



JASON E. MUMPOWER
Comptroller

**TENNESSEE STATE FUNDING BOARD
NOVEMBER 24, 2025
AGENDA**

1. Reconvene meeting from November 3, 2025, establish that there is a physical quorum, and receive public comment on actionable agenda items in accordance with Tenn. Code Ann. § 8-44-112 and Board guidelines
2. Consideration and approval of staff recommendations of state revenue projections
3. Consideration and approval of staff recommendations of lottery revenue projections
4. Acknowledge receipt of notification from the Tennessee Education Lottery Corporation pursuant to Tenn. Code Ann. § 4-51-111(a)(3)
5. Consideration and approval of “A Resolution of the Tennessee State Funding Board Concerning the Appointment of an Assistant Secretary”
6. Report from the Department of Economic and Community Development for approval of funding for the following FastTrack projects:

- **Gestamp Chattanooga, LLC, Gestamp North America, Inc. and Gestamp Chattanooga II, LLC – Chattanooga (Hamilton County)**
FastTrack Economic Development Grant \$9,000,000
- **Impact Plastics, Incorporated – Erwin (Unicoi County)**
FastTrack Job Training Assistance Grant \$3,075,000
- **Hyosung HICO, Ltd. – Memphis (Shelby County)**
FastTrack Economic Development Grant \$3,000,000
- **Carlex Glass America, LLC - Nashville (Davidson County)**
FastTrack Economic Development Grant \$1,250,000

7. Report from Tennessee Central Economic Authority
Ms. Helene Cash, Executive Director
Ms. Michele Farley, Development Coordinator
8. Report on State Pooled Investment Fund (SPIF)
Mr. Markus Klar, Director of Fixed Income
Ms. Mary Collins, Director of Investment Operations
State of Tennessee Treasury Department, Investment Division
9. Adjourn

The Board meeting will be held in the Volunteer Conference Center, 2nd Floor, Cordell Hull Building, 425 Rep. John Lewis Way N., Nashville, TN. Board members are allowed to participate by electronic means. The public may attend in person or virtually by using the following link:

<https://www.comptroller.tn.gov/office-functions/sgf/sgf-calendar/2025/11/24/state-funding-board-meeting.html>

Department of Revenue Taxes
Estimated Revenues Based on Recurring Growth Rates
Funding Board Meeting - November 24, 2025

	Recurring Actual FY 2024-2025	FY 2025-2026	Growth Rate	FY 2026-2027	Growth Rate
Total Taxes	\$ 21,933,743,000			\$ 22,734,800,000	2.03%
		\$ 22,282,500,000	1.59%		
				\$ 22,779,400,000	2.23%
				\$ 22,834,800,000	2.03%
		\$ 22,380,500,000	2.04%		
				\$ 22,879,600,000	2.23%
		<i>Spread</i>	<i>0.45%</i>		<i>0.20%</i>
General Fund	\$ 18,904,412,500			\$ 19,468,900,000	2.25%
		\$ 19,040,500,000	0.72%		
				\$ 19,488,000,000	2.35%
				\$ 19,584,100,000	2.25%
		\$ 19,153,200,000	1.32%		
				\$ 19,603,300,000	2.35%
		<i>Spread</i>	<i>0.60%</i>		<i>0.10%</i>

COMPARISON OF ESTIMATED STATE TAX REVENUE FOR
FISCAL YEAR 2025 - 2026
(Accrual - Basis Estimates)

2025-2026											
DEPARTMENT OF REVENUE TAXES											
SOURCE OF REVENUE	2024-2025	July 1, 2025	% Change	UT - BCBER	% Change	Fiscal Review	% Change	Dept. of Revenue	% Change	ETSU	% Change
	Actual Year	Budget Estimate	Over Actual	Estimate	Over Actual	Estimate	Over Actual	Estimate	Over Actual	Estimate	Over Actual
Sales and Use Tax ¹	\$ 14,502,001,400	\$ 14,852,800,000	2.42%	\$ 14,908,100,000	2.80%	\$ 14,991,000,000	3.37%	\$ 14,944,300,000	3.05%	\$ 15,151,000,000	4.48%
Gasoline Tax	889,801,100	887,800,000	-0.22%	894,300,000	0.51%	893,300,000	0.39%	894,700,000	0.55%	897,000,000	0.81%
Motor Fuel Tax	319,488,900	324,400,000	1.54%	322,400,000	0.91%	327,000,000	2.35%	322,000,000	0.79%	326,000,000	2.04%
Gasoline Inspection Tax	72,261,200	72,800,000	0.75%	72,600,000	0.47%	72,650,000	0.54%	73,000,000	1.02%	72,000,000	-0.36%
Motor Vehicle Registration Tax	412,087,400	392,400,000	-4.78%	399,700,000	-3.01%	413,500,000	0.34%	429,000,000	4.10%	396,800,000	-3.71%
Income Tax	2,069,000	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A
Privilege Tax - Less Earmarked Portion ¹	466,855,300	476,000,000	1.96%	494,900,000	6.01%	501,200,000	7.36%	497,200,000	6.50%	459,950,000	-1.48%
Gross Receipts Tax - TVA	400,317,600	399,000,000	-0.33%	404,300,000	0.99%	401,000,000	0.17%	402,300,000	0.50%	402,400,000	0.52%
Gross Receipts Tax - Other	46,236,600	42,100,000	-8.95%	46,200,000	-0.08%	45,000,000	-2.67%	46,400,000	0.35%	50,700,000	9.65%
Beer Tax	16,621,500	17,800,000	7.09%	15,000,000	-9.76%	16,600,000	-0.13%	16,700,000	0.47%	16,320,000	-1.81%
Alcoholic Beverage Tax	84,731,000	89,800,000	5.98%	83,900,000	-0.98%	88,000,000	3.86%	82,000,000	-3.22%	88,840,000	4.85%
Franchise & Excise Tax	3,727,202,000	3,923,400,000	5.26%	3,736,500,000	0.25%	3,750,000,000	0.61%	3,757,000,000	0.80%	3,550,900,000	-4.73%
Inheritance and Estate Tax	126,000	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A
Tobacco Tax	180,531,100	179,000,000	-0.85%	169,700,000	-6.00%	176,100,000	-2.45%	171,300,000	-5.11%	180,800,000	0.15%
Vapor Products Tax	-	17,200,000	N/A	17,200,000	N/A	17,200,000	N/A	17,500,000	N/A	17,200,000	N/A
Hemp Tax	-	55,800,000	N/A	55,800,000	N/A	55,800,000	N/A	57,500,000	N/A	55,800,000	N/A
Motor Vehicle Title Fees	22,600,700	22,300,000	-1.33%	22,100,000	-2.22%	23,000,000	1.77%	23,300,000	3.09%	22,600,000	0.00%
Mixed Drink Tax	229,147,100	229,100,000	-0.02%	232,600,000	1.51%	235,500,000	2.77%	234,200,000	2.21%	229,150,000	0.00%
Business Tax	354,875,300	362,800,000	2.23%	362,000,000	2.01%	365,500,000	2.99%	363,700,000	2.49%	306,800,000	-13.55%
Severance Tax	468,700	500,000	6.68%	500,000	6.68%	500,000	6.68%	500,000	6.68%	468,700	0.00%
Coin-operated Amusement Tax	419,400	500,000	19.22%	400,000	-4.63%	430,000	2.53%	400,000	-4.63%	450,000	7.30%
Unauthorized Substance Tax	1,700	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A
TOTAL DEPARTMENT OF REVENUE	\$ 21,727,843,000	\$ 22,345,500,000	2.84%	\$ 22,238,200,000	2.35%	\$ 22,373,280,000	2.97%	\$ 22,333,000,000	2.79%	22,225,178,700	2.29%
TOTAL - RECURRING	\$ 21,933,743,000	\$ 22,380,500,000	2.04%	\$ 22,273,200,000	1.55%	\$ 22,408,280,000	2.16%	\$ 22,368,000,000	1.98%	22,260,178,700	1.49%
GENERAL FUND ONLY ²	\$ 18,680,412,500	\$ 19,118,200,000	2.34%	\$ 19,028,400,000	1.86%	\$ 19,143,980,000	2.48%	\$ 19,096,700,000	2.23%	19,002,578,700	1.72%
GENERAL FUND - RECURRING	\$ 18,904,412,500	\$ 19,153,200,000	1.32%	\$ 19,063,400,000	0.84%	\$ 19,178,980,000	1.45%	\$ 19,131,700,000	1.20%	19,037,578,700	0.70%

SELECTED TAXES	Actual Year	July 1 Estimate	%	UT - BCBER	%	Fiscal Review	%	Revenue Dept.	%	ETSU	%
SALES AND USE TAX	\$ 14,502,001,400	\$ 14,852,800,000	2.42%	\$ 14,908,100,000	2.80%	\$ 14,991,000,000	3.37%	\$ 14,944,300,000	3.05%	\$ 15,151,000,000	4.48%
FRANCHISE AND EXCISE TAXES	3,727,202,000	3,923,400,000	5.26%	3,736,500,000	0.25%	3,750,000,000	0.61%	3,757,000,000	0.80%	3,550,900,000	-4.73%
ROAD USER TAXES (Fuel + MV Reg Taxes)	1,693,638,600	1,677,400,000	-0.96%	1,689,000,000	-0.27%	1,706,450,000	0.76%	1,718,700,000	1.48%	1,691,800,000	-0.11%
Fuel Taxes Only	1,281,551,200	1,285,000,000	0.27%	1,289,300,000	0.60%	1,292,950,000	0.89%	1,289,700,000	0.64%	1,295,000,000	1.05%
SELECT CONSUMPTION TAXES	511,030,700	588,700,000	15.20%	574,200,000	12.36%	589,200,000	15.30%	579,200,000	13.34%	588,110,000	15.08%
ALL OTHER TAXES	1,293,970,300	1,303,200,000	0.71%	1,330,400,000	2.82%	1,336,630,000	3.30%	1,333,800,000	3.08%	1,243,368,700	-3.91%

¹ For FY 2024-2025 excludes \$153.7 million in earmarked fund in Sales and Use Taxes and \$79.1 million from Privilege Tax collections.
For FY 2025-2026 and FY 2026-2027 exclude estimates of \$159 million in earmarked funds in Sales and Use Taxes and \$78 million from Privilege Tax collections.

² F&A calculated the General Fund distribution for all presenters.

COMPARISON OF ESTIMATED STATE TAX REVENUE FOR
FISCAL YEAR 2026 - 2027
(Accrual - Basis Estimates)

2026-2027								
DEPARTMENT OF REVENUE TAXES	UT - BCBER	% Change Over	Fiscal Review	% Change Over	Dept. of Revenue	% Change Over	ETSU	% Change Over
SOURCE OF REVENUE	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Sales and Use Tax ¹	\$ 15,265,900,000	2.40%	\$ 15,441,000,000	3.00%	\$ 15,332,900,000	2.60%	\$ 15,600,000,000	2.96%
Gasoline Tax	901,400,000	0.79%	898,500,000	0.58%	901,000,000	0.70%	924,000,000	3.01%
Motor Fuel Tax	324,600,000	0.68%	330,000,000	0.92%	325,500,000	1.09%	344,500,000	5.67%
Gasoline Inspection Tax	73,000,000	0.55%	73,100,000	0.62%	73,600,000	0.82%	74,810,000	3.90%
Motor Vehicle Registration Tax	403,700,000	1.00%	418,000,000	1.09%	444,900,000	3.71%	307,000,000	-22.63%
Income Tax	-	N/A	-	N/A	-	N/A	-	N/A
Privilege Tax - Less Earmarked Portion ¹	513,200,000	3.70%	517,000,000	3.15%	520,600,000	4.71%	505,500,000	9.90%
Gross Receipts Tax - TVA	404,300,000	0.00%	403,500,000	0.62%	404,300,000	0.50%	419,000,000	4.13%
Gross Receipts Tax - Other	46,200,000	0.00%	48,500,000	7.78%	46,500,000	0.22%	29,350,000	-42.11%
Beer Tax	14,400,000	-4.00%	16,400,000	-1.20%	16,800,000	0.60%	19,320,000	18.38%
Alcoholic Beverage Tax	83,900,000	0.00%	88,300,000	0.34%	82,400,000	0.49%	95,600,000	7.61%
Franchise & Excise Tax	3,781,400,000	1.20%	3,700,000,000	-1.33%	3,802,100,000	1.20%	3,554,800,000	0.11%
Inheritance and Estate Tax	-	N/A	-	N/A	-	N/A	-	N/A
Tobacco Tax	163,400,000	-3.71%	174,200,000	-1.08%	164,000,000	-4.26%	211,000,000	16.70%
Vapor Products Tax	17,200,000	0.00%	17,600,000	2.33%	17,900,000	2.29%	17,200,000	0.00%
Hemp Tax	111,600,000	100.00%	130,000,000	132.97%	111,800,000	94.43%	55,800,000	0.00%
Motor Vehicle Title Fees	22,400,000	1.36%	23,150,000	0.65%	23,800,000	2.15%	24,505,000	8.43%
Mixed Drink Tax	234,900,000	0.99%	241,200,000	2.42%	240,500,000	2.69%	228,050,000	-0.48%
Business Tax	372,800,000	2.98%	371,000,000	1.50%	373,200,000	2.61%	318,000,000	3.65%
Severance Tax	500,000	0.00%	500,000	0.00%	500,000	0.00%	820,000	74.95%
Coin-operated Amusement Tax	400,000	N/A	430,000	0.00%	400,000	0.00%	465,000	3.33%
Unauthorized Substance Tax	-	N/A	-	N/A	-	N/A	-	N/A
TOTAL DEPARTMENT OF REVENUE	\$ 22,735,200,000	2.23%	\$ 22,892,380,000	2.32%	\$ 22,882,700,000	2.46%	22,729,720,000	2.27%
TOTAL - RECURRING	22,770,200,000	2.23%	22,927,380,000	2.32%	22,917,700,000	2.46%	22,764,720,000	2.27%
GENERAL FUND ONLY ²	\$ 19,476,500,000	2.35%	\$ 19,606,980,000	2.42%	\$ 19,582,000,000	2.54%	19,489,420,000	2.56%
GENERAL FUND - RECURRING	19,511,500,000	2.35%	19,641,980,000	2.41%	19,617,000,000	2.54%	19,524,420,000	2.56%

SELECTED TAXES	UT - BCBER	%	Fiscal Review	%	Revenue Dept.	%	ETSU	%
SALES AND USE TAX	\$ 15,265,900,000	2.40%	\$ 15,441,000,000	3.00%	\$ 15,332,900,000	2.60%	\$ 15,600,000,000	2.96%
FRANCHISE AND EXCISE TAXES	3,781,400,000	1.20%	3,700,000,000	-1.33%	3,802,100,000	1.20%	3,554,800,000	0.11%
ROAD USER TAXES (Fuel + MV Reg Taxes)	1,702,700,000	0.81%	1,719,600,000	0.77%	1,745,000,000	1.53%	1,650,310,000	-2.45%
Fuel Taxes Only	1,299,000,000	0.75%	1,301,600,000	0.67%	1,300,100,000	0.81%	1,343,310,000	3.73%
SELECT CONSUMPTION TAXES	625,400,000	8.92%	667,700,000	13.32%	633,400,000	9.36%	626,970,000	6.61%
ALL OTHER TAXES	1,359,800,000	2.21%	1,364,080,000	2.05%	1,369,300,000	2.66%	1,297,640,000	4.36%

¹ For FY 2026-2027, Sales and Use Tax estimates and Privilege Tax estimates exclude designated earmarked funds.

² F&A calculated the General Fund distribution for all presenters.

Net Lottery Proceeds Estimates
Actual 2024-2025 and Estimated 2025-2026 Through 2029-2030
November 24, 2025

	2024-2025 Actual	2025-2026 Revised	%	2026-2027 Estimated	%	2027-2028 Estimated	%	2028-2029 Estimated	%	2029-2030 Estimated	%
Lottery Corporation											
Low	412,314,000	434,017,000	5.26%	442,000,000	1.84%	449,000,000	1.58%	457,000,000	1.78%	465,000,000	1.75%
High	412,314,000	445,049,000	7.94%	455,000,000	2.24%	465,000,000	2.20%	476,000,000	2.37%	486,000,000	2.10%
Fiscal Review Staff											
Low	412,314,000	405,228,600	-1.72%	392,190,600	-3.22%						
Median	412,314,000	411,857,600	-0.11%	402,303,000	-2.32%	406,326,030	1.00%	410,389,290	1.00%	414,493,183	1.00%
High	412,314,000	418,486,600	1.50%	412,415,400	-1.45%						
Recommended Range											
Low	412,314,000	403,000,000	-2.25%	390,000,000	-3.22%	390,000,000	0.00%	390,000,000	0.00%	390,000,000	0.00%
High	412,314,000	405,200,000	-1.72%	399,300,000	-1.45%	399,300,000	0.00%	399,300,000	0.00%	399,300,000	0.00%
Spread		2,200,000	0.53%	9,300,000	1.77%	9,300,000	0.00%	9,300,000	0.00%	9,300,000	0.00%



November 3, 2025

Honorable Bill Lee, Governor of the State of Tennessee
Jason E. Mumpower, Comptroller
Tre Hargett, Secretary of State
David H. Lillard, Jr., Treasurer
Jim Bryson, Commissioner of Finance & Administration

Re: Net Lottery Proceeds for Fiscal Year 2026

Dear State Funding Board Members:

The Tennessee Education Lottery Corporation (“TEL”) has as its statutory mission the responsibility to maximize the dollars available for the education programs funded by the corporation. The Tennessee Education Lottery Implementation Law at TCA §4-51-111(a)(3) provides the corporation with the ability to make a determination that returning a specific percentage of sales as net lottery proceeds (35%) would not result in the maximum dollars of net proceeds being achieved.

The TEL is hereby providing notification of its determination that an amount that maximizes net lottery proceeds to the State of Tennessee Lottery for Education Account is projected less than thirty-five percent (35%) of lottery proceeds for fiscal year 2026. The amount currently projected by the TEL for the fiscal year ranges from \$434 million to \$459 million.

The reasons for this determination are as follows:

1. The TEL offers two types of lottery products—instant tickets (games in which players can instantly view the symbols printed and determine if they won a prize) and drawing-style games (games in which a player must wait until a drawing is held to determine if the ticket is a winner). Instant tickets are historically more popular with Tennessee players. Instant tickets have been our top performer since inception, driving 80% of total ticket revenue. So far in FY2026, they account for 77%—a slight dip fueled by the excitement of a record-breaking \$1.7 billion Powerball jackpot won the first week of September 2025. This shift typically happens when Powerball and Mega Millions jackpots soar, pulling players toward these high-profile draw-style games.

The instant ticket product offers players more price point options, from \$1 to \$50 in Tennessee (and as much as \$100 in other jurisdictions), compared to drawing-style games which offer price points of generally \$.50 to \$5 per play. With the variable instant game price points, players are able to choose the entertainment value based on the price point of the ticket. A higher price point game generally offers higher entertainment value through the increased amount, and dollar value, of the prizes within a game. In Tennessee, the players are choosing to purchase higher price point

games, as evidenced by the growth in the \$5, \$10, \$20, \$30 and most recently \$50 price points.

As players have migrated to the higher price point instant games, the overall prize payout has increased from 62% in fiscal year 2005 to 68.5% in fiscal year 2025. TEL management is projecting it will be approximately 68.5% for fiscal year 2026. As a result of the current instant games payout percentage, the percentage of net lottery proceeds compared to total lottery proceeds for all games is projected to be approximately 25% for fiscal year 2026.

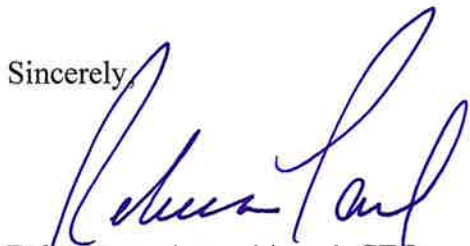
Actual gross profits from instant games have increased year over year, increasing from \$153.8 million in fiscal year 2005 to \$311.4 million in fiscal year 2025 . Since fiscal year 2005, instant game gross revenues have increased an average of 4.8% annually, with a corresponding increase in actual gross profits of an average of 3.6% annually. Gross profit is based on net ticket revenues, less direct costs of cash prizes, retailer commissions and major gaming vendors' fees.

2. In reviewing the industry wide instant games prize payouts as part of our budgetary process, Tennessee continues to maintain one of the lowest aggregated Instant Game prize payouts within the top ten performing lotteries. Empirical evidence indicates that a reduction in payout will result in a reduction in gross revenues and a corresponding reduction in net lottery proceeds. The experience of other states, as well as Tennessee, indicates that increasing the percentage of the prize payout over time has resulted in increased revenues and more importantly, increased net lottery proceeds.

If after reviewing our analysis you have any questions, please do not hesitate to contact us for further discussion.

We continue to take very seriously our statutory charge to maximize the net proceeds of the Tennessee Education Lottery Corporation. We believe this determination is consistent with that charge.

Sincerely,

A handwritten signature in blue ink, appearing to read "Rebecca Paul", is written over the word "Sincerely,".

Rebecca Paul, President & CEO
Tennessee Education Lottery Corporation

cc: Will Carver, Chair of Board of Directors, Tennessee Education Lottery Corporation

A RESOLUTION OF THE TENNESSEE STATE FUNDING
BOARD CONCERNING THE APPOINTMENT OF AN
ASSISTANT SECRETARY

WHEREAS, pursuant to Tenn. Code Ann. § 9-9-101, the Comptroller of the Treasury for the State of Tennessee serves as the Vice Chair and Secretary to the Tennessee State Funding Board (the “Board”); and

WHEREAS, Tenn. Comp. R. & Regs. 1375-1-1-.03(1) provides that the secretary, with the approval of the Board, shall appoint one or more assistant secretaries as necessary to carry out the business of the Board; and

WHEREAS, the Board, by previous action, approved the appointment of Sandra N. Thompson, Director of the Division of State Government Finance within the Comptroller’s Office, as the Assistant Secretary; and

WHEREAS, Ms. Thompson will retire from State service effective November 30, 2025; and

WHEREAS, Jason Mumpower, Comptroller, has appointed Kayla S. Carr, Assistant Director of the Division of State Government Finance, to succeed Ms. Thompson as Director and as Assistant Secretary to the Board.

NOW, THEREFORE BE IT RESOLVED THAT:

SECTION 1. The Board hereby approves the appointment of Kayla S. Carr as the Assistant Secretary effective November 24, 2025.

SECTION 2. The Board acknowledges the service Sandra N. Thompson has provided to the Board over the past twelve years and wishes her well in her retirement.

