	\$ 0
Citizens Groups					
Donations	61,053	0	5,000	0	0
Total Other Governments and Citizens Groups	\$ 472,841	\$ 0	\$ 5,000	\$ 0	\$ 0
Total	\$ 43,111,683	\$ 3,381,792	\$ 2,500,371	\$ 91,732	\$ 1,658,738

(Continued)

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

Discretely Presented Lincoln County School Department (Cont.)

	<u>Capital Projects Fund</u>		
	Education Capital Projects		Total
Local Taxes			
County Property Taxes			
Current Property Tax	\$ 1,285,123	\$ 5,478,825	
Trustee's Collections - Prior Year	30,793	130,292	
Trustee's Collections - Bankruptcy	1,282	5,404	
Circuit Clerk/Clerk and Master Collections - Prior Years	9,418	40,345	
Interest and Penalty	5,756	24,490	
County Local Option Taxes			
Local Option Sales Tax	0	5,325,291	
Statutory Local Taxes			
Wholesale Beer Tax	0	128,919	
Total Local Taxes	<u>\$ 1,332,372</u>	<u>\$ 11,133,566</u>	
Licenses and Permits			
Licenses			
Marriage Licenses	\$ 0	\$ 1,547	
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 1,547</u>	

(Continued)

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

Discretely Presented Lincoln County School Department (Cont.)

	<u>Capital Projects Fund</u>		
	Education	Capital Projects	Total
Charges for Current Services			
Education Charges			
Lunch Payments - Children	\$ 0	\$ 313,183	
Lunch Payments - Adults	0	19,804	
Income from Breakfast	0	125,216	
A la Carte Sales	0	264,855	
Receipts from Individual Schools	0	46,437	
Community Service Fees - Children	0	91,732	
Other Charges for Services	0	12,459	
Total Charges for Current Services	\$ 0	\$ 873,686	
Other Local Revenues			
Recurring Items			
Investment Income	\$ 0	\$ 126,449	
Lease/Rentals/PPP	0	34,812	
Sale of Materials and Supplies	0	37	
Rebates	0	97	
Miscellaneous Refunds	0	41,414	

(Continued)

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

Discretely Presented Lincoln County School Department (Cont.)

	<u>Capital Projects Fund</u>		
	Education Capital Projects		Total
Other Local Revenues (Cont.)			
Nonrecurring Items			
Sale of Equipment	\$ 0	\$ 17,530	
Sale of Property	0	3,000	
Damages Recovered from Individuals	0	19,971	
Other Local Revenues			
Other Local Revenues	0	1,658,738	
Total Other Local Revenues	<u>\$ 0</u>	<u>\$ 1,902,048</u>	
State of Tennessee			
General Government Grants			
On-behalf Contributions for OPEB	\$ 0	\$ 81,391	
State Education Funds			
Tennessee Investment in Student Achievement	0	29,475,151	
TISA - On-behalf Payments	0	55,624	
Early Childhood Education	0	766,893	
School Food Service	0	14,853	
Driver Education	0	19,659	
Other State Education Funds	0	603,806	

(Continued)

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

Discretely Presented Lincoln County School Department (Cont.)

	<u>Capital Projects Fund</u>		
	Education Capital Projects		Total
State of Tennessee (Cont.)			
State Education Funds (Cont.)			
Career Ladder Program	\$ 0	\$ 27,931	
Other Vocational	0	315,685	
Other State Revenues			
Beer Tax	0	13,836	
State Revenue Sharing - T.V.A.	0	919,532	
Other State Grants	0	130,977	
Other State Revenues	0	81,256	
Total State of Tennessee	<u>\$ 0</u>	<u>\$ 32,506,594</u>	
Federal Government			
Federal Through State			
USDA School Lunch Program	\$ 0	\$ 1,065,607	
USDA - Commodities	0	186,064	
Breakfast	0	446,904	
Vocational Education - Basic Grants to States	0	125,941	
Title I Grants to Local Education Agencies	0	918,877	
Special Education - Grants to States	0	1,136,662	

(Continued)

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

Discretely Presented Lincoln County School Department (Cont.)

	<u>Capital Projects Fund</u>		
	Education Capital Projects		Total
Federal Government (Cont.)			
Federal Through State (Cont.)			
Special Education Preschool Grants	\$ 0	\$ 54,195	
English Language Acquisition Grants	0	44,275	
Eisenhower Professional Development State Grants	0	157,386	
American Rescue Plan Act Grant #1	0	876,953	
Other Federal through State	0	119,943	
Direct Federal Revenue			
ROTC Reimbursement	0	48,599	
Total Federal Government	<u>\$ 0</u>	<u>\$ 5,181,406</u>	
Other Governments and Citizens Groups			
Other Governments			
Contributions	\$ 0	\$ 411,788	
Citizens Groups			
Donations	0	66,053	
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 477,841</u>	
Total	<u><u>\$ 1,332,372</u></u>	<u><u>\$ 52,076,688</u></u>	

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

General Government

County Commission

Board and Committee Members Fees	\$ 133,299
Social Security	7,915
Employer Medicare	1,933
Data Processing Services	3,500
Dues and Memberships	3,376
Legal Notices, Recording, and Court Costs	9,586
Postal Charges	825
Travel	20,628
Tax Relief Program	<u>118,742</u>
Total County Commission	\$ 299,804

County Mayor/Executive

County Official/Administrative Officer	\$ 113,940
Secretary(ies)	11,639
Clerical Personnel	57,143
Other Salaries and Wages	22,309
Social Security	12,686
Pensions	11,754
Medical Insurance	18,967
Employer Medicare	2,966
Communication	570
Dues and Memberships	3,412
Legal Notices, Recording, and Court Costs	446
Postal Charges	314
Travel	4,950
Duplicating Supplies	1,749
Office Supplies	2,681
Periodicals	685
In Service/Staff Development	2,498
Office Equipment	<u>398</u>
Total County Mayor/Executive	269,107

County Attorney

County Official/Administrative Officer	\$ 31,233
Social Security	1,936
Employer Medicare	453

(Continued)

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

General Government (Cont.)

County Attorney (Cont.)

Legal Notices, Recording, and Court Costs	\$ 4,765
Other Contracted Services	29,012
Other Charges	1,500
Total County Attorney	\$ 68,899

Election Commission

County Official/Administrative Officer	\$ 88,784
Deputy(ies)	106,565
Election Commission	15,223
Election Workers	101,538
Social Security	14,547
Pensions	14,198
Medical Insurance	8,938
Employer Medicare	3,404
Communication	1,447
Data Processing Services	8,234
Legal Notices, Recording, and Court Costs	16,626
Maintenance Agreements	17,627
Maintenance and Repair Services - Office Equipment	168
Postal Charges	3,059
Printing, Stationery, and Forms	8,522
Other Contracted Services	13,825
Duplicating Supplies	2,300
Office Supplies	3,975
Other Supplies and Materials	7,300
In Service/Staff Development	2,604
Other Equipment	27,941
Total Election Commission	466,825

Register of Deeds

County Official/Administrative Officer	\$ 98,649
Deputy(ies)	137,927
Social Security	13,324
Pensions	16,344
Medical Insurance	53,490
Employer Medicare	3,121

(Continued)

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

General Government (Cont.)

