Tennessee Comptroller of the Treasury

Annual Financial Report

The Metropolitan Government of Lynchburg, Moore County, Tennessee

For the Year Ended June 30, 2025

Jason E. Mumpower
Comptroller of the Treasury

Division of Local Government Audit

ANNUAL FINANCIAL REPORT

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 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.

THE METROPOLITAN GOVERNMENT OF MOORE COUNTY, TENNESSEE
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Summary of Audit Findings

Annual Financial Report
Metropolitan Government of Lynchburg, Moore County, Tennessee
For the Year Ended June 30, 2025

Scope

We have audited the basic financial statements of the Metropolitan Government of Lynchburg, Moore County as of and for the year ended June 30, 2025.

Results

Our report on the metropolitan governmental financial statements is unmodified.

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

Findings

The following are summaries of the audit findings:

OFFICE OF METROPOLITAN MAYOR

- Consolidated purchasing required by the charter has not been implemented.
- General, General Debt Service, and Solid Waste/Sanitation funds required material audit adjustments for proper financial statement presentations.
- The county has deficiencies in the maintenance of capital assets records.
- General ledger payroll liability accounts were not reconciled.

METROPOLITAN GOVERNMENT

- The Metropolitan Government's Audit Committee is not a functioning committee.

Tennessee Comptroller of the Treasury

Introductory Section

METROPOLITAN LYNCHBURG, MOORE COUNTY OFFICIALS

June 30, 2025

Officials

Sloan Stewart, Metropolitan Mayor
Shannon Cauble, Highway Superintendent
Chad Moorehead, Director of Schools
Lynn Harrison, Trustee
Shaun Sherrill, Assessor of Property
Lacy Ivey, Metropolitan Clerk
Linda Wolaver, Circuit, General Sessions, and Juvenile Courts Clerk
Tammy Roberts, Clerk and Master
Pam Wells, Register of Deeds
Tyler Hatfield, Sheriff

Metropolitan Council

Amy Cashion, Chairman
Marty Cashion
Gerald Burnett
Jimmy Hammond
Dexter Golden
Douglas Carson
Arvis Bobo
Shane Taylor
John Taylor
Houston Lindsey
Greg Guinn
Peggy Sue Blackburn
Bradley Dye
Robert Bracewell
Darrel Richards

Board of Education

Tanya Vann, Chairman
Jammie Cashion
Kaleigh Hatfield
Ed Cashion
Carrie Barnett

Audit Committee

Pam Case, Chairman
Arvis Bobo
John Taylor
Dexter Golden

Financial Section

Jason E. Mumpower
Comptroller

Independent Auditor's Report

Metropolitan Mayor and
Metropolitan Council
Lynchburg, Moore County, Tennessee

To the Metropolitan Mayor and Metropolitan Council:

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the metropolitan government as of June 30, 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 Metropolitan Lynchburg, Moore County Water and Sewer Department (a major fund and the entire business-type activities). Also, we did not audit the financial statements of the Internal School Fund of the Metropolitan School Department (a discretely presented component unit), which represent 0.84 percent, one percent, and 4.12 percent, respectively, of the assets, net position, and revenues of the discretely presented school department component unit. Those amounts were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to amounts included for the Metropolitan Lynchburg, Moore County Water and Sewer Department and the Metropolitan School Department's Internal School Fund is based solely on the reports of the other auditors.

Basis for Opinions

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

Cordell Hull Building | 425 Rep. John Lewis Way N. | Nashville, Tennessee 37243

Changes in Accounting Principle

As described in Note V.B., the metropolitan government has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* and 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.11. to the financial statements, which describes a restatement to the beginning Governmental Activities net position totaling ($13,876) for the metropolitan government and ($22,423) for the discretely presented Metropolitan School Department. These restatements were necessary because of the transitional requirements of GASB Statement No. 101, *Compensated Absences*. Also, as discussed in Note I.D.11, the Metropolitan Lynchburg – Moore County Water and Sewer Department Fund (business-type activity) recognized a restatement to the beginning net position in the Government-wide financial statements for the business-type activity related to a correction in error of receivable balances of $64,680. Our opinion is not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the metropolitan government's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

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

Required Supplementary Information

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

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

Supplementary Information

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

Other Information

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

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

Other Reporting Requirements ***by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2026, on our consideration of the metropolitan government's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the metropolitan government's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the metropolitan government's internal control over financial reporting and compliance.

Very truly yours,

Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 25, 2026

JEM/gc

Basic Financial Statements Section

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY TENNESSEE
Statement of Net Position
June 30, 2025

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Metropolitan School Department
ASSETS				
Cash and Cash Equivalents	$ 375	$ 2,262,025	$ 2,262,400	$ 283,017
Equity in Pooled Cash and Investments	9,277,628	0	9,277,628	1,743,120
Investments	0	212,807	212,807	0
Inventories	0	199,756	199,756	18,317
Accounts Receivable	983,949	259,875	1,243,824	3,312
Allowance for Uncollectible	(348,578)	(16,569)	(365,147)	0
Due from Other Governments	657,224	0	657,224	517,346
Property Taxes Receivable	4,336,257	0	4,336,257	3,926,248
Allowance for Uncollectible Property Taxes	(20,013)	0	(20,013)	(44,964)
Other Receivables	0	938,083	938,083	0
Net Pension Asset - Agent Plan	139,177	0	139,177	0
Net Pension Asset - Teacher Retirement Plan	0	0	0	50,671
Net Pension Asset - Teacher Legacy Pension Plan	0	0	0	1,939,826
Restricted Assets:				
Customer Deposits	0	520	520	0
Amounts Accumulated for Pension Benefits	0	0	0	166,122
Capital Assets:				
Assets Not Depreciated:				
Land	393,779	196,499	590,278	39,342
Construction in Progress	0	1,951,300	1,951,300	0
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	2,711,883	0	2,711,883	22,821,313
Other Capital Assets	2,506,838	17,838,727	20,345,565	916,438
Infrastructure	4,909,632	0	4,909,632	0
Intangible Right-to-Use Assets	0	37,098	37,098	0
Total Assets	$ 25,548,151	$ 23,880,121	$ 49,428,272	$ 32,380,108
DEFERRED OUTFLOWS OF RESOURCES				
Pension Changes in Experience	$ 65,945	$ 0	$ 65,945	$ 782,315
Pension Changes in Assumptions	21,696	0	21,696	20,136
Pension Changes in Proportion	0	0	0	8,506
Pension Contributions After Measurement Date	56,903	0	56,903	420,802
OPEB Changes in Experience	0	0	0	317,540
OPEB Changes in Proportion	0	0	0	77,562
OPEB Changes in Assumptions	0	0	0	232,694
OPEB Contributions After Measurement Date	0	0	0	63,105
Total Deferred Outflows of Resources	$ 144,544	$ 0	$ 144,544	$ 1,922,660

(Continued)

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

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Metropolitan School Department
LIABILITIES				
Accounts Payable	$ 36,684	$ 1,773,748	$ 1,810,432	$ 20,785
Accrued Payroll	73,633	0	73,633	0
Accrued Interest Payable	87,090	0	87,090	0
Payroll Deductions Payable	82,254	0	82,254	460,697
Due to State of Tennessee	101	0	101	0
Due to Other Governments	71,781	0	71,781	0
Other Current Liabilities	0	118,255	118,255	0
Noncurrent Liabilities:				
Due Within One Year - Debt	970,000	478,906	1,448,906	0
Due Within One Year - Other	143,148	0	143,148	114,782
Due in More Than One Year - Debt	16,771,000	8,408,019	25,179,019	0
Due in More Than One Year - Other	189,690	0	189,690	2,334,266
Total Liabilities	$ 18,425,381	$ 10,778,928	$ 29,204,309	$ 2,930,530
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	$ 4,249,622	$ 0	$ 4,249,622	$ 3,862,439
Pension Changes in Experience	0	0	0	15,568
Pension Changes in Investment Earnings	31,910	0	31,910	451,999
Pension Changes in Proportion	0	0	0	60,061
OPEB Changes in Experience	0	0	0	41,500
OPEB Changes in Proportion	0	0	0	65,837
OPEB Changes in Assumptions	0	0	0	161,895
Total Deferred Inflows of Resources	$ 4,281,532	$ 0	$ 4,281,532	$ 4,659,299
NET POSITION				
Net Investment in Capital Assets	$ 10,302,132	$ 11,136,699	$ 21,438,831	$ 23,777,093
Restricted for:				
General Government	150,564	0	150,564	0
Administration of Justice	142,978	0	142,978	0
Public Safety	103,653	0	103,653	0
Public Health and Welfare	165,442	0	165,442	0
Highway/Public Works	2,335,573	0	2,335,573	0
Pensions	139,177	0	139,177	2,156,619
Education	0	0	0	704,806
Capital Projects	4,852	0	4,852	0
Unrestricted	(10,358,589)	1,964,494	(8,394,095)	74,421
Total Net Position	$ 2,985,782	$ 13,101,193	$ 16,086,975	$ 26,712,939

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

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY TENNESSEE
Statement of Activities
For the Year Ended June 30, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
					Primary Government			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Metropolitan School Department
Primary Government:								
Governmental Activities:								
General Government	$ 1,210,197	$ 138,178	$ 113,989	$ 0	$ (958,030)	$ 0	$ (958,030)	$ 0
Finance	478,233	307,660	0	0	(170,573)	0	(170,573)	0
Administration of Justice	481,303	80,638	13,500	0	(387,165)	0	(387,165)	0
Public Safety	3,683,844	120,832	347,283	0	(3,215,729)	0	(3,215,729)	0
Public Health and Welfare	1,587,759	691,235	419,827	0	(476,697)	0	(476,697)	0
Social, Cultural, and Recreational Services	336,439	23,595	1,930	0	(310,914)	0	(310,914)	0
Agriculture and Natural Resources	69,655	0	0	0	(69,655)	0	(69,655)	0
Highways	2,119,118	0	1,809,605	0	(309,513)	0	(309,513)	0
Interest on Long-term Debt	479,429	0	0	0	(479,429)	0	(479,429)	0
Education	36,825	0	0	0	(36,825)	0	(36,825)	0
Total Governmental Activities	$ 10,482,802	$ 1,362,138	$ 2,706,134	$ 0	$ (6,414,530)	$ 0	$ (6,414,530)	$ 0
Business-type Activities:								
Water and Sewer Department	$ 3,395,745	$ 3,369,903	$ 23,781	$ 1,301,096	$ 0	$ 1,299,035	$ 1,299,035	$ 0
Total Primary Government	$ 13,878,547	$ 4,732,041	$ 2,729,915	$ 1,301,096	$ (6,414,530)	$ 1,299,035	$ (5,115,495)	$ 0
Component Unit:								
Metropolitan School Department	$ 13,859,660	$ 763,860	$ 888,834	$ 130,081	$ 0	$ 0	$ 0	$ (12,076,885)

(Continued)

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

					Net (Expense) Revenue and Changes in Net Position			
		Program Revenues			Primary Government			Component Unit
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Metropolitan School Department
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes					$ 3,844,757	$ 0	$ 3,844,757	$ 3,396,052
Property Taxes Levied for Debt Service					930,892	0	930,892	0
Local Option Sales Tax					863,694	0	863,694	992,179
Wholesale Beer Tax					77,735	0	77,735	0
Business Tax					75,520	0	75,520	0
Litigation Tax - Jail, Workhouse, & Courthouse					20,103	0	20,103	0
Litigation Tax - General					15,092	0	15,092	0
Hotel/Motel Tax					48,317	0	48,317	0
Other Local Taxes					168	0	168	138
Grants and Contributions Not Restricted to Specific Programs					751,767	0	751,767	6,237,331
Unrestricted Investment Income					237,112	78,954	316,066	3,513
Miscellaneous					160,459	0	160,459	40,177
Gain on Sale of Capital Assets					28,903	0	28,903	0
Total General Revenues					$ 7,054,519	$ 78,954	$ 7,133,473	$ 10,669,390
Change in Net Position					$ 639,989	$ 1,377,989	$ 2,017,978	$ (1,407,495)
Net Position, July 1, 2024					2,359,669	11,658,524	14,018,193	28,142,857
Restatements - See Note I.D.11.					(13,876)	64,680	50,804	(22,423)
Net Position, June 30, 2025					$ 2,985,782	$ 13,101,193	$ 16,086,975	$ 26,712,939

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

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE
Balance Sheet - Governmental Funds
June 30, 2025

	Major Funds				Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern-mental Funds	Total Governmental Funds
ASSETS						
Cash	$ 375	$ 0	$ 0	$ 0	$ 0	$ 375
Equity in Pooled Cash and Investments	2,164,685	2,033,388	2,717,398	1,995,647	366,510	9,277,628
Accounts Receivable	931,523	0	0	0	52,426	983,949
Allowance for Uncollectibles	(348,578)	0	0	0	0	(348,578)
Due from Other Governments	188,233	414,214	15,731	0	39,046	657,224
Property Taxes Receivable	3,176,273	52,816	842,384	0	264,784	4,336,257
Allowance for Uncollectible Property Taxes	(14,624)	(289)	(3,879)	0	(1,221)	(20,013)
Total Assets	$ 6,097,887	$ 2,500,129	$ 3,571,634	$ 1,995,647	$ 721,545	$ 14,886,842
LIABILITIES						
Accounts Payable	$ 26,102	$ 8,750	$ 0	$ 0	$ 1,832	$ 36,684
Accrued Payroll	61,082	2,854	0	0	9,697	73,633
Payroll Deductions Payable	57,367	18,790	0	0	6,097	82,254
Due to State of Tennessee	79	2	0	0	20	101
Due to Other Governments	71,781	0	0	0	0	71,781
Total Liabilities	$ 216,411	$ 30,396	$ 0	$ 0	$ 17,646	$ 264,453
DEFERRED INFLOWS OF RESOURCES						
Deferred Current Property Taxes	$ 3,112,755	$ 51,858	$ 825,538	$ 0	$ 259,471	$ 4,249,622
Deferred Delinquent Property Taxes	46,080	628	12,221	0	3,859	62,788
Other Deferred/Unavailable Revenue	582,674	244,704	0	0	64,013	891,391
Total Deferred Inflows of Resources	$ 3,741,509	$ 297,190	$ 837,759	$ 0	$ 327,343	$ 5,203,801

(Continued)

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE
Balance Sheet - Governmental Funds (Cont.)

	Major Funds				Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern-mental Funds	Total Governmental Funds
FUND BALANCES						
Restricted:						
Restricted for Administration of Justice	$ 142,978	$ 0	$ 0	$ 0	$ 0	$ 142,978
Restricted for Public Safety	21,465	0	0	0	82,188	103,653
Restricted for Public Health and Welfare	122,593	0	0	0	0	122,593
Restricted for Other Operations	63,826	0	0	0	0	63,826
Restricted for Highways/Public Works	0	2,172,543	0	0	0	2,172,543
Restricted for Capital Projects	0	0	0	4,852	0	4,852
Restricted for Other Purposes	0	0	0	0	86,682	86,682
Committed:						
Committed for Public Health and Welfare	0	0	0	0	207,686	207,686
Committed for Social, Cultural, and Recreational Services	14,907	0	0	0	0	14,907
Committed for Debt Service	0	0	2,733,875	0	0	2,733,875
Committed for Capital Projects	0	0	0	1,990,795	0	1,990,795
Assigned:						
Assigned for General Government	699,855	0	0	0	0	699,855
Assigned for Administration of Justice	518	0	0	0	0	518
Assigned for Public Safety	62,520	0	0	0	0	62,520
Assigned for Public Health and Welfare	2,970	0	0	0	0	2,970
Assigned for Social, Cultural, and Recreational Services	303	0	0	0	0	303
Unassigned	1,008,032	0	0	0	0	1,008,032
Total Fund Balances	$ 2,139,967	$ 2,172,543	$ 2,733,875	$ 1,995,647	$ 376,556	$ 9,418,588
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 6,097,887	$ 2,500,129	$ 3,571,634	$ 1,995,647	$ 721,545	$ 14,886,842

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

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY TENNESSEE
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 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)		$ 9,418,588
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	$ 393,779	
Add: buildings and improvements net of accumulated depreciation	2,711,883	
Add: other capital assets net of accumulated depreciation	2,506,838	
Add: infrastructure net of accumulated depreciation	4,909,632	10,522,132
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	$ (220,000)	
Less: other loans payable	(14,820,000)	
Less: bonds payable	(2,701,000)	
Less: compensated absences payable	(332,838)	
Less: accrued interest on other loans payable	(87,090)	(18,160,928)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.		
Add: deferred outflows of resources related to pensions	$ 144,544	
Less: deferred inflows of resources related to pensions	(31,910)	112,634
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		139,177
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		954,179
Net position of governmental activities (Exhibit A)		$ 2,985,782

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

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2025

	Major Funds				Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern- mental Funds	Total Governmental Funds
Revenues						
Local Taxes	$ 4,415,825	$ 59,660	$ 1,099,079	$ 0	$ 295,270	$ 5,869,834
Licenses and Permits	85,274	0	0	0	5,446	90,720
Fines, Forfeitures, and Penalties	17,070	0	0	0	7,863	24,933
Charges for Current Services	376,166	0	0	0	292,152	668,318
Other Local Revenues	384,712	2,438	0	0	69,628	456,778
Fees Received From County Officials	402,254	0	0	0	0	402,254
State of Tennessee	1,029,118	1,809,605	0	150,000	40,963	3,029,686
Federal Government	194,560	0	0	0	0	194,560
Other Governments and Citizens Groups	13,835	0	310,600	25,000	0	349,435
Total Revenues	$ 6,918,814	$ 1,871,703	$ 1,409,679	$ 175,000	$ 711,322	$ 11,086,518
Expenditures						
Current:						
General Government	$ 867,433	$ 0	$ 0	$ 0	$ 11,428	$ 878,861
Finance	349,577	0	0	0	116	349,693
Administration of Justice	347,483	0	0	0	128	347,611
Public Safety	2,839,075	0	0	0	0	2,839,075
Public Health and Welfare	1,050,838	0	0	0	671,020	1,721,858
Social, Cultural, and Recreational Services	223,897	0	0	0	0	223,897
Agriculture and Natural Resources	93,856	0	0	0	0	93,856
Other Operations	931,336	0	0	0	0	931,336
Highways	0	1,527,076	0	0	0	1,527,076

(Continued)

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE

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

	Major Funds				Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern-mental Funds	Total Governmental Funds
Expenditures (Cont.)						
Debt Service:						
Principal on Debt	$ 0	$ 0	$ 905,000	$ 0	$ 0	$ 905,000
Interest on Debt	0	0	500,079	0	0	500,079
Other Debt Service	0	0	56,996	0	0	56,996
Capital Projects	0	0	0	663,316	0	663,316
Total Expenditures	$ 6,703,495	$ 1,527,076	$ 1,462,075	$ 663,316	$ 682,692	$ 11,038,654
Excess (Deficiency) of Revenues Over Expenditures	$ 215,319	$ 344,627	$ (52,396)	$ (488,316)	$ 28,630	$ 47,864
Other Financing Sources (Uses)						
Notes Issued	$ 0	$ 0	$ 0	$ 220,000	$ 0	$ 220,000
Refunding Debt Issued	0	0	2,701,000	0	0	2,701,000
Insurance Recovery	26,183	21,089	0	0	0	47,272
Transfers In	11,000	0	0	0	0	11,000
Transfers Out	0	0	0	0	(11,000)	(11,000)
Payments to Refunded Debt Escrow Agent	0	0	(2,701,000)	0	0	(2,701,000)
Total Other Financing Sources (Uses)	$ 37,183	$ 21,089	$ 0	$ 220,000	$ (11,000)	$ 267,272
Net Change in Fund Balances	$ 252,502	$ 365,716	$ (52,396)	$ (268,316)	$ 17,630	$ 315,136
Fund Balance, July 1, 2024	1,887,465	1,806,827	2,786,271	2,263,963	358,926	9,103,452
Fund Balance, June 30, 2025	$ 2,139,967	$ 2,172,543	$ 2,733,875	$ 1,995,647	$ 376,556	$ 9,418,588

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

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY TENNESSEE
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 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)		$ 315,136
(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	$ 874,830	
Less: current-year depreciation expense	(1,160,163)	(285,333)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2024	$ (973,930)	
Add: deferred delinquent property taxes and other deferred June 30, 2025	954,179	(19,751)
(3) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Add: principal payments on other loans	$ 905,000	
Add: payment to refunding agent	2,701,000	
Less: refunding bond proceeds	(2,701,000)	
Less: note proceeds	(220,000)	685,000
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in compensated absences payable	$ (70,760)	
Change in accrued interest payable	20,650	
Change in deferred outflows of resources related to pensions	(47,404)	
Change in deferred inflows related to pensions	(31,910)	
Change in net pension asset	74,361	(55,063)
Change in net position of governmental activities (Exhibit B)		$ 639,989

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

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE
Statement of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
General Fund
For the Year Ended June 30, 2025

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 4,415,825	$ 4,483,417	$ 4,483,417	$ (67,592)
Licenses and Permits	85,274	49,000	49,000	36,274
Fines, Forfeitures, and Penalties	17,070	14,500	14,500	2,570
Charges for Current Services	376,166	340,600	344,370	31,796
Other Local Revenues	384,712	98,100	188,124	196,588
Fees Received From County Officials	402,254	367,400	367,400	34,854
State of Tennessee	1,029,118	916,810	1,064,276	(35,158)
Federal Government	194,560	10,000	268,460	(73,900)
Other Governments and Citizens Groups	13,835	1,100	4,100	9,735
Total Revenues	$ 6,918,814	$ 6,280,927	$ 6,783,647	$ 135,167
Expenditures				
General Government				
County Commission	$ 251,468	$ 271,000	$ 269,200	$ 17,732
County Mayor/Executive	228,456	230,243	235,916	7,460
County Attorney	20,091	10,500	20,091	0
Election Commission	141,325	132,377	147,377	6,052
Register of Deeds	90,955	94,652	94,652	3,697
Planning	19,637	21,175	21,175	1,538
County Buildings	97,769	105,404	105,504	7,735
Preservation of Records	17,732	19,310	19,310	1,578
Finance				
Property Assessor's Office	128,250	136,537	136,537	8,287
County Trustee's Office	104,948	107,232	107,232	2,284
County Clerk's Office	116,379	118,127	118,127	1,748
Administration of Justice				
Circuit Court	116,326	123,052	123,052	6,726
General Sessions Court	87,786	87,724	88,124	338
Chancery Court	104,755	104,824	106,024	1,269
Juvenile Court	9,000	9,000	9,000	0
Judicial Commissioners	29,616	29,589	29,616	0
Public Safety				
Sheriff's Department	1,335,030	1,179,227	1,469,587	134,557
Administration of the Sexual Offender Registry	350	1,300	1,300	950

(Continued)

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE
Statement of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
General Fund (Cont.)