SECTION 3. This resolution shall take effect immediately and all resolutions or parts of resolutions in conflict are hereby repealed.

FastTrack Report to State Funding Board

11/24/2025

1. Previous FastTrack Balance, as of Last Report	683,804,732.11
2. + New Appropriations:	0.00
3. + Newly Deobligated Funds:	2,065,514.00
4. + Funds Transferred to FastTrack:	0.00
5. - Funds Transferred from FastTrack:	0.00
6. - FastTrack Grants or Loans Approved Greater Than \$750,000:	(4,750,000.00)
7. - FastTrack Grants or Loans Approved Less Than \$750,000:	0.00
8. - FastTrack Administration	(321,649.53)
9. Adjusted FastTrack Balance Available for Funding FastTrack Grants or Loans:	680,798,596.58
10. Total Amount of Commitments:	554,504,792.88
11. Uncommitted FastTrack:	126,293,803.70
12. Percentage Committed:	81.4%
13. Amount of Proposed Grants or Loans:	16,325,000.00
14. Uncommitted FastTrack Balance if Proposed Grants or Loans Approved:	109,968,803.70
15. Percentage Committed:	83.8%

I have reviewed the above and believe it to be correct:



Commissioner of Economic and Community Development

Date: 11/19/25



Tennessee Department of Economic and Community Development

Stuart C. McWhorter
Deputy Governor &
TNECD Commissioner

Bill Lee
Governor

November 24, 2025

Comptroller Jason Mumpower
First Floor, State Capitol
Nashville, TN 37243

Dear Comptroller Mumpower:

The Department of Economic & Community Development (the “Department”) seeks approval by the State Funding Board (the “Board”) pursuant to T.C.A. § 4-3-717(a) authorizing FastTrack infrastructure, training, and economic development grants where there is a commitment by an eligible business to create or retain private sector jobs or engage in private investment or where the Commissioner of Economic and Community Development determines that such investment will have a direct impact on employment and investment opportunities in the future. The following projects meet the statutory requirements, and the Department presents these projects to the Board pursuant to the mandates of T.C.A. § 4-3-717(e), which requires approval of grants and loans under the FastTrack Infrastructure Development Program, the FastTrack Job Training Assistance Program, and the FastTrack Economic Development Program that exceed \$750,000 per eligible business within a three (3) year period.

1. Gestamp Chattanooga, LLC, Gestamp North America, Inc. and Gestamp Chattanooga II, LLC – Chattanooga (Hamilton County)

Gestamp Automoción, S.A., headquartered in Spain, is the parent company of Gestamp Chattanooga, LLC. Established in 1997, Gestamp specializes in the design, development, and manufacturing of highly engineered metal components and assemblies for leading automotive manufacturers. The company operates in 24 countries and manages more than 100 production facilities worldwide.

Gestamp is dedicated to innovative solutions, focusing on products that contribute to safer and lighter vehicles. This commitment supports improved energy efficiency and reduced environmental impact across the automotive industry.



Tennessee Department of Economic and Community Development

Stuart C. McWhorter
Deputy Governor &
TNECD Commissioner

Bill Lee
Governor

The company's product portfolio includes Body-in-White and Chassis components, complex assembly systems, opening mechanisms, as well as tooling, dies, and related engineering services.

Gestamp is committed to a strategic modernization initiative at its Chattanooga facility to ensure long-term production viability, job retention, and future investment.

Gestamp Chattanooga, LLC, Gestamp North America, Inc. and Gestamp Chattanooga II, LLC has committed to retain 1,224 jobs and make a \$104,193,445 capital investment within 5 years. The company has an average hourly wage of \$30.08 for the current positions.

FastTrack Economic Development Grant funds will help offset expenses such as machinery and equipment for a total of \$9,000,000. **(\$9,000,000)**

Total FastTrack funds for this project - \$9,000,000

2. Impact Plastics, Incorporated – Erwin (Unicoi County)

Impact Plastics, a family-owned injection molding company based in Erwin, Tennessee, continues to recover from the catastrophic flooding that severely damaged its 115,000-square-foot facility. Founded in 1986, the company has been a longstanding part of the Erwin business community.

Hurricane Helene had a devastating impact on Impact Plastics and their employees. As a result of this catastrophic event, the Impact Plastics facility and equipment is considered a total loss. Impact Plastics is in the process of rebuilding.

Impact Plastics has committed to rehire and retain 67 positions, and add an additional 56 net new jobs for a total of 123 jobs and make a \$11,820,008 capital investment within 5 years. The company will have an average hourly wage of \$19.59 for the retained positions.

FastTrack Job Training Assistance Program funds will be used to retrain the full-time employees and train the new employees for a total of \$3,075,000. **(\$3,075,000)**



Tennessee Department of Economic and Community Development

Stuart C. McWhorter
Deputy Governor &
TNECD Commissioner

Bill Lee
Governor

Total FastTrack funds for this project - \$3,075,000

3. Hyosung HICO, Ltd. Company – Memphis (Shelby County)

Subsidiary to South Korean Hyosung Heavy Industries, Hyosung HICO is a leading U.S. producer of large power transformers, critical components that ensure a secure and reliable electric grid. Since selecting Memphis for its U.S. production facility in 2019, the company has become a cornerstone of Hyosung's North American presence and a key driver in domestic grid modernization.

This project will expand Hyosung HICO's manufacturing capacity by an additional 50%, making the facility one of the largest domestic power transformer manufacturing operations in the U.S. and the only facility currently dedicated to manufacturing 765kV transformers domestically.

Hyosung HICO, Ltd. Company has committed to create 240 net new jobs and make a \$156,610,865 capital investment within 5 years. The company will have an average hourly wage of \$29.48 for the new positions.

FastTrack Economic Development Grant funds will help offset expenses such as building expansion, building retrofit, and building improvements for a total of \$3,000,000. **(\$3,000,000)**

Total FastTrack funds for this project - \$3,000,000

4. Carlex Glass America, LLC – Nashville (Davidson County)

A cornerstone of Tennessee manufacturing since 1958, Carlex's investment in new technology and equipment signifies its commitment to the community, its customers and U.S. manufacturing. The business serves original equipment manufacturer customers across the automotive sector, providing products ranging from windshields, panoramic roofs, sidelights and backlights.

The expansion will enable Carlex to fabricate larger precision-formed automotive glass using the most technologically advanced equipment available – the only end-to-end process of its kind in North America.



Tennessee Department of Economic and Community Development

Stuart C. McWhorter
Deputy Governor &
TNECD Commissioner

Bill Lee
Governor

Carlex Glass America, LLC has committed to create 143 net new jobs and make a \$55,400,000 capital investment within 5 years. The company will have an average hourly wage of \$36.45 for the new positions.

FastTrack Economic Development Grant funds will help offset expenses such as building expansion, building retrofit, and building improvements for a total of \$1,250,000. **(\$1,250,000)**

Total FastTrack funds for this project - \$1,250,000

Sincerely,

A handwritten signature in blue ink that reads "Stuart C. McWhorter".

Stuart McWhorter

SM/js

State Funding Board FastTrack Checklist

FastTrack grants or loans exceeding seven hundred fifty thousand dollars (\$750,000) per eligible business within a three-year period require state funding board approval T.C.A. § 4-3-717(e).

Please identify the type of FastTrack funding requested and the grant or loan amount:

TYPE OF FUNDING		RECIPIENT ENTITY	GRANT AMOUNT	LOAN AMOUNT
☐	INFRASTRUCTURE			
☐	TRAINING*			
☒	ECONOMIC DEVELOPMENT	Hamilton County	\$9,000,000	
TOTAL			\$9,000,000	

(Recipient entity must be a local government, their economic development organization, a political subdivision of the state, or an eligible business beneficiary [for training only].)

***ELIGIBLE BUSINESS BENEFICIARY (if different than Recipient Entity):** Gestamp Chattanooga, LLC, Gestamp North America, Inc. and Gestamp Chattanooga II, LLC

Complete the General Statutory Compliance section below and the section(s) that corresponds with the type of funding indicated above. General Statutory Compliance items apply to all types of funding represented above.

GENERAL STATUTORY COMPLIANCE

1. Will this new commitment cause the FastTrack appropriations to be over-committed T.C.A. § 4-3-716(g)? If "yes," state funding board concurrence is required. Attach the commissioner's rationale used to determine the amount of actual commitments unlikely to be accepted based on historical program trends (maximum allowed is 130% of the appropriations available for new grants). ☐ Yes ☒ No
2. Will this new commitment place in jeopardy compliance with the legislative intent that actual expenditures and obligations to be recognized at the end of the fiscal year not exceed available reserves and appropriations of the programs T.C.A. § 4-3-716(g)? ☐ Yes ☒ No
3. Does this grant or loan comply with the legislative intent to distribute FastTrack funds in all areas of the state to the extent practicable T.C.A. § 4-3-716(f)? ☒ Yes ☐ No
4. Has the commissioner of economic and community development provided to the commissioner of finance and administration (with copies transmitted to the speaker of the house of representatives, the speaker of the senate, the chairs of the finance, ways and means committees, the state treasurer, the state comptroller, the office of legislative budget analysis, and the secretary of state) the most recent quarterly report regarding the status of the appropriations for the FastTrack fund T.C.A. § 4-3-716(h)? ☒ Yes ☐ No

Identify which of the following apply:

5. a. Does the business export more than half of their products or services outside of Tennessee T.C.A. § 4-3-717(h)(1)(A)? ☒
- b. Do more than half of the business' products or services enter into the production of exported products T.C.A. § 4-3-717(h)(1)(B)? ☐
- c. Does the use of business' products primarily result in import substitution on the replacement of imported products or services with those produced in the state T.C.A. § 4-3-717(h)(1)(C)? ☐
- d. Has the commissioner of economic and community development determined the business has other types of economic activity that contributes significantly to community development education and has a beneficial impact on the economy of the state T.C.A. § 4-3-717(h)(1)(D)? If "yes," attach the commissioner's rationale. ☐

Applicant must answer "Yes" to a or b.

6. a. Is there a commitment by a responsible official in an eligible business for the creation or retention of private sector jobs and investment T.C.A. § 4-3-717(a)? If "yes," attach documentation. ☒
- b. Has the commissioner of economic and community development determined that this investment will have a direct impact on employment and investment opportunities in the future T.C.A. § 4-3-717(a)? If "yes," attach the commissioner's rationale. ☐

TRAINING

7. Will the grant support the training of new employees for locating or expanding industries *T.C.A. § 4-3-717(c)(1)?* ☐ Yes ☐ No
8. Will the grant support the retraining of existing employees where retraining is required by the installation of new machinery or production processes *T.C.A. § 4-3-717(c)(2)?* ☐ Yes ☐ No

INFRASTRUCTURE

9. Is the land to be improved publicly owned and not subject to a purchase option by a private entity where the purchase option covering the land may be exercised within a period of five (5) years following the date of the infrastructure grant? *T.C.A. § 4-3-717(b)(2-3)?* ☐ Yes ☐ No
10. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state *T.C.A. § 4-3-717(d)(1)?* ☐ Yes ☐ No
11. In determining the level of assistance for infrastructure and site preparation, was consideration given to local ability-to-pay with areas of lesser ability being eligible for higher grant rates *T.C.A. § 4-3-717(f)?* ☐ Yes ☐ No

Applicant must answer "Yes" to a or b.

12. a. Will the grant or loan address infrastructure, such as, water, wastewater, transportation systems, line extensions, industrial site preparation or similar items where it is demonstrated that such improvements are necessary for the location or expansion of business or industry *T.C.A. § 4-3-717(h)(2)?* ☐
- b. Has the commissioner of economic and community development determined the funds make significant technological improvements such as digital switches or fiber optic cabling that would have a beneficial impact on the economy of this state *T.C.A. § 4-3-717(h)(2)?* If "yes," attach the commissioner's rationale. ☐

ECONOMIC DEVELOPMENT

13. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state *T.C.A. § 4-3-717(d)(1)?* ☒ Yes ☐ No
14. Is this grant or loan eligible for FastTrack infrastructure development or job training assistance funds *T.C.A. § 4-3-717(d)(1)?* ☐ Yes ☒ No
15. Will this grant or loan be used to facilitate economic development activities that include, but are not limited to, retrofitting, relocating equipment, purchasing equipment, building repairs and improvements, temporary office space or other temporary equipment related to relocation or expansion of a business *T.C.A. § 4-3-717(d)(1)?* ☒ Yes ☐ No
16. Will the funds be used in exceptional circumstances wherein the funds will make a proportionally significant economic impact on the affected community *T.C.A. § 4-3-717(d)(1)?* If "yes," attach an explanation of the exceptional circumstances and the proportionally significant economic impact. ☒ Yes ☐ No
17. The department of economic and community development is required to notify and provide the state funding board a detailed written explanation of the purpose for which this economic development grant or loan is being awarded or used *T.C.A. § 4-3-717(d)(2)*. Attach documentation. ☒ Yes ☐ No

I have reviewed this document and believe it to be correct.



Commissioner of Economic and Community Development

11/19/25

Date



Department of Economic and Community Development

Stuart McWhorter
Commissioner

Bill Lee
Governor

July 23, 2025

INCENTIVE ACCEPTANCE FORM

This form serves as notice that Gestamp intends, in good faith, to make a capital investment of \$104,193,445 in Chattanooga, Hamilton County in exchange for incentives that will be memorialized in a grant agreement between Gestamp and the State of Tennessee.

ECD OFFER SUMMARY

FastTrack Modernization Grant:	\$ 9,000,000
Total ECD Commitment:	\$ 9,000,000

Please sign your name in the space below to signify Gestamp's acceptance of ECD's offer set forth above and return it by October 21, 2025, to:

Tennessee Department of Economic and Community Development
Attn: Sydney Forrest
312 Rosa Parks Avenue, 27th Floor
Nashville, TN 37243
Sydney.Forrest@tn.gov

Please note that this Incentive Acceptance Form does not give rise to any legal obligations on the part of the State of Tennessee, any department or instrumentality of the State of Tennessee (including ECD and the Department of Revenue) or the Company. The terms and conditions governing the award of the incentive package described herein will be set forth in a grant agreement, the form of which will be provided to the Company following the delivery of an executed copy of the Incentive Acceptance Form. The incentives described in this letter are based upon the representations made by the Company to ECD regarding the project. ECD reserves the right to revise the incentives described in this Incentive Acceptance Form if any aspect of the project changes after receipt of this form. Changes that could result in revision of incentives include, but are not limited to, number of jobs, amount of capital investment, composition of company vs. contract jobs, average wage, or location of the project. ECD reserves the right to recover funds for this project if grant contracts are not executed within one year of the date of signature below.

Signature: 
(Authorized Representative of Company)

Date: 9/3/2025



Tennessee Department of Economic and Community Development

Stuart C. McWhorter
Deputy Governor &
TNECD Commissioner

Bill Lee
Governor

November 24, 2025

Comptroller Jason Mumpower
First Floor, State Capitol
Nashville, TN 37243

Dear Comptroller Mumpower:

Pursuant to Tennessee Code Annotated §4-3-717 (d)(1)-(2), I am writing to inform you that the Department of Economic and Community Development is awarding a FastTrack Economic Development Grant to the Hamilton County for the benefit of Gestamp Chattanooga, LLC, Gestamp North America, Inc. and Gestamp Chattanooga II, LLC in the amount of \$9,000,000 to offset the costs Gestamp Chattanooga, LLC, Gestamp North America, Inc. and Gestamp Chattanooga II, LLC will incur in machinery and equipment. The project activities would not be eligible for the FastTrack Infrastructure Development Program.

This project will yield a proportionately significant impact on this community due to the high capital investment. Gestamp Chattanooga, LLC, Gestamp North America, Inc. and Gestamp Chattanooga II, LLC has committed to retain 1,224 jobs and make a \$104,193,445 capital investment within 5 years. The company has an average hourly wage of \$30.08 for the current positions. This project will have an exceptional impact on this area of the state.

Sincerely,

A handwritten signature in blue ink that reads "Stuart C. McWhorter". The signature is written in a cursive, flowing style.

Stuart McWhorter

SM/js

State Funding Board FastTrack Checklist

FastTrack grants or loans exceeding seven hundred fifty thousand dollars (\$750,000) per eligible business within a three-year period require state funding board approval T.C.A. § 4-3-717(e).

Please identify the type of FastTrack funding requested and the grant or loan amount:

TYPE OF FUNDING		RECIPIENT ENTITY	GRANT AMOUNT	LOAN AMOUNT
	INFRASTRUCTURE			
	TRAINING*	Impact Plastics, Incorporated	\$3,075,000	
	ECONOMIC DEVELOPMENT			
TOTAL			\$3,075,000	

(Recipient entity must be a local government, their economic development organization, a political subdivision of the state, or an eligible business beneficiary [for training only].)

***ELIGIBLE BUSINESS BENEFICIARY (if different than Recipient Entity):** Impact Plastics, Incorporated

Complete the General Statutory Compliance section below and the section(s) that corresponds with the type of funding indicated above. General Statutory Compliance items apply to all types of funding represented above.

GENERAL STATUTORY COMPLIANCE

1. Will this new commitment cause the FastTrack appropriations to be over-committed T.C.A. § 4-3-716(g)? ☐ Yes ☒ No
If "yes," state funding board concurrence is required. Attach the commissioner's rationale used to determine the amount of actual commitments unlikely to be accepted based on historical program trends (maximum allowed is 130% of the appropriations available for new grants).
2. Will this new commitment place in jeopardy compliance with the legislative intent that actual expenditures and obligations to be recognized at the end of the fiscal year not exceed available reserves and appropriations of the programs T.C.A. § 4-3-716(g)? ☐ Yes ☒ No
3. Does this grant or loan comply with the legislative intent to distribute FastTrack funds in all areas of the state to the extent practicable T.C.A. § 4-3-716(f)? ☒ Yes ☐ No
4. Has the commissioner of economic and community development provided to the commissioner of finance and administration (with copies transmitted to the speaker of the house of representatives, the speaker of the senate, the chairs of the finance, ways and means committees, the state treasurer, the state comptroller, the office of legislative budget analysis, and the secretary of state) the most recent quarterly report regarding the status of the appropriations for the FastTrack fund T.C.A. § 4-3-716(h)? ☒ Yes ☐ No

Identify which of the following apply:

5. a. Does the business export more than half of their products or services outside of Tennessee T.C.A. § 4-3-717(h)(1)(A)? ☒
- b. Do more than half of the business' products or services enter into the production of exported products T.C.A. § 4-3-717(h)(1)(B)? ☐
- c. Does the use of business' products primarily result in import substitution on the replacement of imported products or services with those produced in the state T.C.A. § 4-3-717(h)(1)(C)? ☐
- d. Has the commissioner of economic and community development determined the business has other types of economic activity that contributes significantly to community development education and has a beneficial impact on the economy of the state T.C.A. § 4-3-717(h)(1)(D)? If "yes," attach the commissioner's rationale. ☐

Applicant must answer "Yes" to a or b.

6. a. Is there a commitment by a responsible official in an eligible business for the creation or retention of private sector jobs and investment T.C.A. § 4-3-717(a)? If "yes," attach documentation. ☒
- b. Has the commissioner of economic and community development determined that this investment will have a direct impact on employment and investment opportunities in the future T.C.A. § 4-3-717(a)? If "yes," attach the commissioner's rationale. ☐

TRAINING

7. Will the grant support the training of new employees for locating or expanding industries *T.C.A. § 4-3-717(c)(1)*? ☒ Yes ☐ No
8. Will the grant support the retraining of existing employees where retraining is required by the installation of new machinery or production processes *T.C.A. § 4-3-717(c)(2)*? ☒ Yes ☐ No

INFRASTRUCTURE

9. Is the land to be improved publicly owned and not subject to a purchase option by a private entity where the purchase option covering the land may be exercised within a period of five (5) years following the date of the infrastructure grant? *T.C.A. § 4-3-717(b)(2-3)*? ☐ Yes ☐ No
10. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state *T.C.A. § 4-3-717(d)(1)*? ☐ Yes ☐ No
11. In determining the level of assistance for infrastructure and site preparation, was consideration given to local ability-to-pay with areas of lesser ability being eligible for higher grant rates *T.C.A. § 4-3-717(f)*? ☐ Yes ☐ No

Applicant must answer "Yes" to a or b.

12. a. Will the grant or loan address infrastructure, such as, water, wastewater, transportation systems, line extensions, industrial site preparation or similar items where it is demonstrated that such improvements are necessary for the location or expansion of business or industry *T.C.A. § 4-3-717(h)(2)*? ☐
- b. Has the commissioner of economic and community development determined the funds make significant technological improvements such as digital switches or fiber optic cabling that would have a beneficial impact on the economy of this state *T.C.A. § 4-3-717(h)(2)*? If "yes," attach the commissioner's rationale. ☐

ECONOMIC DEVELOPMENT

13. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state *T.C.A. § 4-3-717(d)(1)*? ☐ Yes ☐ No
14. Is this grant or loan eligible for FastTrack infrastructure development or job training assistance funds *T.C.A. § 4-3-717(d)(1)*? ☐ Yes ☐ No
15. Will this grant or loan be used to facilitate economic development activities that include, but are not limited to, retrofitting, relocating equipment, purchasing equipment, building repairs and improvements, temporary office space or other temporary equipment related to relocation or expansion of a business *T.C.A. § 4-3-717(d)(1)*? ☐ Yes ☐ No
16. Will the funds be used in exceptional circumstances wherein the funds will make a proportionally significant economic impact on the affected community *T.C.A. § 4-3-717(d)(1)*? If "yes," attach an explanation of the exceptional circumstances and the proportionally significant economic impact. ☐ Yes ☐ No
17. The department of economic and community development is required to notify and provide the state funding board a detailed written explanation of the purpose for which this economic development grant or loan is being awarded or used *T.C.A. § 4-3-717(d)(2)*. Attach documentation. ☐ Yes ☐ No

I have reviewed this document and believe it to be correct.



Commissioner of Economic and Community Development

11/19/25

Date



Department of Economic and Community Development

Stuart McWhorter
Commissioner

Bill Lee
Governor

September 5, 2025

INCENTIVE ACCEPTANCE FORM

This form serves as notice that Impact Plastics, Incorporated intends, in good faith, to create 123 private sector jobs in Erwin, Unicoi County and make a capital investment of \$11,820,008 in exchange for incentives that will be memorialized in a grant agreement between Impact Plastics, Incorporated and the State of Tennessee. New jobs must be in addition to the company's baseline of 0 jobs at the project site in Tennessee.