Register of Deeds (Cont.)

Data Processing Services	\$ 16,413
Dues and Memberships	1,024
Postal Charges	482
Duplicating Supplies	747
Office Supplies	2,120
In Service/Staff Development	1,548
Office Equipment	264
Total Register of Deeds	\$ 345,453

Planning

County Official/Administrative Officer	\$ 70,403
Secretary(ies)	39,808
Part-time Personnel	800
Other Salaries and Wages	114,296
Board and Committee Members Fees	5,600
Social Security	12,982
Pensions	15,379
Medical Insurance	43,933
Employer Medicare	3,036
Communication	1,079
Contracts with Government Agencies	14,991
Data Processing Services	5,236
Dues and Memberships	926
Legal Notices, Recording, and Court Costs	1,052
Maintenance and Repair Services - Vehicles	1,295
Postal Charges	183
Duplicating Supplies	1,188
Gasoline	4,916
Office Supplies	1,189
Uniforms	697
In Service/Staff Development	3,056
Other Charges	22
Office Equipment	1,178
Total Planning	\$ 343,245

(Continued)

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

General Government (Cont.)

County Buildings

County Official/Administrative Officer	\$ 72,347
Social Security	4,443
Pensions	3,458
Medical Insurance	1,374
Employer Medicare	1,039
Communication	4,180
Janitorial Services	153,000
Maintenance and Repair Services - Buildings	55,399
Maintenance and Repair Services - Equipment	23,839
Maintenance and Repair Services - Vehicles	1,203
Pest Control	1,979
Disposal Fees	1,200
Custodial Supplies	17,062
Electricity	100,833
Gasoline	1,218
Natural Gas	15,987
Water and Sewer	10,311
Building and Contents Insurance	610,828
Site Development	317,826
Disabilities Act Improvements	11,231
Other Construction	12,876
Total County Buildings	\$ 1,421,633

Preservation of Records

Board and Committee Members Fees	\$ 6,446
Social Security	400
Employer Medicare	93
Communication	242
Other Contracted Services	5,250
Duplicating Supplies	308
Electricity	1,041
Office Supplies	382
Water and Sewer	300
Other Supplies and Materials	2,835
Other Charges	1,986
Office Equipment	6,910
Total Preservation of Records	26,193

(Continued)

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

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$ 110,250
Accountants/Bookkeepers	344,101
Social Security	25,647
Pensions	29,334
Medical Insurance	75,478
Employer Medicare	6,334
Contracts with Government Agencies	15,540
Data Processing Services	32,490
Dues and Memberships	730
Legal Notices, Recording, and Court Costs	1,771
Maintenance Agreements	2,862
Postal Charges	4,618
Printing, Stationery, and Forms	5,417
Travel	1,400
Duplicating Supplies	2,878
Office Supplies	2,026
Other Supplies and Materials	1,303
In Service/Staff Development	1,391
Office Equipment	2,000
Total Accounting and Budgeting	\$ 665,570

Property Assessor's Office

County Official/Administrative Officer	\$ 98,649
Deputy(ies)	91,725
Other Salaries and Wages	36,210
Board and Committee Members Fees	3,003
Social Security	13,885
Pensions	15,547
Medical Insurance	24,607
Employer Medicare	3,246
Contracts with Government Agencies	1,654
Contracts with Private Agencies	12,400
Data Processing Services	6,363
Dues and Memberships	1,700
Legal Notices, Recording, and Court Costs	469
Maintenance Agreements	1,928

(Continued)

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

Finance (Cont.)

Property Assessor's Office (Cont.)

Maintenance and Repair Services - Vehicles	\$ 1,210
Postal Charges	1,534
Travel	296
Duplicating Supplies	3,025
Gasoline	1,044
Office Supplies	1,318
In Service/Staff Development	1,000
Total Property Assessor's Office	\$ 320,813

Reappraisal Program

Secretary(ies)	\$ 37,766
Part-time Personnel	4,661
Other Salaries and Wages	47,621
Social Security	5,439
Pensions	5,998
Medical Insurance	15,663
Employer Medicare	1,272
Contracts with Government Agencies	3,830
Contracts with Private Agencies	1,806
Postal Charges	10,703
Total Reappraisal Program	134,759

County Trustee's Office

County Official/Administrative Officer	\$ 98,649
Deputy(ies)	128,834
Other Salaries and Wages	7,777
Social Security	13,901
Pensions	15,536
Medical Insurance	34,641
Employer Medicare	3,251
Contracts with Government Agencies	9,193
Data Processing Services	12,708
Dues and Memberships	1,177
Legal Notices, Recording, and Court Costs	126
Maintenance Agreements	4,149
Postal Charges	13,771

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Duplicating Supplies	\$ 2,195
Office Supplies	5,221
In Service/Staff Development	1,749
Office Equipment	141
Total County Trustee's Office	\$ 353,019

County Clerk's Office

County Official/Administrative Officer	\$ 98,649
Deputy(ies)	218,712
Part-time Personnel	17,295
Social Security	20,461
Pensions	21,625
Medical Insurance	35,750
Employer Medicare	4,845
Data Processing Services	8,315
Dues and Memberships	1,032
Maintenance Agreements	14,880
Postal Charges	11,133
Duplicating Supplies	671
Office Supplies	1,079
In Service/Staff Development	3,043
Other Charges	4,500
Office Equipment	744
Total County Clerk's Office	462,734

Data Processing

County Official/Administrative Officer	\$ 80,898
Social Security	4,955
Pensions	5,542
Medical Insurance	8,938
Employer Medicare	1,159
Communication	1,244
Contracts with Government Agencies	6,648
Data Processing Services	10,298
Licenses	16,513
Maintenance Agreements	2,658

(Continued)

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

Finance (Cont.)

Data Processing (Cont.)

Maintenance and Repair Services - Vehicles	\$ 166
Other Contracted Services	19,243
Gasoline	866
Data Processing Equipment	25,357
Total Data Processing	\$ 184,485

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$ 98,649
Clerical Personnel	416,938
Overtime Pay	7,580
Other Salaries and Wages	6,750
Jury and Witness Expense	12,605
Social Security	31,459
Pensions	32,144
Medical Insurance	90,478
Employer Medicare	7,354
Communication	2,400
Data Processing Services	29,370
Dues and Memberships	1,535
Legal Notices, Recording, and Court Costs	520
Maintenance Agreements	25,747
Postal Charges	5,669
Printing, Stationery, and Forms	6,055
Duplicating Supplies	1,469
Office Supplies	12,607
In Service/Staff Development	4,012
Data Processing Equipment	30,313
Office Equipment	1,263
Total Circuit Court	824,917

General Sessions Court

Judge(s)	\$ 171,700
Social Security	10,267
Pensions	11,762
Medical Insurance	14,107

(Continued)

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

Administration of Justice (Cont.)

General Sessions Court (Cont.)