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)				
Public Safety (Cont.)				
Jail	$ 856,727	$ 765,460	$ 856,732	$ 5
Fire Prevention and Control	191,924	147,963	179,463	(12,461)
Other Emergency Management	449,319	462,500	492,628	43,309
County Coroner/Medical Examiner	5,725	8,000	8,000	2,275
Public Health and Welfare				
Local Health Center	155,456	220,610	220,610	65,154
Rabies and Animal Control	7,000	7,000	7,000	0
Ambulance/Emergency Medical Services	839,024	774,970	847,811	8,787
Alcohol and Drug Programs	503	0	503	0
Regional Mental Health Center	29,878	2,500	32,500	2,622
Other Waste Disposal	18,977	18,977	18,977	0
Social, Cultural, and Recreational Services				
Senior Citizens Assistance	8,500	8,500	8,500	0
Libraries	131,056	137,783	144,013	12,957
Parks and Fair Boards	28,776	38,400	38,400	9,624
Other Social, Cultural, and Recreational	55,565	39,580	45,580	(9,985)
Agriculture and Natural Resources				
Agricultural Extension Service	81,944	117,502	117,502	35,558
Forest Service	350	350	350	0
Soil Conservation	11,562	12,740	12,740	1,178
Other Operations				
Tourism	19,261	23,830	24,480	5,219
Other Charges	992	13,125	13,125	12,133
Employee Benefits	911,083	975,000	1,026,135	115,052
Total Expenditures	$ 6,703,495	$ 6,556,063	$ 7,196,873	$ 493,378
Excess (Deficiency) of Revenues Over Expenditures	$ 215,319	$ (275,136)	$ (413,226)	$ 628,545
Other Financing Sources (Uses)				
Insurance Recovery	$ 26,183	$ 100	$ 100	$ 26,083
Transfers In	11,000	15,000	15,000	(4,000)
Total Other Financing Sources	$ 37,183	$ 15,100	$ 15,100	$ 22,083
Net Change in Fund Balance	$ 252,502	$ (260,036)	$ (398,126)	$ 650,628
Fund Balance, July 1, 2024	1,887,465	1,482,331	1,482,331	405,134
Fund Balance, June 30, 2025	$ 2,139,967	$ 1,222,295	$ 1,084,205	$ 1,055,762

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

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE
Statement of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2025

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 59,660	$ 63,872	$ 63,872	$ (4,212)
Other Local Revenues	2,438	2,500	2,500	(62)
State of Tennessee	1,809,605	2,065,835	2,065,835	(256,230)
Federal Government	0	200,000	200,000	(200,000)
Total Revenues	$ 1,871,703	$ 2,332,207	$ 2,332,207	$ (460,504)
Expenditures				
Highways				
Administration	$ 236,676	$ 268,254	$ 268,254	$ 31,578
Highway and Bridge Maintenance	651,369	1,164,800	1,164,800	513,431
Operation and Maintenance of Equipment	182,440	285,550	285,550	103,110
Other Charges	40,745	55,400	55,400	14,655
Employee Benefits	16,501	25,000	25,000	8,499
Capital Outlay	399,345	667,000	667,000	267,655
Total Expenditures	$ 1,527,076	$ 2,466,004	$ 2,466,004	$ 938,928
Excess (Deficiency) of Revenues Over Expenditures	$ 344,627	$ (133,797)	$ (133,797)	$ 478,424
Other Financing Sources (Uses)				
Insurance Recovery	$ 21,089	$ 0	$ 0	$ 21,089
Total Other Financing Sources	$ 21,089	$ 0	$ 0	$ 21,089
Net Change in Fund Balance	$ 365,716	$ (133,797)	$ (133,797)	$ 499,513
Fund Balance, July 1, 2024	1,806,827	1,029,090	1,029,090	777,737
Fund Balance, June 30, 2025	$ 2,172,543	$ 895,293	$ 895,293	$ 1,277,250

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

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY TENNESSEE
Statement of Net Position - Proprietary Funds
June 30, 2025

		Business-type Activities
		Major Enterprise Fund
		Water and Sewer Department
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$	2,262,025
Long-term Investments		212,807
Inventories		199,756
Accounts Receivable		259,875
Allowance for Uncollectibles		(16,569)
Other Receivables		938,083
Total Current Assets	$	3,855,977
Noncurrent Assets:		
Restricted Assets:		
Customer Deposits	$	520
Capital Assets:		
Assets Not Depreciated:		
Land		196,499
Construction in Progress		1,951,300
Assets Net of Accumulated Depreciation:		
Utility Plant in Service		17,818,831
Intangible Right-to-Use Assets		56,994
Total Noncurrent Assets	$	20,024,144
Total Assets	$	23,880,121

(Continued)

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

	Business-type Activities Major Enterprise Fund Water and Sewer Department
LIABILITIES	
Current Liabilities:	
Accounts Payable	$ 1,773,748
Accrued Liabilities	72,357
Current Portion of Long-term Debt Liabilities	478,906
Unearned Revenue	13,266
Customer Deposits	32,631
Total Current Liabilities	$ 2,370,909
Noncurrent Liabilities:	
Due in More Than One Year - Debt	$ 8,408,019
Total Noncurrent Liabilities	$ 8,408,019
Total Liabilities	$ 10,778,928
NET POSITION	
Net Investment in Capital Assets	$ 11,136,699
Unrestricted	1,964,494
Total Net Position	$ 13,101,193

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

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY TENNESSEE
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds
For the Year Ended June 30, 2025

	Business-type Activities Major Enterprise Fund Water and Sewer Department
Operating Revenues	
Charges for Current Services	$ 3,369,903
Total Operating Revenues	$ 3,369,903
Operating Expenses	
Water Treatment	$ 241,709
Dues and Subscriptions	7,935
Employee Benefits	224,764
Insurance	82,265
Office Supplies	47,338
Miscellaneous	7,693
Professional Services	390,559
Permits and Other Fees	35,256
Repairs and Maintenance	139,643
Salaries and Wages	947,562
Supplies and Parts	91,430
Utilities	259,865
Amortization	10,091
Depreciation	703,316
Total Operating Expenses	$ 3,189,426
Operating Income (Loss)	$ 180,477
Nonoperating Revenues (Expenses)	
Interest Earnings	$ 78,954
Interest Expense	(186,811)
Loss of disposal of asset	(19,508)
Total Nonoperating Revenues (Expenses)	$ (127,364)
Income (Loss) Before Contributions, Grants, and Transfers	$ 53,113
Contributions	269,649
Capital Grants	1,031,446
Tap Fees in Excess of Costs	23,781
Change in Net Position	$ 1,377,989
Net Position, July 1, 2024	11,658,524
Restatement - See Note I.D.11.	64,680
Net Position, June 30, 2025	$ 13,101,193

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

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY TENNESSEE
Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2025

	Business-type Activities — Major Enterprise Fund — Water and Sewer Department
Cash Flows from Operating Activities	
Receipts from Customers and Users	$ 2,502,542
Water Purchases	(241,709)
Payments to Employees	(947,562)
Payments to Suppliers	(42,545)
Net Cash Provided By (Used In) Operating Activities	$ 1,270,726
Cash Flows from Capital and Related Financing Activities	
Purchases of Capital Assets	$ (2,441,973)
Proceeds from Borrowings	406,206
Capital Contributions	1,055,227
Leased Asset Payments	(18,984)
Principal Payments on Long-term Debt	(452,780)
Interest Payments on Long-term Debt	(186,811)
Net Cash Provided By (Used In) Capital and Related Financing Activities	$ (1,639,115)
Cash Flows from Investing Activities	
Investment Income	$ 75,997
Net Cash Provided By (Used In) Investing Activities	$ 75,997
Increase (Decrease) in Cash	$ (368,387)
Cash, July 1, 2024	2,630,412
Cash, June 30, 2025	$ 2,262,025
Classified as:	
Cash	$ 611,711
Investment in LGIP	1,650,314
Total Cash	$ 2,262,025

(Continued)

The Metropolitan Government of Lynchburg, Moore County, Tennessee
Statement of Cash Flows - Proprietary Fund (Cont.)

		Business-type Activities
		Major Enterprise Fund
		Water and Sewer Department
Reconciliation of Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities		
Operating Income (Loss)	$	180,477
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:		
Depreciation and Amortization Expense		713,407
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable		24,348
(Increase) Decrease in Other Receivables		(894,007)
(Increase) Decrease in Inventories		(91,919)
Increase (Decrease) in Accounts Payable		1,328,902
Increase (Decrease) in Other Payables		9,518
Net Cash Provided By (Used In) Operating Activities	$	1,270,726

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

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY TENNESSEE
Statement of Net Position - Fiduciary Funds
June 30, 2025

	Custodial Fund
ASSETS	
Cash	$ 127,313
Accounts Receivable	12
Total Assets	$ 127,325
NET POSITION	
Restricted For Individuals, Organizations, and Other Governments	$ 127,325
Total Net Position	$ 127,325

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

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY TENNESSEE
Statement of Changes in Net Position - Fiduciary Funds
For the Year Ended June 30, 2025

	Custodial Fund
ADDITIONS	
Fines/Fees and Other Collections	$ 1,473,222
Total Additions	$ 1,473,222
DEDUCTIONS	
Payments to State	$ 1,207,491
Payments to Individuals and Others	238,389
Total Deductions	$ 1,445,880
Net Increase (Decrease) in Fiduciary in Net Position	$ 27,342
Net Position, July 1, 2024	99,983
Net Position, June 30, 2025	$ 127,325

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The following are the more significant accounting policies of the metropolitan government:

A. Reporting Entity

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

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

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

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

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

Administrative Office:

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

B. *Government-wide and Fund Financial Statements*

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

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

The Metropolitan Government of Lynchburg, Moore County issues all debt for the discretely presented metropolitan school department. There were no debt issues contributed by the metropolitan government to the school department during the year ended June 30, 2025.

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

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

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

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

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

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

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

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

The metropolitan government reports the following major governmental funds:

> **General Fund** – This is the metropolitan government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
>
> **Highway/Public Works Fund** – This special revenue fund accounts for transactions of the metropolitan government's highway department. Local and state gasoline/fuel taxes are the foundational revenues of this fund.
>
> **General Debt Service Fund** – This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.
>
> **General Capital Projects Fund** – This fund accounts for resources accumulated to be used for the general capital expenditures of the metropolitan government and the receipt of debt issued by the metropolitan government and contributed to the school department for building construction and renovations.

The metropolitan government reports the following major proprietary fund:

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

Additionally, the metropolitan government reports the following fund type:

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

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

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

Additionally, the metropolitan school department reports the following fund type:

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

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

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

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

1. Deposits and Investments

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

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

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

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

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

2. Receivables and Payables

All ambulance, property taxes, and solid waste receivables are shown with allowances for uncollectible. Ambulance and solid waste receivables allowances for uncollectible are based on historical collection data. The allowance for uncollectible property taxes is equal to less than one percent of total taxes levied.

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

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

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

3. Inventories

Inventories of the metropolitan school department are recorded at cost, determined on the first-in, first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Inventories are offset in the nonspendable fund balance account in governmental funds.

4. Restricted Assets

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

5. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), and intangible right-to-use assets (e.g., lease) are reported in the governmental and business-type columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of $5,000 or more ($25,000 for infrastructure) and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

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

6. Deferred Outflows/Inflows of Resources

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

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

7. Compensated Absences

Primary Government

It is the metropolitan government's policy to permit employees to accumulate earned but unused vacation pay, compensatory time, and sick pay benefits. All vacation pay and compensatory time 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 The metropolitan government 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. A liability for vacation pay, compensatory time, or sick leave is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

Discretely Presented Metropolitan School Department

The general policy of the metropolitan school department does not allow for the accumulation of vacation days beyond year-end with the exception of support employees who earn 12 days of vacation per year and can accumulate up to 15 days accrued leave. It is the school department's policy to permit teachers to earn two personal days per year with unused days rolling to sick at year end. The school department permits employees to accumulate an unlimited amount of but earned unused sick pay benefits. Any unused sick leave can only be used as service credit upon separation from service. 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 school department's policies.

8. Long-term Debt and Long-term Obligations

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

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

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

9. Net Position and Fund Balance

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

a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

As of June 30, 2025, the metropolitan government had $17,521,000 in outstanding debt for capital purposes for the discretely presented metropolitan school department. This debt is a liability of the metropolitan government, but the capital assets acquired are reported in the financial statements of the metropolitan school department. Therefore, the metropolitan government has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the metropolitan government's capital assets.

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

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

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

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

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

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

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

10. Minimum Fund Balance Policy

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

General Fund – five percent of current-year appropriations.

General Debt Service Fund – the metropolitan government will typically have at least 75 percent of budgeted annual expenditures as fund balance.

11. Restatements

With the implementation of GASB Statement 101, *Compensated Absences,* the metropolitan government must recognize a restatement to the beginning net position in the Government-wide financial statements for the primary government and the discretely presented metropolitan school department to record compensated absences liabilities. A restatement of ($13,876) has been presented to reflect the beginning balance of the metropolitan government and ($22,423) for the discretely presented metropolitan school department. The Metropolitan Lynchburg – Moore County Water and Sewer Department Fund (business-type activity) recognized a restatement to the beginning net position in the Government-wide financial statements for the business-type activity related to a correction in error of receivable balances of $64,680. The following table reflects the restatement amounts necessary to implement this standard and correct the prior-year error:

	Government Wide			
	Primary Government	Business-type Activities	Total	Discretely Presented Metropolitan School Department
Net Position, as previously reported	$ 2,359,669	$ 11,658,524	$ 14,018,193	$ 28,142,857
Correction of an Error	0	64,680	64,680	0
Adjustments for GASB 101 Implementation:				
Compensated Absences Liability	(13,876)	0	(13,876)	(22,423)
Net Change in Beginning Net Position	$ (13,876)	$ 64,680	$ 50,804	$ (22,423)
Net Position, June 30, 2024 Restated	$ 2,345,793	$ 11,723,204	$ 14,068,997	$ 28,120,434

E. Pension Plans

Primary Government

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

Discretely Presented Metropolitan School Department

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

F. Other Postemployment Benefit (OPEB) Plan

Discretely Presented Metropolitan School Department

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Metropolitan School Department

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

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

Primary Government

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

Discretely Presented Metropolitan School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

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

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

On June 30, 2025, the metropolitan government and the discretely presented metropolitan government school department reported no significant encumbrances.

B. Expenditures Exceed Appropriations

Expenditures exceeded appropriations approved by the county commission in the Fire Prevention and Control and Other Social, Cultural, and Recreational major appropriations categories (the legal level of control) of the General Fund by $12,461 and $9,985 respectively. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balance in the General Fund.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The metropolitan government (excluding the Water and Sewer Fund, an enterprise fund) and the metropolitan school department participate in an internal cash and investment pool through the Office of Trustee. The metropolitan trustee is the treasurer of the metropolitan government and in this capacity is responsible for receiving, disbursing, and investing most metropolitan government funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Cash reflected on the balance sheets or statements of net position represents nonpooled amounts held separately by individual funds.

Deposits

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

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

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

Investments

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

Investment Balances. As of June 30, 2025, the metropolitan government had the following investments carried at amortized cost using a Stable Net Asset Value. All investments are in the State Treasurer's Investment Pool. Separate disclosures concerning pooled investments cannot be made for metropolitan government and the discretely presented metropolitan school department since both pool their deposits and investments through the metro trustee.

Investment	Weighted Average Maturity	Maturities	Fair Value or Amortized Cost
Investments at Amortized Cost:			
State Treasurer's Investment Pool	1 to 45 days	N/A	$ 5,551,262

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 maturity of certain investments as previously disclosed. The metropolitan government 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. The metropolitan government has no investment policy that would further limit its investment choices. As of June 30, 2025, the metropolitan government'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 and the State Treasurer's Intermediate Term Investment Fund can be obtained by reviewing the State of Tennessee Annual Comprehensive Financial Report.

TCRS Stabilization Trust

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

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

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

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	$ 51,499
Developed Market International Equity	N/A	N/A	23,257
Emerging Market International Equity	N/A	N/A	6,645
U.S. Fixed Income	N/A	N/A	33,224
Real Estate	N/A	N/A	16,612
Short-term Securities	N/A	N/A	1,661
NAV - Private Equity and Strategic Lending	N/A	N/A	33,224
Total			$ 166,122

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	$ 393,779	$ 0	$ 0	$ 393,779
Construction in Progress	567,899	45,947	(613,846)	0
Total Capital Assets Not Depreciated	$ 961,678	$ 45,947	$ (613,846)	$ 393,779
Capital Assets Depreciated:				
Buildings and Improvements	$ 5,141,424	$ 0	$ 0	$ 5,141,424
Other Capital Assets	7,151,742	1,442,729	(131,000)	8,463,471
Infrastructure	9,896,305	0	0	9,896,305
Total Capital Assets Depreciated	$ 22,189,471	$ 1,442,729	$ (131,000)	$ 23,501,200
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 2,266,915	$ 162,626	$ 0	$ 2,429,541
Other Capital Assets	5,654,263	433,370	(131,000)	5,956,633
Infrastructure	4,422,506	564,167	0	4,986,673
Total Accumulated Depreciation	$ 12,343,684	$ 1,160,163	$ (131,000)	$ 13,372,847
Total Capital Assets Depreciated, Net	$ 9,845,787	$ 282,566	$ 0	$ 10,128,353
Governmental Activities Capital Assets, Net	$ 10,807,465	$ 328,513	$ (613,846)	$ 10,522,132

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

Governmental Activities:

General Government	$ 18,158
Administration of Justice	2,370
Public Safety	222,683
Public Health and Welfare	119,713
Social, Cultural, and Recreational Services	66,181
Agriculture & Natural Resources	1,691
Highway/Public Works	729,367
Total Depreciation Expense - Governmental Activities	$ 1,160,163

Net Investment in Capital Assets

Capital Assets	$	10,522,132
Less:		
Outstanding principal of capital debt and other capital borrowings		(220,000)
Net Investment in Capital Assets	$	10,302,132

Discretely Presented Metropolitan School Department

Governmental Activities:

	Balance 7-1-24	Increases	Balance 6-30-25
Capital Assets Not Depreciated:			
Land	$ 39,342	$ 0	$ 39,342
Total Capital Assets Not Depreciated	$ 39,342	$ 0	$ 39,342
Capital Assets Depreciated:			
Buildings and Improvements	$ 37,361,659	$ 74,049	$ 37,435,708
Other Capital Assets	2,453,706	5,660	2,459,366
Total Capital Assets Depreciated	$ 39,815,365	$ 79,709	$ 39,895,074
Less Accumulated Depreciation For:			
Buildings and Improvements	$ 13,681,369	$ 933,026	$ 14,614,395
Other Capital Assets	1,383,712	159,216	1,542,928
Total Accumulated Depreciation	$ 15,065,081	$ 1,092,242	$ 16,157,323
Total Capital Assets Depreciated, Net	$ 24,750,284	$ (1,012,533)	$ 23,737,751
Governmental Activities Capital Assets, Net	$ 24,789,626	$ (1,012,533)	$ 23,777,093

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

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

Governmental Activities:

Instruction	$	957,534
Support Services		132,209
Operation of Non-Instructional Services		2,499
Total Depreciation Expense - Governmental Activities	$	1,092,242

C. *Interfund Transfers*

Interfund transfers for the year ended June 30, 2025, consisted of the following:

Primary Government

	Transfer In	
Transfer Out	General Fund	Purpose
Nonmajor governmental funds	$ 11,000	Capital expenditures

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

D. *Long-term Debt*

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

General Obligation Bonds, Notes, and Other Loans

General Obligation Bonds – The metropolitan government issues general obligation bonds to refund direct borrowing and direct placement. General obligation bonds are direct obligations and pledge the full faith, credit, and taxing authority of the government. General obligation bonds were issued for original terms of up to 20 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2025, will be retired from the General Debt Service Fund.

Direct Borrowing and Direct Placement - The metropolitan government issues other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented metropolitan school department. Capital outlay notes are issued to purchase equipment. Capital outlay notes and other loans are direct obligations and pledge the full faith, credit, and taxing authority of the government. Capital outlay notes and other loans outstanding were issued for original terms of up to five years for notes and up to 28 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All notes and other loans included in long-term debt as of June 30, 2025, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, and other loans outstanding as of June 30, 2025, for governmental activities are as follows:

Type	Interest Rate		Final Maturity		Original Amount of Issue		Balance 6-30-25
General Obligation Bonds-							
Refunding	4.49	%	3-1-45	$	2,701,000	$	2,701,000
Direct Borrowing and Direct Placement:							
Other Loans	variable		5-25-35		8,300,000		3,910,000
Other Loans - Fixed rate	2.51		3-1-43		14,000,000		10,910,000
Solid Waste Department							
Capital Outlay Note	4.8		4-1-30		220,000		220,000

During prior years, the metropolitan government entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned $8,300,000 to the metropolitan government for various capital projects. This loan is repayable at interest rates that are tax-exempt variable rates determined by the remarketing agent daily or weekly, depending on the particular program. In addition, the metropolitan government pays various other fees (trustee, letter of credit, and debt remarketing) in connection with this loan. On June 30, 2025, the variable interest rate was 3.42 percent, and other fees totaled approximately 0.50 percent (letter of credit), 0.07 percent (remarketing), and $85 per month (trustee) for the $8,300,000 loan.

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

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

Year Ending	Bonds					
June 30		Principal		Interest		Total
2026	$	105,000	$	101,736	$	206,736
2027		108,000		116,560		224,560
2028		110,000		111,711		221,711
2029		113,000		106,772		219,772
2030		116,000		101,699		217,699
2031-2035		627,000		427,628		1,054,628
2036-2040		712,000		279,413		991,413
2041-2045		810,000		110,903		920,903
Total	$	2,701,000	$	1,356,422	$	4,057,422

Year Ending June 30	Notes - Direct Placement Principal	Interest	Total
2026	$ 40,000	$ 10,043	$ 50,043
2027	42,000	8,910	50,910
2028	44,000	6,831	50,831
2029	46,000	4,653	50,653
2030	48,000	2,376	50,376
Total	$ 220,000	$ 32,813	$ 252,813

Year Ending June 30	Other Loans - Direct Placement Principal	Interest	Other Fees	Total
2026	$ 825,000	$ 407,562	$ 23,164	$ 1,255,726
2027	848,000	383,779	21,250	1,253,029
2028	872,000	359,319	19,273	1,250,592
2029	896,000	334,156	17,234	1,247,390
2030	921,000	308,281	15,128	1,244,409
2031-2035	5,006,000	1,126,847	41,573	6,174,420
2036-2040	3,280,000	523,661	0	3,803,661
2041-2043	2,172,000	109,938	0	2,281,938
Total	$ 14,820,000	$ 3,553,543	$ 137,622	$ 18,511,165

There is $2,733,875 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled $418, based on the 2020 federal census. Total debt per capita, including bonds, notes, and other loans, totaled $2,746, based on the 2020 federal census.

Changes in Long-term Debt

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

Governmental Activities:	Bonds	Notes - Direct Placement	Other Loans - Direct Placement
Balance, July 1, 2024	$ 0	$ 0	$ 18,426,000
Additions	2,701,000	220,000	0
Reductions	0	0	(3,606,000)
Balance, June 30, 2025	$ 2,701,000	$ 220,000	$ 14,820,000
Balance Due Within One Year	$ 105,000	$ 40,000	$ 825,000

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2025	$	17,741,000
Less: Balance Due Within One Year - Debt		(970,000)
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	$	16,771,000

Current Refunding

On April 29, 2025, metropolitan government refunded a loan agreement with the City of Clarksville Public Building Authority (original issue of $3,000,000) with a general obligation bond issue. The metropolitan government issued $2,701,000 of general obligation refunding bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust to generate resources for all future debt service payments of the refunded debt. As a result, the refunded loan is considered defeased, and the liability has been removed from the county's long-term debt. The metropolitan government's objective for the refunding is risk reduction. The Public Building Authority loan had a scheduled put option of May 1, 2025, this put option included a new rate of interest as well as a prepayment charge for any prepayments not made on the scheduled put option date. Therefore, the metropolitan government refunded this loan to reduce the uncertainty of the interest rate and eliminate any prepayment penalty.

E. *Long-term Obligations*

Primary Government

Changes in Long-term Obligations

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

Governmental Activities:		Compensated Absences*
Balance, July 1, 2024	$	262,078
Additions		70,760
Balance, June 30, 2025	$	332,838
Balance Due Within One Year	$	143,148

*Restated beginning balance - see Note I.D.11. The change in compensated absences is presented as a net change.

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2025	$	332,838
Less: Balance Due Within One Year - Other		(143,148)
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	$	189,690

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

Discretely Presented Metropolitan School Department

Changes in Long-term Obligations

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

Governmental Activities:	Compensated Absences*	Other Postemployment Benefits	Net Pension Liability- Agent Pension Plan
Balance, July 1, 2024	$ 51,603	$ 1,851,174	$ 107,793
Additions	74	374,504	880,247
Reductions	0	(56,578)	(759,769)
Balance, June 30, 2025	$ 51,677	$ 2,169,100	$ 228,271
Balance Due Within One Year	$ 51,677	$ 63,105	$ 0

*Restated beginning balance - see Note I.D.11. The change in compensated absences is presented as a net change.

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2025	$ 2,449,048
Less: Balance Due Within One Year - Other	(114,782)
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	$ 2,334,266

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

F. *On-Behalf Payments*

Discretely Presented Metropolitan School Department

The State of Tennessee pays health insurance premiums for retired teachers on behalf of the metropolitan school department. These payments are made by the state to the Local Education Group Insurance Plan. The plan is administered by the State of Tennessee and reported in the state's Annual Comprehensive Financial Report. Payments by the state to the Local Education Group Insurance Plan for the year ended June 30, 2025, were $22,325. The metropolitan school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. *Risk Management*

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

Employee Health Insurance

Metropolitan Government

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

Discretely Presented Metropolitan School Department

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

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

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

D. Joint Ventures

The Seventeenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Seventeenth Judicial District, Marshall, Lincoln, Moore, and Bedford counties, and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors, including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within the judicial district. The metropolitan government did not contribute to the DTF for the year ended June 30, 2025.

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

The metropolitan government does not retain an equity interest in any of the above-noted joint ventures. Complete financial statements for the Seventeenth Judicial District Drug Task Force and the Interlocal Solid Waste Authority can be obtained from their administrative offices at the following addresses:

Administrative Offices:

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

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

E. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Certain employees of the metropolitan government are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at Tennessee Department of Treasury website.

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

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	8
Inactive Employees Entitled to But Not Yet Receiving Benefits	4
Active Employees	11
Total	23

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary to the plan. The metropolitan government makes employer contribution at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2025, the employer contribution for the metropolitan government was $56,903 based on a rate of 5.85 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the metropolitan government's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

The metropolitan government's net pension liability (asset) was measured as of June 30, 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	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 the metropolitan government will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2023	$ 2,805,742	$ 2,870,558	$ (64,816)
Changes for the Year:			
Service Cost	$ 90,276	$ 0	$ 90,276
Interest	191,302	0	191,302
Differences Between Expected and Actual Experience	21,357	0	21,357
Contributions-Employer	0	53,714	(53,714)
Contributions-Employees	0	45,910	(45,910)
Net Investment Income	0	278,988	(278,988)
Benefit Payments, Including Refunds of Employee Contributions	(123,836)	(123,836)	0
Administrative Expense	0	(1,316)	1,316
Net Changes	$ 179,099	$ 253,460	$ (74,361)
Balance, June 30, 2024	$ 2,984,841	$ 3,124,018	$ (139,177)

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

Metropolitan Government	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (Asset)	$ 229,133	$ (139,177)	$ (449,559)

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, the metropolitan government recognized pension expense (negative pension expense) of $61,855.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 65,945	$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	31,910
Changes in Assumptions	21,696	0
Contributions Subsequent to the Measurement Date of June 30, 2024 (1)	56,903	N/A
Total	$ 144,544	$ 31,910

(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 following measurement period.

The metropolitan government's employer contributions of $56,903 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) to the net pension liability (asset) in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2026	$ 8,221
2027	60,813
2028	(357)
2029	(12,946)
2030	0
Thereafter	0

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

Discretely Presented Metropolitan School Department - Non-certified Employees

General Information About the Pension Plan

Plan Description. Non-certified employees of the metropolitan school department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained on the Tennessee Department of Treasury website.

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

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	49
Inactive Employees Entitled to But Not Yet Receiving Benefits	81
Active Employees	57
Total	187

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary to the plan. The metropolitan government makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2025, the employer contributions for the metropolitan government were $135,120 based on a rate of 8.04 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the metropolitan government's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

The metropolitan government's net pension liability (asset) was measured as of June 30, 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	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 the metropolitan government will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2023	$ 5,868,681	$ 5,760,888	$ 107,793
Changes for the Year:			
Service Cost	$ 174,844	$ 0	$ 174,844
Interest	397,794	0	397,794
Differences Between Expected and Actual Experience	299,772	0	299,772
Contributions-Employer	0	122,229	(122,229)
Contributions-Employees	0	80,308	(80,308)
Net Investment Income	0	557,232	(557,232)
Benefit Payments, Including Refunds of Employee Contributions	(300,570)	(300,570)	0
Administrative Expense	0	(7,837)	7,837
Net Changes	$ 571,840	$ 451,362	$ 120,478
Balance, June 30, 2024	$ 6,440,521	$ 6,212,250	$ 228,271

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

Metropolitan School Department	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (Asset)	$ 1,062,993	$ 228,271	$ (460,973)

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, the metropolitan government recognized pension expense (negative pension expense) of $249,935.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 260,829	$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	65,653
Contributions Subsequent to the Measurement Date of June 30, 2024	135,120	N/A
Total	$ 395,949	$ 65,653

The metropolitan school department's employer contributions of $135,120 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	$ 19,944
2027	168,760
2028	40,860
2029	(34,388)
2030	0
Thereafter	0

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

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

General Information About the Pension Plan

Plan Description. Teachers of the metropolitan school department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at 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 $54,864, which is three percent of covered payroll. In addition, employer contributions of $18,288, 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 metropolitan school department reported a liability (asset) of ($50,671) 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 metropolitan school department's proportion was 0.071107 percent. The proportion as of June 30, 2023, was 0.06686 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2025, the metropolitan school department recognized pension expense (negative pension expense) of $42,859.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 4,186	$ 15,568
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	8,547
Changes in Assumptions	20,136	0
Changes in Proportion of Net Pension Liability (Asset)	8,506	4,696
LEA's Contributions Subsequent to the Measurement Date of June 30, 2024	54,864	N/A
Total	$ 87,692	$ 28,811

The metropolitan school department's employer contributions of $54,864, 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	$ (4,432)
2027	7,394
2028	(2,632)
2029	(2,586)
2030	1,653
Thereafter	4,620

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 the metropolitan government calculated using the discount rate of 6.75 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75 percent) or one percentage point higher (7.75percent) 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)	$ 133,636	$ (50,671)	$ (187,834)

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

Discretely Presented Metropolitan School Department - Certified Employees - Teacher Legacy Pension Plan

General Information About the Pension Plan

Plan Description. Teachers of the metropolitan school department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at 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 metropolitan school department for the year ended June 30, 2025, to the Teacher Legacy Pension Plan were $230,818, 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 metropolitan school department reported a liability (asset) of ($1,939,826) 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 metropolitan school department's proportion of the net pension liability (asset) was based on the metropolitan school department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2024, the metropolitan school department's proportion was 0.112593 percent. The proportion measured on June 30, 2023, was 0.110571 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2025, the metropolitan school department recognized pension expense (negative pension expense) of $379,201.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 517,300	$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	377,799
Changes in Proportion of Net Pension Liability (Asset)	0	55,365
LEA's Contributions Subsequent to the Measurement Date of June 30, 2024	230,818	N/A
Total	$ 748,118	$ 433,164

The metropolitan school department's employer contributions of $230,818 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	$ (252,733)
2027	732,892
2028	(197,109)
2029	(198,914)
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 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 the metropolitan government calculated using the discount rate of 6.75 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75 percent) or one percentage point higher (7.75 percent) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (Asset)	$ 2,464,251	$ (1,939,826)	$ (5,592,407)

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

2. Deferred Compensation

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

Teachers hired after July 1, 2014, by the metropolitan school department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion which is placed into the state's 401(k) plan and is managed by the employee. The defined contribution portion of the plan requires that the metropolitan school department contribute five percent of each teacher's salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year, the metropolitan school department contributed $93,308 and teachers contributed $56,687 to this deferred compensation pension plan.

F. Other Postemployment Benefits (OPEB)

Discretely Presented Metropolitan School Department

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

OPEB Provided through State Administered Public Entity Risk Pool

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

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

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2024, actuarial valuation of the plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Salary increases used in the July 1, 2021 TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.93%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 10.68% for pre-65 retirees in the 2024 calendar year, and decreasing annually over a 13-year period to an ultimate trend rate of 4.5%
Retirees Share of Benefit Related Cost	Discussed under each plan

The discount rate was 3.93 percent, based on the daily rate of Bond Buyer's 20-year Municipal GO AA index closest to but not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 2024, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2024, valuations were the same as those employed in the July 1, 2022, Pension Actuarial Valuation of the TCRS. These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 - June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the PUB-2010 Headcount-weighted employee mortality table for non-disabled pre-retirement mortality projected generationally with MP-2020 from 2010. Post-retirement rates are headcount-weighted below median healthy annuitant and adjusted with a 19 percent load for males and an 18 percent load for females, projected generationally with MP-2020 from 2010. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 percent load, projected generationally from 2018 with MP-2020.

Changes in Assumptions. The discount rate changed from 3.65 percent as of the beginning of the measurement period to 3.93 percent as of the measurement date of June 30, 2024. This change in assumption decreased the total OPEB liability. Other changes in assumptions include adjustments to initial per capita costs and health trend rates. The trend rate applicable to the 2024 plan year was revised from 10.31 percent to 10.68 percent.

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

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

Benefits Provided. The metropolitan school department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with *TCA* 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO, or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for the retiree premiums. During the year, the metropolitan school department provided a direct subsidy ranging from $300 to $392 per month toward the cost of the insurance plan selected by the retiree. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees' premiums based on years of service. Therefore, retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 25 percent of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

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

Inactive Employees Currently Receiving Benefits	8
Inactive Employees Entitled To But Not Yet Receiving Benefits	0
Active Employees Eligible for Benefits	87
Total	95

A state insurance committee, created in accordance with *TCA* 8-27-301, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the metropolitan school department paid $63,105 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		
	Metropolitan School Department 68.85%	State of TN 31.15%	Total OPEB Liability
Balance July 1, 2023	$ 1,851,174	$ 896,662	$ 2,747,836
Changes for the Year:			
Service Cost	$ 80,891	$ 36,591	$ 117,482
Interest	70,987	32,111	103,098
Difference between Expected and Actual Experience	140,645	63,620	204,265
Changes in Proportion	40,825	(40,825)	0
Changes in Assumption	41,160	18,619	59,779
Benefit Payments	(56,582)	(25,594)	(82,176)
Net Changes	$ 317,926	$ 84,522	$ 402,448
Balance June 30, 2024	$ 2,169,100	$ 981,184	$ 3,150,284

The metropolitan school department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The metropolitan school department's proportionate share of the collective total OPEB liability was based on a projection of the employer's long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The metropolitan school department recognized $88,891 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the metropolitan school department's proportionate share of the collective OPEB liability was 68.85 percent and the State of Tennessee's share was 31.15 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2025, the metropolitan school department recognized OPEB expense of $298,140, including the state's share of the expense. On June 30, 2025, the metropolitan school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Actual and Expected Experience	$ 317,540	$ 41,500
Changes in Proportion	77,562	65,837
Changes of Assumptions	232,694	161,895
Benefits Paid After the Measurement Date of June 30, 2024	63,105	0
Total	$ 690,901	$ 269,232

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	$ 57,371
2027	57,372
2028	63,732
2029	58,430
2030	45,275
Thereafter	76,384

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

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

Discount Rate

		1% Decrease 2.93%		Current Discount Rate 3.93%		1% Increase 4.93%
Proportionate Share of the Collective Total OPEB Liability	$	2,343,954	$	2,169,100	$	2,003,634

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

Healthcare Cost Trend Rate

		1% Decrease 9.68 to 3.5%		Current Rates 10.68 to 4.5%		1% Increase 11.68 to 5.5%
Proportionate Share of the Collective Total OPEB Liability	$	1,938,152	$	2,169,100	$	2,436,397

G. *Purchasing Laws*

The metropolitan government follows the Metropolitan Charter, which provides for all purchases and contracts for goods or services to be made through a consolidated metropolitan purchasing department. The charter further provides for the metropolitan mayor to manage/conduct the metropolitan purchasing department according to the procedures adopted by the metropolitan council. The metropolitan council is required by the charter to establish a three-member oversight committee to oversee the activity of the metropolitan purchasing department.

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

1. Purchase orders are required for all purchases estimated to exceed $500.

2. Purchase orders shall be approved by the metropolitan mayor for the general metropolitan government, the director of schools for the metropolitan school department, and the highway superintendent for the highway department.

3. Evidence of receiving goods or services should be noted on all invoices prior to payment.

4. The metropolitan council set the bid requirements for the Office of Metropolitan Mayor to follow the general statutes of the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, *Tennessee Code Annotated (TCA)*, which provide for competitive bids on all purchases exceeding $10,000.

5. The metropolitan council set the bid requirements for the Office of Highway Superintendent to follow the general statutes of the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, *TCA,* and the Uniform Road Law, Section 54-7-113, *TCA*, which provide for purchases exceeding $25,000 to be made after public advertisement and solicitation of competitive bids.

6. The metropolitan council set the bid requirements for the Office of Director of Schools to follow the general statutes applicable to schools as set forth in Section 49-2-203, *TCA*, which provides for the Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also requires that competitive bids be solicited through newspaper advertisement on all purchases exceeding $25,000.

H. Subsequent Events

On October 6, 2025, the metropolitan government issued a $400,000 tax anticipation note to the General Purpose School Fund for temporary operating funds.

On October 31, 2025, the metropolitan government issued capital outlay notes totaling $85,500 for the purchase of textbooks for the metropolitan school department.

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

A. Summary of Significant Accounting Policies

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

The financial statements of the department have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) applicable to governmental units. The Governmental Accounting Standards Board (GASB) is accepted the standard-setting body for establishing governmental accounting and financial reporting principles.

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

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

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

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

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

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

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

Cash and Cash Equivalents – Cash consists of cash-on-hand and cash-on-deposit with financial institutions. For purposes of reporting cash on the Statement of Cash Flows, the department considers unrestricted highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Cash is reported on the Statement of Net Position as "Cash". On June 30, 2025, the department had no cash equivalents.

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

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

Inventories – Inventories are stated at cost, first-in, first-out method. On June 30, 2025, the department had inventory totaling $199,756.

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

The estimated useful lives are as follows:

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

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

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

Leases – The department is a lessee for a noncancellable lease of equipment. The department recognizes a lease liability and an intangible right-to-use lease asset. At the commencement of a lease, the department initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The leas asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Key estimates and judgements related to leases include how the department determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The government uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the government generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the non-cancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the government is reasonably certain to exercise. The department monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

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

Impact of Recently Issued Accounting Pronouncements – In June of 2022, the Governmental Accounting Standards Board issued GASB Statement No. 101 related to compensated absences. The statement improves accounting and financial reporting for compensated absences and is effective for fiscal years beginning after December 15, 2023. The statement establishes standards of accounting and financial reporting for (1) compensated absences and (2) associated salary-related payments, including certain defined contribution pensions and defined contribution other postemployment benefits (OPEB). The requirements of this statement apply to the financial statements of all state and local governments. There was no material impact to the financial statements.

In December of 2023, the Governmental Accounting Standards Board issued GASB Statement No. 102 related to certain risk disclosures. This statement improves accounting and financial reporting by state and local governments for certain risk disclosures and is effective for fiscal years beginning after June 15, 2024. The objective of this statement is to provide users of government financial statements with essential information about risk related to a government's vulnerabilities due to certain concentrations and constraints. The requirement of this statement applies to financial statement of all state and local governments. There was no financial statement impact.

B. Deposits and Investments

Deposits. Custodial credit risk is the risk that in the event of a bank failure the department's deposits may not be returned to it. The department does not have a deposit or investment policy for custodial credit risk; however, the State of Tennessee requires its governmental entities to either meet the deposit and collateralization regulations under *TCA,* Title 9, Chapter 4, Parts 1 and 4, or as provided in the collateral pool. As of June 30, 2025, the carrying amount of the department's deposits was $2,262,025 and the bank balance was $2,290,237. None of the department's bank balance was exposed to custodial credit risk as uninsured or uncollateralized due to the fact that all of its deposits and investments are in a financial institution that is a participant in the State of Tennessee collateral pool or are fully collateralized.

The carrying amount of the department's deposits on June 30, 2025, is classified as follows on the Statement of Net Position:

Cash and cash equivalents	$	611,056
Cash-on-hand		655
LGIP		1,650,314
Total	$	2,262,025

Investments. The carrying amount of the department's investments on June 30, 2025, is classified as follows on the Statement of Net Position:

Certificate of Deposit	$	212,807
Total	$	212,807

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

C. *Accounts Receivable - Net*

Accounts receivable – net on June 30, 2025, consist of the following:

Water and sewer usage fees	$	246,070
Unbilled receivables		8,773
Miscellaneous receivables		5,032
Allowance for uncollectible accounts		(16,569)
Total	$	243,306

The department incurred bad debt expense of $2,298.

D. *Grant Receivables*

Grant receivables – net on June 30, 2025, consist of the following:

Due from TDOT	$	77,786
Due from TDEC		860,297
Total	$	938,083

E. Long-term Debt

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

Type	Balance 6-30-25
Series 2014 Sewer Revenue and Tax Bonds, 2.25% payable $4,696 per month, with final maturity in 2054	$ 1,206,142
Series 2014 Sewer Revenue and Tax Bonds, 2.25% payable $1,586 per month, with final maturity in 2055	411,500
Series 2019 Water Revenue and Tax Refunding Bonds, 3% and 2.875% payable $4,696 per month, with final maturity in 2044	2,697,000
Series 2022 Revenue and Tax Bonds, 2.69%, with final maturity in 2046	1,056,134
Unamortized premium	83,292
Total	$ 5,454,068

The department has a Series 2022 Revenue and Tax Bond that is currently being drawn on but is expected to total $1.3 million when fully funded. $1,173,134 had been used as of June 30, 2025, leaving $126,866 available to draw. The outstanding balance as of June 30, 2025, was $1,056,134.

The bonds are payable from and secured primarily by a pledge of the income and revenues derived from water and sewer charges; in the event such revenues are insufficient, the bonds are further secured by the taxing power of the metropolitan government.

The annual requirements to amortize principal and interest for all revenue bonds as of June 30, 2025, are as follows:

Year Ending June 30	Principal	Interest	Total
2026	$ 197,391	$ 147,393	$ 344,784
2027	203,287	141,871	345,158
2028	208,203	136,181	344,384
2029	214,139	130,356	344,495
2030	220,097	124,361	344,458
2031-2035	1,189,637	525,832	1,715,469
2036-2040	1,268,074	354,915	1,622,989
2041-2045	1,226,773	173,487	1,400,260
2046-2050	332,257	56,554	388,811
2051-2055	310,918	15,720	326,638
Total	$ 5,370,776	$ 1,806,670	$ 7,177,446

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

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

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

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

Type		Balance 6-30-25
Series 2010 Revolving Loan Fund, 0.00% payable, matures 2036	$	704,970
Series 2021 Revolving Loan Fund, 1.03% payable, matures 2043		2,314,181
Total	$	3,019,151

Metropolitan Lynchburg, Moore County, Tennessee, (the primary government) has borrowed funds under the State of Tennessee's revolving loan program for the department's various construction projects. The loans are secured by the department's revenues and have stated interest rates of 2.95 percent, 1.03 percent and 0.00 percent.

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

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

Year Ending June 30		Principal		Interest		Total
2026	$	195,535	$	23,208	$	218,743
2027		181,056		22,020		203,076
2028		182,244		20,832		203,076
2029		183,456		19,620		203,076
2030		184,680		18,396		203,076
2031-2035		942,120		73,260		1,015,380
2036-2040		688,691		40,824		729,515
2041-2045		461,369		8,772		470,141
Total	$	3,019,151	$	226,932	$	3,246,083

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

The department financed its purchase of water meters and AMI in the amount of $765,997 under an agreement requiring annual payments of $90,242 for ten years at a stated interest rate of 3.637 percent. In the event of default, title shall revert back to Government Capital Corporation. Remaining principal and interest payments as of June 30, 2025, are as follows:

Year Ending June 30	Principal	Interest	Total
2026	$ 77,479	$ 12,763	$ 90,242
2027	79,878	10,364	90,242
2028	82,352	7,890	90,242
2029	84,902	5,340	90,242
2030	89,095	2,711	91,806
Total	$ 413,706	$ 39,068	$ 452,774

A summary of the changes in long-term debt for the year ended June 30, 2025, are as follows:

	Loans	Bonds
Balance, July 1, 2024	$ 3,693,121	$ 5,157,086
Additions	0	406,206
Reductions	(260,264)	(192,516)
Balance, June 30, 2025	$ 3,432,857	$ 5,370,776
Balance Due Within One Year	$ 273,014	$ 197,391

F. *Capital Assets*

	Balance 7-1-24	Additions	Deductions	Balance 6-30-25
Capital Assets Not Depreciated:				
Land and Land Rights	$ 196,499	$ 0	$ 0	$ 196,499
Construction in Progress	2,264,292	2,748,272	(3,061,264)	1,951,300
Total Capital Assets Not Depreciated	$ 2,460,791	$ 2,748,272	$ (3,061,264)	$ 2,147,799
Capital Assets Depreciated:				
Buildings	$ 394,963	$ 3,550	$ 0	$ 398,513
Utility plant in service	23,916,950	3,161,740	(22,950)	27,055,740
Machinery and equipment	312,281	0	0	312,281
Right-of-use asset	56,994	0	0	56,994
Acquisition Adjustment	301,099	0	0	301,099
Utility Plant	$ 24,982,287	$ 3,165,290	$ (22,950)	$ 28,124,627
Less Accumulated Depreciated For:				
Right-of-use asset	$ 18,998	$ 898	$ 0	$ 19,896
All others - restated	9,529,930	702,418	(3,442)	10,228,906
Total Accumulated Depreciation	$ 9,548,928	$ 703,316	$ (3,442)	$ 10,248,802
Total Accumulated Depreciation	$ 15,433,359	$ 2,461,974	$ (19,508)	$ 17,875,825
Total Capital Assets Depreciated, Net	$ 17,894,150	$ 5,210,246	$ (3,080,772)	$ 20,023,624

Depreciation expense for the year totaled $703,316.

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

G. *Defined Contribution Plans*

The department offers its employees the following defined contribution plans: State of Tennessee Deferred Compensation Plan I for Participating Governmental Employers – 457(b) and State of Tennessee Deferred Compensation Plan II for Participating Governmental Employers – 401(k) plans. The plans are administered by the Treasurer, State of Tennessee. Full-time employees (30 or more hours of service per week) are immediately eligible to make elective deferrals under the plans. All contributions after February 2018 have been made to Plan II. The department contributes up to three percent of employee compensation as matching contributions. Matching contributions related to distributed permissible withdrawals will be placed in a forfeiture account, which will be used first to reduce the employer's matching contributions to the plan and then to offset plan expenses. The election provisions of the plan may be amended, so long as the amendment is not inconsistent with the plan, the Code, Tennessee law, or other applicable law and is approved by the chair of the

Tennessee Consolidated Retirement System. The chair may amend the plans on behalf of all employers for changes in the Code, the regulations thereunder, Tennessee law, revenue rulings, other statements published by the IRS, and for other reasons that are deemed at the chair's sole discretion to be in the interest of the plans. The department recognized $25,175 in retirement plan expense for the year.

H. Environmental Contingency

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

I. Risk Management

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

J. Commitments and Contingencies

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

K. Significant Concentrations

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

L. Litigation and Claims

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

M. Correction of an Error

The beginning net position of the department was adjusted $64,680 for a correction of an error. This error related to prior year receivable balances.

Beginning Net Position	$	11,658,524
Correction of an Error		64,680
Beginning Net Position - Corrected	$	11,723,204

Required Supplementary Information Section

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Pension Liability										
Service Cost	$ 45,336	$ 45,961	$ 55,432	$ 57,974	$ 60,156	$ 70,791	$ 73,262	$ 84,452	$ 87,544	$ 90,276
Interest	111,497	105,928	113,805	120,071	128,481	145,491	156,783	166,069	176,967	191,302
Differences Between Actual and Expected Experience	(169,046)	(984)	(13,152)	6,805	109,241	19,623	39,045	9,341	62,187	21,357
Changes in Assumptions	0	0	42,387	0	0	0	108,472	0	0	0
Benefit Payments, Including Refunds of Employee Contributions	(68,943)	(56,403)	(54,281)	(70,245)	(71,826)	(75,950)	(89,293)	(92,700)	(110,302)	(123,836)
Net Change in Total Pension Liability	$ (81,156)	$ 94,502	$ 144,191	$ 114,605	$ 226,052	$ 159,955	$ 288,269	$ 167,162	$ 216,396	$ 179,099
Total Pension Liability, Beginning	1,475,766	1,394,610	1,489,112	1,633,303	1,747,908	1,973,960	2,133,915	2,422,184	2,589,346	2,805,742
Total Pension Liability, Ending (a)	$ 1,394,610	$ 1,489,112	$ 1,633,303	$ 1,747,908	$ 1,973,960	$ 2,133,915	$ 2,422,184	$ 2,589,346	$ 2,805,742	$ 2,984,841
Plan Fiduciary Net Position										
Contributions - Employer	$ 57,406	$ 60,945	$ 64,426	$ 67,844	$ 77,552	$ 67,059	$ 69,942	$ 71,309	$ 51,085	$ 53,714
Contributions - Employee	27,494	29,189	30,856	32,461	37,107	38,943	40,617	41,363	43,662	45,910
Net Investment Income	42,397	38,281	172,419	143,487	142,037	103,422	570,933	(107,259)	181,327	278,988
Benefit Payments, Including Refunds of Employee Contributions	(68,943)	(56,403)	(54,281)	(70,245)	(71,826)	(75,950)	(89,293)	(92,700)	(110,302)	(123,836)
Administrative Expense	(457)	(748)	(849)	(950)	(979)	(975)	(984)	(1,086)	(1,102)	(1,316)
Net Change in Plan Fiduciary Net Position	$ 57,897	$ 71,264	$ 212,571	$ 172,597	$ 183,891	$ 132,499	$ 591,215	$ (88,373)	$ 164,670	$ 253,460
Plan Fiduciary Net Position, Beginning	1,372,327	1,430,224	1,501,488	1,714,059	1,886,656	2,070,547	2,203,046	2,794,261	2,705,888	2,870,558
Plan Fiduciary Net Position, Ending (b)	$ 1,430,224	$ 1,501,488	$ 1,714,059	$ 1,886,656	$ 2,070,547	$ 2,203,046	$ 2,794,261	$ 2,705,888	$ 2,870,558	$ 3,124,018
Net Pension Liability (Asset), Ending (a - b)	$ (35,614)	$ (12,376)	$ (80,756)	$ (138,748)	$ (96,587)	$ (69,131)	$ (372,077)	$ (116,542)	$ (64,816)	$ (139,177)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	102.55%	100.83%	104.94%	107.94%	104.89%	103.24%	115.36%	104.50%	102.31%	104.66%
Covered Payroll	$ 549,868	$ 583,769	$ 617,107	$ 649,228	$ 742,131	$ 778,842	$ 812,335	$ 827,254	$ 873,245	$ 918,194
Net Pension Liability (Asset) as a Percentage of Covered Payroll	6.48%	(2.12%)	(13.09%)	(21.37%)	(13.01%)	(8.88%)	(45.80%)	(14.09%)	(7.42%)	(15.16%)

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY TENNESSEE
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on
Participation in the Public Employee Pension Plan of TCRS
Discretely Presented Metropolitan School Department - Non-Certified Employees
For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Pension Liability										
Service Cost	$ 95,048	$ 110,147	$ 106,742	$ 115,127	$ 118,656	$ 119,382	$ 126,606	$ 150,047	$ 163,328	$ 174,844
Interest	249,499	264,200	278,235	284,044	298,548	314,350	333,453	353,544	377,653	397,794
Differences Between Actual and Expected Experience	(18,827)	(28,157)	(116,331)	(24,161)	6,783	26,679	(99,481)	91,841	26,077	299,772
Changes in Assumptions	0	0	84,069	0	0	0	477,840	0	0	0
Benefit Payments, Including Refunds of Employee Contributions	(136,435)	(153,168)	(158,125)	(147,992)	(208,982)	(204,511)	(203,771)	(243,279)	(259,814)	(300,570)
Net Change in Total Pension Liability	$ 189,285	$ 193,022	$ 194,590	$ 227,018	$ 215,005	$ 255,900	$ 634,647	$ 352,153	$ 307,244	$ 571,840
Total Pension Liability, Beginning	3,299,817	3,489,102	3,682,124	3,876,714	4,103,732	4,318,737	4,574,637	5,209,284	5,561,437	5,868,681
Total Pension Liability, Ending (a)	$ 3,489,102	$ 3,682,124	$ 3,876,714	$ 4,103,732	$ 4,318,737	$ 4,574,637	$ 5,209,284	$ 5,561,437	$ 5,868,681	$ 6,440,521
Plan Fiduciary Net Position										
Contributions - Employer	$ 25,086	$ 25,635	$ 27,462	$ 28,289	$ 62,991	$ 65,418	$ 67,457	$ 70,633	$ 117,138	$ 122,229
Contributions - Employee	56,246	57,478	61,574	63,429	67,443	69,299	71,459	74,666	77,166	80,308
Net Investment Income	110,225	96,230	413,102	330,846	316,013	222,259	1,194,618	(219,541)	365,106	557,232
Benefit Payments, Including Refunds of Employee Contributions	(136,435)	(153,168)	(158,125)	(147,992)	(208,982)	(204,511)	(203,771)	(243,279)	(259,814)	(300,570)
Administrative Expense	(2,893)	(4,324)	(4,616)	(5,345)	(4,998)	(4,928)	(5,120)	(5,518)	(6,162)	(7,837)
Net Change in Plan Fiduciary Net Position	$ 52,229	$ 21,851	$ 339,397	$ 269,227	$ 232,467	$ 147,537	$ 1,124,643	$ (323,039)	$ 293,434	$ 451,362
Plan Fiduciary Net Position, Beginning	3,603,142	3,655,371	3,677,222	4,016,619	4,285,846	4,518,313	4,665,850	5,790,493	5,467,454	5,760,888
Plan Fiduciary Net Position, Ending (b)	$ 3,655,371	$ 3,677,222	$ 4,016,619	$ 4,285,846	$ 4,518,313	$ 4,665,850	$ 5,790,493	$ 5,467,454	$ 5,760,888	$ 6,212,250
Net Pension Liability (Asset), Ending (a - b)	$ (166,269)	$ 4,902	$ (139,905)	$ (182,114)	$ (199,576)	$ (91,213)	$ (581,209)	$ 93,983	$ 107,793	$ 228,271
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	104.77%	99.87%	103.61%	104.44%	104.62%	101.99%	111.16%	98.31%	98.16%	96.46%
Covered Payroll	$ 1,124,926	$ 1,149,541	$ 1,231,478	$ 1,268,564	$ 1,348,844	$ 1,385,975	$ 1,429,188	$ 1,493,307	$ 1,543,321	$ 1,606,166
Net Pension Liability (Asset) as a Percentage of Covered Payroll	14.78%	0.43%	(11.36%)	(14.36%)	(14.8%)	(6.58%)	(40.67%)	6.29%	6.98%	14.21%

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY TENNESSEE
Schedule of Contributions Based on Participation in the Public Employee Pension Plan of TCRS
Primary Government
For the Fiscal Year Ended June 30

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially Determined Contribution	$ 60,945	$ 64,426	$ 67,844	$ 77,552	$ 67,059	$ 69,942	$ 71,309	$ 51,085	$ 53,714	$ 56,903
Less: Contributions in Relation to the Actuarially Determined Contribution	(60,945)	(64,426)	(67,844)	(77,552)	(67,059)	(69,942)	(71,309)	(51,085)	(53,714)	(56,903)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Covered Payroll	$ 583,769	$ 617,107	$ 649,228	$ 742,131	$ 778,842	$ 812,335	$ 827,254	$ 873,245	$ 918,194	$ 972,701
Contributions as a Percentage of Covered Payroll	10.44%	10.44%	10.45%	10.45%	8.61%	8.61%	8.62%	5.85%	5.85%	5.85%

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY TENNESSEE
Schedule of Contributions Based on Participation in the Public Employee Pension Plan of TCRS
Discretely Presented Metropolitan School Department - Non-Certified Employees
For the Fiscal Year Ended June 30

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially Determined Contribution	$ 25,635	$ 27,462	$ 28,289	$ 62,991	$ 65,418	$ 67,457	$ 70,633	$ 117,138	$ 122,229	$ 135,120
Less: Contributions in Relation to the Actuarially Determined Contribution	(25,635)	(27,462)	(28,289)	(62,991)	(65,418)	(67,457)	(70,633)	(117,138)	(122,229)	(135,120)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Covered Payroll	$ 1,149,541	$ 1,231,478	$ 1,268,564	$ 1,348,844	$ 1,385,975	$ 1,429,188	$ 1,493,307	$ 1,543,321	$ 1,606,166	$ 1,680,597
Contributions as a Percentage of Covered Payroll	2.23%	2.23%	2.23%	4.67%	4.72%	4.72%	4.73%	7.59%	7.61%	8.04%

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY TENNESSEE
Schedule of Contributions Based on Participation in the Teacher Retirement Plan of TCRS
Discretely Presented Metropolitan School Department
For the Fiscal Year Ended June 30

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually Required Contribution	$ 14,486	$ 26,160	$ 28,640	$ 14,823	$ 19,058	$ 21,130	$ 22,617	$ 38,068	$ 49,277	$ 54,864
Less: Contributions in Relation to the Contractually Required Contribution	(14,486)	(26,160)	(28,640)	(14,823)	(19,058)	(21,130)	(22,617)	(38,068)	(49,277)	(54,864)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Covered Payroll	$ 362,154	$ 652,058	$ 715,986	$ 764,086	$ 938,799	$ 1,046,060	$ 1,125,203	$ 1,326,423	$ 1,670,414	$ 1,828,800
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%

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY TENNESSEE
Schedule of Contributions Based on Participation in the Teacher Legacy Pension Plan of TCRS
Discretely Presented Metropolitan School Department
For the Fiscal Year Ended June 30

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually Required Contribution	$ 336,183	$ 305,916	$ 323,741	$ 375,685	$ 363,548	$ 355,614	$ 370,642	$ 311,805	$ 249,337	$ 230,818
Less: Contributions in Relation to the Contractually Required Contribution	(336,183)	(305,916)	(323,741)	(375,685)	(363,548)	(355,614)	(370,642)	(311,805)	(249,337)	(230,818)
Contribution Deficiency (Excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Covered Payroll	$ 3,718,842	$ 3,389,818	$ 3,565,424	$ 3,591,631	$ 3,420,016	$ 3,462,648	$ 3,598,468	$ 3,588,083	$ 3,661,330	$ 3,629,214
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%

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY TENNESSEE
Schedule of Proportionate Share of the Net Pension Liability (Asset)
in the Teacher Retirement Plan of TCRS
Discretely Presented Metropolitan School Department
For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
School Department's Proportion of the Net Pension Liability(Asset)	0.048314%	0.082307%	0.099644%	0.081932%	0.072206%	0.074395%	0.072480%	0.065891%	0.066686%	0.071107%
School Department's Proportionate Share of the Net Pension Liability (Asset)	$ (1,944)	$ (8,568)	$ (26,290)	$ (37,159)	$ (40,759)	$ (42,304)	$ (78,511)	$ (19,960)	$ (28,277)	$ (50,671)
Covered Payroll	$ 100,386	$ 362,154	$ 652,058	$ 715,986	$ 764,086	$ 938,799	$ 1,046,060	$ 1,125,203	$ 1,326,423	$ 1,670,414
School Department's Proportionate Share of the Net Pension Liability(Asset) as a Percentage of its Covered Payroll	1.94%	(2.37%)	(4.03%)	(5.19%)	(5.33%)	(4.51%)	(7.51%)	(1.77%)	(2.13%)	(3.03%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%	126.81%	126.97%	123.07%	116.52%	121.53%	104.55%	104.97%	106.49%

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY TENNESSEE
Schedule of Proportionate Share of the Net Pension Liability (Asset)
in the Teacher Legacy Pension Plan of TCRS
Discretely Presented Metropolitan School Department
For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
School Department's Proportion of the Net Pension Liability(Asset)	0.102373%	0.103021%	0.095730%	0.101821%	0.107112%	0.102757%	0.105499%	0.109345%	0.110571%	0.112593%
School Department's Proportionate Share of the Net Pension Liability (Asset)	$ 41,935	$ 643,822	$ (31,322)	$ (358,299)	$ (1,101,309)	$ (783,597)	$ (4,550,415)	$ (1,341,009)	$ (1,303,605)	$ (1,939,826)
Covered Payroll	$ 3,832,343	$ 3,718,842	$ 3,389,818	$ 3,565,424	$ 3,591,631	$ 3,420,016	$ 3,462,648	$ 3,598,468	$ 3,588,083	$ 3,661,330
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	1.094252%	17.310000%	(0.92%)	(10.05%)	(30.66%)	(22.91%)	(131.41%)	(37.27%)	(36.33%)	(52.98%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%	116.13%	104.42%	104.11%	105.76%

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

	2017	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability								
Service Cost	$ 99,481	$ 91,570	$ 101,930	$ 88,030	$ 108,338	$ 127,903	$ 105,308	$ 117,482
Interest	56,319	66,184	67,945	67,067	47,444	49,467	83,153	103,098
Changes in Benefit Terms	0	(33,522)	0	0	0	0	0	0
Differences Between Actual and Expected Experience	0	(73,214)	89,536	(82,572)	68,612	197,238	120,892	204,265
Changes in Assumptions	(92,380)	57,851	(135,024)	228,693	(28,670)	(242,799)	225,801	59,779
Benefit Payments	(132,714)	(117,546)	(86,016)	(67,152)	(103,811)	(39,728)	(61,386)	(82,176)
Net Change in Total OPEB Liability	$ (69,294)	$ (8,677)	$ 38,371	$ 234,066	$ 91,913	$ 92,081	$ 473,768	$ 402,448
Total OPEB Liability, Beginning	1,895,608	1,826,314	1,817,637	1,856,008	2,090,074	2,181,987	2,274,068	2,747,836
Total OPEB Liability, Ending	$ 1,826,314	$ 1,817,637	$ 1,856,008	$ 2,090,074	$ 2,181,987	$ 2,274,068	$ 2,747,836	$ 3,150,284
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	$ 629,118	$ 511,319	$ 520,915	$ 571,107	$ 646,707	$ 710,477	$ 896,662	$ 981,184
Employer Proportionate Share of the Total OPEB Liability	1,197,196	1,306,318	1,335,093	1,518,967	1,535,280	1,563,591	1,851,174	2,169,100
Covered Employee Payroll	$ 4,264,311	$ 5,365,762	$ 5,407,042	$ 5,535,640	$ 5,912,390	$ 6,204,914	$ 6,396,720	$ 6,874,723
Net OPEB Liability as a Percentage of Covered Employee Payroll	28.07%	24.35%	24.69%	27.44%	25.97%	25.20%	28.94%	31.55%

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.

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.

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

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

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

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.

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds			
	Urban Services	Solid Waste / Sanitation	Drug Control	Total Nonmajor Governmental Funds
ASSETS				
Equity in Pooled Cash and Investments	$ 84,854	$ 199,848	$ 81,808	$ 366,510
Accounts Receivable	1,827	50,219	380	52,426
Due from Other Governments	0	39,046	0	39,046
Property Taxes Receivable	2,667	262,117	0	264,784
Allowance for Uncollectible Property Taxes	(14)	(1,207)	0	(1,221)
Total Assets	$ 89,334	$ 550,023	$ 82,188	$ 721,545
LIABILITIES				
Accounts Payable	$ 0	$ 1,832	$ 0	$ 1,832
Accrued Payroll	0	9,697	0	9,697
Payroll Deductions Payable	0	6,097	0	6,097
Due to State of Tennessee	0	20	0	20
Total Liabilities	$ 0	$ 17,646	$ 0	$ 17,646
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	$ 2,596	$ 256,875	$ 0	$ 259,471
Deferred Delinquent Property Taxes	56	3,803	0	3,859
Other Deferred/Unavailable Revenue	0	64,013	0	64,013
Total Deferred Inflows of Resources	$ 2,652	$ 324,691	$ 0	$ 327,343
FUND BALANCES				
Restricted:				
Restricted for Public Safety	$ 0	$ 0	$ 82,188	$ 82,188
Restricted for Other Purposes	86,682	0	0	86,682
Committed:				
Committed for Public Health and Welfare	0	207,686	0	207,686
Total Fund Balances	$ 86,682	$ 207,686	$ 82,188	$ 376,556
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 89,334	$ 550,023	$ 82,188	$ 721,545

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue Funds				
	Urban Services	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total Nonmajor Governmental Funds
Revenues					
Local Taxes	$ 7,434	$ 287,836	$ 0	$ 0	$ 295,270
Licenses and Permits	5,446	0	0	0	5,446
Fines, Forfeitures, and Penalties	0	0	7,863	0	7,863
Charges for Current Services	0	291,908	0	244	292,152
Other Local Revenues	0	69,628	0	0	69,628
State of Tennessee	0	40,963	0	0	40,963
Total Revenues	$ 12,880	$ 690,335	$ 7,863	$ 244	$ 711,322
Expenditures					
Current:					
General Government	$ 11,428	$ 0	$ 0	$ 0	$ 11,428
Finance	0	0	0	116	116
Administration of Justice	0	0	0	128	128
Public Health and Welfare	0	671,020	0	0	671,020
Total Expenditures	$ 11,428	$ 671,020	$ 0	$ 244	$ 682,692
Excess (Deficiency) of Revenues Over Expenditures	$ 1,452	$ 19,315	$ 7,863	$ 0	$ 28,630
Other Financing Sources (Uses)					
Transfers Out	$ 0	$ 0	$ (11,000)	$ 0	$ (11,000)
Total Other Financing Sources (Uses)	$ 0	$ 0	$ (11,000)	$ 0	$ (11,000)
Net Change in Fund Balances	$ 1,452	$ 19,315	$ (3,137)	$ 0	$ 17,630
Fund Balance, July 1, 2024	85,230	188,371	85,325	0	358,926
Fund Balance, June 30, 2025	$ 86,682	$ 207,686	$ 82,188	$ 0	$ 376,556

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
Urban Services Fund
For the Year Ended June 30, 2025

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 7,434	$ 7,355	$ 7,355	$ 79
Licenses and Permits	5,446	7,500	7,500	(2,054)
Total Revenues	$ 12,880	$ 14,855	$ 14,855	$ (1,975)
Expenditures				
General Government				
Other General Administration	$ 11,428	$ 14,550	$ 14,550	$ 3,122
Total Expenditures	$ 11,428	$ 14,550	$ 14,550	$ 3,122
Excess (Deficiency) of Revenues Over Expenditures	$ 1,452	$ 305	$ 305	$ 1,147
Net Change in Fund Balance	$ 1,452	$ 305	$ 305	$ 1,147
Fund Balance, July 1, 2024	85,230	86,331	86,331	(1,101)
Fund Balance, June 30, 2025	$ 86,682	$ 86,636	$ 86,636	$ 46

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2025

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 287,836	$ 294,658	$ 294,658	$ (6,822)
Charges for Current Services	291,908	265,000	265,000	26,908
Other Local Revenues	69,628	47,100	47,880	21,748
State of Tennessee	40,963	45,200	45,200	(4,237)
Total Revenues	$ 690,335	$ 651,958	$ 652,738	$ 37,597
Expenditures				
Public Health and Welfare				
Waste Pickup	$ 42,366	$ 44,200	$ 44,200	$ 1,834
Recycling Center	628,654	642,672	664,452	35,798
Total Expenditures	$ 671,020	$ 686,872	$ 708,652	$ 37,632
Excess (Deficiency) of Revenues Over Expenditures	$ 19,315	$ (34,914)	$ (55,914)	$ 75,229
Net Change in Fund Balance	$ 19,315	$ (34,914)	$ (55,914)	$ 75,229
Fund Balance, July 1, 2024	188,371	188,303	188,303	68
Fund Balance, June 30, 2025	$ 207,686	$ 153,389	$ 132,389	$ 75,297

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2025

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Fines, Forfeitures, and Penalties	$ 7,863	$ 1,600	$ 1,600	$ 6,263
Total Revenues	$ 7,863	$ 1,600	$ 1,600	$ 6,263
Expenditures				
Public Safety				
Drug Enforcement	$ 0	$ 7,500	$ 7,500	$ 7,500
Total Expenditures	$ 0	$ 7,500	$ 7,500	$ 7,500
Excess (Deficiency) of Revenues Over Expenditures	$ 7,863	$ (5,900)	$ (5,900)	$ 13,763
Other Financing Sources (Uses)				
Transfers Out	$ (11,000)	$ 0	$ (11,000)	$ 0
Total Other Financing Sources	$ (11,000)	$ 0	$ (11,000)	$ 0
Net Change in Fund Balance	$ (3,137)	$ (5,900)	$ (16,900)	$ 13,763
Fund Balance, July 1, 2024	85,325	62,858	62,858	22,467
Fund Balance, June 30, 2025	$ 82,188	$ 56,958	$ 45,958	$ 36,230

MAJOR GOVERNMENTAL FUNDS

GENERAL DEBT SERVICE FUND

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

GENERAL CAPITAL PROJECTS FUND

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

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2025

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 1,099,079	$ 1,125,692	$ 1,125,692	$ (26,613)
Other Governments and Citizens Groups	310,600	250,000	250,000	60,600
Total Revenues	$ 1,409,679	$ 1,375,692	$ 1,375,692	$ 33,987
Expenditures				
Principal on Debt				
Education	$ 905,000	$ 905,000	$ 905,000	$ 0
Interest on Debt				
Education	500,079	489,740	500,079	0
Other Debt Service				
General Government	20,171	30,000	30,000	9,829
Education	36,825	50,000	39,661	2,836
Total Expenditures	$ 1,462,075	$ 1,474,740	$ 1,474,740	$ 12,665
Excess (Deficiency) of Revenues Over Expenditures	$ (52,396)	$ (99,048)	$ (99,048)	$ 46,652
Other Financing Sources (Uses)				
Refunding Debt Issued	$ 2,701,000	$ 0	$ 2,701,000	$ 0
Payments to Refunded Debt Escrow Agent	(2,701,000)	0	(2,701,000)	0
Total Other Financing Sources	$ 0	$ 0	$ 0	$ 0
Net Change in Fund Balance	$ (52,396)	$ (99,048)	$ (99,048)	$ 46,652
Fund Balance, July 1, 2024	2,786,271	2,680,332	2,680,332	105,939
Fund Balance, June 30, 2025	$ 2,733,875	$ 2,581,284	$ 2,581,284	$ 152,591

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
General Capital Projects Fund
For the Year Ended June 30, 2025

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
State of Tennessee	$ 150,000	$ 0	$ 157,400	$ (7,400)
Other Governments and Citizens Groups	25,000	0	0	25,000
Total Revenues	$ 175,000	$ 0	$ 157,400	$ 17,600
Expenditures				
Capital Projects				
General Administration Projects	$ 308,086	$ 55,000	$ 314,000	$ 5,914
Administration of Justice Projects	0	10,000	10,000	10,000
Public Safety Projects	277,208	50,000	288,940	11,732
Public Health and Welfare Projects	0	5,000	0	0
Social, Cultural, and Recreation Projects	32,075	0	34,075	2,000
Agriculture and Natural Resources Projects	45,947	0	45,947	0
Total Expenditures	$ 663,316	$ 120,000	$ 692,962	$ 29,646
Excess (Deficiency) of Revenues Over Expenditures	$ (488,316)	$ (120,000)	$ (535,562)	$ 47,246
Other Financing Sources (Uses)				
Notes Issued	$ 220,000	$ 0	$ 220,000	$ 0
Total Other Financing Sources	$ 220,000	$ 0	$ 220,000	$ 0
Net Change in Fund Balance	$ (268,316)	$ (120,000)	$ (315,562)	$ 47,246
Fund Balance, July 1, 2024	2,263,963	2,288,427	2,288,427	(24,464)
Fund Balance, June 30, 2025	$ 1,995,647	$ 2,168,427	$ 1,972,865	$ 22,782

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.

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

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE
Statement of Net Position - Custodial Funds
June 30, 2025

	Custodial Fund
	Constitu - tional Officers - Custodial
ASSETS	
Cash	$ 127,313
Accounts Receivable	12
Total Assets	$ 127,325
NET POSITION	
Restricted for Individuals, Organizations, and Other Governments	$ 127,325
Total Net Position	$ 127,325

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE
Statement of Changes in Net Position - Custodial Funds
For the Year Ended June 30, 2025

	Custodial Fund Constitu - tional Officers - Custodial
ADDITIONS	
Fines/Fees and Other Collections	$ 1,473,222
Total Additions	$ 1,473,222
DEDUCTIONS	
Payments to State	$ 1,207,491
Payments to Individuals and Others	238,389
Total Deductions	$ 1,445,880
Change in Net Position	$ 27,342
Net Position July 1, 2024	99,983
Net Position June 30, 2025	$ 127,325

METROPOLITAN SCHOOL DEPARTMENT

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

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

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

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

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

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY TENNESSEE

Statement of Activities

Discretely Presented Metropolitan School Department

For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Total Governmental Activities
Governmental Activities:					
Instruction	$ 7,741,505	$ 26,400	$ 468,322	$ 125,410	$ (7,121,373)
Support Services	4,880,884	518,170	29,265	4,671	(4,328,778)
Operation of Non-instructional Services	1,237,271	219,290	391,247	0	(626,734)
Total Governmental Activities	$ 13,859,660	$ 763,860	$ 888,834	$ 130,081	$ (12,076,885)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					$ 3,396,052
Local Option Sales Tax					992,179
Other Local Taxes					138
Grants and Contributions Not Restricted for Specific Programs					6,237,331
Unrestricted Investment Income					3,513
Miscellaneous					40,177
Total General Revenues					$ 10,669,390
Change in Net Position					$ (1,407,495)
Net Position, July 1, 2024					28,142,857
Restatement - See Note - I.D.11.					(22,423)
Net Position, June 30, 2025					$ 26,712,939

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE
Balance Sheet - Governmental Funds
Discretely Presented Metropolitan School Department
June 30, 2025

	Major Fund	Nonmajor Funds	
	General Purpose School	Other Govern-mental Funds	Total Governmental Funds
ASSETS			
Cash	$ 0	$ 283,017	$ 283,017
Equity in Pooled Cash and Investments	1,324,046	419,074	1,743,120
Inventories	0	18,317	18,317
Accounts Receivable	3,215	97	3,312
Due from Other Governments	428,785	88,561	517,346
Property Taxes Receivable	3,926,248	0	3,926,248
Allowance for Uncollectible Property Taxes	(44,964)	0	(44,964)
Restricted Assets	166,122	0	166,122
Total Assets	$ 5,803,452	$ 809,066	$ 6,612,518
LIABILITIES			
Accounts Payable	$ 14,623	$ 6,162	$ 20,785
Payroll Deductions Payable	431,458	29,239	460,697
Total Liabilities	$ 446,081	$ 35,401	$ 481,482
DEFERRED INFLOWS OF RESOURCES			
Deferred Current Property Taxes	$ 3,862,439	$ 0	$ 3,862,439
Deferred Delinquent Property Taxes	16,098	0	16,098
Other Deferred/Unavailable Revenue	75,059	0	75,059
Total Deferred Inflows of Resources	$ 3,953,596	$ 0	$ 3,953,596
FUND BALANCES			
Nonspendable:			
Inventory	$ 0	$ 18,317	$ 18,317
Restricted:			
Restricted for Education	1,141	685,348	686,489
Restricted for Hybrid Retirement Stabilization Funds	166,122	0	166,122
Committed:			
Committed for Education	73,121	70,000	143,121
Assigned:			
Assigned for Education	544,721	0	544,721
Unassigned	618,670	0	618,670
Total Fund Balances	$ 1,403,775	$ 773,665	$ 2,177,440
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 5,803,452	$ 809,066	$ 6,612,518

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY TENNESSEE
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Metropolitan School Department
June 30, 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)		$ 2,177,440
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	$ 39,342	
Add: buildings and improvements net of accumulated depreciation	22,821,313	
Add: other capital assets net of accumulated depreciation	916,438	23,777,093
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: compensated absences payable	$ (51,677)	
Less: OPEB liability	(2,169,100)	
Less: net pension liability - agent plan	(228,271)	(2,449,048)
(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	$ 1,231,759	
Add: deferred outflows of resources related to OPEB	690,901	
Less: deferred inflows of resources related to pensions	(527,628)	
Less: deferred inflows of resources related to OPEB	(269,232)	1,125,800
(4) Net pension assets of the agent and cost-sharing plans are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - teacher retirement plan	$ 50,671	
Add: net pension asset - teacher legacy pension plan	1,939,826	1,990,497
(5) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		91,157
Net position of governmental activities (Exhibit A)		$ 26,712,939

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
Discretely Presented Metropolitan School Department
For the Year Ended June 30, 2025

	Major Fund	Nonmajor Funds	
	General Purpose School	Other Governmental Funds	Total Governmental Funds
Revenues			
Local Taxes	$ 4,422,224	$ 0	$ 4,422,224
Licenses and Permits	446	0	446
Charges for Current Services	62,592	183,098	245,690
Other Local Revenues	59,896	516,456	576,352
State of Tennessee	6,288,047	3,968	6,292,015
Federal Government	8,782	747,325	756,107
Other Governments and Citizens Groups	130,081	0	130,081
Total Revenues	$ 10,972,068	$ 1,450,847	$ 12,422,915
Expenditures			
Current:			
Instruction	$ 5,955,883	$ 408,894	$ 6,364,777
Support Services	4,657,905	60,869	4,718,774
Operation of Non-Instructional Services	167,389	1,047,444	1,214,833
Capital Outlay	101,522	0	101,522
Total Expenditures	$ 10,882,699	$ 1,517,207	$ 12,399,906
Excess (Deficiency) of Revenues Over Expenditures	$ 89,369	$ (66,360)	$ 23,009
Other Financing Sources (Uses)			
Insurance Recovery	$ 6,865	$ 0	$ 6,865
Total Other Financing Sources (Uses)	$ 6,865	$ 0	$ 6,865
Net Change in Fund Balances	$ 96,234	$ (66,360)	$ 29,874
Fund Balance, July 1, 2024	1,307,541	840,025	2,147,566
Fund Balance, June 30, 2025	$ 1,403,775	$ 773,665	$ 2,177,440

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY TENNESSEE
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Discretely Presented Metropolitan School Department
For the Year Ended June 30, 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)		$ 29,874
(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	$ 79,709	
Less: current-year depreciation expense	(1,092,242)	(1,012,533)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2024	$ (125,012)	
Add: deferred delinquent property taxes and other deferred June 30, 2025	91,157	(33,855)
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in compensated absences payable	$ (74)	
Change in net OPEB liability	(317,926)	
Change in net pension asset/liability - agent plan	(120,478)	
Change in deferred outflows of resources related to pensions	(415,083)	
Change in deferred outflows of resources related to OPEB	113,618	
Change in deferred inflows of resources related to pensions	(367,817)	
Change in deferred inflows of resources related to OPEB	58,164	
Change in net pension asset - teacher retirement plan	22,394	
Change in net pension asset - teacher legacy pension plan	636,221	(390,981)
Change in net position of governmental activities (Exhibit B)		$ (1,407,495)

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Metropolitan School Department
June 30, 2025

	Special Revenue Funds			
	School Federal Projects	Central Cafeteria	Internal School	Total Nonmajor Governmental Funds
ASSETS				
Cash	$ 0	$ 9,719	$ 273,298	$ 283,017
Equity in Pooled Cash and Investments	54,858	364,216	0	419,074
Inventories	0	18,317	0	18,317
Accounts Receivable	0	97	0	97
Due from Other Governments	33,977	54,584	0	88,561
Total Assets	$ 88,835	$ 446,933	$ 273,298	$ 809,066
LIABILITIES				
Accounts Payable	$ 0	$ 507	$ 5,655	$ 6,162
Payroll Deductions Payable	18,835	10,404	0	29,239
Total Liabilities	$ 18,835	$ 10,911	$ 5,655	$ 35,401
FUND BALANCES				
Nonspendable:				
Inventory	$ 0	$ 18,317	$ 0	$ 18,317
Restricted:				
Restricted for Education	0	417,705	267,643	685,348
Committed:				
Committed for Education	70,000	0	0	70,000
Total Fund Balances	$ 70,000	$ 436,022	$ 267,643	$ 773,665
Total Liabilities and Fund Balances	$ 88,835	$ 446,933	$ 273,298	$ 809,066

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds
Discretely Presented Metropolitan School Department
For the Year Ended June 30, 2025

	Special Revenue Funds			
	School Federal Projects	Central Cafeteria	Internal School	Total Nonmajor Governmental Funds
Revenues				
Charges for Current Services	$ 0	$ 183,098	$ 0	$ 183,098
Other Local Revenues	0	3,808	512,648	516,456
State of Tennessee	0	3,968	0	3,968
Federal Government	469,763	277,562	0	747,325
Total Revenues	$ 469,763	$ 468,436	$ 512,648	$ 1,450,847
Expenditures				
Current:				
Instruction	$ 408,894	$ 0	$ 0	$ 408,894
Support Services	60,869	0	0	60,869
Operation of Non-Instructional Services	0	515,115	532,329	1,047,444
Total Expenditures	$ 469,763	$ 515,115	$ 532,329	$ 1,517,207
Excess (Deficiency) of Revenues Over Expenditures	$ 0	$ (46,679)	$ (19,681)	$ (66,360)
Net Change in Fund Balances	$ 0	$ (46,679)	$ (19,681)	$ (66,360)
Fund Balance, July 1, 2024	70,000	482,701	287,324	840,025
Fund Balance, June 30, 2025	$ 70,000	$ 436,022	$ 267,643	$ 773,665

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
Discretely Presented Metropolitan School Department
General Purpose School Fund
For the Year Ended June 30, 2025

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 4,422,224	$ 4,319,545	$ 4,319,545	$ 102,679
Licenses and Permits	446	600	600	(154)
Charges for Current Services	62,592	67,492	73,892	(11,300)
Other Local Revenues	59,896	57,185	44,964	14,932
State of Tennessee	6,288,047	5,886,262	6,202,158	85,889
Federal Government	8,782	0	0	8,782
Other Governments and Citizens Groups	130,081	0	130,081	0
Total Revenues	$ 10,972,068	$ 10,331,084	$ 10,771,240	$ 200,828
Expenditures				
Instruction				
Regular Instruction Program	$ 4,727,116	$ 4,833,800	$ 4,783,668	$ 56,552
Alternative Instruction Program	57,010	67,464	58,850	1,840
Special Education Program	788,875	843,394	798,650	9,775
Career and Technical Education Program	382,882	281,935	387,592	4,710
Support Services				
Attendance	54,819	61,268	56,468	1,649
Health Services	143,979	173,364	152,178	8,199
Other Student Support	284,080	285,917	290,429	6,349
Regular Instruction Program	426,614	428,864	432,111	5,497
Special Education Program	197,147	219,982	207,199	10,052
Career and Technical Education Program	55,464	50,268	57,263	1,799
Technology	291,473	184,024	302,434	10,961
Other Programs	22,325	0	22,325	0
Board of Education	251,708	284,606	258,726	7,018
Director of Schools	227,550	251,026	239,026	11,476
Office of the Principal	805,979	829,232	823,303	17,324
Fiscal Services	139,468	138,635	139,745	277
Operation of Plant	938,673	978,839	963,306	24,633
Maintenance of Plant	270,209	337,402	307,589	37,380
Transportation	548,417	790,130	575,095	26,678
Operation of Non-Instructional Services				
Food Service	11,998	0	12,380	382

(Continued)

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
Discretely Presented Metropolitan School Department
General Purpose School Fund (Cont.)

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)				
Operation of Non-Instructional Services (Cont.)				
Community Services	$ 32,081	$ 47,492	$ 47,492	$ 15,411
Early Childhood Education	123,310	126,433	126,433	3,123
Capital Outlay				
Regular Capital Outlay	101,522	90,000	101,550	28
Total Expenditures	$ 10,882,699	$ 11,304,075	$ 11,143,812	$ 261,113
Excess (Deficiency) of Revenues Over Expenditures	$ 89,369	$ (972,991)	$ (372,572)	$ 461,941
Other Financing Sources (Uses)				
Insurance Recovery	$ 6,865	$ 0	$ 6,865	$ 0
Total Other Financing Sources	$ 6,865	$ 0	$ 6,865	$ 0
Net Change in Fund Balance	$ 96,234	$ (972,991)	$ (365,707)	$ 461,941
Fund Balance, July 1, 2024	1,307,541	1,310,299	1,310,299	(2,758)
Fund Balance, June 30, 2025	$ 1,403,775	$ 337,308	$ 944,592	$ 459,183

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
Discretely Presented Metropolitan School Department
School Federal Projects Fund
For the Year Ended June 30, 2025

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Federal Government	$ 469,763	$ 485,140	$ 491,179	$ (21,416)
Total Revenues	$ 469,763	$ 485,140	$ 491,179	$ (21,416)
Expenditures				
Instruction				
Regular Instruction Program	$ 189,445	$ 184,601	$ 196,196	$ 6,751
Special Education Program	205,794	200,347	206,517	723
Career and Technical Education Program	13,655	10,675	13,655	0
Support Services				
Other Student Support	6,301	12,287	10,134	3,833
Regular Instruction Program	6,494	27,242	16,577	10,083
Special Education Program	41,150	41,877	41,176	26
Career and Technical Education Program	1,466	2,000	1,466	0
Transportation	5,458	6,111	5,458	0
Total Expenditures	$ 469,763	$ 485,140	$ 491,179	$ 21,416
Excess (Deficiency) of Revenues Over Expenditures	$ 0	$ 0	$ 0	$ 0
Net Change in Fund Balance	$ 0	$ 0	$ 0	$ 0
Fund Balance, July 1, 2024	70,000	70,000	70,000	0
Fund Balance, June 30, 2025	$ 70,000	$ 70,000	$ 70,000	$ 0

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Actual and Budget
Discretely Presented Metropolitan School Department
Central Cafeteria Fund
For the Year Ended June 30, 2025

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for Current Services	$ 183,098	$ 302,250	$ 302,250	$ (119,152)
Other Local Revenues	3,808	200	200	3,608
State of Tennessee	3,968	4,800	4,800	(832)
Federal Government	277,562	358,000	358,000	(80,438)
Total Revenues	$ 468,436	$ 665,250	$ 665,250	$ (196,814)
Expenditures				
Operation of Non-Instructional Services				
Food Service	$ 515,115	$ 704,297	$ 704,297	$ 189,182
Total Expenditures	$ 515,115	$ 704,297	$ 704,297	$ 189,182
Excess (Deficiency) of Revenues Over Expenditures	$ (46,679)	$ (39,047)	$ (39,047)	$ (7,632)
Net Change in Fund Balance	$ (46,679)	$ (39,047)	$ (39,047)	$ (7,632)
Fund Balance, July 1, 2024	482,701	341,532	341,532	141,169
Fund Balance, June 30, 2025	$ 436,022	$ 302,485	$ 302,485	$ 133,537

Miscellaneous Schedules

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE 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	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-25
NOTES PAYABLE									
Payable through General Debt Service Fund									
Solid Waste Department Dump Truck	$ 220,000	4.8 %	4-29-25	4-1-30	$ 0	$ 220,000	$ 0	$ 0	$ 220,000
Total Notes Payable					$ 0	$ 220,000	$ 0	$ 0	$ 220,000
OTHER LOANS PAYABLE									
Payable through General Debt Service Fund									
School Construction	8,300,000	Variable	7-17-07	5-25-35	$ 4,238,000	$ 0	$ 328,000	$ 0	$ 3,910,000
School Construction	14,000,000	2.51	12-22-17	3-1-43	11,385,000	0	475,000	0	10,910,000
School Construction	3,000,000	2.59	5-1-20	4-29-25	2,803,000	0	102,000	2,701,000	0
Total Other Loans Payable					$ 18,426,000	$ 0	$ 905,000	$ 2,701,000	$ 14,820,000
BONDS PAYABLE									
Payable through General Debt Service Fund									
School Refunding	2,701,000	4.49	4-29-25	3-1-45	$ 0	$ 2,701,000	$ 0	$ 0	$ 2,701,000
Total Bonds Payable					$ 0	$ 2,701,000	$ 0	$ 0	$ 2,701,000

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2026	$ 40,000	$ 10,043	$ 50,043
2027	42,000	8,910	50,910
2028	44,000	6,831	50,831
2029	46,000	4,653	50,653
2030	48,000	2,376	50,376
Total	$ 220,000	$ 32,813	$ 252,813

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2026	$ 825,000	$ 407,562	$ 23,164	$ 1,255,726
2027	848,000	383,779	21,250	1,253,029
2028	872,000	359,319	19,273	1,250,592
2029	896,000	334,156	17,234	1,247,390
2030	921,000	308,281	15,128	1,244,409
2031	947,000	281,679	12,959	1,241,638
2032	973,000	254,305	10,716	1,238,021
2033	1,000,000	226,170	8,405	1,234,575
2034	1,029,000	197,240	6,021	1,232,261
2035	1,057,000	167,453	3,472	1,227,925
2036	624,000	136,845	0	760,845
2037	639,000	121,183	0	760,183
2038	656,000	105,144	0	761,144
2039	672,000	88,678	0	760,678
2040	689,000	71,811	0	760,811
2041	706,000	54,517	0	760,517
2042	724,000	36,797	0	760,797
2043	742,000	18,624	0	760,624
Total	$ 14,820,000	$ 3,553,543	$ 137,622	$ 18,511,165

(Continued)

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY TENNESSEE
Schedule of Long-term Debt Requirements by Year (Cont.)

Year Ending June 30	Bonds		
	Principal	Interest	Total
2026	$ 105,000	$ 101,736	$ 206,736
2027	108,000	116,560	224,560
2028	110,000	111,711	221,711
2029	113,000	106,772	219,772
2030	116,000	101,699	217,699
2031	119,000	96,490	215,490
2032	122,000	91,147	213,147
2033	125,000	85,669	210,669
2034	129,000	80,057	209,057
2035	132,000	74,265	206,265
2036	135,000	68,338	203,338
2037	139,000	62,276	201,276
2038	142,000	56,035	198,035
2039	146,000	49,659	195,659
2040	150,000	43,104	193,104
2041	154,000	36,369	190,369
2042	158,000	29,454	187,454
2043	162,000	22,360	184,360
2044	166,000	15,086	181,086
2045	170,000	7,633	177,633
Total	$ 2,701,000	$ 1,356,422	$ 4,057,422

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY TENNESSEE
Schedule of Transfers
Primary Government
For the Year Ended June 30, 2025

From Fund	To Fund	Purpose	Amount
PRIMARY GOVERNMENT			
Drug Control	General	Capital expenditures	$ 11,000
Total Transfers Primary Government			$ 11,000

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY TENNESSEE
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Metropolitan School Department
For the Year Ended June 30, 2025

Official	Salary	Authorization	Bond	Surety
Metropolitan Mayor		Section 8-24-102, *TCA,* and	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	$ 99,073	Metropolitan Council		
Highway Superintendent		Section 8-24-102, *TCA,* and	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	$ 99,043	Metropolitan Council		
Director of Schools		State Board of Education and	(1)	Tennessee Risk Management Trust
Base salary	$ 108,445	Metropolitan Board of Education		
Chief executive officer training supplement	1,000			
Total compensation	$ 109,445			
Trustee		Section 8-24-102, *TCA*	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	$ 85,752			
Assessor of Property		Section 8-24-102, *TCA*	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	$ 85,752			
Metropolitan Clerk		Section 8-24-102, *TCA*	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	$ 85,752			
Circuit, General Sessions, and Juvenile Courts Clerk		Section 8-24-102, *TCA*	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	$ 85,752			
Clerk and Master		Section 8-24-102, *TCA* , and	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	$ 85,752	Chancery Court Judge		
Register of Deeds		Section 8-24-102, *TCA*	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	$ 85,752			
Sheriff		Section 8-24-102, *TCA*	(1)	Tennessee Risk Management Trust
Base salary	$ 94,327			
Law enforcement training supplement	800			
Tennessee retention bonus	800			
Total compensation	$ 95,927			
Administrator of Elections		Section 2-12-208, *TCA*	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	$ 77,177			
Employee Blanket Bonds:				
Employee Fidelity - Metropolitan Departments			$ 400,000	Tennessee Risk Management Trust
Employee Fidelity - School Department			400,000	"

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

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2025

	General	Special Revenue Funds: Urban Services	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
Local Taxes						
County Property Taxes						
Current Property Tax	$ 3,431,704	$ 2,411	$ 283,877	$ 0	$ 0	$ 49,876
Trustee's Collections - Prior Year	28,348	5	1,918	0	0	411
Circuit Clerk/Clerk and Master Collections - Prior Years	19,709	0	1,607	0	0	286
Interest and Penalty	5,975	3	434	0	0	87
Payments in-Lieu-of Taxes - T.V.A.	2,825	5,015	0	0	0	0
County Local Option Taxes						
Local Option Sales Tax	695,567	0	0	0	0	0
Hotel/Motel Tax	48,317	0	0	0	0	0
Litigation Tax - General	15,092	0	0	0	0	0
Litigation Tax - Special Purpose	47	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	20,103	0	0	0	0	0
Business Tax	66,520	0	0	0	0	9,000
Mixed Drink Tax	121	0	0	0	0	0
Statutory Local Taxes						
Bank Excise Tax	3,762	0	0	0	0	0
Wholesale Beer Tax	77,735	0	0	0	0	0
Total Local Taxes	$ 4,415,825	$ 7,434	$ 287,836	$ 0	$ 0	$ 59,660

(Continued)

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

		Special Revenue Funds				
	General	Urban Services	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
Licenses and Permits						
Licenses						
Cable TV Franchise	$ 9,300	$ 5,446	$ 0	$ 0	$ 0	$ 0
Permits						
Building Permits	75,974	0	0	0	0	0
Total Licenses and Permits	$ 85,274	$ 5,446	$ 0	$ 0	$ 0	$ 0
Fines, Forfeitures, and Penalties						
Circuit Court						
Officers Costs	$ 380	$ 0	$ 0	$ 0	$ 0	$ 0
Drug Control Fines	0	0	0	4,633	0	0
Jail Fees	10	0	0	0	0	0
Data Entry Fee - Circuit Court	116	0	0	0	0	0
Criminal Court						
DUI Treatment Fines	190	0	0	0	0	0
Courtroom Security Fee	10	0	0	0	0	0
General Sessions Court						
Fines	2,133	0	0	0	0	0
Officers Costs	9,050	0	0	0	0	0
Game and Fish Fines	317	0	0	0	0	0

(Continued)

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

		Special Revenue Funds				
	General	Urban Services	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
Fines, Forfeitures, and Penalties (Cont.)						
General Sessions Court (Cont.)						
Drug Control Fines	$ 0	$ 0	$ 0	$ 3,230	$ 0	$ 0
Drug Court Fees	798	0	0	0	0	0
Jail Fees	532	0	0	0	0	0
DUI Treatment Fines	868	0	0	0	0	0
Data Entry Fee - General Sessions Court	1,548	0	0	0	0	0
Courtroom Security Fee	236	0	0	0	0	0
Juvenile Court						
Fines	24	0	0	0	0	0
Chancery Court						
Officers Costs	502	0	0	0	0	0
Data Entry Fee - Chancery Court	356	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	$ 17,070	$ 0	$ 0	$ 7,863	$ 0	$ 0
Charges for Current Services						
General Service Charges						
Solid Waste Disposal Fee	$ 0	$ 0	$ 291,908	$ 0	$ 0	$ 0
Patient Charges	339,255	0	0	0	0	0

(Continued)

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

		Special Revenue Funds				
	General	Urban Services	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
Charges for Current Services (Cont.)						
Fees						
Recreation Fees	$ 22,544	$ 0	$ 0	$ 0	$ 0	$ 0
Copy Fees	124	0	0	0	0	0
Library Fees	1,051	0	0	0	0	0
Greenbelt Late Application Fee	300	0	0	0	0	0
Additional Fees - Titling and Registration	4,773	0	0	0	0	0
Fingerprint Fees	1,089	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	244	0
Data Processing Fee - Register	2,442	0	0	0	0	0
Probation Fees	12	0	0	0	0	0
Data Processing Fee - Sheriff	986	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	1,350	0	0	0	0	0
Data Processing Fee - County Clerk	945	0	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	1,295	0	0	0	0	0
Total Charges for Current Services	$ 376,166	$ 0	$ 291,908	$ 0	$ 244	$ 0
Other Local Revenues						
Recurring Items						
Investment Income	$ 237,112	$ 0	$ 0	$ 0	$ 0	$ 0

(Continued)

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

	General	Special Revenue Funds: Urban Services	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
Other Local Revenues (Cont.)						
Recurring Items (Cont.)						
Lease/Rentals/PPP	$ 986	$ 0	$ 0	$ 0	$ 0	$ 0
Commissary Sales	6,388	0	0	0	0	0
Sale of Recycled Materials	1,484	0	69,628	0	0	0
Miscellaneous Refunds	97,937	0	0	0	0	2,438
Nonrecurring Items						
Sale of Property	20,151	0	0	0	0	0
Damages Recovered from Individuals	356	0	0	0	0	0
Contributions and Gifts	20,151	0	0	0	0	0
Other Local Revenues						
Other Local Revenues	147	0	0	0	0	0
Total Other Local Revenues	$ 384,712	$ 0	$ 69,628	$ 0	$ 0	$ 2,438
Fees Received From County Officials						
Fees In-Lieu-of Salary						
County Clerk	$ 75,146	$ 0	$ 0	$ 0	$ 0	$ 0
Circuit Court Clerk	7,276	0	0	0	0	0
General Sessions Court Clerk	28,486	0	0	0	0	0
Clerk and Master	19,300	0	0	0	0	0

(Continued)

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

		Special Revenue Funds				
	General	Urban Services	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
Fees Received From County Officials (Cont.)						
Fees In-Lieu-of Salary (Cont.)						
Juvenile Court Clerk	$ 631	$ 0	$ 0	$ 0	$ 0	$ 0
Register	39,030	0	0	0	0	0
Sheriff	2,655	0	0	0	0	0
Trustee	229,730	0	0	0	0	0
Total Fees Received From County Officials	$ 402,254	$ 0	$ 0	$ 0	$ 0	$ 0
State of Tennessee						
General Government Grants						
Juvenile Services Program	$ 13,500	$ 0	$ 0	$ 0	$ 0	$ 0
Public Safety Grants						
Law Enforcement Training Programs	22,400	0	0	0	0	0
School Resource Officer Grants	150,000	0	0	0	0	0
Health and Welfare Grants						
Health Department Programs	135,858	0	0	0	0	0
Emergency Medical Services Training Programs	8,000	0	0	0	0	0
Public Works Grants						
Litter Program	0	0	39,509	0	0	0

(Continued)

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

		Special Revenue Funds				
	General	Urban Services	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
State of Tennessee (Cont.)						
Other State Revenues						
Beer Tax	$ 9,790	$ 0	$ 0	$ 0	$ 0	$ 0
Vehicle Certificate of Title Fees	5,344	0	0	0	0	0
Alcoholic Beverage Tax	21,371	0	0	0	0	0
Opioid Settlement Funds - TN Abatement Council	23,516	0	0	0	0	0
State Revenue Sharing - T.V.A.	261,209	0	0	0	0	0
State Revenue Sharing - Telecommunications	9,144	0	0	0	0	0
State Shared Sports Gaming Privilege Tax	14,419	0	0	0	0	0
Contracted Prisoner Boarding	109,306	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	1,783,002
Hybrid/Electric Vehicle Registration Fee	0	0	0	0	0	21,484
Petroleum Special Tax	0	0	0	0	0	5,119
Registrar's Salary Supplement	15,164	0	0	0	0	0
State Shared Sales Tax - Cities	54,478	0	0	0	0	0
Other State Grants	164,617	0	0	0	0	0
Other State Revenues	11,002	0	1,454	0	0	0
Total State of Tennessee	$ 1,029,118	$ 0	$ 40,963	$ 0	$ 0	$ 1,809,605

(Continued)

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

		Special Revenue Funds				
	General	Urban Services	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
Federal Government						
Federal Through State						
Other Federal through State	$ 124,739	$ 0	$ 0	$ 0	$ 0	$ 0
Direct Federal Revenue						
Other Direct Federal Revenue	69,821	0	0	0	0	0
Total Federal Government	$ 194,560	$ 0	$ 0	$ 0	$ 0	$ 0
Other Governments and Citizens Groups						
Other Governments						
Contributions	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Citizens Groups						
Donations	5,294	0	0	0	0	0
Other						
Opioid Settlement Funds - Past Remediation	8,541	0	0	0	0	0
Total Other Governments and Citizens Groups	$ 13,835	$ 0	$ 0	$ 0	$ 0	$ 0
Total	$ 6,918,814	$ 12,880	$ 690,335	$ 7,863	$ 244	$ 1,871,703

(Continued)

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

	Debt Service Fund	Capital Projects Fund	
	General Debt Service	General Capital Projects	Total
Local Taxes			
County Property Taxes			
Current Property Tax	$ 912,168	$ 0	$ 4,680,036
Trustee's Collections - Prior Year	7,944	0	38,626
Circuit Clerk/Clerk and Master Collections - Prior Years	5,247	0	26,849
Interest and Penalty	1,643	0	8,142
Payments in-Lieu-of Taxes - T.V.A.	0	0	7,840
County Local Option Taxes			
Local Option Sales Tax	172,077	0	867,644
Hotel/Motel Tax	0	0	48,317
Litigation Tax - General	0	0	15,092
Litigation Tax - Special Purpose	0	0	47
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	20,103
Business Tax	0	0	75,520
Mixed Drink Tax	0	0	121
Statutory Local Taxes			
Bank Excise Tax	0	0	3,762
Wholesale Beer Tax	0	0	77,735
Total Local Taxes	$ 1,099,079	$ 0	$ 5,869,834

(Continued)

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

	Debt Service Fund	Capital Projects Fund	
	General Debt Service	General Capital Projects	Total
Licenses and Permits			
Licenses			
Cable TV Franchise	$ 0	$ 0	$ 14,746
Permits			
Building Permits	0	0	75,974
Total Licenses and Permits	$ 0	$ 0	$ 90,720
Fines, Forfeitures, and Penalties			
Circuit Court			
Officers Costs	$ 0	$ 0	$ 380
Drug Control Fines	0	0	4,633
Jail Fees	0	0	10
Data Entry Fee - Circuit Court	0	0	116
Criminal Court			
DUI Treatment Fines	0	0	190
Courtroom Security Fee	0	0	10
General Sessions Court			
Fines	0	0	2,133
Officers Costs	0	0	9,050
Game and Fish Fines	0	0	317

(Continued)

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

	Debt Service Fund	Capital Projects Fund	
	General Debt Service	General Capital Projects	Total
Fines, Forfeitures, and Penalties (Cont.)			
General Sessions Court (Cont.)			
Drug Control Fines	$ 0	$ 0	$ 3,230
Drug Court Fees	0	0	798
Jail Fees	0	0	532
DUI Treatment Fines	0	0	868
Data Entry Fee - General Sessions Court	0	0	1,548
Courtroom Security Fee	0	0	236
Juvenile Court			
Fines	0	0	24
Chancery Court			
Officers Costs	0	0	502
Data Entry Fee - Chancery Court	0	0	356
Total Fines, Forfeitures, and Penalties	$ 0	$ 0	$ 24,933
Charges for Current Services			
General Service Charges			
Solid Waste Disposal Fee	$ 0	$ 0	$ 291,908
Patient Charges	0	0	339,255

(Continued)

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

	Debt Service Fund: General Debt Service	Capital Projects Fund: General Capital Projects	Total
Charges for Current Services (Cont.)			
Fees			
Recreation Fees	$ 0	$ 0	$ 22,544
Copy Fees	0	0	124
Library Fees	0	0	1,051
Greenbelt Late Application Fee	0	0	300
Additional Fees - Titling and Registration	0	0	4,773
Fingerprint Fees	0	0	1,089
Constitutional Officers' Fees and Commissions	0	0	244
Data Processing Fee - Register	0	0	2,442
Probation Fees	0	0	12
Data Processing Fee - Sheriff	0	0	986
Sexual Offender Registration Fee - Sheriff	0	0	1,350
Data Processing Fee - County Clerk	0	0	945
Vehicle Insurance Coverage and Reinstatement Fees	0	0	1,295
Total Charges for Current Services	$ 0	$ 0	$ 668,318
Other Local Revenues			
Recurring Items			
Investment Income	$ 0	$ 0	$ 237,112

(Continued)

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

	Debt Service Fund	Capital Projects Fund	
	General Debt Service	General Capital Projects	Total
Other Local Revenues (Cont.)			
Recurring Items (Cont.)			
Lease/Rentals/PPP	$ 0	$ 0	$ 986
Commissary Sales	0	0	6,388
Sale of Recycled Materials	0	0	71,112
Miscellaneous Refunds	0	0	100,375
Nonrecurring Items			
Sale of Property	0	0	20,151
Damages Recovered from Individuals	0	0	356
Contributions and Gifts	0	0	20,151
Other Local Revenues			
Other Local Revenues	0	0	147
Total Other Local Revenues	$ 0	$ 0	$ 456,778
Fees Received From County Officials			
Fees In-Lieu-of Salary			
County Clerk	$ 0	$ 0	$ 75,146
Circuit Court Clerk	0	0	7,276
General Sessions Court Clerk	0	0	28,486
Clerk and Master	0	0	19,300

(Continued)

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

	Debt Service Fund	Capital Projects Fund	
	General Debt Service	General Capital Projects	Total
Fees Received From County Officials (Cont.)			
Fees In-Lieu-of Salary (Cont.)			
Juvenile Court Clerk	$ 0	$ 0	$ 631
Register	0	0	39,030
Sheriff	0	0	2,655
Trustee	0	0	229,730
Total Fees Received From County Officials	$ 0	$ 0	$ 402,254
State of Tennessee			
General Government Grants			
Juvenile Services Program	$ 0	$ 0	$ 13,500
Public Safety Grants			
Law Enforcement Training Programs	0	0	22,400
School Resource Officer Grants	0	0	150,000
Health and Welfare Grants			
Health Department Programs	0	0	135,858
Emergency Medical Services Training Programs	0	0	8,000
Public Works Grants			
Litter Program	0	0	39,509

(Continued)

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

	Debt Service Fund	Capital Projects Fund	
	General Debt Service	General Capital Projects	Total
State of Tennessee (Cont.)			
Other State Revenues			
Beer Tax	$ 0	$ 0	$ 9,790
Vehicle Certificate of Title Fees	0	0	5,344
Alcoholic Beverage Tax	0	0	21,371
Opioid Settlement Funds - TN Abatement Council	0	0	23,516
State Revenue Sharing - T.V.A.	0	0	261,209
State Revenue Sharing - Telecommunications	0	0	9,144
State Shared Sports Gaming Privilege Tax	0	0	14,419
Contracted Prisoner Boarding	0	0	109,306
Gasoline and Motor Fuel Tax	0	0	1,783,002
Hybrid/Electric Vehicle Registration Fee	0	0	21,484
Petroleum Special Tax	0	0	5,119
Registrar's Salary Supplement	0	0	15,164
State Shared Sales Tax - Cities	0	0	54,478
Other State Grants	0	150,000	314,617
Other State Revenues	0	0	12,456
Total State of Tennessee	$ 0	$ 150,000	$ 3,029,686

(Continued)

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

	Debt Service Fund General Debt Service	Capital Projects Fund General Capital Projects	Total
Federal Government			
Federal Through State			
Other Federal through State	$ 0	$ 0	$ 124,739
Direct Federal Revenue			
Other Direct Federal Revenue	0	0	69,821
Total Federal Government	$ 0	$ 0	$ 194,560
Other Governments and Citizens Groups			
Other Governments			
Contributions	$ 310,600	$ 0	$ 310,600
Citizens Groups			
Donations	0	25,000	30,294
Other			
Opioid Settlement Funds - Past Remediation	0	0	8,541
Total Other Governments and Citizens Groups	$ 310,600	$ 25,000	$ 349,435
Total	$ 1,409,679	$ 175,000	$ 11,086,518

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Metropolitan School Department
For the Year Ended June 30, 2025

	General Purpose School	Special Revenue Funds: School Federal Projects	Special Revenue Funds: Central Cafeteria	Special Revenue Funds: Internal School	Total
Local Taxes					
County Property Taxes					
Current Property Tax	$ 3,356,241	$ 0	$ 0	$ 0	$ 3,356,241
Trustee's Collections - Prior Year	27,667	0	0	0	27,667
Circuit Clerk/Clerk and Master Collections - Prior Years	19,232	0	0	0	19,232
Interest and Penalty	5,830	0	0	0	5,830
County Local Option Taxes					
Local Option Sales Tax	1,013,116	0	0	0	1,013,116
Mixed Drink Tax	138	0	0	0	138
Total Local Taxes	$ 4,422,224	$ 0	$ 0	$ 0	$ 4,422,224
Licenses and Permits					
Licenses					
Marriage Licenses	$ 446	$ 0	$ 0	$ 0	$ 446
Total Licenses and Permits	$ 446	$ 0	$ 0	$ 0	$ 446
Charges for Current Services					
Education Charges					
Tuition - Regular Day Students	$ 26,400	$ 0	$ 0	$ 0	$ 26,400

(Continued)

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

	General Purpose School	Special Revenue Funds: School Federal Projects	Special Revenue Funds: Central Cafeteria	Special Revenue Funds: Internal School	Total
Charges for Current Services (Cont.)					
Education Charges (Cont.)					
Lunch Payments - Children	$ 0	$ 0	$ 117,436	$ 0	$ 117,436
Lunch Payments - Adults	0	0	12,191	0	12,191
Income from Breakfast	0	0	49,572	0	49,572
A la Carte Sales	0	0	3,899	0	3,899
Community Service Fees - Children	36,192	0	0	0	36,192
Total Charges for Current Services	$ 62,592	$ 0	$ 183,098	$ 0	$ 245,690
Other Local Revenues					
Recurring Items					
Investment Income	$ 14,492	$ 0	$ 3,513	$ 0	$ 18,005
E-Rate Funding	5,522	0	0	0	5,522
Miscellaneous Refunds	26,213	0	295	0	26,508
Nonrecurring Items					
Damages Recovered from Individuals	13,301	0	0	0	13,301
Other Local Revenues					
Other Local Revenues	368	0	0	512,648	513,016
Total Other Local Revenues	$ 59,896	$ 0	$ 3,808	$ 512,648	$ 576,352

(Continued)

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

	General Purpose School	Special Revenue Funds: School Federal Projects	Special Revenue Funds: Central Cafeteria	Special Revenue Funds: Internal School	Total
State of Tennessee					
General Government Grants					
On-behalf Contributions for OPEB	$ 22,325	$ 0	$ 0	$ 0	$ 22,325
State Education Funds					
Tennessee Investment in Student Achievement	5,795,268	0	0	0	5,795,268
TISA - On-behalf Payments	13,131	0	0	0	13,131
Early Childhood Education	109,717	0	0	0	109,717
School Food Service	0	0	3,968	0	3,968
Other State Education Funds	99,799	0	0	0	99,799
Paid Parental Leave	18,735	0	0	0	18,735
Career Ladder Program	5,706	0	0	0	5,706
Other Vocational	98,456	0	0	0	98,456
Other State Revenues					
Beer Tax	14,082	0	0	0	14,082
Alcoholic Beverage Tax	110,828	0	0	0	110,828
Total State of Tennessee	$ 6,288,047	$ 0	$ 3,968	$ 0	$ 6,292,015

(Continued)

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

	General Purpose School	Special Revenue Funds: School Federal Projects	Special Revenue Funds: Central Cafeteria	Special Revenue Funds: Internal School	Total
Federal Government					
Federal Through State					
USDA School Lunch Program	$ 0	$ 0	$ 198,772	$ 0	$ 198,772
USDA - Commodities	0	0	10,000	0	10,000
Breakfast	0	0	68,790	0	68,790
Vocational Education - Basic Grants to States	0	15,425	0	0	15,425
Title I Grants to Local Education Agencies	0	181,452	0	0	181,452
Special Education - Grants to States	0	238,077	0	0	238,077
Special Education Preschool Grants	0	14,326	0	0	14,326
Eisenhower Professional Development State Grants	0	6,493	0	0	6,493
American Rescue Plan Act Grant #1	0	11,732	0	0	11,732
Other Federal through State	8,782	2,258	0	0	11,040
Total Federal Government	$ 8,782	$ 469,763	$ 277,562	$ 0	$ 756,107
Other Governments and Citizens Groups					
Other Governments					
Contributions	$ 125,410	$ 0	$ 0	$ 0	$ 125,410
Citizens Groups					
Donations	4,671	0	0	0	4,671
Total Other Governments and Citizens Groups	$ 130,081	$ 0	$ 0	$ 0	$ 130,081
Total	$ 10,972,068	$ 469,763	$ 468,436	$ 512,648	$ 12,422,915

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE
Schedule of Detailed Expenditures - All Governmental Fund Types
For the Year Ended June 30, 2025

General Fund		
General Government		
County Commission		
Other Per Diem and Fees	$ 9,845	
Audit Services	2,843	
Dues and Memberships	1,000	
Liability Insurance	100,362	
Trustee's Commission	90,390	
Workers' Compensation Insurance	47,028	
Total County Commission		$ 251,468
County Mayor/Executive		
County Official/Administrative Officer	$ 99,073	
Accountants/Bookkeepers	58,234	
Data Processing Personnel	31,755	
Longevity Pay	4,000	
Communication	1,044	
Data Processing Services	18,388	
Dues and Memberships	7,284	
Legal Notices, Recording, and Court Costs	664	
Printing, Stationery, and Forms	658	
Office Supplies	1,011	
Office Equipment	6,345	
Total County Mayor/Executive		228,456
County Attorney		
County Official/Administrative Officer	$ 20,091	
Total County Attorney		20,091
Election Commission		
County Official/Administrative Officer	$ 77,177	
Part-time Personnel	1,811	
Election Commission	2,925	
Election Workers	18,800	
Communication	360	
Legal Notices, Recording, and Court Costs	5,472	
Maintenance Agreements	264	
Maintenance and Repair Services - Office Equipment	15,323	
Postal Charges	1,409	

(Continued)

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

General Fund (Cont.)		
General Government (Cont.)		
Election Commission (Cont.)		
Printing, Stationery, and Forms	$ 8,822	
Other Contracted Services	3,043	
Office Supplies	1,749	
Office Equipment	4,170	
Total Election Commission		$ 141,325
Register of Deeds		
County Official/Administrative Officer	$ 85,752	
Part-time Personnel	1,303	
Communication	342	
Maintenance Agreements	2,367	
Printing, Stationery, and Forms	772	
Other Contracted Services	200	
Office Supplies	84	
Office Equipment	135	
Total Register of Deeds		90,955
Planning		
County Official/Administrative Officer	$ 12,668	
Part-time Personnel	5,718	
Communication	342	
Data Processing Services	62	
Office Supplies	847	
Total Planning		19,637
County Buildings		
Custodial Personnel	$ 25,837	
Maintenance Personnel	18,000	
Maintenance and Repair Services - Buildings	11,768	
Maintenance and Repair Services - Vehicles	368	
Pest Control	900	
Postal Charges	5,789	
Internet Connectivity	5,870	
Custodial Supplies	2,505	
Electricity	12,524	
Natural Gas	6,146	

(Continued)

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

General Fund (Cont.)		
General Government (Cont.)		
County Buildings (Cont.)		
Office Supplies	$ 3,798	
Water and Sewer	4,264	
Total County Buildings		$ 97,769
Preservation of Records		
County Official/Administrative Officer	$ 10,168	
Part-time Personnel	4,732	
Communication	360	
Data Processing Services	62	
Dues and Memberships	229	
Office Supplies	2,053	
Office Equipment	128	
Total Preservation of Records		17,732
Finance		
Property Assessor's Office		
County Official/Administrative Officer	$ 85,752	
Part-time Personnel	31,213	
Communication	342	
Data Processing Services	2,196	
Printing, Stationery, and Forms	163	
Travel	387	
Other Contracted Services	7,322	
In Service/Staff Development	875	
Total Property Assessor's Office		128,250
County Trustee's Office		
County Official/Administrative Officer	$ 85,752	
Part-time Personnel	4,276	
Communication	342	
Data Processing Services	13,074	
Dues and Memberships	803	
Legal Notices, Recording, and Court Costs	100	
Travel	225	
In Service/Staff Development	150	
Office Equipment	226	
Total County Trustee's Office		104,948

(Continued)

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

General Fund (Cont.)		
Finance (Cont.)		
County Clerk's Office		
County Official/Administrative Officer	$ 85,752	
Part-time Personnel	21,625	
Communication	342	
Dues and Memberships	75	
Maintenance and Repair Services - Office Equipment	8,331	
Printing, Stationery, and Forms	205	
Office Equipment	49	
Total County Clerk's Office		$ 116,379
Administration of Justice		
Circuit Court		
County Official/Administrative Officer	$ 85,752	
Part-time Personnel	8,188	
Jury and Witness Expense	2,972	
Communication	378	
Data Processing Services	15,785	
Dues and Memberships	868	
Legal Notices, Recording, and Court Costs	334	
Maintenance Agreements	1,572	
Printing, Stationery, and Forms	404	
Office Supplies	26	
Periodicals	47	
Total Circuit Court		116,326
General Sessions Court		
Judge(s)	$ 86,974	
Travel	812	
Total General Sessions Court		87,786
Chancery Court		
County Official/Administrative Officer	$ 85,752	
Part-time Personnel	2,076	
Communication	360	
Dues and Memberships	8,120	
Printing, Stationery, and Forms	1,008	
Travel	242	

(Continued)

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

General Fund (Cont.)		
Administration of Justice (Cont.)		
Chancery Court (Cont.)		
Periodicals	$ 735	
Office Equipment	6,462	
Total Chancery Court		$ 104,755
Juvenile Court		
Supervisor/Director	$ 9,000	
Total Juvenile Court		9,000
Judicial Commissioners		
County Official/Administrative Officer	$ 27,639	
Dues and Memberships	600	
Travel	1,377	
Total Judicial Commissioners		29,616
Public Safety		
Sheriff's Department		
County Official/Administrative Officer	$ 94,327	
Assistant(s)	55,950	
Deputy(ies)	260,099	
Investigator(s)	96,031	
Lieutenant(s)	97,283	
Sergeant(s)	138,524	
Salary Supplements	24,000	
Part-time Personnel	4,290	
School Resource Officer	93,320	
Longevity Pay	26,000	
Overtime Pay	77,160	
Bonus Payments	4,000	
Other Salaries and Wages	43,237	
In-service Training	1,173	
Communication	22,837	
Contracts with Private Agencies	1,920	
Dues and Memberships	1,475	
Maintenance and Repair Services - Buildings	760	
Maintenance and Repair Services - Equipment	343	
Maintenance and Repair Services - Vehicles	52,607	

(Continued)

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

General Fund (Cont.)		
Public Safety (Cont.)		
Sheriff's Department (Cont.)		
Postal Charges	$ 26	
Printing, Stationery, and Forms	2,739	
Travel	4,443	
Other Contracted Services	2,401	
Gasoline	33,371	
Office Supplies	3,536	
Uniforms	4,179	
Other Supplies and Materials	93,953	
In Service/Staff Development	529	
Data Processing Equipment	16,092	
Law Enforcement Equipment	28,095	
Motor Vehicles	46,105	
Office Equipment	4,225	
Total Sheriff's Department		$ 1,335,030
Administration of the Sexual Offender Registry		
Other Contracted Services	$ 350	
Total Administration of the Sexual Offender Registry		350
Jail		
Foremen	$ 47,676	
Guards	369,000	
Secretary(ies)	43,380	
Longevity Pay	5,000	
Overtime Pay	36,730	
Other Salaries and Wages	23,863	
Contracts with Government Agencies	670	
Maintenance and Repair Services - Buildings	11,252	
Maintenance and Repair Services - Equipment	28,334	
Medical and Dental Services	156,763	
Pest Control	600	
Travel	4,075	
Other Contracted Services	4,133	
Custodial Supplies	6,306	
Drugs and Medical Supplies	49	
Electricity	21,671	

(Continued)

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

General Fund (Cont.)		
Public Safety (Cont.)		
Jail (Cont.)		
Food Preparation Supplies	$ 596	
Food Supplies	53,972	
Natural Gas	4,858	
Prisoners Clothing	4,526	
Uniforms	2,117	
Water and Sewer	24,357	
Other Supplies and Materials	6,146	
In Service/Staff Development	653	
Total Jail		$ 856,727
Fire Prevention and Control		
Supervisor/Director	$ 50,013	
Communication	1,330	
Dues and Memberships	100	
Maintenance and Repair Services - Buildings	8,577	
Maintenance and Repair Services - Vehicles	20,438	
Pest Control	1,500	
Travel	257	
Other Contracted Services	300	
Electricity	6,065	
Gasoline	4,440	
Natural Gas	4,251	
Office Supplies	209	
Water and Sewer	2,301	
Other Supplies and Materials	25,100	
Excess Risk Insurance	4,165	
In Service/Staff Development	3,569	
Other Equipment	59,309	
Total Fire Prevention and Control		191,924
Other Emergency Management		
Supervisor/Director	$ 58,140	
Salary Supplements	15,000	
Dispatchers/Radio Operators	204,354	
Part-time Personnel	46,273	
Longevity Pay	5,000	

(Continued)

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

General Fund (Cont.)		
Public Safety (Cont.)		
Other Emergency Management (Cont.)		
Overtime Pay	$ 44,812	
Other Salaries and Wages	16,836	
Communication	12,483	
Data Processing Services	2,087	
Dues and Memberships	110	
Maintenance and Repair Services - Vehicles	871	
Travel	316	
Gasoline	2,639	
Instructional Supplies and Materials	600	
Office Supplies	176	
Uniforms	771	
Other Supplies and Materials	37,659	
In Service/Staff Development	650	
Other Equipment	542	
Total Other Emergency Management		$ 449,319
County Coroner/Medical Examiner		
County Official/Administrative Officer	$ 3,000	
Other Contracted Services	2,725	
Total County Coroner/Medical Examiner		5,725
Public Health and Welfare		
Local Health Center		
Medical Personnel	$ 132,732	
Longevity Pay	2,000	
Communication	3,536	
Contracts with Government Agencies	7,000	
Dues and Memberships	14	
Maintenance and Repair Services - Buildings	1,679	
Pest Control	300	
Travel	845	
Tuition	375	
Electricity	5,035	
Natural Gas	892	
Office Supplies	53	
Water and Sewer	626	
Other Supplies and Materials	369	
Total Local Health Center		155,456

(Continued)

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

General Fund (Cont.)		
Public Health and Welfare (Cont.)		
Rabies and Animal Control		
Other Supplies and Materials	$ 7,000	
Total Rabies and Animal Control		$ 7,000
Ambulance/Emergency Medical Services		
Paraprofessionals	$ 333,732	
Salary Supplements	8,000	
Part-time Personnel	31,651	
Longevity Pay	10,923	
Overtime Pay	281,156	
Other Salaries and Wages	35,067	
Communication	2,558	
Data Processing Services	38,726	
Dues and Memberships	1,945	
Maintenance and Repair Services - Buildings	1,036	
Maintenance and Repair Services - Equipment	10,764	
Maintenance and Repair Services - Vehicles	6,892	
Medical and Dental Services	3,080	
Travel	910	
Custodial Supplies	592	
Drugs and Medical Supplies	37,408	
Equipment and Machinery Parts	2,474	
Gasoline	8,569	
Office Supplies	582	
Uniforms	2,721	
Refunds	1,109	
In Service/Staff Development	5,489	
Fines, Assessments, and Penalties	13,640	
Total Ambulance/Emergency Medical Services		839,024
Alcohol and Drug Programs		
Drug Treatment	$ 503	
Total Alcohol and Drug Programs		503
Regional Mental Health Center		
Other Supplies and Materials	$ 29,878	
Total Regional Mental Health Center		29,878

(Continued)

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

General Fund (Cont.)		
Public Health and Welfare (Cont.)		
Other Waste Disposal		
Contracts with Private Agencies	$ 18,977	
Total Other Waste Disposal		$ 18,977
Social, Cultural, and Recreational Services		
Senior Citizens Assistance		
Contributions	$ 8,500	
Total Senior Citizens Assistance		8,500
Libraries		
Assistant(s)	$ 25,955	
Supervisor/Director	39,720	
Custodial Personnel	2,860	
Part-time Personnel	19,709	
Longevity Pay	2,000	
Communication	3,164	
Data Processing Services	2,802	
Dues and Memberships	461	
Maintenance and Repair Services - Buildings	1,262	
Pest Control	330	
Postal Charges	213	
Printing, Stationery, and Forms	125	
Travel	583	
Custodial Supplies	1,226	
Electricity	3,491	
Instructional Supplies and Materials	5,213	
Library Books/Media	7,443	
Natural Gas	1,930	
Office Supplies	1,841	
Periodicals	249	
Water and Sewer	1,029	
Other Charges	2,984	
Office Equipment	6,466	
Total Libraries		131,056
Parks and Fair Boards		
Maintenance and Repair Services - Buildings	$ 3,122	

(Continued)

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

General Fund (Cont.)		
Social, Cultural, and Recreational Services (Cont.)		
Parks and Fair Boards (Cont.)		
Maintenance and Repair Services - Equipment	$ 3,544	
Maintenance and Repair Services - Vehicles	36	
Electricity	14,956	
Gasoline	1,979	
Water and Sewer	5,089	
Refunds	50	
Total Parks and Fair Boards		$ 28,776
Other Social, Cultural, and Recreational		
Assistant(s)	$ 9,000	
Attendants	21,099	
Dues and Memberships	1,596	
Maintenance and Repair Services - Buildings	1,363	
Maintenance and Repair Services - Equipment	5,028	
Electricity	6,329	
Natural Gas	56	
Water and Sewer	4,883	
Chemicals	6,211	
Total Other Social, Cultural, and Recreational		55,565
Agriculture and Natural Resources		
Agricultural Extension Service		
Salary Supplements	$ 42,549	
Part-time Personnel	6,807	
Longevity Pay	4,500	
Employee and Dependent Insurance	17,469	
Communication	1,765	
Data Processing Services	2,500	
Travel	6,334	
Other Charges	20	
Total Agricultural Extension Service		81,944
Forest Service		
Contracts with Government Agencies	$ 350	
Total Forest Service		350

(Continued)

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

General Fund (Cont.)			
Agriculture and Natural Resources (Cont.)			
Soil Conservation			
Part-time Personnel	$ 10,270		
Communication	360		
Postal Charges	100		
Travel	832		
Total Soil Conservation		$ 11,562	
Other Operations			
Tourism			
Maintenance Agreements	$ 13,380		
Maintenance and Repair Services - Buildings	991		
Pest Control	300		
Custodial Supplies	920		
Electricity	1,049		
Natural Gas	122		
Water and Sewer	2,499		
Total Tourism		19,261	
Other Charges			
Tax Relief Program	$ 992		
Total Other Charges		992	
Employee Benefits			
Social Security	$ 293,956		
Pensions	51,109		
Employee and Dependent Insurance	514,878		
Unemployment Compensation	2,028		
Local Retirement	49,112		
Total Employee Benefits		911,083	
Total General Fund			$ 6,703,495
Urban Services Fund			
General Government			
Other General Administration			
Maintenance and Repair Services - Equipment	$ 751		
Electricity	10,565		
Trustee's Commission	112		
Total Other General Administration		$ 11,428	
Total Urban Services Fund			11,428

(Continued)

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

Solid Waste/Sanitation Fund			
Public Health and Welfare			
Waste Pickup			
County Official/Administrative Officer	$ 3,323		
Laborers	27,167		
Social Security	2,333		
Unemployment Compensation	40		
Maintenance and Repair Services - Vehicles	328		
Gasoline	936		
Instructional Supplies and Materials	8,239		
Total Waste Pickup		$ 42,366	
Recycling Center			
Assistant(s)	$ 3,419		
Supervisor/Director	35,199		
Laborers	108,496		
Part-time Personnel	57,374		
Longevity Pay	8,000		
Overtime Pay	272		
Other Salaries and Wages	18,290		
Social Security	16,761		
Medical Insurance	26,760		
Unemployment Compensation	233		
Contracts with Private Agencies	235,196		
Maintenance and Repair Services - Buildings	2,373		
Maintenance and Repair Services - Equipment	18,023		
Maintenance and Repair Services - Vehicles	32,603		
Diesel Fuel	24,602		
Electricity	2,344		
Garage Supplies	426		
Office Supplies	18		
Tires and Tubes	5,076		
Water and Sewer	351		
Trustee's Commission	8,699		
Vehicle and Equipment Insurance	4,882		
Workers' Compensation Insurance	9,075		
Motor Vehicles	20		
Solid Waste Equipment	10,162		
Total Recycling Center		628,654	
Total Solid Waste/Sanitation Fund			$ 671,020

(Continued)

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

Constitutional Officers - Fees Fund			
Finance			
County Clerk's Office			
Bank Charges	$ 116		
Total County Clerk's Office		$ 116	
Administration of Justice			
Circuit Court Clerk			
Bank Charges	$ 35		
Total Circuit Court Clerk		35	
General Sessions Court Clerk			
Bank Charges	$ 35		
Total General Sessions Court Clerk		35	
Chancery Court			
Bank Charges	$ 58		
Total Chancery Court		58	
Total Constitutional Officers - Fees Fund			$ 244
Highway/Public Works Fund			
Highways			
Administration			
County Official/Administrative Officer	$ 99,043		
Secretary(ies)	65,563		
Social Security	9,694		
Pensions	7,752		
Employee and Dependent Insurance	30,830		
Life Insurance	273		
Unemployment Compensation	154		
Employer Medicare	2,267		
Data Processing Services	17,261		
Postal Charges	214		
Printing, Stationery, and Forms	420		
Travel	660		
Office Supplies	660		
Other Charges	1,885		
Total Administration		$ 236,676	

(Continued)

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

Highway/Public Works Fund (Cont.)				
Highways (Cont.)				
Highway and Bridge Maintenance				
Equipment Operators	$	424,427		
Social Security		24,289		
Pensions		11,031		
Employee and Dependent Insurance		119,222		
Life Insurance		970		
Unemployment Compensation		1,252		
Employer Medicare		5,681		
Dues and Memberships		2,269		
Asphalt		7,711		
Asphalt - Cold Mix		2,565		
Concrete		1,720		
Crushed Stone		31,242		
Riprap		11,144		
Pipe		618		
Road Signs		718		
Salt		2,797		
Other Charges		1,475		
Maintenance Equipment		2,238		
Total Highway and Bridge Maintenance			$	651,369
Operation and Maintenance of Equipment				
Mechanic(s)	$	62,631		
Social Security		3,646		
Pensions		1,870		
Employee and Dependent Insurance		12,417		
Life Insurance		137		
Unemployment Compensation		154		
Employer Medicare		853		
Other Contracted Services		40,749		
Custodial Supplies		272		
Diesel Fuel		16,838		
Equipment and Machinery Parts		16,233		
Garage Supplies		5,147		
Gasoline		3,751		
Lubricants		4,066		
Small Tools		403		

(Continued)

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

Highway/Public Works Fund (Cont.)			
Highways (Cont.)			
Operation and Maintenance of Equipment (Cont.)			
Tires and Tubes	$ 8,014		
Vehicle Parts	3,124		
Other Charges	2,070		
Maintenance Equipment	65		
Total Operation and Maintenance of Equipment		$ 182,440	
Other Charges			
Advertising	$ 95		
Communication	1,761		
Internet Connectivity	1,606		
Electricity	2,941		
Propane Gas	26		
Water and Sewer	391		
Liability Insurance	10,342		
Trustee's Commission	19,083		
Vehicle and Equipment Insurance	4,500		
Total Other Charges		40,745	
Employee Benefits			
Workers' Compensation Insurance	$ 16,501		
Total Employee Benefits		16,501	
Capital Outlay			
Highway Equipment	$ 149,873		
Other Construction	249,472		
Total Capital Outlay		399,345	
Total Highway/Public Works Fund			$ 1,527,076
General Debt Service Fund			
Principal on Debt			
Education			
Principal on Other Loans	$ 905,000		
Total Education		$ 905,000	

(Continued)

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

General Debt Service Fund (Cont.)			
Interest on Debt			
Education			
Interest on Other Loans	$ 500,079		
Total Education		$ 500,079	
Other Debt Service			
General Government			
Trustee's Commission	$ 20,171		
Total General Government		20,171	
Education			
Other Debt Issuance Charges	$ 8,100		
Other Debt Service	28,725		
Total Education		36,825	
Total General Debt Service Fund			$ 1,462,075
General Capital Projects Fund			
Capital Projects			
General Administration Projects			
Building Improvements	$ 9,948		
Motor Vehicles	50,722		
Other Equipment	247,416		
Total General Administration Projects		$ 308,086	
Public Safety Projects			
Consultants	$ 4,780		
Motor Vehicles	48,274		
Health Equipment	146,114		
Other Equipment	78,040		
Total Public Safety Projects		277,208	
Social, Cultural, and Recreation Projects			
Building Improvements	$ 32,075		
Total Social, Cultural, and Recreation Projects		32,075	
Agriculture and Natural Resources Projects			
Other Construction	$ 45,947		
Total Agriculture and Natural Resources Projects		45,947	
Total General Capital Projects Fund			663,316
Total Governmental Funds - Primary Government			$ 11,038,654

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Metropolitan School Department
For the Year Ended June 30, 2025

General Purpose School Fund		
Instruction		
Regular Instruction Program		
Teachers	$ 3,199,368	
Career Ladder Program	2,000	
Homebound Teachers	1,632	
Educational Assistants	120,518	
Other Salaries and Wages	31,082	
Non-certified Substitute Teachers	68,275	
Social Security	197,438	
Pensions	233,509	
Medical Insurance	589,143	
Employer Medicare	46,388	
Instructional Supplies and Materials	30,009	
Textbooks - Bound	414	
Software	53,747	
Other Supplies and Materials	11,863	
TISA - On-behalf Payments	13,131	
Other Charges	479	
Regular Instruction Equipment	128,120	
Total Regular Instruction Program		$ 4,727,116
Alternative Instruction Program		
Teachers	$ 43,917	
Social Security	2,574	
Pensions	3,513	
Medical Insurance	6,404	
Employer Medicare	602	
Total Alternative Instruction Program		57,010
Special Education Program		
Teachers	$ 358,770	
Homebound Teachers	2,976	
Educational Assistants	159,545	
Speech Pathologist	53,873	
Non-certified Substitute Teachers	80	
Social Security	33,681	
Pensions	42,037	

(Continued)

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

General Purpose School Fund (Cont.)		
Instruction (Cont.)		
Special Education Program (Cont.)		
Medical Insurance	$ 123,849	
Employer Medicare	7,877	
Contracts with Private Agencies	6,135	
Instructional Supplies and Materials	52	
Total Special Education Program		$ 788,875
Career and Technical Education Program		
Teachers	$ 214,153	
Social Security	12,910	
Pensions	17,132	
Medical Insurance	27,064	
Employer Medicare	3,019	
Instructional Supplies and Materials	25,566	
Software	4,990	
Other Supplies and Materials	800	
In Service/Staff Development	5,190	
Vocational Instruction Equipment	72,058	
Total Career and Technical Education Program		382,882
Support Services		
Attendance		
Supervisor/Director	$ 36,458	
Social Security	1,988	
Pensions	2,319	
Medical Insurance	7,394	
Employer Medicare	465	
Software	6,195	
Total Attendance		54,819
Health Services		
Supervisor/Director	$ 42,305	
Medical Personnel	47,036	
Clerical Personnel	12,174	
Social Security	5,827	
Pensions	6,664	

(Continued)

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Health Services (Cont.)		
Medical Insurance	$ 19,088	
Employer Medicare	1,363	
Other Supplies and Materials	3,074	
In Service/Staff Development	5,008	
Health Equipment	1,440	
Total Health Services		$ 143,979
Other Student Support		
Guidance Personnel	$ 150,286	
Psychological Personnel	36,699	
Other Salaries and Wages	580	
Social Security	10,613	
Pensions	12,538	
Medical Insurance	29,851	
Employer Medicare	2,482	
Other Contracted Services	26,926	
Other Supplies and Materials	99	
Other Charges	14,006	
Total Other Student Support		284,080
Regular Instruction Program		
Supervisor/Director	$ 159,343	
Career Ladder Program	1,000	
Librarians	143,981	
Educational Assistants	17,680	
Other Salaries and Wages	6,960	
Social Security	19,639	
Pensions	21,528	
Medical Insurance	45,544	
Employer Medicare	4,593	
Travel	1,187	
Library Books/Media	950	
Software	2,638	
Other Supplies and Materials	288	
In Service/Staff Development	1,283	
Total Regular Instruction Program		426,614

(Continued)

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Special Education Program		
Supervisor/Director	$ 55,659	
Psychological Personnel	36,699	
Medical Personnel	42,000	
Social Security	7,768	
Pensions	9,837	
Medical Insurance	28,037	
Employer Medicare	1,817	
Travel	609	
Other Contracted Services	14,648	
Other Supplies and Materials	73	
Total Special Education Program		$ 197,147
Career and Technical Education Program		
Supervisor/Director	$ 36,458	
Other Salaries and Wages	6,000	
Social Security	2,360	
Pensions	2,700	
Medical Insurance	7,394	
Employer Medicare	552	
Total Career and Technical Education Program		55,464
Technology		
Supervisor/Director	$ 59,511	
Other Salaries and Wages	48,684	
Social Security	6,570	
Pensions	8,699	
Medical Insurance	15,733	
Employer Medicare	1,537	
Internet Connectivity	150,739	
Total Technology		291,473
Other Programs		
On-behalf Payments to OPEB	$ 22,325	
Total Other Programs		22,325

(Continued)

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Board of Education				
Board and Committee Members Fees	$	2,970		
Social Security		184		
Medical Insurance		22,929		
Unemployment Compensation		2,218		
Employer Medicare		43		
Audit Services		8,595		
Dues and Memberships		7,984		
Travel		203		
Liability Insurance		42,819		
Trustee's Commission		91,237		
Workers' Compensation Insurance		70,825		
In Service/Staff Development		897		
Other Charges		804		
Total Board of Education			$	251,708
Director of Schools				
County Official/Administrative Officer	$	108,445		
Clerical Personnel		36,255		
Other Salaries and Wages		1,000		
Social Security		8,819		
Pensions		9,876		
Medical Insurance		10,884		
Employer Medicare		2,062		
Communication		14,194		
Dues and Memberships		3,496		
Travel		3,677		
Office Supplies		4,847		
Software		17,877		
Other Charges		4,895		
Administration Equipment		1,223		
Total Director of Schools				227,550
Office of the Principal				
Principals	$	182,894		
Assistant Principals		228,491		

(Continued)

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Office of the Principal (Cont.)		
Secretary(ies)	$ 85,960	
Clerical Personnel	86,367	
Social Security	32,801	
Pensions	40,019	
Medical Insurance	129,933	
Employer Medicare	7,671	
Administration Equipment	11,843	
Total Office of the Principal		$ 805,979
Fiscal Services		
Supervisor/Director	$ 68,875	
Accountants/Bookkeepers	37,722	
Social Security	6,411	
Pensions	8,570	
Medical Insurance	16,391	
Employer Medicare	1,499	
Total Fiscal Services		139,468
Operation of Plant		
Custodial Personnel	$ 241,691	
Social Security	13,991	
Pensions	19,432	
Medical Insurance	84,302	
Employer Medicare	3,272	
Custodial Supplies	50,558	
Electricity	279,093	
Natural Gas	34,920	
Water and Sewer	82,262	
Other Supplies and Materials	9,746	
Building and Contents Insurance	119,406	
Total Operation of Plant		938,673
Maintenance of Plant		
Maintenance Personnel	$ 162,251	
Social Security	9,672	

(Continued)

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Maintenance of Plant (Cont.)		
Pensions	$ 13,045	
Medical Insurance	27,318	
Employer Medicare	2,262	
Maintenance and Repair Services - Buildings	2,727	
Maintenance and Repair Services - Equipment	30,521	
Pest Control	3,540	
Other Supplies and Materials	18,127	
Other Charges	746	
Total Maintenance of Plant		$ 270,209
Transportation		
Mechanic(s)	$ 41,533	
Bus Drivers	245,824	
Other Salaries and Wages	12,185	
Social Security	17,512	
Pensions	22,486	
Medical Insurance	73,236	
Employer Medicare	4,110	
Medical and Dental Services	3,542	
Diesel Fuel	49,421	
Tires and Tubes	11,313	
Vehicle Parts	26,153	
Other Supplies and Materials	6,714	
Vehicle and Equipment Insurance	26,961	
Other Charges	7,427	
Total Transportation		548,417
Operation of Non-Instructional Services		
Food Service		
Cafeteria Personnel	$ 5,920	
Social Security	367	
Pensions	475	
Employer Medicare	86	
Food Supplies	4,849	
Other Supplies and Materials	301	
Total Food Service		11,998

(Continued)

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

General Purpose School Fund (Cont.)			
Operation of Non-Instructional Services (Cont.)			
Community Services			
Other Salaries and Wages	$ 24,733		
Social Security	1,533		
Pensions	516		
Employer Medicare	359		
Other Supplies and Materials	4,940		
Total Community Services		$ 32,081	
Early Childhood Education			
Supervisor/Director	$ 9,277		
Teachers	59,641		
Educational Assistants	21,158		
Social Security	5,251		
Pensions	6,084		
Medical Insurance	20,671		
Employer Medicare	1,228		
Total Early Childhood Education		123,310	
Capital Outlay			
Regular Capital Outlay			
Building Improvements	$ 93,722		
Other Capital Outlay	7,800		
Total Regular Capital Outlay		101,522	
Total General Purpose School Fund			$ 10,882,699
School Federal Projects Fund			
Instruction			
Regular Instruction Program			
Teachers	$ 129,076		
Other Salaries and Wages	1,000		
Social Security	7,406		
Pensions	8,273		
Medical Insurance	21,872		
Employer Medicare	1,732		
Instructional Supplies and Materials	13,854		

(Continued)

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

School Federal Projects Fund (Cont.)		
Instruction (Cont.)		
Regular Instruction Program (Cont.)		
Software	$ 5,286	
Regular Instruction Equipment	946	
Total Regular Instruction Program		$ 189,445
Special Education Program		
Teachers	$ 33,326	
Educational Assistants	86,878	
Non-certified Substitute Teachers	640	
Social Security	6,359	
Pensions	9,651	
Medical Insurance	42,251	
Employer Medicare	1,487	
Evaluation and Testing	347	
Other Contracted Services	20,516	
Instructional Supplies and Materials	2,028	
Special Education Equipment	2,311	
Total Special Education Program		205,794
Career and Technical Education Program		
Instructional Supplies and Materials	$ 1,486	
Software	4,500	
Vocational Instruction Equipment	7,669	
Total Career and Technical Education Program		13,655
Support Services		
Other Student Support		
Other Supplies and Materials	$ 5,500	
In Service/Staff Development	305	
Other Charges	496	
Total Other Student Support		6,301
Regular Instruction Program		
In Service/Staff Development	$ 6,494	
Total Regular Instruction Program		6,494

(Continued)

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

School Federal Projects Fund (Cont.)			
Support Services (Cont.)			
Special Education Program			
Medical Personnel	$ 14,000		
Social Security	661		
Pensions	1,120		
Medical Insurance	6,800		
Employer Medicare	155		
Contracts with Private Agencies	6,000		
Evaluation and Testing	413		
Postal Charges	26		
Travel	55		
Other Contracted Services	10,083		
Other Supplies and Materials	510		
In Service/Staff Development	1,327		
Total Special Education Program		$ 41,150	
Career and Technical Education Program			
In Service/Staff Development	$ 1,466		
Total Career and Technical Education Program		1,466	
Transportation			
Other Salaries and Wages	$ 4,718		
Social Security	293		
Pensions	379		
Employer Medicare	68		
Total Transportation		5,458	
Total School Federal Projects Fund			$ 469,763
Central Cafeteria Fund			
Operation of Non-Instructional Services			
Food Service			
Cafeteria Personnel	$ 196,510		
Social Security	11,355		
Pensions	13,608		
Medical Insurance	49,689		
Employer Medicare	2,719		

(Continued)

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

Central Cafeteria Fund (Cont.)			
Operation of Non-Instructional Services (Cont.)			
Food Service (Cont.)			
Maintenance and Repair Services - Equipment	$ 13,851		
Transportation - Other than Students	1,657		
Travel	2,392		
Food Supplies	168,619		
Office Supplies	2,703		
USDA - Commodities	10,000		
Other Supplies and Materials	18,327		
Other Charges	21,297		
Food Service Equipment	2,388		
Total Food Service		$ 515,115	
Total Central Cafeteria Fund			$ 515,115
Internal School Fund			
Operation of Non-Instructional Services			
Community Services			
Other Charges	$ 532,329		
Total Community Services		$ 532,329	
Total Internal School Fund			532,329
Total Governmental Funds - Metropolitan School Department			$ 12,399,906

SINGLE AUDIT SECTION

Jason E. Mumpower
Comptroller

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

Metropolitan Mayor and
Metropolitan Council
Lynchburg, Moore County, Tennessee

To the Metropolitan Mayor and Metropolitan Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the metropolitan government as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the metropolitan government's basic financial statements, as listed in the table of contents, and have issued our report thereon dated February 25, 2026. Our report includes references to other auditors who audited the financial statements of the Metropolitan Lynchburg, Moore County Water and Sewer Department (major proprietary fund and the entire business-type activities) and the Internal School Fund of the Metropolitan School Department (a discretely presented component unit), as described in our report on the metropolitan government's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies, described in the accompanying Schedule of Findings and Questioned Costs, to be material weaknesses: 2025-002 and 2025-003.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the metropolitan government's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2025-001 and 2025-005.

Metropolitan Government's Responses to Findings

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

Purpose of this Report

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

Very truly yours,

Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 25, 2026

JEM/gc

Jason E. Mumpower
Comptroller

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

Metropolitan Mayor and
 Metropolitan Council
Lynchburg, Moore County, Tennessee

To the Metropolitan Mayor and Metropolitan Council:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

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

Responsibilities of Management for Compliance

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

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Auditor's Responsibilities for the Audit of Compliance

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the metropolitan government's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of the metropolitan government's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the metropolitan government's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the metropolitan government, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the metropolitan government's basic financial statements. We issued our report thereon dated February 25, 2026, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,

Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 25, 2026

JEM/gc

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3)
For the Year Ended June 30, 2025

Federal/Pass-through Agency/State Grantor Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures	
U.S. Department of Agriculture:				
Passed-through State Department of Agriculture:				
Child Nutrition Cluster: (5)				
National School Lunch Program (Commodities Non-cash Assistance)	10.555	(4)	$ 10,000	(6)
Passed-through State Department of Education:				
Child Nutrition Cluster: (5)				
School Breakfast Program	10.553	(4)	68,790	
National School Lunch Program	10.555	(4)	198,772	(6)
Passed-through State Department of Health:				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	202424W100345	30,891	
Total U.S. Department of Agriculture			$ 308,453	
U.S. Department of Justice:				
Direct Programs:				
Missing Alzheimer's Disease Patient Assistance Program	16.015	N/A	$ 35,821	
Body Worn Camera Policy and Implementation	16.835	N/A	34,000	
Total U.S. Department of Justice			$ 69,821	
U.S. Department of Transportation:				
Passed-through State Department of Transportation:				
Highway Safety Cluster: (5)				
State and Community Highway Safety	20.600	(7)	$ 44,333	
Alcohol Open Container Requirements	20.607	(7)	26,120	
Total U.S. Department of Transportation			$ 70,453	
U. S. Department of Treasury:				
Passed-through State Department of Education:				
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	(4)	$ 8,782	
Total U.S. Department of Treasury			$ 8,782	
U.S. Department of Education:				
Passed-through State Department of Education:				
Title I Grants to Local Educational Agencies	84.010	(4)	$ 181,452	
Special Education Cluster (IDEA): (5)				
Special Education - Grants to States	84.027	(4)	238,077	
Special Education Preschool Grants	84.173	(4)	14,326	
Career and Technical Education - Basic Grants to States	84.048	(4)	15,425	
Supporting Effective Instruction State Grants	84.367	(4)	6,493	
Student Support and Academic Enrichment Program	84.424	(4)	2,258	
COVID 19 - Education Stabilization Fund Program- Elementary and Secondary School Emergency Relief Fund (ESSER ARP)	84.425U	(4)	11,732	
Total U.S. Department of Education			$ 469,763	
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	B04MC47447-01	$ 15,848	
Total U.S. Department of Health and Human Services			$ 15,848	
U.S. Department of Homeland Security:				
Passed-through State Department of Military:				
Emergency Management Performance Grant	97.042	(4)	$ 7,547	
Total U.S. Department of Homeland Security			$ 7,547	
Total Expenditures of Federal Grants			$ 950,667	

(Continued)

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE COUNTY, TENNESSEE
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (3) (Cont.)

State Grants	Assistance Listing Number	Contract Number	Expenditures
Litter Grant Program - Department of Transportation.	N/A	(4)	$ 39,509
Marketing Grant - State Department of Tourist Development	N/A	(4)	48,825
Early Childhood Education - State Department of Education	N/A	(4)	109,717
Summer Learning Camps - State Department of Education	N/A	(4)	82,601
Learning Camps Transportation - State Department of Education	N/A	(4)	17,198
Innovative School Models - State Department of Education	N/A	(4)	98,456
Statewide School Resource Officer Grant - State Department of Safety and Homeland Security	N/A	(4)	150,000
Health Department Programs - State Department of Health	N/A	(4)	135,858
Essential Equipment Purchases for Licensed Ambulance Services - State Department of Health	N/A	(4)	150,000
Volunteer Firefighter Equipment and Training Program - State Department of Commerce and Insurance	N/A	(4)	31,500
Recruitment and Retention Grant - State Department of Commerce and Insurance	N/A	(4)	4,000
SRO Supplement - State Department of Commerce and Insurance	N/A	(4)	1,600
2025 Tech Grant - Tennessee Secretary of State	N/A	(4)	1,930
Three Star Grant - State Department of Economic & Community Development	N/A	(4)	50,000
FY25 TCI Training Equipment Grant - TN Corrections Institute	N/A	(4)	6,762
Juvenile Justice and Delinquency Prevention - State Commission on Children and Youth	N/A	(4)	13,500
Mental Health Transport Grant - State Department of Finance and Administration	N/A	(4)	20,000
Total State Grants			$ 961,456

ALN = Assistance Listing Number
N/A = Not Applicable

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
(2) The Metropolitan Government of Lynchburg, Moore County, Tennessee, elected to not use the 10% de minimis cost rate permitted in the Uniform Guidance.
(3) No amounts ($0) were passed through to subrecipients.
(4) Information not available.
(5) Child Nutrition Cluster total $277,562; Highway Safety Cluster total $44,333; Special Education Cluster (IDEA) total $252,403.
(6) Total ALN 10.555 is $208,772.
(7) ALN 20.600 Z24THS191: $22,108; Z25THS199: $22,225; ALN 20.607 Z24THS192: $9,302; Z25THS198: $16,818.

THE METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE 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 of the Metropolitan Government of Lynchburg, Moore 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
OFFICE OF METROPOLITAN MAYOR					
2024	185	2024-001	Consolidated purchasing required by the charter has not been implemented.	N/A	Not Corrected - See Explanation on Corrective Action Plan
2024	185	2024-002	All accounting records for the year ended June 30, 2024, were not available for audit by August 31, 2024.	N/A	Corrected
2024	186	2024-003	The General Fund required material audit adjustments for proper financial statement presentation.	N/A	Not Corrected - See Explanation on Corrective Action Plan
2024	186	2024-004	General ledger payroll liability accounts were not reconciled.	N/A	Not Corrected - See Explanation on Corrective Action Plan
OFFICE OF SHERIFF					
2024	187	2024-005	Commissary bank statements were not properly reconciled with the general ledger.	N/A	Corrected

Prior-year Federal Awards Findings

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

THE METROPOLITAN GOVERNMENT OF
LYNCHBURG, MOORE COUNTY TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2025

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of the Metropolitan Government Lynchburg, Moore County, Tennessee, is unmodified.

2. Internal Control Over Financial Reporting:

* Material weakness identified?	**YES**
* Significant deficiency identified?	**YES**

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

Federal Awards:

4. Internal Control Over Major Federal Programs:

* Material weakness identified?	**NO**
* Significant deficiency identified?	**NONE REPORTED**

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

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

7. Identification of major federal programs:

* Assistance Listing Numbers: 10.553 and 10.555	Child Nutrition Cluster: School Breakfast Program and National School Lunch Program
* Assistance Listing Numbers: 84.027 and 84.173	Special Education Cluster (IDEA): 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? **NO**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICE OF METROPOLITAN MAYOR

FINDING 2025-001 **CONSOLIDATED PURCHASING REQUIRED BY THE CHARTER HAS NOT BEEN IMPLEMENTED**
(Noncompliance Under *Government Auditing Standards)*

The metropolitan charter provides for all purchases and contracts for goods or services to be made through a consolidated metropolitan purchasing department. The charter further provides for the metropolitan mayor to manage/conduct the metropolitan purchasing department according to the procedures adopted by the metropolitan council. However, the metropolitan council has not yet created a consolidated metropolitan purchasing department in accordance with the provisions of its charter. The metropolitan council did appoint a three-member oversight committee on February 20, 2023, to oversee the activity of the metropolitan purchasing department. However, the appointment of this oversight committee still does not meet the requirements of the Metro Charter since the purchasing department is not a consolidated purchasing department as required by the Metro Charter. This deficiency exists due to the government's failure to comply with its charter and government's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – METROPOLITAN MAYOR

We do not concur. This is part of the Metro Charter voted on by citizens and not part of Tennessee government.

AUDITOR'S COMMENT

The Metro Charter, which was voted on by the citizens, contains the provision requiring the consolidated metropolitan purchasing department, not state statutes.

FINDING 2025-002 **GENERAL, GENERAL DEBT SERVICE, AND SOLID WASTE/SANITATION FUNDS REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATIONS**
(Internal Control – Material Weakness Under *Government Auditing Standards*)

On June 30, 2025, certain general ledger account balances in the General, General Debt Service, and Solid Waste/Sanitation funds were not materially correct, and audit adjustments for accounts receivable, allowance for uncollectibles, and related deferred revenues totaling $9,450,207, $2,114,672, and $656,243, respectively, were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require the metropolitan government to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the metropolitan government's financial reporting systems did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the metropolitan government has ineffective controls over the maintenance of their accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. This deficiency is the result of a lack of management oversight, management's failure to correct the finding noted in the prior year audit report, and management's failure to implement their corrective action plan. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – COUNTY MAYOR

We concur with the finding. Bookkeeping did not back out prior year funds.

FINDING 2025-003 **THE COUNTY HAD DEFICIENCIES IN THE MAINTENANCE OF CAPITAL ASSETS RECORDS**

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

Our examination of capital asset records disclosed that certain current-year purchases, completed construction projects, and asset disposals were not recorded. In addition, we noted an error in depreciation. These deficiencies resulted in capital assets being understated by $1,011,732. Generally accepted accounting principles require accountability for all assets owned by the county, such as equipment, vehicles, buildings, and infrastructure. These deficiencies can be attributed to a lack of management oversight and failure to follow the government's policies and procedures to ensure capital assets are accounted for properly on a current basis. We provided management with audit adjustments, which they accepted to properly present capital assets in the financial statements of this report. Without accurate capital assets records, the government cannot adequately control its assets.

RECOMMENDATION

The metropolitan government should ensure that records for all capital assets are complete and accurate in accordance with generally accepted accounting principles.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

We concur with the finding. Management needs to make sure capital assets are put on the books in a timely manner.

FINDING 2025-004 **GENERAL LEDGER PAYROLL LIABILITY ACCOUNTS WERE NOT RECONCILED**

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

General ledger payroll liability accounts for the General Fund were not reconciled monthly with payroll records and payments. As a result, unidentified balances accumulated in the liability accounts for several payroll deductions. Sound business practices dictate that payroll liability accounts should be reconciled with payroll records and payments monthly. The failure to regularly reconcile payroll liability accounts allows errors to remain undiscovered and uncorrected. This deficiency resulted from a lack of management oversight, management's failure to correct the finding noted in the prior-year audit report, and management's failure to implement their corrective action plan.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – METROPOLITAN MAYOR

We concur with the finding. Issue has been on going with health benefits for employees and reconciling books for past few years. Will continue to fix the issue.

METROPOLITAN GOVERNMENT

FINDING 2025-005 **THE METROPOLITAN GOVERNMENT'S AUDIT COMMITTEE IS NOT A FUNCTIONING COMMITTEE**
(Noncompliance Under *Government Auditing Standards*)

The government has created an audit committee, as provided by Section 9-3-405, *Tennessee Code Annotated*; however, this committee did not meet or present a written committee report to the metropolitan council detailing how it discharged its duties for the year ended June 30, 2025. Without a functioning audit committee, the metropolitan government does not have independent and objective reviews of the financial reporting process, internal controls, the audit function, and monitoring management's plans to address various risks.

RECOMMENDATION

The metropolitan government's audit committee should be a functioning committee, maintain minutes of its meetings, and annually present a written committee report detailing how it discharged its duties and any committee recommendations to the full metropolitan council.

MANAGEMENT'S RESPONSE – METROPOLITAN MAYOR

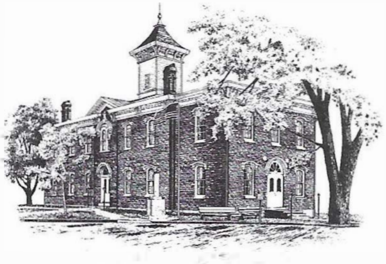
We concur with the finding. Part of duties of Metro Council to oversee the audit committee and schedule meetings.

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.

METROPOLITAN GOVERNMENT OF LYNCHBURG, MOORE 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.



Metro Lynchburg / Moore County

Sloan Stewart
Metro Mayor

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

Corrective Action Plan

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

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

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

Anticipated Completion Date of Corrective Action:
Date N/A

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
Requires action by Metro Council

Planned Corrective Action:
Possible Charter Amendment in future

FINDING: **GENERAL, GENERAL DEBT SERVICE, AND SOLID WASTE/SANITATION FUNDS REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATIONS**

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

Person Responsible for Implementing the Corrective Action:
Sloan Stewart

Email: Sstewart@MetroMooreCounty.org • Website: www.MetroMooreCounty.org

Anticipated Completion Date of Corrective Action:
Date 2/25/26

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
Audit adjustments were made with assistance from auditors

Planned Corrective Action:
Management will be more aware of adjustments and use checklist to help monthly adjusments

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FINDING: THE COUNTY HAD DEFICIENCIES IN THE MAINTENANCE OF CAPITAL ASSETS RECORDS

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

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

Anticipated Completion Date of Corrective Action:
Date 2/25/26

Repeat Finding:
No

Planned Corrective Action:
List of capital projects were provided by audit and added to report.. Management will have departments keep better records of purchases and provide the information to bookkeeping on a timely manner

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FINDING: GENERAL LEDGER PAYROLL LIABILITY ACCOUNTS WERE NOT RECONCILED

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

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

Anticipated Completion Date of Corrective Action:
FY 26

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:

On going issue with health benefits for employees. New personnel has taken over this project this year and is working on reconciling the records

Planned Corrective Action:
Management will work monthly to keep records updated to try and prevent out of balance accounts

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FINDING: **THE METROPOLITAN GOVERNMENT'S AUDIT COMMITTEE IS NOT A FUNCTIONING COMMITTEE**

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

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

Anticipated Completion Date of Corrective Action:
Date FY 26

Repeat Finding:
No

Planned Corrective Action:
Metro council will take more initiative in working with audit committee

Signature: Sloan Stewart

BEST PRACTICE

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

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

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

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