ECD OFFER SUMMARY

FastTrack Job Training Grant:	\$ 3,075,000
Total ECD Commitment:	\$ 3,075,000

Please sign your name in the space below to signify Impact Plastics, Incorporated's acceptance of ECD's offer set forth above and return it by December 4, 2025 to:

Tennessee Department of Economic and Community Development
Attn: Scottie Tudor
312 Rosa Parks Avenue, 27th Floor
Nashville, TN 37243
Scottie.Tudor@tn.gov

Please note that this Incentive Acceptance Form does not give rise to any legal obligations on the part of the State of Tennessee, any department or instrumentality of the State of Tennessee (including ECD and the Department of Revenue) or the Company. The terms and conditions governing the award of the incentive package described herein will be set forth in a grant agreement, the form of which will be provided to the Company following the delivery of an executed copy of the Incentive Acceptance Form. The incentives described in this letter are based upon the representations made by the Company to ECD regarding the project. ECD reserves the right to revise the incentives described in this Incentive Acceptance Form if any aspect of the project changes after receipt of this form. Changes that could result in revision of incentives include, but are not limited to, number of jobs, amount of capital investment, composition of company vs. contract jobs, average wage, or location of the project. ECD reserves the right to recover funds for this project if grant contracts are not executed within one year of the date of signature below.

Signature:

Amie L. Hutchison
(Authorized Representative of Company)

Date: 09-10-2025

State Funding Board FastTrack Checklist

FastTrack grants or loans exceeding seven hundred fifty thousand dollars (\$750,000) per eligible business within a three-year period require state funding board approval T.C.A. § 4-3-717(e).

Please identify the type of FastTrack funding requested and the grant or loan amount:

TYPE OF FUNDING		RECIPIENT ENTITY	GRANT AMOUNT	LOAN AMOUNT
	INFRASTRUCTURE			
	TRAINING*			
	ECONOMIC DEVELOPMENT	Economic Development Growth Engine Industrial Development Board of the City of Memphis and County of Shelby, Tennessee	\$3,000,000	
TOTAL			\$3,000,000	

(Recipient entity must be a local government, their economic development organization, a political subdivision of the state, or an eligible business beneficiary [for training only].)

***ELIGIBLE BUSINESS BENEFICIARY (if different than Recipient Entity):** Hyosung HICO, Ltd. Company

Complete the General Statutory Compliance section below and the section(s) that corresponds with the type of funding indicated above. General Statutory Compliance items apply to all types of funding represented above.

GENERAL STATUTORY COMPLIANCE

- Will this new commitment cause the FastTrack appropriations to be over-committed *T.C.A. § 4-3-716(g)*? ☐ Yes ☒ No
If "yes," state funding board concurrence is required. Attach the commissioner's rationale used to determine the amount of actual commitments unlikely to be accepted based on historical program trends (maximum allowed is 130% of the appropriations available for new grants).
- Will this new commitment place in jeopardy compliance with the legislative intent that actual expenditures and obligations to be recognized at the end of the fiscal year not exceed available reserves and appropriations of the programs *T.C.A. § 4-3-716(g)*? ☐ Yes ☒ No
- Does this grant or loan comply with the legislative intent to distribute FastTrack funds in all areas of the state to the extent practicable *T.C.A. § 4-3-716(f)*? ☒ Yes ☐ No
- Has the commissioner of economic and community development provided to the commissioner of finance and administration (with copies transmitted to the speaker of the house of representatives, the speaker of the senate, the chairs of the finance, ways and means committees, the state treasurer, the state comptroller, the office of legislative budget analysis, and the secretary of state) the most recent quarterly report regarding the status of the appropriations for the FastTrack fund *T.C.A. § 4-3-716(h)*? ☒ Yes ☐ No

Identify which of the following apply:

- Does the business export more than half of their products or services outside of Tennessee *T.C.A. § 4-3-717(h)(1)(A)*? ☒
 - Do more than half of the business' products or services enter into the production of exported products *T.C.A. § 4-3-717(h)(1)(B)*? ☐
 - Does the use of business' products primarily result in import substitution on the replacement of imported products or services with those produced in the state *T.C.A. § 4-3-717(h)(1)(C)*? ☐
 - Has the commissioner of economic and community development determined the business has other types of economic activity that contributes significantly to community development education and has a beneficial impact on the economy of the state *T.C.A. § 4-3-717(h)(1)(D)*? If "yes," attach the commissioner's rationale. ☐

Applicant must answer "Yes" to a or b.

- Is there a commitment by a responsible official in an eligible business for the creation or retention of private sector jobs and investment *T.C.A. § 4-3-717(a)*? If "yes," attach documentation. ☒
 - Has the commissioner of economic and community development determined that this investment will have a direct impact on employment and investment opportunities in the future *T.C.A. § 4-3-717(a)*? If "yes," attach the commissioner's rationale. ☐

TRAINING

7. Will the grant support the training of new employees for locating or expanding industries *T.C.A. § 4-3-717(c)(1)*? ☐ Yes ☐ No
8. Will the grant support the retraining of existing employees where retraining is required by the installation of new machinery or production processes *T.C.A. § 4-3-717(c)(2)*? ☐ Yes ☐ No

INFRASTRUCTURE

9. Is the land to be improved publicly owned and not subject to a purchase option by a private entity where the purchase option covering the land may be exercised within a period of five (5) years following the date of the infrastructure grant? *T.C.A. § 4-3-717(b)(2-3)*? ☐ Yes ☐ No
10. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state *T.C.A. § 4-3-717(d)(1)*? ☐ Yes ☐ No
11. In determining the level of assistance for infrastructure and site preparation, was consideration given to local ability-to-pay with areas of lesser ability being eligible for higher grant rates *T.C.A. § 4-3-717(f)*? ☐ Yes ☐ No

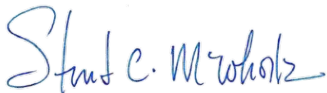
Applicant must answer "Yes" to a or b.

12. a. Will the grant or loan address infrastructure, such as, water, wastewater, transportation systems, line extensions, industrial site preparation or similar items where it is demonstrated that such improvements are necessary for the location or expansion of business or industry *T.C.A. § 4-3-717(h)(2)*? ☐
- b. Has the commissioner of economic and community development determined the funds make significant technological improvements such as digital switches or fiber optic cabling that would have a beneficial impact on the economy of this state *T.C.A. § 4-3-717(h)(2)*? If "yes," attach the commissioner's rationale. ☐

ECONOMIC DEVELOPMENT

13. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state *T.C.A. § 4-3-717(d)(1)*? ☒ Yes ☐ No
14. Is this grant or loan eligible for FastTrack infrastructure development or job training assistance funds *T.C.A. § 4-3-717(d)(1)*? ☐ Yes ☒ No
15. Will this grant or loan be used to facilitate economic development activities that include, but are not limited to, retrofitting, relocating equipment, purchasing equipment, building repairs and improvements, temporary office space or other temporary equipment related to relocation or expansion of a business *T.C.A. § 4-3-717(d)(1)*? ☒ Yes ☐ No
16. Will the funds be used in exceptional circumstances wherein the funds will make a proportionally significant economic impact on the affected community *T.C.A. § 4-3-717(d)(1)*? If "yes," attach an explanation of the exceptional circumstances and the proportionally significant economic impact. ☒ Yes ☐ No
17. The department of economic and community development is required to notify and provide the state funding board a detailed written explanation of the purpose for which this economic development grant or loan is being awarded or used *T.C.A. § 4-3-717(d)(2)*. Attach documentation. ☒ Yes ☐ No

I have reviewed this document and believe it to be correct.



Commissioner of Economic and Community Development

11/19/25

Date



Department of Economic and Community Development

Stuart McWhorter
Commissioner

Bill Lee
Governor

September 5, 2025

INCENTIVE ACCEPTANCE FORM

This form serves as notice that Hyosung HICO, Ltd. Company intends, in good faith, to create 240 private sector jobs in Memphis, Shelby County and make a capital investment of \$156,610,865 in exchange for incentives that will be memorialized in a grant agreement between Hyosung HICO, Ltd. Company and the State of Tennessee. New jobs must be in addition to the company's baseline of 533 jobs at the project site in Tennessee.

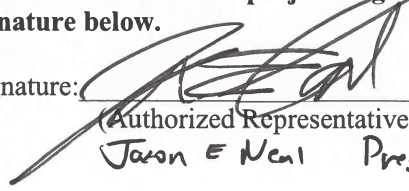
ECD OFFER SUMMARY

FastTrack Economic Development Grant:	\$ 3,000,000
Total ECD Commitment:	\$ 3,000,000

Please sign your name in the space below to signify Hyosung HICO, Ltd. Company's acceptance of ECD's offer set forth above and return it by December 4, 2025 to:

Tennessee Department of Economic and Community Development
Attn: Scottie Tudor
312 Rosa Parks Avenue, 27th Floor
Nashville, TN 37243
Scottie.Tudor@tn.gov

Please note that this Incentive Acceptance Form does not give rise to any legal obligations on the part of the State of Tennessee, any department or instrumentality of the State of Tennessee (including ECD and the Department of Revenue) or the Company. The terms and conditions governing the award of the incentive package described herein will be set forth in a grant agreement, the form of which will be provided to the Company following the delivery of an executed copy of the Incentive Acceptance Form. The incentives described in this letter are based upon the representations made by the Company to ECD regarding the project. ECD reserves the right to revise the incentives described in this Incentive Acceptance Form if any aspect of the project changes after receipt of this form. Changes that could result in revision of incentives include, but are not limited to, number of jobs, amount of capital investment, composition of company vs. contract jobs, average wage, or location of the project. ECD reserves the right to recover funds for this project if grant contracts are not executed within one year of the date of signature below.

Signature: 
(Authorized Representative of Company)

Jason E. Neal President

Date: 9/17/2025



Tennessee Department of Economic and Community Development

Stuart C. McWhorter
Deputy Governor &
TNECD Commissioner

Bill Lee
Governor

November 24, 2025

Comptroller Jason Mumpower
First Floor, State Capitol
Nashville, TN 37243

Dear Comptroller Mumpower:

Pursuant to Tennessee Code Annotated §4-3-717 (d)(1)-(2), I am writing to inform you that the Department of Economic and Community Development is awarding a FastTrack Economic Development Grant to the Economic Development Growth Engine Industrial Development Board of the City of Memphis and County of Shelby, Tennessee for the benefit of Hyosung HICO, Ltd. Company in the amount of \$3,000,000 to offset the costs Hyosung HICO, Ltd. Company will incur in building expansion, building retrofit, and building improvements. The project activities would not be eligible for the FastTrack Infrastructure Development Program.

This project will yield a proportionately significant impact on this community due to the number of high wage jobs and capital investment. Hyosung HICO, Ltd. Company has committed to create 240 net new jobs and make a \$156,610,865 capital investment within 5 years. The company will have an average hourly wage of \$29.48 for the new positions. This project will have an exceptional impact on this area of the state.

Sincerely,

A handwritten signature in blue ink that reads "Stuart C. McWhorter".

Stuart McWhorter

SM/js

State Funding Board FastTrack Checklist

FastTrack grants or loans exceeding seven hundred fifty thousand dollars (\$750,000) per eligible business within a three-year period require state funding board approval T.C.A. § 4-3-717(e).

Please identify the type of FastTrack funding requested and the grant or loan amount:

TYPE OF FUNDING		RECIPIENT ENTITY	GRANT AMOUNT	LOAN AMOUNT
☐	INFRASTRUCTURE			
☐	TRAINING*			
☒	ECONOMIC DEVELOPMENT	The Industrial Development Board of The Metropolitan Government of Nashville and Davidson County	\$1,250,000	
TOTAL			\$1,250,000	

(Recipient entity must be a local government, their economic development organization, a political subdivision of the state, or an eligible business beneficiary [for training only].)

***ELIGIBLE BUSINESS BENEFICIARY (if different than Recipient Entity):** Carlex Glass America, LLC

Complete the General Statutory Compliance section below and the section(s) that corresponds with the type of funding indicated above. General Statutory Compliance items apply to all types of funding represented above.

GENERAL STATUTORY COMPLIANCE

- Will this new commitment cause the FastTrack appropriations to be over-committed *T.C.A. § 4-3-716(g)*?
If "yes," state funding board concurrence is required. Attach the commissioner's rationale used to determine the amount of actual commitments unlikely to be accepted based on historical program trends (maximum allowed is 130% of the appropriations available for new grants). ☐ Yes ☒ No
- Will this new commitment place in jeopardy compliance with the legislative intent that actual expenditures and obligations to be recognized at the end of the fiscal year not exceed available reserves and appropriations of the programs *T.C.A. § 4-3-716(g)*? ☐ Yes ☒ No
- Does this grant or loan comply with the legislative intent to distribute FastTrack funds in all areas of the state to the extent practicable *T.C.A. § 4-3-716(f)*? ☒ Yes ☐ No
- Has the commissioner of economic and community development provided to the commissioner of finance and administration (with copies transmitted to the speaker of the house of representatives, the speaker of the senate, the chairs of the finance, ways and means committees, the state treasurer, the state comptroller, the office of legislative budget analysis, and the secretary of state) the most recent quarterly report regarding the status of the appropriations for the FastTrack fund *T.C.A. § 4-3-716(h)*? ☒ Yes ☐ No

Identify which of the following apply:

- Does the business export more than half of their products or services outside of Tennessee *T.C.A. § 4-3-717(h)(1)(A)*? ☒
 - Do more than half of the business' products or services enter into the production of exported products *T.C.A. § 4-3-717(h)(1)(B)*? ☐
 - Does the use of business' products primarily result in import substitution on the replacement of imported products or services with those produced in the state *T.C.A. § 4-3-717(h)(1)(C)*? ☐
 - Has the commissioner of economic and community development determined the business has other types of economic activity that contributes significantly to community development education and has a beneficial impact on the economy of the state *T.C.A. § 4-3-717(h)(1)(D)*? If "yes," attach the commissioner's rationale. ☐

Applicant must answer "Yes" to a or b.

- Is there a commitment by a responsible official in an eligible business for the creation or retention of private sector jobs and investment *T.C.A. § 4-3-717(a)*? If "yes," attach documentation. ☒
 - Has the commissioner of economic and community development determined that this investment will have a direct impact on employment and investment opportunities in the future *T.C.A. § 4-3-717(a)*? If "yes," attach the commissioner's rationale. ☐

TRAINING

7. Will the grant support the training of new employees for locating or expanding industries *T.C.A. § 4-3-717(c)(1)*? ☐ Yes ☐ No
8. Will the grant support the retraining of existing employees where retraining is required by the installation of new machinery or production processes *T.C.A. § 4-3-717(c)(2)*? ☐ Yes ☐ No

INFRASTRUCTURE

9. Is the land to be improved publicly owned and not subject to a purchase option by a private entity where the purchase option covering the land may be exercised within a period of five (5) years following the date of the infrastructure grant? *T.C.A. § 4-3-717(b)(2-3)*? ☐ Yes ☐ No
10. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state *T.C.A. § 4-3-717(d)(1)*? ☐ Yes ☐ No
11. In determining the level of assistance for infrastructure and site preparation, was consideration given to local ability-to-pay with areas of lesser ability being eligible for higher grant rates *T.C.A. § 4-3-717(f)*? ☐ Yes ☐ No

Applicant must answer "Yes" to a or b.

12. a. Will the grant or loan address infrastructure, such as, water, wastewater, transportation systems, line extensions, industrial site preparation or similar items where it is demonstrated that such improvements are necessary for the location or expansion of business or industry *T.C.A. § 4-3-717(h)(2)*? ☐
- b. Has the commissioner of economic and community development determined the funds make significant technological improvements such as digital switches or fiber optic cabling that would have a beneficial impact on the economy of this state *T.C.A. § 4-3-717(h)(2)*? If "yes," attach the commissioner's rationale. ☐

ECONOMIC DEVELOPMENT

13. Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state *T.C.A. § 4-3-717(d)(1)*? ☒ Yes ☐ No
14. Is this grant or loan eligible for FastTrack infrastructure development or job training assistance funds *T.C.A. § 4-3-717(d)(1)*? ☐ Yes ☒ No
15. Will this grant or loan be used to facilitate economic development activities that include, but are not limited to, retrofitting, relocating equipment, purchasing equipment, building repairs and improvements, temporary office space or other temporary equipment related to relocation or expansion of a business *T.C.A. § 4-3-717(d)(1)*? ☒ Yes ☐ No
16. Will the funds be used in exceptional circumstances wherein the funds will make a proportionally significant economic impact on the affected community *T.C.A. § 4-3-717(d)(1)*? If "yes," attach an explanation of the exceptional circumstances and the proportionally significant economic impact. ☒ Yes ☐ No
17. The department of economic and community development is required to notify and provide the state funding board a detailed written explanation of the purpose for which this economic development grant or loan is being awarded or used *T.C.A. § 4-3-717(d)(2)*. Attach documentation. ☒ Yes ☐ No

I have reviewed this document and believe it to be correct.



Commissioner of Economic and Community Development

11/19/25

Date



Department of Economic and Community Development

Stuart McWhorter
Commissioner

Bill Lee
Governor

October 9, 2025

INCENTIVE ACCEPTANCE FORM

This form serves as notice that Carlex Glass America, LLC intends, in good faith, to create 143 private sector jobs in Nashville, Davidson County and make a capital investment of \$55,400,000 in exchange for incentives that will be memorialized in a grant agreement between Carlex Glass America, LLC and the State of Tennessee. New jobs must be in addition to the company's baseline of 341 jobs at the project site in Tennessee.

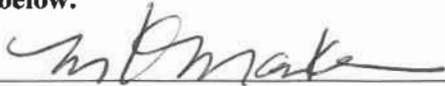
ECD OFFER SUMMARY

FastTrack Economic Development Grant:	\$ 1,250,000
Total ECD Commitment:	\$ 1,250,000

Please sign your name in the space below to signify Carlex Glass America, LLC's acceptance of ECD's offer set forth above and return it by January 8, 2025 to:

Tennessee Department of Economic and Community Development
Attn: Scottie Tudor
312 Rosa Parks Avenue, 27th Floor
Nashville, TN 37243
Scottie.Tudor@tn.gov

Please note that this Incentive Acceptance Form does not give rise to any legal obligations on the part of the State of Tennessee, any department or instrumentality of the State of Tennessee (including ECD and the Department of Revenue) or the Company. The terms and conditions governing the award of the incentive package described herein will be set forth in a grant agreement, the form of which will be provided to the Company following the delivery of an executed copy of the Incentive Acceptance Form. The incentives described in this letter are based upon the representations made by the Company to ECD regarding the project. ECD reserves the right to revise the incentives described in this Incentive Acceptance Form if any aspect of the project changes after receipt of this form. Changes that could result in revision of incentives include, but are not limited to, number of jobs, amount of capital investment, composition of company vs. contract jobs, average wage, or location of the project. ECD reserves the right to recover funds for this project if grant contracts are not executed within one year of the date of signature below.

Signature: 
(Authorized Representative of Company)

Date: 10/10/25



Tennessee Department of Economic and Community Development

Stuart C. McWhorter
Deputy Governor &
TNECD Commissioner

Bill Lee
Governor

November 24, 2025

Comptroller Jason Mumpower
First Floor, State Capitol
Nashville, TN 37243

Dear Comptroller Mumpower:

Pursuant to Tennessee Code Annotated §4-3-717 (d)(1)-(2), I am writing to inform you that the Department of Economic and Community Development is awarding a FastTrack Economic Development Grant to The Industrial Development Board of The Metropolitan Government of Nashville and Davidson County for the benefit of Carlex Glass America, LLC in the amount of \$1,250,000 to offset the costs Carlex Glass America, LLC will incur in building expansion, building retrofit, and building improvements. The project activities would not be eligible for the FastTrack Infrastructure Development Program.

This project will yield a proportionately significant impact on this community due to the number of high wage jobs and capital investment. Carlex Glass America, LLC has committed to create 143 net new jobs and make a \$55,400,000 capital investment within 5 years. The company will have an average hourly wage of \$36.45 for the new positions. This project will have an exceptional impact on this area of the state.

Sincerely,

A handwritten signature in blue ink that reads "Stuart C. McWhorter".

Stuart McWhorter

SM/js

November 10, 2025

The Honorable Members Tennessee State Funding Board
State Capitol Nashville, TN 37243

SUBJECT: Submission of Fiscal Year 2024/2025 Financial Statement and Audit - Confirmation of Annual Review Presentation

Members of the Tennessee State Funding Board,

On behalf of the Tennessee Central Economic Authority (TCEA), I am pleased to formally submit the Authority's Comprehensive Financial Statement and the associated Independent Audit Report for the fiscal year ending June 30, 2025. These documents, enclosed for your review, reflect our commitment to fiscal responsibility, transparency, and compliance with all state statutes and regulations.

The enclosed audit, conducted by John Poole an Independent Certified Public Accounting firm, affirms that TCEA's financial statements are presented fairly in all material respects, in accordance with generally accepted accounting principles. The findings are comprehensively addressed within the report and will be detailed during our presentation.

We recognize and respect the necessary procedural nature of this annual review. It serves as a vital component of the oversight essential to TCEA's operational integrity and our ongoing partnership with the State of Tennessee. We welcome this opportunity to present our financial health and operational review to the Board. We are prepared to walk through the audit findings, review the details of our financials, and answer any questions the Board may have regarding our performance.

Thank you for your dedication to the financial stability of our state's authorities. We look forward to a productive meeting and appreciate the guidance and oversight the Funding Board provides.