Employer Medicare	\$ 2,401
Contributions	186,299
Dues and Memberships	300
Travel	1,294
Drug Treatment	33,600
Office Supplies	217
Total General Sessions Court	\$ 431,947

Chancery Court

County Official/Administrative Officer	\$ 98,649
Deputy(ies)	155,119
Social Security	15,634
Pensions	17,412
Medical Insurance	8,938
Employer Medicare	3,658
Data Processing Services	14,280
Dues and Memberships	1,162
Postal Charges	714
Printing, Stationery, and Forms	2,169
Duplicating Supplies	1,544
Office Supplies	3,439
In Service/Staff Development	6,148
Data Processing Equipment	1,034
Office Equipment	353
Total Chancery Court	330,253

Juvenile Court

Assistant(s)	\$ 58,975
Youth Service Officer(s)	72,623
Salary Supplements	10,000
Other Salaries and Wages	21,599
Social Security	9,878
Pensions	11,209
Medical Insurance	17,144
Employer Medicare	2,309
Communication	480

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Postal Charges	\$ 119
Travel	2,818
Other Contracted Services	15,413
Office Supplies	1,722
Total Juvenile Court	\$ 224,289

Judicial Commissioners

Other Salaries and Wages	\$ 47,400
Social Security	2,009
Employer Medicare	687
Communication	1,759
In Service/Staff Development	400
Total Judicial Commissioners	52,255

Courtroom Security

Deputy(ies)	\$ 177,506
Overtime Pay	19,177
Social Security	11,918
Pensions	13,758
Medical Insurance	20,362
Employer Medicare	2,777
Communication	302
Maintenance and Repair Services - Buildings	2,708
Other Contracted Services	5,800
Total Courtroom Security	254,308

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$ 108,514
Assistant(s)	150,089
Deputy(ies)	776,065
Detective(s)	56,010
Investigator(s)	324,904
Lieutenant(s)	91,289
Sergeant(s)	275,704
Accountants/Bookkeepers	69,745

(Continued)

LINCOLN COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types (Cont.)****General Fund (Cont.)****Public Safety (Cont.)****Sheriff's Department (Cont.)**

Salary Supplements	\$ 64,800
Secretary(ies)	299,486
Temporary Personnel	8,922
Part-time Personnel	3,494
School Resource Officer	282,230
Overtime Pay	71,130
Other Salaries and Wages	6,200
Social Security	152,562
Pensions	169,441
Medical Insurance	383,917
Employer Medicare	35,943
Communication	46,991
Contracts with Government Agencies	828,951
Contributions	5,000
Dues and Memberships	7,329
Maintenance and Repair Services - Equipment	2,045
Maintenance and Repair Services - Office Equipment	119
Maintenance and Repair Services - Vehicles	86,593
Medical and Dental Services	22,512
Postal Charges	3,454
Towing Services	915
Travel	404
Duplicating Supplies	1,465
Gasoline	145,603
Law Enforcement Supplies	18,092
Office Supplies	8,141
Uniforms	52,666
Other Supplies and Materials	3,812
In Service/Staff Development	8,890
Other Charges	22,444
Law Enforcement Equipment	6,380
Motor Vehicles	589,099
Office Equipment	1,272
Other Equipment	3,112
Total Sheriff's Department	\$ 5,195,734

(Continued)

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

Public Safety (Cont.)

Special Patrols

Salary Supplements	\$ 5,600
School Resource Officer	357,233
Overtime Pay	4,493
Other Salaries and Wages	23,250
Social Security	17,496
Pensions	26,583
Medical Insurance	58,910
Employer Medicare	5,473
In Service/Staff Development	1,436
Law Enforcement Equipment	24,745
Total Special Patrols	\$ 525,219

Jail

Assistant(s)	\$ 15,965
Supervisor/Director	61,631
Lieutenant(s)	638
Sergeant(s)	176,474
Guards	1,026,779
Secretary(ies)	91,986
Cafeteria Personnel	61,894
Maintenance Personnel	138,416
Overtime Pay	68,622
Other Salaries and Wages	173,290
Social Security	109,565
Pensions	102,859
Medical Insurance	241,892
Employer Medicare	25,624
Ambulance Services	41,691
Communication	11,295
Data Processing Services	4,781
Maintenance Agreements	21,943
Maintenance and Repair Services - Buildings	40,778
Maintenance and Repair Services - Equipment	32,651
Maintenance and Repair Services - Vehicles	12,175
Medical and Dental Services	538,259
Pest Control	1,494

(Continued)

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

Public Safety (Cont.)

Jail (Cont.)

Transportation - Other than Students	\$ 5,695
Disposal Fees	3,360
Custodial Supplies	76,096
Drugs and Medical Supplies	47,103
Duplicating Supplies	1,560
Electricity	102,621
Food Supplies	425,728
Gasoline	19,606
Law Enforcement Supplies	51,682
Natural Gas	35,038
Office Supplies	5,793
Prisoners Clothing	13,741
Uniforms	21,342
Water and Sewer	94,579
Other Supplies and Materials	4,925
In Service/Staff Development	7,472
Other Charges	1,616
Communication Equipment	2,834
Law Enforcement Equipment	15,002
Maintenance Equipment	320
Office Equipment	2,692
Total Jail	\$ 3,939,507

Fire Prevention and Control

Salary Supplements	\$ 10,200
Communication	727
Contracts with Private Agencies	1,500
Contributions	55,000
Data Processing Services	660
Dues and Memberships	596
Maintenance and Repair Services - Buildings	148,658
Maintenance and Repair Services - Equipment	13,335
Maintenance and Repair Services - Vehicles	47,986
Postal Charges	54
Travel	2,245
Electricity	18,254

(Continued)

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

Public Safety (Cont.)

Fire Prevention and Control (Cont.)

Food Supplies	\$ 2,000
Gasoline	12,073
Natural Gas	13,406
Office Supplies	417
Uniforms	58,409
Water and Sewer	4,998
Other Supplies and Materials	7,062
Liability Insurance	16,434
In Service/Staff Development	5,729
Other Charges	96,714
Other Equipment	9,591
Other Capital Outlay	32,752
Total Fire Prevention and Control	\$ 558,800

Civil Defense

Supervisor/Director	\$ 80,296
Deputy(ies)	51,734
Secretary(ies)	42,976
Part-time Personnel	33,266
Social Security	11,620
Pensions	10,944
Medical Insurance	11,925
Employer Medicare	2,999
Communication	4,946
Data Processing Services	46,786
Dues and Memberships	127
Maintenance and Repair Services - Buildings	2,249
Maintenance and Repair Services - Equipment	911
Maintenance and Repair Services - Vehicles	3,894
Pest Control	420
Postal Charges	99
Travel	700
Other Contracted Services	3,620
Duplicating Supplies	1,530
Electricity	6,343
Gasoline	3,820

(Continued)

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

Public Safety (Cont.)

Civil Defense (Cont.)