With respect,



Helene Singer Cash
Executive Director Tennessee Central Economic Authority

Capital Improvements

Budget vs. Actuals: FY_2025_2026 - FY26 P&L

July - October, 2025

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Income				
43300 In-Lieu-of-Tax Funds		950,000.00	-950,000.00	
46400 Other Types of Income				
46410 Property Sales	796,910.00		796,910.00	
46430 Interest	30,527.89	80,000.00	-49,472.11	38.16 %
46440 Reimbursements & Misc		25,000.00	-25,000.00	
Total 46400 Other Types of Income	827,437.89	105,000.00	722,437.89	788.04 %
Total Income	\$827,437.89	\$1,055,000.00	\$ -227,562.11	78.43 %
GROSS PROFIT	\$827,437.89	\$1,055,000.00	\$ -227,562.11	78.43 %
Expenses				
60300 Regional Development				
60310 Select TN/Workforce Dev Grant Program				
60311 Macon County		0.00	0.00	
60312 Smith County		11,130.00	-11,130.00	
60313 Sumner County		0.00	0.00	
60314 Trousdale County		0.00	0.00	
60315 Wilson County		20,000.00	-20,000.00	
Total 60310 Select TN/Workforce Dev Grant Program		31,130.00	-31,130.00	
60320 4L ED Grant Program				
60321 Macon County		220,222.43	-220,222.43	
60322 Smith County		53,200.47	-53,200.47	
60323 Sumner County		80,000.00	-80,000.00	
60324 Trousdale County	24,400.00	144,092.99	-119,692.99	16.93 %
60325 Wilson County		141,582.72	-141,582.72	
Total 60320 4L ED Grant Program	24,400.00	639,098.61	-614,698.61	3.82 %
Total 60300 Regional Development	24,400.00	670,228.61	-645,828.61	3.64 %
62100 Contract Services				
62140 Legal Fees	1,260.00	30,000.00	-28,740.00	4.20 %
62150 Prof. & Eng. Services	11,622.50	200,000.00	-188,377.50	5.81 %
Total 62100 Contract Services	12,882.50	230,000.00	-217,117.50	5.60 %
62800 PowerCom Expenses				
62810 Property Insurance	3,419.00	12,500.00	-9,081.00	27.35 %
62820 Existing Bldg Upgrades/R&M	24,515.40	450,000.00	-425,484.60	5.45 %
62821 Powercom Building Pads		600,000.00	-600,000.00	
62822 Site Development	37,773.65	700,000.00	-662,226.35	5.40 %
62824 Infrastructure/ARC		60,000.00	-60,000.00	
62831 Waterline Exts/Inst/R&M		300,000.00	-300,000.00	
62835 Sewerline Exts/Inst/R&M		1,000,000.00	-1,000,000.00	
62840 Road Upgrades & Maint.	31,516.29	350,000.00	-318,483.71	9.00 %
62850 Dock/Port Development	27,576.00	500,000.00	-472,424.00	5.52 %
62860 Signs/Gate/Fence Adds/R&M	2,368.10	75,000.00	-72,631.90	3.16 %
62870 Utility Expenses (w/s/g/e)	1,508.62	9,000.00	-7,491.38	16.76 %

Capital Improvements

Budget vs. Actuals: FY_2025_2026 - FY26 P&L

July - October, 2025

		TOTAL		
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
62880 Contract Labor				
62881 Site R&M, Security		30,000.00	-30,000.00	
62882 Dozer & Bush Hogging	6,536.81	85,000.00	-78,463.19	7.69 %
Total 62880 Contract Labor	6,536.81	115,000.00	-108,463.19	5.68 %
62890 Supplies/Equip R&M		75,000.00	-75,000.00	
Total 62800 PowerCom Expenses	135,213.87	4,246,500.00	-4,111,286.13	3.18 %
65100 Other Expenses		40,000.00	-40,000.00	
65120 Reserve Funds		500,000.00	-500,000.00	
75000 Admin. Services Fee		180,000.00	-180,000.00	
Total 65100 Other Expenses		720,000.00	-720,000.00	
Total Expenses	\$172,496.37	\$5,866,728.61	\$ -5,694,232.24	2.94 %
NET OPERATING INCOME	\$654,941.52	\$ -4,811,728.61	\$5,466,670.13	-13.61 %
NET INCOME	\$654,941.52	\$ -4,811,728.61	\$5,466,670.13	-13.61 %

Balance Sheet
Capital Improvements
As of October 31, 2025

DISTRIBUTION ACCOUNT	TOTAL
Assets	
Current Assets	
Bank Accounts	
113628 11M CD First National	592,519.71
2195 Money Market First National	2,366,718.69
585103-01 LGIP	2,192,610.53
7019509 NOW Checking First National	774,890.34
Total for Bank Accounts	\$5,926,739.27
Other Current Assets	
12000 Undeposited Funds	0.00
15000 Prepaid Insurance	8,875.00
Total for Other Current Assets	\$8,875.00
Total for Current Assets	\$5,935,614.27
Total for Assets	\$5,935,614.27
Liabilities and Equity	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 Accounts Payable	149,916.00
Total for Accounts Payable	\$149,916.00
Credit Cards	
24100 MASTERCARD	0.00
Total for Credit Cards	\$0.00
Total for Current Liabilities	\$149,916.00
Long-term Liabilities	
27200 USDA/RD Loan	0.00
Total for Long-term Liabilities	\$0.00
Total for Liabilities	\$149,916.00
Equity	
30000 Opening Balance Equity	0.00
32000 Retained Earnings	5,130,756.75
Net Income	654,941.52
Total for Equity	\$5,785,698.27
Total for Liabilities and Equity	\$5,935,614.27

Tennessee Central Economic Authority

Budget vs. Actuals: FY_2025_2026 - FY26 P&L

July - October, 2025

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Income				
44500 Government Grants		1,000.00	-1,000.00	
46400 Other Types of Income				
46410 Interest	25,888.81	30,000.00	-4,111.19	86.30 %
46420 Administrative Services Fee		180,000.00	-180,000.00	
46430 Miscellaneous	0.00		0.00	
46431 Mtg Lunch Fees (CR to #60910)	329.34	1,200.00	-870.66	27.45 %
46432 Event Sponsors (CR to #60930)	2,000.00	2,000.00	0.00	100.00 %
Total 46430 Miscellaneous	2,329.34	3,200.00	-870.66	72.79 %
Total 46400 Other Types of Income	28,218.15	213,200.00	-184,981.85	13.24 %
47500 Rentals	196,619.83	450,000.00	-253,380.17	43.69 %
Total Income	\$224,837.98	\$664,200.00	\$ -439,362.02	33.85 %
GROSS PROFIT	\$224,837.98	\$664,200.00	\$ -439,362.02	33.85 %
Expenses				
60900 Business Expenses				
60910 Meeting Related Expenses	6,814.99	9,000.00	-2,185.01	75.72 %
60920 Dues/Fees/Renewals	5,299.75	8,000.00	-2,700.25	66.25 %
60930 Events	3,639.19	9,500.00	-5,860.81	38.31 %
60940 Training/Education	1,467.32	4,800.00	-3,332.68	30.57 %
Total 60900 Business Expenses	17,221.25	31,300.00	-14,078.75	55.02 %
62100 Contract Services				
62110 Accounting Fees		3,200.00	-3,200.00	
62140 Legal Fees	7,880.00	23,640.00	-15,760.00	33.33 %
62150 Other Contract Services	3,152.37	5,000.00	-1,847.63	63.05 %
Total 62100 Contract Services	11,032.37	31,840.00	-20,807.63	34.65 %
65000 Office Operations				
65010 Rent	4,400.00	13,200.00	-8,800.00	33.33 %
65020 Postage/Printing	643.11	1,000.00	-356.89	64.31 %
65030 Utilities	2,117.08	7,500.00	-5,382.92	28.23 %
65040 Supplies & Equip.	2,535.09	5,000.00	-2,464.91	50.70 %
65050 Communications	992.99	6,500.00	-5,507.01	15.28 %
65060 Computer/Website Upgrades		2,500.00	-2,500.00	
65120 Insurance - Office, D&O, WC	4,238.00	8,500.00	-4,262.00	49.86 %
Total 65000 Office Operations	14,926.27	44,200.00	-29,273.73	33.77 %
65100 Misc.	1,543.16	4,000.00	-2,456.84	38.58 %
65110 Marketing	3,968.72	25,000.00	-21,031.28	15.87 %
66000 Payroll Expenses				
66010 President/CEO	40,000.00	139,800.00	-99,800.00	28.61 %
66020 Project Manager		72,000.00	-72,000.00	
66030 Development Coordinator	19,638.00	67,560.00	-47,922.00	29.07 %
66050 Benefits	14,027.76	92,000.00	-77,972.24	15.25 %
Total 66000 Payroll Expenses	73,665.76	371,360.00	-297,694.24	19.84 %

Tennessee Central Economic Authority

Budget vs. Actuals: FY_2025_2026 - FY26 P&L

July - October, 2025

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
68300 Travel	4,695.47	35,000.00	-30,304.53	13.42 %
Total Expenses	\$127,053.00	\$542,700.00	\$ -415,647.00	23.41 %
NET OPERATING INCOME	\$97,784.98	\$121,500.00	\$ -23,715.02	80.48 %
NET INCOME	\$97,784.98	\$121,500.00	\$ -23,715.02	80.48 %

Balance Sheet

Tennessee Central Economic Authority

As of October 31, 2025

DISTRIBUTION ACCOUNT	TOTAL
Assets	
Current Assets	
Bank Accounts	
115710 11M CD First National	273,166.83
115714 10M CD First National	273,166.83
427500 10M CD Wilson	559,567.88
485142 Savings First National	539,774.40
488674 30M CD Wilson	266,963.73
488682 15M CD Wilson	266,963.73
7026033 Checking First National	120,957.76
Petty Cash	62.86
Total for Bank Accounts	\$2,300,624.02
Accounts Receivable	
11000 Accounts Receivable	0.00
11001 allowance for doubtful accounts	-11,425.00
Total for Accounts Receivable	-\$11,425.00
Other Current Assets	
12000 Undeposited Funds	0.00
Total for Other Current Assets	\$0.00
Total for Current Assets	\$2,289,199.02
Fixed Assets	
Other Assets	
Total for Assets	\$2,289,199.02
Liabilities and Equity	
Liabilities	
Current Liabilities	
Accounts Payable	
Credit Cards	
24110 MASTERCARD	3,340.35
Total for Credit Cards	\$3,340.35
Other Current Liabilities	
24000 Payroll Liabilities	2,580.33
Total for Other Current Liabilities	\$2,580.33
Total for Current Liabilities	\$5,920.68
Long-term Liabilities	
Total for Liabilities	\$5,920.68
Equity	
30000 Opening Balance Equity	0.00
32000 Retained Earnings	2,185,493.36
Net Income	97,784.98
Total for Equity	\$2,283,278.34
Total for Liabilities and Equity	\$2,289,199.02

**TENNESSEE CENTRAL ECONOMIC
AUTHORITY**

Annual Financial Report

For the Year Ended June 30, 2025

TENNESSEE CENTRAL ECONOMIC AUTHORITY

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INTRODUCTORY SECTION

TENNESSEE CENTRAL ECONOMIC AUTHORITY

Schedule of Officers

June 30, 2025

<u>Official</u>	<u>Title</u>
Randall Hutto	Chairman
Steve Jones	Vice Chairman
Jack McCall	Secretary/Treasurer
Jeff Mason	Board Member
John Isbell	Board Member
Mae Wright	Board Member
Heather Bay	Board Member
<u>Official</u>	<u>Title</u>
Helene Singer Cash	President (7/1/2025 to current)
Charly Lyons	President (retired as of 6/30/2025)
Michele Farley	Executive Administrator (7/7/2025 to current)
Kelsey Dansby	Executive Administrator (thru 7/7/2025)

FINANCIAL SECTION

JOHN R. POOLE, CPA
CERTIFIED PUBLIC ACCOUNTANT

134 NORTHLAKE DRIVE
HENDERSONVILLE, TN 37075

(615) 822-4177

Independent Auditor's Report

Board of Directors
Tennessee Central Economic Authority
Hartsville, Tennessee

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying financial statements of the governmental activities and the major funds of Tennessee Central Economic Authority (the "Authority") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Authority as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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 Authority'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

My 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 my 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 judgement 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, I:

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

I am 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 I identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Required Supplementary Information, which includes the Management's Discussion and Analysis, the Schedule of Changes in Net Pension Liability (Asset), and the Schedule of Contributions to the Employee Pension Plan, 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary information section, as listed in the table of contents, is presented for purposes of additional analysis 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 my opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information – Introductory Section

Management is responsible for the Introductory Section included in the annual report. The Introductory Section, as listed in the table of contents, does not include the basic financial statements and my auditor's report thereon. My opinion on the basic financial statements does not cover the Introductory Section, and I do not express an opinion or any other assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued my report dated August 31, 2025, on my consideration of the Authority's internal control over financial reporting and on my 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 my 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 Authority'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 Authority's internal control over financial reporting and compliance.

John R Poole, CPA

August 31, 2025

MANAGEMENT'S
DISCUSSION AND
ANALYSIS

MANAGEMENT'S DISCUSSION & ANALYSIS FOR THE FISCAL YEAR ENDING JUNE 30, 2025

The discussion and analysis of Tennessee Central Economic Authority's financial performance provides an overall narrative review of the Authority's financial activities for the year ended June 30, 2025. The intent of this discussion and analysis is to look at the Authority's performance as a whole; readers should also review the notes to the basic financial statements and the financial statements to enhance his or her understanding of the Authority's financial performance. Information contained in this section is qualified by the more detailed information contained elsewhere in this Authority's financial statements, notes to financial statements, and any accompanying materials. To the extent this discussion contains any forward-looking statements of the Authority's plans, objectives, expectations and prospects, the actual results could differ materially from those discussed herein.

This discussion and analysis is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented.

AUTHORITY OVERVIEW

Creation: As a result of the impact of TVA's discontinuation of the Hartsville nuclear power plant construction project, the Four Lake Regional Industrial Development Authority was created by public act of the State Legislature on April 15, 1986. Enabling legislation states that the Authority was "created and established for the purpose of developing the resources of the region embracing the counties of Macon, Smith, Sumner, Trousdale and Wilson ". More specifically, the Authority "is directed to focus its activity toward economic development and improving employment opportunities in the region". In 1988 the Authority contracted staff.

History: In consideration of the established purpose of the Authority and its limited TVA and State grant funding, Four Lake began operating a business incubator program in 1989 utilizing vacant warehouses at the Hartsville TVA site. The buildings were offered to business start-ups/expansions at below average rental rates under a Lease/Sub-Lease arrangement between TVA (receiving 80% of lease revenues) and the Four Lake Authority (retaining 20% of lease revenues).

On June 27, 2002, the Authority purchased 554 acres located within the TVA/Hartsville Distribution Center (discontinued nuclear site) from TVA for \$1.7 million. Through a USDA/Rural Development Loan, infrastructure improvements were initiated immediately, including a 750,000-gallon water storage tank, as well as new water/sewer/natural gas lines installed to the mid-point of the newly-purchased property. Beginning in 2003, with funding from annual TVA In-Lieu-of-Tax grants, projects commenced to develop the site into a viable business/industrial center in hopes of employing workers from the entire five-county region. For marketing purposes, the property was branded "PowerCom Industrial Center" with identifying logo and illuminated directional signs from State Hwy 25 into the site. In addition, ECD Special Appropriation Grants and TVA/Special Opportunities County Grants have funded other improvements/upgrades including: a 54,000 square foot Spec. Building (March, 2008); tenant specific electrical upgrades; roadways within the site named and marked; all buildings identified with specialty-designed 911 address signs; utility upgrades/installation for the CCA project; rehab (paint, new dock doors, trim, structural repairs, etc.) of eight warehouse buildings, one office trailer, and a 700' dock in the forward section (Village One) of the site; surveying and marking outer boundaries of the PowerCom site with 200 angle iron posts & 10 eight foot "Four Lake" iron markers; additional fencing and security gate dividing Village One and Village Two; upgrade of the site's electrical systems to establish dual-feed throughout the site with backup from a rehabbed electrical sub-station located on the adjacent TVA property; water-line extensions to the lower section of the site (Village Two), as well as the installation of taps & meters for current tenants; substantial clearing of the site; and recurring maintenance – bush hogging, roof and road repairs, etc.

Corrections Corporation of America (CCA) purchased 108 acres of the PowerCom Industrial Center on April 22, 2008. Construction was halted indefinitely on the planned 2,040 medium-security bed facility that, when operational, would create much needed employment - a minimum of 350 persons. (See update on this project below.)

Beginning July 1, 2011, Four Lake was placed in "wind-down" status and restructuring efforts began to satisfy specific concerns of Legislators. In December 2011, a new grant program was established that allocated \$20,000 for each of Four Lake's five counties. The grant funds were designated as "Off-Site Development" from the Capital Projects fund. Guidelines were created to limit the funds to economic development & job-creating projects that require Board approval. An amendment to Four Lake's Enabling Legislation became effective July 1, 2012 that replaced the 21-member Board and Executive Committee with a single-governing, seven-member Board of Directors. The new Board is comprised of the five County Mayors/Executive, one member appointed by the Senate, and one member appointed by the House.

Legislators approved Four Lake's Sunset extension and funding for an additional four years. Highlights of the fiscal year include: A TVA/Economic Development lead project, ARC Automotive (aka Project Scarecrow) was vigorously recruited for many months by the Four Lake Authority which resulted in an announcement on May 27, 2014, that PowerCom Industrial Center/Trousdale County had been selected as their expansion site for 66 new manufacturing jobs. The CCA project was reactivated in early 2014 with a \$140 million budget and a date of operation scheduled for January 3, 2016. In March, 2014, V&C Manufacturing/Christy's purchased the 54,000sf Spec Building and contiguous five acres. Installation of fiber optics through the PowerCom Industrial Center was completed with the assistance of a State of Tennessee ECD grant, including connecting the Four Lake office with security cameras and remote access to the security gate. TDEC and the Corps of Engineers granted a permit for dredging the harbor at the Cumberland River barge access in the PowerCom Industrial Center and a Port Feasibility Study was initiated. Four Lake was awarded \$37,350 in economic development grant funds.

CCA had a groundbreaking on October 3, 2014 for the Turner-Trousdale Correctional Center. ARC broke ground on site development of fifty acres leased in PowerCom Industrial Center. The Four Lake Authority facilitated a FastTrack Infrastructure grant with the State of Tennessee and Trousdale County for \$290,000.00 to extend water and sewer to the ARC Automotive site. Four Lake Authority was awarded an InvestPrep grant from TVA to develop a 20-acre site within PowerCom Industrial Center for an industrial building. A \$50,000.00 grant was received from the State of Tennessee's Dept. of ECD for a flood plain study and dock site improvements. In March 2015, the Tennessee Department of Transportation committed a State Industrial Access grant for \$1.6M in PowerCom to improve and build a direct road to the ARC and CCA facilities with Four Lake committing \$400,000.00 for engineering and construction funding. Plus, the staff launched a new web site and marketing program for the Tennessee Central Economic Alliance (www.tennesseecentral.org). Lastly, the Four Lake staff was added to the State of Tennessee Deferred Compensation Plan II - 401(k).

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position. Net position may serve over time as a useful indicator of government's financial position. In the case of the Authority, assets exceeded liabilities by \$15,642,732 as of June 30, 2025. A large portion of the Authority's Net position reflects its investment in capital assets less any related debt (none) used to acquire those assets that is still outstanding. The Authority uses these capital assets to provide services to its member counties, as well as develop and market the PowerCom Industrial Center.

The Authority's financial position is a product of several financial transactions including the net result of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

The following table presents a summary of the Authority's Net position for the fiscal year ended June 30, 2025:

Current assets	\$ 7,636,275
Capital assets	<u>8,030,365</u>
Total Assets	15,666,640
Deferred outflows	<u>95,731</u>
Current liabilities	<u>112,576</u>
Deferred inflows	<u>7,063</u>
Net position:	
Investment in capital assets	8,030,365
Restricted	5,315,872
Unrestricted	<u>2,296,495</u>
Total Net position	15,642,732

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business. These statements are prepared using the accrual basis of accounting and include all assets and liabilities.

The statement of Net position presents information on all the Authority's assets and liabilities, with the difference between the two reported as Net position. Over time, increases or decreases in Net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The statement of activities presents information showing how the Authority's Net position changed during the most recent fiscal year. All changes in Net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing or related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal years. The government-wide financial statements outline functions of the Authority that are principally supported by TVA In-Lieu-of-Tax revenues, property rent revenues, and intergovernmental grants.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Authority are governmental.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, general fund financial statements focus on current spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Authority's current financing requirements. General Funds are reported using modified accrual accounting. This method of accounting measures cash and other assets that can be easily converted to cash. The General Fund Statements provide a detailed short-term view of the Authority's operations.

Because the focus of general funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for general funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Authority's current financing decisions. Both the governmental funds balance sheet and the general fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Authority's budget process.

The Authority adopts an annual operating budget for all general funds. A budgetary comparison statement has been provided for the General Fund and each additional major fund.

Changes in Net position. The Authority's total revenues for the fiscal year ended June 30, 2025 was \$1,789,300. The total cost of all programs and services was \$1,347,579. The following table presents a summary of the changes in Net position for the fiscal year ended June 30, 2025.

Revenues:	
General Fund	\$ 759,369
Capital Projects Fund	<u>1,029,931</u>
Total revenues	1,789,300
Expenses:	
General Fund Expenses	500,218
Capital Projects Expenses	<u>847,361</u>
Total expenses	1,347,579
 Change in Net position	 \$ 441,721

FINANCIAL ANALYSIS OF THE AUTHORITY'S FUNDS

As noted earlier, the Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Authority's governmental funds is to provide information on current inflows, outflows and balances of spendable resources. Such information is useful in assessing the Authority's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Authority's net resources available for spending at the end of the fiscal year.

The financial performance of the Authority as a whole is reflected in its governmental funds. As the Authority completed the year, its governmental funds reported a combined fund balance of \$7,481,437, a decrease over last year of \$719,478, due to an overall increase in total activity in the current year.

BUDGETARY HIGHLIGHTS

A schedule showing the original and final budget amounts compared to the Authority's actual financial activity for the General Fund and other major funds is provided in this report as required supplementary information.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of June 30, 2025, the Authority's total capital assets were \$10,965,905, including buildings and equipment. Total accumulated depreciation as of June 30, 2025 was \$2,935,540 and total depreciation expense for the year was \$270,765.

Debt Administration. At year end, the Authority has no outstanding debt at June 30, 2025.

CURRENT ISSUES

The Authority's *primary endeavor has always been* to proceed responsibly & methodically in all activities with the utmost integrity and respect for the public's funds & trust, as well as for the benefit of its five-county region as a whole, without preference. The Authority's financial status is stable and continues to improve.