Natural Gas	\$ 2,187
Office Supplies	263
Road Signs	41
Uniforms	742
Water and Sewer	989
Other Supplies and Materials	863
In Service/Staff Development	110
Office Equipment	1,198
Other Construction	64,242
Other Capital Outlay	39,730
Total Civil Defense	\$ 431,570

Public Health and Welfare

Local Health Center

Other Salaries and Wages	\$ 422,391
Social Security	24,907
Pensions	27,260
Medical Insurance	73,421
Employer Medicare	5,825
Communication	4,408
Contracts with Government Agencies	40,000
Janitorial Services	27,360
Maintenance and Repair Services - Equipment	5,966
Pest Control	216
Travel	15,728
Disposal Fees	480
Electricity	13,787
Natural Gas	2,004
Office Supplies	1,234
Water and Sewer	2,266
Other Supplies and Materials	2,828
In Service/Staff Development	375
Other Charges	5,591
Total Local Health Center	\$ 676,047

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control

Other Charges	\$ 107,169	
Total Rabies and Animal Control		\$ 107,169

Other Local Welfare Services

Contracts with Other Public Agencies	\$ 10,436	
Total Other Local Welfare Services		10,436

Sanitation Management

Salary Supplements	\$ 1,200	
Other Salaries and Wages	65,934	
Social Security	4,006	
Pensions	4,592	
Medical Insurance	14,189	
Employer Medicare	936	
Contracts with Private Agencies	86,784	
Other Charges	8,747	
Total Sanitation Management		186,388

Social, Cultural, and Recreational Services

Adult Activities

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

Libraries

Contributions	\$ 132,202	
Total Libraries		132,202

Parks and Fair Boards

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

Agriculture and Natural Resources

Agricultural Extension Service

Board and Committee Members Fees	\$ 600	
Communication	1,941	
Contracts with Other Public Agencies	153,950	

(Continued)

LINCOLN COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types (Cont.)****General Fund (Cont.)****Agriculture and Natural Resources (Cont.)****Agricultural Extension Service (Cont.)**

Maintenance and Repair Services - Vehicles	\$ 2,611
Travel	250
Duplicating Supplies	1,482
Office Supplies	500
Office Equipment	1,927
Total Agricultural Extension Service	\$ 163,261

Forest Service

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

Soil Conservation

Secretary(ies)	\$ 35,723
Other Salaries and Wages	36,671
Social Security	4,401
Pensions	4,959
Medical Insurance	8,938
Employer Medicare	1,029
Other Charges	3,987
Total Soil Conservation	95,708

Other Operations**Industrial Development**

Contracts with Other Public Agencies	\$ 283,459
Contributions	102,761
Total Industrial Development	386,220

Other Economic and Community Development

Contributions	\$ 15,000
Total Other Economic and Community Development	15,000

Airport

Airport Improvement	\$ 32,969
Total Airport	32,969

(Continued)

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

Other Operations (Cont.)

Veterans' Services

Clerical Personnel	\$ 52,238
Part-time Personnel	16,421
Social Security	4,257
Pensions	3,578
Employer Medicare	996
Communication	2,031
Maintenance and Repair Services - Vehicles	1,323
Postal Charges	3
Transportation - Other than Students	3,998
Travel	1,781
Duplicating Supplies	1,065
Gasoline	83
Office Supplies	8,312
Other Charges	2,295
Total Veterans' Services	\$ 98,381

Contributions to Other Agencies

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

American Rescue Plan Act Grant #1

Other Charges	\$ 1,124,247
Total American Rescue Plan Act Grant #1	1,124,247

American Rescue Plan Act Grant A

Contracts with Government Agencies	\$ 12,000
Engineering Services	50,395
Total American Rescue Plan Act Grant A	62,395

Miscellaneous

Unemployment Compensation	\$ 4,301
Dues and Memberships	5,822
Medical and Dental Services	18,000
Premiums on Corporate Surety Bonds	198
Trustee's Commission	285,605
Workers' Compensation Insurance	258,229
Other Charges	17,167
Total Miscellaneous	589,322
Total General Fund	\$ 21,863,633

(Continued)

LINCOLN COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types (Cont.)****Solid Waste/Sanitation Fund**

Public Health and Welfare

Sanitation Management

Maintenance and Repair Services - Equipment	\$ 695
Internet Connectivity	162
Other Contracted Services	42,000
Electricity	2,470
Natural Gas	44
Water and Sewer	682
Total Sanitation Management	\$ 46,053

Convenience Centers

Part-time Personnel	\$ 115,067
Social Security	7,134
Employer Medicare	1,705
Communication	720
Contracts with Other Public Agencies	109,110
Maintenance and Repair Services - Equipment	10,696
Electricity	4,131
Water and Sewer	1,093
Other Supplies and Materials	464
Other Capital Outlay	6,703
Total Convenience Centers	256,823

Other Waste Disposal

County Official/Administrative Officer	\$ 26,000
Social Security	1,495
Pensions	1,781
Employer Medicare	350
Contracts with Government Agencies	130,488
Contracts with Other Public Agencies	905,511
Travel	77
Disposal Fees	122,940
Trustee's Commission	17,709
Other Charges	1,860
Motor Vehicles	49,932
Other Capital Outlay	15,000
Total Other Waste Disposal	1,273,143

(Continued)

LINCOLN COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types (Cont.)****Solid Waste/Sanitation Fund (Cont.)**

Public Health and Welfare (Cont.)

Postclosure Care Costs

Contracts for Postclosure Care Costs

\$ 64,492

Total Postclosure Care Costs

\$ 64,492

Total Solid Waste/Sanitation Fund

\$ 1,640,511

Drug Control Fund

Public Safety

Drug Enforcement

Confidential Drug Enforcement Payments

\$ 10,000

Animal Food and Supplies

3,038

Law Enforcement Supplies

14,389

Refunds

330

Trustee's Commission

704

In Service/Staff Development

2,455

Law Enforcement Equipment

41,691

Motor Vehicles

21,497

Total Drug Enforcement

\$ 94,104

Total Drug Control Fund

94,104

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees

\$ 5,750

Total Chancery Court

\$ 5,750

Total Constitutional Officers - Fees Fund

5,750

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer

\$ 108,514

Assistant(s)

65,904

Accountants/Bookkeepers

66,984

Longevity Pay

1,000

Overtime Pay

36

(Continued)

LINCOLN COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types (Cont.)****Highway/Public Works Fund (Cont.)****Highways (Cont.)****Administration (Cont.)**

Social Security	\$ 14,569
Pensions	16,607
Medical Insurance	33,482
Employer Medicare	3,407
Communication	1,128
Dues and Memberships	5,663
Janitorial Services	7,350
Legal Services	47
Maintenance and Repair Services - Office Equipment	509
Postal Charges	465
Travel	681
Electricity	19,932
Office Supplies	273
Water and Sewer	423
Total Administration	\$ 346,974

Highway and Bridge Maintenance

Foremen	\$ 83,777
Equipment Operators	196,461
Truck Drivers	166,633
Laborers	173,788
Longevity Pay	7,000
Overtime Pay	9,384
Social Security	38,781
Pensions	43,637
Medical Insurance	82,905
Employer Medicare	9,070
Other Contracted Services	75,394
Asphalt	850,875
Asphalt - Hot Mix	2,332,757
Crushed Stone	26,430
General Construction Materials	2,490
Pipe - Metal	28,167
Road Signs	28,113
Wood Products	291
Total Highway and Bridge Maintenance	4,155,953

(Continued)

LINCOLN COUNTY, TENNESSEE**Schedule of Detailed Expenditures -****All Governmental Fund Types (Cont.)****Highway/Public Works Fund (Cont.)**

Highways (Cont.)