Contacting the Authority's Financial Management:

If you have questions regarding this report, you may contact the President, Helene Singer Cash, at 702 McMurry Blvd.; Hartsville, TN 37074 or by phone at 615-374-4607. Additional information regarding the Tennessee Central Economic Authority can be found at its website: www.tennessecentral.org

BASIC FINANCIAL STATEMENTS

TENNESSEE CENTRAL ECONOMIC AUTHORITY

Statement of Net Position

June 30, 2025

<u>Assets</u>		<u>Total</u>
Cash and cash equivalents	\$1,170,786	\$1,170,786
Certificate of deposits	6,403,402	6,403,402
Accounts receivable	10,950	10,950
Prepaid insurance	8,875	8,875
Net pension asset	42,262	42,262
Capital assets, not depreciated	1,981,470	1,981,470
Capital assets, net of accumulated depreciation	<u>6,048,895</u>	<u>6,048,895</u>
Total Assets	<u>\$15,666,640</u>	<u>\$15,666,640</u>
Deferred outflows - pension	<u>\$95,731</u>	<u>\$95,731</u>
<u>Liabilities</u>		
Accounts payable	112,576	112,576
Compensated absences - current	<u>0</u>	<u>0</u>
Total Liabilities	<u>112,576</u>	<u>112,576</u>
Deferred Inflows		
Deferred inflows - pension	<u>7,063</u>	<u>7,063</u>
Total Deferred Inflows	<u>7,063</u>	<u>7,063</u>
Net Position:		
Investment in capital assets	8,030,365	8,030,365
Restricted - capital projects	5,280,673	5,280,673
Restricted - pension	35,199	35,199
Unrestricted	<u>2,296,495</u>	<u>2,296,495</u>
Total Net Position	<u>\$15,642,732</u>	<u>\$15,642,732</u>

See accompanying notes to financial statements.

TENNESSEE CENTRAL ECONOMIC AUTHORITY

Statement of Activities

For the Year Ended June 30, 2025

<u>Function/Programs</u>	Program Revenues			Net (Expenses) Revenue and <u>Changes in Net Position</u>		
	<u>Expenses</u>	Charges for <u>Services</u>	Operating Grants and <u>Contributions</u>	Capital Grants and <u>Contributions</u>	Governmental <u>Activities</u>	<u>Total</u>
Industrial Park	500,218	536,582	1,125	0	37,489	37,489
Capital Improvements	847,361	0	1,029,931	0	182,570	182,570
Total Governmental Activities	<u>1,347,579</u>	<u>536,582</u>	<u>1,031,056</u>	<u>0</u>	<u>220,059</u>	<u>220,059</u>
General Revenues:						
		Interest income			209,153	209,153
		Other income			12,509	12,509
		Total general revenues			<u>221,662</u>	<u>221,662</u>
Changes in net position					441,721	441,721
Net position - beginning of year					15,201,011	15,201,011
Net position - ending of year					<u>15,642,732</u>	<u>15,642,732</u>

See accompanying notes to financial statements.

FUND FINANCIAL STATEMENTS

TENNESSEE CENTRAL ECONOMIC AUTHORITY

Balance Sheet

Governmental Funds

June 30, 2025

	<u>General Fund</u>	<u>Capital Project Fund</u>	<u>Total</u>
<u>Assets</u>			
Cash and cash equivalents	\$584,421	\$586,365	\$1,170,786
Certificate of deposits	1,607,207	4,796,195	6,403,402
Accounts receivable	10,950	0	10,950
Prepaid insurance	<u>0</u>	<u>8,875</u>	<u>8,875</u>
Total Assets	<u>\$2,202,578</u>	<u>\$5,391,435</u>	<u>\$7,594,013</u>
<u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts payable	<u>1,814</u>	<u>110,762</u>	<u>112,576</u>
Total Liabilities	<u>1,814</u>	<u>110,762</u>	<u>112,576</u>
Fund balance:			
Restricted - Capital projects	0	5,280,673	5,280,673
Unassigned	<u>2,200,764</u>	<u>0</u>	<u>2,200,764</u>
Total Fund Balance	<u>2,200,764</u>	<u>5,280,673</u>	<u>7,481,437</u>
Total Liabilities and Fund Balance	<u>\$2,202,578</u>	<u>\$5,391,435</u>	<u>\$7,594,013</u>

The notes accompanying the financial statements are an integral part of these financial statements.

TENNESSEE CENTRAL ECONOMIC AUTHORITY

**Reconciliation of the Balance Sheet to the Statement of Net Position
of Government Activities**

June 30, 2025

Amounts reported for fund balance - total governmental funds	\$ 7,481,437
Amounts reported for governmental activities in the statement of net position are different because the operating funds do not report:	
Investment in capital assets	8,030,365
Long-term liabilities, including bonds payable and accrued contingencies are not due and payable in the current period and therefore are not recorded in the funds	
Accrued vacation time	0
Pension related accounts - governmental funds to not record these post-benefit obligations	
Net pension asset	42,262
Deferred outflow - pension	95,731
Deferred inflow - pension	<u>(7,063)</u>
Net position of governmental activities	\$ <u>15,642,732</u>

See accompanying notes to financial statements.

TENNESSEE CENTRAL ECONOMIC AUTHORITY

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

For the Year Ended June 30, 2025

	General Fund	Capital Project Fund	Total
Revenues:			
Rents	\$ 536,582	0	\$ 536,582
Grants-donations	1,125	0	1,125
TVA in-lieu-of tax	0	1,029,931	1,029,931
Interest income	75,351	133,802	209,153
Other income	4,290	8,219	12,509
Total Revenues	<u>617,348</u>	<u>1,171,952</u>	<u>1,789,300</u>
Expenditures:			
Personnel costs	343,872	0	343,872
Payroll tax	23,865	0	23,865
Employee benefits	65,775	0	65,775
Marketing	15,032	0	15,032
Rent	12,900	0	12,900
Professional services	30,140	144,990	175,130
Insurance	4,193	8,874	13,067
Utilities	5,599	3,090	8,689
Supplies	12,805	0	12,805
Meetings	10,827	0	10,827
Dues	7,964	0	7,964
Training and travel	20,901	0	20,901
Site development	0	419,643	419,643
Miscellaneous	3,221	0	3,221
Capital outlay	0	1,375,087	1,375,087
Total Expenditures	<u>557,094</u>	<u>1,951,684</u>	<u>2,508,778</u>
Excess (deficiency) of revenues over expenditures	<u>60,254</u>	<u>(779,732)</u>	<u>(719,478)</u>
Other financing sources			
Operating transfer	<u>180,000</u>	<u>(180,000)</u>	<u>0</u>
Net change in fund Balance	<u>240,254</u>	<u>(959,732)</u>	<u>(719,478)</u>
Fund Balance, Beginning of year	1,960,510	6,240,405	8,200,915
Fund Balance, End of year	<u>2,200,764</u>	<u>5,280,673</u>	<u>7,481,437</u>

See accompanying notes to financial statements.

TENNESSEE CENTRAL ECONOMIC AUTHORITY

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance
of Governmental Fund to the Statement of Activities**

For the Year Ended June 30, 2025

Net change in fund balances - total governmental funds:	\$ (719,478)
Amounts reported for governmental activities in the statement of net position are different because:	
Operating funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Acquisition of capital assets	1,375,088
Depreciation expense	(270,765)
Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the governmental funds	
Change in pension plan accrual	(7,367)
Change in employee vacation accrual	64,243
Change in net position of governmental activities	\$ <u>441,721</u>

See accompanying notes to financial statements.

NOTES TO THE FINANCIAL STATEMENTS

TENNESSEE CENTRAL ECONOMIC AUTHORITY

Notes to Financial Statements

June 30, 2025

(1) Summary of Significant Accounting Policies

Reporting Entity:

The Tennessee Central Economic Authority (formerly the Four Lake Regional Industrial Development Authority) was created in 1986 under TCA 64-5-201. The Authority was created for "the purpose of developing the resources of the region embracing the Tennessee counties of Macon, Smith, Sumner, Trousdale and Wilson, including the coordination of the Authority's development work with related activities and programs of the Tennessee Valley Authority and other federal, state and local planning and development agencies.

In evaluating the Authority as a reporting entity, management follows all applicable GASB statements and has addressed all potential component units (traditionally separate reporting entities) for which the Authority may be financially accountable and, as such, should be included within the Authority's financial statements. The Authority (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit or to impose specific financial burden on the Authority. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Authority has no component units at yearend.

The accounting policies of the Authority conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

Government -Wide and Fund Financial Statements

The Government-wide financial statements, the Statement of Net Position and the Statement of Activities report information on all of the financial activities of the Authority.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (i) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and (ii) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

TENNESSEE CENTRAL ECONOMIC AUTHORITY

Notes to Financial Statements

June 30, 2025

(1) Summary of Significant Accounting Policies, Continued

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. Revenues are recorded 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.

Governmental fund revenues 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 collectable within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers most governmental revenues as available if received within 60 days of years end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

The Authority reports the following major funds:

General (Operating) Fund - The General (Operating) Fund is the general operating fund of the Authority. It is used to account for all financial resources of the general government except those required to be accounted for in another fund.

Capital Projects Fund – The Capital Projects Fund accounts for financial resources to be used for making improvements.

Credit Risk

Financial instruments that potentially subject the Authority to significant concentrations of credit risk consist principally of cash and cash equivalents. The Authority places its cash with federally-insured financial institutions or institutions participating in the State collateral pool.

Government Wide – Net Position

Net position is a component of equity and is displayed in the following three components:

Net Investment in Capital Assets – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds that are attributable to the acquisition, construction, or improvement of those assets; debt related to unspent proceeds or other restricted cash and investments is excluded from the determination.

Restricted – Consists of net position for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, laws, regulations, and enabling legislation, including self-imposed legal mandates, less any related liabilities. The restrictions are evident from the classification titles.

TENNESSEE CENTRAL ECONOMIC AUTHORITY

Notes to Financial Statements

June 30, 2025

(1) Summary of Significant Accounting Policies, Continued

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of checking accounts and a money market account. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed. When unrestricted funds are used, the Authority uses committed, assigned then unassigned funds.

Compensated Absences

The Authority has accrued a liability for unused sick and vacation pay which is earned, but not taken by Authority employees. The governmental funds used to liquidate compensated absences are the general fund.

	July 1, <u>2024</u>	Addi- tions	Retire- ments	June 30, <u>2025</u>
Governmental activities	<u>64,243</u>	<u>-</u>	<u>64,243</u>	<u>-</u>

All eligible employees resigned during the last months of the fiscal year.

Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure assets consisting of certain improvements other than buildings are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the Authority as assets with an individual cost of \$10,000 and an estimated useful life in excess of three years. All capital assets are valued at historical cost or estimated useful life in excess of three years. Donated capital assets are valued at their estimated fair value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation is provided over the estimated useful lives using the straight-line method.

The estimated useful lives are as follows:

Improvements	15-20 years
Buildings	40-50 years
Machinery and Equipment	5-10 years

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. Debt issuance costs, such as insurance costs, fees and other related costs should be recognized as an expense.

TENNESSEE CENTRAL ECONOMIC AUTHORITY

Notes to Financial Statements

June 30, 2025

(1) Summary of Significant Accounting Policies, Continued

Pension

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 Authority's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Authority's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

Fund Balance

The Authority implemented GASB 54 which addresses issues related to how fund balances are reported. Fund balances are now reported in the following manner:

Nonspendable Fund Balance - This classification includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes terms that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

Restricted Fund Balance - This classification includes amounts that are restricted for specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted with the consent of resource providers.

Committed Fund Balance - This classification includes amounts that can only be used for the specific purposes determined by a formal action of the Authority's highest level of decision-making authority. Commitments may be changed or lifted only by the Authority taking the same formal action that imposed the constraint originally (for example: ordinance).

Assigned Fund Balance - This classification includes amounts intended to be used by the Authority for specific purposes that are neither restricted nor committed. The Authority has the authority to assign amounts to be used for specific purposes. Assigned amounts also include all residual amounts in governmental funds (except negative amounts) that are not classified as nonspendable, restricted, or committed.

Unassigned Fund Balance - This fund balance is the residual classification for the general fund. It is also used to report negative fund balances in other governmental funds.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

TENNESSEE CENTRAL ECONOMIC AUTHORITY

Notes to Financial Statements

June 30, 2025

(1) Summary of Significant Accounting Policies, Continued

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 position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority has one item that qualifies (pension) for reporting in this category.

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 position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has one item that qualifies (pension) for reporting in this category.

Budget and Budgetary Accounting

Legislation requires that no later than October of each year “the Authority shall transmit to the Governor of the State of Tennessee a request and an amount of appropriation needed during the next fiscal year for Authority purposes including administration, operations and capital improvements, and appropriate justification for use of such appropriation.” The Authority passes the budget and reviews its status at regular meetings.

During the year the Authority exceeded the following fund budgets:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund	\$ 527,914	\$ 557,094	\$ 29,180

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Authority’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

TENNESSEE CENTRAL ECONOMIC AUTHORITY

Notes to Financial Statements

June 30, 2025

(2) Cash and Cash Equivalents

All deposits with financial institutions must be secured by one of two 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 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure. For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits. Cash and cash equivalents were adequately covered by federal depository insurance, insured by the depository bank's participation in the State of Tennessee Bank Collateral Pool or collateralized by securities, pledged for deposits, held by an independent third-party financial institution under the terms of a safekeeping collateral agreement in the Authority's name. Investment policies of the Authority follow state law and bond requirements prohibiting investments that are not secured or insured by the U.S. Government

(3) Capital Assets

A summary of changes in general capital assets as presented in the governmental activities' column of the government-wide financial statements is as follows:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Land	1,120,273	-	-	1,120,273
Construction in progress	112,688	748,509	-	861,197
Equipment	99,848	-	-	99,848
Building and improvements	8,258,008	626,579	-	8,884,587
Total	<u>9,590,817</u>	<u>1,375,088</u>	<u>-</u>	<u>10,965,905</u>
Accumulated depreciation	(2,664,775)			(2,935,540)
Capital assets - net	<u>6,926,042</u>			<u>8,030,365</u>

All assets of the Authority, except land of \$1,120,273 and construction in progress of \$861,197, are being depreciated. Depreciation expense was \$270,765 for the fiscal year end. Accumulated depreciation was \$2,935,540 for the industrial buildings and improvements.

TENNESSEE CENTRAL ECONOMIC AUTHORITY

Notes to Financial Statements

June 30, 2025

(4) Pension Plan

General Information about the Pension Plan

Plan description. Employees of the Authority 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 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 <http://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Benefits provided. Tennessee Code Annotated Title 8, Chapter 34-37 established 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 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by 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 at age 55 and vested. Members vest with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for non-service-related disability eligibility. The service-related and non-service-related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are 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 2nd 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 3 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. 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	3
Inactive employees entitled to but not yet receiving benefits	3
Active employees	<u>3</u>
Total	<u>9</u>

TENNESSEE CENTRAL ECONOMIC AUTHORITY

Notes to Financial Statements

June 30, 2025

(4) Pension Plan, Continued

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be charged by the Tennessee General Assembly. Employees contribute 5 percent of salary. The Authority 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, employer contributions for the Authority were \$30,807 based on a rate of 0.00% percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the Authority's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

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

<i>Inflation</i>	2.25 percent
<i>Salary increases</i>	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation averaging 4.00 percent.
<i>Investment rate of return</i>	6.75 percent, net of pension plan investment expenses, including inflation.
<i>Cost-of-Living Adjustment</i>	2.125 percent

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.

TENNESSEE CENTRAL ECONOMIC AUTHORITY

Notes to Financial Statements

June 30, 2025

(4) Pension Plan, Continued

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

<u>Asset class</u>	<u>Real Rate of Return</u>	<u>Target Allocation</u>
U.S. equity	4.88%	31%
Developed market international equity	5.37%	14%
Emerging market international equity	6.09%	4%
Private equity and strategic lending	6.57%	20%
U.S. fixed income	1.20%	20%
Real Estate	4.38%	10%
Short-term securities	0.00%	1%
Total		100%

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

Discount rate. The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from the Authority 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.

TENNESSEE CENTRAL ECONOMIC AUTHORITY

Notes to Financial Statements

June 30, 2025

(4) Pension, Continued

Changes in the Net Pension Liability (Asset)

	Total Pension Liability (Asset)	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balance at 6/30/23	\$535,916	\$607,139	(\$71,223)
Changes for the Year:			
Service Cost	8,437	-	8,437
Interest	35,890	-	35,890
Changes of Benefit terms	-	-	-
Differences between expected and actual experience	84,622	-	84,622
Changes in assumptions	-	-	-
Contributions-employer	-	27,801	(27,801)
Contributions-employees	-	12,637	(12,637)
Net investment income	-	59,989	(59,989)
Benefit payments, including refunds of employee contributions	(25,285)	(25,285)	-
Administrative expense	-	(439)	439
Other changes	-	-	-
Net changes	103,664	74,703	28,961
Balance at 6/30/24	\$ 639,580	\$ 681,842	\$ (42,262)

Sensitivity of the net pension liability (asset) to changes in the discount rate. The following presents the net pension liability (asset) of the Authority 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 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Authority's net pension liability(asset)	\$42,660	(\$42,262)	(\$112,170)

TENNESSEE CENTRAL ECONOMIC AUTHORITY

Notes to Financial Statements

June 30, 2025

(4) Pension, Continued

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

Pension expense (negative pension expense). For the year ended June 30, 2025, the Authority recognized pension expense (negative pension expense) of \$38,172.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and Actual experience	64,924	-
Net difference between projected and Actual earning on pension plan		
Investments	-	7,063
Changes in assumptions	-	-
Contributions subsequent to the Measurement date of June 30, 2024	<u>30,807</u>	<u>-</u>
Total	<u>95,731</u>	<u>7,063</u>

The amounts shown above for 'Contributions subsequent to the measurement date of June 30, 2024,' will be recognized as a reduction (increase) to net position liability (asset) in the following measurement period.

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

Year Ended June 30:

2026	\$28,941
2027	\$36,289
2028	(\$3,671)
2029	(\$3,702)
2030	-
Thereafter	-

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

TENNESSEE CENTRAL ECONOMIC AUTHORITY

Notes to Financial Statements

June 30, 2025

(5) Risk Management

The Authority 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 Authority has elected to obtain an insurance policy to transfer risk to a commercial insurance company. Insurance settlements have not been in excess of insurance coverage in any of the prior three years.

(6) Commitments and Contingencies

Economic Dependency

The Authority obtains a substantial amount of funds from the Tennessee Valley Authority. A significant reduction in the level of such support, if this were to occur, might affect the Authority's ability to carry out its programs and activities.

Litigation:

There are no pending lawsuits in which the Authority is involved which are significant to the financial statements.

Grants:

Amounts received from Grantor agencies are subject to audit and adjustment by Grantor agencies, principally the Federal government. Any disallowed claims including amounts already collected, could become a liability of the applicable fund.

(7) Leases

Under GASB Statement 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Management has determined that the Authority's leases do not qualify for reporting under GASB 87 due to the short-term nature of the leases.

(8) Operating Transfers

<u>To</u>	<u>From</u>	<u>Amount</u>
General Fund	Capital Project Fund	\$180,000

The transfer from Capital Project Fund to General Fund was for shared expenses paid by the General Fund.

REQUIRED
SUPPLEMENTARY
INFORMATION

TENNESSEE CENTRAL ECONOMIC AUTHORITY

Schedule of Required Supplementary Information

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

Last Fiscal Year ending June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total pension liability (asset)										
Service cost	\$ 10,886	\$ 8,183	\$ 8,574	\$ 8,017	\$ 10,572	\$ 11,119	\$ 11,802	\$ 12,784	\$ 13,416	\$ 8,437
Interest	\$ 18,401	\$ 19,770	\$ 21,059	\$ 21,122	\$ 22,496	\$ 24,517	\$ 26,626	\$ 29,529	\$ 32,701	\$ 35,890
Changes in benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between actual & expected experience	\$ 3,540	\$ 847	\$ (14,655)	\$ (323)	\$ 6,916	\$ 5,669	\$ 2,937	\$ 17,430	\$ 25,525	\$ 84,622
Change of assumptions	-	-	\$ 8,303	-	-	-	\$ 40,979	-	-	-
Benefit payments, including refunds of employee contributions	\$ (11,821)	\$ (11,938)	\$ (12,054)	\$ (12,299)	\$ (12,544)	\$ (12,766)	\$ (13,034)	\$ (13,197)	\$ (13,547)	\$ (25,285)
Net change in total pension liability (asset)	\$ 21,006	\$ 16,862	\$ 11,227	\$ 16,517	\$ 27,440	\$ 28,539	\$ 69,310	\$ 46,546	\$ 58,095	\$ 103,664
Total pension liability (asset)-beginning	\$ 240,374	\$ 261,380	\$ 278,242	\$ 289,469	\$ 305,986	\$ 333,426	\$ 361,965	\$ 431,275	\$ 477,821	\$ 535,916
Total pension liability (asset)-ending (a)	\$ 261,380	\$ 278,242	\$ 289,469	\$ 305,986	\$ 333,426	\$ 361,965	\$ 431,275	\$ 477,821	\$ 535,916	\$ 639,580
Plan fiduciary net position										
Contributions-employer	\$ 14,239	\$ 14,960	\$ 6,979	\$ 12,848	\$ 13,590	\$ 19,864	\$ 21,071	\$ 22,022	\$ 27,442	\$ 27,801
Contributions-employee	\$ 6,768	\$ 7,110	\$ 7,948	\$ 8,030	\$ 8,494	\$ 9,029	\$ 9,578	\$ 10,010	\$ 12,473	\$ 12,637
Net investment income	\$ 7,668	\$ 7,058	\$ 31,762	\$ 26,353	\$ 26,256	\$ 19,416	\$ 110,270	\$ (21,258)	\$ 37,421	\$ 59,989
Benefit payments, including refunds of employee contributions	\$ (11,821)	\$ (11,938)	\$ (12,054)	\$ (12,299)	\$ (12,544)	\$ (12,766)	\$ (13,034)	\$ (13,197)	\$ (13,547)	\$ (25,285)
Administrative expense	\$ (152)	\$ (227)	\$ (295)	\$ (285)	\$ (267)	\$ (266)	\$ (268)	\$ (296)	\$ (333)	\$ (439)
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net change in plan fiduciary net position	\$ 16,702	\$ 16,963	\$ 34,340	\$ 34,647	\$ 35,529	\$ 35,277	\$ 127,617	\$ (2,719)	\$ 63,456	\$ 74,703
Plan fiduciary net position-beginning	\$ 245,327	\$ 262,029	\$ 278,992	\$ 313,332	\$ 347,979	\$ 383,508	\$ 418,785	\$ 546,402	\$ 543,683	\$ 607,139
Plan fiduciary net position-ending (b)	\$ 262,029	\$ 278,992	\$ 313,332	\$ 347,979	\$ 383,508	\$ 418,785	\$ 546,402	\$ 543,683	\$ 607,139	\$ 681,842
Net Pension Liability (asset)-ending (a) - (b)	\$ (649)	\$ (750)	\$ (23,863)	\$ (41,993)	\$ (50,082)	\$ (56,820)	\$ (115,127)	\$ (65,862)	\$ (71,223)	\$ (42,262)
Plan fiduciary net position as a percentage of total pension liability	100.25%	100.27%	108.24%	113.72%	115.02%	115.70%	126.69%	113.78%	113.29%	106.61%
Covered payroll	\$ 135,353	\$ 142,202	\$ 158,966	\$ 160,603	\$ 169,878	\$ 180,584	\$ 191,551	\$ 200,198	\$ 249,470	\$ 252,734
Net pension liability (asset) as a percentage of covered payroll	-0.48%	-0.53%	-15.01%	-26.15%	-29.48%	-31.46%	-60.10%	-32.90%	-28.55%	-16.72%

Changes of assumptions. In 2021, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, salary growth and mortality improvements. In 2017, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, salary growth and mortality improvements.