Operation and Maintenance of Equipment

Mechanic(s)	\$ 162,729
Longevity Pay	1,500
Overtime Pay	2,531
Social Security	9,780
Pensions	11,366
Medical Insurance	31,245
Employer Medicare	2,287
Laundry Service	1,654
Maintenance and Repair Services - Equipment	28,708
Diesel Fuel	115,299
Equipment and Machinery Parts	159,284
Garage Supplies	6,057
Gasoline	45,598
Lubricants	14,225
Propane Gas	9,153
Tires and Tubes	49,499
Other Supplies and Materials	110
Communication Equipment	864
Total Operation and Maintenance of Equipment	\$ 651,889

Quarry Operations

Foremen	\$ 56,597
Equipment Operators	54,320
Truck Drivers	41,257
Longevity Pay	2,000
Overtime Pay	777
Social Security	9,120
Pensions	10,614
Medical Insurance	31,523
Employer Medicare	2,133
Explosive and Drilling Services	85,888
Maintenance and Repair Services - Equipment	27,990
Electricity	26,458
Water and Sewer	4,822
In Service/Staff Development	1,936
Total Quarry Operations	355,435

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges

Trustee's Commission	\$ 66,599
Vehicle and Equipment Insurance	<u>86,858</u>
Total Other Charges	\$ 153,457

Employee Benefits

Unemployment Compensation	\$ 485
Workers' Compensation Insurance	<u>57,255</u>
Total Employee Benefits	57,740

Capital Outlay

Engineering Services	\$ 137,986
Asphalt - Hot Mix	309,111
Bridge Construction	640,262
Highway Equipment	<u>363,695</u>
Total Capital Outlay	1,451,054

Total Highway/Public Works Fund

\$ 7,172,502

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 330,000
Principal on Notes	<u>90,000</u>
Total General Government	\$ 420,000

Education

Principal on Bonds	\$ 2,135,000
Total Education	2,135,000

Interest on Debt

General Government

Interest on Bonds	\$ 131,030
Interest on Notes	<u>5,926</u>
Total General Government	136,956

(Continued)

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

General Debt Service Fund (Cont.)

Interest on Debt (Cont.)

Education

Interest on Bonds

\$ 3,073,588

Total Education

\$ 3,073,588

Other Debt Service

General Government

Trustee's Commission

\$ 121,245

Total General Government

121,245

Education

Other Debt Issuance Charges

\$ 1,300

Total Education

1,300

Total General Debt Service Fund

\$ 5,888,089

Total Governmental Funds - Primary Government

\$ 36,664,589

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

Discretely Presented Lincoln County School Department

For the Year Ended June 30, 2025**General Purpose School Fund**

Instruction

Regular Instruction Program

Teachers	\$ 13,198,500
Career Ladder Program	15,833
Homebound Teachers	1,362
Educational Assistants	428,153
Bonus Payments	607,200
Certified Substitute Teachers	20,722
Non-certified Substitute Teachers	150,911
Social Security	888,145
Pensions	1,147,116
Employee and Dependent Insurance	116,147
Medical Insurance	1,930,326
Unemployment Compensation	5,851
Employer Medicare	208,260
Data Processing Services	122,348
Maintenance and Repair Services - Equipment	65,486
Contracts for Substitute Teachers - Non-certified	106,674
Other Contracted Services	72,978
Instructional Supplies and Materials	113,064
Textbooks - Bound	116,421
Other Supplies and Materials	14,925
Fee Waivers	29,380
TISA - On-behalf Payments	55,624
Principal on Leases	430,064
Interest on Leases	33,088
Furniture and Fixtures	26,892
Regular Instruction Equipment	282,676
Total Regular Instruction Program	\$ 20,188,146

Alternative Instruction Program

Teachers	\$ 126,668
Social Security	7,421
Pensions	8,056
Medical Insurance	18,219
Employer Medicare	1,736
Total Alternative Instruction Program	162,100

(Continued)

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

Discretely Presented Lincoln County School Department (Cont.)

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program

Teachers	\$ 1,213,129
Career Ladder Program	2,000
Homebound Teachers	3,456
Educational Assistants	834,458
Speech Pathologist	174,640
Other Salaries and Wages	857
Certified Substitute Teachers	1,978
Non-certified Substitute Teachers	7,575
Social Security	134,960
Pensions	131,660
Employee and Dependent Insurance	164,914
Medical Insurance	237,028
Employer Medicare	31,010
Contracts with Private Agencies	57,103
Maintenance and Repair Services - Equipment	691
Contracts for Substitute Teachers - Non-certified	93,621
Instructional Supplies and Materials	8,283
Other Supplies and Materials	477
Special Education Equipment	3,519
Total Special Education Program	\$ 3,101,359

Career and Technical Education Program

Teachers	\$ 1,118,544
Career Ladder Program	1,000
Other Salaries and Wages	39,340
Non-certified Substitute Teachers	4,125
Social Security	69,734
Pensions	67,814
Medical Insurance	137,959
Employer Medicare	16,312
Maintenance and Repair Services - Equipment	6,718
Tuition	1,789
Instructional Supplies and Materials	74,637
Other Supplies and Materials	58,712
Other Charges	15,342
Vocational Instruction Equipment	555,022
Total Career and Technical Education Program	\$ 2,167,048

(Continued)

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

Discretely Presented Lincoln County School Department (Cont.)

General Purpose School Fund (Cont.)

Instruction (Cont.)

Student Body Education Program

Salary Supplements	\$ 48,044
Other Salaries and Wages	34,151
Social Security	4,833
Pensions	4,464
Employer Medicare	1,139
Total Student Body Education Program	\$ 92,631

Support Services

Attendance

Supervisor/Director	\$ 63,272
Career Ladder Program	600
Other Salaries and Wages	62,527
Social Security	7,265
Pensions	7,750
Employee and Dependent Insurance	12,095
Medical Insurance	3,142
Employer Medicare	1,699
Travel	1,532
Contracts for Substitute Teachers - Non-certified	61,392
Other Contracted Services	17,897
Total Attendance	239,171

Health Services

Supervisor/Director	\$ 103,745
Medical Personnel	256,997
Clerical Personnel	27,946
Social Security	23,230
Pensions	24,093
Employee and Dependent Insurance	19,192
Medical Insurance	25,638
Employer Medicare	5,433
Travel	2,375
Drugs and Medical Supplies	8,992
Total Health Services	497,641

(Continued)

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

Discretely Presented Lincoln County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support

Guidance Personnel	\$ 667,033
Social Workers	32,692
Social Security	41,560
Pensions	39,875
Medical Insurance	91,436
Employer Medicare	9,720
Evaluation and Testing	12,000
Other Contracted Services	14,665
In Service/Staff Development	16,889
Other Charges	4,657
Other Equipment	97,279
Total Other Student Support	\$ 1,027,806