GASB 68 requires 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from the TCRS GASB website for prior years' data, in needed.

TENNESSEE CENTRAL ECONOMIC AUTHORITY

Schedule of Contributions Based on Participation in the
Public Employee Pension Plan of TCRS

For the Year Ended June 30, 2025

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially determined contribution	14,960	6,979	1,943	0	181	0	0	0	0	30,807
Contributions in relation to the actuarially determined contribution	14,960	6,979	12,848	13,590	19,864	21,071	22,022	27,442	27,801	30,807
Contribution deficiency (excess)	\$0	\$0	(\$10,905)	(\$13,590)	(\$19,683)	(\$21,071)	(\$22,022)	(\$27,442)	(\$27,801)	\$0
Covered-employee payroll	142,202	158,966	160,603	169,878	180,584	191,551	200,198	249,470	252,734	172,006
Contributions as a percentage covered-employee payroll	10.52%	4.39%	8.00%	8.00%	11.00%	11.00%	11.00%	11.00%	11.00%	0.00%

GASB 68 requires 10-year schedule for this data to be presented starting with the implementation of GASB 68. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from the TCRS GASB website for prior years' data, in needed.

Notes to Schedule

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 percent corridor to market value
Inflation	2.25 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment Rate of Return	6.75 percent, 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 Adjustments	2.125 percent

Changes of assumptions. In 2021, the following assumptions were changed: decreased inflation rate from 2.50 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 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

SUPPLEMENTAL INFORMATION

TENNESSEE CENTRAL ECONOMIC AUTHORITY

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

General Fund

For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes:				
Rent building	\$407,680	\$407,680	\$536,582	128,902
Grants	1,200	1,200	1,125	(75)
Interest	25,000	25,000	75,351	50,351
Other income	3,050	3,050	4,290	1,240
Total Taxes	<u>436,930</u>	<u>436,930</u>	<u>617,348</u>	<u>180,418</u>
Expenditures:				
Personnel costs	267,624	267,624	343,872	(76,248)
Payroll taxes	24,755	24,755	23,865	890
Employee benefits	67,245	67,245	65,775	1,470
Marketing	24,000	24,000	15,032	8,968
Rent	12,900	12,900	12,900	0
Professional services	31,840	31,840	30,140	1,700
Insurance	8,500	8,500	4,193	4,307
Utilities	6,000	6,000	5,599	401
Supplies	14,750	14,750	12,805	1,945
Meetings and events	18,500	18,500	10,827	7,673
Dues	8,000	8,000	7,964	36
Training and travel	39,800	39,800	20,901	18,899
Miscellaneous	4,000	4,000	3,221	779
Total Expenditures	<u>527,914</u>	<u>527,914</u>	<u>557,094</u>	<u>(29,180)</u>
Excess (deficiency) of revenues over expenditures	<u>(90,984)</u>	<u>(90,984)</u>	<u>60,254</u>	<u>151,238</u>
Other financing sources:				
Operating transfer	<u>180,000</u>	<u>180,000</u>	<u>180,000</u>	<u>0</u>
Net change in fund Balance	<u>89,016</u>	<u>89,016</u>	<u>240,254</u>	<u>151,238</u>
Fund Balance, Beginning of year	1,960,510	1,960,510	1,960,510	0
Fund Balance, End of year	<u>2,049,526</u>	<u>2,049,526</u>	<u>2,200,764</u>	<u>151,238</u>

See accompanying notes to financial statements.

TENNESSEE CENTRAL ECONOMIC AUTHORITY

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

Capital Projects Fund

For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Grants	25,000	25,000	0	(25,000)
TVA in-lieu-of tax	850,000	850,000	1,029,931	179,931
Interest income	60,000	60,000	133,802	73,802
Miscellaneous	0	0	8,219	8,219
Total Taxes	<u>935,000</u>	<u>935,000</u>	<u>1,171,952</u>	<u>236,952</u>
Expenditures:				
Professional services	205,000	205,000	144,990	60,010
Insurance	18,000	18,000	8,874	9,126
Utilities	144,000	144,000	3,090	140,910
Site development	800,000	800,000	419,643	380,357
Capital outlay	4,923,049	4,923,049	1,375,087	3,547,962
Total Expenditures	<u>6,090,049</u>	<u>6,090,049</u>	<u>1,951,684</u>	<u>4,138,365</u>
Excess (deficiency) of revenues over expenditures	<u>(5,155,049)</u>	<u>(5,155,049)</u>	<u>(779,732)</u>	<u>4,375,317</u>
Other financing sources:				
Operating transfer	<u>(180,000)</u>	<u>(180,000)</u>	<u>(180,000)</u>	<u>0</u>
Net change in fund Balance	<u>(5,335,049)</u>	<u>(5,335,049)</u>	<u>(959,732)</u>	<u>4,375,317</u>
Fund Balance, Beginning of year	6,240,405	6,240,405	6,240,405	0
Fund Balance, End of year	<u><u>905,356</u></u>	<u><u>905,356</u></u>	<u><u>5,280,673</u></u>	<u><u>4,375,317</u></u>

See accompanying notes to financial statements.

COMPLIANCE AND INTERNAL CONTROL

JOHN R. POOLE, CPA
CERTIFIED PUBLIC ACCOUNTANT

134 NORTHLAKE DRIVE
HENDERSONVILLE, TN 37075

(615) 822-4177

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

Board of Directors
Tennessee Central Economic Authority
Hartsville, Tennessee

I have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Tennessee Central Economic Authority as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Tennessee Central Economic Authority's basic financial statements, and have issued a report thereon dated August 31, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Tennessee Central Economic Authority'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 an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Tennessee Central Economic Authority's internal control. Accordingly, I do not express an opinion on the effectiveness of the Tennessee Central Economic Authority's internal control.

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

My consideration of the 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. I did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as items 2025-001 and 2025-002, that I consider to be material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tennessee Central Economic Authority's financial statements are free of material misstatement, I 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 determination of the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of the audit and, accordingly, I do not express such an opinion. The results of the tests disclosed one instance of noncompliance (2025-002) or other matters that are required to be reported under *Government Auditing Standards*.

Tennessee Central Economic Authority's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Tennessee Central Economic Authority's response to the finding identified in my audit and described in the accompanying Schedule of Findings and Responses. The Tennessee Central Economic Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on the response.

Purpose of This Report

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

John R Poole, CPA

August 31, 2025

TENNESSEE CENTRAL ECONOMIC AUTHORITY

Schedule of Findings and Responses

June 30, 2025

2025-001 - Separation of Duties

Condition: The Tennessee Central Economic Authority currently has one employee that works in performing the majority of the accounting functions for the Authority. Due to only having one employee performing the accounting transactions there is currently an inadequate segregation of duties.

Criteria: Generally accepted accounting principles require that accounting functions be adequately segregated to ensure that the internal accounting controls are effective.

Cause: The Authority has a limited number of office employees to provide for a proper division of duties.

Effect: The risk of errors and irregularities occurring and not being detected in a timely manner along with the possibility of fraud or misappropriation of assets increases when accounting functions are not adequately segregated.

Recommendation: For adequate separation of duties, the employee who writes receipts, prepares and makes bank deposits, or writes checks should neither reconcile bank statements nor post to the cash receipts and disbursements journals.

Response: "We agree that the staff size will not allow the Authority to segregate duties to the optimum level desired. There is only one employee working in the department so it is virtually impossible to segregate duties unless more staff could be hired and due to our finances, we could not financially hire additional office help."

TENNESSEE CENTRAL ECONOMIC AUTHORITY

Schedule of Findings and Responses, continued

June 30, 2025

2025-002 - Expenditures in Excess of Appropriations in Government Funds

Condition: Actual expenditures exceeded budgeted expenditures in the General fund.

Criteria: TCA 6-56-203 states in part: The governing body of each municipality shall adopt and operate under an annual budget ordinance. ...all moneys received and expended by a municipality shall be included in a budget ordinance. Therefore, notwithstanding any other law, no municipality may expend any moneys regardless of their source...except in accordance with a budget ordinance adopted under this section.

Cause: The president and executive administrator retired in the last months of the year and the Authority made payouts of unused vacation time. As the retirements were so close to year-end, budget amendments were not able to be made. We recognize these expenditures occurred unexpectedly and are not likely to occur again in future periods.

Effect: Expenditures could exceed approved budgeted amounts, compromising the Authority's financial position.

Recommendation: If it appears during the fiscal year that actual expenditures will exceed budgeted amounts, the Officers of the Authority and Board members should amend the budget or provide supplemental appropriations.

Management's Response: "We concur. We will do a better job of monitoring our budget and expenditure balances."

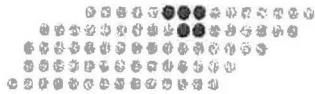
TENNESSEE CENTRAL ECONOMIC AUTHORITY

Schedule of Disposition of Prior Year Comments

June 30, 2025

<u>Finding Number</u>	<u>Finding Title</u>	<u>Status</u>
2024-001	Separation of Duties	Repeated

The original find number was 2012-001. The current year finding number is 2025-001.



TENNESSEE CENTRAL
ECONOMIC AUTHORITY

702 McMurry Blvd. E.
Hartsville, TN 37074
Phone: 615-374-4607
Fax: 615-374-4608
TennesseeCentral.org

Management's Corrective Action Plan

Audit period: June 30, 2025

The findings from the June 30, 2025, *Schedule of Findings and Responses* are discussed below.

2025-001 Segregation of Duties (Internal Control)

Contact person: Helene Singer Cash

Planned Corrective Action: It is not economically feasible at this time to hire a sufficient number of people to adequately separate the duties. The Board of Officers continues to monitor our finances and internal control.

Anticipated Completion Date: At the current time, due to our size, we do not believe we can fully segregate these duties. We will continue to improve and strengthen our internal controls, but we cannot give a definite date.

2025-002 Expenditures in Excess of Appropriations in Government Funds (Compliance)

Contact person: Helene Singer Cash

Planned Corrective Action: The Officers of the Authority and Board members should amend the budget or provide supplemental appropriations if expenditures appear to exceed budget appropriations. The Board will do a better job of monitoring the budget and expenditure balances.

Anticipated Completion Date: June 30, 2026

Signature: _____



www.tennesseecentral.org

This institution is an equal opportunity provider and employer

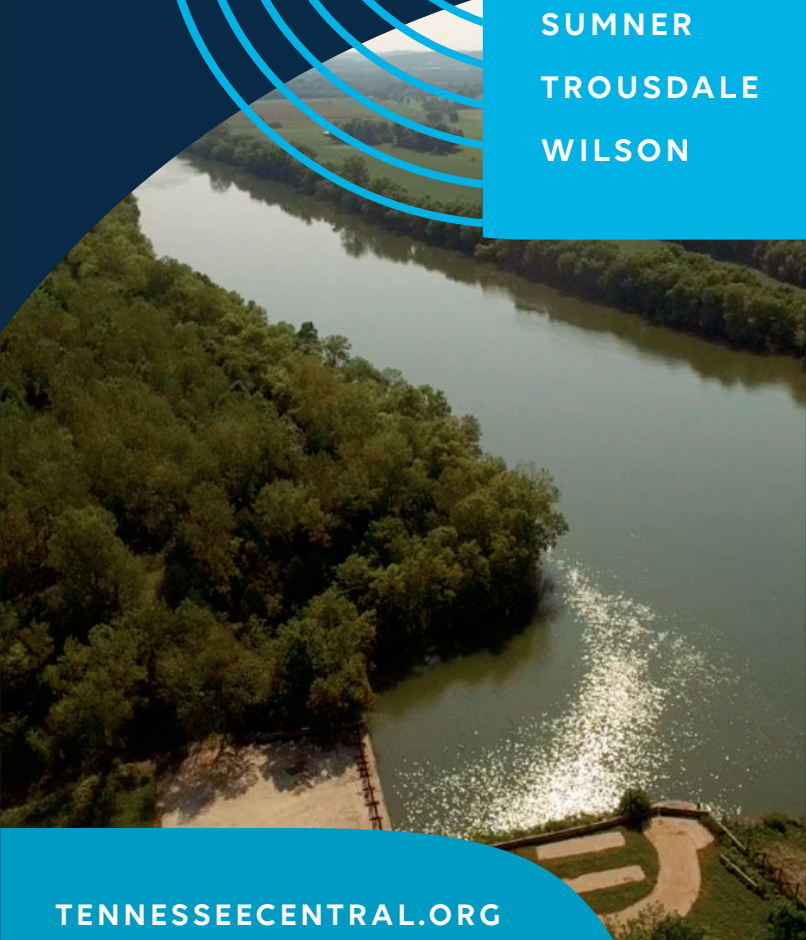
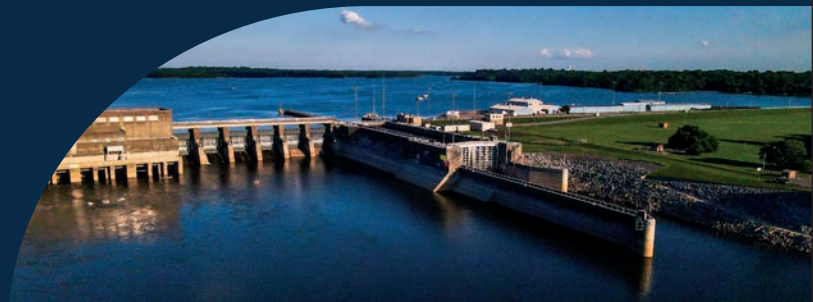


TENNESSEE CENTRAL

ECONOMIC AUTHORITY

Connecting the World

MACON
SMITH
SUMNER
TROUSDALE
WILSON



2024
2025
ANNUAL
REPORT

TENNESSEECENTRAL.ORG

2025-2026 EXECUTIVE DIRECTOR'S COMMENTS

As I step into the role of Executive Director, I do so with deep respect for the progress already made – and a clear vision for where we’re going. Tennessee Central is at a pivotal point, and the momentum we’ve built is not just encouraging – it’s energizing.

This past year has laid critical groundwork for the next chapter. From the continued development of PowerCom Industrial Center, to strategic efforts around port infrastructure and site readiness, we remain focused on projects that aren’t just growth-minded – they are legacy-minded. These initiatives are not isolated wins – they are part of a larger story we’re writing together.

We are seeing interest from industry leaders, the readiness of our industrial sites, and the commitment of our communities. Our Port Project continues to evolve, positioning us for long-term logistics and transportation competitiveness. Meanwhile, investments in infrastructure – both physical and digital – are laying the foundation for sustained, smart growth across all five counties we serve.

We’re not just supporting economic development – we’re shaping it.

Shaping it through collaboration. Through careful planning. Through bold but grounded ambition. And through an unwavering belief in what this region has to offer – not only to businesses and industry, but to the people who call it home.

I’m grateful to our partners, stakeholders, local leaders, and communities who believe in the future we’re building. Your trust and vision make this work meaningful.

We’re ready for what’s next. Let’s move forward – together – with momentum, clarity, and purpose.

Helene Singer Cash
Executive Director

2025-2026 TEAM



Pictured L to R: Michele, Helene



Helene Singer Cash
Executive Director



Michele Farley
Development Coordinator

2024-2025 PRESIDENT'S THOUGHTS

Thank you for the opportunity to make a difference with families and lead the Tennessee Central Team. Every year the journey provides possibilities for us to lead and partner with stakeholders that truly care about people, their hope, and their quality of life.

Our appreciation cannot be expressed enough for TVA, Tennessee ECD, Upper Cumberland Development District, Greater Nashville Regional Council, Legislators, MTIDA, and many others that assist, support, and seek ways to strengthen Tennessee Central. It is an honor to serve and share this journey with so many exceptional people.

May God Bless,
Charly Lyons

2024-2025 TEAM



Charly Lyons
President & CEO



Kelsey Dansby
Development Coordinator



Amanda Sexton
Project Manager



Pictured L to R: Charly, Kelsey, Amanda

BOARD OF DIRECTORS



Chairman
Steve Jones
Macon County Mayor



Vice Chairman
Jack McCall
Trousdale County Mayor



Secretary/Treasurer
John Isbell
Sumner County Executive



Smith County Mayor
Jeff Mason



Wilso County Mayor
Randall Hutto



Senate Appointee
Mae Wright



House Appointee
Heather Bay



TCEA Attorney
Bob Rochelle

SENATORS & REPRESENTATIVES

At Tennessee Central Economic Authority, we recognize that the work of regional economic development does not happen in isolation—it is made possible through trust, leadership, and collaboration. Our state Senators and Representatives play a critical role in shaping the policies, resources, and vision that allow regions like ours to grow strategically and sustainably.

We are deeply honored to serve as stewards of the responsibility entrusted to us. With every infrastructure project, industrial recruitment effort, and site development initiative, we carry forward the charge to represent our communities and deliver measurable, meaningful impact.

We see our work not just as execution—but as continuation of the confidence placed in us by our elected leaders. Their guidance and advocacy empower us to act with clarity, purpose, and long-term commitment.

To our legislators: thank you for your partnership, your insight, and your investment in this region. Your support allows us to move with momentum and vision—and we are proud to stand beside you in building a stronger, more resilient Tennessee.

Together, we are shaping what comes next.

With sincere appreciation for your continued trust and partnership, we look forward to all we will build together in the year ahead.

- Helene

SENATORS:



Paul Bailey



Ferrell Haile



Mark Pody



Ken Yager

REPRESENTATIVES:



Clark Boyd



Johnny Garrett



Michael Hale



Kelly Keisling



Susan Lynn



William Lamberth



William Slater

KEY EVENTS



MACON LEADERSHIP



MACON LEADERSHIP



HENDERSONVILLE CHAMBER



ECONOMIC IMPACT WITH GOVERNOR LEE



MTIDA MEETING



MTIDA BARBECUE

KEY EVENTS

Association of Tennessee Valley Governments Quarterly
 Congressman Rose's Rep. Ray Render
 Dale Hollow RPO
 ECD & TVA project Submissions (Macon & Trousdale)
 Enbridge meetings & tours of PCIC
 Forward Sumner Annual Meeting
 Governor's Conference for Department of ECD
 JECDB & IDB meetings (quarterly)
 Leadership Macon
 Macon Career Fair
 Macon, Smith, Sumner, Trousdale, & Wilson Chamber Meetings
 MTIDA Meetings
 Port Organizational meetings
 Project Presentations & tours (multiple meetings)
 SEDC Annual Conference, Savannah, GA
 Smith County Chamber Industry Luncheon
 State of Tennessee Funding Board in Nashville
 Sunset Review with TN Comptroller
 TCAT Advisory Board Meetings
 TCED Entrepreneurship & Small Business- UT CIS
 TCED Marketing & Attraction- UT CIS
 TCED Business Retention & Expansion-UT CIS
 Tour OakRidge Labs

TEDC Day on the Hill
 Chamber Leaders Luncheon
 Hendersonville Chamber with Governor Lee
 TEDC Fall meeting, Jackson, TN
 Tennessee Economic Partnership Quarterly Board Meetings
 Trousdale Industrial Appreciation Lunch, assisted by TCAT
 TVA Rural Development Roundtable
 TVA Metrics & Measurements
 TVA InVest Prep Meetings
 Legislators Meetings
 SEUS Japan 2024, Charlotte, NC
 TVA Training: Electricity and RFI responses
 TVA Workforce Summit
 TVA's Economic Developers' Forum
 TVA's Workforce Institute
 UCDD Annual Economic Development Meeting: Macon & Smith
 UCDD Export Training
 Upper Cumberland Economic Development Workshop
 Vol State Community College, President Dr Wendi Tostenson
 Workforce Development TCED
 WASTEK Presentation
 Hendersonville Chamber Speaker



SEDC



SEDC



TVA FORUM



TVA FORUM

TCAT EXPANSION GROUNDBREAKING



TCAT GOLF TOURNAMENT



INDUSTRY LUNCHEON



2024 ANNUAL MEETING



2024 CHRISTMAS MEETING



2024 CHRISTMAS MEETING



OVERVIEW OF THE TCEA REGION



POPULATION GROWTH

2030 Projected: 485,396
 2025 Estimate: 447,253

POPULATION GROWTH

2025-2030 Projected: 8.53%
 2020-2025 Growth: 11.60%
 2010-2020 Growth: 23.71%

		MACON	SMITH	SUMNER	TROUSDALE	WILSON	TN CENTRAL
POPULATION	2010	22,248	19,166	160,643	7,871	114,016	323,944
	2020	25,216	19,904	196,281	11,615	147,737	400,753
	2025	27,660	20,801	214,222	12,661	171,909	447,253
	2030	29,771	21,550	229,664	13,598	190,815	485,398
PERCENTAGE GROWTH	2010-2020	13.34%	3.85%	22.18%	47.57%	29.58%	23.71%
	2020-2024	9.69%	4.51%	9.14%	9.01%	16.36%	11.60%
	2025-2030	7.63%	3.60%	7.21%	7.40%	11.0%	8.53%

		DAVIDSON	RUTHERFORD	WILLIAMSON	TENNESSEE	UNITED STATES
POPULATION	2010	626,635	262,603	183,199	6,346,016	308,745,377
	2020	715,884	341,486	247,726	6,910,840	331,449,281
	2025	718,553	378,969	271,521	7,253,284	337,643,652
	2030	728,914	409,087	290,354	7,560,067	345,735,705
PERCENTAGE GROWTH	2010-2020	14.24%	30.04%	35.22%	8.90%	7.35%
	2020-2025	0.37%	10.98%	9.61%	4.96%	1.87%
	2025-2030	1.44%	7.95%	6.94%	4.23%	2.40%

Source: Environics & Claritas 2025

EDUCATION OVERVIEW

2023-2024 ACT AVERAGE

Macon County	18.3
Smith County	19.1
Sumner County	20.1
Trousdale County	18.7
Wilson County	20.3
TN Central Region	19.3
Davidson County	19.3
Rutherford County	17.5
Williamson County	24.7
State of Tennessee	19.0
United States ¹	19.4



2023-2024 GRADUATION RATE

Macon County	91.5%
Smith County	95.9%
Sumner County	97.6%
Trousdale County	97.5%
Wilson County	98.2%
TN Central Region	96.1%
Davidson County	81.2%
Rutherford County	96.2%
Williamson County	97.8%
State of Tennessee	90.6%
United States ²	91.0%

Source: TN Department of Education, 1. ACT.org,
2. 2023-2024 wisevoter.com

UNIVERSITIES & COLLEGES

- Belmont University
- Cumberland University
- Fisk University
- Lipscomb University
- Meharry Medical College
- Middle Tennessee State University
- Tennessee State University
- Tennessee Technological University
- TN College of Applied Technology in Hartsville
- TN College of Applied Technology in Lebanon
- TN College of Applied Technology in Nashville
- TN College of Applied Technology in Portland
- TN College of Applied Technology in Red Boiling Springs
- Trevecca Nazarene University
- Vanderbilt University
- Volunteer State Community College
- Welch College
- Union University

EDUCATIONAL ATTAINMENT OF THE TCEA REGION

8.36% Less than High School Diploma	31.59% High School Diploma (GED)	19.83% Some College, No Degree	8.57% Associate Degree	21.57% Bachelor's Degree	10.06% Master's Degree and Beyond
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Source: Environics & Claritas 2025

2024-2025 PERFORMANCE INDEX

Port dredging completed

Port access agreement with Coastal Marine Contractors, LLC.