Regular Instruction Program

Supervisor/Director	\$ 260,953
Career Ladder Program	3,333
Librarians	403,236
Instructional Computer Personnel	100,617
Clerical Personnel	544
Other Salaries and Wages	21,669
Social Security	46,194
Pensions	48,270
Medical Insurance	103,415
Employer Medicare	10,804
Travel	11,220
Contracts for Substitute Teachers - Non-certified	111,839
Other Contracted Services	14,190
Instructional Supplies and Materials	3,763
Library Books/Media	12,616
In Service/Staff Development	87,356
Other Charges	23,746
Total Regular Instruction Program	\$ 1,263,765

Special Education Program

Supervisor/Director	\$ 91,129
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(Continued)

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

Discretely Presented Lincoln County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Psychological Personnel	\$ 75,752
Secretary(ies)	37,983
Other Salaries and Wages	62,741
Social Security	15,168
Pensions	17,206
Employee and Dependent Insurance	11,602
Medical Insurance	29,561
Employer Medicare	3,547
Evaluation and Testing	6,683
Travel	13,300
Other Supplies and Materials	2,196
In Service/Staff Development	7,700
Total Special Education Program	\$ 374,568

Career and Technical Education Program

Supervisor/Director	\$ 88,307
Clerical Personnel	27,945
Social Security	6,740
Pensions	6,331
Employee and Dependent Insurance	8,466
Medical Insurance	10,881
Employer Medicare	1,576
Travel	15,192
In Service/Staff Development	325
Other Charges	1,971
Total Career and Technical Education Program	167,734

Technology

Data Processing Services	\$ 3,859
Internet Connectivity	419,475
Total Technology	423,334

Other Programs

On-behalf Payments to OPEB	\$ 81,391
Total Other Programs	81,391

(Continued)

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

Discretely Presented Lincoln County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education

Secretary to Board	\$ 2,000
Board and Committee Members Fees	45,061
Social Security	2,916
Pensions	135
Employer Medicare	682
Audit Services	15,950
Data Processing Services	2,273
Dues and Memberships	17,569
Legal Services	10,212
Travel	3,255
Liability Insurance	529,844
Trustee's Commission	135,864
Workers' Compensation Insurance	203,976
Criminal Investigation of Applicants - TBI	9,590
Other Charges	<u>29,822</u>
Total Board of Education	\$ 1,009,149

Director of Schools

County Official/Administrative Officer	\$ 239,922
Secretary(ies)	106,152
Other Salaries and Wages	18,326
Social Security	19,887
Pensions	23,337
Employee and Dependent Insurance	17,219
Medical Insurance	14,526
Employer Medicare	5,240
Communication	20,116
Postal Charges	1,162
Travel	14,857
Office Supplies	4,370
Administration Equipment	<u>4,837</u>
Total Director of Schools	489,951

Office of the Principal

Assistant(s)	\$ 376,605
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(Continued)

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

Discretely Presented Lincoln County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Principals	\$ 650,678
Career Ladder Program	1,000
Assistant Principals	26,812
Secretary(ies)	1,046
Clerical Personnel	406,405
Social Security	86,268
Pensions	92,208
Employee and Dependent Insurance	85,396
Medical Insurance	53,453
Employer Medicare	20,176
Communication	1,336
Contributions	40,000
Travel	5,954
Contracts for Substitute Teachers - Non-certified	39,067
Duplicating Supplies	40,916
Total Office of the Principal	\$ 1,927,320

Operation of Plant

Custodial Personnel	\$ 588,044
Social Security	35,298
Pensions	37,132
Employee and Dependent Insurance	92,510
Employer Medicare	8,255
Other Contracted Services	18,835
Custodial Supplies	168,249
Electricity	1,026,478
Natural Gas	130,533
Water and Sewer	148,085
Other Charges	38,762
Total Operation of Plant	2,292,181

Maintenance of Plant

Maintenance Personnel	\$ 338,121
Other Salaries and Wages	275,120
Social Security	36,540

(Continued)

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

Discretely Presented Lincoln County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Pensions	\$ 41,981
Employee and Dependent Insurance	74,292
Employer Medicare	8,546
Maintenance and Repair Services - Buildings	120,442
Maintenance and Repair Services - Equipment	119,334
Maintenance and Repair Services - Vehicles	5,769
Contracts for Substitute Teachers - Non-certified	205,020
General Construction Materials	32,620
Other Supplies and Materials	33,551
Other Charges	27,918
Heating and Air Conditioning Equipment	27,924
Other Equipment	11,404
Total Maintenance of Plant	\$ 1,358,582

Transportation

Supervisor/Director	\$ 102,188
Mechanic(s)	122,100
Bus Drivers	800,504
Secretary(ies)	38,602
Other Salaries and Wages	121,643
Social Security	70,045
Pensions	78,443
Employee and Dependent Insurance	96,627
Medical Insurance	14,956
Employer Medicare	17,095
Communication	4,467
Maintenance and Repair Services - Vehicles	536
Medical and Dental Services	5,517
Diesel Fuel	8,513
Gasoline	219,506
Lubricants	7,169
Tires and Tubes	32,564
Vehicle Parts	76,677
Other Supplies and Materials	25,189
Other Charges	15,397
Transportation Equipment	994,438
Total Transportation	2,852,176

(Continued)

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

Discretely Presented Lincoln County School Department (Cont.)

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$ 109,836
Clerical Personnel	15,123
Cafeteria Personnel	17,895
Social Security	8,772
Pensions	8,061
Employer Medicare	2,052
Total Food Service	\$ 161,739

Community Services

Teachers	\$ 124,222
Educational Assistants	19,198
Other Salaries and Wages	50,531
Social Security	11,830
Pensions	11,165
Employer Medicare	2,812
Travel	3,216
Other Supplies and Materials	2,668
In Service/Staff Development	15,110
Total Community Services	240,752

Early Childhood Education

Supervisor/Director	\$ 51,701
Teachers	511,437
Educational Assistants	126,011
Certified Substitute Teachers	2,338
Non-certified Substitute Teachers	5,138
Social Security	39,597
Pensions	39,909
Medical Insurance	138,515
Employer Medicare	9,302
Communication	200
Instructional Supplies and Materials	18,596
Other Supplies and Materials	1,298
In Service/Staff Development	2,890
Total Early Childhood Education	946,932

(Continued)

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

Discretely Presented Lincoln County School Department (Cont.)

General Purpose School Fund (Cont.)

Capital Outlay

Regular Capital Outlay

Other Equipment	\$ 917,760
Other Construction	<u>337,170</u>
Total Regular Capital Outlay	<u><u>\$ 1,254,930</u></u>

Total General Purpose School Fund

\$ 42,320,406

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 807,999
Educational Assistants	93,681
Social Security	7,635
Pensions	6,641
Medical Insurance	42,607
Employer Medicare	1,786
Other Contracted Services	225,683
Instructional Supplies and Materials	30,999
Software	<u>178,274</u>
Total Regular Instruction Program	<u><u>\$ 1,395,305</u></u>

Special Education Program

Educational Assistants	\$ 373,884
Speech Pathologist	204,550
Other Salaries and Wages	8,000
Social Security	32,280
Pensions	33,254
Medical Insurance	130,579
Employer Medicare	7,748
Instructional Supplies and Materials	9,929
Other Supplies and Materials	<u>11,024</u>
Total Special Education Program	<u><u>\$ 811,248</u></u>

Career and Technical Education Program

Other Salaries and Wages	\$ 15,654
Maintenance and Repair Services - Equipment	947

(Continued)

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

Discretely Presented Lincoln County School Department (Cont.)