ARC Automotive Expansion

TVA approval of port development

Southeast US Japan Conference

Renovations on four 16,000 SF Buildings, South Campus

Approval of Zwirner Equipment purchasing building/property

Approval of Cary Brothers purchasing building

IRIS contract on Goldilocks' site

State of Tennessee Funding Board approval

Additional road upgrades & paving in PowerCom

Drainage Improvements on HULK Site

Appraisals on six sites in PowerCom

TVA Workforce Institute

Enbridge agreement for land leases (2)

TVA Forum

Elected to the Tennessee Economic Partnership Board

45 RFP/RFI Responses to ECD & TVA

Additional signage in PowerCom

TCEA Website updated

TCEA'S PARTNERS FOR SUCCESS



Center for Industrial Services
INSTITUTE for PUBLIC SERVICE

UCDD Upper Cumberland
Development District



VOL STATE
COMMUNITY COLLEGE



Cumberland
UNIVERSITY



UNION
UNIVERSITY



WELCH
COLLEGE

2024-2025 FISCAL OVERVIEWS

General Fund (Staff & Office Operations)

REVENUES

\$527,706.71

Rent

\$257,307.90

Other

TOTAL REVENUES:
\$785,014.61

EXPENDITURES

\$433,532.41

Salaries & Benefits

\$30,140.05

Contract Services

\$35,497.55

Office Expenses

\$15,032.28

Advertising & Marketing

\$10,798.20

Meeting & Event Expenses

\$19,657.35

Travel

\$4,463.59

Training/Education & Miscellaneous

\$7,981.11

Dues & Fees

TOTAL EXPENDITURES:
\$557,102.54

Capital Improvements Fund (PowerCom Industrial Center & Off-Site Development)

REVENUES

\$1,029,930.69

TVA In-Lieu-of-Tax Funding

\$138,903.44

Other (Grants & Interest)

TOTAL REVENUES:
\$1,168,834.13

EXPENDITURES

\$148,711.16

Grant Programs

\$142,933.29

Contract Services & Labor

\$750,007.94

PowerCom Expenses

(Infrastructure, Site Development & Repair & Maintenance)

\$182,057.25

Admin Fee & Other Miscellaneous Expenses

\$806,087.45

Port Development

TOTAL EXPENDITURES:
\$2,029,797.09

BUSINESS & WORKFORCE DEVELOPMENT



The Tennessee College of Applied Technology Hartsville fully supports the ongoing efforts of the TN Central Economic Authority and serves as the premier supplier of workforce development for Trousdale, Sumner, Wilson, Smith, and Macon Counties. With adult campuses located in both Wilson and Trousdale counties, we work closely with companies such as Lochinvar, Simpson-Strongtie, HighPoint Health System, NIC Global, Insteel Wire, and many others to develop training programs and provide qualified employees.

The College fulfills its mission by:

- » Providing **competency-based training** through superior quality traditional and distance learning instruction methods that qualify completers for employment and job advancement.
- » Contributing to the **economic and community development** of the communities served by training and retraining employed workers.
- » Ensuring that programs and services are **economical and accessible** to all residents of Tennessee.
- » **Building relationships of trust** with community, business, and industry leaders to supply highly skilled workers in areas of need.

At TCAT Hartsville, the focus is on your success in today's ever-changing, state-of-the-market economy. Our faculty and staff believe in providing the highest quality services and instruction to ensure an exciting learning experience. Our instructors are qualified and dedicated to the responsive changes needed by business and industry, students, and the community.

TCAT Hartsville is excited to announce a 70,000 square foot expansion that will open in Fall 2026. This new space will allow us to offer a wider range of hands-on training programs to meet the growing needs of our students and local workforce. New programs will include Cosmetology, Esthetician, Nail Tech, Dental Assistant, Digital Graphics, Lineman, and Diesel Technology. This expansion represents a major step forward in our mission to provide high-quality, career-focused education right here in our community.



The Tennessee Central office assists and houses a satellite location for the Volunteer State Community College TN Small Business Development Center (TSBDC). The Center provides group sessions and one-on-one counseling and training for small business owners and entrepreneurs needing assistance in the Tennessee Central region. Charles Alexander, the Center's Director, can provide private counseling at the following locations in the Tennessee Central Region. Please contact specific location for appointment.

MT. JULIET CHAMBER
615-758-3478

LEBANON CHAMBER
615-444-5503

VSCC
615-230-4780



Charles Alexander
Director
TSBDC

2025-2026 WORK STRATEGIES

ECONOMIC DEVELOPMENT PROGRAM

- » Market & promote the Tennessee Central as a five-county region.
- » Respond to Request for Proposals for the region or individual communities.
- » Apply and execute grants to improve economic development standards.
- » Increase industrial product development in the five-county region.
- » Engage with the PowerCom Property Committee's Vision.
- » Provide grants for industrial development in our five-county region.
- » Networking assistance to incubator clients as required.
- » Facilitate partnership & cooperation with elected officials, EDOs, and all stakeholders in the region.
- » Manage the PowerCom Industrial Center.
- » Participate with RPO and TDOT for regional highway infrastructure.

BUSINESS & WORKFORCE DEVELOPMENT ASSISTANCE

- » Enhance job growth in the region & accelerate Existing Industry.
- » Partner with SBA's TN Small Business Development Centers to assist entrepreneurs and start-up companies.
- » Create a CEO Roundtable.
- » Market TCAT, UT CIS, & VSCC training services to regional industries.
- » Assist with job fairs in the region.
- » Assist Workforce Development programs in the Tennessee Central Region.

PROGRAM ADMINISTRATION

- » Comply with reporting requirements of the State of Tennessee (Sunset Review & State Funding Board), Board of Directors, funding agencies, and others as an operating standard.
- » Maintain financial reporting, audits, and budget management.
- » Website support with news updates & resources throughout digital assets.
- » Manage the daily operations of the office and admin processes.
- » Research, pursue, and apply for funding opportunities.
- » Management of the PowerCom Industrial Center and tenant relationships.
- » Maintain professional affiliations with the Tennessee Dept. of ECD, Chambers of Commerce, UT/CTAS, the Greater Nashville Regional Council, MTIDA, the Upper Cumberland Development District, TN Economic Development Council, TVA, TEP, ATVG, USDA, RPO, SEDC, region's electric, utility districts, governments entities, and funding agencies.

ADDITIONAL RESPONSIBILITIES

- » Enhance the public awareness & vision of the TCEA.
- » Establish Tennessee Central internally in the five-county region for economic development.
- » Provide quarterly reports to the Board of Directors.
- » Respond to the Board of Director's request for other regional opportunities.
- » Aggressively pursue new projects and tenants.
- » Partner & support MTIDA's programs for our communities.
- » Expand sewer system in Powercom
- » Enhance port business

PORT DEVELOPMENT



ARC EXPANSION



COATING WORK PROGRESS



Serving the Middle
Tennessee Counties of:

MACON • SMITH • SUMNER
TROUSDALE • WILSON



TENNESSEE CENTRAL
ECONOMIC AUTHORITY

Helene Singer Cash, Executive Director

P 615.374.4607

C 615.489.6710

F 615.374.4608

702 McMurry Blvd E

Hartsville, Tennessee 37074

hscash@tennesseecentral.org

This institution is an equal opportunity provider and employer.

REPORT ON THE STATE POOLED INVESTMENT FUND

For The Fiscal Year Ended June 30, 2025



PREPARED FOR THE
STATE FUNDING BOARD

November 24, 2025

PREPARED BY
TREASURY DEPARTMENT
INVESTMENT OPERATIONS DIVISION

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	Stress Test Results June 30, 2025	Attachment

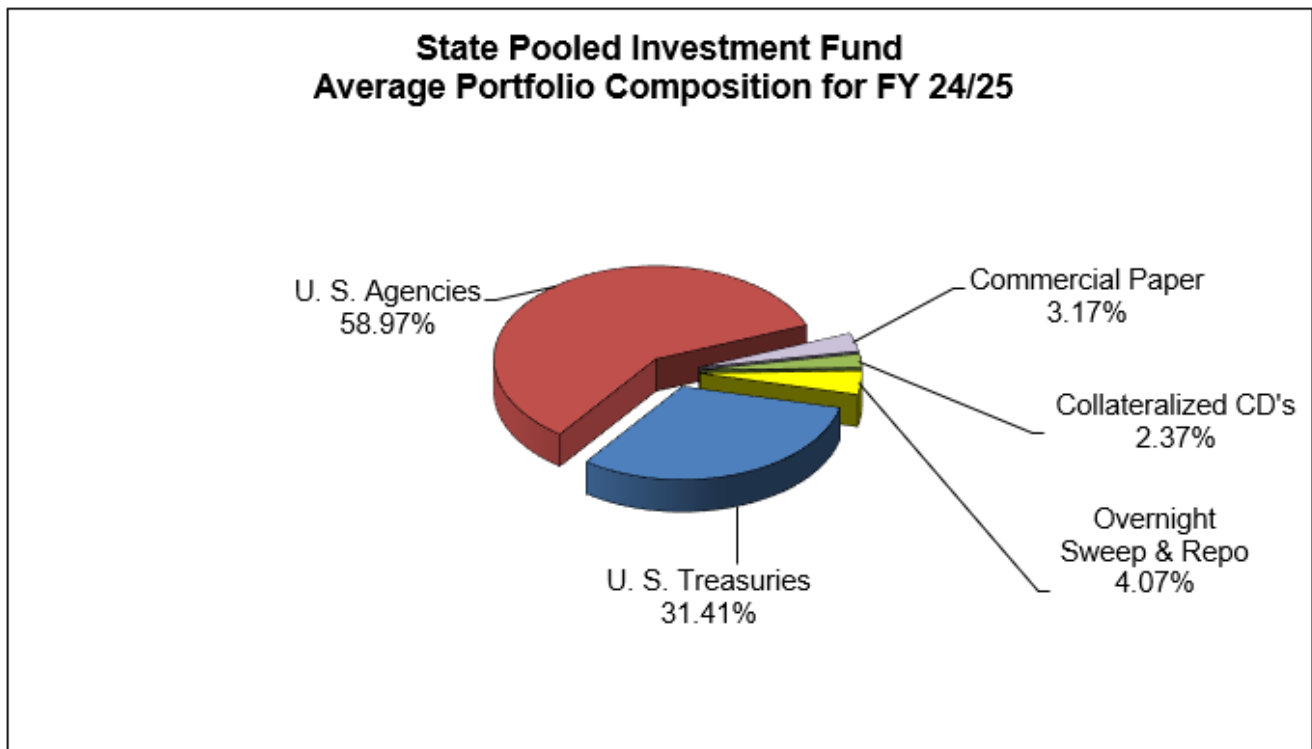
TENNESSEE TREASURY DEPARTMENT
State Pooled Investment Fund Report
For the fiscal year ended June 30, 2025

I. Investment Policy

The investment policy for the State Pooled Investment Fund is set by the State Funding Board. The board is composed of the Governor, Commissioner of Finance and Administration, Comptroller of the Treasury, Secretary of State, and Treasurer. The investment objective for the state pooled investment fund is to obtain the highest available return on investments consistent with the preservation of principal, while maintaining sufficient liquidity for state expenditures and other withdrawals from the state pooled investment fund. On April 7, 2016, the State Funding Board voted to adopt an Investment Policy that is in compliance with GASB Statement 79 in order to maintain a fund that could operate at a stable dollar.

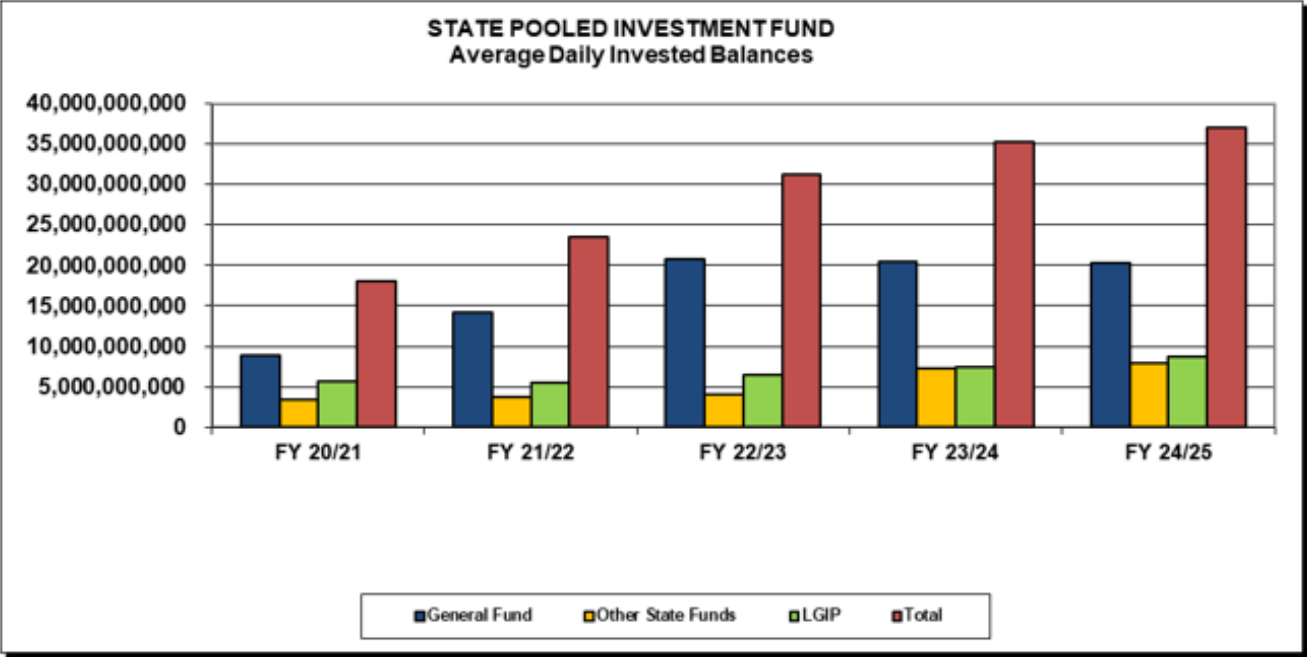
II. Portfolio Composition

The State Pooled Investment Fund had a monthly average of \$37.0 billion invested for the fiscal year ended June 30, 2025. The following chart shows the average portfolio composition.



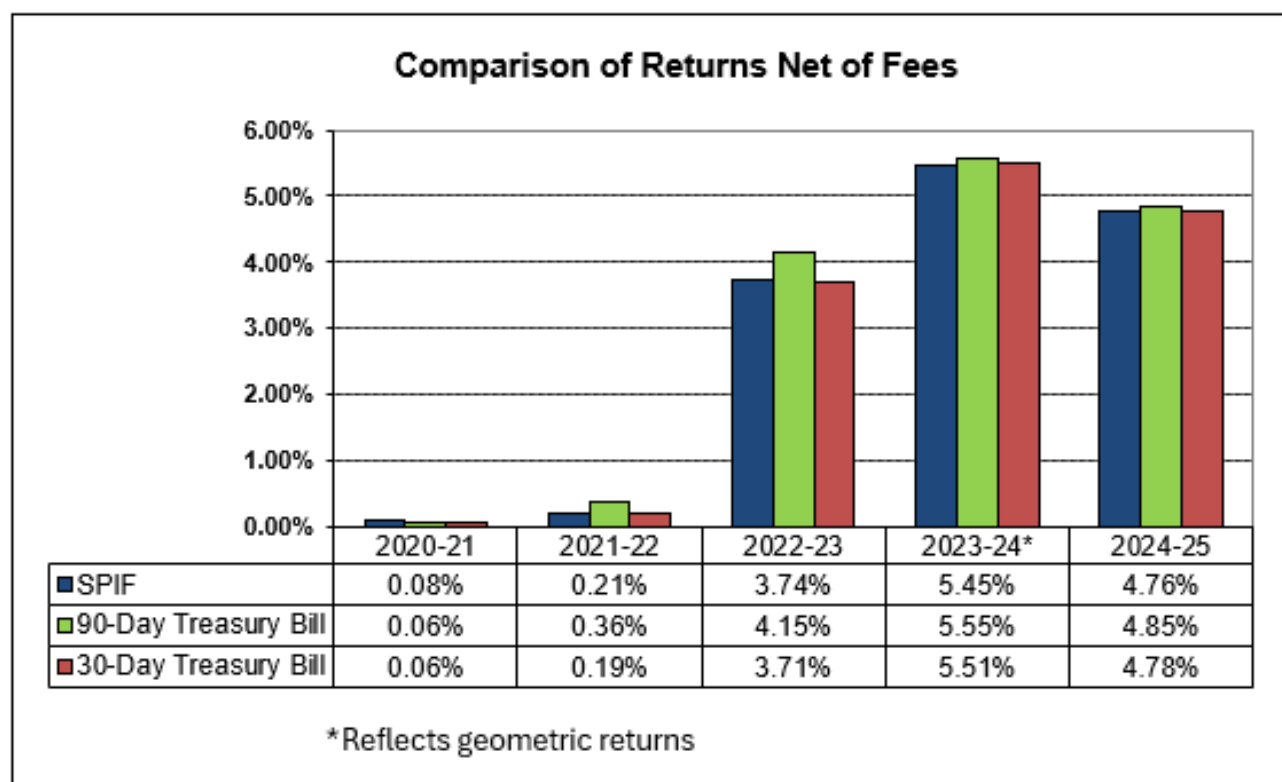
Demand for State funds marginally increased from 1.97% in FY 2023/2024 to 2.37% in FY 2024/2025. The average investment in Commercial Paper was reduced from 3.84% in FY 2023/2024 to 3.17% in FY 2024/2025 primarily due to its low attractiveness compared to alternatives given its liquidity and risk profile. Repurchase agreements were added back to the portfolio in 2018 to increase overnight liquidity. Agency exposure increased.

III. Average Daily Balances



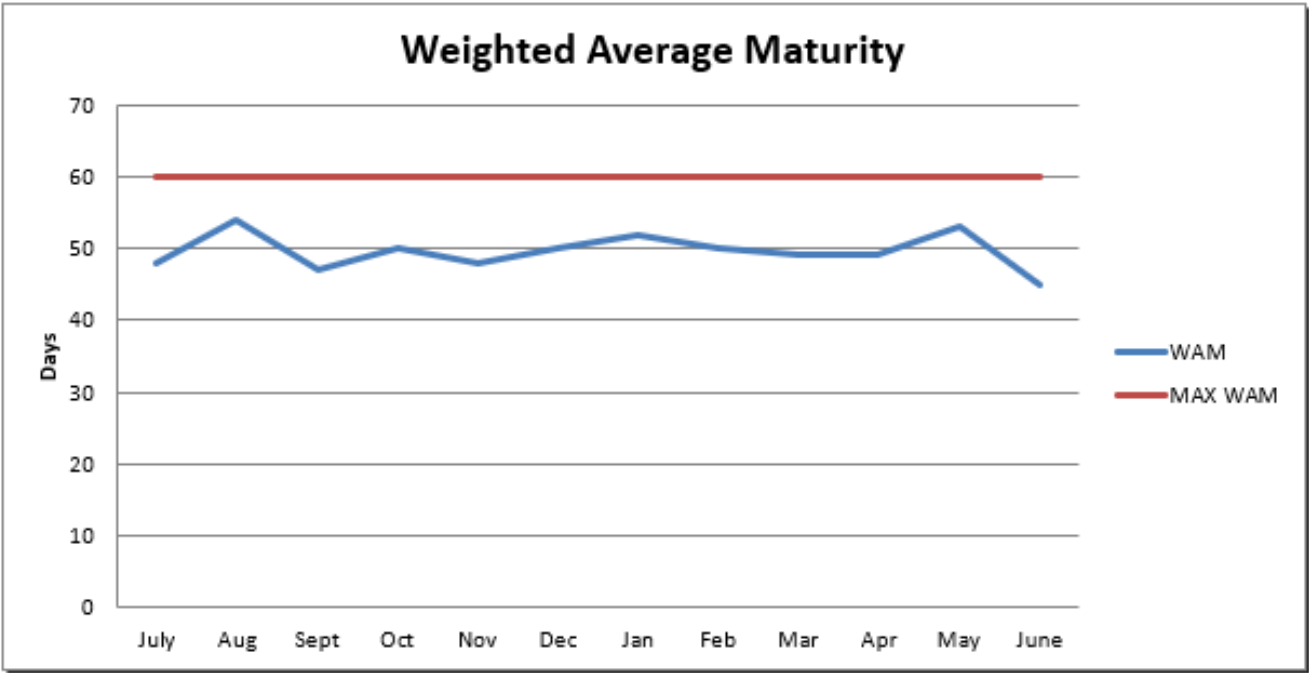
IV. Performance

The chart below shows how the SPIF has performed over the last 5 years as compared to 30- and 90-day US Treasury Bills using the FTSE 30-day and FTSE 90-day Total Return benchmarks. Beginning FYE 2024/2025 performance returns for the SPIF, 30- and 90-day US Treasury Bills are being shown using geometric returns. This presentation methodology is being utilized by peers and includes the compounding effects of investment returns to more accurately reflect investment performance over the year.



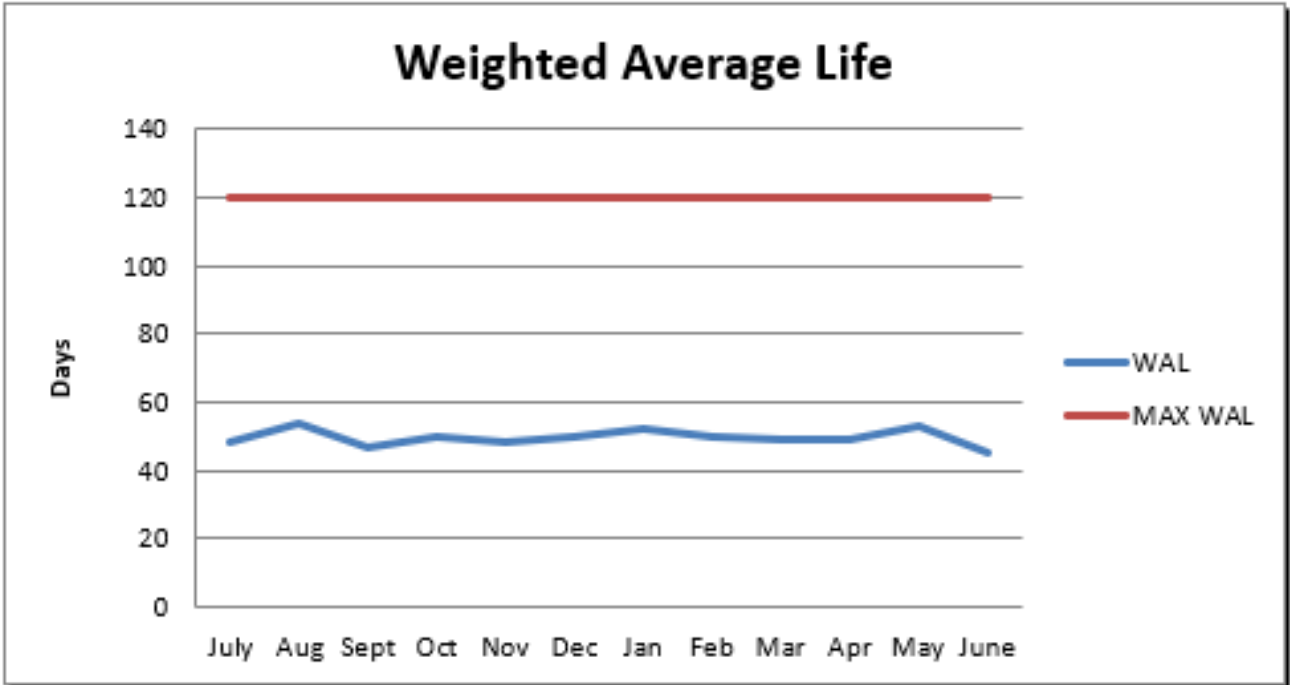
V. Weighted Average Maturity (WAM)

The weighted average maturity (WAM) measures investment time horizons – the time when investments become due and payable – in the case of the SPIF, days weighted to reflect the dollar size of individual investments. GASB Statement 79 allows the use of certain maturity shortening features to be utilized when measuring the WAM such as interest rate resets. The SPIF currently does not hold floating-rate securities. Floating-rate securities typically have maturities of less than 397 days but have indexed interest rates that reset each month. The use of those securities provides a level of protection against changes in interest rates as well as reduces the WAM of the SPIF portfolio. In order to maintain compliance with GASB Statement 79 requirements, the WAM of a portfolio cannot exceed 60 days. The SPIF stayed below the WAM limit during the fiscal year ended June 30, 2025. The chart below shows the WAM of the SPIF portfolio during the year.



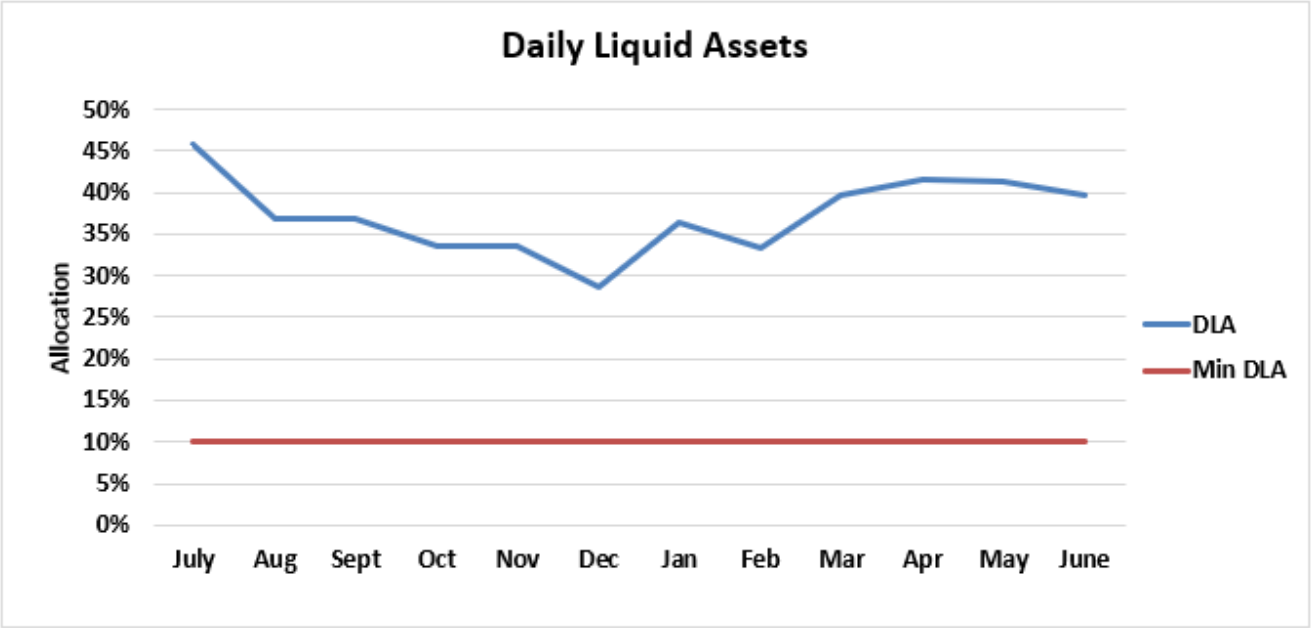
VI. Weighted Average Life (WAL)

The weighted average life (WAL) measures the average length of time that each dollar of principal remains unpaid without taking into account the maturity shortening features used in calculating the weighted average maturity. In other words, the WAL is the stated maturity of each security within the portfolio. In order to maintain compliance with GASB Statement 79 requirements, the WAL of a portfolio cannot exceed 120 days. The chart below shows the WAL of the SPIF portfolio during the year. At no point during FY 2025 did the WAL exceed the 120 day limit. The WAM and WAL profile are currently identical, since there are no floating rate bonds in the portfolio.



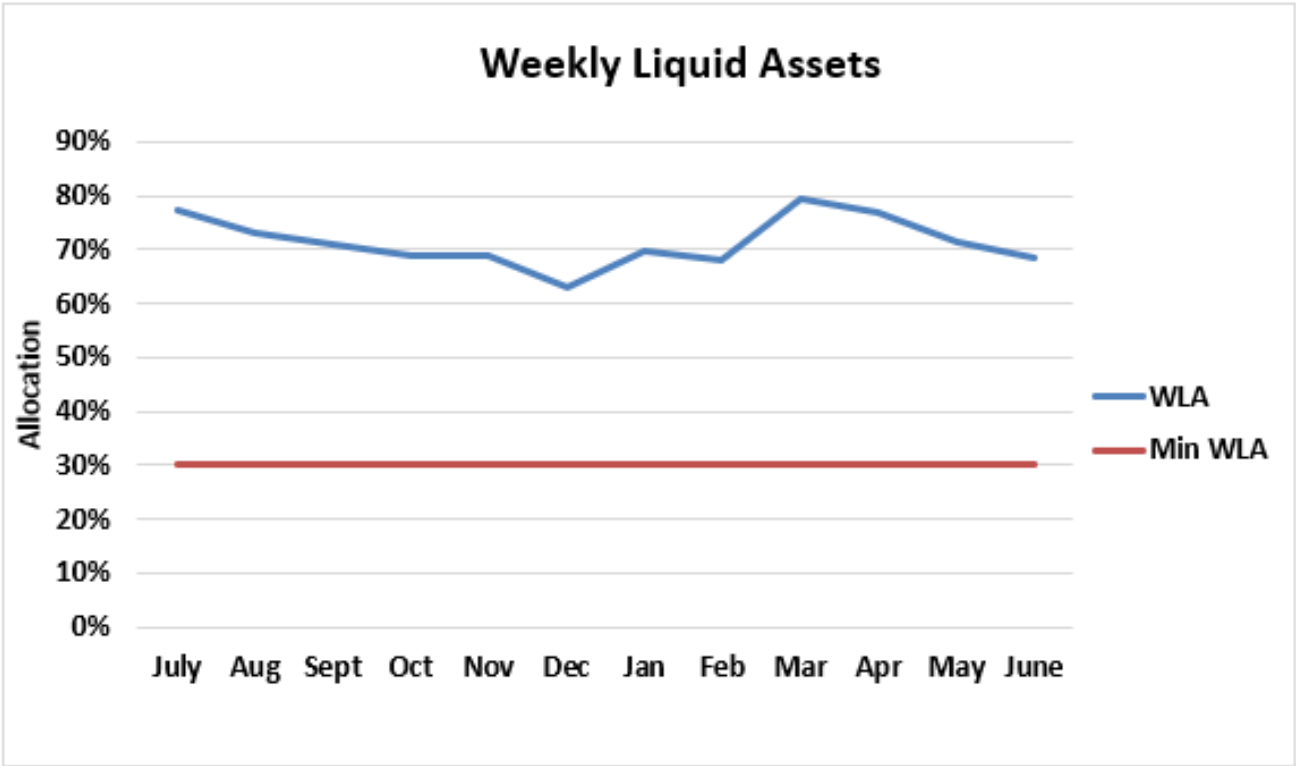
VII. Daily Liquid Assets

In order to provide for reasonably foreseeable redemptions, or withdrawals, GASB Statement 79 requires that a portfolio maintain at least 10.00% of the portfolio in securities that are defined as daily liquid securities. Examples of daily liquid securities include cash, demand deposits at banks, certificates of deposit that are scheduled to mature the next business day, direct obligations of the US government, and any other security that has a stated maturity date of the next business day. Below is a chart showing the daily liquidity of the SPIF during the year.



VIII. Weekly Liquid Assets

The SPIF must also maintain a portfolio that has at least 30.00% invested in weekly liquid assets. Examples of weekly liquid assets that might be held in the SPIF are cash, demand deposits or certificates of deposit that mature within 5 business days, direct obligations of the US government, all securities that mature within 5 business days, and securities that are US government securities but not direct obligations of the US government that are issued at a discount and mature within 60 days. Below is a chart that shows the level of weekly liquid assets held during the year by the SPIF.



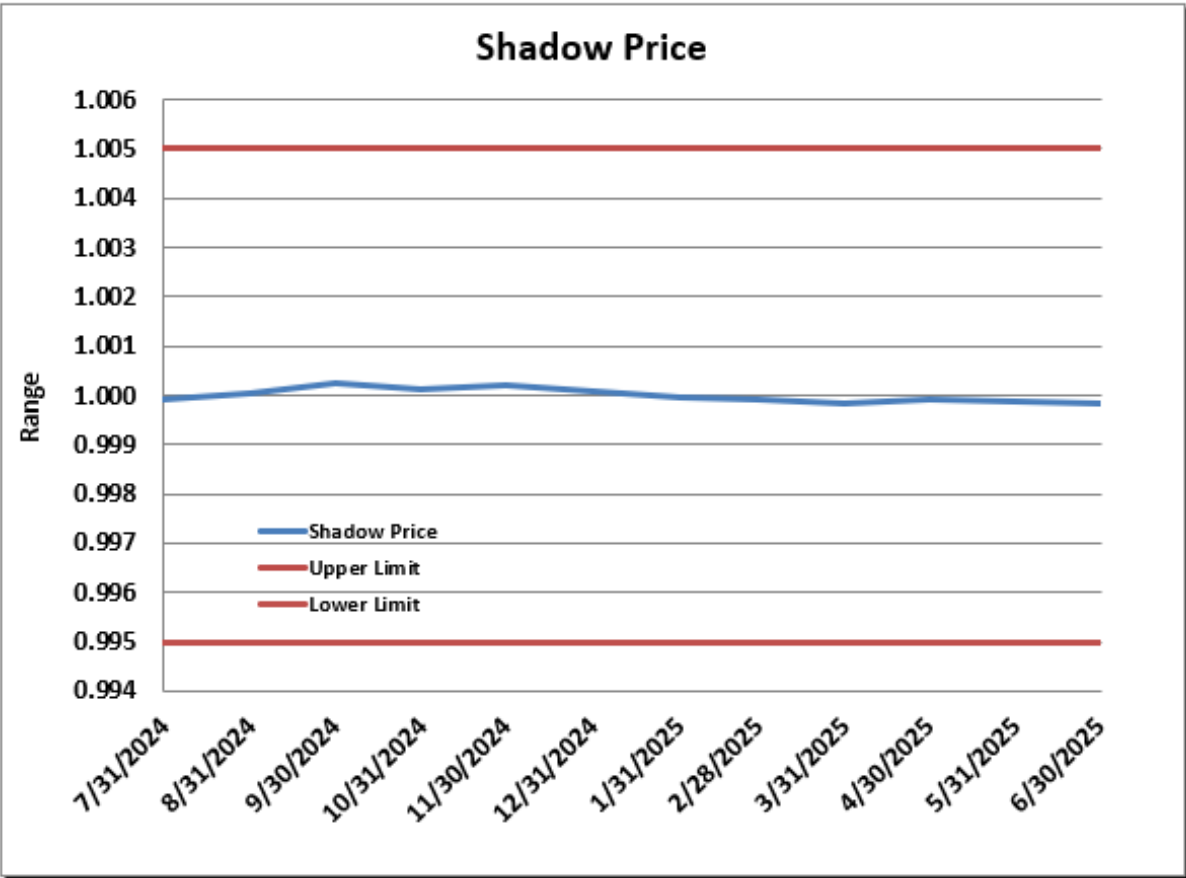
IX. Credit Quality and Diversification

During FY 2024/2025, the SPIF held direct and indirect obligations of the US government that were all rated AAA/Aa+. None of the commercial paper held by the SPIF was rated below A1/P1. Further, holdings of individual commercial paper issuers were limited to less than 5.00% of the total value of the SPIF portfolio, in accordance with GASB Statement 79.

X. Shadow Pricing

The shadow price is the net asset value per share of the fund calculated using total investments measured at fair value as of the calculation date. GASB Statement 79 requires that a fund calculate the shadow price at least one time each month, no sooner than 5 days before the last day of the month and no later than the last working day of each month. The SPIF calculates the shadow price daily and records the amortized book value on a monthly basis. In order for a fund to be considered a stable dollar fund, the shadow price must be between \$0.995 to \$1.005.

The lowest historic monthly shadow price valuation for the SPIF during the year was \$0.999819 per share in June 2025, while the highest monthly valuation for the SPIF was \$1.000253 per share in September 2024. The shadow price remained well within the upper and lower bands for the fiscal year.



XI. Stress Testing

At month's end, the SPIF is stress tested utilizing a model developed by Standard & Poor's (S&P). The model considers the balance of the fund, weighted average maturity, weighted average life, shadow price, credit spread, and percent of total credit excluding US government and agencies. Based upon the information entered, the model then considers the effect on the fund if the 10 largest shareholders were to redeem their shares in one day, considers the impact of a redemption in one day of the largest 5-day historical redemption, and the impact of both events occurring on the same day. The model then measures the impact if on the same day there was a movement in interest rates to determine how much stress the fund can handle before the fund has a variance in value greater than one half of 1.00%, or "breaking the buck".

During each month of FY 2025, the SPIF was capable of handling the impact of the above-described events. without breaking the buck. In fact, in most cases the SPIF could handle the combined redemption events and a change in interest rates of 250 basis points or greater without breaking the buck. This is due to the conservative credit position and enhanced liquidity of the portfolio. (The actual stress test as of June 30, 2025, is attached to the end of this document.)

XII. Investment Policy Review

During FY2025 there were no recommended changes to the SPIF investment policy.

XIII. Investment Strategy

During FY 2024, there were rate changes by the FOMC. The rate at the beginning of the year was 5.25% to 5.50% and decreased to 4.25% to 4.50% as of June 30, 2025. The FOMC decreased the rate to the current level at the December 18, 2024 meeting in order to pursue its dual mandate of maximum employment and low inflation. Staff will continue to maintain a diversified portfolio of CDs, bank deposits, US Government obligations, and commercial paper. The yield curve, actions taken by the Federal Reserve Bank, regulatory changes, and other market conditions will be considered when managing the asset mix and average maturity of the portfolio. The SPIF remains a safe investment for state funds and monies invested by local government officials. There has been no loss of funds due to credit exposure and no liquidity concerns.

XIV. Cost of Administration

Treasury reduced the administrative fee charged to SPIF and LGIP participants by one basis point. This change was effective June 2021. Based on the amount of current assets collectively in the SPIF and LGIP, and its anticipated balance at the end of the 2025 fiscal year, Treasury determined the cost to administer the program could adequately be covered by three basis points, or 0.03%, as opposed to the prior fee of four basis points, or 0.04%. The reduction in fees is temporary and will continue to be evaluated on an ongoing basis.

The fee covers the total cost of program management, including:

- Investment of portfolio
- Maintenance of collateral
- Collateral pool administration
- Cash concentration
- Bank reconciliations and resolution of reconciling items
- LGIP program
- Warrant reconciliation
- Accounting and recordkeeping
- Support cost such as internal audit, payroll, personnel, etc.

Any future changes to the administrative fee for the SPIF/LGIP will be communicated in advance.

Principal Stability Fund Rating Sensitivity Matrix

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WAM (R)	45
WAM (F)	45
Shares Outstanding:	37,475,676,671.85
Total Fund Assets:	37,475,676,671.85
Market Value (NAV):	0.999819
Credit Spread Movement (bps):	11
% Total Credit (Non Gov't) Securities (of portfolio)	13%
% Corporate Floaters (of portfolio)	0%

FILL IN/ADJUST AREAS SHADED GREEN TO RUN SCENARIOS

STANDARD
& POOR'S

June 30, 2025

Total \$ Loss: (\$6,783,097)
Total \$ Gain: \$0

Basis Point Shift	Selected Shareholders	Largest Redemption over 5 consecutive business days							Gain (Loss)
250	0.996392	0.996335	0.995314	0.996355	0.996547	0.996720	0.996876	0.997266	(122,929,167)
225	0.996731	0.996679	0.995754	0.996698	0.996872	0.997028	0.997170	0.997523	(111,378,445)
200	0.997070	0.997023	0.996195	0.997040	0.997196	0.997336	0.997463	0.997780	(99,827,723)
175	0.997409	0.997368	0.996635	0.997383	0.997520	0.997644	0.997757	0.998037	(88,277,001)
150	0.997748	0.997712	0.997075	0.997725	0.997845	0.997953	0.998050	0.998294	(76,726,278)
125	0.998087	0.998057	0.997516	0.998068	0.998169	0.998261	0.998344	0.998551	(65,175,556)
100	0.998426	0.998401	0.997956	0.998410	0.998494	0.998569	0.998637	0.998808	(53,624,834)
75	0.998765	0.998745	0.998396	0.998753	0.998818	0.998877	0.998931	0.999064	(42,074,112)
50	0.999104	0.999090	0.998836	0.999095	0.999143	0.999186	0.999224	0.999321	(30,523,389)
25	0.999443	0.999434	0.999277	0.999437	0.999467	0.999494	0.999518	0.999578	(18,972,667)
0	0.999782	0.999779	0.999717	0.999780	0.999792	0.999802	0.999811	0.999835	(7,421,945)
-25	1.000121	1.000123	1.000157	1.000122	1.000116	1.000110	1.000105	1.000092	4,128,777
-50	1.000460	1.000468	1.000598	1.000465	1.000440	1.000418	1.000398	1.000349	15,679,500
-75	1.000799	1.000812	1.001038	1.000807	1.000765	1.000727	1.000692	1.000606	27,230,222
-100	1.001138	1.001156	1.001478	1.001150	1.001089	1.001035	1.000986	1.000862	38,780,944
-125	1.001477	1.001501	1.001919	1.001492	1.001414	1.001343	1.001279	1.001119	50,331,666
-150	1.001816	1.001845	1.002359	1.001835	1.001738	1.001651	1.001573	1.001376	61,882,389
-175	1.002155	1.002190	1.002799	1.002177	1.002063	1.001959	1.001866	1.001633	73,433,111
-200	1.002494	1.002534	1.003240	1.002520	1.002387	1.002268	1.002160	1.001890	84,983,833
-225	1.002833	1.002878	1.003680	1.002862	1.002712	1.002576	1.002453	1.002147	96,534,556
-250	1.003172	1.003223	1.004120	1.003205	1.003036	1.002884	1.002747	1.002403	108,085,278
Redemptions/Subscriptions	-9%	-11%	-30%	-10%	-5%	0%	5%	20%	
Shares Outstanding	34,075,728,398	33,536,983,054	26,232,973,670	33,728,109,005	35,601,892,838	37,475,676,672	39,349,460,505	44,970,812,006	

Shift Upon NAV = NAV - (WAM/365) * (Bp/10,000)
Dilution Upon NAV= (NAV + Change) / (1+ Change)

Top 10 Shareholders		% of Fund	Stress Redemption
METRO NASHVILLE	742,999,773.63	1.98%	Yes
CITY OF KNOXVILLE	577,051,250.27	1.54%	Yes
SHELBY COUNTY TRUSTEE	371,343,516.01	0.99%	Yes
TENNESSEE BOARD OF REGENTS	344,477,008.56	0.92%	Yes
EAST TENNESSEE STATE UNIVERSITY	274,551,711.16	0.73%	Yes
GENERAL ACCOUNT	256,014,310.69	0.68%	Yes
METRO NASHVILLE AIRPORT AUTHORIT	239,831,924.44	0.64%	Yes
TENNESSEE TECH UNIVERSITY	225,783,810.35	0.60%	Yes
GO BOND/W.C. JAILS	184,635,765.85	0.49%	Yes
AMERICAN RESCUE PLAN ACT	183,259,202.66	0.49%	Yes
Stress Top 10	\$ 3,399,948,273.62	9.07%	Yes
Total Fund Assets	\$ 37,475,676,671.85	100%	3,399,948,273.62

Largest Five Day Redemption (%)	10.51%
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03/28-04/02/05

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