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Career and Technical Education Program (Cont.)

Instructional Supplies and Materials	\$ 17,448
Software	20,038
Other Supplies and Materials	26,007
Vocational Instruction Equipment	<u>37,967</u>
Total Career and Technical Education Program	\$ 118,061

Support Services

Other Student Support

Social Workers	\$ 23,351
Other Salaries and Wages	7,921
Social Security	1,340
Pensions	1,600
Medical Insurance	4,401
Employer Medicare	313
Evaluation and Testing	990
Travel	416
In Service/Staff Development	4,299
Other Charges	<u>7,500</u>
Total Other Student Support	52,131

Regular Instruction Program

Clerical Personnel	\$ 9,238
Instructional Coaches	56,394
Social Security	4,031
Pensions	4,512
Medical Insurance	6,305
Employer Medicare	943
In Service/Staff Development	<u>17,651</u>
Total Regular Instruction Program	99,074

Special Education Program

Medical Personnel	\$ 173,078
Social Security	10,352
Pensions	13,300
Medical Insurance	14,713

(Continued)

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

Discretely Presented Lincoln County School Department (Cont.)

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Employer Medicare	\$ 2,421
Other Supplies and Materials	2,815
Total Special Education Program	\$ 216,679

Career and Technical Education Program

In Service/Staff Development	\$ 5,514
Total Career and Technical Education Program	5,514

Maintenance of Plant

Other Supplies and Materials	\$ 1,666
Total Maintenance of Plant	1,666

Transportation

Bus Drivers	\$ 80,787
Other Salaries and Wages	22,100
Social Security	4,885
Pensions	4,221
Employer Medicare	1,143
Other Supplies and Materials	5,520
Total Transportation	118,656

Capital Outlay

Regular Capital Outlay	
Other Capital Outlay	\$ 199,856
Total Regular Capital Outlay	199,856

Total School Federal Projects Fund

\$ 3,018,190

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$ 662,791
Bonus Payments	19,250
Other Salaries and Wages	13,635
Social Security	41,651

(Continued)

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

Discretely Presented Lincoln County School Department (Cont.)

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Pensions	\$ 42,172
Employee and Dependent Insurance	184,949
Employer Medicare	9,741
Contracts with Other Public Agencies	1,049,737
Maintenance and Repair Services - Equipment	52,587
Travel	3,156
Other Contracted Services	15,868
Food Preparation Supplies	5,727
Office Supplies	5,653
USDA - Commodities	186,064
Other Supplies and Materials	6,554
Refunds	1,626
Trustee's Commission	528
Workers' Compensation Insurance	24,737
In Service/Staff Development	509
Other Charges	1,880
Food Service Equipment	321,483
Total Food Service	\$ 2,650,298

Total Central Cafeteria Fund

\$ 2,650,298

Extended School Program Fund

Operation of Non-Instructional Services

Community Services

Other Salaries and Wages	\$ 56,180
Social Security	2,581
Pensions	2,179
Employer Medicare	815
Retirement - Hybrid Stabilization	486
Trustee's Commission	860
Other Charges	3,314
Total Community Services	\$ 66,415

Total Extended School Program Fund

\$ 66,415

(Continued)

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

Discretely Presented Lincoln County School Department (Cont.)

Internal School Fund

Operation of Non-Instructional Services

Community Services

Other Charges

Total Community Services

\$ 1,577,056

\$ 1,577,056

Total Internal School Fund

\$ 1,577,056

Education Capital Projects Fund

Capital Outlay

Regular Capital Outlay

Architects

\$ 506,500

Engineering Services

8,372

Trustee's Commission

26,546

Other Capital Outlay

17,073,948

Total Regular Capital Outlay

\$ 17,615,366

Total Education Capital Projects Fund

\$ 17,615,366

Total Governmental Funds - Lincoln County School Department

\$ 67,247,731

SINGLE AUDIT SECTION



JASON E. MUMPOWER
Comptroller

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

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lincoln County, Tennessee, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Lincoln County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated November 18, 2025. Our report includes references to other auditors who audited the financial statements of the Lincoln County Board of Public Utilities (major proprietary fund) and the Internal School Fund of Lincoln County School Department (a discretely presented component unit), as described in our report on Lincoln County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified the following deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be a significant deficiency: 2025-001.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lincoln County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Lincoln County's Response to the Finding

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

Purpose of this Report

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

Very truly yours,


Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

November 18, 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

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, Lincoln County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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 contained in *Government Auditing Standards*, and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lincoln County, Tennessee, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Lincoln County's basic financial statements. We issued our report thereon dated November 18, 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

November 18, 2025

JEM/gc

LINCOLN COUNTY, TENNESSEE, AND THE LINCOLN COUNTY SCHOOL DEPARTMENT

Schedule of Expenditures of Federal Awards and State Grants (1) (2)

For the Year Ended June 30, 2025

Federal/Pass-through Agency/State Grantor Program Title	Assistance Listing Number	Passed-through Entity Identifying Number	Amount Passed- through to Subrecipients			Expenditures			
U.S. Department of Agriculture:									
Passed-through State Department of Agriculture:									
Child Nutrition Cluster: (4)									
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(3)	\$	0	\$	186,064 (5)			
National School Lunch Program (Commodity Rebate - Food Storage)	10.555	(3)		0		23,750 (5)			
Soil and Water Conservation	10.902	(3)		0		12,000			
Passed-through State Department of Education:									
Child Nutrition Cluster: (4)									
School Breakfast Program	10.553	(3)		0		446,904			
National School Lunch Program	10.555	(3)		0		1,041,857 (5)			
Passed-through State Department of Health:									
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG2582972	(6)	0		81,392			
Total U.S. Department of Agriculture						<u>\$ 1,791,967</u>			
U.S. Department of Justice:									
Passed-through State Department of Finance and Administration:									
Edward Byrne Memorial Justice Assistance Grant Program	16.738	(3)	(7)	70,000	\$	70,000			
Total U.S. Department of Justice						<u>\$ 70,000</u>			
U.S. Department of Transportation:									
Passed-through State Department of Environment and Conservation:									
Recreational Trails Program	20.219	(3)		0	\$	165,000			
Passed-through State Department of Transportation:									
Alcohol Open Container Requirements	20.607	Z25THS173		0		30,301			
Total U.S. Department of Transportation						<u>\$ 195,301</u>			
U.S. Department of Treasury:									
Passed-through State Department of Education:									
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	(3)		0	\$	41,318 (5)			
Passed-through State Department of Environment and Conservation:									
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	(3)		0		49,916 (5)			
Total U.S. Department of Treasury						<u>\$ 91,234</u>			
U.S. Department of Education:									
Passed-through State Department of Education:									
Title I Grants to Local Educational Agencies	84.010	(3)		0	\$	896,082			
Special Education Cluster (IDEA): (4)									
Special Education - Grants to States	84.027	(3)		0		1,091,862			
Special Education - Preschool Grants	84.173	(3)		0		46,386			
Career and Technical Education - Basic Grants to States	84.048	(3)		0		125,941			
English Language Acquisition State Grants	84.365	(3)		0		9,711			
Supporting Effective Instruction State Grants	84.367	(3)		0		154,600			
Student Support and Academic Enrichment Program	84.424	(3)		0		60,361			
COVID 19 - Education Stabilization Fund Program - Elementary and Secondary School Emergency Relief Fund (ESSER ARP)	84.425U	(3)		0		633,247			
Passed-through The University of Tennessee:									
School Safely National Activities	84.184	(3)		0		9,999			
Total U.S. Department of Education						<u>\$ 3,028,189</u>			
U.S. Department of Health and Human Services:									
Passed-through State Department of Health:									
Maternal and Child Health Services Block Grant to the States	93.994	GG2582972	(6)	0	\$	23,824			
Total U.S. Department of Health and Human Services						<u>\$ 23,824</u>			

(Continued)

LINCOLN COUNTY, TENNESSEE, AND THE LINCOLN COUNTY SCHOOL DEPARTMENT

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

Federal/Pass-through Agency/State Grantor Program Title	Assistance Listing Number	Passed-through Entity Identifying Number	Amount Passed-through to Subrecipients		Expenditures
			Contract Number	Amount	
U.S. Department of Homeland Security:					
Passed-through State Department of Military:					
Homeland Security Grant Program	97.067	34101-10124	\$ 0	\$ 39,730	
Total U.S. Department of Homeland Security				\$ 39,730	
Total Expenditures of Federal Awards				\$ 5,240,245	
State Grants					
Mental Health Transport Grant - State Department of Finance and Administration	N/A	(3)		\$ 47,990	
Juvenile Justice - State Commission on Children and Youth	N/A	(3)		9,000	
Health Department Programs - State Department of Health	N/A	GG2582972	(6)	450,238	
Early Childhood Education Pilot Program - State Department of Education	N/A	(3)		703,758	
Lottery for Education Afterschool Program - State Department of Education	N/A	(3)		166,373	
Summer Learning Camps - State Department of Education	N/A	(3)		329,579	
Transportation Grant - State Department of Education	N/A	(3)		65,465	
Public School Security Grant - State Department of Education	N/A	(3)		18,390	
Special Education Preschool Grant - State Department of Education	N/A	(3)		99,206	
Litter Grant - State Department of Transportation	N/A	(3)		82,899	
Innovative School Models - State Department of Education	N/A	(3)		485,569	
Site Development Grant Program - State Department of Economic and Community Development	N/A	33007-50423		6,184	
Litter Removal Grant - State Department of Transportation	N/A	(3)		41,120	
Volunteer Firefighter Equipment and Training Grant Program - State Department of Commerce and Insurance	N/A	33501-2525258		70,000	
School Resource Officer Program - State Department of Safety and Homeland Security	N/A	(3)		457,588	
School Resource Officer Retention Bonus - State Department of Commerce and Insurance	N/A	(3)		5,600	
Tennessee Law Enforcement Training, Hiring, and Recruitment Program - State Department of Commerce and Insurance	N/A	(3)		41,000	
Conservation Technical Assistance - State Department of Agriculture	N/A	(3)		9,000	
Total State Grants				\$ 3,088,959	

ALN - Assistance Listing Number

N/A - Not Applicable

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

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

(3) Information not available.

(4) Child Nutrition Cluster total \$1,698,575; Special Education Cluster (IDEA) total \$1,138,248.

(5) Total for ALN 10.555 is \$1,251,671; Total for ALN 21.027 is \$91,234.

(6) Programs with passed-through entity identifying number GG2582972 are part of a multi-service contract.

(7) SUBRECIPIENT AMOUNT

The following amount was paid to a subrecipient from the federal grant as noted:

Subrecipient	ALN Number	Amount Provided to Subrecipient
17th Judicial District Drug Task Force	16.738	\$ 70,000

LINCOLN 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 Lincoln 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
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OFFICE OF DIRECTOR OF FINANCE

2024	212	2024-001	Vehicle bid specifications applied to only one brand.	N/A	Corrected
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OFFICES OF DIRECTOR OF SCHOOLS AND DIRECTOR OF FINANCE

2024	212	2024-002	The school department entered into a construction contract in violation of the Financial Management Act of 1981.	N/A	Corrected
2024	213	2024-003	Contracted employees were allowed to drive school department vehicles home.	N/A	Corrected

Prior-year Federal Awards Findings

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

LINCOLN COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2025

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of Lincoln County is unmodified

2. Internal Control Over Financial Reporting:

* Material weakness identified? **NO**

* Significant deficiency identified? **YES**

3. Noncompliance material to the financial statements noted? **NO**

Federal Awards:

4. Internal Control Over Major Federal Programs:

* Material weakness identified? **NO**

* Significant deficiency identified? **NONE REPORTED**

5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**

7. Identification of Major Federal Programs:

* Assistance Listing Number: 84.010 Title I Grants to Local Educational Agencies

* Assistance Listing Numbers: 84.027 and 84.173 Special Education Cluster - Special Education - Grants to States and Special Education - Preschool Grants

8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**

9. Auditee qualified as low-risk auditee? **YES**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICE OF DIRECTOR OF FINANCE

FINDING 2025-001

DUTIES WERE NOT SEGREGATED ADEQUATELY

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

Duties were not segregated adequately among the official and employees in the Office of Finance Director. The official and employees responsible for maintaining the accounting records were also involved in receiving, depositing, and/or disbursing funds. Accounting standards provide that internal controls be designed to provide 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 and is a significant deficiency in internal controls that increases the risk of unauthorized transactions.

RECOMMENDATION

The finance director should segregate duties to decrease the risk of unauthorized transactions.

MANAGEMENT'S RESPONSE – DIRECTOR OF FINANCE

We concur with this finding and will work closely in the future to remedy this internal control with provisions of government auditing standards.

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.

LINCOLN 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 DIRECTOR OF FINANCE

2025-001	Duties were not segregated adequately.	219
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LINCOLN COUNTY FINANCE DEPARTMENT

206 East Davidson Street
Fayetteville, Tennessee 37334
Phone: 931-438-1565
Fax: 931-438-1570
E-mail: jnix@lincolncountytn.gov

Corrective Action Plan

FINDING 2025-001: DUTIES WERE NOT SEGREGATED ADEQUATELY

Response and Corrective Action Plan Prepared by:

Jason Nix, Director of Finance

Person Responsible for Implementing the Corrective Action:

Jason Nix, Director of Finance

Anticipated Completion Date of Corrective Action:

Immediately

Repeat Finding:

No

Planned Corrective Action:

FY 2024-2025, the finance department was not adequately segregating certain duties. Some employees were processing purchase orders and invoicing checks. This process had been normal practice of the finance department for many previous years.

We will ensure duties within the finance department are segregated properly. Additional cross-training of finance department employees is taking place. These changes to segregate duties more efficiently is effective immediately. Our team will implement the necessary steps to ensure compliance and prevent this finding in the future.

Signature:

