

NEW ISSUE
BOOK-ENTRY-ONLY

PRELIMINARY OFFICIAL STATEMENT

\$7,000,000*
CITY OF LAWRENCEBURG, TENNESSEE
General Obligation Bonds, Series 2026
(Bank Qualified)

OFFERED FOR SALE NOT SOONER THAN

Thursday, January 29, 2026 at 10:15 A.M. E.S.T. / 9:15 C.S.T.
Through the Facilities of *PARITY*[®]



SINCE 1931

CUMBERLAND SECURITIES
INDEPENDENT FINANCIAL ADVISOR

January 21, 2026

*Preliminary, subject to change.

This *Preliminary Official Statement* and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the *Official Statement* is delivered in final form. Under no circumstances shall this *Preliminary Official Statement* constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 21, 2026

NEW ISSUE

BOOK-ENTRY-ONLY

Rating: S&P – “A+”

(See “MISCELLANEOUS-Rating” herein)

In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the City, interest on the Bonds (i) will be excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”) and (ii) is not an item of tax preference for purposes of the federal alternative minimum tax, except as described under the heading “LEGAL MATTERS-Tax Matters” herein.

\$7,000,000*

**CITY OF LAWRENCEBURG, TENNESSEE
General Obligation Bonds, Series 2026**

Dated: Date of delivery (assume February 20, 2026).

Due: June 1, as shown below.

The \$7,000,000* General Obligation Bonds, Series 2026 (the “Bonds”) issued by the City of Lawrenceburg, Tennessee (the “City”) are issuable in fully registered form in denominations of \$5,000 and authorized integral multiples thereof. The Bonds will be issued in book-entry-only form and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, as the nominee for DTC, principal, and interest with respect to the Bonds shall be payable to Cede & Co., as nominee for DTC, which will, in turn, remit such principal and interest to the DTC participants for subsequent disbursements to the beneficial owners of the Bonds. Individual purchases of the Bonds will be made in book-entry-only form, in denominations of \$5,000 or integral multiples thereof and will bear interest at the annual rates as shown below. Interest on the Bonds is payable semi-annually from the date thereof commencing on June 1, 2026 and thereafter on each June 1 and December 1 by check or draft mailed to the owners thereof as shown on the books and records of Regions Bank, Nashville, Tennessee, the registration and paying agent (the “Registration Agent”). In the event of discontinuation of the book-entry-only system, principal of and interest on the Bonds are payable at the designated trust office of the Registration Agent.

The Bonds are payable from unlimited *ad valorem* taxes to be levied on all taxable property within the City. For the prompt payment of the principal of, premium, if any, and interest on the Bonds, the full faith and credit of the City are irrevocably pledged. See section entitled “SECURITIES OFFERED – Security”.

The Bonds maturing June 1, 2034 and thereafter are subject to optional redemption prior to maturity on or after June 1, 2033.

<u>Due</u> <u>(June 1)</u>	<u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP**</u>	<u>Due</u> <u>(June 1)</u>	<u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP**</u>
2028	\$100,000				2041	\$265,000			
2029	160,000				2042	275,000			
2030	165,000				2043	285,000			
2031	175,000				2044	300,000			
2032	185,000				2045	310,000			
2033	195,000				2046	325,000			
2034	200,000				2047	335,000			
2035	210,000				2048	350,000			
2036	220,000				2049	365,000			
2037	225,000				2050	380,000			
2038	235,000				2051	395,000			
2039	245,000				2052	410,000			
2040	255,000				2053	435,000			

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire *Preliminary Official Statement* to obtain information essential to make an informed investment decision.

The Bonds are offered when, as and if issued by the City, subject to the approval of the legality thereof by Bass, Berry & Sims PLC, Nashville, Tennessee, bond counsel, whose opinion will be delivered with the Bonds. Certain legal matters will be passed upon for the City by Alan Betz, counsel to the City. It is expected that the Bonds will be available for delivery through the facilities of DTC, New York, New York, on or about February __, 2026.

Cumberland Securities Company, Inc.
Municipal Advisor

January __, 2026

*Preliminary, subject to change.

This *Preliminary Official Statement* speaks only as of its date, and the information contained herein is subject to change.

This *Preliminary Official Statement* may contain forecasts, projections, and estimates that are based on current expectations but are not intended as representations of fact or guarantees of results. If and when included in this *Preliminary Official Statement*, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates," and analogous expressions are intended to identify forward-looking statements as defined in the Securities Act of 1933, as amended, and any such statements inherently are subject to a variety of risks and uncertainties, which could cause actual results to differ materially from those contemplated in such forward-looking statements. These forward-looking statements speak only as of the date of this *Preliminary Official Statement*. The Issuer disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer's expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

This *Preliminary Official Statement* and the Appendices hereto contain brief descriptions of, among other matters, the Issuer, the Bonds, the Resolution, the Disclosure Certificate, and the security and sources of payment for the Bonds. Such descriptions and information do not purport to be comprehensive or definitive. The summaries of various constitutional provisions and statutes, the Resolution, the Disclosure Certificate, and other documents are intended as summaries only and are qualified in their entirety by reference to such documents and laws, and references herein to the Bonds are qualified in their entirety to the forms thereof included in the Bond Resolution.

The Bonds have not been registered under the Securities Act of 1933, as amended, and the Resolution has not been qualified under the Trust Indenture Act of 1939, in reliance on exemptions contained in such Acts. This *Preliminary Official Statement* does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

No dealer, broker, salesman, or other person has been authorized by the Issuer, the Municipal Advisor or the Underwriter to give any information or to make any representations other than those contained in this *Preliminary Official Statement*, and, if given or made, such other information or representations should not be relied upon as having been authorized by the Issuer, the Municipal Advisor or the Underwriter. Except where otherwise indicated, all information contained in this *Preliminary Official Statement* has been provided by the Issuer. The information set forth herein has been obtained by the Issuer from sources which are believed to be reliable but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the Municipal Advisor or the Underwriter. The information contained herein is subject to change without notice, and neither the delivery of this *Preliminary Official Statement* nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the Issuer, or the other matters described herein since the date hereof or the earlier dates set forth herein as of which certain information contained herein is given.

**Copyright, American Bankers Association (the "ABA"). CUSIP data herein are provided by CUSIP Global Services, which is managed on behalf of the ABA by S&P Global Market Intelligence, a division of S&P Global Inc. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Bonds and the Issuer makes no representation with respect to such numbers nor undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

CITY OF LAWRENCEBURG, TENNESSEE

MAYOR AND CITY COUNCIL

Blake Lay, *Mayor*

Chad Moore

Jamie Sevier

Robin Williams

Darryl Watson

CITY OFFICIALS

Linda Adair
Finance Director / City Recorder

Dick McKinley
City Administrator

CITY ATTORNEY

Alan Betz

BOND REGISTRATION AND PAYING AGENT

Regions Bank
Nashville, Tennessee

BOND COUNSEL

Bass, Berry & Sims PLC
Nashville, Tennessee

MUNICIPAL ADVISOR

Cumberland Securities Company, Inc.

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SUMMARY STATEMENT

The information set forth below is provided for convenient reference and does not purport to be complete and is qualified in its entirety by the information and financial statements appearing elsewhere in this *Preliminary Official Statement*. This Summary Statement shall not be reproduced, distributed, or otherwise used except in conjunction with the remainder of this *Preliminary Official Statement*.

The Issuer	City of Lawrenceburg, Tennessee (the “City” or “Issuer”). See APPENDIX B contained herein.
Securities Offered.....	\$7,000,000* General Obligation Bonds, Series 2026 (the “Bonds”) of the City, dated the date of issuance (assume February 20, 2026). The Bonds mature each June 1 beginning June 1, 2028 through June 1, 2053, inclusive. See the section entitled “SECURITIES OFFERED” herein for additional information.
Security	The Bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the City. For the prompt payment of the principal of, premium, if any, and interest on the Bonds, the full faith and credit of the City are irrevocably pledged.
Purpose	The Bonds are being issued for the purpose of financing in whole or in part, (i) improvements and extensions to the Municipality's water and sewer system (the "System"); (ii) the acquisition, construction, improvement and equipping of roads, highways, streets, bridges, greenways, culverts, curbs, drainage systems, including storm water sewers and drains, and viaducts; (iii) the acquisition, construction, improvement and equipping of parks and recreational facilities; (iv) the acquisition, construction, improvement and equipping of public buildings and facilities, including the City's police compound (the “Projects”); (v) the acquisition of all other property, real and personal, appurtenant to the foregoing; (vi) payment of engineering, legal, fiscal and administrative costs incident to the foregoing; (vii) reimbursement to the City for funds previously expended for any of the foregoing; and (viii) payment of costs incident to the issuance and sale of the Bonds.
Optional Redemption	The Bonds maturing June 1, 2034 and thereafter are subject to optional redemption prior to maturity on or after June 1, 2033.
Tax Matters.....	In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the City, interest on the Bonds (i) is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”) and (ii) is not an item of tax preference for purposes of the federal alternative minimum tax, except as described under the heading “LEGAL MATTERS-Tax Matters” herein.
Bank Qualification.....	The Bonds will be treated as “qualified tax-exempt obligations” within the meaning of Section 265 of the Internal Revenue Code of 1986, as amended. See the section entitled “LEGAL MATTERS - Tax Matters” for additional information.
Rating.....	S&P: “A+”. See the section entitled “MISCELLANEOUS - Rating” for more information.
Municipal Advisor.....	Cumberland Securities Company, Inc., See the section entitled “MISCELLANEOUS-Municipal Advisor; Related parties; Other” herein.
Underwriter.....	_____.
Bond Counsel	Bass, Berry & Sims PLC, Nashville, Tennessee.
Book-Entry-Only.....	The Bonds will be issued under the Book-Entry-Only System except as otherwise described herein. For additional information, see the section entitled “BASIC DOCUMENTATION - Book-Entry-Only System”.

*Preliminary, subject to change.

Registration Agent.....Regions Bank, Nashville, Tennessee.

General.....The Bonds are being issued in full compliance with applicable provisions of Title 9, Chapter 21, *Tennessee Code Annotated*, as supplemented and revised. See “SECURITIES OFFERED” herein. The Bonds will be issued with CUSIP numbers and delivered through the facilities of The Depository Trust Company, New York, New York.

DisclosureIn accordance with Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 as amended, the City will provide the Municipal Securities Rulemaking Board (the “MSRB”) through the operation of the Electronic Municipal Market Access system (“EMMA”) and the State Information Depository (“SID”), if any, annual financial statements and other pertinent credit or event information, including Comprehensive Annual Financial Reports, see the section entitled “MISCELLANEOUS-Continuing Disclosure.”

Other Information.....The information in this *Preliminary Official Statement* is deemed “final” within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 as of the date which appears on the cover hereof except for the omissions of certain pricing information allowed to be omitted pursuant to such Rule 15c2-12. For more information concerning the City or this *Preliminary Official Statement*, contact Dick McKinley, City Administrator, 25 Public Square, Lawrenceburg, Tennessee 38464, Telephone: (931) 762-4459; or the City's Municipal Advisor, Cumberland Securities Company, Inc., Telephone: (865) 988-2663. Additional information regarding [BiDCOMP™/PARITY®](#) may be obtained from [PARITY®](#), 1359 Broadway - 2nd Floor, New York, NY 10018, Telephone: 800-850-7422.

GENERAL FUND BALANCES
Summary of Changes In Fund Balances
For the Fiscal Year Ended June 30

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Beginning Fund Balance	\$4,460,814	\$5,745,703	\$7,048,797	\$8,581,315	\$8,032,978
Revenues	13,022,628	13,513,511	15,029,541	14,700,700	14,715,860
Expenditures	13,583,267	13,812,294	15,106,962	16,869,908	19,598,475
Excess of Revenues					
Over (under) Expenditures	(560,639)	(298,783)	(77,421)	(2,169,208)	(4,882,615)
Other Financing Sources:					
Transfers In	1,732,196	1,601,877	1,609,939	1,620,871	1,465,073
Transfers Out	-	-	-	-	-
Issuance of Notes/Bonds	5,676,000	-	-	-	-
Payments to Refunding Escrow Agent	(5,843,221)	-	-	-	-
Premium on Refunding Bonds Issued	281,553	-	-	-	-
Net Changes in Fund Balances	1,284,889	1,303,094	1,532,518	(548,337)	(3,417,542)
Ending Fund Balance	\$5,745,703	\$7,048,797	\$8,581,315	\$8,032,978	\$4,615,436

Source: Annual Comprehensive Financial Reports of the City of Lawrenceburg, Tennessee.

SUMMARY NOTICE OF SALE
\$7,000,000*
CITY OF LAWRENCEBURG, TENNESSEE
General Obligation Bonds, Series 2026

NOTICE IS HEREBY GIVEN that the Mayor of the City of Lawrenceburg, Tennessee (the “City”) will receive electronic or written bids until **10:15 a.m. E.S.T. / 9:15 a.m. C.S.T.** on **Thursday, January 29, 2026**, for the purchase of all, but not less than all, of the City's \$7,000,000* General Obligation Bonds, Series 2026 (the “Bonds”). Electronic bids must be submitted through **PARITY®** as described in the “Detailed Notice of Sale”. In case of written bids, bids will be received by the City’s Municipal Advisor, Cumberland Securities Company, Inc., via facsimile at 865-988-1863. Prior to accepting bids, the City reserves the right to adjust the principal amount and maturity amounts of the Bonds being offered as set forth in the Detailed Notice of Sale, to postpone the sale to a later date, or to cancel the sale based upon market conditions via Bloomberg News Service and/or the **PARITY®** System not later than 9:45 a.m., Eastern Standard Time, on the day of the bid opening. Such notice will specify the revised principal amounts, if any, and any later date selected for the sale, which may be postponed or cancelled in the same manner. If the sale is postponed, a later public sale may be held at the hour and place and on such date as communicated upon at least forty-eight hours’ notice via Bloomberg News Service and/or the **PARITY®** System.

Electronic bids must be submitted through **PARITY®** via the BiDComp Competitive Bidding Service as described in the Detailed Notice of Sale, and no other provider of electronic bidding services will be accepted. For the purposes of the bidding process, both written and electronic, the time maintained by **PARITY®** shall constitute the official time with respect to all bids. To the extent any instructions or directions set forth in **PARITY®** conflict with the terms of the Detailed Notice of Sale and this Summary Notice of Sale, the Detailed Notice of Sale and this Summary Notice of Sale shall prevail.

The Bonds will be issued in book-entry-only form (except as otherwise described in the Detailed Notice of Sale) and dated the date of issuance (assume February 20, 2026). The Bonds will mature on June 1 in the years 2028 through 2053, inclusive, with term bonds optional, with interest payable on June 1 and December 1 of each year, commencing June 1, 2026, and will be subject to optional redemption prior to maturity on June 1, 2033. Bidders must bid not less than one hundred percent (100.00%) of par or more than one hundred and twenty-five percent (125%) of par for the Bonds. The approving opinion for the Bonds will be furnished at the expense of the City by Bass, Berry & Sims PLC, Bond Counsel, Nashville, Tennessee. **No rate or rates bid for the Bonds shall be less than four percent (4.00%) or exceed five percent (5.00%) per annum. Additionally, each maturity must have a minimum reoffering price of at least ninety-eight percent (98.0%) of par.** Unless bids are rejected, the Bonds will be awarded by the Mayor of the City on the sale date to the bidder whose bid results in the lowest true interest rate on the Bonds and complies with all of the bid parameters outlined in this Summary Notice of Sale and the Detailed Notice of Sale.

In the event that the competitive sale requirements of applicable Treasury Regulations are not met, the City will require bidders to comply with the “hold-the-offering-price rule” or the “10% Test” for purposes of determining the issue price of the Bonds as described in the Detailed Notice of Sale. Bids will not be subject to cancellation in the event that the competitive sale requirements of applicable Treasury Regulations are not satisfied.

Additional information, including the *Preliminary Official Statement* in near final form and the Detailed Notice of Sale, may be obtained through www.prospectushub.com or from the City’s Municipal Advisor, Cumberland Securities Company, Inc., (865) 988-2663. Further information regarding **PARITY®** may be obtained from i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, Telephone: 212-849-5000.

/s/ Blake Lay
Mayor

*Preliminary, subject to change.

DETAILED NOTICE OF SALE
\$7,000,000*
CITY OF LAWRENCEBURG, TENNESSEE
General Obligation Bonds, Series 2026

NOTICE IS HEREBY GIVEN that the Mayor of City of Lawrenceburg, Tennessee (the “City”) will receive electronic or written bids until **10:15 a.m. E.S.T. / 9:15 a.m. C.S.T.** on **Thursday, January 29, 2026**, for the purchase of all, but not less than all, of the City's \$7,000,000* General Obligation Bonds, Series 2026 (the “Bonds”). Electronic bids must be submitted through *PARITY*[®] as described in this “Detailed Notice of Sale.” In case of written bids, bids will be received by the City’s Municipal Advisor, Cumberland Securities Company, Inc., via facsimile at 865-988-1863. Prior to accepting bids, the City reserves the right to adjust the principal amount and maturity amounts of the Bonds being offered as set forth herein, to postpone the sale to a later date, or to cancel the sale based upon market conditions via Bloomberg News Service and/or the *PARITY*[®] System not later than 9:45 a.m., Eastern Standard Time, on the day of the bid opening. Such notice will specify the revised principal amounts, if any, and any later date selected for the sale, which may be postponed or cancelled in the same manner. If the sale is postponed, a later public sale may be held at the hour and place and on such date as communicated upon at least forty-eight hours’ notice via Bloomberg News Service and/or the *PARITY*[®] System.

Description of the Bonds. The Bonds will be issued in fully registered book-entry-only form (except as otherwise described herein) without coupons, be dated the date of issuance (assume February 20, 2026), bear interest payable each June 1 and December 1, commencing June 1, 2026 be issued, or reissued upon transfer, in \$5,000 denominations or multiples thereof, as shall be requested by the purchaser or registered owner thereof, as applicable, and will mature and be payable as follows:

<u>YEAR</u> <u>(JUNE 1)</u>	<u>AMOUNT*</u>	<u>YEAR</u> <u>(JUNE 1)</u>	<u>AMOUNT*</u>
2028	\$100,000	2041	\$265,000
2029	160,000	2042	275,000
2030	165,000	2043	285,000
2031	175,000	2044	300,000
2032	185,000	2045	310,000
2033	195,000	2046	325,000
2034	200,000	2047	335,000
2035	210,000	2048	350,000
2036	220,000	2049	365,000
2037	225,000	2050	380,000
2038	235,000	2051	395,000
2039	245,000	2052	410,000
2040	255,000	2053	435,000

Bank Qualification. The Bonds are “qualified tax-exempt obligations” within the meaning of Section 265 of the Internal Revenue Code of 1986, as amended.

Registration and Depository Participation. The Bonds, when issued, will be registered in the name of Cede & Co., DTC’s partnership nominee. When the Bonds are issued, ownership interests will be available to purchasers only through a book-entry-only system maintained by DTC (the “Book-Entry-Only System”). One fully-registered bond certificate will be issued for each maturity, in the entire aggregate principal amount of the Bonds and will be deposited with DTC. The Book-Entry-Only System will evidence beneficial ownership interests of the Bonds in the principal amount of \$5,000 for the Bonds and any integral multiple of \$5,000, with transfers of beneficial ownership interest effected on the records of DTC participants and, if necessary, in turn by DTC pursuant to rules and procedures established by DTC and its participants. The successful bidder, as a condition to delivery of the Bonds, shall be required to deposit the bond certificates with DTC, registered in the name of Cede & Co., nominee of DTC. The Bonds will be payable, at maturity or upon earlier redemption to DTC or its nominee as registered owner of the Bonds. Transfer of principal and

interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments (as applicable) to beneficial owners of the Bonds by Participants of DTC, will be the responsibility of such participants and of the nominees of beneficial owners. The City will not be responsible or liable for such transfer of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. Notwithstanding the foregoing, if the successful bidder for the Bonds certifies that it intends to hold the Bonds for its own account and has no present intent to re-offer the Bonds, the use of the Book-Entry-Only System is not required.

In the event that the Book-Entry-Only System for the Bonds is discontinued and a successor securities depository is not appointed by the City, Bond Certificates in fully registered form will be delivered to, and registered in the names of, the DTC Participants or such other persons as such DTC participants may specify (which may be the indirect participants or beneficial owners), in authorized denominations of \$5,000 for the Bonds or integral multiples thereof. The ownership of Bonds so delivered shall be registered in registration books to be kept by the Registration Agent (named herein) and the City and the Registration Agent shall be entitled to treat the registered owners of the Bonds, as their names appear in such registration books as of the appropriate dates, as the owners thereof for all purposes described herein and in the Resolution authorizing the Bonds.

Security Pledged. The Bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the City. For the prompt payment of the principal of, premium, if any, and interest on the Bonds, the full faith and credit of the City are irrevocably pledged.

Municipal Bond Insurance. The City has provided information to prospective bond insurance companies in order to qualify the Bonds under their respective optional bidding programs. If the successful bidder or bidders for the Bonds desires to purchase a municipal bond insurance policy insuring payment of all or a portion of the debt service payable on the Bonds, the successful bidder or bidders does so at its own risk and expense and the obligation of the successful bidder to pay for such series Bonds shall not be conditioned on the issuance of a municipal bond insurance policy. The City will cooperate with the successful bidder(s) in obtaining such insurance, but the City will not enter into any additional agreements with a bond insurer. Without limiting the generality of the foregoing, the successful bidder(s) will be responsible for all costs, expenses and charges associated with the issuance of such insurance, including but not limited to the premium for the insurance policy, and excluding only the fees of S&P's that will be paid by the City.

Purpose. The Bonds are being issued for the purpose of financing in whole or in part, (i) improvements and extensions to the Municipality's water and sewer system (the "System"); (ii) the acquisition, construction, improvement and equipping of roads, highways, streets, bridges, greenways, culverts, curbs, drainage systems, including storm water sewers and drains, and viaducts; (iii) the acquisition, construction, improvement and equipping of parks and recreational facilities; (iv) the acquisition, construction, improvement and equipping of public buildings and facilities, including the City's police compound (the "Projects"); (v) the acquisition of all other property, real and personal, appurtenant to the foregoing; (vi) payment of engineering, legal, fiscal and administrative costs incident to the foregoing; (vii) reimbursement to the City for funds previously expended for any of the foregoing; and (viii) payment of costs incident to the issuance and sale of the Bonds.

Optional Redemption. The Bonds maturing on June 1, 2034 and thereafter are subject to optional redemption prior to maturity at the option of the City on or after June 1, 2033, at any time at the redemption price of par plus accrued interest.

Term Bond Option; Mandatory Redemption. Bidders shall have the option to designate certain consecutive serial maturities of the Bonds as one or more term bonds ("Term Bonds") bearing a single interest rate. If a successful bidder for the Bonds designates certain consecutive serial maturities of such Bonds to be combined as one or more Term Bonds as allowed herein, then each Term Bond shall be subject to mandatory sinking fund redemption by the City at a redemption price equal to one hundred percent (100%) of the principal amount thereof, together with accrued interest to the date fixed for redemption at the rate stated in the Term Bonds to be redeemed. Each such mandatory sinking fund redemption shall be made on the date on which a consecutive maturity included as part of a Term Bond is payable in accordance with the bid of the successful

bidder for the Bonds and in the amount of the maturing principal installment for the Bonds listed herein for such principal payment date.

Bidding Instructions. The City will receive electronic or written bids for the purchase of all, but not less than all, of the Bonds. **Bidders for each series of the Bonds are requested to name the interest rate or rates the Bonds are to bear in multiples of one-eighth of one percent and/or one-hundredth of one percent (.01%) or one (1) basis point, but no rate specified shall be less than four percent (4.00%) or be in excess of five percent (5.00%) per annum. There will be no limitation on the number of rates of interest that may be specified in a single bid for the Bonds but a single rate shall apply to each single maturity of the Bonds. Bidders must bid not less than one hundred percent (100.00%) of par or no more than one hundred and twenty-five percent (125%) of par. Additionally, each maturity must have a minimum reoffering price of at least ninety-eight percent (98.0%) of par.**

Electronic bids must be submitted through **PARITY**[®] via BiDCOMP Competitive Bidding System and no other provider of electronic bidding services will be accepted. Subscription to the i-Deal LLC Dalcomp Division's BiDCOMP Competitive Bidding System is required in order to submit an electronic bid. The City will not confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe. For the purposes of the bidding process, the time as maintained by **PARITY**[®] shall constitute the official time with respect to all bids whether in electronic or written form. To the extent any instructions or directions set forth in **PARITY**[®] conflict with the terms of this Detailed Notice of Sale, this Notice shall prevail. An electronic bid made through the facilities of **PARITY**[®] shall be deemed an offer to purchase in response to this Detailed Notice of Sale and shall be binding upon the bidder as if made by a signed, written bid delivered to the City. The City shall not be responsible for any malfunction or mistake made by or as a result of the use of the electronic bidding facilities provided and maintained by **PARITY**[®]. The use of **PARITY**[®] facilities are at the sole risk of the prospective bidders.

For further information regarding **PARITY**[®], potential bidders may contact i-Deal LLC at 1359 Broadway, 2nd Floor, New York, NY, 10018, Telephone: 212-849-5000.

In the event of a system malfunction in the electronic bidding process bidders may submit bids prior to the established date and time by FACSIMILE transmission sent to the City's Municipal Advisor, Cumberland Securities Company, Inc. at 865-988-1863. Any facsimile submission is made at the sole risk of the prospective bidder. The City and the Municipal Advisor shall not be responsible for confirming receipt of any facsimile bid or for any malfunction relating to the transmission and receipt of such bids.

Any written bids should be submitted by facsimile to the City's Municipal Advisor at 865-988-1863. Written bids must be submitted on the Bid Forms included with the *Preliminary Official Statement*.

The City reserves the right to reject all bids for the Bonds and to waive any informalities in the bids accepted.

Unless all bids for the Bonds are rejected, the Bonds will be awarded by the Mayor to the bidder whose bid complies with this Detailed Notice of Sale and results in the lowest true interest rate on the Bonds to be calculated as that rate that, when used in computing the present worth of all payments of principal and interest on the Bonds (compounded semi-annually from the date of the Bonds), produces an amount equal to the purchase price of the Bonds. For purposes of calculating the true interest cost, the principal amount of Term Bonds scheduled for mandatory sinking fund redemption as part of the Term Bond shall be treated as a serial maturity in such year. In the event that two or more bidders offer to purchase the Bonds at the same lowest true interest rate, the Mayor shall determine in her sole discretion which of the bidders shall be awarded the Bonds.

After receipt of the bids, the City reserves the right to make adjustments and/or revisions to the Bonds, as described below.

Adjustment and/or Revision. While it is the City's intention to sell and issue the approximate par amounts of the Bonds as offered herein, there is no guarantee that adjustment and/or revision may not be necessary in order to properly size the Bonds. Accordingly, the Mayor reserves the right, in her sole discretion, to adjust down the original par amount of the Bonds by up to twenty-five percent (25%). The principal factor to be considered in making any adjustments is the amount of premium bid for particular maturities. Among

other factors the Mayor may (but shall be under no obligation to) consider in sizing the par amounts and individual maturities of the Bonds is the size of individual maturities or sinking fund installments and/or other preferences of the City. Additionally, the Mayor reserves the right to change the dated date of the Bonds.

In the event of any such adjustment and/or revision with respect to the Bonds, no rebidding will be permitted, and the portion of such premium or discount (as may have been bid for the Bonds) shall be adjusted in the same proportion as the amount of such revision in par amount of the Bonds bears to the original par amount of such Bonds offered for sale.

The successful bidder for the Bonds will be tentatively notified by not later than 5:00 p.m. (Eastern Standard Time), on the sale date of the exact revisions and/or adjustments required, if any.

Good Faith Deposit. No good faith check will be required to accompany any bid submitted. The successful bidder shall be required to deliver to the City's Municipal Advisor (by wire transfer) the amount of up to two percent (2%) of the aggregate principal amount of the Bonds offered for sale which will secure the faithful performance of the terms of the bid. A wire transfer must be received by the City's Municipal Advisor no later than the close of business on the day following the competitive sale. The wire instructions will be sent to the winning bidder after all bids are received.

The good faith deposit shall be applied (without interest) to the purchase price of the Bonds. If the successful bidder should fail to accept or pay for the Bonds when tendered for delivery and payment, the good faith deposit will be retained by the City as liquidated damages.

In the event of the failure of the City to deliver the Bonds to the purchaser in accordance with the terms of this Notice within forty-five (45) days after the date of the sale, the good-faith deposit will be promptly returned to the purchaser unless the purchaser directs otherwise.

Undertakings of the Successful Bidder. The successful bidder for the Bonds shall make a bona fide public offering of the Bonds and shall, within 30 minutes after being notified of the award of the Bonds, advise the City in writing (via facsimile transmission or electronic mail) of the initial public offering prices of the Bonds (the "Initial Reoffering Prices"). The successful bidder must, by facsimile transmission or delivery received by the City within 24 hours after award, furnish the following information to the City to complete the *Official Statement* in final form, as described below:

- A. Selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars, based on the expectation that all the Bonds are sold at the prices or yields at which the successful bidder advised the City that the Bonds were initially offered to the public).
- B. The identity of the other underwriters if the successful bidder is part of a group or syndicate.
- C. Any other material information that the City determines is necessary to complete the *Official Statement* in final form.

After the award of the Bonds, the City will prepare copies of the final *Official Statement* and will include therein such additional information concerning the reoffering of the Bonds as the successful bidder may reasonably request; provided, however, that the City will not include in the final *Official Statement* a "NRO" ("not reoffered") designation with respect to any maturity of the Bonds. The successful bidder will be responsible to the City in all aspects for the accuracy and completeness of information provided by such successful bidders with respect to such reoffering.

The City expects the successful bidder to deliver copies of such *Official Statement* in final form (the "Final Official Statement") to persons to whom such bidder initially sells the Bonds and the Municipal Securities Rulemaking Board ("MSRB") via the MSRB's Electronic Municipal Market Access System ("EMMA"). The successful bidder will be required to acknowledge receipt of the Final Official Statement, to certify that each has made delivery of the Final Official Statement to the MSRB, to acknowledge that the City expects the successful bidder to deliver copies of such Final Official Statement to persons to whom such bidder initially sells the Bonds and to certify that the Bonds will only be offered pursuant to the Final Official Statement and only in states where the offer is legal.

Establishment of Issue Price

- a. The successful bidder shall assist the City in establishing the issue price of the Bonds as more fully described herein. All actions to be taken by the City under this Detailed Notice of Bond Sale to establish the issue price of the Bonds may be taken on behalf of the City by the Municipal Advisor, and any notice or report to be provided to the City may be provided to the Municipal Advisor.
- b. The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “Competitive Sale Requirements”) because:
 1. the City shall disseminate this Detailed Notice of Bond Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
 2. all bidders shall have an equal opportunity to bid;
 3. the City expects to receive bids for the Bonds from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
 4. the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Detailed Notice of Bond Sale.

Any bid submitted pursuant to this Detailed Notice of Bond Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

- c. In the event that the Competitive Sale Requirements are not satisfied as to the Bonds, the City shall so advise the successful bidder. In such event, the City intends to treat the (i) the first price at which 10% of a maturity of the Bonds (the “10% Test”) is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (the “Hold-the-Offering-Price Rule”), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder shall advise the City promptly after the award of the Bonds if any maturities of the Bonds satisfy the 10% Test as of the date and time of the award of the Bonds. The Hold-the-Offering-Price Rule shall apply to all maturities that do not satisfy the 10% Test as of the sale date. Bids will not be subject to cancellation in the event that the City determines to apply the Hold-the-Offering-Price Rule to any maturity of the Bonds. Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to the Hold-the-Offering-Price Rule in order to establish the issue price of the Bonds.
- d. By submitting a bid, in the event of application of the Hold-the-Offering-Price Rule, the successful bidder for the Bonds shall be deemed to have (i) confirmed that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the “Initial Offering Price”), or at the corresponding yield or yields, set forth in the bid submitted by the successful bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the Hold-the-Offering-Price Rule shall apply to any person at a price that is higher than the Initial Offering Price to the public during the period starting on the sale date and ending on the earlier of the following:
 1. the close of the fifth (5th) business day after the sale date; or
 2. the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the Initial Offering Price to the public.

In the event of application of the Hold-the-Offering-Price Rule to any maturity of the Bonds, any successful bidder will advise the City promptly after the close of the fifth (5th) business day after the

sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the Initial Offering Price to the public.

- e. By submitting a bid, each bidder confirms that:
 - (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable:
 - (A) (1) to report the prices at which it sells to the public any unsold Bonds of each maturity allocated to it to which the Hold-the-Offering-Price Rule applies until the close of the fifth (5th) business day after the sale date and (2) comply with the Hold-the-Offering-Price Rule, if applicable, if and for so long as directed by the successful bidder and as set forth in the related pricing wires,
 - (B) to promptly notify the successful bidder of the Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public, and
 - (C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the successful bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.
 - (ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity to which the Hold-the-Offering-Price Rule applies allocated to it until the close of the fifth (5th) business day after the sale date and (B) comply with the Hold-the-Offering-Price Rule, if applicable, if and for so long as directed by the successful bidder or the underwriter and as set forth in the related pricing wires.
- f. The City acknowledges that, in making the representations set forth above, the successful bidder will rely on (i) the agreement of each underwriter to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with requirements for establishing issue price of the Bonds, including but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds.
- g. Sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public shall not constitute sales to the public for purposes of this Detailed Notice of Bond Sale. Further, for purposes of this Detailed Notice of Bond Sale:
 - 1. “public” means any person other than an underwriter or a related party;

2. “underwriter” means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public);
3. a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and
4. “sale date” means the date that the Bonds are awarded by the City to the successful bidder.

Issue Price Certificate. The winning bidder will be required to provide the City, at closing, with an issue price certificate consistent with the foregoing and meeting the requirements of bond counsel. The form of the issue price certificate is attached to this Detailed Notice of Sale as Exhibit A if the Competitive Sale Requirements are met, and the form of the issue price certificate is attached to this Detailed Notice of Sale as Exhibit B if the Competitive Sale Requirements are not met.

Legal Opinion. The approving opinion of Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel along with other certificates including, but not limited to, a tax certificate and a continuing disclosure certificate dated as of the date of delivery of the Bonds will be furnished to the purchaser at the expense of the City. As set forth in the *Preliminary Official Statement*, Bond Counsel's opinion with respect to the Bonds will state that interest on the Bonds will be excluded from gross income for federal income tax purposes; is not an item of tax preference for purposes of the federal law alternative minimum tax. As set forth in the *Preliminary Official Statement*, the owners of the Bonds, however, may be subject to certain additional taxes or tax consequences arising with respect to ownership of the Bonds. Reference is hereby made to the *Preliminary Official Statement* and the form of the opinion contained in Appendix A.

Continuing Disclosure. At the time the Bonds are delivered, the City will execute a Continuing Disclosure Certificate in which it will covenant for the benefit of holders and beneficial owners of the Bonds to provide certain financial information relating to the City by not later than twelve months after each of the City's fiscal years (the “Annual Report”), and to provide notice of the occurrence of certain enumerated events. The Annual Report (and audited financial statements, if filed separately) will be filed with the Municipal Securities Rulemaking Board (the “MSRB”) through the operation of the Electronic Municipal Market Access system (the “EMMA”) and any State Information Depository established in the State of Tennessee (the “SID”). If the City is unable to provide the Annual Report to the MSRB and the SID by the date required, notice of each failure will be sent to the MSRB and the SID on or before such date. The notices of material events will be filed by the City either with the MSRB and the SID. The specific nature of the information to be contained in the Annual Report or the notices of events are summarized in the *Preliminary Official Statement*.

Delivery of Bonds. Delivery of the Bonds is expected within forty-five (45) days. At least five (5) days' notice will be given to the successful bidder of such delivery. Delivery will be made in book-entry-only form through the facilities of The Depository Trust Company, New York, New York. Payment for the Bonds must be made in *Federal Funds* or other immediately available funds.

CUSIP Numbers. CUSIP numbers will be assigned to the Bonds at the expense of the City. The City will assume no obligation for assignment of such numbers or the correctness of such numbers and neither failure

to record such numbers on Bonds nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and make payment for the Bonds.

Official Statements; Other. The City has deemed the *Preliminary Official Statement* to be final as of its date within the meaning of Rule 15c2-12 of the U.S. Securities and Exchange Commission (the “SEC”) except for the omission of certain pricing and other information. The City will furnish the successful bidder at the expense of the City a reasonable number of copies of the *Official Statement* in final form, containing the pricing and other information to be supplied by the successful bidder and to be dated the date of the sale, to be delivered by the successful bidder to the persons to whom each such bidder and members of its bidding group initially sell the Bonds within seven (7) business days. Acceptance of a bid of the Bonds will constitute a contract between the City and the successful bidder for the provision of such copies within seven business days of the sale date.

Further Information. Additional information, including the *Preliminary Official Statement*, this Detailed Notice of Sale and the Official Bid Form, may be obtained from the City’s Municipal Advisor, Cumberland Securities Company, Inc., Telephone: 865-988-2663. Further information regarding **PARITY**[®] may be obtained from i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York, 10018, Telephone: 212-849-5000.

/s/ Blake Lay, Mayor _____

EXHIBIT A

**CITY OF LAWRENCEBURG, TENNESSEE
[§ _____ GENERAL OBLIGATION BONDS, SERIES 2026]**

**ISSUE PRICE CERTIFICATE
(if Competitive Sale Requirements are met)**

The undersigned, on behalf of [NAME OF UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”) of the City of Lawrenceburg, Tennessee (the “Issuer”).

1. Reasonably Expected Initial Offering Price.

- (a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.
- (b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.
- (c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

2. Defined Terms.

- (a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter.
- (c) *Related party* means an entity that shares with another entity (1) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (2) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (3) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interest of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interest by one entity of the other).
- (d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is January 29, 2026.
- (e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate with respect to the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bass, Berry & Sims PLC in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Dated: _____

[NAME OF UNDERWRITER]

By: _____

Name: _____

Title: _____

EXHIBIT B

CITY OF LAWRENCEBURG, TENNESSEE
[\$ _____ GENERAL OBLIGATION BONDS, SERIES 2026]

ISSUE PRICE CERTIFICATE
(if Competitive Sale Requirements are not met)

The undersigned, on behalf of [NAME OF UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”) [and the other members of the underwriting syndicate (together, the “Underwriting Group”)], hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”) of the City of Lawrenceburg, Tennessee (the “Issuer”).

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.
2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***
 - (a) [SHORT NAME OF UNDERWRITER] offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.
 - (b) As set forth in the [Detailed Notice of Sale and bid award], [SHORT NAME OF UNDERWRITER] agreed in writing on or prior to the Sale Date that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, [it][they] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “Hold-the-Offering-Price Rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the Hold-the-Offering-Price Rule. Pursuant to such agreement, no Underwriter (as defined below) offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.
3. ***Defined Terms.***
 - (a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”
 - (b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule B hereto as the “Hold-the-Offering-Price Maturities.”
 - (c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which [SHORT NAME OF UNDERWRITER] sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.
 - (d) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.
 - (e) *Public* means any person (including an individual, trust, estate, partnership, association,

company, or corporation) other than an Underwriter or a related party to an Underwriter.

- (f) *Related party* means an entity that shares with another entity (1) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (2) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (3) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interest of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interest by one entity of the other).
- (g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is January 29, 2026.
- (h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate with respect to the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bass, Berry & Sims PLC connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Dated: _____

[NAME OF UNDERWRITER]

By: _____

BID FORM

Honorable Blake Lay, Mayor
 25 Public Square
 Lawrenceburg, Tennessee 38464

January 29, 2026

Dear Mayor Lay:

For your legally issued, properly executed \$7,000,000* General Obligation Bonds, Series 2026 (the "Bonds") of the City of Lawrenceburg, Tennessee, in all respects as more fully outlined in your Detailed Notice of Sale, which by reference are made a part hereof, we will pay you a sum of _____ (\$ _____).

The Bonds shall be dated the date of issuance (assume February 20, 2026) and shall be callable in accordance with the Detailed Notice of Sale. The Bonds shall mature on June 1 and bear interest at the following rates:

<u>Maturity</u> <u>(June 1)</u>	<u>Amount*</u>	<u>Rate</u>	<u>Maturity</u> <u>(June 1)</u>	<u>Amount*</u>	<u>Rate</u>
2028	\$100,000	___	2041	\$265,000	___
2029	160,000	___	2042	275,000	___
2030	165,000	___	2043	285,000	___
2031	175,000	___	2044	300,000	___
2032	185,000	___	2045	310,000	___
2033	195,000	___	2046	325,000	___
2034	200,000	___	2047	335,000	___
2035	210,000	___	2048	350,000	___
2036	220,000	___	2049	365,000	___
2037	225,000	___	2050	380,000	___
2038	235,000	___	2051	395,000	___
2039	245,000	___	2052	410,000	___
2040	255,000	___	2053	435,000	___

We have elected the option to designate two or more consecutive serial maturities as term bond maturities as indicated:

- Term Bond 1: Maturities from June 1, 20____ through June 1, 20____ @ ____%.
- Term Bond 2: Maturities from June 1, 20____ through June 1, 20____ @ ____%.
- Term Bond 3: Maturities from June 1, 20____ through June 1, 20____ @ ____%.
- Term Bond 4: Maturities from June 1, 20____ through June 1, 20____ @ ____%.

It is our understanding that the Bonds are being issued as "qualified tax exempt obligations" subject to the final approving opinion of Bass, Berry & Sims PLC, Bond Counsel, Nashville, Tennessee, whose opinion together with the executed Bonds, will be furnished by the City without cost to us.

If our bid is accepted, we agree to provide a good faith deposit for up to 2% of the Bonds on which we have bid by the close of business on the date following the competitive public sale as outlined in the *Detailed Notice of Sale*. Should for any reason we fail to comply with the terms of this bid, this good faith deposit shall be forfeited by us as full liquidated damages. Otherwise, this good faith deposit shall be applied to the purchase price of the Bonds on which we have bid.

This bid is a firm offer for the purchase of the Bonds identified in the Notice of Sale, on the terms set forth in this bid form and the Notice of Sale, and is not subject to any conditions, except as permitted by the Notice of Sale. By submitting this bid, we confirm that we have an established industry reputation for underwriting new issuances of municipal bonds. [If the bidder cannot confirm an established industry reputation for underwriting new issuances of municipal bonds, the preceding sentence should be crossed out.]

Accepted for and on behalf of the
 City of Lawrenceburg, Tennessee, this
 29th day of January, 2026.

 Blake Lay, Mayor

Respectfully submitted,

Total interest cost from
 February 20, 2026 to final maturity \$ _____
 Less: Premium /plus discount, if any \$ _____
 Net Interest Cost \$ _____
 True Interest Rate %

The computations of net interest cost and true interest rate are for comparison purposes only and are not to be considered as part of this proposal.

*Preliminary, subject to change.

\$7,000,000*
CITY OF LAWRENCEBURG, TENNESSEE
General Obligation Bonds, Series 2026

SECURITIES OFFERED

AUTHORITY AND PURPOSE

This *Preliminary Official Statement* which includes the Summary Statement hereof and appendices hereto, is furnished in connection with the offering by the City of Lawrenceburg, Tennessee (the “City”) of \$7,000,000* General Obligation Bonds, Series 2026 (the “Bonds”).

The Bonds are authorized to be issued pursuant to the provisions of Sections 9-21-101 *et. seq.*, *Tennessee Code Annotated*, and other applicable provisions of law and pursuant to a resolution duly adopted by the Mayor and City Council of the City on March 27, 2025 (the “Resolution”).

The Bonds are being issued for the purpose of financing in whole or in part, (i) improvements and extensions to the Municipality's water and sewer system (the "System"); (ii) the acquisition, construction, improvement and equipping of roads, highways, streets, bridges, greenways, culverts, curbs, drainage systems, including storm water sewers and drains, and viaducts; (iii) the acquisition, construction, improvement and equipping of parks and recreational facilities; (iv) the acquisition, construction, improvement and equipping of public buildings and facilities, including the City's police compound (the “Projects”); (v) the acquisition of all other property, real and personal, appurtenant to the foregoing; (vi) payment of engineering, legal, fiscal and administrative costs incident to the foregoing; (vii) reimbursement to the City for funds previously expended for any of the foregoing; and (viii) payment of costs incident to the issuance and sale of the Bonds.

DESCRIPTION OF THE BONDS

The Bonds will be dated and bear interest from their date of issuance and delivery (assume February 20, 2026). Interest on the Bonds will be payable semi-annually on June 1 and December 1, commencing June 1, 2026. The Bonds are issuable in book-entry-only form in \$5,000 denominations or integral multiples thereof as shall be requested by each respective registered owner.

The Bonds shall be signed by the Mayor and shall be attested by the City Recorder. No Bond shall be valid until it has been authorized by the manual signature of an authorized officer or employee of the Registration Agent and the date of the authentication noted thereon.

SECURITY

The Bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the City. For the prompt payment of the principal of, premium, if any, and interest on the Bonds, the full faith and credit of the City are irrevocably pledged.

*Preliminary, subject to change.

The City, through its governing body, shall annually levy and collect a tax on all taxable property within the City, in addition to all other taxes authorized by law, sufficient to pay the principal of and interest on the Bonds when due. Principal and interest on the Bonds falling due at any time when there are insufficient funds from such tax shall be paid from the current funds of the City and reimbursement therefore shall be made out of taxes provided by the Resolution when the same shall have been collected. The taxes may be reduced to the extent of direct appropriations from the General Fund of the City to the payment of debt service on the Bonds.

The Bonds are not obligations of the State of Tennessee (the "State") or any political subdivision thereof other than the City.

QUALIFIED TAX-EXEMPT OBLIGATIONS

Under the Internal Revenue Code of 1986, as amended (the "Code"), in the case of certain financial institutions, no deduction from income under the federal tax law will be allowed for that portion of such institution's interest expense which is allocable to tax-exempt interest received on account of tax-exempt obligations acquired after August 7, 1986. The Code, however, provides that certain "qualified tax-exempt obligations," as defined in the Code, will be treated as if acquired on August 7, 1986. Based on an examination of the Code and the factual representations and covenants of the City as to the Bonds, Bond Counsel has determined that the Bonds upon issuance will be "qualified tax-exempt obligations" within the meaning of the Code.

OPTIONAL REDEMPTION OF THE BONDS

Bonds maturing June 1, 2034, and thereafter, shall be subject to optional redemption prior to maturity at the option of the City on June 1, 2033 and thereafter, as a whole or in part, at any time, at the redemption price of par plus accrued interest to the redemption date.

If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be designated by the City Council, in its discretion. If less than all the principal amount of the Bonds of a maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Bonds are being held under a Book-Entry-Only System by DTC, or a successor Depository, the amount of the interest of each DTC Participant in the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Bonds are not being held under a Book-Entry-Only System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

MANDATORY REDEMPTION

The bidders have the option of creating term bonds pursuant to the Detailed Notice of Sale. If term bonds are created, then the following provisions will apply. Subject to the credit hereinafter provided, the City shall redeem Bonds maturing June 1, 20__, and June 1, 20__ on the redemption dates set forth below opposite the maturity date, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued

interest thereon to the date of redemption. The Bonds to be so redeemed within a maturity shall be selected in the manner described above relating to optional redemption.

The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

<u>Maturity</u>	<u>Redemption Date</u>	<u>Principal Amount of Bonds Redeemed</u>
-----------------	----------------------------	---

*Final Maturity

At its option, to be exercised on or before the forty-fifth (45) day next preceding any such redemption date, the City may (i) deliver to the Registration Agent for cancellation Bonds of the maturity to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this section) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the City on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Bonds to be redeemed by operation shall be accordingly reduced. The City shall on or before the forty-fifth (45) day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) described above are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.

NOTICE OF REDEMPTION

Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent on behalf of the City not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Bonds for which proper notice was given. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to affect the redemption with the Registration Agent no later than the redemption date (“Conditional Redemption”). As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the City nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Registration Agent shall mail said notices as and when directed by the City pursuant to written instructions from an authorized representative of the City (other than for a mandatory sinking fund redemption, notices of which shall be given on the dates provided herein) given at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Registration Agent). From and after the redemption date, all Bonds called for redemption shall

cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth herein. In the case of a Conditional Redemption, the failure of the City to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

PAYMENT OF BONDS

The Bonds will bear interest from their date or from the most recent interest payment date to which interest has been paid or duly provided for, on the dates provided herein, such interest being computed upon the basis of a 360-day year of twelve 30-day months. Interest on each Bond shall be paid by check or draft of the Registration Agent to the person in whose name such Bond is registered at the close of business on the 15th day of the month next preceding the interest payment date. The principal of and premium, if any, on the Bonds shall be payable in lawful money of the United States of America at the designated office of the Registration Agent.

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BASIC DOCUMENTATION

REGISTRATION AGENT

The Registration Agent, Regions Bank, Nashville, Tennessee, its successor or the City will make all interest payments with respect to the Bonds on each interest payment date directly to Cede & Co., as nominee of DTC, the registered owner as shown on the Bond registration records maintained by the Registration Agent, except as follows. However, if the winning bidder certifies to the City that it intends to hold the Bonds for its own account and has no present intent to reoffer the Bonds, then the use of the Book-Entry-Only System is not required.

So long as Cede & Co. is the Registered Owner of the Bonds, as nominee of DTC, references herein to the Bondholders, Holders or Registered Owners of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the Bonds. For additional information, see the following section.

BOOK-ENTRY-ONLY SYSTEM

The Registration Agent, its successor or the Issuer will make all interest payments with respect to the Bonds on each interest payment date directly to Cede & Co., as nominee of DTC, the registered owner as shown on the Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the “Regular Record Date”) by check or draft mailed to such owner at its address shown on said Bond registration records, without, except for final payment, the presentation or surrender of such registered Bonds, and all such payments shall discharge the obligations of the Issuer in respect of such Bonds to the extent of the payments so made, except as described above. Payment of principal of the Bonds shall be made upon presentation and surrender of such Bonds to the Registration Agent as the same shall become due and payable.

So long as Cede & Co. is the Registered Owner of the Bonds, as nominee of DTC, references herein to the Bondholders, Holders or Registered Owners of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the Bonds.

The Bonds, when issued, will be registered in the name of Cede & Co., DTC’s partnership nominee, except as described above. When the Bonds are issued, ownership interests will be available to purchasers only through a book-entry-only system maintained by DTC (the “Book-Entry-Only System”). One fully registered bond certificate will be issued for each maturity, in the entire aggregate principal amount of the Bonds and will be deposited with DTC.

DTC and its Participants. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in

deposited securities, through electronic computerized Book-Entry-Only transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchase of Ownership Interests. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the Book-Entry-Only System for the Bonds is discontinued.

Payments of Principal and Interest. Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Registration Agent on the payable date in accordance with their respective holdings shown on DTC's records, unless DTC has reason to believe it will not receive payment on such date. Payments by Direct and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with municipal securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the Issuer or the Registration Agent subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal, tender price and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Registration Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

Notices. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial

Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registration Agent and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as practicable after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

NONE OF THE ISSUER, THE UNDERWRITER, THE BOND COUNSEL, THE MUNICIPAL ADVISOR OR THE REGISTRATION AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENT TO, OR THE PROVIDING OF NOTICE FOR, SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES.

Transfers of Bonds. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

None of the Issuer, the Bond Counsel, the Registration Agent, the Municipal Advisor or the Underwriter will have any responsibility or obligation, legal or otherwise, to any party other than to the registered owners of any Bond on the registration books of the Registration Agent.

DISCONTINUANCE OF BOOK-ENTRY-ONLY SYSTEM

In the event that (i) DTC determines not to continue to act as securities depository for the Bonds or (ii) to the extent permitted by the rules of DTC, the City determines to discontinue the Book-Entry-Only System, the Book-Entry-Only System shall be discontinued. Upon the occurrence of the event described above, the City will attempt to locate another qualified securities depository, and if no qualified securities depository is available, Bond certificates will be printed and delivered to Beneficial Owners.

No Assurance Regarding DTC Practices. The foregoing information in this section concerning DTC and DTC's Book-Entry-Only System has been obtained from sources that the City believes to be reliable, but the City, the Bond Counsel, the Registration Agent and the Municipal Advisor do not take any responsibility for the accuracy thereof. So long as Cede & Co. is the registered owner of the Bonds as nominee of DTC, references herein to the holders or registered owners of the Bonds will mean Cede & Co. and will not mean the Beneficial Owners of the Bonds. None of the City, the Bond Counsel, the Registration Agent or the Municipal Advisor will have any responsibility or obligation to the Participants, DTC or the persons for

whom they act with respect to (i) the accuracy of any records maintained by DTC or by any Direct or Indirect Participant of DTC, (ii) payments or the providing of notice to Direct Participants, the Indirect Participants or the Beneficial Owners or (iii) any other action taken by DTC or its partnership nominee as owner of the Bonds.

For more information on the duties of the Registration Agent, please refer to the Resolution. Also, please see the section entitled “SECURITIES OFFERED – Redemption.”

DISPOSITION OF BOND PROCEEDS

The proceeds of the sale of the Bonds shall be deposited with a financial institution regulated by the Federal Deposit Insurance Corporation or similar federal agency in a special fund known as the 2026 Project Fund (the "Project Fund"), or such other designation as shall be determined by the Mayor to be kept separate and apart from all other funds of the City. The City shall disburse funds in the Project Fund to pay costs of issuance of the Bonds, including necessary legal, accounting and fiscal expenses, printing, engraving, advertising and similar expenses, administrative and clerical costs, Registration Agent fees, bond insurance premiums, if any, and other necessary miscellaneous expenses incurred in connection with the issuance and sale of the Bonds. Notwithstanding the foregoing, costs of issuance of the Bonds may be withheld from the good faith deposit or purchase price of the Bonds and paid to the Municipal Advisor to be used to pay costs of issuance of the Bonds. The remaining funds in the Project Fund shall be disbursed solely to pay the costs of the Projects and to reimburse the City for any funds previously expended for costs of the Projects. Money in the Project Fund shall be secured in the manner prescribed by applicable statutes relative to the securing of public or trust funds, if any, or, in the absence of such a statute, by a pledge of readily marketable securities having at all times a market value of not less than the amount in said Project Fund. Money in the Project Fund shall be invested in such investments as shall be permitted by applicable law to the extent permitted by applicable law.

DISCHARGE AND SATISFACTION OF BONDS

If the City shall pay and discharge the indebtedness evidenced by any of the Bonds in any one or more of the following ways:

1. By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registration Agent, the principal of and interest on such Bonds as and when the same become due and payable;
2. By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and which has trust powers (“an Agent”; which Agent may be the Registration Agent) in trust or escrow, on or before the date of maturity or redemption, sufficient money or Defeasance Obligations, as hereafter defined, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice); or
3. By delivering such Bonds to the Registration Agent, for cancellation by it;

and if the City shall also pay or cause to be paid all other sums payable hereunder by the City with respect to such Bonds, or make adequate provision therefor, and by resolution of the Governing Body instruct any such Escrow Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest on such Bonds when due, then and in that case the indebtedness evidenced by such Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the City to the holders of such Bonds shall be fully discharged and satisfied and shall thereupon cease, terminate and become void.

If the City shall pay and discharge the indebtedness evidenced by any of the Bonds in the manner provided in either clause (a) or clause (b) above, then the registered owners thereof shall thereafter be entitled only to payment out of the money or Defeasance Obligations deposited as aforesaid.

Except as otherwise described below, neither Defeasance Obligations nor moneys deposited with the Registration Agent pursuant to this Section nor principal or interest payments on any such Defeasance Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and interest on said Bonds; provided that any cash received from such principal or interest payments on such Defeasance Obligations deposited with the Registration Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the City as received by the Registration Agent and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Defeasance Obligations maturing at times and in amounts sufficient to pay when due the principal and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the City, as received by the Registration Agent. For the purposes described above, Defeasance Obligations shall mean direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, which obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

REMEDIES OF BONDHOLDERS

Under Tennessee law, any Bondholder has the right, in addition to all other rights:

(1) By mandamus or other suit, action or proceeding in any court of competent jurisdiction to enforce its rights against the City, including, but not limited to, the right to require the City to assess, levy and collect taxes adequate to carry out any agreement as to, or pledge of, such taxes, fees, rents, tolls, or other charges, and to require the City to carry out any other covenants and agreements, or

(2) By action or suit in equity, to enjoin any acts or things which may be unlawful or a violation of the rights of such Bondholder.

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LEGAL MATTERS

LITIGATION

There are no suits threatened or pending challenging the legality or validity of the Bonds or the right of the City to sell or issue the Bonds.

TAX MATTERS

Federal

General. Bass, Berry & Sims PLC, Nashville, Tennessee, is Bond Counsel for the Bonds. Their opinion under existing law, relying on certain statements by the City and assuming compliance by the City with certain covenants, is that interest on the Bonds:

- is excluded from a bondholder's federal gross income pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and
- is not treated as an item of preference in calculating the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations.

The Code imposes requirements on the Bonds that the City must continue to meet after the Bonds are issued. These requirements generally involve the way that Bond proceeds must be invested and ultimately used. If the City does not meet these requirements, it is possible that a bondholder may have to include interest on the Bonds in its federal gross income on a retroactive basis to the date of issue. The City has covenanted to do everything necessary to meet these requirements of the Code.

A bondholder who is a particular kind of taxpayer may also have additional tax consequences from owning the Bonds. This is possible if a bondholder is:

- an S corporation,
- a United States branch of a foreign corporation,
- a financial institution,
- a property and casualty or a life insurance company,
- an individual receiving Social Security or railroad retirement benefits,
- an individual claiming the earned income credit or
- a borrower of money to purchase or carry the Bonds.

If a bondholder is in any of these categories, it should consult its tax advisor.

Bond Counsel is not responsible for updating its opinion in the future. It is possible that future events or changes in applicable law could change the tax treatment of the interest on the

Bonds or affect the market price of the Bonds. See also section "CHANGES IN FEDERAL AND STATE TAX LAW" below.

Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Bonds, or under State, local or foreign tax law.

Bond Premium. If a bondholder purchases a Bond for a price that is more than the principal amount, generally the excess is "bond premium" on that Bond. The tax accounting treatment of bond premium is complex. It is amortized over time and as it is amortized a bondholder's tax basis in that Bond will be reduced. The holder of a Bond that is callable before its stated maturity date may be required to amortize the premium over a shorter period, resulting in a lower yield on such Bonds. A bondholder in certain circumstances may realize a taxable gain upon the sale of a Bond with bond premium, even though the Bond is sold for an amount less than or equal to the owner's original cost. If a bondholder owns any Bonds with bond premium, it should consult its tax advisor regarding the tax accounting treatment of bond premium.

Original Issue Discount. A Bond will have "original issue discount" if the price paid by the original purchaser of such Bond is less than the principal amount of such Bond. Bond Counsel's opinion is that any original issue discount on these Bonds as it accrues is excluded from a bondholder's federal gross income under the Internal Revenue Code. The tax accounting treatment of original issue discount is complex. It accrues on an actuarial basis and as it accrues a bondholder's tax basis in these Bonds will be increased. If a bondholder owns one of these Bonds, it should consult its tax advisor regarding the tax treatment of original issue discount.

Qualified Tax-Exempt Obligations. Under the Code, in the case of certain financial institutions, no deduction from income under the federal tax law will be allowed for that portion of such institution's interest expense which is allocable to tax-exempt interest received on account of tax-exempt obligations acquired after August 7, 1986. The Code, however, provides that certain "qualified tax-exempt obligations", as defined in the Code, will be treated as if acquired on August 7, 1986. Based on an examination of the Code and the factual representations and covenants of the City as to the Bonds, Bond Counsel has determined that the Bonds, upon issuance, will be "qualified tax-exempt obligations" within the meaning of the Code.

Information Reporting and Backup Withholding. Information reporting requirements apply to interest on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for Federal income tax purposes. Any amounts

withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's Federal income tax once the required information is furnished to the Internal Revenue Service.

State Taxes

Under existing law, the Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on interest on the Bonds during the period the Bonds are held or beneficially owned by any organization or entity, or other than a sole proprietorship or general partnership doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

CHANGES IN FEDERAL AND STATE TAX LAW

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

CLOSING CERTIFICATES

Upon delivery of the Bonds, the City will execute in a form satisfactory to Bond Counsel, certain closing certificates including the following: (i) a certificate as to the *Official Statement*, in final form, signed by the Mayor acting in his official capacity to the effect that to the best of his knowledge and belief, and after reasonable investigation, (a) neither the *Official Statement*, in final form, nor any amendment or supplement thereto, contains any untrue statements of material fact or omits to state any material fact necessary to make statements therein, in light of the circumstances in which they are made, misleading, (b) since the date of the *Official Statement*, in final form, no event has occurred which should have been set forth in such a memo or supplement, (c) there has been no material adverse change in the operation or the affairs of the City since the date of the

Official Statement, in final form, and having attached thereto a copy of the *Official Statement*, in final form, and (d) there is no litigation of any nature pending or threatened seeking to restrain the issuance, sale, execution and delivery of the Bonds, or contesting the validity of the Bonds or any proceeding taken pursuant to which the Bonds were authorized; (ii) certificates as to the delivery and payment, signed by the Mayor acting in his official capacity, evidencing delivery of and payment for the Bonds; (iii) a signature identification and incumbency certificate, signed by the Mayor and City Recorder acting in their official capacities certifying as to the due execution of the Bonds; and, (iv) a Continuing Disclosure Certificate regarding certain covenants of the City concerning the preparation and distribution of certain annual financial information and notification of certain material events, if any.

APPROVAL OF LEGAL PROCEEDINGS

Certain legal matters relating to the authorization and the validity of the Bonds are subject to the approval of Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel. Bond Counsel has not prepared the *Preliminary Official Statement* or the *Official Statement*, in final form, or verified their accuracy, completeness or fairness. Accordingly, Bond Counsel expresses no opinion of any kind concerning the *Preliminary Official Statement* or *Official Statement*, in final form, except for the information in the section entitled “LEGAL MATTERS - Tax Matters.” The opinion of Bond Counsel will be limited to matters relating to authorization and validity of the Bonds and to the tax-exemption of interest on the Bonds under present federal income tax laws, both as described above. The legal opinion will be delivered with the Bonds and the form of the opinion is included in APPENDIX A. For additional information, see the section entitled “MISCELLANEOUS – “Competitive Public Sale”, “Additional Information” and “Continuing Disclosure.”

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MISCELLANEOUS

RATING

S&P Global Ratings (“S&P”) has given the Bonds the rating of “A+”

There is no assurance that such rating will continue for any given period of time or that the rating may not be suspended, lowered or withdrawn entirely by S&P, if circumstances so warrant. Due to the ongoing uncertainty regarding the economy and debt of the United States of America, including, without limitation, the general economic conditions in the country, and other political and economic developments that may affect the financial condition of the United States government, the United States debt limit, and the bond ratings of the United States and its instrumentalities, obligations issued by state and local governments, such as the Bonds, could be subject to a rating downgrade. Additionally, if a significant default or other financial crisis should occur in the affairs of the United States or of any of its agencies or political subdivisions, then such event could also adversely affect the market for, and ratings, liquidity, and market value of outstanding bonds obligations, including the Bonds. Any such downward change in or withdrawal of the rating may have an adverse effect on the secondary market price of the Bonds.

The rating reflects only the views of S&P and any explanation of the significance of such rating should be obtained from S&P.

COMPETITIVE PUBLIC SALE

The Bonds will be offered for sale at competitive public bidding on January 29, 2026. Details concerning the public sale were provided to potential bidders and others in the *Preliminary Official Statement* that is dated January 21, 2026.

The successful bidder for the Bonds was an account led by _____, _____, _____ (the “Underwriters”) who contracted with the City, subject to the conditions set forth in the Official Notice of Sale and Bid Form to purchase the Bonds at a purchase price of \$ _____ (consisting of the par amount of the Bonds, less an underwriter’s discount of \$ _____ and less an original issue discount of \$ _____) or ____% of par.

MUNICIPAL ADVISOR; RELATED PARTIES; OTHER

Municipal Advisor. Cumberland Securities Company, Inc., has served as Municipal Advisor (the “Municipal Advisor”) to the City for purposes of assisting with the development and implementation of a bond structure in connection with the issuance of the Bonds. The Municipal Advisor has not been engaged by the City to compile, create, or interpret any information in the *Preliminary Official Statement* and *Official Statement* relating to the City, including without limitation any of the City’s financial and operating data, whether historical or projected. Any information contained in the *Preliminary Official Statement* and *Official Statement* concerning the City, any of its affiliates or contractors and any outside parties has not been independently verified by the Municipal Advisor, and inclusion of such information is not, and should not be construed as, a representation by the Municipal Advisor as to its accuracy or completeness or otherwise. The Municipal Advisor is not a public accounting firm and has not been engaged by the City to review

or audit any information in the *Preliminary Official Statement* and *Official Statement* in accordance with accounting standards.

Regions Bank. Regions Bank (the “Bank”) is a wholly-owned subsidiary of Regions Financial Corporation. The Bank provides, among other services, commercial banking, investments and corporate trust services to private parties and to State and local jurisdictions, including serving as registration, paying agent or filing agent related to debt offerings. The Bank will receive compensation for its role in serving as Registration and Paying Agent for the Bonds. In instances where the Bank serves the City in other normal commercial banking capacities, it will be compensated separately for such services.

Official Statement. Certain information relative to the location, economy and finances of the Issuer is found in the *Preliminary Official Statement*, in final form and the *Official Statement*, in final form. Except where otherwise indicated, all information contained in this *Preliminary Official Statement* has been provided by the Issuer. The information set forth herein has been obtained by the Issuer from sources which are believed to be reliable but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the Municipal Advisor or the Underwriter. The information contained herein is subject to change without notice, and neither the delivery of this *Preliminary Official Statement* nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the Issuer, or the other matters described herein since the date hereof or the earlier dates set forth herein as of which certain information contained herein is given.

Cumberland Securities Company, Inc. distributed the *Preliminary Official Statement*, in final form, and the *Official Statement*, in final form on behalf of the City and will be compensated and/or reimbursed for such distribution and other such services.

Bond Counsel. From time to time, Bass, Berry & Sims PLC has represented the Bank on legal matters unrelated to the City and may do so again in the future.

Other. Among other services, Cumberland Securities Company, Inc. and the Bank may also assist local jurisdictions in the investment of idle funds and may serve in various other capacities, including Cumberland Securities Company’s role as serving as the City’s Dissemination Agent. If the City chooses to use one or more of these other services provided by Cumberland Securities Company, Inc. including Dissemination Agent and/or the Bank, then Cumberland Securities Company, Inc. and/or the Bank may be entitled to separate compensation for the performance of such services.

ADDITIONAL DEBT

The City has authorized, but not issued, up to \$13,000,000 for its additional improvements for the City in 2027 or later. Additionally, the City also has capital needs that may or may not require the issuance of additional debt. Additionally, the City may also authorize the issuance of refundings of outstanding bonds as savings opportunities arise.

DEBT LIMITATIONS

Pursuant to Title 9, Chapter 21, *Tennessee Code Annotated*, as amended, there is no limit on the amount of bonds that may be issued when the City uses the statutory authority granted

therein to issue bonds. (see “DEBT STRUCTURE - Indebtedness and Debt Ratios” for additional information.)

DEBT RECORD

There is no record of a default on principal and interest payments by the City from information available. Additionally, no agreements or legal proceedings of the City relating to securities have been declared invalid or unenforceable.

CONTINUING DISCLOSURE

The City will at the time the Bonds are delivered execute a Continuing Disclosure Certificate under which it will covenant for the benefit of holders and Beneficial Owners of the Bonds to provide certain financial information relating to the City by not later than twelve months after the end of each fiscal year commencing with the fiscal year ending June 30, 2026 (the "Annual Report"), and to provide notice of the occurrence of certain significant events not later than ten business days after the occurrence of the events and notice of failure to provide any required financial information of the City. The issuer will provide notice in a timely manner to the MSRB of a failure by the City to provide the annual financial information on or before the date specified in the continuing disclosure agreement. The Annual Report (and audited financial statements if filed separately) and notices described above will be filed by the City with the Municipal Securities Rulemaking Board ("MSRB") at www.emma.msrb.org and with any State Information Depository which may be established in Tennessee (the "SID"). The specific nature of the information to be contained in the Annual Report or the notices of events is summarized below. These covenants have been made in order to assist the Underwriters in complying with Securities Exchange Act Rule 15c2-12(b), as it may be amended from time to time (the "Rule 15c2-12").

Five-Year Filing History. While it is believed that all appropriate filings were made with respect to the ratings of the Issuer’s outstanding bond issues, some of which were insured by the various municipal bond insurance companies, no absolute assurance can be made that all such rating changes of the bonds or various insurance companies which insured some transaction were made or made in a timely manner as required by Rule 15c2-12. The Municipality also notes that The Public Building Authority of the City of Lawrenceburg (the “PBA”), an instrumentality of the Municipality, was one day late in filing fiscal year 2022 annual financial information for the benefit of holders of the PBA’s Electric System Refunding Bonds, Series 2002.

The Municipality does not believe that any of the above-described such omissions, if any, or incidences are material. As a result, for the past five years, the Municipality believes that it has complied in all material respects with its existing continuing disclosure agreements in accordance with Rule 15c2-12.

Content of Annual Report. The City's Annual Report shall contain or incorporate by reference the General Purpose Financial Statements of the City for the fiscal year, prepared in accordance with generally accepted auditing standards, provided, however, if the City's audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained herein, and the audited financial statements shall be filed when available. The

Annual Report shall also include in a similar format the following information included in APPENDIX B entitled "SUPPLEMENTAL INFORMATION STATEMENT."

1. Summary of Bonded Indebtedness as of the end of such fiscal year;
2. The Indebtedness and Debt Ratios as of the end of such fiscal year, together with information about the property tax base;
3. Information about the General Obligation - Includes Solid Waste - Bonded Debt Service Requirements as of the end of such fiscal year;
4. Information about the Water and Sewer System - Revenue Supported - Bonded Debt Service Requirements - as of the end of such fiscal year;
5. Information about the Electric System - Revenue Supported - Bonded Debt Service Requirements as of the end of such fiscal year;
6. The Fund Balances, Net Assets and Retained Earnings for the fiscal year;
7. Five Year Summary of Revenues, Expenditures and Changes in Fund Balance - General Fund for the fiscal year;
8. Five Year Summary of Revenues, Expenditures and Changes in Net Position - Water and Sewer System for the fiscal year;
9. Five Year Summary of Revenues, Expenditures and Changes in Net Position - Gas System for the fiscal year;
10. Five Year Summary of Revenues, Expenditures and Changes in Net Position - Electric System for the fiscal year;
11. The estimated assessed value of property in the City for the tax year ending in such fiscal year and the total estimated actual value of all taxable property for such year;
12. Property Tax Rates and Collections of the City for the tax year ending in such fiscal year as well as the uncollected balance for such fiscal year; and
13. The Ten Largest Taxpayers for the most recent fiscal year.

Any or all of the items above may be incorporated by reference from other documents, including Official Statements in final form for debt issues of the City or related public entities, which have been submitted to the MSRB or the U.S. Securities and Exchange Commission. If the document incorporated by reference is a final Official Statement, in final form, it will be available from the Municipal Securities Rulemaking Board. The City shall clearly identify each such other document so incorporated by reference.

Reporting of Significant Events. The City will file notice regarding material events with the MSRB and the SID, if any, as follows:

1. Upon the occurrence of a Listed Event (as defined in (3) below), the City shall in a timely manner, but in no event more than ten (10) business days after the occurrence of such event, file a notice of such occurrence with the MSRB and SID, if any.
2. For Listed Events where notice is only required upon a determination that such event would be material under applicable Federal securities laws, the City shall determine the materiality of such event as soon as possible after learning of its occurrence.
3. The following are the Listed Events:
 - a. Principal and interest payment delinquencies;
 - b. Non-payment related defaults, if material;
 - c. Unscheduled draws on debt service reserves reflecting financial difficulties;
 - d. Unscheduled draws on credit enhancements reflecting financial difficulties;
 - e. Substitution of credit or liquidity providers, or their failure to perform;
 - f. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
 - g. Modifications to rights of Bondholders, if material;
 - h. Bond calls, if material, and tender offers;
 - i. Defeasances;
 - j. Release, substitution, or sale of property securing repayment of the securities, if material;
 - k. Rating changes;
 - l. Bankruptcy, insolvency, receivership or similar event of the obligated person;
 - m. The consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
 - n. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
 - o. Incurrence of a financial obligation (which includes a debt obligation, or a derivative instrument entered into connection with, or pledged as security or as a source of payment for, an existing or planned debt obligation, or a guarantee of

debt obligation or derivative instrument) of the City, if material, or agreement as to covenants, events of default, remedies, priority rights, or other similar terms as of a financial obligation of the City, any of which affect security holders, if material; and

- p. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation (as described above) of the City, any of which reflect financial difficulties.

Termination of Reporting Obligation. The City's obligations under the Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

Amendment; Waiver. Notwithstanding any other provision of the Disclosure Certificate, the City may amend the Disclosure Certificate, and any provision of the Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions concerning the Annual Report and Reporting of Significant Events it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of the Disclosure Certificate, the City shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Default. In the event of a failure of the City to comply with any provision of the Disclosure Certificate, any Bondholder or any beneficial owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under the Disclosure Certificate. A default under the Disclosure Certificate shall not be deemed an event of default, if any, under the Resolution, and the sole remedy under the Disclosure Certificate in the event of any failure of the City to comply with the Disclosure Certificate shall be an action to compel performance.

BONDHOLDER RISK

CLIMATE CHANGE. Planning for climate change in the State and its impact on the City's operation is an unknown challenge. The State's climate is exceedingly variable and projections of future conditions range significantly. While projections in the State indicate rising average temperatures, precipitation projections are much less clear and often contradictory. Other potential impacts include changes in the length, intensity, and frequency of droughts and floods. The financial impact of climate change is not yet known, and therefore, its future impact on the City cannot be quantified reliably at this time.

CYBER-SECURITY. Computer networks and data transmission and collection are vital to the efficient operations of the City. Despite security measures, information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise networks and the information stored there could be disrupted, accessed, publicly disclosed, lost or stolen. Any such disruption, access, disclosure or other loss of information could result in disruptions in operations and the services provided by the City, legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties and the services provided, and cause a loss of confidence in the City's operations, which could materially affect the City and its operations. To mitigate against such risks, the City has instituted various policies and procedures to protect its respective information technology infrastructures, including cybersecurity training requirements for City employees. The City also maintains insurance against cybersecurity incidents.

ADDITIONAL INFORMATION

Use of the words "shall," "must," or "will" in this *Preliminary Official Statement* in summaries of documents or laws to describe future events or continuing obligations is not intended as a representation that such event will occur or obligation will be fulfilled but only that the document or law contemplates or requires such event to occur or obligation to be fulfilled.

Any statements made in this *Preliminary Official Statement* involving estimates or matters of opinion, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or matters of opinion will be realized. Neither this *Preliminary Official Statement* nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the Bonds.

The references, excerpts and summaries contained herein of certain provisions of the laws of the State of Tennessee, and any documents referred to herein, do not purport to be complete statements of the provisions of such laws or documents, and reference should be made to the complete provisions thereof for a full and complete statement of all matters of fact relating to the Bonds, the security for the payment of the Bonds, and the rights of the holders thereof.

The *Preliminary Official Statement* and *Official Statement*, in final form, and any advertisement of the Bonds, is not to be construed as a contract or agreement between the City and the purchasers of any of the Bonds. Any statements or information printed in the *Preliminary Official Statement* or the *Official Statement*, in final form, involving matters of opinions or of

estimates, whether or not expressly so identified, is intended merely as such and not as representation of fact.

The City has deemed this *Preliminary Official Statement* as “final” as of its date within the meaning of Rule 15c2-12 except for the omission of certain pricing information allowed to be omitted pursuant to Rule 15c2-12.

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CERTIFICATION OF THE CITY

On behalf of the City, we hereby certify that to the best of our knowledge and belief, the information contained herein as of this date is true and correct in all material respects, and does not contain an untrue statement of material fact or omit to state a material fact required to be stated where necessary to make the statement made, in light of the circumstance under which they were made, not misleading.

/s/ _____
Mayor

ATTEST:

/s/ _____
City Recorder

APPENDIX A

LEGAL OPINION

**LAW OFFICES OF
BASS, BERRY & SIMS PLC
900 SOUTH GAY STREET, SUITE 1700
KNOXVILLE, TENNESSEE 37902**

Ladies and Gentlemen:

We have acted as bond counsel to the City of Lawrenceburg, Tennessee (the "Issuer") in connection with the issuance of \$_____ General Obligation Bonds, Series 2026 (the "Bonds") dated _____, 2026. We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify such facts by independent investigation.

Based on our examination, we are of the opinion, as of the date hereof, as follows:

1. The Bonds have been duly authorized, executed and issued in accordance with the constitution and laws of the State of Tennessee and constitute valid and binding obligations of the Issuer.

2. The resolution of the City Council of the Issuer authorizing the Bonds has been duly and lawfully adopted, is in full force and effect and is a valid and binding agreement of the Issuer.

3. The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the Issuer. For the prompt payment of the principal of, premium, if any, and interest on the Bonds, the full faith and credit of the Issuer have been irrevocably pledged.

4. Interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes under Section 103 of the Code. Failure to comply with certain of such requirements could cause interest on the Bonds to be so includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. The Issuer has covenanted to comply with all such requirements.

5. Under existing law, the Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on all or a portion of the interest on any of the Bonds during the period such Bonds are held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership doing business in the State of Tennessee.

6. The Bonds are "qualified tax-exempt obligations" within the meaning of Section 265 of the Code.

The rights of the owners of the Bonds and the enforceability of the Bonds and the resolutions authorizing the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights and remedies of creditors, and by equity principles, whether considered at law or in equity.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds. Further, we express no opinion herein regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

This opinion is given as of the date hereof, and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Yours truly,

SUPPLEMENTAL INFORMATION STATEMENT

GENERAL INFORMATION

LOCATION

The City of Lawrenceburg (the “City”) is the county seat of Lawrence County (the “County”) in southern middle Tennessee approximately 75 miles south of Nashville. The County is bordered by Wayne County to the west, Lewis and Maury Counties to the north, Giles County to the east and the State of Alabama to the south.

GENERAL

The City has an approximate land area of 12.46 square miles. Per the 2020 Census, the population of the City stood at 11,633 persons. Lawrence County has a total population of 44,159.

Lawrenceburg was designated a Micropolitan Statistical Area (the “mSA”). A Micropolitan Statistical Area is defined by the U.S. Census Bureau as a non-urban community that is anchored by a town of no more than 50,000 residents.

The City is also part of the Nashville-Murfreesboro-Columbia Combined Statistical Area (the “CSA”) which includes Bedford, Cannon, Cheatham, Davidson, Dickson, Hickman, Lawrence, Macon, Marshall, Maury, Robertson, Rutherford, Smith, Sumner, Trousdale, Williamson, and Wilson Counties. The City of Nashville, the State Capital, is the largest city in the CSA with a population of 689,447 according to the 2020 Census.

TRANSPORTATION

Lawrence County is easily accessible for shipping and receiving. U.S. Highway 43, a four-lane highway running north and south and U.S. Highway 64 running east and west, places Lawrenceburg within 29 miles of Interstate 65. State Highways include 20, 98, 101, 227, 241, and 242. The Lawrence County Airport provides a five thousand foot, asphalt runway with instrument approach and of a newly constructed, modern terminal building. Three other airports with passenger and freight service are less than an hour away: Nashville (Tennessee) Metropolitan Airport, Huntsville (Alabama) International Airport and Alabama Regional Airport in Muscle Shoals, Alabama. Rail service is provided by Tennessee Southern Railroad Company (with connections to CSX railways). The nearest port is located 35 miles south of the County in Alabama on the Tennessee River's Pickwick Lake at the Port of Florence.

EDUCATION

The *Lawrence County School System* has thirteen schools. Total enrollment for the fall of 2025 was 6,498. Five private K-12 schools also operate within the City limits.

Source: Tennessee Department of Education.

Columbia State Community College. Columbia State Community College, located in Maury County and founded in 1966, is Tennessee's first two-year college. As of the fall 2024 semester, there were 5,730 students enrolled. Columbia State offers more than 50 programs of

study with both online and in-class courses, in both credit and non-credit formats. In addition to the Columbia campus, the college has four other campuses: Franklin (Williamson County); Lawrenceburg (Lawrence County); Lewisburg (Marshall County); Clifton (Wayne County). Hickman, Lewis, Giles and Perry are the other four counties served.

Source: Columbia State Community College and Tennessee Higher Education Commission.

The Tennessee College of Applied Technology at Pulaski. The Tennessee College of Applied Technology at Pulaski (the “TCAT-P”) is part of a statewide system of 26 vocational-technical schools. The TCAT-P meets a Tennessee mandate that no resident is more than 50 miles from a vocational-technical shop. The institution’s primary purpose is to meet the occupational and technical training needs of the citizens including employees of existing and prospective businesses and industries in the region. The TCAT-P serves the south central region of the state including Giles, Lincoln, Lawrence and Marshall Counties. The TCAT-P began operations in 1969, and the main campus is located in Giles County. Fall 2023 enrollment was 1,156 students.

Source: Tennessee College of Applied Technology at Pulaski and Tennessee Higher Education Commission.

There are several regional 4-year institutions that are within a seventy-mile drive of the County. These include Middle Tennessee State University, Tennessee State University located in Murfreesboro, TN; Tennessee State University, Vanderbilt University, Trevecca Nazarene University, Lipscomb University, and Belmont University all located in Nashville, TN; Martin Methodist College located in Pulaski, TN; University of North Alabama located in Florence, AL; and the University of Alabama Huntsville located in Huntsville, AL.

MEDICAL

Southern Tennessee Regional Health System – Lawrenceburg. Southern Tennessee Regional Health System – Lawrenceburg (the “STRHS-L”) is a 99-bed acute care facility formerly known as Crockett Hospital. The hospital has served Lawrence County and the surrounding counties since 1974. STRHS-L expanded its facility and services in 1991 with the addition of an Outpatient Surgery Unit, a state-of-the-art 24-hour physician-staffed Emergency Department and an Intensive Care Unit. The hospital opened a Physical Rehabilitation Unit in 1997 and a Women’s Health Center in 1999. Diagnostic imaging services include in-house MRI, Nuclear Medicine, 64-slice CT Scanner, Radiography, Digital Mammography and Ultrasound. Additionally, a 10- bed Physical Rehabilitation Unit provides Physical, Occupational and Speech Therapy.

This facility is part of LifePoint Hospital, Inc. based in Brentwood, Tennessee. LifePoint, after being combined with RCCH Healthcare in 2018, has a network of 84 hospital hospitals in 30 states.

Source: LifePoint Hospitals, Inc.

MANUFACTURING AND COMMERCE

Industrial Parks. The *North Lawrence Business Park* includes a total of 112 acres and is located in the northernmost portion of the City of Lawrenceburg. The Spring Hill GM plant, in adjoining Maury County, is approximately 45 minutes away and the Nissan plant is also in close proximity (1.5 hours.) Lawrence County is within 1 hour of the newly constructed Boeing plant in Decatur, Alabama. The *Team Lawrence Commerce Park, East and West Sites* are located west of four-lane Highway 43 (north of the City of Lawrenceburg). Both of the sites are certified as a

Select Tennessee Certified Site.

Martin Technologies. Martin Technologies invested more than \$6 million and created approximately 240 jobs in Lawrence County. This is the largest project in Lawrence County since 2011. Martin Technologies initially occupied 60,000-square-feet, and the new facility was operational in January 2018. The Lawrenceburg operations supported engineering and testing services for automotive OEMs before providing additional manufacturing services for OEMs and suppliers. Headquartered in Michigan, Martin Technologies is a full-service engineering and manufacturing company, providing global mobility solutions to the automotive, marine, aerospace and defense industries.

Select Tennessee Certified Sites Program (the “STCSP”). The Team Lawrence Commerce Park, East Site and West Site (67 acres) and the Lawrenceburg Industrial Park (151 acres) have been certified with the STCSP. The STCSP has helped communities prepare industrial sites for private investment and job creation since 2012. The certification process ensures that each certified site meets high quality standards and are primed for development. Certified sites must have documented environmental conditions and geotechnical analysis, existing onsite utilities or a formal plan to extend utilities to the site, and truck-quality road access. The program’s goal is to give companies detailed and reliable information during the site selection process and markets the sites to a targeted group of site selection consultants and business leaders in Tennessee’s key industry clusters. As of 2024, seventy-eight sites in Tennessee have been certified and 23 companies have invested over \$2.01 billion in capital investment to construct facilities on certified sites, accounting for more than 7,494 new job commitments.

Source: Tennessee Department of Economic and Community Development.

Tennessee Downtowns. The cities of Lawrenceburg and Loretto have historically significant downtowns that it has improved through the Tennessee Downtowns program. Tennessee Downtowns is an affiliated program of Tennessee Main Street designed to help rural communities to revitalize their downtown areas. The Tennessee Downtowns program helps local communities revitalize traditional commercial districts, enhance community livability, spur job creation and maintain the historic character of downtown districts. The two-year program coaches selected communities and their steering committees through the steps of launching effective renewal efforts. Tennessee Downtowns includes community training in the Main Street America program and a grant for a downtown improvement project. As of April 2024, Tennessee Department of Economic and Community Development (the “TNECD”) provides the Tennessee Downtowns program to 90 communities that want to pursue the Main Street America approach to downtown revitalization.

The selected communities all have downtown commercial districts established at least 50 years ago and have demonstrated their readiness to organize efforts for downtown revitalization according to Main Street America principles. The highly competitive selection process was based on historic commercial resources, economic and physical need, demonstrated local effort, overall presentation and probability of success. Grants are awarded to organizations that illustrated the need for improvements and the ability to execute an effective design plan for building facades, wayfinding signage, gateways and streetscapes. As part of the program, each new grant recipient will be required to match 25-percent of the funding received.

Tennessee Downtown communities that complete the program are eligible for additional Downtown Improvement Grants as well as Main Street designation. There are currently 46 nationally accredited Main Street communities in Tennessee, 20 of which successfully completed the Tennessee Downtowns program prior to their national accreditation.

Source: Tennessee Department of Economic and Community Development.

Tennessee Main Street Program. The City of Lawrenceburg also has a historically significant downtown that it has improved through accreditation with the Tennessee Main Street Program. As of May 2024, there are almost 50 communities that are accredited through the state program Tennessee Main Street Accreditation and a program of the national Trust for Historic Preservation (called Main Street America). The Main Street Program provides training, support and grant opportunities to assist in downtown revitalization efforts to focus on historic preservation, community events and economic revitalization. In 2020, accredited Tennessee Main Street communities generated \$79 million of public and private investment and nearly 158 new businesses. The Tennessee Main Street Program requires communities to illustrate a commitment from local government and other local organizations, an adequate organizational budget, a strong historic preservation ethic, a collection of historic commercial buildings and a walkable district.

Source: Tennessee Department of Economic and Community Development.

The following is a list of the major employers in the County:

Major Employers in Lawrence County

<u>Company</u>	<u>Product</u>	<u>Employment</u>
Lawrence County Schools	Education	1,100
Modine Manufacturing Co	Charge Air Coolers	575
Graphic Packaging	Extruded Film & printed folding cartons	316
Wal-Mart Stores, Inc.	Retail	300
Magna (estimated)	Manufacturing	250
Crockett Hospital	Healthcare	247
Lawrence County Government	Government	231
Plasman (Dura)	Automotive Windows	215
South East Carriers, Inc.	Distribution	200
Summertown Metals, LLC	Manufacturing	170
Aviagen	Poultry	150
City of Lawrenceburg	Government	140
Southern Craft Manufacturing	Metal Caskets	138
TPR Federal-Mogul TN	Automotive Parts	117
AOC Metal Works	Steel Racks	113

Source: TN Department of Economic and Community Development, and Middle Tennessee Industrial Development Association - 2025.

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ECONOMIC DATA

Per Capita Personal Income

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
National	\$55,567	\$59,123	\$64,460	\$66,244	\$69,810
Tennessee	\$48,903	\$51,959	\$57,508	\$59,210	\$62,229
Lawrenceburg mSA & Lawrence Co.	\$35,673	\$37,748	\$41,852	\$41,698	\$43,273
Index vs. National	64	64	65	63	62
Index vs. State	73	73	73	70	70
Nashville-Murfreesboro-CSA	\$59,285	\$62,540	\$69,807	\$73,668	\$77,458
Index vs. National	107	106	108	111	111
Index vs. State	121	120	121	124	124

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Social and Economic Characteristics

	<u>National</u>	<u>Tennessee</u>	<u>Lawrence County</u>	<u>Lawrenceburg</u>
Median Value Owner Occupied Housing	\$303,400	\$256,800	\$176,700	\$158,100
% High School Graduates or Higher Persons 25 Years Old and Older	89.40%	89.60%	85.5%	87.7%
% Persons with Income Below Poverty Level	11.10%	14.00%	14.9%	23.3%
Median Household Income	\$78,538	\$67,097	\$53,233	\$41,458

Source: U.S. Census Bureau State & County QuickFacts - 2023.

TOURISM AND RECREATION

Lawrence County has three unique golf courses, and hunters from around the South come here for deer, turkey, dove and other game. The area is well known for its many streams and lakes, with canoe rides on Shoals Creek being one of the most popular activities.

David Crockett State Park. Located in Lawrenceburg, the David Crockett State Park honors the pioneer, soldier, politician, industrialist that was born along the banks of Shoal Creek. He was elected to Congress in 1821. Crockett died at the Alamo Mission in March of 1836 while aiding the Texans in their fight for independence from Mexico. The park offers a museum and a restaurant, a swimming pool, biking and hiking trails, campsites and picnic facilities. Rental boats

and fishing are popular on the forty-acre Lindsey Lake. Also visible in the Park are the roads used during the Trail of Tears in 1838 when the Cherokee were forcibly removed from East Tennessee to reservations out West.

Source: Tennessee State Parks.

James D. Vaughan Museum and Festival. The James D. Vaughan Museum is a tribute to the founder of Southern Gospel Music and Lawrence County native. The museum has drawn visitors from all over the world and has been featured in national magazines and on national television specials. The annual James D. Vaughan Festival attracts southern gospel music lovers from throughout the country. The two-night event features the top gospel quartets.

Source: Lawrence County Chamber of Commerce.

Laurel Hill Lake. Laurel Hill Lake is located right off of scenic Natchez Trace Parkway offers 325 acres of year-round fishing enjoyment. Rowboats and pedal boats are available for rent.

Natchez Trace Parkway. The 444-mile Natchez Trace Parkway from Natchez to Nashville generally follows an ancient trail that connected southern portions of the Mississippi River, through Alabama, to salt licks in today's central Tennessee. Today, visitors can experience this National Scenic Byway and All-American Road through driving, hiking, biking, horseback riding, and camping. The Trace goes through the Tennessee Counties of Davidson, Williamson, Maury, Hickman, Lewis, Lawrence and Wayne before crossing into Alabama. The terrain along the Natchez Trace Parkway changes from 70 to 1,100 feet in elevation and passes through 5 degrees of latitude. Originally a prehistoric Indian trail and later used by the Spaniards, French, British, and Americans, the trace was for several centuries an important trade and emigrant road in the old Southwest.

Source: National Park Service.

RECENT DEVELOPMENTS

Flexco Products of Tennessee, LLC. In 2024, Flexco Products invested \$17.5 million to establish manufacturing and distribution operations in Lawrenceburg and created approximately 60 new jobs. The Tennessee plant was the company's second U.S. location. Founded in 1977 by Tom Jellison, in Elkhart, Indiana, Flexco Products is a producer of tubing and steel and aluminum fabrication.

Magna, one of the world's largest automotive suppliers, has constructed a new 400,000-square-foot stamping and assembly plant at the Team Lawrence Commerce Park – West, a Select Tennessee Certified Site in Lawrenceburg, Tennessee, that opened in 2025 and is producing truck frames. Magna will employ roughly 250 employees.

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CITY OF LAWRENCEBURG, TENNESSEE
SUMMARY OF BONDED INDEBTEDNESS

AMOUNT ISSUED	PURPOSE	DUE DATE	INTEREST RATE(S)	As of June 30, 2025 (1) OUTSTANDING
\$ 6,250,000	(3) General Obligation Bonds, Series 2017	June 2037	Fixed	\$ 4,360,000
6,785,000	(4) General Obligation Bonds, Series 2019B	June 2044	Fixed	4,325,000
2,400,000	(5) General Obligation Bonds, Series 2020B	March 2041	Fixed	2,400,000
3,585,000	(6) General Obligation Refunding Bonds, Series 2021A	June 2035	Fixed	3,585,000
6,910,000	(2) General Obligation Refunding Bonds, Series 2020 (W&S Supported)	June 2027	Fixed	1,050,000
4,190,000	(2) General Obligation Refunding Bonds, Series 2021B (W&S Supported)	June 2030	Fixed	4,190,000
10,040,000	(2) & (7) Electric System Refunding Bonds, Series 2002 (Electric Supported)	July 2026	Fixed	2,175,000
6,000,000	(2) & (7) General Obligation Bonds, Series 2019A (Electric Supported)	July 2039	Fixed	4,870,000
7,070,000	(2) & (7) Electric System Revenue Bonds, Series 2021 (Electric Revenue Only)	July 2041	Fixed	7,070,000
2,865,000	Water and Sewer System Revenue Bonds, Series 2023 (W&S Revenue Only)	June 2038	Fixed	2,865,000
\$ 56,095,000	AUDITED EXISTING DEBT AS OF JUNE 30, 2025			\$ 36,890,000
\$ 7,000,000	General Obligation Bonds, Series 2026	June 2053	Fixed	\$ 7,000,000
<u>(35,789,000)</u>	Less: Revenue Supported Debt			<u>(23,340,000)</u>
\$ 27,306,000	UNJAUDITED NET EXISTING DEBT - Post Issuance			\$ 20,550,000

NOTE:

(1) The above figures do not include short-term notes outstanding, if any. For more information, see the notes to the Financial Statements in the GENERAL PURPOSE FINANCIAL STATEMENTS included herein.

(2) Revenue Supported Debt.

(3) \$1,120,000 Supported by Water and Sewer Revenues.

(4) \$230,000 Supported by Solid Waste Revenues.

(5) \$1,235,000 Supported by Solid Waste Revenues.

(6) \$390,000 Supported by Solid Waste Revenues.

(7) The principal payment on all electric supported bonds are made on July 1 of each fiscal year. The City paid \$1,625,000 of principal and \$221,387.50 of interest on July 1, 2025. The City made the required payment to the paying agent for the electric supported bonds on or before June 30, 2025.

(8) Supported by Water and Sewer Revenues Only.

CITY OF LAWRENCEBURG, TENNESSEE

Indebtedness and Debt Ratios

INTRODUCTION

The information set forth in the following table is based upon information derived in part from the GENERAL PURPOSE FINANCIAL STATEMENTS which are attached herein and the table should be read in conjunction with those statements. The table does not include future funding plans whether disclosed or not in this document.

	For Fiscal Year Ended June 30				After Issuance	
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>		<u>2025</u>
INDEBTEDNESS						
TAX SUPPORTED						
General Obligation Bonds & Notes	\$18,595,000	\$17,315,000	\$16,005,000	\$14,640,000	\$13,550,000	\$20,550,000
TOTAL TAX SUPPORTED	18,595,000	17,315,000	16,005,000	14,640,000	13,550,000	20,550,000
REVENUE SUPPORTED						
Water & Sewer Revenue Bonds & Electric & Gas Revenue Bonds	35,945,000	29,885,000	29,715,000	26,580,000	23,340,000	23,340,000
TOTAL REVENUE SUPPORTED	35,945,000	29,885,000	29,715,000	26,580,000	23,340,000	23,340,000
TOTAL DEBT	\$54,540,000	\$47,200,000	\$45,720,000	\$41,220,000	\$36,890,000	\$43,890,000
Less: Revenue Supported Debt	(\$35,945,000)	(\$29,885,000)	(\$29,715,000)	(\$26,580,000)	(\$23,340,000)	(\$23,340,000)
Less: Debt Service Fund	-	-	-	-	-	-
NET DIRECT DEBT	\$18,595,000	\$17,315,000	\$16,005,000	\$14,640,000	\$13,550,000	\$20,550,000

PROPERTY TAX BASE					
Estimated Actual Value	\$829,459,863	\$938,664,625	\$1,037,834,307	\$1,057,920,142	\$1,286,613,504
Appraised Value	760,365,856	860,473,862	1,037,834,307	1,057,920,142	1,053,221,814
Assessed Value	240,938,596	239,500,710	313,216,116	319,692,097	320,516,269

DEBT RATIOS	For Fiscal Year Ended June 30					After
	2021	2022	2023	2024	2025	Issuance 2026
TOTAL DEBT to Estimated Actual Value	6.58%	5.03%	4.41%	3.90%	2.87%	3.41%
TOTAL DEBT to Appraised Value	7.17%	5.49%	4.41%	3.90%	3.50%	4.17%
TOTAL DEBT to Assessed Value	22.64%	19.71%	14.60%	12.89%	11.51%	13.69%
NET DIRECT DEBT to Est. Actual Value	2.24%	1.84%	1.54%	1.38%	1.05%	1.60%
NET DIRECT DEBT to Appraised Value	2.45%	2.01%	1.54%	1.38%	1.29%	1.95%
NET DIRECT DEBT to Assessed Value	7.72%	7.23%	5.11%	4.58%	4.23%	6.41%
PER CAPITA RATIOS						
POPULATION (1)	11,726	11,825	11,990	11,990	11,990	11,990
PER CAPITA PERSONAL INCOME (2)	\$41,852	\$42,177	\$42,177	\$42,177	\$42,177	\$42,177
Estimated Actual Value to POPULATION	70,737	79,380	86,558	88,234	107,307	107,307
Assessed Value to POPULATION	20,547	20,254	26,123	26,663	26,732	26,732
Total Debt to POPULATION	4,651	3,992	3,813	3,438	3,077	3,661
Net Direct Debt to POPULATION	1,586	1,464	1,335	1,221	1,130	1,714
Total Debt Per Capita as a percent of PER CAPITA PERSONAL INCOME	11.11%	9.46%	9.04%	8.15%	7.29%	8.68%
Net Direct Debt Per Capita as a percent of PER CAPITA PERSONAL INCOME	3.79%	3.47%	3.16%	2.89%	2.68%	4.06%

(1) Per Capita computations are based upon POPULATION data according to the U.S. Census and the Government of the City.

(2) PER CAPITA PERSONAL INCOME is based upon the most current data available from the U. S. Department of Commerce.

CITY OF LAWRENCEBURG, TENNESSEE
GENERAL OBLIGATION - Includes Solid Waste
BONDED DEBT SERVICE REQUIREMENTS

F.Y. Ended	Existing Debt As of June 30, 2025 (1) & (2)		General Obligation Bonds, Series 2026		% 2026		Total Bonded		% All Principal Repaid
	Principal	Interest (2)	Principal	Interest (3)	Principal	Repaid	Principal	Interest	
6/30									
2026	\$ 935,000	\$ 361,213	\$ -	\$ 82,111	\$ 82,111	\$ -	\$ 935,000	\$ 443,323	\$ 1,378,323
2027	965,000	333,388	-	292,673	292,673		965,000	626,060	1,591,060
2028	975,000	303,738	100,000	292,673	392,673		1,075,000	596,410	1,671,410
2029	980,000	276,488	160,000	287,673	447,673		1,140,000	564,160	1,704,160
2030	1,005,000	248,813	170,000	279,673	449,673	6.14%	1,175,000	528,485	1,703,485
2031	1,035,000	220,925	175,000	271,173	446,173		1,210,000	492,098	1,702,098
2032	1,055,000	196,313	185,000	262,423	447,423		1,240,000	458,735	1,698,735
2033	925,000	171,213	195,000	253,173	448,173		1,120,000	424,385	1,544,385
2034	940,000	148,988	200,000	245,373	445,373		1,140,000	394,360	1,534,360
2035	965,000	126,138	210,000	237,373	447,373	19.93%	1,175,000	363,510	1,538,510
2036	600,000	102,625	220,000	228,973	448,973		820,000	331,598	1,151,598
2037	620,000	86,063	225,000	220,173	445,173		845,000	306,235	1,151,235
2038	415,000	68,663	235,000	211,173	446,173		650,000	279,835	929,835
2039	425,000	57,438	245,000	201,773	446,773		670,000	259,210	929,210
2040	435,000	45,938	255,000	191,973	446,973	36.79%	690,000	237,910	927,910
2041	445,000	34,163	265,000	181,773	446,773		710,000	215,935	925,935
2042	270,000	21,788	275,000	171,173	446,173		545,000	192,960	737,960
2043	275,000	14,700	285,000	160,173	445,173		560,000	174,873	734,873
2044	285,000	7,481	300,000	148,773	448,773		585,000	156,254	741,254
2045	-	-	310,000	136,773	446,773	57.29%	310,000	136,773	446,773
2046	-	-	325,000	124,373	449,373		325,000	124,373	449,373
2047	-	-	335,000	111,048	446,048		335,000	111,048	446,048
2048	-	-	350,000	97,313	447,313		350,000	97,313	447,313
2049	-	-	365,000	82,788	447,788		365,000	82,788	447,788
2050	-	-	380,000	67,640	447,640	82.36%	380,000	67,640	447,640
2051	-	-	395,000	51,870	446,870		395,000	51,870	446,870
2052	-	-	410,000	35,280	445,280		410,000	35,280	445,280
2053	-	-	430,000	18,060	448,060	100.00%	430,000	18,060	448,060
	\$ 13,550,000	\$ 2,826,069	\$ 7,000,000	\$ 4,945,408	\$ 11,945,408		\$ 20,550,000	\$ 7,771,477	\$ 28,321,477

NOTES:

(1) The above figures do not include short-term notes outstanding, if any. For more information, see the notes to the Financial Statements in the ACFR.

(2) \$1,575,000 Supported by Solid Waste Revenues.

(3) Estimated Interest Rates. Estimated Average Coupon of 4.13%.

CITY OF LAWRENCEBURG, TENNESSEE
WATER AND SEWER SYSTEM - REVENUE SUPPORTED
BONDED DEBT SERVICE REQUIREMENTS

F.Y. Ended 6/30	Total Bonded Debt Service Requirements (1)			% Principal Repaid
	Principal	Interest	TOTAL	
2026	\$ 1,435,000	\$ 276,388	\$ 1,711,388	15.56%
2027	1,380,000	234,538	1,614,538	30.51%
2028	1,240,000	201,413	1,441,413	43.96%
2029	1,250,000	170,788	1,420,788	57.51%
2030	1,260,000	139,663	1,399,663	71.17%
2031	295,000	107,938	402,938	74.36%
2032	315,000	95,213	410,213	77.78%
2033	325,000	81,600	406,600	81.30%
2034	340,000	67,250	407,250	84.99%
2035	350,000	52,250	402,250	88.78%
2036	365,000	39,250	404,250	92.74%
2037	385,000	25,700	410,700	96.91%
2038	285,000	11,400	296,400	100.00%
	<u>\$ 9,225,000</u>	<u>\$ 1,503,388</u>	<u>\$ 10,728,388</u>	

NOTES:

(1) The above figures do not include short-term notes outstanding, if any. For more information, see the notes to the Financial Statements in the FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION included herein.

CITY OF LAWRENCEBURG, TENNESSEE
ELECTRIC SYSTEM - REVENUE SUPPORTED
BONDED DEBT SERVICE REQUIREMENTS

F.Y. Ended 6/30	Total Bonded Electric Debt Service Requirements (1)			% All Principal Repaid
	Principal	Interest	TOTAL	
2026	\$ 1,625,000	\$ 402,150	\$ 2,027,150	11.51%
2027	1,710,000	318,775	2,028,775	23.63%
2028	630,000	260,275	890,275	28.09%
2029	655,000	232,650	887,650	32.73%
2030	675,000	208,475	883,475	37.51%
2031	700,000	183,325	883,325	42.47%
2032	730,000	163,175	893,175	47.64%
2033	745,000	148,222	893,222	52.92%
2034	755,000	132,813	887,813	58.27%
2035	775,000	116,881	891,881	63.76%
2036	790,000	100,375	890,375	69.36%
2037	810,000	83,500	893,500	75.10%
2038	825,000	66,022	891,022	80.94%
2039	840,000	47,994	887,994	86.89%
2040	860,000	29,350	889,350	92.99%
2041	490,000	14,900	504,900	96.46%
2042	500,000	5,000	505,000	100.00%
	<u>\$ 14,115,000</u>	<u>\$ 2,513,881</u>	<u>\$ 16,628,881</u>	

NOTES:

(1) The above figures do not include short-term notes outstanding, if any. For more information, see the notes to the Financial Statements in the FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION included herein. The principal payment on all electric supported bonds are made on July 1 of each fiscal year. The City paid \$1,625,000 of principal and \$221,387.50 of interest on July 1, 2025. The City made the required payment to the paying agent for the electric supported bonds on or before June 30, 2025.

FINANCIAL OPERATIONS

BASIS OF ACCOUNTING AND PRESENTATION

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The modified accrual basis of accounting is used to account for all governmental funds of the City. Revenues for such funds are recognized when they become measurable and available as net current assets. Expenditures are recognized in the period that the obligation is incurred. Interest on bonded debt is not accrued.

All proprietary funds are accounted for using the accrual basis of accounting. Revenues of such funds are recognized when they are earned and expenses when they are incurred except for prepaid expenses, which are fully expended at the time of payment.

FUND BALANCES, NET ASSETS AND RETAINED EARNINGS

The following table depicts fund balances, net assets and retained earnings for the last five fiscal years ending June 30:

	<u>For the Fiscal Year Ended June 30</u>				
<u>Fund Type</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<i>Governmental Funds:</i>					
General	\$ 5,745,703	\$ 7,048,797	\$8,581,315	\$ 8,032,978	\$4,615,436
Capital Projects	-	-	-	1,104,309	671,452
Other					
Governmental	<u>5,925,892</u>	<u>5,203,530</u>	<u>409,257</u>	<u>993,553</u>	<u>793,267</u>
Total	<u>\$11,671,595</u>	<u>\$12,252,327</u>	<u>\$9,696,005</u>	<u>\$10,130,840</u>	<u>\$6,080,155</u>
<i>Proprietary Net Assets:</i>					
Water & Sewer	\$25,999,577	\$26,684,116	\$27,701,142	\$29,670,791	\$ 31,679,654
Gas System	14,920,240	15,788,069	16,005,126	18,056,572	20,449,242
Electric System	<u>43,548,252</u>	<u>45,710,162</u>	<u>46,282,584</u>	<u>50,358,285</u>	<u>56,601,109</u>
Total	<u>\$84,468,069</u>	<u>\$88,182,347</u>	<u>\$89,988,852</u>	<u>\$98,085,648</u>	<u>\$108,730,005</u>

Source: Annual Comprehensive Financial Reports of the City of Lawrenceburg, Tennessee.

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CITY OF LAWRENCEBURG, TENNESSEE
 Five Year Summary of Revenues, Expenditures and
 Changes In Fund Balances - General Fund
 For the Fiscal Year Ended June 30

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenues:					
Local taxes	\$ 9,652,067	\$ 10,279,640	\$ 10,622,636	\$ 10,955,195	\$ 11,031,603
Intergovernmental Revenue	2,212,740	1,887,830	2,459,740	1,867,480	2,030,656
Licenses and Permits	64,010	86,783	79,638	94,656	286,248
Fines and fees	109,740	109,209	145,966	197,848	108,551
Charges/Rent for services	100,105	181,210	238,641	178,963	182,996
Miscellaneous	883,966	968,839	1,482,920	1,406,558	1,075,806
Total Revenues	\$ 13,022,628	\$ 13,513,511	\$ 15,029,541	\$ 14,700,700	\$ 14,715,860
Expenditures:					
Judicial / City Attorney	\$ 46,294	\$ 46,819	\$ 49,899	\$ 47,821	\$ 49,014
Executive	291,090	318,675	294,432	345,297	336,556
Planning and Development	331,171	367,062	404,497	601,049	1,015,502
General Government	755,065	687,564	1,515,032	1,217,399	1,456,590
Public Safety	6,078,457	6,558,595	6,984,780	8,091,012	7,232,277
Highways and Streets	2,170,170	2,108,016	2,293,120	2,246,415	3,327,040
Parks and Recreation	970,270	974,507	959,348	1,765,147	1,313,895
Sundry Appropriations	1,136,883	1,057,371	1,095,941	1,091,780	1,619,462
Capital Outlay	-	-	-	-	1,739,573
Debt Service	1,653,752	1,486,354	1,509,913	1,463,988	1,255,363
Other	150,115	207,331	-	-	253,203
Total Expenditures	\$ 13,583,267	\$ 13,812,294	\$ 15,106,962	\$ 16,869,908	\$ 19,598,475
Excess of Revenues & Over (under) Expenditures	\$ (560,639)	\$ (298,783)	\$ (77,421)	\$ (2,169,208)	\$ (4,882,615)
Other Financing Sources (Uses):					
Interfund Transfers - In	\$ 1,732,196	\$ 1,601,877	\$ 1,609,939	\$ 1,620,871	\$ 1,465,073
Interfund Transfers - Out	-	-	-	-	-
Issuance Of Notes/Bonds	5,675,000	-	-	-	-
Payments to refunding escrow agent	(5,843,221)	-	-	-	-
Premium on Refunding Bonds Issued	281,553	-	-	-	-
Bond Proceeds	-	-	-	-	-
Total Other Financing Sources (Uses)	\$ 1,845,528	\$ 1,601,877	\$ 1,609,939	\$ 1,620,871	\$ 1,465,073
Excess of Revenue and Other Sources over (Under) Expenditures and Other Sources	1,284,889	1,303,094	1,532,518	(548,337)	(3,417,542)
Fund Balance July 1	4,460,814	5,745,703	7,048,797	8,581,315	8,032,978
Prior Period Adjustment	-	-	-	-	-
Fund Balance June 30	\$ 5,745,703	\$ 7,048,797	\$ 8,581,315	\$ 8,032,978	\$ 4,615,436

CITY OF LAWRENCEBURG, TENNESSEE
Five Year Summary of Revenues, Expenditures and
Changes In Net Position - Water & Sewer System
For the Fiscal Year Ended June 30

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Operating Revenues:					
Receipts for services & use of facilities	\$ 7,298,869	\$ 7,570,207	\$ 7,973,084	\$ 8,737,106	\$ 9,263,203
Other	369,920	415,565	386,082	464,199	547,841
Total Revenues	<u>\$ 7,668,789</u>	<u>\$ 7,985,772</u>	<u>\$ 8,359,166</u>	<u>\$ 9,201,305</u>	<u>\$ 9,811,044</u>
Operating Expenditures:					
Operation Expense	\$ 4,810,143	\$ 5,500,762	\$ 5,554,351	\$ 5,416,140	\$ 6,026,019
Depreciation	1,243,544	1,298,305	1,328,435	1,342,386	1,364,443
Total Expenditures	<u>\$ 6,053,687</u>	<u>\$ 6,799,067</u>	<u>\$ 6,882,786</u>	<u>\$ 6,758,526</u>	<u>\$ 7,390,462</u>
Operating Income (Loss)	\$ 1,615,102	\$ 1,186,705	\$ 1,476,380	\$ 2,442,779	\$ 2,420,582
Non-Operating Revenues (Expenses):					
Interest Income	\$ 959	\$ 767	\$ 8,404	\$ 5,385	\$ 3,092
Interest Expense	(54,867)	(322,194)	(277,954)	(302,432)	(335,994)
Gain on disposition of non utility plant	(357,128)	(38,839)	(46,630)	(41,820)	17,487
Amortization	40,156	73,351	73,351	78,527	82,818
Transfers	(254,559)	-	(216,525)	(212,790)	(179,122)
Total Non-Operating Revenues (Expenses)	<u>\$ (625,439)</u>	<u>\$ (286,915)</u>	<u>\$ (459,354)</u>	<u>\$ (473,130)</u>	<u>\$ (411,719)</u>
Income before Capital Contributions	\$ 989,663	\$ 899,790	\$ 1,017,026	\$ 1,969,649	\$ 2,008,863
Capital Contributions- Utility Plant	12,454	(215,251)	-	-	-
Change in Net Position	<u>\$ 1,002,117</u>	<u>\$ 684,539</u>	<u>\$ 1,017,026</u>	<u>\$ 1,969,649</u>	<u>\$ 2,008,863</u>
Net Assets - Beginning of year	\$ 24,997,460	\$ 25,999,577	\$ 26,684,116	\$ 27,701,142	\$ 29,670,791
Prior Period Adjustment	-	-	-	-	-
Net Assets - End of Year	<u><u>\$ 25,999,577</u></u>	<u><u>\$ 26,684,116</u></u>	<u><u>\$ 27,701,142</u></u>	<u><u>\$ 29,670,791</u></u>	<u><u>\$ 31,679,654</u></u>

CITY OF LAWRENCEBURG, TENNESSEE
Five Year Summary of Revenues, Expenditures and
Changes In Net Position - Gas System
For the Fiscal Year Ended June 30

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Operating Revenues:					
Receipts for services and use of facilities	\$ 5,610,237	\$ 7,057,370	\$ 5,750,462	\$ 6,821,515	\$ 7,652,414
Other	137,240	127,770	132,512	80,306	101,350
Total Revenues	<u>\$ 5,747,477</u>	<u>\$ 7,185,140</u>	<u>\$ 5,882,974</u>	<u>\$ 6,901,821</u>	<u>\$ 7,753,764</u>
Operating Expenditures:					
Natural Gas Purchased	\$ 2,283,319	\$ 3,659,751	\$ 3,017,164	\$ 2,358,347	\$ 2,423,241
Operation Expense	1,508,557	1,837,794	1,915,436	1,605,397	2,074,900
Depreciation	370,707	396,763	427,300	451,053	489,388
Total Expenditures	<u>\$ 4,162,583</u>	<u>\$ 5,894,308</u>	<u>\$ 5,359,900</u>	<u>\$ 4,414,797</u>	<u>\$ 4,987,529</u>
Operating Income (Loss)	\$ 1,584,894	\$ 1,290,832	\$ 523,074	\$ 2,487,024	\$ 2,766,235
Non-Operating Revenues (Expenses):					
Interest Income	\$ 1,875	\$ 1,186	\$ 1,183	\$ 569	\$ 703
Interest Expense	(2,301)	(1,137)	(1,423)	(1,489)	(1,528)
Gain on disposition of non utility plant	(300,331)	(219,652)	(102,494)	(238,916)	(173,287)
Amortization	-	-	-	-	-
Transfers	(210,684)	(203,400)	(203,283)	(195,742)	(199,453)
Total Non-Operating Revenues (Expenses)	<u>\$ (511,441)</u>	<u>\$ (423,003)</u>	<u>\$ (306,017)</u>	<u>\$ (435,578)</u>	<u>\$ (373,565)</u>
Income before Capital Contributions	\$ 1,073,453	\$ 867,829	\$ 217,057	\$ 2,051,446	\$ 2,392,670
Capital Contributions- Utility Plant	-	-	-	-	-
Change in Net Position	<u>\$ 1,073,453</u>	<u>\$ 867,829</u>	<u>\$ 217,057</u>	<u>\$ 2,051,446</u>	<u>\$ 2,392,670</u>
Net Assets - Beginning of year	\$ 13,846,787	\$ 14,920,240	\$ 15,788,069	\$ 16,005,126	\$ 18,056,572
Prior Period Adjustment	-	-	-	-	-
Net Assets - End of Year	<u><u>\$ 14,920,240</u></u>	<u><u>\$ 15,788,069</u></u>	<u><u>\$ 16,005,126</u></u>	<u><u>\$ 18,056,572</u></u>	<u><u>\$ 20,449,242</u></u>

CITY OF LAWRENCEBURG, TENNESSEE
 Five Year Summary of Revenues, Expenditures and
 Changes In Net Position - Electric System
 For the Fiscal Year Ended June 30

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Operating Revenues:					
Receipts for services and use of facilities	\$ 50,985,447	\$ 53,918,007	\$ 58,204,429	\$ 56,855,153	\$ 62,393,040
Other	1,368,334	1,456,814	1,572,747	1,708,655	1,689,909
Total Revenues	<u>\$ 52,353,781</u>	<u>\$ 55,374,821</u>	<u>\$ 59,777,176</u>	<u>\$ 58,563,808</u>	<u>\$ 64,082,949</u>
Operating Expenditures:					
Purchased Power	\$ 36,008,129	\$ 39,411,362	\$ 43,465,316	\$ 41,507,050	\$ 44,896,325
Operation and Maintenance Expense	7,314,818	8,553,779	10,419,893	7,605,880	8,657,121
Depreciation and amortization	3,008,994	2,697,254	2,817,999	3,090,548	3,141,265
Other	446,220	455,231	472,876	470,881	473,488
Total Expenditures	<u>\$ 46,778,161</u>	<u>\$ 51,117,626</u>	<u>\$ 57,176,084</u>	<u>\$ 52,674,359</u>	<u>\$ 57,168,199</u>
Operating Income (Loss)	\$ 5,575,620	\$ 4,257,195	\$ 2,601,092	\$ 5,889,449	\$ 6,914,750
Non-Operating Revenues (Expenses):					
Interest Income	\$ 51,032	\$ 28,038	\$ 162,988	\$ 213,186	\$ 215,082
Interest Expense	(516,714)	(664,737)	(556,916)	(481,504)	(400,824)
Gain (Loss) on Sale of Property	(1,050,592)	(252,909)	(410,160)	(298,640)	634,765
Amortization Expense	(66,323)	(34,451)	(34,451)	(34,451)	(34,451)
Transfers out - Tax Equivalents	(1,266,953)	(1,171,226)	(1,190,131)	(1,212,339)	(1,086,498)
Total Non-Operating Revenues (Expenses)	<u>\$ (2,849,550)</u>	<u>\$ (2,095,285)</u>	<u>\$ (2,028,670)</u>	<u>\$ (1,813,748)</u>	<u>\$ (671,926)</u>
Income before Capital Contributions	\$ 2,726,070	\$ 2,161,910	\$ 572,422	\$ 4,075,701	\$ 6,242,824
Capital Contributions- Utility Plant	-	-	-	-	-
Change in Net Position	<u>\$ 2,726,070</u>	<u>\$ 2,161,910</u>	<u>\$ 572,422</u>	<u>\$ 4,075,701</u>	<u>\$ 6,242,824</u>
Net Assets - Beginning of year	\$40,822,182	\$43,548,252	\$45,710,162	\$46,282,584	\$50,358,285
Prior Period Adjustment	-	-	-	-	-
Net Assets - End of Year	<u><u>\$ 43,548,252</u></u>	<u><u>\$ 45,710,162</u></u>	<u><u>\$ 46,282,584</u></u>	<u><u>\$ 50,358,285</u></u>	<u><u>\$ 56,601,109</u></u>

INVESTMENT AND CASH MANAGEMENT PRACTICES

Investment of idle City operating funds is controlled by state statute and local policies and administered by the City Recorder. Generally, such policies limit investment instruments to direct U. S. Government obligations, those issued by U.S. Agencies or Certificates of Deposit. As required by prevailing statutes, all demand deposits or Certificates of Deposit are secured by similar grade collateral pledged at 110% of market value for amounts in excess of that guaranteed through federally sponsored insurance programs. Deposits with savings and loan associations must be collateralized as outlined above, by an irrevocable letter of credit issued by the Federal Home Loan Bank or by providing notes secured by the first mortgages or first deeds for trust upon residential property in the state equal to at least 150 percent of the amount of uninsured deposits. All collateral must be held in a third party escrow account for the benefit of the City. For reporting purposes, all investments are stated at cost which approximates market value.

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

State Taxation of Property; Classifications of Taxable Property; Assessment Rates

Under the Constitution and laws of the State of Tennessee, all real and personal property is subject to taxation, except to the extent that the General Assembly of the State of Tennessee (the "General Assembly") exempts certain constitutionally permitted categories of property from taxation. Property exempt from taxation includes federal, state and local government property, property of housing authorities, certain low cost housing for elderly persons, property owned and used exclusively for certain religious, charitable, scientific and educational purposes and certain other property as provided under Tennessee law.

Under the Constitution and laws of the State of Tennessee, property is classified into three separate classes for purposes of taxation: Real Property; Tangible Personal Property; and Intangible Personal Property. Real Property includes lands, structures, improvements, machinery and equipment affixed to realty and related rights and interests. Real Property is required constitutionally to be classified into four sub classifications and assessed at the rates as follows:

- (a) Public Utility Property (which includes all property of every kind used or held for use in the operation of a public utility, such as railroad companies, certain telephone companies, freight and private car companies, street-car companies, power companies, express companies and other public utility companies), to be assessed at 55% of its value;
- (b) Industrial and Commercial Property (which includes all property of every kind used or held for use for any commercial, mining, industrial, manufacturing, business or similar purpose), to be assessed at 40% of its value;
- (c) Residential Property (which includes all property which is used or held for use for dwelling purposes and contains no more than one rental unit), to be assessed at 25% of its value; and
- (d) Farm Property (which includes all real property used or held for use in agriculture), to be assessed at 25% of its value.

Tangible Personal Property includes personal property such as goods, chattels and other articles of value, which are capable of manual or physical possession and certain machinery and

equipment. Tangible Personal Property is required constitutionally to be classified into three sub classifications and assessed at the rates as follows:

- (a) Public Utility Property, to be assessed at 55% of its value;
- (b) Industrial and Commercial Property, to be assessed at 30% of its value; and
- (c) All other Tangible Personal Property (including that used in agriculture), to be assessed at 5% of its value, subject to an exemption of \$7,500 worth of Tangible Personal Property for personal household goods and furnishings, wearing apparel and other tangible personal property in the hands of a taxpayer.

Intangible Personal Property includes personal property, such as money, any evidence of debt owed to a taxpayer, any evidence of ownership in a corporation or other business organization having multiple owners and all other forms of property, the value of which is expressed in terms of what the property represents rather than its own intrinsic value. The Constitution of the State of Tennessee empowers the General Assembly to classify Intangible Personal Property into sub classifications and to establish a ratio of assessment to value in each class or subclass and to provide fair and equitable methods of apportionment of the value to the State of Tennessee for purposes of taxation.

The Constitution of the State of Tennessee requires that the ratio of assessment to value of property in each class or subclass be equal and uniform throughout the State of Tennessee and that the General Assembly direct the method to ascertain the value and definition of property in each class or subclass. Each respective taxing authority is constitutionally required to apply the same tax rate to all property within its jurisdiction.

County Taxation of Property

The Constitution of the State of Tennessee empowers the General Assembly to authorize the several counties and incorporated towns in the State of Tennessee to impose taxes for county and municipal purposes in the manner prescribed by law. Under the *Tennessee Code Annotated*, the General Assembly has authorized the counties in Tennessee to levy an *ad valorem* tax on all taxable property within their respective jurisdictions, the amount of which is required to be fixed by the county legislative body of each county based upon tax rates to be established on the first Monday of July of each year or as soon thereafter as practicable.

All property is required to be taxed according to its value upon the principles established in regard to State taxation as described above, including equality and uniformity. All counties, which levy and collect taxes to pay off any bonded indebtedness, are empowered, through the respective county legislative bodies, to place all funds levied and collected into a special fund of the respective counties and to appropriate and use the money for the purpose of discharging any bonded indebtedness of the respective counties.

Assessment of Property

County Assessments; County Board of Equalization. The function of assessment is to assess all property (with certain exceptions) to the person or persons owning or claiming to own such property on January 1 for the year for which the assessment is made. All assessment of real and personal property are required to be made annually and as of January 1 for the year to which the

assessment applies. Not later than May 20 of each year, the assessor of property in each county is required to (a) make an assessment of all property in the county and (b) note upon the assessor's records the current classification and assessed value of all taxable property within the assessor's jurisdiction.

The assessment records are open to public inspection at the assessor's office during normal business hours. The assessor is required to notify each taxpayer of any change in the classification or assessed value of the taxpayer's property and to cause a notice to be published in a newspaper of general circulation stating where and when such records may be inspected and describing certain information concerning the convening of the county board of equalization. The notice to taxpayers and such published notice are required to be provided and published at least 10 days before the local board of equalization begins its annual session.

The county board of equalization is required (among other things) to carefully examine, compare and equalize the county assessments; assure that all taxable properties are included on the assessments lists and that exempt properties are eliminated from the assessment lists; hear and act upon taxpayer complaints; and correct errors and assure conformity to State law and regulations.

State Assessments of Public Utility Property; State Board of Equalization. The State Comptroller of the Treasury is authorized and directed under Tennessee law to assess for taxation, for State, county and municipal purposes, all public utility properties of every description, tangible and intangible, within the State. Such assessment is required to be made annually as of the same day as other properties are assessed by law (as described above) and takes into account such factors as are prescribed by Tennessee law.

On or before the first Monday in August of each year, the assessments are required to be completed and the State Comptroller of the Treasury is required to send a notice of assessment to each company assessable under Tennessee law. Within ten days after the first Monday in August of each year, any owner or user of property so assessed may file an exception to such assessment together with supporting evidence to the State Comptroller of the Treasury, who may change or affirm the valuation. On or before the first Monday in September of each year, the State Comptroller of the Treasury is required to file with the State Board of Equalization assessments so made. The State Board of Equalization is required to examine such assessments and is authorized to increase or diminish the valuation placed upon any property valued by the State Comptroller of the Treasury.

The State Board of Equalization has jurisdiction over the valuation, classification and assessment of all properties in the State. The State Board of Equalization is authorized to create an assessment appeals commission to hear and act upon taxpayer complaints. The action of the State Board of Equalization is final and conclusive as to all matters passed upon by the Board, subject to judicial review consisting of a new hearing in chancery court.

Periodic Reappraisal and Equalization

Tennessee law requires reappraisal in each county by a continuous six-year cycle comprised of an on-site review of each parcel of real property over a five-year period, or, upon approval of the State Board of Equalization, by a continuous four-year cycle comprised of an one-

site review of each parcel of real property over a three-year period, followed by revaluation of all such property in the year following completion of the review period. Alternatively, if approved by the assessor and adopted by a majority vote of the county legislative body, the reappraisal program may be completed by a continuous five-year cycle comprised of an on-site review of each parcel of real property over a four-year period followed by revaluation of all such property in the year following completion of the review period.

After a reappraisal program has been completed and approved by the Director of Property Assessments, the value so determined must be used as the basis of assessments and taxation for property that has been reappraised. The State Board of Equalization is responsible to determine whether or not property within each county of the State has been valued and assessed in accordance with the Constitution and laws of the State of Tennessee.

Valuation for Property Tax Purposes

County Valuation of Property. The value of all property is based upon its sound, intrinsic and immediate value for purposes of sale between a willing seller and a willing buyer without consideration of speculative values. In determining the value of all property of every kind, the assessor is to be guided by, and follow the instructions of, the appropriate assessment manuals issued by the division of property assessments and approved by the State Board of Equalization. Such assessment manuals are required to take into account various factors that are generally recognized by appraisers as bearing on the sound, intrinsic and immediate economic value of property at the time of assessment.

State Valuation of Public Utility Property. The State Comptroller of the Treasury determines the value of public utility property based upon the appraisal of the property as a whole without geographical or functional division of the whole (*i.e.*, the unit rule of appraisal) and on other factors provided by Tennessee law. In applying the unit rule of appraisal, the State Comptroller of the Treasury is required to determine the State's share of the unit or system value based upon factors that relate to the portion of the system relating to the State of Tennessee.

Certified Tax Rate

Upon a general reappraisal of property as determined by the State Board of Equalization, the county assessor of property is required to (1) certify to the governing bodies of the county and each municipality within the county the total assessed value of taxable property within the jurisdiction of each governing body and (2) furnish to each governing body an estimate of the total assessed value of all new construction and improvements not included on the previous assessment roll and the assessed value of deletions from the previous assessment roll. Exclusive of such new construction, improvements and deletions, each governing body is required to determine and certify a tax rate (herein referred to as the "*Certified Tax Rate*") which will provide the same *ad valorem* revenue for that jurisdiction as was levied during the previous year. The governing body of a county or municipality may adjust the Certified Tax Rate to reflect extraordinary assessment changes or to recapture excessive adjustments.

Tennessee law provides that no tax rate in excess of the Certified Tax Rate may be levied by the governing body of any county or of any municipality until a resolution or ordinance has been adopted by the governing body after publication of a notice of the governing body's intent to

exceed the Certified Tax Rate in a newspaper of general circulation and the holding of a public hearing.

The Tennessee Local Government Public Obligations Act of 1986 provides that a tax sufficient to pay when due the principal of and interest on general obligation bonds (such as the Bonds) shall be levied annually and assessed, collected and paid, in like manner with the other taxes of the local government as described above and shall be in addition to all other taxes authorized or limited by law. Bonds issued pursuant to the Local Government Public Obligations Act of 1986 may be issued without regard to any limit on indebtedness provided by law.

Tax Freeze for the Elderly Homeowners

The Tennessee Constitution was amended by the voters in November 2006 to authorize the Tennessee General Assembly to enact legislation providing property tax relief for homeowners age 65 and older. The General Assembly subsequently adopted the Property Tax Freeze Act permitting (but not requiring) local governments to implement a program for "freezing" the property taxes of eligible taxpayers at an amount equal to the taxes for the year the taxpayer becomes eligible. For example, if a taxpayer's property tax bill is \$500 for the year in which he becomes eligible, his property taxes will remain at \$500 even if property tax rates or appraisals increase so long as he continues to meet the program's ownership and income requirements.

Tax Collection and Tax Lien

Property taxes are payable the first Monday in October of each year. The county trustee of each county acts as the collector of all county property taxes and of all municipal property taxes when the municipality does not collect its own taxes.

The taxes assessed by the State of Tennessee, a county, a municipality, a taxing district or other local governmental entity, upon any property of whatever kind, and all penalties, interest and costs accruing thereon become and remain a first lien on such property from January 1 of the year for which such taxes are assessed. In addition, property taxes are a personal debt of the property owner as of January and, when delinquent, may be collected by suit as any other personal debt. Tennessee law prescribes the procedures to be followed to foreclose tax liens and to pursue legal proceedings against property owners whose property taxes are delinquent.

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Assessed Valuations. According to the Tax Aggregate Report, property in the County and City reflected a ratio of appraised value to true market value of 0.8186. The following table shows pertinent data for tax year 2024¹.

<u>Class</u>	<u>Estimated Assessed Valuation</u>	<u>Assessment Rate</u>	<u>Estimated Appraised Value</u>
Public Utilities	\$ 6,308,743	55%	\$ 14,453,019
Commercial and Industrial	121,662,520	40%	371,556,669
Personal Tangible Property	44,248,206	30%	175,967,589
Residential, Farm and Open Space	<u>148,296,800</u>	25%	<u>724,636,227</u>
Total	<u>\$320,516,269</u>		<u>\$1,286,613,504</u>

Source: 2024 Tax Aggregate Report of Tennessee and the City.

¹ The tax year coincides with the calendar year, therefore tax year 2024 is actually fiscal year 2024-2025.

The estimated assessed value of property in the City for the fiscal year ending June 30, 2025 (tax year 2024) is \$320,516,269 compared to \$319,692,097 for the fiscal year ending June 30, 2024 (tax year 2023). The estimated actual value of all taxable property for tax year 2024 is \$1,286,613,504 as compared to \$1,057,920,142 for tax year 2023.

Property Tax Rates and Collections. The following table shows the property tax rates and collections of the City for tax years 2021 through 2025 as well as the aggregate uncollected balances for each fiscal year as of June 30, 2025.

PROPERTY TAX RATES AND COLLECTIONS				Fiscal Yr. Collections		Aggregate Uncollected Balance	
Tax Year²	Assessed Valuation	Tax Rates	Taxes Levied	Amount	Pct	As of June 30, 2025	
						Amount	Pct
2021	\$239,500,710	\$1.4368	\$3,441,162	\$3,326,698	96.7%	N/A	
2022	313,216,116	1.0976	3,437,865	3,324,599	96.7%	N/A	
2023	319,692,097	1.0976	3,508,936	3,387,760	96.5%	N/A	
2024	320,516,269	1.0976	3,517,984	3,397,764	96.6%	\$118,400	3.4%
2025	347,521,455*	1.0976	3,814,395*	IN PROGRESS			

² The tax year coincides with the calendar year, therefore tax year 2025 is actually fiscal year 2025-2026.

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Largest Taxpayers. For the fiscal year ending June 30, 2026 (tax year 2025), the ten largest taxpayers in the City were as follows:

<u>Taxpayer</u>	<u>Business Type</u>	<u>Assessed Value</u>	<u>Taxes Levied</u>
1. Magna (Pilot Payment)	Manufacturing	\$ 29,296,200	\$ 321,555
2. Crockett Hospital	Hospital	6,353,480	69,735
3. Graphic Packaging Int. Inc.	Printed Cartons	6,186,159	67,899
4. Modine Manufacturing	Manufacturing	5,000,041	54,880
5. MDA US, LLC	Manufacturing	4,875,884	46,898
6. Plasman US Hold Co., LLC	Manufacturing	4,272,774	39,514
7. Walmart	Retail	3,600,000	33,482
8. Assurance Operations	Manufacturing	3,050,506	32,853
9. Wood Lawrenceburg Center, LLC	Manufacturing	2,993,200	30,233
10. Graphic Packaging Tenn.	Printed Cartons	2,754,480	28,857
TOTAL		<u>\$63,382,724</u>	<u>\$725,906</u>

Source: The City.

Largest Taxpayers. For the fiscal year ending June 30, 2025 (tax year 2024), the ten largest taxpayers in the City were as follows:

<u>Taxpayer</u>	<u>Business Type</u>	<u>Assessed Value</u>	<u>Taxes Levied</u>
1. Crockett Hospital	Hospital	\$ 8,553,516	\$ 93,883
2. Graphic Packaging Int. Inc.	Printed Cartons	8,027,123	88,105
3. MDA US, LLC	Manufacturing	4,875,884	53,518
4. Plasman US Hold Co., LLC	Manufacturing	4,272,774	46,898
5. Modine Manufacturing	Manufacturing	5,000,041	54,880
6. Walmart	Retail	3,600,000	39,514
7. Wood Lawrenceburg Center, LLC	Manufacturing	2,993,200	32,853
8. Assurance Operations	Manufacturing	3,175,066	34,849
9. Graphic Packaging Tenn.	Printed Cartons	2,939,800	32,267
10. Best Western Lawrenceburg	Hotel	<u>2,738,785</u>	<u>30,061</u>
TOTAL		<u>\$46,176,189</u>	<u>\$506,828</u>

Source: The City.

PENSION PLANS

Employees of the City (other than those of the Water & Sewer, Natural Gas and Electric Power systems) are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit plan administered by the Tennessee Consolidated Retirement System (TCRS). The TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with 5 years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at age 55. Disability benefits are available to active members with 5 years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in performance of duty. Members joining the retirement system after July 1, 1979 become vested after 5 years of service and members joining prior to July, 1979 were vested after 4 years of service.

All employees of the Water & Sewer, Natural Gas and Electric Power systems are members of the Lawrenceburg Utility Systems Employees' Pension Plan. For additional information of the funding status, trend information and actuarial status of the above retirement programs please refer to the appropriate Notes to Financial Statements located in the General Purpose Financial Statements of the City herein.

OTHER POST-EMPLOYMENT BENEFITS

The City participates in the State-administered Local Government Group Insurance Plan for healthcare benefits. For accounting purposes, the Plan is and agent multiple-employer Other Post Employment Benefit (OPEB) Plan. Benefits are established and amended by an insurance committee created by TCA 8-27-207. Prior to reaching the age of 65, all members have the option of choosing a preferred provider organization (PPO), point of service (POS), or health maintenance organization (HMO) plan for healthcare benefits. Subsequent to age 65, members who are also in the State's retirement system may participate in a State-administered medicare supplemental plan that does not include pharmacy. The Plan is reported in the State of Tennessee Annual Comprehensive Financial Report.

For additional information please refer to the appropriate Notes to Financial Statements located in the General Purpose Financial Statements of the City herein.

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APPENDIX C

GENERAL PURPOSE FINANCIAL STATEMENTS

OF

CITY OF LAWRENCEBURG, TENNESSEE

FOR THE FISCAL YEAR ENDED

JUNE 30, 2025

The General Purpose Financial Statements are extracted from the Financial Statements with Report of Certified Public Accountants of the City of Lawrenceburg for the fiscal year ended June 30, 2025 which is available upon request from the City.



CITY OF LAWRENCEBURG, TENNESSEE

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2025

Matlock Clements

Certified Public Accountants

INTRODUCTORY SECTION

City of Lawrenceburg, Tennessee
Annual Financial Report
For the Year Ended June 30, 2025

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City of Lawrenceburg, Tennessee
 Annual Financial Report
 For the Year Ended June 30, 2025

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City of Lawrenceburg, Tennessee
Directory of Officials
As of June 30, 2025

Elected

Name	Position
Blake Lay	Mayor
Darryl Watson	Council Member
Robin Williams	Council Member
Jamie Sevier	Council Member
Chad Moore	Council Member

Appointed and Other

Name	Position
Dick McKinley	City Administrator
Linda Adair	Finance Director/CMFO
Chris Bryant	Chief Building Official
Tina Sowell	Human Resource Director
Joyce DiCapo	Executive Assistant
Shelton Barnett	Emergency Management Director
Terry Beecham	Police Chief
Jay Moore	Fire Chief
Pam Hyde	Parks and Recreation Director
Gary Wayne Hyde	Sanitation Director
Jerry Smith	Public Works Director

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and Board of Councilman
City of Lawrenceburg, Tennessee

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lawrenceburg, Tennessee (the City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the water and sewer, natural gas, and electric power enterprise funds, which represent 100% of the business-type activities, and the fiduciary funds. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as they relate to the amounts included for the business-type activities, water and sewer, natural gas, and electric power enterprise funds, and fiduciary funds are based solely on the report of the other auditors.

Basis for Opinions

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

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 City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Lawrenceburg, Tennessee's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Lawrenceburg, Tennessee's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 9-19 and schedules of funding progress, employer contributions, and actuarial methods and significant assumptions on pages 90-102 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lawrenceburg, Tennessee's basic financial statements. The combining and individual fund financial statements and other schedules on pages 105-124 (including the schedule of expenditures of federal awards, as required by Title 2 US *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* on page 119) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the supplementary information on pages 105-124 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and other schedules on pages 125-129 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2025, on our consideration of the City of Lawrenceburg, Tennessee's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Lawrenceburg, Tennessee'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 City of Lawrenceburg, Tennessee's internal control over financial reporting and compliance.



Matlock Clements, P.C.
Murfreesboro, Tennessee
December 29, 2025

City of Lawrenceburg, Tennessee
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2025

As management of the City of Lawrenceburg, Tennessee (the City) we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2024.

This analysis focuses on significant variances in financial position, budget changes and variances from the budget and specific issues related to the funds and the economic factors affecting the City.

Management's Discussion and Analysis (MD&A) focuses on current year activities and resulting changes. It also contains explanations and discussion relative to significant variances from similar amounts in the prior year.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$119,012,854 as compared to \$109,605,879 in 2024. Of this amount, a deficit of \$6,534,837 (governmental activities of \$(14,007,387) and business-type of \$7,472,550) remained in unrestricted fund equity.
- The government's total net position increased by \$9,406,975 in 2025 as compared to \$10,259,051 in 2024.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$6,080,155, a decrease of \$4,050,685 in comparison with the prior year. Of that amount, \$3,733,082 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$3,733,082 as compared to \$7,152,526 in 2024 or 19.05% and 42% in 2025 and 2024, respectively of total general fund expenditures.
- The City's total bonded debt decreased by \$4,405,000 during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Lawrenceburg's basic financial statements. The City'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 themselves.

Government-wide financial statements. The Government - wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

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

The Statement of Activities presents information showing how the government'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 of 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 periods (e.g., uncollected tax and earned but unused vacation leave).

City of Lawrenceburg, Tennessee
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2025

Overview of the Financial Statements

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, highways and streets, sanitation, recreation, and building inspection. The business-type activities of the City include water and sewer services, natural gas services, and electric power services.

The government-wide financial statements include all funds of the City of Lawrenceburg (known as the primary government).

The government-wide financial statements can be found on pages 22-23 of this report.

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 City of Lawrenceburg, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds. Governmental Funds are funds 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, government fund financial statements focus on near-term inflows and outflows of 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 a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental 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 government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund which is considered to be a major fund. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 24-31 of this report.

Proprietary Funds. The City of Lawrenceburg has only one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer, natural gas, and electric power utilities.

City of Lawrenceburg, Tennessee
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2025

Overview of the Financial Statements

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer, natural gas, and electric power distribution operations, each of which is considered to be a major fund of the City.

The basic proprietary fund financial statements can be found on pages 32-35 of this report.

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. The notes to the financial statements can be found on pages 38-90 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to financial statements. Combining and individual fund statements and schedules can be found on pages 106-112 of this report.

Financial Analysis of the Financial Statements

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Lawrenceburg, assets exceeded liabilities by \$119,012,854 at the close of the most recent fiscal year, as compared to \$108,376,268 in 2024.

By far the largest portion of the City's assets reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens: consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Lawrenceburg, Tennessee
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2025

Net Position – Primary Government
June 30, 2025 and 2024

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 13,384,732	\$ 17,259,200	\$ 31,681,231	\$ 26,467,032	\$ 45,065,963	\$ 43,726,232
Capital assets	<u>36,432,360</u>	<u>36,799,754</u>	<u>123,762,951</u>	<u>122,311,888</u>	<u>160,195,311</u>	<u>159,111,642</u>
Total assets	49,817,092	54,058,954	155,444,182	148,778,920	205,261,274	202,837,874
Deferred outflows of resources	3,429,045	3,434,998	4,445,361	5,116,063	7,874,406	8,551,061
Long-term liabilities	15,048,568	15,421,539	20,006,947	23,350,309	35,055,515	38,771,848
Other liabilities	<u>21,832,655</u>	<u>22,931,947</u>	<u>21,046,188</u>	<u>24,656,893</u>	<u>42,878,843</u>	<u>47,588,840</u>
Total liabilities	36,881,223	38,353,486	41,053,135	48,007,202	77,934,358	86,360,688
Deferred inflows of resources	6,082,065	7,620,235	10,106,403	7,802,133	16,188,468	15,422,368
Net position						
Net investment in capital assets	21,943,163	21,183,884	100,939,443	95,646,579	122,882,606	116,830,463
Restricted	2,347,073	2,950,629	318,012	326,567	2,665,085	3,277,196
Unrestricted	<u>(14,007,387)</u>	<u>(12,614,282)</u>	<u>7,472,550</u>	<u>2,112,502</u>	<u>(6,534,837)</u>	<u>(10,501,780)</u>
Total net position	\$ 10,282,849	\$ 11,520,231	\$ 108,730,005	\$ 98,085,648	\$ 119,012,854	\$ 109,605,879

An additional portion of the City's net position (2.24%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, a net deficit of \$6,534,837 results primarily from adjustments arising for implementation of GASB 75 in earlier years.

The government's net position increased by \$9,406,975 during the current fiscal year. Approximately 89.7% of this increase represents net increases in ongoing revenues over expenses of the business-type activities. Governmental activities experienced an increase of expenditures over revenues of \$1,237,382.

Governmental Activities

Governmental activities decreased the City's net position by \$1,237,382 (increase of \$2,162,255 in 2024). Key elements of this increase are as follows:

City of Lawrenceburg, Tennessee
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2025

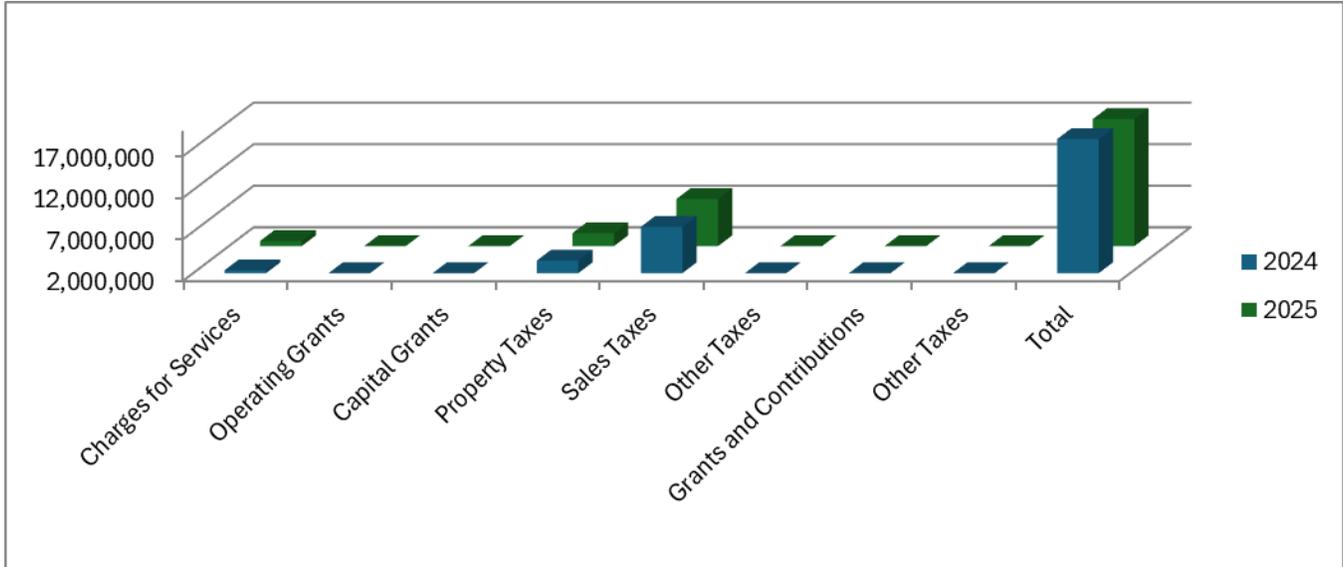
The City's Changes in Net Position
For the years ended June 30, 2025 and 2024

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Charges for services	\$ 2,619,807	\$ 2,340,025	\$ 81,647,757	\$ 74,666,934	\$ 84,267,564	\$ 77,006,959
Operating grants and contributions	460,870	601,304	-	-	460,870	601,304
Capital grants and contributions	102,054	1,053,260	-	-	102,054	1,053,260
General revenues						
Property taxes	3,557,068	3,503,706	-	-	3,557,068	3,503,706
Sales taxes	7,676,036	7,562,848	-	-	7,676,036	7,562,848
Other taxes	1,691,103	1,524,990	-	-	1,691,103	1,524,990
Grants and contributions not restricted to specific programs	-	-	-	-	-	-
Other	<u>1,177,704</u>	<u>1,536,899</u>	<u>697,842</u>	<u>(360,236)</u>	<u>1,875,546</u>	<u>1,176,663</u>
Total revenues	17,284,642	18,123,032	82,345,599	74,306,698	99,630,241	92,429,730
Expenses						
General government	548,636	1,091,780	-	-	548,636	1,091,780
Judicial	49,014	47,821	-	-	49,014	47,821
Executive	336,556	346,340	-	-	336,556	346,340
Planning and development	939,891	609,273	-	-	939,891	609,273
Administrative	876,699	824,317	-	-	876,699	824,317
Special projects	913,831	368,281	-	-	913,831	368,281
Police department	3,897,352	3,344,469	-	-	3,897,352	3,344,469
Fire prevention and control	3,734,614	3,604,613	-	-	3,734,614	3,604,613
Civil defense	348,547	260,073	-	-	348,547	260,073
Highways and streets	4,320,359	2,910,663	-	-	4,320,359	2,910,663
Parks	1,595,534	2,028,552	-	-	1,595,534	2,028,552
Sanitation	2,035,101	1,672,705	-	-	2,035,101	1,672,705
Interest on long-term debt	390,963	490,063	-	-	390,963	490,063
Water and sewer	-	-	7,643,638	6,982,431	7,643,638	6,982,431
Natural gas	-	-	4,989,057	4,416,286	4,989,057	4,416,286
Electric	<u>-</u>	<u>-</u>	<u>57,603,474</u>	<u>53,190,314</u>	<u>57,603,474</u>	<u>53,190,314</u>
Total expenses	19,987,097	17,581,648	70,236,169	64,589,031	90,223,266	82,170,679
Increase in net position before transfers	(2,702,455)	(688,227)	12,109,430	9,717,667	9,406,975	9,029,440
Transfers	<u>1,465,073</u>	<u>1,620,871</u>	<u>(1,465,073)</u>	<u>(1,620,871)</u>	<u>-</u>	<u>-</u>
Increase in net position	(1,237,382)	2,162,255	10,644,357	8,096,796	9,406,975	10,259,051
Net position, beginning	11,520,231	9,357,976	98,085,648	89,988,852	109,605,879	99,346,828
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position, ending	\$ 10,282,849	\$ 11,520,231	\$ 108,730,005	\$ 98,085,648	\$ 119,012,854	\$ 109,605,879

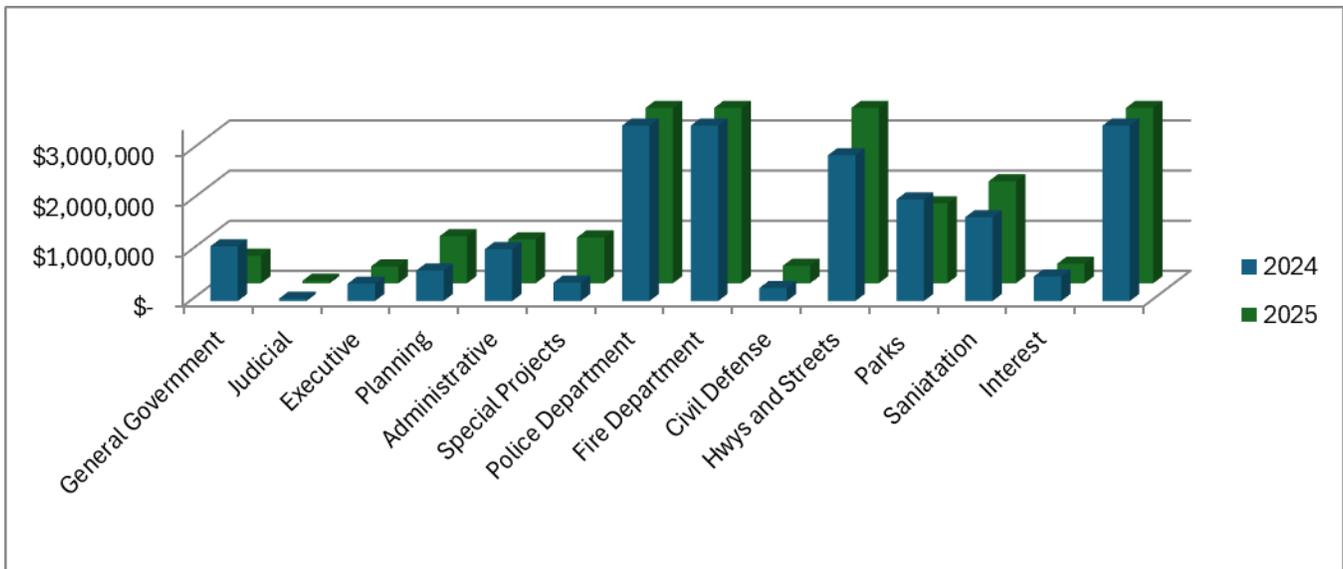
Governmental policy continues to recognize that local revenue sources must be the foundation for providing basic public services rather than depending on uncertain federal and state sources. To this end, it is vitally important to continue efforts to seek balanced diversity, equity and efficiency in local revenue systems to better accommodate future growth.

City of Lawrenceburg, Tennessee
 Management's Discussion and Analysis (Unaudited)
 For the Year Ended June 30, 2025

Revenues by Source – Governmental Activities



Expenditures – Governmental Activities



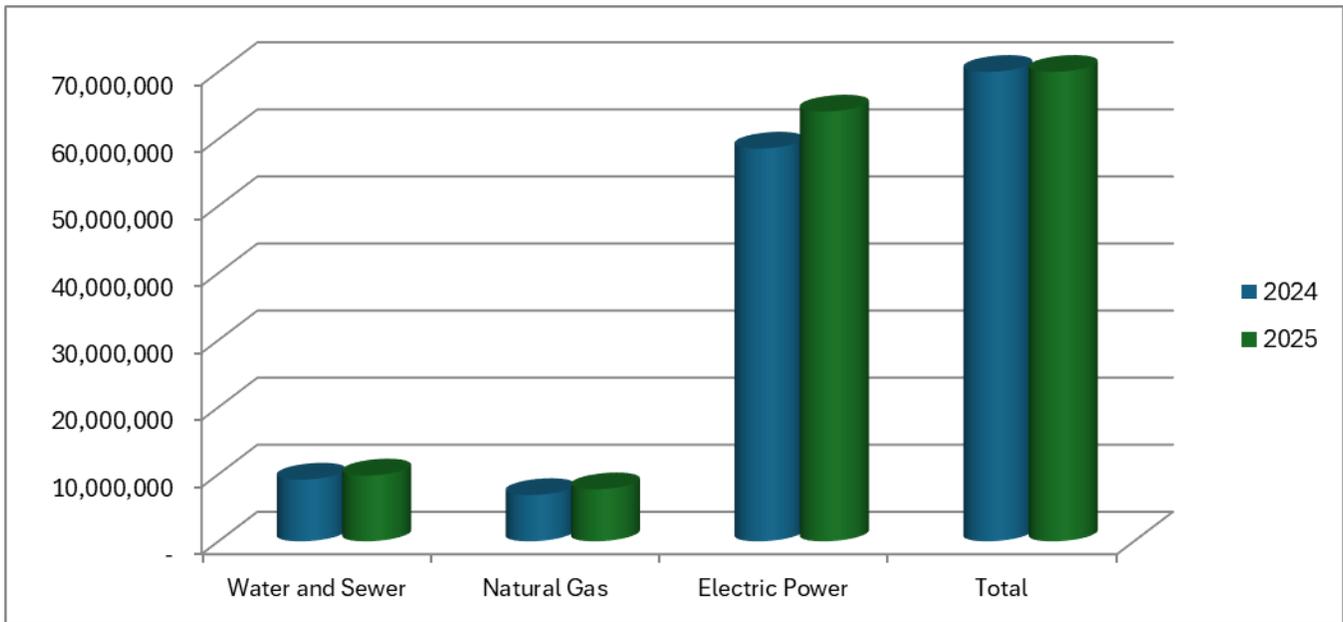
City of Lawrenceburg, Tennessee
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2025

Business-type Activities

Business-type activities increased the City's net position by \$10,644,357 as compared to \$8,096,796 in 2024, accounting for 113% of the total growth in the government's net position. Key elements of this increase are as follows:

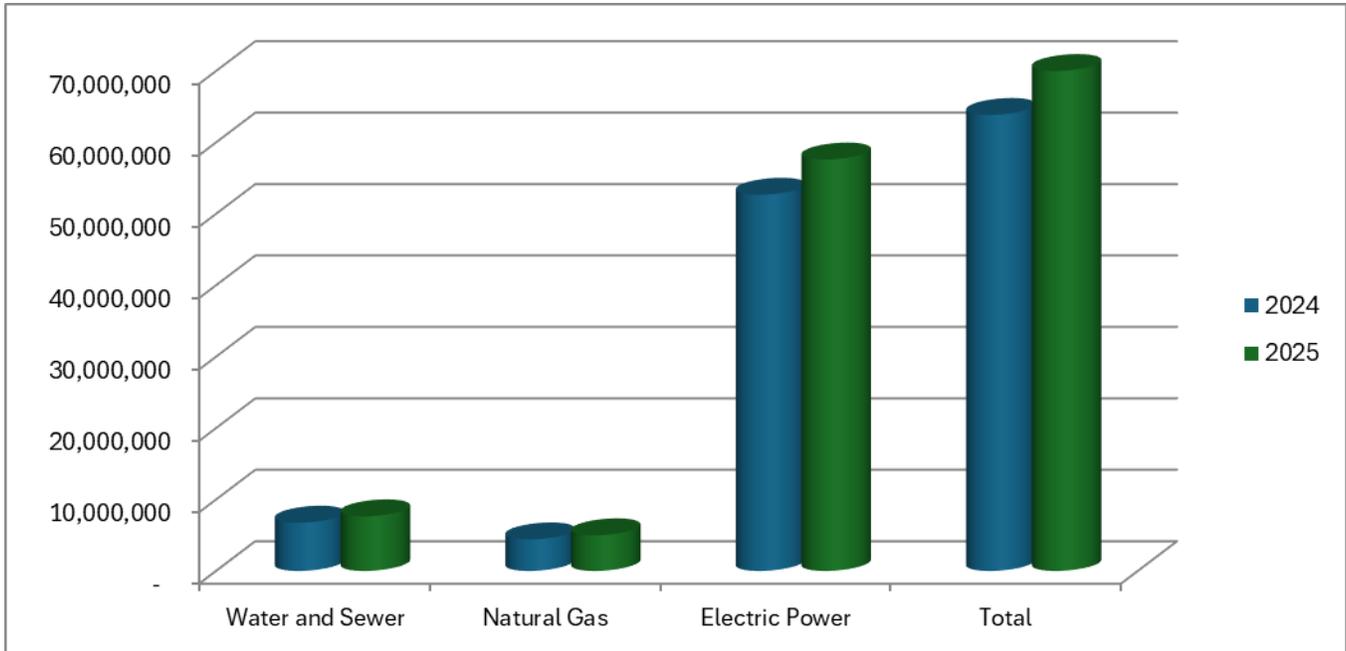
- Total charges for services for business-type activities increased by approximately .87%.
- Water and sewer operations resulted in an increase in net position of \$2,008,863
- Natural gas operations resulted in an increase in net position of \$2,392,670
- Electric power operations resulted in an increase in net position of \$6,242,824
- A more detailed analysis of the business-type activities may be found in the individual financial reports the water and sewer, natural gas, and electric power funds.

Revenues – Business-type Activities



City of Lawrenceburg, Tennessee
 Management's Discussion and Analysis (Unaudited)
 For the Year Ended June 30, 2025

Operating expenses – Business-type Activities



Financial Analysis of the Government's Funds

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

Governmental funds

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$6,080,155, a decrease of \$4,050,685 in comparison with the prior year. Of this amount, \$3,733,082 constitutes unassigned fund balance, which is available for spending at the government's discretion.

The general fund is the chief operation fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$3,733,082 (\$7,152,526 at the prior year-end). As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents 19.05% (42% in 2024) of total general fund expenditures.

City of Lawrenceburg, Tennessee
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2025

The fund balance of the City's general fund decreased by \$3,417,542 during the current fiscal year. Key factors in this decrease and other changes in the fund balance of the General Fund are as follows:

- Total expenditures of the general fund increased by approximately \$2,728,547 or 13.92%, the most significant increase came from highways and streets which increased approximately \$1,080,625 from the prior year. Appropriations and other increased by approximately \$527,682.
- General fund revenues remained relatively the same as in the prior year increasing by approximately .67%.

The City's proprietary funds provide the same type of information found in the government-wide financial statement, but in more detail.

Unrestricted net position of the water and sewer, natural gas, and electric power funds amounted to \$1,076,196, \$4,606,704 and \$1,789,650, respectively, as of June 30, 2025. The growth in net position of the above funds was \$2,008,863, \$2,392,670, \$6,242,824, respectively.

Each of the above enterprise funds issue separate financial statements, along with management's discussion and analysis. For additional information, please contact the Board of Public Utilities of the City of Lawrenceburg, Chief Financial Officer.

General Fund Budgetary Highlights

Revenues

Budget to Actual

- Local sales tax missed budget by \$219,885.
- State and Federal Grant revenues missed budget by \$298,028.

Original vs. Amended

Budget amendments in general fund mostly relate to adjustment for additional grant funding.

Expenses

Original vs. Amended

During 2025, there were amendments to general fund appropriations in the amount of \$3,929,230 Original and final budget for these individual general fund departments are as follows for 2025.

	Original Budget	Final Budget
Police	\$ 3,836,059	\$ 4,107,138
Fire prevention and control	3,315,896	3,486,998
Highways and streets	2,402,315	3,837,129
Parks and Recreation	1,754,263	2,847,976
Appropriations and other	<u>1,149,911</u>	<u>1,632,911</u>
Total	\$ 12,458,444	\$ 15,912,152

City of Lawrenceburg, Tennessee
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2025

Capital Asset and Debt Administration

Capital Assets

The City of Lawrenceburg's investment in capital assets from its governmental and business-type activities as of June 30, 2025, amounts to \$160,195,311 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery and equipment, park facilities, roads, highways, and bridges. The net increase in the City's investment in capital assets for the current fiscal year was approximately 3.92% with the business-type activities accounting approximately 5.39% and the governmental activities accounting for a decrease of approximately 2.62%.

Major capital asset events during the current fiscal year included the following:

Governmental Activities

- Capital assets decreased in 2025 by approximately \$367,394 as compared to an increase of \$306,677 in 2024.

Business-type Activities

- Capital assets increased in 2025 by approximately \$1,451,063 as compared to \$4,585,918 in 2024. There were a number of significant projects in the business type activities.

Capital Assets
June 30, 2025 and 2024

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 4,019,103	\$ 3,974,103	\$ 2,306,699	\$ 2,502,356	\$ 6,325,802	\$ 6,476,459
Buildings and utility plant	18,745,059	18,388,760	184,988,942	179,401,585	203,734,001	197,790,345
Equipment and furniture	14,962,207	14,177,714	17,448,545	16,859,773	32,410,752	31,037,487
Construction in progress	-	-	6,096,312	6,954,659	6,096,312	6,954,659
Infrastructure	<u>20,760,509</u>	<u>20,522,659</u>	<u>-</u>	<u>-</u>	<u>20,760,509</u>	<u>20,522,659</u>
	58,486,878	57,063,236	210,840,498	205,718,373	269,327,376	262,781,609
Less: accumulated depreciation	<u>22,054,518</u>	<u>20,263,482</u>	<u>87,077,547</u>	<u>83,406,485</u>	<u>109,132,065</u>	<u>103,669,967</u>
Net capital assets	\$ 36,432,360	\$ 36,799,754	\$ 123,762,951	\$ 122,311,888	\$ 160,195,311	\$ 159,111,642

Additional information on the City's capital assets can be found in the notes to the financial statements section of this report.

Long-term Debt

At the end of the current year, the City had bonded debt outstanding of \$35,265,000. Of this amount, \$13,550,000 comprises debt backed by the full faith and credit of the government and with the remainder of the City's debt represented by bonds secured by both the taxing power of the City and specific revenue sources (i.e., revenue and tax bonds) of the various enterprise funds.

City of Lawrenceburg, Tennessee
Management’s Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2025

Outstanding Debt
June 30, 2025 and 2024

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
General obligation bonds and capital outlay notes	\$ 13,550,000	\$ 14,640,000	\$ 10,970,000	\$ 12,920,000	\$ 24,520,000	\$ 27,560,000
Revenue and tax bonds	-	-	10,745,000	12,110,000	10,745,000	12,110,000
State revolving loan fund notes payable	-	-	-	-	-	-
Total	\$ 13,550,000	\$ 14,640,000	\$ 21,715,000	\$ 25,030,000	\$ 35,265,000	\$ 39,670,000

The City's total bonded debt decreased by \$4,405,000 or 11.1% during the current fiscal year, the increase resulted from the net effect of scheduled debt service payments.

Economic Factors and Next Year’s Budgets and Rates

The unemployment rate for the Lawrenceburg Micropolitan Area (Lawrence Co.) was last reported to be 4.0% in September 2025, a nominal change from the previous year. The US unemployment rate was slightly higher at 4.4% and the State of Tennessee was 3.6% during the same time. Over the last five (5) years, the Lawrenceburg Micropolitan Area’s population increased by 5.2%, adding 2,294 new residents since 2020. While this population growth rate reflects an increase in resident population, the rate did not change from the previous year—reflecting that growth could “plateau” or the rate could flatten. The most recently data available from the U.S. Census Bureau reflects a total population of 46,467 and we expect that the population will reach 48,896 by 2030. While local officials remain focused on attracting new investment and fostering job creation, annual employment growth projections are expected to flatten to 2%-2.5% over the next five years—still a significant growth rate when considering historical context and data. Despite flattening growth, total employment is projected to increase by more than 1,400 jobs by 2030. The most significant economic change that should be noted is the labor force participation rate, which increased by nearly three percentage points to 58.3% from the previously reported 55.2%. This means that more citizens are participating in the workforce.

At June 30, 2025, unassigned fund balance in the general fund amounted to \$3,733,082.

Requests for Information

This financial report is designed to provide a general overview of the City of Lawrenceburg, Tennessee's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the City Administrator, 25 Public Square, Lawrenceburg, TN 38464.

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City of Lawrenceburg, Tennessee
Statement of Net Position
June 30, 2025

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents			
Unrestricted	\$ 6,850,879	\$ 14,141,003	\$ 20,991,882
Restricted, bond, construction	-	4,388,950	4,388,950
Total cash and cash equivalents	<u>6,850,879</u>	<u>18,529,953</u>	<u>25,380,832</u>
Accounts receivable			
Property taxes	3,678,373	-	3,678,373
Other governments	2,401,720	-	2,401,720
Customers	-	6,135,561	6,135,561
Others	173,246	2,186,946	2,360,192
Less: allowance for doubtful accounts	(69,597)	(1,564,125)	(1,633,722)
Total accounts receivable	<u>6,183,742</u>	<u>6,758,382</u>	<u>12,942,124</u>
Other assets			
Inventory of supplies	-	3,138,997	3,138,997
Prepaid expenses	-	2,843,474	2,843,474
Internal balances, net	219,572	(219,572)	-
Conservation loans receivable	-	53,541	53,541
Debt issuance costs	-	358,272	358,272
Lease receivable	130,539	-	130,539
Other assets	-	218,184	218,184
Total other assets	<u>350,111</u>	<u>6,392,896</u>	<u>6,743,007</u>
Depreciable capital assets, net of accumulated depreciation	32,413,257	115,359,940	147,773,197
Nondepreciable capital assets	<u>4,019,103</u>	<u>8,403,011</u>	<u>12,422,114</u>
Total assets	<u>49,817,092</u>	<u>155,444,182</u>	<u>205,261,274</u>
Deferred Outflows of Resources			
Pension related	3,429,045	1,597,421	5,026,466
OPEB related	-	2,519,501	2,519,501
Deferred charge on refunding	-	328,439	328,439
Total deferred outflows of resources	<u>3,429,045</u>	<u>4,445,361</u>	<u>7,874,406</u>
Liabilities			
Accounts payable	185,519	9,591,823	9,777,342
Accrued liabilities	394,839	3,435,499	3,830,338
Customer deposits	-	1,955,307	1,955,307
Other liabilities	2,919,288	61,609	2,980,897
Accrued interest	-	39,699	39,699
Total current liabilities	<u>3,499,646</u>	<u>15,083,937</u>	<u>18,583,583</u>
Noncurrent liabilities			
Net pension liability	6,993,943	1,311,208	8,305,151
OPEB liability/net OPEB liability	10,134,184	1,506,043	11,640,227
Due within one year	1,204,882	3,145,000	4,349,882
Due in more than one year	<u>15,048,568</u>	<u>20,006,947</u>	<u>35,055,515</u>
Total noncurrent liabilities	<u>33,381,577</u>	<u>25,969,198</u>	<u>59,350,775</u>
Total liabilities	<u>36,881,223</u>	<u>41,053,135</u>	<u>77,934,358</u>
Deferred Inflows of Resources			
Pension related	332,086	382,340	714,426
OPEB related	1,888,390	9,724,063	11,612,453
Deferred gain on refunding	56,658	-	56,658
Lease related	130,539	-	130,539
Unavailable property tax revenues	<u>3,674,392</u>	<u>-</u>	<u>3,674,392</u>
Total deferred inflows of resources	<u>6,082,065</u>	<u>10,106,403</u>	<u>16,188,468</u>
Net Position			
Net investment in capital assets	21,943,163	100,939,443	122,882,606
Restricted for:			
Economic development	732,982	312,334	1,045,316
Roads	113,887	-	113,887
Public safety	209,708	-	209,708
Capital projects and other	808,171	5,678	813,849
Solid waste disposal	411,264	-	411,264
Cemetery maintenance	71,061	-	71,061
Unrestricted	<u>(14,007,387)</u>	<u>7,472,550</u>	<u>(6,534,837)</u>
Total net position	<u>\$ 10,282,849</u>	<u>\$ 108,730,005</u>	<u>\$ 119,012,854</u>

See notes to financial statements

City of Lawrenceburg, Tennessee
Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary Government							
Governmental Activities							
General government	\$ 548,636	\$ -	\$ -	\$ -	\$ (548,636)	\$ -	\$ (548,636)
Judicial	49,014	-	-	-	(49,014)	-	(49,014)
Executive	336,556	-	-	-	(336,556)	-	(336,556)
Planning and development	939,891	286,248	-	-	(653,643)	-	(653,643)
Administrative	876,699	-	-	-	(876,699)	-	(876,699)
Animal Control	392,365	-	-	-	(392,365)	-	(392,365)
Safety/human resources	521,466	-	-	-	(521,466)	-	(521,466)
Police department	3,897,352	183,367	3,135	-	(3,710,850)	-	(3,710,850)
Fire prevention and control	3,734,614	300	17,812	-	(3,716,502)	-	(3,716,502)
Civil defense	348,547	-	-	46,639	(301,908)	-	(301,908)
Highways and streets	4,320,359	-	439,923	55,415	(3,825,021)	-	(3,825,021)
Parks and recreation	1,595,534	95,799	-	-	(1,499,735)	-	(1,499,735)
Sanitation	2,035,101	2,054,093	-	-	18,992	-	18,992
Interest on long-term debt	390,963	-	-	-	(390,963)	-	(390,963)
Total governmental activities	19,987,097	2,619,807	460,870	102,054	(16,804,366)	-	(16,804,366)
Business-type Activities							
Water and sewer	7,643,638	9,811,044	-	-	-	2,167,406	2,167,406
Natural gas	4,989,057	7,753,764	-	-	-	2,764,707	2,764,707
Electric power	57,603,474	64,082,949	-	-	-	6,479,475	6,479,475
Total business-type activities	70,236,169	81,647,757	-	-	-	11,411,588	11,411,588
Total primary government	\$ 90,223,266	\$ 84,267,564	\$ 460,870	\$ 102,054	(16,804,366)	11,411,588	(5,392,778)
General Revenues and Transfers							
Property taxes					3,557,068	-	3,557,068
Sales taxes					7,676,036	-	7,676,036
Business taxes					486,438	-	486,438
Local beer tax					405,015	-	405,015
Local liquor tax					207,632	-	207,632
Cable TV					99,838	-	99,838
State income and excise taxes					38,102	-	38,102
Gross receipts, TVA					141,327	-	141,327
Other taxes					312,751	-	312,751
Unrestricted investment earnings					-	218,877	218,877
Gain (loss) on sale of capital assets					-	478,965	478,965
Other revenues					1,177,704	-	1,177,704
Transfers					1,465,073	(1,465,073)	-
Total general revenues and transfers					15,566,984	(767,231)	14,799,753
Change in net position					(1,237,382)	10,644,357	9,406,975
Net position, beginning of year					11,520,231	98,085,648	109,605,879
Net position, end of year					\$ 10,282,849	\$ 108,730,005	\$ 119,012,854

City of Lawrenceburg, Tennessee

Balance Sheet
Governmental Funds
June 30, 2025

	General	Capital Projects	Other Governmental	Total Governmental
Assets				
Cash and cash equivalents	\$ 6,360,287	\$ -	\$ 490,592	\$ 6,850,879
Cash and cash equivalents, restricted for construction	-	-	-	-
Total cash and cash equivalents	<u>6,360,287</u>	<u>-</u>	<u>490,592</u>	<u>6,850,879</u>
Accounts and notes receivable				
Property taxes, net	3,608,776	-	-	3,608,776
Other governments	1,709,163	692,557	-	2,401,720
Other	-	-	173,246	173,246
Total accounts and notes receivable	<u>5,317,939</u>	<u>692,557</u>	<u>173,246</u>	<u>6,183,742</u>
Lease receivable	130,539	-	-	130,539
Due from other funds	-	-	219,606	219,606
Total assets	\$ 11,808,765	\$ 692,557	\$ 883,444	\$ 13,384,766
Liabilities				
Accounts payable	\$ 97,024	\$ 21,105	\$ 67,390	\$ 185,519
Accrued liabilities	372,052	-	22,787	394,839
Unearned revenue	2,919,288	-	-	2,919,288
Due to other funds	34	-	-	34
Total liabilities	<u>3,388,398</u>	<u>21,105</u>	<u>90,177</u>	<u>3,499,680</u>
Deferred Inflows of Resources				
Unavailable tax revenues	3,674,392	-	-	3,674,392
Lease related	130,539	-	-	130,539
Total deferred inflows of resources	<u>3,804,931</u>	<u>-</u>	<u>-</u>	<u>3,804,931</u>
Total liabilities and deferred inflows of resources	7,193,329	21,105	90,177	7,304,611
Fund Balances				
Restricted				
Capital projects	-	671,452	132,554	804,006
Solid waste disposal	-	-	411,264	411,264
Roads	-	-	113,887	113,887
Public safety	-	-	64,501	64,501
Cemetery maintenance	-	-	71,061	71,061
Assigned				
Spirit of Santa	4,165	-	-	4,165
Fire department	145,207	-	-	145,207
Economic and community development	732,982	-	-	732,982
Unassigned	3,733,082	-	-	3,733,082
Total fund balances	<u>4,615,436</u>	<u>671,452</u>	<u>793,267</u>	<u>6,080,155</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ 11,808,765	\$ 692,557	\$ 883,444	\$ 13,384,766

See notes to financial statements

City of Lawrenceburg, Tennessee
 Reconciliation of Balance Sheet to Statement of Net Position
 of Governmental Activities
 June 30, 2025

Total governmental funds fund balances		\$ 6,080,155
<p>Amounts reported for governmental activities in the statement of net position are different because:</p> <p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds as follows:</p>		
Capital assets	\$ 58,486,878	
Accumulated depreciation	<u>(22,054,518)</u>	36,432,360
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not recorded in the funds as follows:</p>		
Bonds payable	(13,550,000)	
Bond premium	(882,539)	
Accrued landfill	(921,303)	
Deferred gain on refunding	(56,658)	
Compensated absences	<u>(899,608)</u>	(16,310,108)
<p>Pension and OPEB liabilities and related deferred outflows and inflows not recognized in the current period and, therefore, are not recorded in the funds as follows:</p>		
Net pension liability	(6,993,943)	
Total OPEB liability	(10,134,184)	
Deferred outflows, pension	3,429,045	
Deferred outflows, OPEB	-	
Deferred inflows, pension	(332,086)	
Deferred inflows, OPEB	<u>(1,888,390)</u>	(15,919,558)
Net position of governmental activities		\$ 10,282,849

See notes to financial statements

City of Lawrenceburg, Tennessee
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2025

	General	Capital Projects	Other Governmental	Total Governmental
Revenues				
Taxes	\$ 11,031,603	\$ -	\$ -	\$ 11,031,603
Intergovernmental	2,030,656	-	463,417	2,494,073
Licenses and permits	286,248	-	-	286,248
Fines and costs	108,551	-	19,320	127,871
Charges for services	182,996	-	1,988,526	2,171,522
Miscellaneous	1,075,806	25	97,494	1,173,325
Total revenues	<u>14,715,860</u>	<u>25</u>	<u>2,568,757</u>	<u>17,284,642</u>
Expenditures				
Current				
Judicial	49,014	-	-	49,014
Executive	336,556	-	-	336,556
Planning and development	1,015,502	-	-	1,015,502
Administrative	542,759	-	-	542,759
Animal Control	392,365	-	-	392,365
Safety/human resources	521,466	-	-	521,466
Police department	3,720,324	-	6,028	3,726,352
Fire prevention and control	3,511,953	-	-	3,511,953
Civil defense	253,203	-	-	253,203
Highways and streets	3,327,040	-	617,679	3,944,719
Parks and recreation	1,313,895	-	-	1,313,895
Appropriations and other	1,619,462	-	-	1,619,462
Sanitation	-	-	1,724,289	1,724,289
Capital outlay	1,739,573	432,882	195,447	2,367,902
Debt service	1,255,363	-	225,600	1,480,963
Total expenditures	<u>19,598,475</u>	<u>432,882</u>	<u>2,769,043</u>	<u>22,800,400</u>
Excess (deficiency) of revenues over expenditures	(4,882,615)	(432,857)	(200,286)	(5,515,758)
Other Financing Sources (Uses)				
Transfers in	1,465,073	-	-	1,465,073
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>1,465,073</u>	<u>-</u>	<u>-</u>	<u>1,465,073</u>
Net change in fund balance	(3,417,542)	(432,857)	(200,286)	(4,050,685)
Fund balance, beginning of year	<u>8,032,978</u>	<u>1,104,309</u>	<u>993,553</u>	<u>10,130,840</u>
Fund balance, end of year	\$ 4,615,436	\$ 671,452	\$ 793,267	\$ 6,080,155

See notes to financial statements

City of Lawrenceburg, Tennessee
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance
 of Governmental Funds to the Statement of Activities
 For the Year Ended June 30, 2025

Amounts reported for net change in fund balance, total governmental funds \$ (4,050,685)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental 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 for governmental activities. Also, gains and losses from disposals of capital assets are not presented in the Fund financial statements. Such amounts are as follows:

Acquisition of capital assets	1,423,642	
Depreciation expense	(1,791,036)	
Loss on disposal of assets	<u>-</u>	(367,394)

Expenses reported for governmental activities that do not require the use of current financial resources and are not reported as expenditures in the governmental funds are as follows:

Difference between actual pension costs reported in funds and actuarially determined pension costs recognized in governmental activities	650,732	
Changes in OPEB	1,070,826	
Changes in the accrual from compensated absences	<u>(89,521)</u>	1,632,037

Repayment of bond principal is an expenditure in the governmental funds, but reduces long-term liabilities for governmental activities. Likewise, proceeds from debt issuance are presented as revenues in the governmental funds, but increases in long-term liabilities for governmental activities. Bond costs are presented as expenses in the governmental funds; however, they are presented as amortizable assets for governmental activities. Such amounts are as follows:

Principal paid on bonds	1,090,000	
Interest Expense	390,963	
Net amortization of deferred charge/gain and bond premium	<u>67,697</u>	1,548,660

Change in net position of governmental activities **\$ (1,237,382)**

City of Lawrenceburg, Tennessee
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
General Fund
For the Year Ended June 30, 2025

	<u>Budgeted amounts</u>		Actual amounts	Variance with final budget + / (-)
	<u>Original</u>	<u>Final</u>		
Revenues and Other Financing Sources				
Revenues				
Taxes				
Real estate taxes	\$ 3,491,700	\$ 3,511,700	\$ 3,557,068	\$ 45,368
Local sales tax	6,425,000	6,425,000	6,205,115	(219,885)
Tax equivalents payments	98,645	98,645	70,497	(28,148)
Business tax	425,000	425,000	486,438	61,438
Wholesale beer tax	415,000	415,000	405,015	(9,985)
Wholesale liquor tax	240,000	240,000	207,632	(32,368)
Cable TV	136,000	136,000	99,838	(36,162)
Total taxes	<u>11,231,345</u>	<u>11,251,345</u>	<u>11,031,603</u>	<u>(219,742)</u>
Intergovernmental revenues				
State sales tax	1,475,000	1,475,000	1,470,921	(4,079)
State beer tax	2,800	2,800	4,896	2,096
State income and excise	40,000	40,000	38,102	(1,898)
State and federal grant programs	527,203	527,203	229,175	(298,028)
Gross receipts, TVA	140,000	140,000	141,327	1,327
Mixed drink tax	70,000	70,000	61,000	(9,000)
Other	169,000	169,000	85,235	(83,765)
Total intergovernmental revenues	<u>2,424,003</u>	<u>2,424,003</u>	<u>2,030,656</u>	<u>(393,347)</u>
Licenses and permits	80,900	270,900	286,248	15,348
Fines and fees	192,000	192,000	108,551	(83,449)
Charges for services				
Special police services	48,000	48,000	55,496	7,496
Special fire services	24,250	24,250	300	(23,950)
Recreation account, concessions/fees	113,750	113,750	95,799	(17,951)
Other	43,000	43,000	31,401	(11,599)
Total charges for services	<u>229,000</u>	<u>229,000</u>	<u>182,996</u>	<u>(46,004)</u>
Miscellaneous				
Rental income	15,600	15,600	17,675	2,075
Proceeds, sale of property	14,000	58,000	48,421	(9,579)
Donations and contributions	155,965	155,965	232,463	76,498
Interest revenues	180,000	180,000	177,135	(2,865)
Miscellaneous revenues	612,214	612,214	600,112	(12,102)
Total miscellaneous	<u>977,779</u>	<u>1,021,779</u>	<u>1,075,806</u>	<u>54,027</u>
Total revenues	<u>15,135,027</u>	<u>15,389,027</u>	<u>14,715,860</u>	<u>(673,167)</u>
Other financing sources and uses				
Transfers in	1,567,000	1,567,000	1,465,073	(101,927)
Total revenues and other financing sources	<u>16,702,027</u>	<u>16,956,027</u>	<u>16,180,933</u>	<u>(775,094)</u>

Continued

City of Lawrenceburg, Tennessee
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
General Fund
For the Year Ended June 30, 2025

	Budgeted amounts		Actual amounts	Variance with final budget +/-
	Original	Final		
Expenditures				
Judicial				
Current				
Salaries and employee benefits	48,986	48,986	47,692	1,294
Contractual services	600	600	292	308
Miscellaneous	515	515	1,030	(515)
Total current	<u>50,101</u>	<u>50,101</u>	<u>49,014</u>	<u>1,087</u>
Capital outlay	-	-	-	-
Total judicial	<u>50,101</u>	<u>50,101</u>	<u>49,014</u>	<u>1,087</u>
Executive				
Current				
Salaries and employee benefits	254,274	257,664	236,703	20,961
Contractual services	101,250	101,250	91,648	9,602
Insurance	5,953	5,953	6,487	(534)
Supplies	2,300	2,300	1,718	582
Total current	<u>363,777</u>	<u>367,167</u>	<u>336,556</u>	<u>30,611</u>
Capital outlay	-	-	-	-
Total executive	<u>363,777</u>	<u>367,167</u>	<u>336,556</u>	<u>30,611</u>
Planning and development				
Current				
Salaries and employee benefits	355,900	363,710	387,940	(24,230)
Contractual services	234,100	564,100	602,977	(38,877)
Insurance	6,057	6,057	7,385	(1,328)
Supplies	7,375	7,375	17,200	(9,825)
Total current	<u>603,432</u>	<u>941,242</u>	<u>1,015,502</u>	<u>(74,260)</u>
Capital outlay	-	220,000	143,128	76,872
Total planning and development	<u>603,432</u>	<u>1,161,242</u>	<u>1,158,630</u>	<u>2,612</u>
Administrative				
Current				
Salaries and employee benefits	636,720	374,163	310,646	63,517
Contractual services	159,522	159,522	115,709	43,813
Insurance	20,000	20,000	24,998	(4,998)
Supplies	10,500	10,500	11,553	(1,053)
Miscellaneous	42,000	42,000	79,853	(37,853)
Total current	<u>868,742</u>	<u>606,185</u>	<u>542,759</u>	<u>63,426</u>
Capital outlay	10,074	95,074	48,355	46,719
Total administrative	<u>878,816</u>	<u>701,259</u>	<u>591,114</u>	<u>110,145</u>
Safety/Human resources				
Current				
Salaries and employee benefits	356,909	370,628	400,549	(29,921)
Contractual services	16,189	16,189	29,235	(13,046)
Supplies	95,961	135,961	91,682	44,279
Total safety/human resources	<u>469,059</u>	<u>522,778</u>	<u>521,466</u>	<u>1,312</u>
Animal Control				
Current				
Salaries and employee benefits	191,930	216,930	263,580	(46,650)
Contractual services	151,300	151,300	79,360	71,940
Supplies	16,400	16,400	49,425	(33,025)
Total animal control	<u>359,630</u>	<u>384,630</u>	<u>392,365</u>	<u>(7,735)</u>

Continued

See notes to financial statements

City of Lawrenceburg, Tennessee
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
General Fund
For the Year Ended June 30, 2025

	<u>Budgeted amounts</u>		Actual amounts	Variance with final budget + / (-)
	<u>Original</u>	<u>Final</u>		
Expenditures				
Public safety				
Police department				
Current				
Salaries and employee benefits	3,112,827	3,186,826	2,909,307	277,519
Insurance	107,232	107,232	102,125	5,107
Services	240,200	304,280	302,448	1,832
Supplies	246,300	306,300	372,271	(65,971)
Miscellaneous	129,500	129,500	34,173	95,327
Total current	<u>3,836,059</u>	<u>4,034,138</u>	<u>3,720,324</u>	<u>313,814</u>
Capital outlay	-	73,000	-	73,000
Total police department	<u>3,836,059</u>	<u>4,107,138</u>	<u>3,720,324</u>	<u>386,814</u>
Fire prevention and control				
Current				
Salaries and employee benefits	2,974,157	3,101,859	3,183,107	(81,248)
Insurance	36,039	36,039	62,988	(26,949)
Services	110,700	110,700	113,964	(3,264)
Supplies	195,000	195,000	151,894	43,106
Total current	<u>3,315,896</u>	<u>3,443,598</u>	<u>3,511,953</u>	<u>(68,355)</u>
Capital outlay	-	43,400	43,400	-
Total fire prevention and control	<u>3,315,896</u>	<u>3,486,998</u>	<u>3,555,353</u>	<u>(68,355)</u>
Total public safety	<u>7,151,955</u>	<u>7,594,136</u>	<u>7,275,677</u>	<u>318,459</u>
Civil defense				
Current				
Salaries and employee benefits	204,103	217,263	215,331	1,932
Insurance	13,194	13,194	15,980	(2,786)
Services	16,600	16,600	15,531	1,069
Supplies	7,570	7,570	6,361	1,209
Total current	<u>241,467</u>	<u>254,627</u>	<u>253,203</u>	<u>1,424</u>
Capital outlay	-	-	-	-
Total civil defense	<u>241,467</u>	<u>254,627</u>	<u>253,203</u>	<u>1,424</u>
Highways and streets				
Current				
Salaries and employee benefits	1,683,966	1,796,780	1,743,332	53,448
Insurance	19,039	19,039	22,925	(3,886)
Services	219,460	291,460	299,364	(7,904)
Supplies	454,850	1,254,850	1,261,419	(6,569)
Total current	<u>2,377,315</u>	<u>3,362,129</u>	<u>3,327,040</u>	<u>35,089</u>
Capital outlay	25,000	475,000	372,107	102,893
Total highways and streets	<u>2,402,315</u>	<u>3,837,129</u>	<u>3,699,147</u>	<u>137,982</u>

Continued

City of Lawrenceburg, Tennessee
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
General Fund
For the Year Ended June 30, 2025

	<u>Budgeted amounts</u>		Actual amounts	Variance with final budget + / (-)
	<u>Original</u>	<u>Final</u>		
Expenditures				
Parks and recreation				
Current				
Salaries and employee benefits	567,805	637,768	605,408	32,360
Insurance	70,558	70,558	74,543	(3,985)
Services	368,800	488,800	497,871	(9,071)
Supplies	59,300	59,300	57,139	2,161
Miscellaneous	87,800	87,800	78,934	8,866
Total current	<u>1,154,263</u>	<u>1,344,226</u>	<u>1,313,895</u>	<u>30,331</u>
Capital outlay	600,000	1,503,750	1,132,583	371,167
Total parks and recreation	<u>1,754,263</u>	<u>2,847,976</u>	<u>2,446,478</u>	<u>401,498</u>
Appropriations and other				
Current				
City/County Airport	40,000	40,000	40,000	-
E 911	339,245	459,245	459,245	-
Industrial promotion	74,325	74,325	74,325	-
Lawrence County Library	78,341	78,341	78,341	-
Retiree benefits	522,000	552,000	539,151	12,849
Other appropriations	96,000	429,000	428,400	600
Total current	<u>1,149,911</u>	<u>1,632,911</u>	<u>1,619,462</u>	<u>13,449</u>
Capital outlay	-	-	-	-
Total appropriations and other	<u>1,149,911</u>	<u>1,632,911</u>	<u>1,619,462</u>	<u>13,449</u>
Debt service				
Principal and interest	1,255,363	1,255,363	1,255,363	-
Total expenditures	<u>16,680,089</u>	<u>20,609,319</u>	<u>19,598,475</u>	<u>1,010,844</u>
Excess of revenues and other financing sources over expenditures	21,938	(3,653,292)	(3,417,542)	235,750
Fund balance, beginning of year	<u>8,032,978</u>	<u>8,032,978</u>	<u>8,032,978</u>	<u>-</u>
Fund balance, end of year	\$ 8,054,916	\$ 4,379,686	\$ 4,615,436	\$ 235,750

See notes to financial statements

City of Lawrenceburg, Tennessee
Statement of Net Position
Proprietary Funds
June 30, 2025

	Water and Sewer	Natural Gas	Electric Power	Total
Assets				
Current assets				
Cash and cash equivalents	\$ 2,938,120	\$ 3,497,966	\$ 7,704,917	\$ 14,141,003
Accounts receivable, net of allowance for doubtful accounts	683,627	177,709	3,710,100	4,571,436
Accrued utility revenue	93,536	-	72,953	166,489
Other accounts receivable	-	-	2,020,457	2,020,457
Inventory, materials	542,761	459,004	2,137,232	3,138,997
Prepaid expenses and other current assets	60,221	1,575,206	1,208,047	2,843,474
Total current assets	<u>4,318,265</u>	<u>5,709,885</u>	<u>16,853,706</u>	<u>26,881,856</u>
Restricted assets				
Cash and cash equivalents	1,174,253	204,087	3,010,610	4,388,950
Other assets				
Conservation loans receivable	-	-	53,541	53,541
Nonutility property, at cost	-	-	218,184	218,184
Debt issuance costs, less accumulated amortization	101,979	-	256,293	358,272
Total other assets	<u>101,979</u>	<u>-</u>	<u>528,018</u>	<u>629,997</u>
Capital assets				
Capital assets not being depreciated				
Land	1,023,988	455,069	827,642	2,306,699
Construction in progress	2,064,066	2,786,206	1,246,040	6,096,312
Capital assets, net of accumulated depreciation	37,069,747	12,601,263	65,688,930	115,359,940
Total capital assets	<u>40,157,801</u>	<u>15,842,538</u>	<u>67,762,612</u>	<u>123,762,951</u>
Total assets	45,752,298	21,756,510	88,154,946	155,663,754
Deferred Outflows of Resources				
Pension items	212,529	140,379	1,244,513	1,597,421
OPEB items	486,264	277,145	1,756,092	2,519,501
Deferred loss on refunding	240,450	-	87,989	328,439
Total deferred outflows of resources	<u>939,243</u>	<u>417,524</u>	<u>3,088,594</u>	<u>4,445,361</u>
Liabilities				
Current liabilities				
Accounts payable	1,144,090	-	8,447,733	9,591,823
Due to other funds	219,572	-	-	219,572
Payable from restricted assets, customer deposits	170,373	204,087	1,580,847	1,955,307
Accrued expenses and other current liabilities	1,349,798	179,649	1,906,052	3,435,499
Accrued interest	39,699	-	-	39,699
Long-term debt and other obligations, current portion	1,435,000	-	1,710,000	3,145,000
Total current liabilities	<u>4,358,532</u>	<u>383,736</u>	<u>13,644,632</u>	<u>18,386,900</u>
Other liabilities				
Construction advances, refundable	-	-	8,068	8,068
Conservation advances, TVA	-	-	53,541	53,541
Total other liabilities	<u>-</u>	<u>-</u>	<u>61,609</u>	<u>61,609</u>
Long-term liabilities				
Net pension liability	97,671	81,871	1,131,666	1,311,208
Net OPEB liability	290,666	165,665	1,049,712	1,506,043
Bonds and notes payable, net of current portion	8,359,793	-	11,647,154	20,006,947
Total long-term liabilities	<u>8,748,130</u>	<u>247,536</u>	<u>13,828,532</u>	<u>22,824,198</u>
Total liabilities	<u>13,106,662</u>	<u>631,272</u>	<u>27,534,773</u>	<u>41,272,707</u>
Deferred Inflows of Resources				
Pension items	28,481	23,873	329,986	382,340
OPEB items	1,876,744	1,069,647	6,777,672	9,724,063
Total deferred inflows of resources	<u>1,905,225</u>	<u>1,093,520</u>	<u>7,107,658</u>	<u>10,106,403</u>
Net Position				
Net investment in capital assets	30,603,458	15,842,538	54,493,447	100,939,443
Restricted for debt service	-	-	5,678	5,678
Restricted for economic development	-	-	312,334	312,334
Unrestricted	1,076,196	4,606,704	1,789,650	7,472,550
Total net position	<u>\$ 31,679,654</u>	<u>\$ 20,449,242</u>	<u>\$ 56,601,109</u>	<u>\$ 108,730,005</u>

See notes to financial statements

City of Lawrenceburg, Tennessee
Statement of Revenues, Expenditures, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2025

	Water and Sewer	Natural Gas	Electric Power	Total
Operating Revenues				
Services	\$ 9,263,203	\$ 7,652,414	\$ 62,393,040	\$ 79,308,657
Other	547,841	101,350	1,689,909	2,339,100
Total operating revenues	<u>9,811,044</u>	<u>7,753,764</u>	<u>64,082,949</u>	<u>81,647,757</u>
Operating Expenses				
Cost of sales and services	-	2,423,241	44,896,325	47,319,566
Operating and maintenance	6,026,019	2,074,900	8,657,121	16,758,040
Provision for depreciation	1,364,443	489,388	3,141,265	4,995,096
Taxes	-	-	473,488	473,488
Total operating expenses	<u>7,390,462</u>	<u>4,987,529</u>	<u>57,168,199</u>	<u>69,546,190</u>
Operating income (loss)	2,420,582	2,766,235	6,914,750	12,101,567
Nonoperating Revenues (Expenses)				
Interest income	3,092	703	215,082	218,877
Gain (loss) on sale of property	17,487	(173,287)	634,765	478,965
Amortization expense	82,818	-	(34,451)	48,367
Interest expense	(335,994)	(1,528)	(400,824)	(738,346)
Total nonoperating revenues (expenses)	<u>(232,597)</u>	<u>(174,112)</u>	<u>414,572</u>	<u>7,863</u>
Net income (loss) before transfers and contributions	2,187,985	2,592,123	7,329,322	12,109,430
Transfers and contributions				
Transfers out-payments in lieu of taxes, City of Lawrenceburg	(179,122)	(199,453)	(1,086,498)	(1,465,073)
Change in net position	2,008,863	2,392,670	6,242,824	10,644,357
Net position, beginning of year	<u>29,670,791</u>	<u>18,056,572</u>	<u>50,358,285</u>	<u>98,085,648</u>
Net position, end of year	\$ 31,679,654	\$ 20,449,242	\$ 56,601,109	\$ 108,730,005

City of Lawrenceburg, Tennessee
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2025

	Water and Sewer	Natural Gas	Electric Power	Total
Cash flows from operating activities				
Cash received from customers	\$ 9,213,871	\$ 7,628,184	\$ 61,079,788	\$ 77,921,843
Cash paid to employees for services	(1,817,041)	(900,949)	(3,217,204)	(5,935,194)
Cash paid to suppliers of goods and services	(4,261,360)	(4,262,394)	(50,162,324)	(58,686,078)
Cash paid for taxes, other governments	-	-	(473,488)	(473,488)
Other receipts	<u>547,415</u>	<u>104,049</u>	<u>1,782,136</u>	<u>2,433,600</u>
Net cash provided (used) by operating activities	3,682,885	2,568,890	9,008,908	15,260,683
Cash flows from noncapital financing activities				
Payments in lieu of taxes	(179,122)	(199,453)	(1,086,498)	(1,465,073)
Net decrease in TVA advances for conservation loans	<u>-</u>	<u>-</u>	<u>50,837</u>	<u>50,837</u>
Net cash provided (used) by noncapital financing activities	(179,122)	(199,453)	(1,035,661)	(1,414,236)
Cash flows from capital and related financing activities				
Construction and acquisition of plant	(1,486,288)	(2,191,278)	(1,865,201)	(5,542,767)
Plant removal costs	-	-	35,341	35,341
Interest paid on bonds and notes payable	(323,177)	(1,528)	(400,824)	(725,529)
Principal payments on long-term debt	(1,690,000)	-	(1,625,000)	(3,315,000)
Proceeds from issuance of debt	-	-	-	-
Unamortized debt expense	-	-	-	-
Materials salvaged from retirements	<u>-</u>	<u>-</u>	<u>(459,768)</u>	<u>(459,768)</u>
Net cash provided (used) by capital and related financing activities	(3,499,465)	(2,192,806)	(4,315,452)	(10,007,723)
Cash flows from investing activities				
(Increase) decrease in conservation loans receivable	-	-	(50,837)	(50,837)
Interest income received	<u>3,092</u>	<u>703</u>	<u>215,082</u>	<u>218,877</u>
Net cash provided (used) by investing activities	3,092	703	164,245	168,040
Net change in cash and cash equivalents	7,390	177,334	3,822,040	4,006,764
Cash and cash equivalents, beginning of year	<u>4,104,983</u>	<u>3,524,719</u>	<u>6,893,487</u>	<u>14,523,189</u>
Cash and cash equivalents, end of year	\$ 4,112,373	\$ 3,702,053	\$ 10,715,527	\$ 18,529,953

The following table provides a reconciliation of cash and cash equivalents and restricted cash and cash equivalents reported within the statement of net position that sum to the total of the same such amounts shown in the statement of cash flows:

Cash and cash equivalents	\$ 2,938,120	\$ 3,497,966	\$ 7,704,917	\$ 14,141,003
Restricted cash and cash equivalents	<u>1,174,253</u>	<u>204,087</u>	<u>3,010,610</u>	<u>4,388,950</u>
	\$ 4,112,373	\$ 3,702,053	\$ 10,715,527	\$ 18,529,953

Continued

City of Lawrenceburg, Tennessee
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2025

	Water and Sewer	Natural Gas	Electric Power	Total
Reconciliation of operating income to net cash provided (used) by operating activities				
Operating income (loss)	\$ 2,420,582	\$ 2,766,235	\$ 6,914,750	\$ 12,101,567
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation and amortization	1,364,443	489,388	3,141,265	4,995,096
Change in:				
Accounts receivable	(37,572)	(24,230)	(1,240,299)	(1,302,101)
Accrued utility revenues	(11,760)	-	(72,953)	(84,713)
Inventory	30,524	(30,831)	47,621	47,314
Prepaid expenses and other current assets	169,766	(440,520)	386,372	115,618
Accounts payable	24,545	-	902,340	926,885
Due to other funds	22,208	-	-	22,208
Net pension and OPEB liabilities	(869,645)	(513,648)	(3,675,580)	(5,058,873)
Change in pension and OPEB related deferred outflows and inflows of resources	456,085	276,442	2,137,525	2,870,052
Customer deposits	(426)	2,699	92,227	94,500
Accrued expenses and other current liabilities	<u>114,135</u>	<u>43,355</u>	<u>375,640</u>	<u>533,130</u>
Net cash provided (used) by operating activities	\$ 3,682,885	\$ 2,568,890	\$ 9,008,908	\$ 15,260,683
Supplemental schedule of noncash investing, capital and related financing, and noncapital financing activities				
Amortization of bond discount and debt issuance costs included in interest	\$ 82,818	\$ -	\$ (34,451)	\$ 48,367

City of Lawrenceburg, Tennessee
Statement of Net Position
Fiduciary Funds
June 30, 2025

	Lawrenceburg Utility Systems	
	OPEB Trust	Pension Trust
Assets		
Cash and cash equivalents	\$ 1,172,416	\$ 792,954
Receivable, interest	52,228	45,068
Investments at fair value		
Mutual funds, fixed income	9,880,426	8,335,459
Mutual funds, equities	<u>16,817,134</u>	<u>14,709,352</u>
Total investments at fair value	<u>26,697,560</u>	<u>23,044,811</u>
Total assets	27,922,204	23,882,833
Net Position		
Restricted for pensions	-	23,882,833
Restricted for OPEB	<u>27,922,204</u>	<u>-</u>
Total net position	\$ 27,922,204	\$ 23,882,833

See notes to financial statements

City of Lawrenceburg, Tennessee
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended June 30, 2025

	Lawrenceburg Utility Systems	
	OPEB Trust	Pension Trust
Additions		
Contributions		
Employer	\$ 818,508	\$ 601,485
Employees	-	407,031
Total contributions	818,508	1,008,516
Investment earnings		
Interest	-	(2,497)
Dividends	672,345	615,606
Realized gains	730,341	1,106,416
Net increase (decrease) in fair value of investments	1,269,516	528,920
Net investment earnings	2,672,202	2,248,445
Total additions	3,490,710	3,256,961
Deductions		
Benefits and refunds	308,661	2,219,556
Administrative expenses	57,238	78,118
Total deductions	365,899	2,297,674
Net increase (decrease) in net position	3,124,811	959,287
Net position, beginning of year	24,797,393	22,923,546
Net position, end of year	\$ 27,922,204	\$ 23,882,833

See notes to financial statements

City of Lawrenceburg, Tennessee

Notes to Financial Statements

For the Year Ended June 30, 2025

Note 1. **Summary of Significant Accounting Policies**

Nature of Entity

The City of Lawrenceburg, Tennessee (the City), in Lawrence County, was incorporated in 1901. The City operates under a Mayor-Council form of government and provides the following services as authorized by its charter: police, fire, recreation, public works, industrial development, and utilities. The financial statements of the City of Lawrenceburg, Tennessee, have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), applied to governmental units as promulgated by the Governmental Auditing Standards Board (GASB). The following is a summary of the City's significant accounting policies.

Reporting Entity

As required by GAAP, the accompanying financial statements of the City present the primary government and its component units, entities for which the government is considered financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Each discretely presented component unit, if any, is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

The water and sewer system, natural gas system, and electric power system are all governed by the Lawrenceburg Board of Public Utilities, whose members are appointed by the City Board of Mayor and Council, and collectively operate as Lawrenceburg Utility Systems (LUS). Further, all long-term debt for these proprietary funds is in the City's name. Accordingly, the related financial statements for each of the utilities are presented as enterprise funds of the primary government.

The following separately administered organizations do not meet the prescribed criteria and thus are excluded from the City's financial statements.

Lawrence County Airport

The City of Lawrenceburg and Lawrence County entered into an agreement providing for the joint acquisition, construction, and operation of an airport facility. The agreement provides that all costs are to be shared equally by the City and the County. The Airport Board is composed of six members, three appointed by the City and three appointed by the County. The City subsidized Airport operations in the amount of \$40,000 for the year ended June 30, 2025. As of June 30, 2025, the date of the last available financial statements of Airport, the Airport's total assets were \$7,248,918, with total liabilities of \$13,108 and net position of \$7,235,810. For the year ended June 30, 2025, operating revenues of \$225,725, operating expenses of \$694,044, non-operating revenues of \$163,350 (including transfers from the City government of \$40,000) and capital contributions of \$209,217 resulted in a net decrease of \$(95,752) in the Airport's net position. Financial statements for this entity may be obtained from the City Administrator.

City of Lawrenceburg, Tennessee

Notes to Financial Statements

For the Year Ended June 30, 2025

Note 1. **Summary of Significant Accounting Policies**

Reporting Entity

Lawrence County Emergency Communications District

Lawrence County Emergency Communications District (E911) is operated under a consolidation agreement between Lawrence County and the City of Lawrenceburg. The City subsidized E911 operations in the amount of \$309,000 for the fiscal year ended June 30, 2025. As of June 30, 2025, the date of the last available financial statements for the District, E911's total assets and deferred outflows were \$2,202,642 with total liabilities and deferred inflows of \$979,445, and net position of \$1,223,197. For the year ended June 30, 2025, the District had revenues of \$1,748,422, operating and other expenses of \$1,484,789, and contributions, (including subsidies from the City and Lawrence County) of \$309,660, resulting in a net increase of \$573,293 in the District's net position. Complete financial statements for this entity may be obtained from the City Administrator.

Joint Economic and Community Development Board of Lawrence County, Tennessee

The City participates in a joint venture (the JECD), created pursuant to Tennessee Code Annotated, Sections 5-1-113 and 6-58-114(b), with Lawrence County and the cities of Loretta, Ethridge, and St. Joseph. The City subsidized the JECD's operations in the amount of \$74,325 for the year ended June 30, 2025. As of June 30, 2025, the date of the last available financial statements for the Board, total assets were \$102,076, with total liabilities of \$0, and net position of \$102,076. For the year ended June 30, 2025, revenues (including subsidies from the City of \$74,325) of \$2,859,099 and operating expenses of \$2,840,567 resulted in a net increase of \$18,532 in JECD's net position. Financial statements for this entity may be obtained from the City Administrator.

City of Lawrenceburg, Tennessee

Notes to Financial Statements

For the Year Ended June 30, 2025

Note 1. **Summary of Significant Accounting Policies**

Reporting Entity

Lawrenceburg Housing Authority

Lawrenceburg Housing Authority (the Housing Authority) was chartered for the purpose of developing and administering low-income housing. Other than appointment of members of the governing board, the City has no oversight responsibility with respect to management and operation of the Housing Authority. Housing Authority operations are funded by rental income and subsidies from the federal government. Debt of the Housing Authority is guaranteed and subsidized by the federal government. The only financial benefit to the City is an in-lieu-of-tax agreement, which is not material to either the City or the Housing Authority.

Presentation

The City's financial statements include government-wide financial statements prepared on the accrual basis of accounting and the economic resources measurement focus for all funds. The fund financial statements present information for individual major funds rather than by fund type. Non-major funds are presented in one column. Other significant changes include the reporting of capital assets, infrastructure and depreciation, the elimination of account groups, the preparation of cash flow statements using the direct method, and the inclusion of management's discussion and analysis.

Government-wide and Fund Financial Statements

The government-wide financial statements, the statement of net position, and the statement of changes in net position, report information on all the non-fiduciary activities of the City. For the most part, the effect of the interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Basis of Presentation

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

City of Lawrenceburg, Tennessee

Notes to Financial Statements

For the Year Ended June 30, 2025

Note 1. **Summary of Significant Accounting Policies**

Measurement Focus, Basis of Accounting, and Basis of Presentation

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are measurable and available). *Measurable* means the amount of the transaction can be determined and *available* means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Property tax revenues are recognized in the fiscal year for which they are levied. The City considers property taxes as available if they are collected within 60 days after year-end. Revenues that do not meet the recognition criteria are deferred and reported in the balance sheet as liabilities. Expenditures are recorded when the related fund liability is incurred, except for matured interest on general long-term debt, which is recognized when due, and certain compensated absences, claims, and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

In addition to property taxes, derived tax revenues such as sales taxes and income taxes are subject to accrual. The City accrues sales tax and income tax revenues and receivables in the period when the underlying exchange occurs. Licenses and permits, charges for services, fines and forfeits, and miscellaneous revenues (except interest income on cash deposits) are recorded as revenues when received because they are generally not measurable prior to receipt. Interest income is recognized when it becomes measurable and available.

Entitlements and shared revenues are recorded at the time of receipt, or earlier if the accrual criteria are met. Expenditure-driven grants are recognized as revenues when the qualifying expenditures have been incurred and all other grant requirements have been met.

The following are the City's major governmental funds:

The general fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The capital projects fund is used to account for the cost of various long-term construction projects and the related funding for those projects.

The City reports the following major proprietary funds:

The water and sewer fund was established to account for sewer and water service charges and related expenditures.

The natural gas fund was established to account for natural gas service charges and related expenditures.

The electric power fund was established to account for electric service charges and related expenditures.

City of Lawrenceburg, Tennessee

Notes to Financial Statements

For the Year Ended June 30, 2025

Note 1. **Summary of Significant Accounting Policies**

Measurement Focus, Basis of Accounting, and Basis of Presentation

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when liabilities are incurred.

The fiduciary funds account for assets held by LUS in a trustee capacity or as an agent on behalf of others. Trust accounts were established to account for assets held by LUS under terms of formal pension and OPEB trust agreements over assets and related liabilities held by LUS in a fiduciary capacity for current and former employees.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges for services between the government's utility functions and various other functions of the government. Elimination of these charges would distort the direct cost and program revenues reported in the various functions concerned.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary funds (water and sewer, natural gas, and electric power systems) are charges to customers for sales and services. The City also recognizes as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments (both restricted and unrestricted) that have an original maturity date when acquired of three months or less. The City's investments, which include certificates of deposit, are reported at amortized cost.

State statutes authorize the City to invest in: 1) US government securities and obligations guaranteed by the US government; 2) deposit accounts at state and federal chartered banks and savings and loan associations; 3) the Local Government Investment Pool of the State of Tennessee (LGIP); and 4) obligations of the United States or its agencies under repurchase agreements, with certain restrictions.

City of Lawrenceburg, Tennessee

Notes to Financial Statements

For the Year Ended June 30, 2025

Note 1. **Summary of Significant Accounting Policies**

Cash and Cash Equivalents

Deposits in financial institutions are required by State statute to be secured and collateralized by the institutions. The collateral must meet certain requirements and must have a minimum fair value of 105% of the value of the deposits placed in the institutions, less the amount protected by federal depository insurance. Financial institutions that participate in the bank collateral pool, as administered by the Treasurer of the State of Tennessee, determine the aggregate balance of their deposits for the City. Securities are pledged to the State Treasurer on behalf of the bank collateral pool as collateral for the participating institution's public deposits. The securities pledged to protect these accounts are pledged in the aggregate rather than against each individual 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 insured for the purposes of credit risk disclosure.

Investments

Investments of the governmental and proprietary fund types consist primarily of certificates of deposit, money market funds, and mutual funds, and are stated at fair value.

Accounts Receivable

Accounts receivable are presented, when considered necessary, net of an allowance for uncollectible accounts. The electric power fund, an enterprise fund, does not recognize unbilled revenues, which is a common industry practice.

Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet and are eliminated on the government-wide statements.

Inventory

The water and sewer, natural gas, and electric power funds' inventories are stated at the lower of average cost or market, using the first-in/first-out method.

Restricted Assets

Restricted assets, consisting of cash and investments, include funds limited by bond indentures and/or funds otherwise legally restricted for future construction projects and debt service requirements.

Proprietary Fund Equity Classification

Equity is classified as net assets and is displayed in three components.

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

Restricted net assets – Consists of net assets with constraints, primarily for debt service and capital purchases.

Unrestricted net assets – All other net assets that do not meet the definition of restricted or invested in capital assets, net of related debt.

City of Lawrenceburg, Tennessee

Notes to Financial Statements

For the Year Ended June 30, 2025

Note 1. **Summary of Significant Accounting Policies**

Capital Assets

Capital assets used in governmental fund operations include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items). Capital assets, exclusive of the proprietary funds, are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, including intangible assets, are recorded at their acquisition value when received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	40 – 50 years
Improvements other than buildings	10 – 20 years
Utility plant in service	33 – 50 years
Machinery, equipment, and vehicles	5 – 20 years
Road system infrastructure	10 – 60 years

For capital assets of the Proprietary Funds, utility plant in service is reported at cost and includes improvements that significantly add to productive capacity or extend the useful life of the asset. Costs of maintenance and repairs are charged to expense. Interest costs on funds borrowed to finance the construction of utility plant are capitalized, net of any interest income earned on the temporary investment of the proceeds of tax-exempt borrowings that are restricted for acquisition of utility. A capitalization threshold of \$500 and an estimated useful life of one year or longer are utilized as criteria for capitalization. Depreciation is determined on the straight-line basis, computed over the estimated useful life of the assets.

Pension Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's and LUS's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from the City's and LUS'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.

Other Post-Employment Benefit (OPEB) Plans

Information about the fiduciary net position of the City's and LUS's participation in their single employer postemployment benefits plans and additions to/deductions from LUS's fiduciary net position have been determined on the same basis as they are reported by the OPEB plan. For this purpose, benefits are recognized when due and payable in accordance with the benefit terms of the OPEB plan. Investments are reported at fair value.

City of Lawrenceburg, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 1. Summary of Significant Accounting Policies

Compensated Absences

General Government (Exclusive of Proprietary Funds)

Employees may accrue vacation time up to a specified maximum of 160 hours. City policy, effective March 2003, specifies that only employees with a minimum of 25 years of experience have the option of receiving payment for accumulated sick leave up to a maximum of 960 hours. The resulting liability will be liquidated from the general fund.

Proprietary Funds

Employees accumulate vacation and sick leave in varying amounts. In the event of termination, an employee is paid for accumulated vacation leave. Upon retirement, an employee is paid accumulated sick leave, generally, in excess of 800 hours at a rate of 50%. The total balance of earned but unused vacation and sick leave benefits is reported in accrued expenses and other current liabilities.

Leases

The City determines if an arrangement is or contains a lease at contract inception and recognizes an intangible right-of-use asset and a lease liability at the lease commencement date. Subsequently, the intangible right-of-use asset is amortized on a straight-line basis over its useful life. The City also enters into agreements, as lessor, to lease property, recognizing a lease receivable and a deferred inflow of resources. The lease term includes the noncancelable period of the lease plus an additional period covered by either an option to extend or not to terminate the lease that the lessee is reasonably certain to exercise, or an option to extend or not to terminate the lease controlled by the lessor. The City uses its estimated incremental borrowing rate as the discount rate for leases.

The City monitors for events or changes in circumstances that require a reassessment of its leases. When a reassessment results in the remeasurement of a lease liability, a corresponding adjustment is made to the carrying amount of the intangible right-of-use asset.

Long-term Obligations

In the government-wide financial statements and proprietary funds financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

In the government-wide financial statements, bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issue costs are taken as current period costs when incurred. The Proprietary Funds continue to report bond issue costs as assets and amortize those costs over the lives of the bonds, in accordance with certain provisions included in GASB Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 20, 1989 FASB and AICPA Pronouncements*, as permitted under provisions of GASB Statement 65, when the costs are being used for rate setting by the utility.

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

City of Lawrenceburg, Tennessee

Notes to Financial Statements

For the Year Ended June 30, 2025

Note 1. **Summary of Significant Accounting Policies**

Grants

The City receives grant revenues from various federal and state agencies. Grant revenues and certain related program revenues are recognized when qualifying expenditures are incurred and other grant requirements are met. Grant revenues collected in advance of the period they are intended to finance are reported as deferred revenues.

Equity

Government-wide Equity

In the government-wide financial statements, equity is shown as net position and is classified into the same three components as the proprietary funds equity classifications on page 36.

Fund Balance

The City implemented GASB Statement 54 for its governmental funds. As a result, fund balance is reported in the fund financial statements under the following categories:

Nonspendable fund balance represents amounts that are required to be maintained intact, such as inventories and prepaid expenses.

Restricted fund balance is that portion of fund balance that can be spent only for the specific purposes stipulated by external resources or through enabling legislation.

Committed fund balance includes amounts constrained to specific purposes as determined by ordinance adopted by the Board of Mayor and Council. Conversely, similar action by the Board of Mayor and Council is also required to rescind or modify a fund balance commitment.

Assigned fund balance amounts are intended to be used by the City for specific purposes but do not meet the criteria to be restricted or committed. Amounts may be assigned by approval of the Board of Mayor and Council. Appropriations of fund balance to eliminate projected budgetary deficits in the subsequent year's budget are presented as assignments of fund balance.

Unassigned fund balance is the residual classification of the general fund.

Spending Policy

Generally, when costs are incurred for purposes for which both restricted and unrestricted resources are available, it is the City's policy to spend the most restricted dollars before less restricted dollars. Further, when expenditures are incurred for which committed, assigned, or unassigned amounts may be used, committed amounts are first used, followed by assigned then unassigned.

City of Lawrenceburg, Tennessee

Notes to Financial Statements

For the Year Ended June 30, 2025

Note 1. **Summary of Significant Accounting Policies**

Property Taxes

Property taxes are levied as of October 1 on property values assessed as of January 1 of the same year. Taxes are due and payable from the levy date on October 1 and are delinquent on March 1, at which time the applicable property is subject to lien, and penalties and interest are assessed. Assessed values are established by the State of Tennessee at the following rates of appraised fair value:

Public utility property	55% (Railroads 40%)
Industrial and commercial property	
Real property	40%
Personal property	30%
Residential	25%

Property taxes were levied at a rate of \$1.096 per \$100 of the assessed value. Current tax collections for the year ended June 30, 2025 were approximately 97% of the tax levy.

In accordance with GASB 33, property taxes include the estimated 2025 tax levy in the amount of \$3,517,984. The related revenues are reported as deferred revenues until they become available.

Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The City Administrator submits the proposed operating budget for the fiscal year to the Board of Mayor and Council. The operating budgets for the general and special revenue funds include proposed expenditures and the means of financing them. All appropriations in the current operating budget lapse into fund balance of the respective funds at the end of the fiscal year.
2. The budgets were passed on the first reading and each of the following readings, and were adopted by ordinance on the second reading. In no event shall total appropriations for any fund exceed the estimated revenues and fund balance.
3. The amounts in the adopted budgets for each fund constitute the total annual appropriations and no expenditures may be made which will result in the annual appropriation for the fund being exceeded, unless an additional appropriation is made.

The Mayor may transfer appropriations within the same department; other changes in appropriations require Board approval. Budgetary control is maintained at the department level.

4. The budgeted amounts presented are those originally adopted and amended by the Board of Mayor and Council. There were supplemental appropriations of \$1,632,911 for the general fund for 2024. All balances of appropriations in the current operating budgets lapse into the fund balance of the fund from which appropriations were made at the end of the fiscal year.

5. Annual operating budgets for the general and special revenue funds are on a basis consistent with GAAP.

City of Lawrenceburg, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 1. Summary of Significant Accounting Policies

Deferred Outflows/Inflows of Resources

In addition to liabilities, the balance sheets and statements of net assets will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenues) until that time. The unavailable revenues reported in the balance sheet, which arise under a modified accrual basis of accounting, represents amounts that are deferred and recognized as an inflow of resources in the periods in which the amounts become available. The assessed and unlevied property taxes reported in the statement of net position arise from imposed non-exchange revenues (property taxes) which are assessed prior to the end of the fiscal year but levied in the subsequent year. Deferred inflows of resources are presented after total liabilities.

A deferred outflow of resources is a consumption of net assets by the City that is applicable to a future reporting period. The City has three items that qualify as deferred outflows, which are the deferred amount on refunding reported in the government-wide and proprietary funds statements of net position, a deferred amount for pensions, and a deferred amount for other postemployment benefits. The deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding bonds. Deferred outflows of resources are presented after total assets.

Deferred outflows and inflows of resources also include amounts related to pensions (pension expense) and OPEB (OPEB expense).

Impact of Recently Issued Accounting Pronouncements

In June of 2022, the Governmental Accounting Standards Board issued GASB Statement No. 101 related to Compensated Absences. This Statement improves accounting and financial reporting by state and local governments for Compensated Absences and is effective for fiscal years beginning after December 15, 2023. This Statement establishes standards of accounting and financial reporting for (a) compensated absences and (b) associated salary-related payments, including certain defined contribution pensions and defined contribution other postemployment benefits (OPEB). The requirements of this Statement apply to the financial statements of all state and local governments.

In December of 2023, the Governmental Accounting Standards Board issued GASB Statement No. 102 related to Certain Risk Disclosures. This Statement improves accounting and financial reporting by state and local governments for Certain Risk Disclosures and is effective for fiscal years beginning after June 15, 2024. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement apply to the financial statements of all state and local governments.

Note 2. Cash, Cash Equivalents, Certificates of Deposit, and Investments

The City is authorized to invest funds in financial institutions and direct obligations of the federal government. During 2025, the City invested in short-term certificates of deposit and savings accounts.

City of Lawrenceburg, Tennessee

Notes to Financial Statements

For the Year Ended June 30, 2025

Note 2. Cash, Cash Equivalents, Certificates of Deposit, and Investments

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City's policy requires that deposits be either (i) secured and collateralized by the institutions at 105% of the value of the deposits placed in the institution, less the amount protected by federal depository insurance, or (ii) placed in financial institutions that participate in the bank collateral pool administered by the Treasurer of the State of Tennessee. Institutions participating in the collateral pool determine the aggregated balance of their public fund accounts. The amount of collateral required to secure these public deposits must be at least 105% of the average daily balance of public deposits held. Investments with the Tennessee Local Government Investment Pool are not categorized as to custodial credit risk.

At June 30, 2025, all of the City's deposits were covered by federal depository insurance or by the bank collateral pool administered by the Treasurer of the State of Tennessee as required by state statutes.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. City policy provides that, to the extent practicable, investments are matched with anticipated cash flows. Typically, certificates of deposit are issued for periods less than one year and investments in the Local Government Investment Pool are available daily.

Investments

Investments are measured and recorded using fair value measurement guidelines established by GAAP. These guidelines recognize a three-tiered fair value hierarchy as follows:

Level 1 – Quoted prices for identical investments in active markets

Level 2 – Observable inputs other than quoted market prices

Level 3 – Unobservable inputs

Fiduciary Fund – Pension Plan

At June 30, 2025, the pension plan had the following investments carried at fair value:

Mutual Funds	Fair value	Level 1	Level 2	Level 3
Equities	\$ 14,709,352	\$ 14,709,352	\$ -	\$ -
Fixed income	<u>7,143,729</u>	<u>7,143,729</u>	<u>-</u>	<u>-</u>
Total	\$ 21,853,081	\$ 21,853,081	\$ -	\$ -

As of June 30, 2025, the pension plan had the following investments that represent 5% or more of plan net position:

DFA International Core Equity 2 Portfolio #5306	\$ 1,488,246
DFA US Large Company Portfolio #5127	1,302,882
Dodge & Cox Income Fund	1,326,090
JP Morgan Government Bond Fund	1,191,730
Vanguard ST Investment Grade Fund – Adm #539	1,269,348

City of Lawrenceburg, Tennessee

Notes to Financial Statements

For the Year Ended June 30, 2025

Note 2. Cash, Cash Equivalents, Certificates of Deposit, and Investments

For the year ended June 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.16%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Fiduciary Fund – OPEB Plan

At June 30, 2025, the OPEB plan had the following investments carried at fair value:

Mutual Funds	Fair value	Level 1	Level 2	Level 3
Equities	\$ 16,817,134	\$ 16,817,134	\$ -	\$ -
Fixed income	<u>9,880,426</u>	<u>9,880,426</u>	<u>-</u>	<u>-</u>
Total	\$ 26,697,560	\$ 26,697,560	\$ -	\$ -

As of June 30, 2025, the OPEB plan had the following investments that represent 5% or more of plan net position:

DFA International Core Equity 2 Portfolio #5306	\$ 1,612,504
DFA US Large Company Portfolio #5127	\$ 1,784,272
Oakmark Fund Class I #110	\$ 1,679,916
Dodge & Cox Income Fund CI I	\$ 1,606,880
JP Morgan Government Bond Fund Class I #3246	\$ 1,481,801

For the year ended June 30, 2025, the annual money-weighted rate of return on OPEB plan investments, net of pension plan investment expense, was 10.85%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 3. Receivables

Receivables of the enterprise funds for the fiscal year ended June 30, 2025 are comprised of the following:

Billed services for utility customers	\$ 6,135,561
Accrued utility revenues	166,489
Other receivables for utility services	2,020,457
Less: allowance for doubtful accounts	<u>(1,564,125)</u>
Total	\$ 6,758,382

City of Lawrenceburg, Tennessee

Notes to Financial Statements

For the Year Ended June 30, 2025

Note 4. Interfund Transactions and Balances

Operating transfers among individual funds of the City for the year ended June 30, 2025, were as follows:

	Transfers Out				Total
	Capital Projects	Electric Power	Water and Sewer	Natural Gas	
Transfers in					
General	\$ -	\$ 1,102,990	\$ 179,121	\$ 199,453	\$ 1,481,565
	\$ -	\$ 1,102,990	\$ 179,121	\$ 199,453	\$ 1,481,565

Individual fund transfers of the City for the year ended June 30, 2025 are attributed to the transfer of the City's portion of in-lieu-of-tax payments from the electric power, water and sewer, natural gas funds.

Interfund receivables and payables at June 30, 2025, consisted of the following:

	Interfund Payable				Total
	General	Sanitation	Water and Sewer	Other	
Interfund Receivable					
Sanitation	\$ 34	\$ -	\$ 219,572	\$ -	\$ 219,606

Individual funds receivable and payable are primarily attributed to sanitation revenues held by the water and sewer fund that were remitted in the subsequent month.

City of Lawrenceburg, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 5. Capital Assets

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

Governmental Activities	Beginning balance	Additions	Retirements/ transfers	Ending balance
Depreciable capital assets				
Buildings and improvements	\$ 18,388,760	\$ 356,299	\$ -	\$ 18,745,059
Machinery and equipment	14,177,714	784,493	-	14,962,207
Infrastructure	<u>20,522,659</u>	<u>237,850</u>	-	<u>20,760,509</u>
Total depreciable capital assets	53,089,133	1,378,642	-	54,467,775
Less: accumulated depreciation				
Buildings and improvements	5,994,257	482,679	-	6,476,936
Machinery and equipment	8,207,724	893,147	-	9,100,871
Infrastructure	<u>6,037,246</u>	<u>415,210</u>	-	<u>6,476,711</u>
Total accumulated depreciation	<u>20,263,482</u>	<u>1,791,036</u>	-	<u>22,054,518</u>
Total depreciable capital assets, net	32,825,651	(412,394)	-	32,413,257
Nondepreciable capital assets				
Land	3,974,103	45,000	-	4,019,103
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total nondepreciable capital assets	<u>3,974,103</u>	<u>45,000</u>	<u>-</u>	<u>4,019,103</u>
Governmental activities capital assets, net	\$ 36,799,754	\$ (367,394)	\$ -	\$ 36,432,360

Depreciation expense charged to functions/programs for the year ended June 30, 2025 was as follows:

Governmental Activities	
General government	\$ 332,744
Highways and streets, including depreciation of general infrastructure assets	375,640
Police	171,000
Fire	222,662
Parks	281,639
Sanitation	310,812
Planning and development	1,195
Civil defense	<u>95,344</u>
Total depreciation expense, governmental activities	\$ 1,791,036

City of Lawrenceburg, Tennessee

Notes to Financial Statements

For the Year Ended June 30, 2025

Note 5. Capital Assets

Business-type Activities	Beginning balance	Additions/ transfers	Retirements/ transfers	Reclass	Ending balance
Depreciable capital assets					
Plant systems in service	\$ 148,360,830	\$ 7,219,443	\$ (1,709,350)	\$ -	\$ 153,870,923
Buildings and improvement	31,040,755	99,668	(22,404)	-	31,118,019
Machinery and equipment	<u>16,859,773</u>	<u>1,500,033</u>	<u>(911,261)</u>	-	<u>17,448,545</u>
Total depreciable capital assets	196,261,358	8,819,144	(2,643,015)	-	202,437,487
Less: accumulated depreciation					
Plant systems in service	59,245,450	4,012,627	(1,210,771)	-	62,047,306
Buildings and improvement	11,367,364	634,140	(22,404)	-	11,979,100
Machinery and equipment	<u>12,793,671</u>	<u>1,150,251</u>	<u>(892,781)</u>	-	<u>13,051,141</u>
Total accumulated depreciation	<u>83,406,485</u>	<u>5,797,018</u>	<u>(2,125,956)</u>	-	<u>87,077,547</u>
Total depreciable capital assets, net	112,854,873	3,022,126	(517,059)	-	115,359,940
Nondepreciable capital assets					
Land	2,502,356	-	(195,657)	-	2,306,699
Construction in progress	<u>6,954,659</u>	<u>20,219,738</u>	<u>(21,078,085)</u>	-	<u>6,096,312</u>
Total nondepreciable capital assets	<u>9,457,015</u>	<u>20,219,738</u>	<u>(21,273,742)</u>	-	<u>8,403,011</u>
Business-type activities capital assets, net	\$ 122,311,888	\$ 23,241,864	\$ (21,790,801)	\$ -	\$ 123,762,951

Depreciation expense charged to functions/programs for the year ended June 30, 2025 was as follows:

Business-type Activities	
Water and sewer	\$ 1,364,443
Natural gas	489,388
Transportation clearing	801,922
Electric power	<u>3,141,265</u>
Total depreciation expense, business-type activities	\$ 5,797,018

City of Lawrenceburg, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 6. **Long-term Debt**

Changes in General Long-term Debt Obligations

During the year ended June 30, 2025, the changes in general long-term obligations were as follows. Typically, debt service payments are made by the general and sanitation funds.

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
General Obligation Refund Bonds, Series 2017, due in increasing annual installments commencing June 2021 through June 2037, at interest rates ranging from 2.00% to 3.00%	\$ 3,530,000	\$ -	\$ (290,000)	\$ 3,240,000	\$ (290,000)
General Obligation Refund Bonds, Series 2019B, due in increasing annual installments commencing June 2020 through June 2044, at interest rates ranging from 2.00% to 5.00%	4,485,000	-	(160,000)	4,325,000	(170,000)
General Obligation Refund Bonds, Series 2020B, due in increasing annual installments commencing March 2022 through March 2030, at interest rates ranging from 3.00% to 5.00%	2,505,000	-	(105,000)	2,400,000	(110,000)
General Obligation Refund Bonds, Series 2021A, due in increasing annual installments commencing June 2022 through June 2035, at an interest rate of 2.00%	4,120,000	-	(535,000)	3,585,000	(365,000)
Accrued landfill closure costs and post-closure costs	921,303	-	-	921,303	-
Compensated absences	<u>810,087</u>	<u>89,521</u>	<u>-</u>	<u>899,608</u>	<u>(269,882)</u>
Total general long-term debt	16,371,390	\$ 89,521	\$ (1,090,000)	15,370,911	\$ (1,204,882)
Unamortized premium	<u>950,236</u>			<u>882,539</u>	
Total general long-term debt	\$17,321,626			\$16,253,450	

City of Lawrenceburg, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 6. Long-term Debt

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

	Balance June 30, 2024	Additions	Reductions	Balance June 30, 2025	Due within one year
Bonds payable	\$ 25,030,000	\$ -	\$ 3,315,000	\$ 21,715,000	\$ 3,145,000
Less: bond discounts	(8,512)	-	4,265	(4,247)	-
Add: bond premium	<u>1,643,821</u>	<u>(202,627)</u>	<u>-</u>	<u>1,441,194</u>	<u>-</u>
Total, net	\$ 26,665,309	\$ (202,627)	\$3,319,265	\$ 23,151,947	\$ 3,145,000

Electric Power

Bonds Payable

Series 2002 Refunding Bonds, with interest rates from 3.50% to 5.00%, maturing over a 25-year period, with the first payment made 1/1/02 and the final payment due 1/1/26. Bonds are secured by the system's revenues and by ad valorem taxes of the City.

\$ 1,115,000

Series 2019A General Obligation Bonds, with interest rates from 2.00% to 5.00%, maturing over a 20-year period, with the first payment made 7/1/20 and the final payment due 7/1/40. Bonds are secured by the system's revenues and by ad valorem taxes of the City.

4,610,000

Series 2021 Revenue Bonds, with interest rates from 2.00% to 5.00%, maturing over a 20-year period, with the first payment made 7/1/22 and the final payment due 7/1/41. Bonds are secured by the system's revenues and by ad valorem taxes of the City.

6,765,000

Total bonds payable, electric power fund

\$ 12,490,000

City of Lawrenceburg, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 6. Long-term Debt

Water and Sewer

Bonds Payable

Series 2017 General Obligation Bonds, with interest rate of 2.64%, maturing over a 19-year period, with the first payment made 6/1/18 and the final payment due 6/30/37. Bonds are secured by the system's revenues and receipts and secondly by ad valorem taxes of the City. \$ 1,120,000

Series 2020 General Obligation Refunding Bonds, with interest rate of 3.00%, maturing over a 6-year period, with the first payment made 6/30/21 and the final payment due 6/30/27. Bonds are secured by the System's revenues and receipts and secondly by ad valorem taxes of the City. 1,050,000

Series 2021 General Obligation Bonds, with interest rate of 2.00%, maturing over an 8-year period, with the first payment made 6/1/22 and the final payment due 6/1/30. Bonds are secured by the System's revenues and receipts and secondly by ad valorem taxes of the City 4,190,000

Series 2023 Water and Sewer and Revenue Bonds, with interest rate of 5.00%, maturing over a 15-year period, with the first payment made 6/1/24 and the final payment due 6/1/38. Bonds are secured by the System's revenues and receipts and secondly by ad valorem taxes of the City. 2,865,000

Total bonds payable, water and sewer fund **\$ 9,225,000**

Debt Service Requirements

The annual debt service requirements to maturity on outstanding long-term bonded debt as of June 30, 2025 are as follows:

Fiscal year	General Obligation Debt		Proprietary Funds Debt	
	Bond principal	Interest	Bond principal	Interest
2026	\$ 935,000	\$ 361,212	\$ 3,145,000	\$ 631,038
2027	965,000	333,387	2,010,000	503,313
2028	975,000	303,737	1,895,000	442,938
2029	980,000	276,487	1,925,000	388,513
2030	1,005,000	248,812	1,960,000	332,738
2031-2035	4,920,000	863,573	5,420,000	1,087,067
2036-2040	2,495,000	360,723	4,860,000	341,665
2041-2044	1,275,000	78,141	500,000	10,000
	\$ 13,550,000	\$ 2,826,072	\$ 21,715,000	\$ 3,737,272

The Utility complied with all significant debt covenants and restrictions as set forth in the bond agreements across all systems.

City of Lawrenceburg, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 6. Long-term Debt

The City's outstanding revenue and tax bonds contain provisions that prescribe that, in the event of default, outstanding amounts are to become immediately due if the City is unable to make payment. The various bond indentures also contain significant limitations and restrictions as to the use of revenues in paying current expenditures (expenses) and the maintenance of debt service sinking funds. Also, various bond resolutions contain other restrictive covenants and requirements with which the City must comply. As of and for the year ended June 30, 2025, it was management's opinion that the City was in compliance with all such limitations and requirements.

The bonds payable for all systems contain provisions that in the event of default, the lender can exercise one or more of the following options: (1) Make all or any of the outstanding bonds payable balance immediately due and accrued interest at highest post maturity interest rate, (2) Use any remedy allowed by state or federal law The City had no unused bank credit lines at June 30,2025.

Note 7. Leases

Governmental Activities

Lessor

The City, as lessor, leases part of its building under non-cancelable lease arrangements. Terms of the leases range from two to twenty years and contain fixed payment terms. Certain leases contain an option to renew that has been considered in the lease receivable when the lessee is reasonably certain to exercise the renewal option. The City recognized lease revenue, which is included in other operating revenues, of \$15,600 in 2025. Total lease receivables were \$130,539 (\$10,018 current) as of June 30, 2025, and are included in other assets on the statement of net position.

Business type Activities

The Utility receives rental income from and pays rent to certain other utilities for sharing of utility poles and other equipment. These agreements are negotiated annually and are all one year or less.

City of Lawrenceburg, Tennessee

Notes to Financial Statements

For the Year Ended June 30, 2025

Note 8. Retirement Plans

City Retirement Plans

The City provides the following plans for City employees:

Tennessee Consolidated Retirement System – for all employees, other than those of the water and sewer, natural gas, and electric power funds

Lawrenceburg Utility Systems Employees' Pension Plan – for the employees of the water and sewer, natural gas, and electric power funds

Information concerning each of these plans follows.

Tennessee Consolidated Retirement System

Plan Description

Employees of the City 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 <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

Benefits Provided

Tennessee Code Annotated Title 8, Chapters 34-37, establishes 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 a formula, using the member's highest 5 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 5 years of service credit. Service-related disability benefits are provided regardless of length of service. 5 years of service is required for non-service-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced by 10% and include projected service credits. A variety of death benefits are available under various eligibility criteria.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	148
Inactive employees entitled to but not yet receiving benefits	122
Active employees	<u>123</u>
	393

City of Lawrenceburg, Tennessee

Notes to Financial Statements

For the Year Ended June 30, 2025

Note 8. Retirement Plans

Tennessee Consolidated Retirement System

Contributions

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute 5% of salary. The City 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 City were \$1,528,006, based on a rate of 22.48% of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the City'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, and an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

The City'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 the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	Graded salary ranges from 8.72% to 3.44%, based on age, including inflation, averaging 4.00%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation

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

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

City of Lawrenceburg, Tennessee

Notes to Financial Statements

For the Year Ended June 30, 2025

Note 8. Retirement Plans

Net Pension Liability

Actuarial Assumptions

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

Asset class	Long-term expected real rate of return	Target allocation
US 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%
US fixed income	1.20%	20%
Real estate	4.38%	10%
Short-term securities	0.00%	1%
		100%

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

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. 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 City will be made at the ADC 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 to 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.

City of Lawrenceburg, Tennessee

Notes to Financial Statements

For the Year Ended June 30, 2025

Note 8. Retirement Plans

Changes in the Net Pension Liability (Asset)

	Total pension liability (a)	Plan fiduciary net position (b)	Net pension liability (asset) (a)-(b)
Balance, June 30, 2023	\$ 28,595,386	\$ 21,045,959	7,549,427
Changes for the year:			
Service cost	428,111	-	428,111
Interest	1,902,390	-	1,902,390
Difference between expected and actual experience	857,804	-	857,804
Change of benefit terms	-	-	-
Change in assumptions	-	-	-
Contributions, employer	-	1,393,185	(1,393,185)
Contributions, employees	-	315,041	(315,041)
Net investment income	-	2,055,015	(2,055,015)
Benefit payments, including refunds of employee contributions	(1,679,881)	(1,679,881)	-
Administrative expenses	-	(19,452)	19,452
Other changes	-	-	-
Net change	<u>1,508,424</u>	<u>2,063,908</u>	<u>(555,484)</u>
Balance, June 30, 2024	\$ 30,103,810	\$ 23,109,867	\$ 6,993,943

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the City, calculated using the discount rate of 6.75%, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1% lower (5.75%) or 1% higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current rate (6.75%)	1% Increase (7.75%)
Net pension liability (asset)	\$ 10,702,193	\$ 6,993,943	\$ 3,925,987

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

Pension Expense

For the year ended June 30, 2025, the City recognized pension expense of \$1,088,881.

City of Lawrenceburg, Tennessee

Notes to Financial Statements

For the Year Ended June 30, 2025

Note 8. Retirement Plans

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

Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Difference between expected and actual experience	\$ 1,094,781	\$ 84,408
Net difference between projected and actual earnings on pension plan investments	-	247,678
Changes in assumptions	806,258	-
Contributions subsequent to the measurement date of June 30, 2024	<u>1,528,006</u>	<u>-</u>
	\$ 3,429,045	\$ 332,086

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

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

Year ending June 30,	
2026	\$ 343,796
2027	1,007,721
2028	172,689
2029	44,738
2030	-
Thereafter	-

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

City of Lawrenceburg, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 8. Retirement Plans

Lawrenceburg Utility Systems Employees' Pension Plan Description

The Lawrenceburg Utility Systems Employees' Pension Plan (the Plan) is a single-employer defined benefit retirement plan administered by the First Farmers Trust and Financial Management for the employees of LUS. The Plan was established by statute. With the exception of maximum contribution rates, which are set forth in the statutes, required contributions and benefit provisions are established and amended by LUS. The original effective date of the Plan is March 15, 1949. The Plan was amended and restated on July 1, 1989, November 1, 1997, June 30, 2002, March 28, 2005, July 1, 2010, and July 1, 2015.

Benefits Provided and Employee Contributions

There are four distinct participant groups. These are referred to by letter – A, B, C, and D. Each group has a different benefit calculation and all groups except Group D are closed to new participants.

Group A participants become eligible after attaining the later of age 21 or the completion of 6 months of service. This group is non-contributory. To be a member of this group, an employee must have worked for the System prior to November 1, 1997. This group is entitled to monthly pension benefits beginning at the earlier of 1) the later of age 60 or completion of 10 years of credited service or 2) the date that any combination of the participant's age plus years in credited service equals 80. Such monthly benefits are equal to 1.25% of the participants' final earnings, multiplied by the participants' credited service, with a minimum monthly benefit of \$15 per year of credited service. For purposes of this calculation, "Final Compensation" is considered to be the compensation in the last whole calendar year of employment with LUS (or the calendar year in which the employee terminated employment) or the amount of compensation for any previous calendar year, if that is higher.

If an employee reaches age 50 and completes 15 years of credited service, he/she may retire and receive an early retirement benefit, starting the first day of the month after retirement. The immediate benefit would be the normal retirement benefit reduced by 5% for each whole year and proportionally for each month by which the early retirement date precedes the normal retirement date.

A participant's retirement may be deferred beyond the normal retirement age. The benefit payment that commences at the employee's actual date of retirement is computed in the same manner as the normal retirement benefit, based upon service accrued and compensation earned through the date of retirement.

The employee may elect to receive an immediate benefit which shall be actuarially equivalent to his/her vested accrued benefit. Employees are eligible to receive an immediate lump sum reduced to the earlier of the employee's early retirement date or normal retirement date. This amount shall be multiplied by a factor of 200, and further reduced by actuarial equivalence for commencement prior to the earlier of the employee's early retirement date or normal retirement date.

In order to receive a disability benefit, the employee must have completed at least 10 years of credited service at the time of disability. The participant would be entitled to a disability benefit payable at age 65.

City of Lawrenceburg, Tennessee

Notes to Financial Statements

For the Year Ended June 30, 2025

Note 8. **Retirement Plans**

Benefits Provided and Employee Contribution

The disability retirement benefit shall be calculated in the same manner as the normal retirement benefit, using the compensation at the time of disability as the final compensation. However, the credited service used in the calculation of the participant's disability benefit shall be equal to the benefit that would have been credited had the participant's employment continued until the normal retirement date.

If an employee dies while working for LUS, then his/her beneficiary will receive a death benefit from the Plan. In order to receive a pre-qualified death benefit, an employee must have an accrued benefit under the Plan.

For employees with no surviving spouse or who have waived the qualified joint and survivor annuity option, their beneficiary will receive a single sum payment at death equal to the actuarial equivalent of the employee's accrued benefit. If married, the employee's spouse may elect to receive either the qualified pre-retirement survivor annuity or an actuarially equivalent monthly life annuity, based on the lump sum payment described previously.

If an employee dies on or after the date, he/she has retired and begins to receive benefits, no death benefit is payable after retirement unless an optional form of benefit has been elected which provides for a survivor benefit.

Subject to the applicable plan conditions, an employee may select an optional method of benefit payment, in lieu of the prescribed ten-year certain and life income, which is actuarially equivalent. The purpose of the optional method is to permit the guarantee of retirement income payments for a minimum period of time or to provide a continued income to a surviving beneficiary after the death of the participant. The following options are available for benefit payments:

- Joint and Survivor Annuity (50%, 75%, or 100%)
- Life Annuity with Payments Guaranteed (60 or 180 payments)
- Straight Life Annuity
- Lump Sum, 200 times Accrued Benefit

Group B participants became eligible for benefits after reaching the later of age 21 or the completion of 6 months of service. This group is non-contributory. To be a member of this group, an employee must have worked for LUS on or after November 1, 1997 and prior to July 1, 2002. This group is entitled to monthly pension benefits, beginning at the later of attainment of age 60 or completion of 10 years of credited service. Such monthly benefits are equal to 1/12th of 60% of final compensation, reduced for credited service less than 30 years at normal retirement date, with a minimum monthly benefit of \$15 per year of credited service. For purposes of this calculation, "final compensation" is considered to be the compensation in the last whole calendar year of employment with the Utility (or the calendar year in which the employee terminated employment) or the amount of compensation for any previous calendar year, if that is higher.

If an employee reaches age 50 and completes 15 years of credited service, he/she may retire and receive an early retirement benefit, starting the first day of the month after retirement. The employee may elect to receive a deferred benefit payable at the normal retirement date equal to the accrued benefit or an immediate benefit equal to the actuarial equivalent of the accrued benefit payable at the normal retirement date.

City of Lawrenceburg, Tennessee

Notes to Financial Statements For the Year Ended June 30, 2025

Note 8. **Retirement Plans**

Benefits Provided and Employee Contribution

A participant's retirement may be deferred beyond the normal retirement age. The benefit payment that commences at the employee's actual date of retirement is computed in the same manner as the normal retirement benefit, based upon service accrued and compensation earned through the date of retirement.

The employee may elect to receive an immediate benefit, which shall be actuarially equivalent to his/her vested accrued benefit. Employees may also elect to receive an actuarially equivalent lump sum payable on the first date that the participant could have elected to receive an early retirement benefit.

In order to receive a disability benefit, the employee must have completed at least 10 years of credited service at the time of disability. The participant would be entitled to a disability benefit payable at age 65.

The disability retirement benefit is calculated in the same manner as the normal retirement benefit, using the compensation at the time of disability as the final compensation. However, the credited service used in the calculation of the participant's disability benefit shall be equal to the benefit that would have been credited had the participant's employment continued until the normal retirement date.

If an employee dies while working for LUS, then his/her beneficiary will receive a death benefit from the Plan. In order to receive a pre-qualified death benefit, an employee must have an accrued benefit under the Plan.

For employees with no surviving spouse or who have waived the qualified joint and survivor annuity option, their beneficiary(ies) will receive a single sum payment at death equal to the actuarial equivalent of the employee's accrued benefit. If married, the employee's spouse may elect to receive either the qualified pre-retirement survivor annuity or an actuarially equivalent monthly life annuity, based on the lump sum payment described previously.

If an employee dies on or after the date he/she has retired and begins to receive benefits, no death benefit is payable after retirement unless an optional form of benefit has been elected which provides for a survivor benefit.

Subject to the applicable plan conditions, an employee may select an optional method of benefit payment, in lieu of the prescribed ten-year certain and life income, which is actuarially equivalent. The purpose of the optional method is to permit the guarantee of retirement income payments for a minimum period of time or to provide a continued income to a surviving beneficiary after the death of the participant. The following options are available for benefit payments:

- Joint and Survivor Annuity (50%, 75%, or 100%)
- Life Annuity with Payments Guaranteed (60 or 180 payments)
- Straight Life Annuity
- Lump Sum, Actuarial Equivalent of Accrued Benefit

Group C participants are those employees of the water and sewer and natural gas funds who were members of the TCRS pension plan prior to July 1, 2002. Contributions of 5% of gross pay are required by participants of this group. The participants are entitled to monthly benefits beginning at the earlier of age 60 with 5 years credited service or 30 years of credited service.

City of Lawrenceburg, Tennessee

Notes to Financial Statements

For the Year Ended June 30, 2025

Note 8. **Retirement Plans**

Benefits Provided and Employee Contribution

The monthly retirement benefit is equal to: (1) 1.575% of average monthly compensation (AMC) times years of credited service, plus (2) 0.2625% of AMC in excess of the social security integration level (SSIL) times years of credited service. The above amount is offset by the frozen accrued benefit under the TCRS as of June 30, 2002. AMC is the monthly average of the highest 5 consecutive plan years of compensation. SSIL is the average of maximum social security wages for someone aged 65. The minimum benefit that may be earned for employees is equal to years of credited service times \$7, if credited years of service is less than 10, and \$8 otherwise.

"Credited service" is all of an employee's whole years of employment and his/her completed calendar months of employment, beginning with the first hour of employment and ending on the "severance date". "Severance date" is the date an employee quits, retires, is discharged, or dies. If an employee remains absent from work for other reasons which have not been approved as a leave of absence, the severance date is counted as the first date of absence. If an employee is absent from work due to pregnancy or the birth or adoption of a baby, the severance date is the second anniversary of the date that he/she became absent from work. For purposes of benefit accrual, credited service includes all years until the severance date, except the special extra year if an employee is absent due to pregnancy or the birth or adoption of a baby. If an employee is absent for military service, membership in the Plan will continue as long as re-employment rights are protected by law.

In addition, credited service will also be recognized for the following:

All years of service credited to an employee for purposes of accruing benefits under the TCRS as of June 30, 2002.

Each 20 days of accumulated sick leave will equal one month of credited service; or, if an employee has less than 20 days, a fractional portion of a month.

Subject to the approval of the Plan Administrator, if an employee receives temporary disability benefits from LUS or under a workers' compensation program, he/she will be entitled to receive credited service for the period of disability by making a lump sum payment of the contributions that would have been made to the Plan on the basis of the compensation that was in effect immediately prior to the period of disability, plus interest at a rate of 7.5%, provided that he/she returns to active service with the City or retires immediately following the end of the temporary disability benefits. Notwithstanding the foregoing, an employee will not be credited with more than one year of credited service for each occurrence of temporary disability. Please contact the Administrator for more information about this.

If an employee changes from part-time to full-time employment, the hours that would have counted toward the credited service if he/she had been employed on a full-time basis will count toward credited service, so long as each of the following conditions are met if, upon becoming a full-time employee, he/she pays into the Plan the amount that would have been withheld from compensation as a condition of participation in the Plan had the employee been full-time and if the compensation during the time that he/she was a part-time employee was multiplied by a fraction, the numerator of which is 40 and the denominator of which is the weekly average hours worked as a part-time employee, plus 7.5% interest.

City of Lawrenceburg, Tennessee

Notes to Financial Statements

For the Year Ended June 30, 2025

Note 8. **Retirement Plans**

Benefits Provided and Employee Contribution

However, credited service will not include any period of employment with respect to which an employee's contributions to the Plan have been withdrawn unless an employee repays those contributions to the Plan, plus interest thereon at the rate of 7.5%.

SSIL is an average of social security wage bases. It allows the benefit formula to provide a slightly higher benefit rate on a portion of an employee's final average compensation. Since the social security wage base increases each year, it is expected that the SSIL will continue to increase in future years.

If an employee reaches age 55 and completes 5 years of credited service, or if he/she completes 25 years of credited service, he/she may retire and receive an early retirement benefit, starting on the first day of the month after retirement. Alternatively, he/she may wait until the normal retirement date to begin receiving benefits.

The early retirement benefit is equal to the monthly retirement benefit payable at normal retirement age, calculated using AMC, SSIL, and credited service at the early retirement date. A reduced benefit commencing immediately may be elected. For employees, the immediate benefit would be the normal retirement benefit reduced by 0.4% for each month by which the early retirement date precedes the normal retirement date. For employees whose early retirement date precedes age 55, the immediate benefit would be the actuarial equivalent of the benefit payable at age 55.

A participant's retirement may be deferred beyond the normal retirement age. The benefit payment that commences at the employee's actual date of retirement is the greater of: (1) a benefit computed in the same manner as the normal retirement benefit based upon AMC, SSIL, and credited service earned through the actual date of retirement, or (2) the actuarial equivalent of a benefit payable at age 65. In no case, shall the benefit exceed 75% of the employee's final average compensation.

If an employee becomes disabled, he/she may be entitled to receive disability benefits under the Plan. To be eligible for disability benefits, an employee must be ineligible for retirement benefits, have a minimum of 5 years of credited service, and be unable to engage in gainful employment due to a total and permanent physical or mental disability.

"Gainful employment" means any type of work that results in earnings considered by the Social Security Administration to be gainful for disability recipients from that system. It is important to note that, for eligibility for purposes of the Plan, this is *not* determined by your inability to perform your *current* job, but rather by the inability to perform *any type of gainful employment*.

If the employee has at least 5 but less than 10 years of credited service, the employee's disability benefit would equal 90% of the normal retirement benefit. The employee's credited service used in the determination of the normal retirement benefit shall be the greater of 10 years or the number of years of credited service the employee would have earned had the employee remained employed until the normal retirement date.

City of Lawrenceburg, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 8. Retirement Plans

Benefits Provided and Employee Contribution

However, the employee's credited service used in the determination of the disability benefit shall not exceed 20 years. If the employee has earned at least 10 years of credited service, the disability benefit would equal the actuarial equivalent of the retirement benefit payable at age 55 (not to exceed 75% of the employee's average monthly compensation). If the employee remains disabled to the normal retirement date, the benefit would become equal to the normal retirement, benefit, based on compensation, and credited service at the time employment ended.

One of several death benefits may be payable to an employee's designated beneficiary if he/she dies prior to retirement. In order to receive a pre-retirement death benefit, an employee must have an accrued benefit under the Plan. The type of death benefit payable will be determined by whether or not death occurs while an employee is working for us, who is nominated as the beneficiary and by length of service.

Employees with less than 10 years of credited service whose death occurs before termination of employment, after accruing a benefit under the Plan, the employee is entitled to a refund equal to twice the employee's contributions. If the employee has accrued at least 10 years of credited service, the employee may receive a refund equal to twice the employee's contributions or a monthly joint and 100% life annuity commencing immediately based upon a 0.4% reduction factor for each month by which death precedes the employees normal retirement date. In no case shall the total benefits paid to an employee be less than the contributions made by such employee. If an employee dies on or after the date he/she has retired and has begun to receive benefits, no death benefit is payable after retirement, unless an optional form of benefit has been elected which provides for a survivor benefit.

If an employee dies on or after the date he/she has retired and begins to receive benefits, no death benefit is payable after retirement unless an optional form of benefit has been elected which provides for a survivor benefit.

Subject to the applicable plan conditions, an employee may select an optional method of benefit payment, in lieu of the prescribed ten-year certain and life income, which is actuarially equivalent. The purpose of the optional method is to permit the guarantee of retirement income payments for a minimum period of time or to provide a continued income to a surviving beneficiary after the death of the participant. The following options are available for benefit payments:

- Joint and Survivor Annuity (50% or 100%)
- Modified Joint and Survivor Annuity (50% or 100%)
- SSLI Option

Group D participants are those employees hired on or after July 1, 2002. The participants are required to contribute 5% of their gross pay to the Plan and are entitled to monthly pension benefits after reaching age 60 with 5 years of credited service. The monthly retirement benefit is equal to: (1) 1.575% of AMC times years of credited service, plus (2) 0.2625% of AMC in excess of the SSIL times years of credited service. The minimum benefit that may be earned for employees is \$15 per year of credited service.

City of Lawrenceburg, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 8. Retirement Plans

Benefits Provided and Employee Contribution

"Credited service" is all of an employee's whole years of employment and his/her completed calendar months of employment, beginning with the first hour of employment and ending on the "severance date". "Severance date" is the date an employee quits, retires, is discharged or dies. If an employee remains absent from work for other reasons which have not been approved as a leave of absence, the severance date is counted as the first date of absence. If an employee is absent from work due to pregnancy or the birth or adoption of a baby, the severance date is the second anniversary of the date that he/she became absent from work. For purposes of benefit accrual, credited service includes all years until the severance date, except the special extra year if an employee is absent due to pregnancy or the birth or adoption of a baby. If an employee is absent for military service, membership in the Plan will continue as long as re-employment rights are protected by law.

In addition, credited service will also be recognized for the following:

All years of service credited to an employee for purposes of accruing benefits under the TCRS as of June 30, 2002.

Each 20 days of accumulated sick leave will equal one month of credited service; or, if an employee has less than 20 days, a fractional portion of a month.

Subject to the approval of the Plan Administrator, if an employee receives temporary disability benefits from LUS or under a workers' compensation program, he/she will be entitled to receive credited service for the period of disability by making a lump sum payment of the contributions that would have been made to the Plan on the basis of the compensation that was in effect immediately prior to the period of disability, plus interest at a rate of 7.5%, provided that he/she returns to active service with the City or retires immediately following the end of the temporary disability benefits. Notwithstanding the foregoing, an employee will not be credited with more than one year of credited service for each occurrence of temporary disability. Please contact the Administrator for more information about this.

If an employee changes from part-time to full-time employment, the hours that would have counted toward the credited service if he/she had been employed on a full-time basis will count toward credited service, so long as each of the following conditions are met if, upon becoming a full-time employee, he/she pays into the Plan the amount that would have been withheld from compensation as a condition of participation in the Plan had the employee been full-time and if the compensation during the time that he/she was a part-time employee was multiplied by a fraction, the numerator of which is 40 and the denominator of which is the weekly average hours worked as a part-time employee, plus 7.5% interest.

However, credited service will not include any period of employment with respect to which an employee's contributions to the Plan have been withdrawn unless an employee repays those contributions to the Plan, plus interest thereon at the rate of seven and one-half percent (7.5%) interest.

"Social Security Integration Level" (SSIL) is an average of social security wage bases. It allows the benefit formula to provide a slightly higher benefit rate on a portion of an employee's final average compensation. Since the social security wage base increases each year, it is expected that the SSIL will continue to increase in future years.

City of Lawrenceburg, Tennessee

Notes to Financial Statements

For the Year Ended June 30, 2025

Note 8. **Retirement Plans**

Benefits Provided and Employee Contribution

If an employee reaches age 55 and completes 5 years of credited service, he/she may retire and receive an early retirement benefit starting the first day of the month after retirement or he/she may wait until the normal retirement date to begin receiving benefits.

The early retirement benefit is equal to the monthly retirement benefit payable at normal retirement age calculated using AMC, SSIL, and credited service at the early retirement date. A reduced benefit commencing immediately may be elected. For employees, the immediate benefit would be the normal retirement benefit reduced 0.4% for each month by which the early retirement date precedes the normal retirement date.

An employee's retirement may be deferred beyond the normal retirement age. The benefit payment of which commences at the employee's actual date of retirement is the greater of (1) a benefit computed in the same manner as the normal retirement benefit based upon AMC, SSIL and credited service earned through the actual date of retirement or (2) the actuarial equivalent of a benefit payable at age 65. In no case, shall the benefit exceed 75% of the employee's final average compensation.

If an employee becomes disabled, he/she may be entitled to receive disability benefits under the Plan. To be eligible for disability benefits, an employee must be ineligible for retirement benefits, have a minimum of five years of credited service and be unable to engage in gainful employment due to a total and permanent physical or mental disability.

Gainful employment means any type of work which results in earnings considered by the Social Security Administration to be gainful for disability recipients from that system. It is important to note that for eligibility for purposes of the Plan, this is not determined by your inability to perform your current job, but rather by the inability to perform any type of gainful employment.

If the employee has at least 5 but less than 10 years of credited service, the employee's disability benefit would equal 90% of the normal retirement benefit. The employee's credited service used in the determination of the normal retirement benefit shall be the greater of 10 years or the number of years of credited service the employee would have earned had the employee remained employed until the normal retirement date. However, the employee's credited service used in the determination of the disability benefit shall not exceed 20. If the employee has earned at least 10 years of credited service, the disability benefit would equal the actuarial equivalent of the retirement benefit which would be payable at age 55, not to exceed 75% of the employee's average monthly compensation. If the employee remains disabled to the normal retirement date, then the benefit will become equal to the normal retirement benefit based on compensation and credited service at the time employment ended.

One of several death benefits may be payable to an employee's designated beneficiary if he/she dies prior to retirement. In order to receive a pre-retirement death benefit, an employee must have an accrued benefit under the Plan. The type of death benefit payable will be determined by whether or not death occurs while an employee is working for us, who is nominated as the beneficiary and by length of service.

City of Lawrenceburg, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 8. Retirement Plans

Benefits Provided and Employee Contribution

Employees with no surviving spouse or who have waived the qualified joint and survivor annuity option, their beneficiary will receive a single sum payment at death equal to the actuarial equivalent of the employee's accrued benefit. If married, the employee's spouse may elect to receive either the qualified pre-retirement survivor annuity or an actuarially equivalent lump sum based on the qualified pre-retirement survivor annuity. In no case shall the total benefits paid to an employee be less than the contributions made by such employee.

If an employee dies on or after the date he/she has retired and begins to receive benefits, no death benefit is payable after retirement unless an optional form of benefit has been elected which provides for a survivor benefit.

Subject to the applicable plan conditions, a participant may select an optional method of benefit payment, in lieu of the prescribed straight life income, which is actuarially equivalent. The purpose of the optional method is to permit the guarantee of retirement income payments for a minimum period of time or to provide a continued income to a surviving beneficiary after the death of the participant. The following option is available for benefit payment:

Joint and Survivor Annuity (50% or 100%)

At June 30, 2025, the following employees were covered by the Plan:

Active employees	122
Inactive employees or beneficiaries currently receiving benefits	33
Inactive employees entitled to but not yet receiving benefits	<u>23</u>
	178

Employer Contributions

Group C and D employees have mandatory contributions of 5% of salary. The employer contributes actuarially determined amounts to finance the benefits. Employer contributions to the Plan for the years ended June 30, 2025 of \$601,484 were made in accordance with actuarially determined requirements, computed through the actuarial valuations performed as of July 1, 2024.

Funded Status and Funding Progress

As of June 30, 2025, the actuarial accrued liability for benefits was \$25,122,898 and the net pension liability (asset) was \$1,240,065. Total covered payroll was \$8,793,617 and the ratio of net pension liability to covered payroll was 14.10%.

City of Lawrenceburg, Tennessee

Notes to Financial Statements

For the Year Ended June 30, 2025

Note 8. Retirement Plans

Net Pension Liability (Asset)

The LUS net pension liability (asset) was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The total pension liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal
Amortization method	Level dollar
Asset valuation	Fair market value
Inflation	2.25% per annum, compounded annually
Salary increases	Group A and B: 3.00% per annum, compounded annually Group C and D: 5.00% per annum, compounded annually
Investment rate of return	7.00% per annum, compounded annually
Retirement age	Group A, B, and D employees: A graded retirement scale is assumed from age 50 to age 59, with 15% retirement assumption at an age where age plus service equals 80, and 100% retirement assumption at age 60 and 10 years of credited service. Group C employees: Earlier of 30 years of service or attainment of age 60.
Mortality	Group A and B: 1983 Group Annuity Mortality Table Group C and D: RP 2000 Combined Mortality Table
Cost of living adjustments	None

Please refer to prior funding valuations for the assumptions used to develop earlier contributions. The water and sewer, natural gas, electric power funds use the measurement date of June 30, 2024 for reporting purposes for the fiscal year ended June 30, 2025.

The actuarial assumptions used in the July 1, 2025 valuation were based on the results of an actuarial experience study for the period July 1, 2024 through June 30, 2025.

Investment Policy

The pension plan's policy with regard to the allocation of invested assets is established and may be amended by the LUS Board of Directors by a majority vote of its members. It is the policy of the Board of Directors to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes.

City of Lawrenceburg, Tennessee

Notes to Financial Statements

For the Year Ended June 30, 2025

Note 8. Retirement Plans

Investment Policy

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return with the target asset allocation percentage and adding expected inflation. Best estimates of forward-looking rates of return for each major class included in the pension plan's target asset allocation are summarized in the following table:

Asset class	Long-term expected real rate of return
Domestic equity, small cap	9.23%
Domestic equity, large cap	7.92%
Domestic equity, mid cap	8.71%
International equity	7.80%
International equity, emerging markets	9.66%
Fixed income	3.13%
Cash	2.50%

The target asset allocation percentages used are as follows:

Asset class	Target allocation
Domestic equity	54.40%
International equity	7.20%
Fixed income	34.90%
Money Market	3.50%

Discount Rate

The discount rate used to measure the total pension liability was 7.0% as of the June 30, 2024 measurement date. Paragraph 43 of GASB Statement 67 provides for an alternative method to be used other than the projection of the pension plan's fiduciary net position, based on projected contributions, benefit payments, and investment earnings. The current contribution policy, which was adopted on May 26, 2015, requires contributions of the normal cost plus the 30-year closed amortization of the unfunded liabilities in the fiscal year following the annual valuation.

City of Lawrenceburg, Tennessee

Notes to Financial Statements

For the Year Ended June 30, 2025

Note 8. Retirement Plans

Change in LUS Net Pension Liability (Asset)

The following table show the net pension liability (asset) as of and for the year ended June 30, 2025. This is a required disclosure due to the inclusion of the fiduciary fund's financial statements.

	Total pension liability (a)	Plan fiduciary net position (b)	Net pension liability (asset) (a)-(b)
Balance, June 30, 2024	\$ 24,234,754	\$ 22,923,546	\$ 1,311,208
Service cost	586,513	-	586,513
Interest	1,660,142	-	1,660,142
Difference between expected and actual experience	639,185	-	639,185
	212,208	-	212,208
Contributions, employer	-	601,485	(601,485)
Contributions, employees	-	376,571	(376,571)
Net investment income	-	2,191,135	(2,191,135)
Benefit payments, including refunds of employee contributions	(2,209,904)	(2,209,904)	-
Administrative expenses	-	-	-
Net change	<u>888,144</u>	<u>959,287</u>	<u>(71,143)</u>
Balance, June 30, 2025	\$ 25,122,898	\$ 23,882,833	\$ 1,240,065

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability(asset), calculated using the stated discount rate, as well as what the net pension liability(asset) would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease (6.00%)	Current rate (7.00%)	1% Increase (8.00%)
Net pension liability (asset)	\$ 4,268,564	\$ 1,240,065	\$ (1,248,540)

City of Lawrenceburg, Tennessee

Notes to Financial Statements

For the Year Ended June 30, 2025

Note 8. Retirement Plans

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

For the year ended June 30, 2024, LUS recognized pension expense of \$754,635. LUS reported deferred outflows of resources and deferred inflows of resources related to pensions as follows:

	Deferred outflows of resources	Deferred inflows of resources
Difference between expected and actual experience	\$ 995,936	\$ 272,132
Changes in assumptions	-	
Net difference between projected and actual earnings	-	110,208
Contributions subsequent to the measurement date	<u>601,485</u>	<u>-</u>
	\$ 1,597,421	\$ 382,340

Contributions subsequent to the measurement date will be recognized as reductions to net pension liability(asset) in the following measurement period.

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

Year ending June 30,	
2026	\$ 19,966
2027	669,597
2028	(155,369)
2029	12,049
2030	67,353
Thereafter	-

Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of fiduciary net position.

City of Lawrenceburg, Tennessee

Notes to Financial Statements

For the Year Ended June 30, 2025

Note 8. Retirement Plans

Risks and Uncertainties

Plan contributions are made and the actuarial accrued liability for benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimates and assumptions used, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

Payment of Benefits

Benefits are recorded when the participant has met all of the Plan requirements to receive a benefit. At June 30, 2025, no benefits were payable that had not been paid.

Administrative Expenses

Qualified Plan administrative expenses are paid by the Plan. During the year ended June 30, 2025, administrative expenses paid were \$0.

Note 9. OPEB Plans

City OPEB Plans

The City provides the following plans for City employees:

City Government Employee Plan – for all employees, other than those of the water and sewer, natural gas, and electric power funds

Lawrenceburg Utility Systems Employee Plan – for the employees of the water and sewer, natural gas, and electric power funds

City Government Employee Plan (LUS Employee Plan presented separately)

Plan Provisions

The City sponsors a single-employer post-retirement medical plan, which provides medical, prescription, and death benefits to all eligible employees. The City is funding the plan on a pay-as-you-go basis. The number of active and retired employees eligible to receive benefits from the Plan as of June 30, 2025 is as follows:

	Single	Family
Active employees	16	36
Retired	60	0
Total	<u>76</u>	<u>36</u>

Plan participants hired on or after January 10, 2014 are excluded.

GASB 75 requires the City to report the total liability for other postemployment benefits (OPEB) on the face of the financial statements and also requires the presentation of more extensive note disclosures and required supplementary information about the OPEB plan.

Funding Policy

The City does not intend to fund the postemployment medical plan. No assets have been segregated or restricted to provide postemployment benefits.

City of Lawrenceburg, Tennessee

Notes to Financial Statements

For the Year Ended June 30, 2025

Note 9. OPEB Plans

Summary of Plan Provisions

Medical benefits

Eligibility

Retirement through TCRS after age 60 with 5 years of service or 30 years of service without regard to age. Retirees must have at least 10 years of service to receive a subsidy for medical coverage. Employees hired on or after January 1, 2014 are not eligible for retiree health coverage.

Dependent eligibility

Spouse

Postretirement contributions

Retiree contributions depend on the date of hire and the years of credited service at retirement as follows:

	All	Dep
Less than 10 years	100%	100%
10-14 years	50%	100%
15-19 years	25%	50%
20 or more years	0%	30%

If coverage for a spouse age 65 or older is elected, retiree must contribute \$100 per month for the Medicare supplement plan.

Medical plan benefits

Medical coverage is provided through Blue Cross Blue Shield. Retiree medical benefits continue for the life of retirees hired prior to August 1, 2008, and to age 65 for retirees hired on or after that date.

Other Benefits

None

Methods and Assumptions

Actuarial method

Individual Entry Age Normal Cost Method – Level Percentage of Projected Salary

Service cost

Determined for each employee as the Actuarial Present Value of Benefits allocated to the valuation year. The benefit attributed to the valuation year is that incremental portion of the total projected benefit earned during the year in accordance with the plan's benefit formula. This allocation is based on each participant's service between date of hire and date of expected termination.

Total OPEB Liability

The Actuarial Present Value of Benefits allocated to all periods prior to the valuation year

Discount rate

4.21%

City of Lawrenceburg, Tennessee

Notes to Financial Statements

For the Year Ended June 30, 2025

Note 9. OPEB Plans

Summary of Plan Provisions

Average per Capita Claim Cost

Age	Medical
50	\$ 7,189
51	7,405
52	7,627
53	7,856
54	8,092
55	8,334
56	8,584
57	8,842
58	9,107
59	9,380
60	9,662
61	9,952
62	10,250
63	10,558
64	10,874

The Blue Cross Blue Shield Medicare Supplement Plan F rates were used as claims cost for age 65 and older. The current annual rate is \$3,449.

Methods and Assumptions

Healthcare cost trend	Level 4.50%
Mortality	RPH-2014 Total Table with Projection MP-2021
Turnover	Rates varying based on unisex age and select and ultimate at 3 years. Rates based on the TCRS actuarial assumptions from the 2017 retirement plan valuation report.
Disability	None assumed
Retiree contributions	The retiree contributions will depend on years of service at retirement. Retiree and dependent coverage will be subsidized for eligible retirees hired prior to January 1, 2014.
Salary scale	3.50%

City of Lawrenceburg, Tennessee

Notes to Financial Statements For the Year Ended June 30, 2025

Note 9. OPEB Plans

Summary of Plan Provisions

Data Assumptions

Coverage	100% of retirees who currently have healthcare coverage will continue with the same coverage. 100% of active employees who currently have Single healthcare coverage will continue with Single coverage upon retirement. 100% of actives who currently have Spouse coverage will continue to have Spouse coverage upon retirement.
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Valuation Methodology and Terminology

Valuation date	June 30, 2024
Measurement date	June 30, 2024

Changes in the Total OPEB Liability

Total OPEB liability, June 30, 2024	\$ 10,130,176
Changes for the year	
Service cost	100,546
Interest	419,844
Benefit payments	(516,382)
Differences between expected and actual experience	-
Changes in assumptions	-
Net change	<u>4,008</u>
Total OPEB liability, June 30, 2025	\$ 10,134,184

OPEB Expense

Service cost	\$ 100,546
Interest	419,844
Current recognized deferred outflows (inflows)	
Difference between expected and actual experience	(548,807)
Changes in assumptions and other inputs	<u>(866,649)</u>
	\$ (895,066)

City of Lawrenceburg, Tennessee

Notes to Financial Statements

For the Year Ended June 30, 2025

Note 9. OPEB Plans

Deferred Outflows/Inflows of Resources Related to OPEB

Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Difference between expected and actual experience	\$ -	\$ 1,423,459
Changes in assumptions	-	464,931
	<u>\$ -</u>	<u>\$ 1,888,390</u>

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

Year ending June 30,	
2026	\$ (1,079,080)
2027	(809,310)
2028	-
2029	-
2030	-
Thereafter	-

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

Sensitivity Analysis of the Trend and Discount Rates

The following is the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate at June 30, 2025.

	1% Decrease 3.21%	Discount rate 4.21%	1% Increase 5.21%
Total OPEB liability	\$ 11,676,277	\$ 10,134,184	\$ 8,880,532

The following presents the total OPEB liability of the City, as well as what the total OPEB would be if it were calculated using a healthcare cost trend rate that is 1% lower or 1% higher than the current healthcare cost trend rate at June 30, 2025.

	1% Decrease 3.50%	Healthcare cost trend rate 4.50%	1% Increase 5.50%
Total OPEB liability	\$ 8,799,242	\$ 10,134,184	\$ 11,797,227

City of Lawrenceburg, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 9. OPEB Plans

LUS Employee Plan

Plan Description

LUS sponsors a single-employer defined benefit post-retirement medical plan known as the Lawrenceburg Utility Systems Postemployment Benefits Trust. The plan's trust is maintained at First Farmers Trust and Management and is administered by LUS. The plan provides medical, prescription, and death benefits to all eligible employees. Eligibility is attained at age 50 with 15 years of service or at age 55 with 10 years of service for medical, dental, vision, and disability benefits.

The electric, water and sewer, and gas funds use the measurement date of July 1, 2024 for reporting purposes for the fiscal year ended June 30, 2025.

The plan was amended July 1, 2009. Retirees hired after July 1, 2009 are required to contribute a percentage of the group premium in order to participate in the plan. No post-age 65 benefits are available to this group.

Benefits Provided

Eligibility is attained at age 50 with 15 years of service or attained at age 55 with 10 years of service. 100% of future eligible retirees are assumed to elect medical coverage upon retirement. It is assumed that these are the eligibility requirements for post-retirement medical, dental, vision, and disability benefits. Spouses and beneficiaries are provided the same coverage as employees. A spouse is deemed to have his/her own individual policy for purposes of this plan. Surviving spouses can continue coverage under the plan. There are some spouses of grandfathered participants that are in the fully insured BCBS plan, while others are in the self-funded plan.

Funding Policy

LUS's OPEB plan is a single-employer defined benefit plan funded through an irrevocable trust. The Plan is not required to issue a separate financial report.

Contributions

Contributions are based on the table below. Contributions are assumed to remain constant in the future for those hired prior to July 1, 2009. Contributions charged to those retirees covered under the fully insured BCBS plan are based on actual amounts provided in the census data.

	Hired before 7/1/09 Retired before 1/1/14	Hired before 7/1/09 Retired on or after 1/1/14	Hired after 7/1/09
Single coverage, pre-65	\$ -	\$ -	\$ -
Single coverage, post-65	-	-	No coverage offered
Family coverage, pre-65	\$156.33 per month for medical/dental \$5.00 per month for vision	\$148.74 per month for medical/dental \$5.00 per month for vision	\$148.74 per month for medical/dental \$5.00 per month for vision
Family coverage, post-65	\$91.33 per month for medical/dental \$5.00 per month for vision	\$148.74 per month for medical/dental \$5.00 per month for vision	No coverage offered

City of Lawrenceburg, Tennessee

Notes to Financial Statements

For the Year Ended June 30, 2025

Note 9. OPEB Plans

LUS Employee Plan

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on "substantive plan" (the plan as understood by the employer and the plan members) and include the type of benefits provided at the time of each valuation and the historical pattern of sharing the benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Valuation date	July 1, 2023
Actuarial valuation method	Entry age normal
Funding policy	The benefits of the LUS OPEB Plan are funded through contributions to a trust.
Investment policy	Benefits for retirees are deemed to be similar to those benefits provided for active employees. The retiree medical plan is assumed to be the primary plan of benefits prior to age 65. It is assumed to pay benefits secondary to Medicare after attaining age 65 or after permanent disability.
Amortization period	20 years (closed)
Mortality	PubG-H-2010 with generational mortality improvement projected
Retirement rates	Age 50: 10% Ages 51-54: 5% Age 55: 20% Ages 56-64: 5% Age 65: 100%
Discount rate	5.50% per annum
Salary increases	2.50% per annum
Expected long-term rate of return on plan assets	5.50% per annum

City of Lawrenceburg, Tennessee

Notes to Financial Statements

For the Year Ended June 30, 2025

Note 9. OPEB Plans

LUS Employee Plan

Actuarial Methods and Assumptions

Plan participation	100% of future eligible retirees are assumed to elect medical coverage upon retirement.
Marital status	Actual spouse participation and dates of birth were used for retirees. For active employees, the marriage assumption of 71% was used, and males were assumed to be two years older than female spouses.
Age variance	All medical claims were adjusted each year for aging, based on the factors listed in the Dale Yamamoto study released by the Society of Actuaries in June 2013.
Healthcare cost trend rates	Medical: 7.00% in 2024, then 7.50% in 2025 graded down to 6.60% over 3 years and following Getzen thereafter to an ultimate rate of 4.04% in 2075. Dental/Vision: 5.00% per annum
Administrative expenses	Administrative expenses were assumed to be included in the per capita claims cost.

Plan Membership

Participation in the plan as of June 30, 2025 is as follows:

Actives (with medical coverage)	121
Actives (without medical coverage)	5
Retirees (with medical coverage)	52
Retirees (without medical coverage)	-
Spouses of Retirees (with medical coverage)	28
Beneficiaries (with medical coverage)	<u>22</u>
Total participants	228
Annual projected payroll	\$ 8,199,886
Average projected earnings	\$ 65,078

City of Lawrenceburg, Tennessee

Notes to Financial Statements

For the Year Ended June 30, 2025

Note 9. OPEB Plans

LUS Employee Plan

Investment Policy

See note 2 for details regarding the investments related to the OPEB trust as of June 30, 2025.

Net OPEB Liability

The components of the net OPEB liability at June 30, 2025 are as follows:

	Total OPEB liability (a)	Change in plan fiduciary net position (b)	Net OPEB liability (asset) (a)-(b)
Balance, June 30, 2024	\$ 26,303,436	\$ 24,797,393	\$ 1,506,043
Service cost	530,727	-	530,727
Interest	1,458,903	-	1,458,903
Difference between expected and actual experience	-	-	-
Changes in assumptions	(1,504,488)	-	(1,504,488)
Contributions, employer	-	818,508	(818,508)
Contributions, employees	-	-	-
Net investment income	-	2,672,202	(2,672,202)
Benefit payments, including refunds of employee contributions	(308,661)	(308,661)	-
Administrative expenses	-	(57,238)	57,238
Net change	<u>176,481</u>	<u>3,124,811</u>	<u>(2,948,330)</u>
Balance, June 30, 2025	\$ 26,479,917	\$ 27,922,204	\$ (1,442,287)

Discount Rate

The discount rate used to measure the total OPEB liability was 5.50%. The projection of cash flows used to determine the discount rate assumed that LUS's contributions will be made at rates equal to the ADC rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to the total OPEB liability.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following represents the net OPEB liability, calculated using the stated discount rate, as well as what the net OPEB liability would be, if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate. The net OPEB liability at June 30 was as follows:

	1% Decrease 4.50%	Discount Rate 5.50%	1% Increase 6.50%
Net OPEB liability	\$ 2,549,118	\$ (1,442,287)	\$ (4,682,153)

City of Lawrenceburg, Tennessee

Notes to Financial Statements

For the Year Ended June 30, 2025

Note 9. OPEB Plans

LUS Employee Plan

Sensitivity of Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following represents the net OPEB liability, calculated using the stated healthcare cost trend assumption, as well as what the net OPEB liability would be, if it were calculated using a healthcare cost trend rate that is 1% lower or 1% higher than the assumed trend rate.

	1% Decrease	Healthcare cost trend rate	1% Increase
	5.75%	6.75%	7.75%
Net OPEB liability	\$ (5,345,916)	\$ (1,442,287)	\$ 3,443,676

Deferred Inflows/Outflows of Resources

At June 30, 2025, LUS reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows:

	Deferred outflows of resources	Deferred inflows of resources
Difference between expected and actual experience	\$ -	\$ 6,684,540
Net investment income	-	1,764,502
Changes in assumptions	1,700,993	1,275,021
Contributions subsequent to the measurement date	<u>818,508</u>	<u>-</u>
Total	\$ 2,519,501	\$ 9,724,063

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year ending June 30,	
2025	\$ (2,186,950)
2026	(2,186,951)
2027	(2,077,828)
2028	(1,082,016)
2029	(489,325)
Thereafter	-

Payment of Benefits

Benefits are recorded when the participant has met all of the Plan requirements to receive a benefit. At June 30, 2025, no benefits were payable and not paid.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to discount rates, trend rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimates and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

City of Lawrenceburg, Tennessee

Notes to Financial Statements

For the Year Ended June 30, 2025

Note 10. Risk Management

The City 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. Such risks of loss are addressed as follows:

City Government (excluding Proprietary Funds)

The City maintains insurance coverage through the Tennessee Municipal League Risk Management Pool (the TML Pool), covering each of the above risks of loss. The TML Pool is a cooperative risk-sharing arrangement between local government agencies that functions in many ways like a traditional insurer. The City pays a premium, receives coverage, and can file claims against that coverage.

The City meets the TML Pool's guidelines and complies with its rules and regulations, including loss control requirements as well as its underwriting standards. Rates of the TML Pool are actuarially projected to provide adequate funding to cover loss reserves and expenses, as well as building contingency reserves. The City has also purchased commercial insurance for the surety bonds for principal management officials.

Management believes insurance coverages are sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this insurance coverage in any of the past three years.

Proprietary Funds

LUS 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. LUS has purchased commercial insurance for all the above risks.

LUS is self-insured for employee medical, vision, dental, and prescription drug claims. However, LUS has purchased commercial insurance to cover claims in excess of \$50,000 per person annually, as well as an aggregate annual amount for all employees. LUS recognizes an expense when claims are filed.

Changes in the reported liability are as follows:

Year ended June 30,	Beginning balance	Claims incurred and changes in estimates	Claim payments	Ending balance
2025	\$ 252,707	\$ 2,446,234	\$ 2,374,122	\$ 324,819
2024	\$ 317,187	\$ 2,017,318	\$ 2,081,798	\$ 252,707

Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three years and there has been no significant reduction in the amount of coverage provided.

City of Lawrenceburg, Tennessee

Notes to Financial Statements

For the Year Ended June 30, 2025

Note 11. **Defined Contribution Pension Plans**

City of Lawrenceburg

City employees are eligible to participate in the following defined contribution pension plans depending on date of hire and certain eligibility factors:

Plan name	Plan administrator	Plan type
Tennessee State Employees Deferred Compensation Plan II 401(k)	TCRS	401(k)
Tennessee State Employees Deferred Compensation Plan and Trust – 457(b)	TCRS	457(b)

Participation in the defined contribution pension plans permits participants to defer a portion of their salary to future years. The deferred compensation is not available to them until termination, retirement, death, or unforeseeable emergency.

The City has determined that its defined contribution pension plans are not a fiduciary component unit or fiduciary activity of the government, and are not included as a fiduciary fund in another government's report.

Benefit terms and contribution rates are established and may be amended by formal resolution of the City's Board of Commissioners

Tennessee State Employees Deferred Compensation Plan II 401(k)

The City's participating employer agreement for the Tennessee State Employees Deferred Compensation Plan II-401(k) (State 401(k) Plan) was effective on January 1, 2016. The plan's investments are held in trust by Empower Retirement.

Each employee hired after January 1, 2016, is eligible to participate in the plan for the purpose of making elective deferrals. Employee salary reduction contributions are voluntary. The City does not make matching or non-matching contributions and, as such, forfeiture policies are not applicable.

Tennessee State Employees Deferred Compensation Plan and Trust – 457(b)

The City's participating employer agreement for the Tennessee State Employees Deferred Compensation Plan and Trust – 457(b) (State 457(b) Plan) was effective on January 1, 2016. The plan's investments are held in trust by Empower Retirement.

Each employee hired after January 1, 2016, is eligible to participate in the plan for the purpose of making elective deferrals. Employee salary reduction contributions are voluntary. The City does not make matching or non-matching contributions and, as such, forfeiture policies are not applicable.

Lawrenceburg Utility System

LUS offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all full-time LUS employees, permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. LUS has no claim to the assets held in this plan, and neither the assets nor the related deferred compensation liability are included in the statements of net position.

City of Lawrenceburg, Tennessee

Notes to Financial Statements

For the Year Ended June 30, 2025

Note 12. **Energy Conservation Programs**

The electric power fund participates with the Tennessee Valley Authority (TVA) in its energy conservation loan program. Under this program, eligible customers may obtain low interest loans to finance energy conservation improvements to their homes, including the installation of a heat pump or insulation improvements. Advances from TVA are reported under other liabilities. Conservation loans receivable from customers under the program are reported under other assets. Advances are to be repaid from customer loan collections. Any uncollectible loans are the responsibility of TVA.

Note 13. **Commitments and Contingencies**

The City is potentially liable in a number of legal and regulatory actions resulting from easement disagreements, environmental remediation issues, employment claims, public safety allegations, and property damage claims resulting from sewer blockages and water run-off problems. In most cases, the amount of potential damages is either immaterial, not ascertainable, or is covered by property and liability insurance.

Power Contract

The electric power fund purchases its electrical energy from TVA under terms of a standard electric contract between TVA and the City. Under the contract, the System is required to comply with certain restrictions relating to furnishing, advancing, lending, pledging, or otherwise diverting System funds, revenues, credits, or property to other operations of the City, as well as the payment of, or providing security for, indebtedness or other obligations applicable to such other operations.

Note 14. **City Owned and Operated Landfill**

State and federal laws and regulations require the City to place a final cover on its construction landfill site when it stops accepting waste, and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the City has begun to accrue a portion of these closure and post-closure care costs. The City will recognize the remaining estimated costs of closure and post-closure care as the remaining estimated capacity is filled. These amounts are based on what it would presently cost to perform all closure and post-closure care activities. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The City is not currently operating the landfill. When operation resumes, activity will be presented in an enterprise fund.

City of Lawrenceburg, Tennessee

Notes to Financial Statements

For the Year Ended June 30, 2025

Note 15. **Natural Gas Supply and Capacity Management Agreement and Natural Gas Transportation Service Agreement**

On October 1, 2005, the natural gas fund entered into an out-of-state membership agreement with the Municipal Gas Authority of Georgia (MGAG). This membership agreement obligates MGAG to deliver at the System's receipt points (gate stations) all natural gas supplies the System needs, both within and above the System's maximum contract entitlement under the System's Texas Eastern Transmission Corporation (TETCO) service agreement, limited solely by and only to the extent of a *force majeure* event. The System agrees to make payments to MGAG for such services based on the actual cost of the natural gas and capacity, plus a management fee. This contract provides the System with access to long-term gas supply owned or contracted by MGAG.

The System has a service agreement with TETCO which obligates TETCO to deliver any and all natural gas the System arranges and has deposited into the TETCO transmission line for the System's use. In turn, the System is obligated to make payments for such deliveries and to insure the correct amount of natural gas is deposited into the TETCO transmission system. Payment for these services is funneled through the MGAG supply and capacity management agreement. The TETCO service agreement is in force and effect until October 31, 2012, and renews year-to-year thereafter unless terminated by either TETCO or the System upon two years' prior written notice. As of June 30, 2025, LUS continues under contract with both MGAG and TETCO.

Note 16. **Interlocal Agreement**

The City entered into an interlocal agreement with Lawrence County to build and operate the Southern Tennessee Higher Education Center (Education Center). During the year ended June 30, 2022, the City was contributed title for 50% of the Education Center for a total project value of \$7,462,168. The value of the Education Center is included in capital assets. The City has outstanding debt related to the Education Center of \$5,640,000 as of June 30, 2025.

Note 17. **Subsequent Events**

Management has evaluated subsequent events through December 29, 2025, the date on which the financial statements were available for issuance.

Required Supplementary Information (Unaudited)

City of Lawrenceburg, Tennessee
Schedules of Changes in Net Pension Liability (Asset) and Related Ratios
Based on Participation in the Public Employee Pension Plan of TCRS
Last 10 Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	\$ 428,111	\$ 383,760	\$ 401,165	\$ 375,504	\$ 358,907	\$ 359,846	\$ 342,247	\$ 334,355	\$ 312,546	\$ 314,091
Interest	1,902,390	1,819,253	1,794,998	1,714,401	1,686,704	1,622,537	1,579,371	1,477,918	1,404,973	1,347,399
Changes in benefit terms	-	-	-	-	-	-	-	770,375	-	-
Differences between actual and expected experience	857,804	634,182	(131,940)	84,080	(189,792)	334,472	67,915	831,571	524,709	319,025
Change of assumptions	-	-	-	2,418,774	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(1,679,881)	(1,619,896)	(1,755,068)	(1,590,458)	(1,390,339)	(1,471,361)	(1,352,124)	(1,334,386)	(1,248,485)	(1,174,143)
Net change in total pension liability	1,508,424	1,217,299	309,155	3,002,301	465,480	845,494	637,409	2,079,833	993,743	806,372
Total pension liability, beginning of year	28,595,386	27,378,087	27,068,932	24,066,631	23,601,151	22,755,657	22,118,248	20,038,415	19,044,672	18,238,300
Total pension liability, end of year (a)	30,103,810	28,595,386	27,378,087	27,068,932	24,066,631	23,601,151	22,755,657	22,118,248	20,038,415	19,044,672
Plan Fiduciary Net Position										
Contributions, employer	1,393,185	1,155,631	958,802	1,014,519	1,018,297	981,188	752,333	715,417	696,765	643,468
Contributions, employee	315,041	270,351	252,184	266,839	267,920	285,205	248,623	238,313	232,099	218,102
Net investment income	2,055,015	1,332,175	(803,565)	4,397,285	815,834	1,151,326	1,207,298	1,522,219	357,259	411,122
Benefit payments, including refunds of employee contributions	(1,679,881)	(1,619,896)	(1,755,068)	(1,590,458)	(1,390,339)	(1,471,361)	(1,352,124)	(1,334,386)	(1,248,485)	(1,174,143)
Administrative expenses	(19,452)	(15,580)	(11,915)	(11,392)	(11,390)	(11,089)	(11,971)	(10,687)	(9,380)	(6,293)
Net change in plan fiduciary net position	2,063,908	1,122,681	(1,359,562)	4,076,793	700,322	935,269	844,159	1,130,876	28,258	92,256
Plan fiduciary net position, beginning of year	21,045,959	19,923,278	21,282,840	17,206,047	16,505,725	15,570,456	14,726,297	13,595,421	13,567,163	13,474,907
Plan fiduciary net position, end of year (b)	23,109,867	21,045,959	19,923,278	21,282,840	17,206,047	16,505,725	15,570,456	14,726,297	13,595,421	13,567,163
Net pension liability (asset), end of year (a) - (b)	\$ 6,993,943	\$ 7,549,427	\$ 7,454,809	\$ 5,786,092	\$ 6,860,584	\$ 7,095,426	\$ 7,185,201	\$ 7,391,951	\$ 6,442,994	\$ 5,477,509
Plan fiduciary net position as a percentage of total pension liability	76.77%	73.60%	72.77%	78.62%	71.49%	69.94%	68.42%	66.58%	67.85%	71.24%
Covered payroll	\$ 6,197,441	\$ 5,397,623	\$ 5,041,872	\$ 5,336,765	\$ 5,041,872	\$ 5,068,118	\$ 4,972,458	\$ 4,766,275	\$ 4,642,003	\$ 4,286,928
Net pension liability (asset) as a percentage of covered payroll	112.85%	139.87%	147.86%	108.42%	136.07%	140.00%	144.50%	155.09%	138.80%	127.77%

Notes to Schedules

Changes in Assumptions

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

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

City of Lawrenceburg, Tennessee
Schedules of Contributions
Based on Participation in the Public Employee Pension Plan of the TCRS
Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 1,528,006	\$ 1,393,185	\$ 1,155,631	\$ 958,802	\$ 1,014,519	\$ 1,018,297	\$ 1,002,743	\$ 981,188	\$ 752,334	\$ 715,417
Contributions in relation to the actuarially determined contribution	(1,528,006)	(1,393,185)	(1,155,631)	(958,802)	(1,014,519)	(1,018,297)	(1,002,743)	(981,188)	(752,334)	(715,417)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 6,797,178	\$ 6,197,441	\$ 5,397,623	\$ 5,041,872	\$ 5,336,765	\$ 5,333,850	\$ 5,315,850	\$ 5,068,118	\$ 4,972,458	\$ 4,766,275
Contributions as a percentage of covered payroll	22.48%	22.48%	21.41%	19.01%	19.01%	19.09%	18.86%	19.36%	15.13%	15.01%

Notes to Schedules

GASB 68 requires a 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 TCRS GASB website for prior years' data, if needed.

Valuation Date

Actuarially determined contribution rates for fiscal year 2025 were calculated based on the results of the June 30, 2022 actuarial valuation.

Methods and assumptions used to determine contribution rates

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	Varies by year
Asset valuation	10-year smoothed, within a 20% corridor to market value
Inflation	2.25%
Salary increases	Graded salary ranges from 8.72% to 3.44%, based on age, including inflation, averaging 4.00%
Investment rate of return	6.75%, net of investment expense, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table
Cost of Living Adjustments	2.125%

Changes in Assumptions

In 2021, the following assumptions were changed: decreased inflation rate from 2.50% to 2.25%; decreased investment rate of return from 7.25% to 6.75%; decreased cost-of-living adjustment from 2.25% to 2.125%; and modified mortality assumptions.

In 2017, the following assumptions were changed: decreased inflation rate from 3.00% to 2.50%; decreased investment rate of return from 7.50% to 7.25%; decreased cost-of-living adjustment from 2.50% to 2.25%; decreased salary growth graded ranges from an average of 4.25% to an average of 4.00%; and modified mortality assumptions.

City of Lawrenceburg, Tennessee

Lawrenceburg Utility Systems

Schedules of Changes in Net Pension Liability (Asset) and Related Ratios
Based on Participation in the Single Employer LUS Defined Benefit Pension Plan
Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service cost	\$ 586,513	\$ 524,266	\$ 473,384	\$ 442,214	\$ 425,920	\$ 412,012	\$ 385,701	\$ 377,186	\$ 348,588	\$ 336,337
Interest	1,660,142	1,613,268	1,491,519	1,476,543	1,441,211	1,331,576	1,266,215	1,200,033	1,107,819	1,068,464
Differences between actual and expected experience	639,185	404,128	936,084	(359,915)	(276,522)	210,636	75,848	(15,826)	171,430	199,487
Change of assumptions	212,208	-	-	-	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(2,209,904)	(1,658,666)	(766,518)	(1,985,634)	(218,662)	(585,193)	(1,055,501)	(193,396)	(484,773)	(1,623,858)
Net change in total pension liability	888,144	882,996	2,134,469	(426,792)	1,371,947	1,369,031	672,263	1,367,997	1,143,064	(19,570)
Total pension liability, beginning of year	24,234,754	23,351,758	21,217,289	21,644,081	20,272,134	18,903,103	18,230,840	16,862,843	15,719,779	15,739,349
Total pension liability, end of year (a)	25,122,898	24,234,754	23,351,758	21,217,289	21,644,081	20,272,134	18,903,103	18,230,840	16,862,843	15,719,779
Plan Fiduciary Net Position										
Contributions, employer	601,485	601,485	601,485	601,484	601,485	601,485	601,485	601,485	601,485	601,485
Contributions, employee	376,571	329,717	297,311	273,892	253,166	241,136	218,616	213,080	196,533	187,646
Net investment income	2,191,135	2,510,951	1,880,689	(2,782,729)	4,684,888	493,132	688,067	1,201,628	1,501,827	90,423
Benefit payments, including refunds of employee contributions	(2,209,904)	(1,658,666)	(766,518)	(1,985,634)	(218,663)	(585,193)	(1,055,501)	(193,396)	(484,773)	(1,546,757)
Administrative expenses	-	-	-	-	-	-	-	(51,537)	(45,342)	(77,102)
Net change in plan fiduciary net position	959,287	1,783,487	2,012,967	(3,892,987)	5,320,876	750,560	452,667	1,771,260	1,769,730	(744,305)
Plan fiduciary net position, beginning of year	22,923,546	21,140,059	19,127,092	23,020,078	17,699,202	16,948,642	16,495,975	14,724,715	12,954,985	13,699,290
Plan fiduciary net position, end of year (b)	23,882,833	22,923,546	21,140,059	19,127,092	23,020,078	17,699,202	16,948,642	16,495,975	14,724,715	12,954,985
Net pension liability (asset), end of year (a)-(b)	\$ 1,240,065	\$ 1,311,209	\$ 2,211,700	\$ 2,090,197	\$ (1,375,998)	\$ 2,572,932	\$ 1,954,461	\$ 1,734,865	\$ 2,138,128	\$ 2,764,794
Plan fiduciary net position as a percentage of total pension liability	95.06%	94.59%	90.53%	90.15%	106.36%	87.31%	89.66%	90.48%	87.32%	82.41%
Covered-employee payroll	\$ 8,793,617	\$ 7,908,475	\$ 7,468,493	\$ 6,931,408	\$ 6,702,559	\$ 5,229,571	\$ 5,142,075	\$ 4,977,058	\$ 4,855,178	\$ 4,464,242
Net pension liability (asset) as a percentage of covered-employee payroll	14.10%	16.58%	29.61%	30.16%	-20.53%	49.20%	38.01%	34.86%	44.04%	61.93%

Notes to Schedules

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

City of Lawrenceburg, Tennessee

Lawrenceburg Utility Systems

Schedules of Contributions

Based on Participation in the Single Employer Defined LUS Benefit Pension Plan
Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 354,989	\$ 422,155	\$ 385,699	\$ 180,105	\$ 417,456	\$ 356,225	\$ 330,042	\$ 359,067	\$ 396,492	\$ 329,291
Contributions in relation to the actuarially determined contribution	(601,485)	(601,485)	(601,484)	(601,485)	(601,485)	(601,485)	(601,485)	(601,485)	(601,485)	(601,485)
Contribution deficiency (excess)	\$ (246,496)	\$ (179,330)	\$ (215,785)	\$ (421,380)	\$ (184,029)	\$ (245,260)	\$ (271,443)	\$ (242,418)	\$ (204,993)	\$ (272,194)
Covered-employee payroll	\$ 8,793,617	\$ 7,903,876	\$ 7,468,493	\$ 6,931,408	\$ 6,702,559	\$ 5,229,571	\$ 5,142,075	\$ 4,977,058	\$ 4,855,178	\$ 4,464,242
Contributions as a percentage of covered-employee payroll	6.84%	7.61%	8.05%	8.68%	8.97%	11.50%	11.70%	12.09%	12.39%	13.47%

Notes to Schedules

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available

Valuation Date

Actuarially determined contribution rates for fiscal year 2024 were calculated based on the results of the July 1, 2023 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar
Asset valuation	Fair market value
Inflation	2.25% per annum, compounded annually
Salary increases	Groups A and B: 3.00% per annum, compounded annually Groups C and D: 5.00% per annum, compounded annually
Investment rate of return	7.00% per annum, compounded annually
Retirement age	Group A, B, and D employees: A graded retirement scale is assumed from age 50 to age 59, with 15% retirement assumption at an age where age plus service equals 80, 100% retirement at age 60, and 10 years of credited service. Group C employees: Earlier of 30 years of service or attainment of age 60
Mortality	Groups A and B: 1983 Group Annuity Mortality Table Groups C and D: RP 2000 Combined Mortality Table
Cost-of-living adjustment	None

City of Lawrenceburg, Tennessee
Lawrenceburg Utility Systems
 Schedule of Investment Returns
 Based on Participation in the Single Employer LUS Defined Benefit Plan
 Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money-weighted rate of return, net of investment expense	10.16%	12.25%	10.13%	-11.90%	26.46%	3.23%	4.46%	8.03%	11.45%	0.69%

Note to Schedule

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

City of Lawrenceburg, Tennessee
Schedules of Changes in OPEB Liability (Asset) and Related Ratios
Based on Participation in the City OPEB Plan
Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service cost	\$ 100,546	\$ 156,637	\$ 156,637	\$ 265,550	\$ 265,550	\$ 212,168	\$ 212,168	\$ 204,243
Interest	419,844	492,804	487,551	334,717	350,360	593,782	572,742	567,549
Differences between expected and actual experience	-	(3,050,271)	-	1,543,624	(246,619)	-	-	-
Changes in assumptions	-	(996,279)	-	(3,241,092)	(132,960)	257,483	-	-
Benefit payments, including refunds of employee contributions	(516,382)	(474,190)	(517,427)	(517,427)	(669,627)	(464,579)	(445,022)	(422,398)
Net change in total OPEB liability	4,008	(3,871,299)	126,761	(1,614,628)	(433,296)	598,854	339,888	349,394
Total OPEB liability, beginning of year	10,130,176	14,001,475	13,874,714	15,489,342	15,922,638	15,323,784	14,983,896	14,634,502
Total OPEB liability, end of year (a)	10,134,184	10,130,176	14,001,475	13,874,714	15,489,342	15,922,638	15,323,784	14,983,896
Plan Fiduciary Net Position								
None (b)	-	-	-	-	-	-	-	-
OPEB liability (asset), end of year (a)-(b)	\$ 10,134,184	\$ 10,130,176	\$ 14,001,475	\$ 13,874,714	\$ 15,489,342	\$ 15,922,638	\$ 15,323,784	\$ 14,983,896
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 2,700,919	\$ 2,700,919	\$ 2,818,097	\$ 2,818,097	\$ 3,407,098	\$ 3,407,098	\$ 3,464,644	\$ 3,464,644
Net OPEB liability (asset) as a percentage of covered-employee payroll	375.21%	375.06%	496.84%	492.34%	454.62%	467.34%	442.29%	432.48%

Note to Schedule

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

City of Lawrenceburg, Tennessee
Lawrenceburg Utility Systems
Schedules of Changes in Net OPEB Liability (Asset) and Related Ratios
Based on Participation in the LUS OPEB Plan
Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability									
Service cost	\$ 530,727	\$ 604,550	\$ 575,762	\$ 595,936	\$ 629,454	\$ 599,480	\$ 492,206	\$ 468,768	\$ 479,771
Interest	1,458,903	1,524,329	1,536,682	1,733,469	1,613,679	1,409,087	1,301,992	1,622,709	1,561,712
Differences between actual and expected experience	-	(3,676,319)	-	(7,220,797)	(31,622)	892,823	45,706	(7,044,844)	(921,458)
Benefit payments, including refunds of employee contributions	(308,661)	(453,306)	(834,427)	2,168,052	(1,012,618)	-	(901,276)	-	-
Changes in assumptions	(1,504,488)	740,359	(1,912,531)	-	-	1,801,110	-	-	-
Net change in total OPEB liability	176,481	(1,260,387)	(634,514)	(2,723,340)	1,198,893	4,702,500	938,628	(4,953,367)	1,120,025
Total OPEB liability, beginning of year	26,303,436	27,563,823	28,198,337	30,921,677	29,722,784	25,020,284	24,081,656	29,035,023	27,914,998
Total OPEB liability, end of year (a)	26,479,917	26,303,436	27,563,823	28,198,337	30,921,677	29,722,784	25,020,284	24,081,656	29,035,023
Plan Fiduciary Net Position									
Contributions, employer	818,508	818,508	1,652,935	1,068,508	1,074,985	1,068,508	1,068,508	918,508	1,062,000
Contributions, employee	-	-	-	-	-	-	700,971	-	-
Net investment income	2,672,202	2,582,684	1,850,221	1,693,356	862,865	1,183,802	(901,276)	867,418	1,063,261
Benefit payments, including refunds of employee contributions	(308,661)	(453,306)	(834,427)	-	(1,012,618)	-	-	-	-
Administrative expenses	(57,238)	(49,891)	(67,389)	(60,371)	(47,000)	(47,382)	(34,000)	(33,674)	(25,099)
Net change in plan fiduciary net position	3,124,811	2,897,995	2,601,340	2,701,493	878,232	2,204,928	834,203	1,752,252	2,100,162
Plan fiduciary net position, beginning of year	24,797,393	21,899,398	19,298,058	16,596,565	15,718,333	13,513,405	12,679,202	10,926,950	8,826,788
Plan fiduciary net position, end of year (b)	27,922,204	24,797,393	21,899,398	19,298,058	16,596,565	15,718,333	13,513,405	12,679,202	10,926,950
Net OPEB liability (asset), end of year (a)-(b)	\$ (1,442,287)	\$ 1,506,043	\$ 5,664,425	\$ 8,900,279	\$ 14,325,112	\$ 14,004,451	\$ 11,506,879	\$ 11,402,454	\$ 18,108,073
Plan fiduciary net position as a percentage of total OPEB liability	105.45%	94.27%	79.45%	68.44%	53.67%	52.88%	54.01%	52.65%	37.63%
Covered-employee payroll	\$ 8,404,883	\$ 8,199,886	\$ 7,271,593	\$ 7,094,237	\$ 6,476,281	\$ 6,318,823	\$ 6,017,878	\$ 5,871,100	\$ 5,335,934
Net OPEB liability (asset) as a percentage of covered-employee payroll	-17.16%	18.37%	77.90%	125.46%	221.19%	221.63%	191.21%	194.21%	339.36%

Note to Schedule

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

City of Lawrenceburg, Tennessee
Lawrenceburg Utility Systems
Schedules of Contributions
Based on Participation in the LUS OPEB Plan
Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 667,823	\$ 1,082,428	\$ 1,367,807	\$ 1,779,156	\$ 1,819,771	\$ 1,756,673	\$ 1,443,014	\$ 1,410,432	\$ 1,062,000
Contributions in relation to the actuarially determined contribution	<u>(818,508)</u>	<u>(818,508)</u>	<u>(1,652,935)</u>	<u>(1,068,508)</u>	<u>(1,074,985)</u>	<u>(688,165)</u>	<u>(1,068,508)</u>	<u>(918,508)</u>	<u>(1,062,000)</u>
Contribution deficiency (excess)	\$ (150,685)	\$ 263,920	\$ (285,128)	\$ 710,648	\$ 744,786	\$ 1,068,508	\$ 374,506	\$ 491,924	\$ -
Covered-employee payroll	\$ 8,404,883	\$ 8,199,886	\$ 7,271,593	\$ 7,094,237	\$ 6,476,281	\$ 6,318,323	\$ 6,017,878	\$ 5,871,100	\$ 5,335,934
Contributions as a percentage of covered-employee payroll	9.74%	9.98%	22.73%	15.06%	16.60%	10.89%	17.76%	15.64%	19.90%

Notes to Schedules

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available

City of Lawrenceburg, Tennessee
Lawrenceburg Utility Systems
 Schedule of Investment Returns
 Based on Participation in the LUS OPEB Plan
 Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	10.85%	11.83%	9.62%	-12.01%	5.50%	2.85%	5.50%	7.66%	11.73%

Note to Schedule

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 information is available.

City of Lawrenceburg, Tennessee

Notes to Required Supplementary Information, Actuarial Methods and Assumptions
City and LUS OPEB Plans
For the Year Ended June 30, 2025

City of Lawrenceburg – City OPEB Plan

Methods and assumptions used to determine the contribution rates:

Actuarial method	Individual Entry Age Normal Cost Method – Level Percentage of Projected Salary
Service cost	Determined for each employee as the Actuarial Present Value of Benefits allocated to the valuation year. The benefit attributed to the valuation year is that incremental portion of the total projected benefit earned during the year in accordance with the Plan's benefit formula. This allocation is based on each individual's service between date of hire and date of termination
Total OPEB Liability	The Actuarial Present Value of Benefits allocated to all periods prior to the valuation year.
Discount rate	3.54% (1.04% real rate of return plus 2.50% inflation)

Per capita claim cost

Age	Medical
50	\$ 7,189
51	7,405
52	7,627
53	7,856
54	8,092
55	8,334
56	8,584
57	8,842
58	9,107
59	9,380
60	9,662
61	9,952
62	10,250
63	10,558
64	10,874

The Blue Cross Blue Shield Medicare Supplemental rate were used as claim costs for age 65 and older. The current annual rate is \$3,449.

City of Lawrenceburg, Tennessee

Notes to Required Supplementary Information, Actuarial Methods and Assumptions City and LUS OPEB Plans For the Year Ended June 30, 2025

City of Lawrenceburg – City OPEB Plan

Methods and assumptions used to determine the contribution rates:

Healthcare cost trend	Level 4.50%
Mortality	RPH-2014 Total Table with Projection MP-2021
Turnover	Rates varying by sex, age and year of service. Sample Male ultimate rates: Age 25: 12% Age 40: 4% Age 55: 3%
Disability	None assumed
Retirement rates	Rates vary by age from 50 to 75 with 100% retirement assumed at 75.
Retiree contributions	The retiree contribution will depend on years of service at retirement. Retiree and dependent coverage will be subsidized for eligible retirees hired prior to January 1, 2014.

The following changes were made to the actuarial assumptions and methods effective July 1, 2020.

1. The change in required discount rate (from 2.21% to 2.16%).
2. The mortality assumption was updated to the MP-2020 scale from the MP-2019 scale.

The following changes were made to the actuarial assumptions and methods effective July 1, 2021.

1. The change in required discount rate (from 2.16% to 2.54%).
2. The mortality assumption was updated to the MP-2021 scale from the MP-2010 scale.

City of Lawrenceburg, Tennessee

Notes to Required Supplementary Information, Actuarial Methods and Assumptions City and LUS OPEB Plans For the Year Ended June 30, 2025

Lawrenceburg Utility System – OPEB Plan

Valuation date	July 1, 2022
Actuarial valuation method	Entry age normal
Asset valuation	Market value
Funding policy	The benefits of the Lawrenceburg Utility Systems Postemployment Benefits Other Than Pensions are funded through contributions to a trust.
Investment policy	To be provided by Lawrenceburg Utility Systems. Benefits for retirees are deemed to be similar to those benefits provided for actives. The retiree medical plan is assumed to be the primary plan of benefits prior to age 65. It is assumed to pay benefits secondary to Medicare after attaining age 65 or after permanent disability.
Amortization period	20 years (closed)
Mortality	PubG.H-2010 with generational mortality improvement projected under Projection Scale MP-2021
Retirement rates	Age 50: 10% Ages 51-54: 5% Age 55: 20% Ages 56-64: 5% Age 65: 100%
Discount rate	5.50% per annum
Salary increases	2.50% per annum
Expected long-term rate of return on plan assets	5.50% per annum
Plan participation	100% of future eligible retirees are assumed to elect medical coverage upon retirement
Marital status	Actual spouse participation and dates of birth were used for retirees. For actives, the marriage assumption of 71% was used, and males were assumed to be two years older than female spouses.

City of Lawrenceburg, Tennessee
Notes to Required Supplementary Information, Actuarial Methods and Assumptions
City and LUS OPEB Plans
For the Year Ended June 30, 2025

Lawrenceburg Utility System – OPEB Plan

Age variance	All medical claims were adjusted each year for aging based on the factors listed in the Dale Yamamoto study released by the Society of Actuaries in June 2013
Healthcare cost trend rates	Medical: 7.00% graded down to 6.75% over three years and following Getzen thereafter. Dental/vision: 5% per annum
Administrative expenses	Administrative expenses were assumed to be included in the per capita claims cost.

The following changes were made to the actuarial assumptions and methods effective July 1, 2022.

1. The mortality assumption was changed to PubG.H-2010 with improvement scale MP-2021.

The following changes were made to the actuarial assumptions and methods effective July 1, 2020:

1. The medical trend was changed from 8% to 5% graded over 10 years beginning in 2019 to 7.5% to 6.75% graded over 3 years beginning in 2020 and following the Getzen model thereafter.
2. The mortality improvement scale was changed from MP-2017 to MP-2019.
3. The medical claims aging table was updated to be based on the aging factors from the Dale Yamamoto study released by the Society of Actuaries in June 2013.

The following changes were made to the actuarial assumptions and methods, effective July 1, 2018:

1. The medical trend rate was changed from 8% to 5%, graded over 6 years beginning in 2015, from 8% to 5%, and was graded over 10 years beginning in 2018, based on the PWC 2017 survey.
2. The mortality was changed from mortality table RP-2014 with improvement scale MP-2014 to mortality table RP-2014 adjusted to base year 2006 and projected with improvement scale MP-2017.

Combining and Individual Fund Financial Statements and Schedules

Nonmajor Government Funds

Special Revenue

State Street Aid – To account for the receipt and usage of the City's share of gasoline taxes. State law requires these gasoline taxes be used to maintain streets.

Federal Disaster Relief – To account for the proceeds of various State and Federal grants, which are to be used on various flood abatement projects.

Drug – To account for drug fines and fees and the usage of these monies for drug related purposes.

Sanitation – To account for the City's solid waste collection operations.

Permanent

Mimosa Cemetery – To account for the sale of gravesites and related costs.

City of Lawrenceburg, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds				Permanent Fund	Total
	State Street Aid	Federal Disaster Relief	Drug	Sanitation	Mimosa Cemetery	
Assets						
Cash and cash equivalents	\$ 97,331	\$ 28,405	\$ 64,587	\$ 229,208	\$ 71,061	\$ 490,592
Due from other funds	10	-	-	219,596	-	219,606
Accounts receivable, net	69,097	104,149	-	-	-	173,246
Total assets	\$ 166,438	\$ 132,554	\$ 64,587	\$ 448,804	\$ 71,061	\$ 883,444
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ 52,551	\$ -	\$ 86	\$ 14,753	\$ -	\$ 67,390
Due to other funds	-	-	-	-	-	-
Accrued costs	-	-	-	22,787	-	22,787
Total liabilities	52,551	-	86	37,540	-	90,177
Fund balances						
Restricted for						
Roads	113,887	-	-	-	-	113,887
Public safety	-	-	64,501	-	-	64,501
Capital projects	-	132,554	-	-	-	132,554
Solid waste disposal	-	-	-	411,264	-	411,264
Cemetery maintenance	-	-	-	-	71,061	71,061
Total restricted fund balances	113,887	132,554	64,501	411,264	71,061	793,267
Total liabilities and fund balances	\$ 166,438	\$ 132,554	\$ 64,587	\$ 448,804	\$ 71,061	\$ 883,444

City of Lawrenceburg, Tennessee
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue Funds				Permanent Fund	Total
	State Street Aid	Federal Disaster Relief	Drug	Sanitation	Mimosa Cemetery	
Revenues						
Intergovernmental						
Gasoline tax, state of Tennessee	\$ 408,002	\$ -	\$ -	\$ -	\$ -	\$ 408,002
Grant revenues	-	55,415	-	-	-	55,415
Total intergovernmental revenues	408,002	55,415	-	-	-	463,417
Charges for services, garbage fees	-	-	-	1,988,526	-	1,988,526
Fines	-	-	19,320	-	-	19,320
Miscellaneous						
Other revenues	31,896	-	-	65,536	-	97,432
Interest income	25	-	6	31	-	62
Total miscellaneous	31,921	-	6	65,567	-	97,494
Total revenues	439,923	55,415	19,326	2,054,093	-	2,568,757
Expenditures						
Highways and streets						
Road and bridge repair	617,679	-	-	-	-	617,679
Sanitation						
Salaries and employee benefits	-	-	-	1,141,794	-	1,141,794
Contractual services	-	-	-	182,593	-	182,593
Supplies	-	-	-	369,319	-	369,319
Insurance	-	-	-	30,583	-	30,583
Other	-	-	-	-	-	-
Police department	-	-	6,028	-	-	6,028
Debt service, other	-	-	-	225,600	-	225,600
Parks and recreation	-	-	-	-	-	-
Capital outlay	-	(48,762)	-	244,209	-	195,447
Total expenditures	617,679	(48,762)	6,028	2,194,098	-	2,769,043
Excess (deficiency) of revenues over expenditures	(177,756)	104,177	13,298	(140,005)	-	(200,286)
Other Financing Sources (Uses)						
Transfer from (to) other funds	-	-	-	-	-	-
Net change in fund balances	(177,756)	104,177	13,298	(140,005)	-	(200,286)
Fund balances, beginning of year	291,643	28,377	51,203	551,269	71,061	993,553
Fund balances, end of year	\$ 113,887	\$ 132,554	\$ 64,501	\$ 411,264	\$ 71,061	\$ 793,267

City of Lawrenceburg, Tennessee
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
State Street Aid
For the Year Ended June 30, 2025

	Budgeted amounts		Actual amounts	Variance with final budget + / (-)
	Original	Final		
Revenues				
Intergovernmental				
State shared tax				
Gas 3 cent	\$ 60,000	\$ 60,000	\$ 60,548	\$ 548
Gasoline and motor fuel tax	216,000	216,000	209,255	(6,745)
Gas 1989	33,600	33,600	32,791	(809)
Gas 2017	104,400	104,400	105,408	1,008
Miscellaneous				
Reimbursement for street repair	<u>42,764</u>	<u>42,764</u>	<u>31,921</u>	<u>(10,843)</u>
Total revenues	456,764	456,764	439,923	(16,841)
Expenditures				
Current				
Road and bridge repair	456,764	456,764	617,679	(160,915)
Net change in fund balance	-	-	(177,756)	(177,756)
Fund balance, beginning of year	<u>291,643</u>	<u>291,643</u>	<u>291,643</u>	<u>-</u>
Fund balance, end of year	\$ 291,643	\$ 291,643	\$ 113,887	\$ (177,756)

City of Lawrenceburg, Tennessee
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Federal Disaster Relief
For the Year Ended June 30, 2025

	Budgeted amounts		Actual amounts	Variance with final budget +/-
	Original	Final		
Revenues				
Intergovernmental Grant revenues	\$ -	\$ -	\$ 55,415	\$ 55,415
Expenditures				
Capital outlay, infrastructure	-	-	(48,762)	48,762
Net change in fund balance	-	-	104,177	104,177
Fund balance, beginning of year	<u>28,377</u>	<u>28,377</u>	<u>28,377</u>	<u>-</u>
Fund balance, end of year	\$ 28,377	\$ 28,377	\$ 132,554	\$ 104,177

City of Lawrenceburg, Tennessee
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Sanitation
For the Year Ended June 30, 2025

	Budgeted amounts		Actual amounts	Variance with final budget + / (-)
	Original	Final		
Revenues				
Intergovernmental				
State and federal grant programs	\$ 60,000	\$ 60,000	\$ -	\$ (60,000)
Charges for services				
Garbage fees	1,910,000	1,910,000	1,988,526	78,526
Other revenues	2,021	2,021	65,567	63,546
Total revenues	<u>1,972,021</u>	<u>1,972,021</u>	<u>2,054,093</u>	<u>82,072</u>
Expenditures				
Current				
Salaries and employee benefits	1,082,641	1,108,979	1,141,794	(32,815)
Contractual services	83,700	93,700	182,593	(88,893)
Supplies	360,000	440,000	369,319	70,681
Insurance	22,250	28,250	30,583	(2,333)
Other	-	-	-	-
Debt service	225,600	240,100	225,600	14,500
Capital outlay	86,000	210,000	244,209	(34,209)
Total expenditures	<u>1,860,191</u>	<u>2,121,029</u>	<u>2,194,098</u>	<u>(73,069)</u>
Excess (deficiency) of revenues over expenditures	111,830	(149,008)	(140,005)	9,003
Other Financing Sources (Uses)				
Transfers from (to) other funds	-	-	-	-
Net change in fund balance	111,830	(149,008)	(140,005)	9,003
Fund balance, beginning of year	551,269	551,269	551,269	-
Fund balance, end of year	<u>\$ 663,099</u>	<u>\$ 402,261</u>	<u>\$ 411,264</u>	<u>\$ 9,003</u>

See notes to financial statements

City of Lawrenceburg, Tennessee
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Drug
For the Year Ended June 30, 2025

	Budgeted amounts		Actual amounts	Variance with final budget + / (-)
	Original	Final		
Revenues				
Fines and fees				
Drug fines, confiscated property	\$ 46,000	\$ 46,000	\$ 19,320	\$ (26,680)
Miscellaneous income	14,400	14,400	6	(14,394)
Total revenues	60,400	60,400	19,326	(41,074)
Expenditures				
Current				
Police department	60,400	60,400	6,028	54,372
Capital outlay	-	-	-	-
Total expenditures	60,400	60,400	6,028	54,372
Net change in fund balance	-	-	13,298	13,298
Fund balance, beginning of year	51,203	51,203	51,203	-
Fund balance, end of year	\$ 51,203	\$ 51,203	\$ 64,501	\$ 13,298

City of Lawrenceburg, Tennessee
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Capital Projects
For the Year Ended June 30, 2025

	Budgeted amounts		Actual amounts	Variance with final budget +/-
	Original	Final		
Revenues				
Intergovernmental				
Interest income	\$ 5,000	\$ 5,000	\$ 25	\$ (4,975)
Total revenues	5,000	5,000	25	(4,975)
Expenditures				
Capital outlay	241,075	436,075	432,882	3,193
Excess (deficiency) of revenues over expenditures	(236,075)	(431,075)	(432,857)	(1,782)
Other Financing Sources (Uses)				
Transfer from (to) other funds	-	-	-	-
Net change in fund balance	(236,075)	(431,075)	(432,857)	(1,782)
Fund balance, beginning of year	1,104,309	1,104,309	1,104,309	-
Fund balance, end of year	\$ 868,234	\$ 673,234	\$ 671,452	\$ (1,782)

FINANCIAL SCHEDULES

City of Lawrenceburg, Tennessee
 Capital Assets Used in the Operation of Governmental Funds
 Schedule of Changes in Capital Assets
 For the Year Ended June 30, 2025

	Balance June 30, 2024	Additions	Disposals/ Reclassifications	Balance June 30, 2025
Cost/Estimated Cost				
Land	\$ 3,974,103	\$ 45,000	\$ -	\$ 4,019,103
Buildings and structures	18,388,760	356,299	-	18,745,059
Equipment	14,177,714	784,493	-	14,962,207
Infrastructure	20,522,659	237,850	-	20,760,509
Construction in progress	-	-	-	-
Cost/Estimate cost of capital assets	<u>57,063,236</u>	<u>1,423,642</u>	<u>-</u>	<u>58,486,878</u>
Accumulated Depreciation				
Buildings and structures	5,994,257	482,679	-	6,476,936
Equipment	8,207,724	893,147	-	9,100,871
Infrastructure	<u>6,061,501</u>	<u>415,210</u>	<u>-</u>	<u>6,476,711</u>
Total accumulated depreciation	20,263,482	1,791,036	-	22,054,518
Total capital assets, net	\$ 36,799,754	\$ (367,394)	\$ -	\$ 36,432,360

City of Lawrenceburg, Tennessee
Schedule of Changes in Property Taxes Receivable
For the Year Ended June 30, 2025

Tax Year	Balance June 30, 2024	Assessments	Collections	Adjustments	Balance June 30, 2025
2024	\$ -	\$ 3,517,984	\$ (3,397,764)	\$ (1,820)	\$ 118,400
2023	123,086	-	(92,179)	(3,662)	27,245
2022	46,877	-	(35,331)	(341)	11,205
2021	7,210	-	(6,645)	(107)	458
2020	1,873	-	(1,075)	-	798
2019	1,720	-	(971)	-	749
2018	380	-	-	-	380
2017	469	-	-	-	469
2016	141	-	(13)	-	128
2015	230	-	(11)	-	219
2014	916	-	(84)	-	832
2013	601	-	(12)	-	589
	\$ 183,503	\$ 3,517,984	\$ (3,534,085)	\$ (5,930)	161,472
					3,517,984
					3,679,456
					(70,680)
					\$ 3,608,776

Add 2024 tax levy 3,517,984
Total property taxes receivable 3,679,456
Less: allowance for doubtful accounts (70,680)
Total property taxes receivable, net **\$ 3,608,776**

City of Lawrenceburg, Tennessee
Schedule of Debt Service Requirements
General Obligation Debt, Governmental Activities
June 30, 2025

Fiscal Year	General Obligation and Refunding Bond Series 2017 City Portion		General Obligation Refunding Bond Series 2021A City Portion		General Obligation Bonds Series 2019B		General Obligation Bonds Series 2020B		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
	2026	290,000	87,900	365,000	71,700	170,000	122,462	110,000	79,150	935,000
2027	300,000	81,375	370,000	64,400	175,000	113,962	120,000	73,650	965,000	333,387
2028	310,000	73,875	355,000	57,000	185,000	105,212	125,000	67,650	975,000	303,737
2029	315,000	66,125	340,000	49,900	195,000	97,812	130,000	62,650	980,000	276,487
2030	325,000	58,250	345,000	43,100	200,000	90,012	135,000	57,450	1,005,000	248,812
2031	335,000	49,313	350,000	36,200	210,000	82,012	140,000	53,400	1,035,000	220,925
2032	340,000	40,100	355,000	29,200	215,000	77,812	145,000	49,200	1,055,000	196,312
2033	195,000	30,750	360,000	22,100	220,000	73,512	150,000	44,850	925,000	171,212
2034	200,000	24,900	370,000	14,900	220,000	68,837	150,000	40,350	940,000	148,987
2035	205,000	18,900	375,000	7,500	225,000	63,887	160,000	35,850	965,000	126,137
2036	210,000	12,750	-	-	230,000	58,825	160,000	31,050	600,000	102,625
2037	215,000	6,450	-	-	240,000	53,362	165,000	26,250	620,000	86,062
2038	-	-	-	-	245,000	47,362	170,000	21,300	415,000	68,662
2039	-	-	-	-	250,000	41,237	175,000	16,200	425,000	57,437
2040	-	-	-	-	255,000	34,987	180,000	10,950	435,000	45,937
2041	-	-	-	-	260,000	28,612	185,000	5,550	445,000	34,162
2042	-	-	-	-	270,000	21,787	-	-	270,000	21,787
2043	-	-	-	-	275,000	14,700	-	-	275,000	14,700
2044	-	-	-	-	285,000	7,492	-	-	285,000	7,492
Total	\$ 3,240,000	\$ 550,688	\$ 3,585,000	\$ 396,000	\$ 4,325,000	\$ 1,203,884	\$ 2,400,000	\$ 675,500	\$ 13,550,000	\$ 2,826,072

City of Lawrenceburg, Tennessee
Schedule of Debt Service Requirements
Business-type Activities, Water and Sewer
June 30, 2025

Fiscal Year	Series 2017 General Obligation Bonds		Series 2020 General Obligation Refunding Bonds		Series 2021B General Obligation Refunding Bonds		Series 2023 General Obligation Refunding Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	80,000	31,038	800,000	29,000	390,000	83,800	165,000	132,550	1,435,000	276,388
2027	85,000	29,238	250,000	5,000	875,000	76,000	170,000	124,300	1,380,000	234,538
2028	85,000	27,113	-	-	975,000	58,500	180,000	115,800	1,240,000	201,413
2029	85,000	24,988	-	-	975,000	39,000	190,000	106,800	1,250,000	170,788
2030	90,000	22,863	-	-	975,000	19,500	195,000	97,300	1,260,000	139,663
2031	90,000	20,388	-	-	-	-	205,000	87,550	295,000	107,938
2032	95,000	17,913	-	-	-	-	220,000	77,300	315,000	95,213
2033	95,000	15,300	-	-	-	-	230,000	66,300	325,000	81,600
2034	100,000	12,450	-	-	-	-	240,000	54,800	340,000	67,250
2035	100,000	9,450	-	-	-	-	250,000	42,800	350,000	52,250
2036	105,000	6,450	-	-	-	-	260,000	32,800	365,000	39,250
2037	110,000	3,300	-	-	-	-	275,000	22,400	385,000	25,700
	-	-	-	-	-	-	285,000	11,400	285,000	11,400
Total	\$ 1,120,000	\$ 220,491	\$ 1,050,000	\$ 34,000	\$ 4,190,000	\$ 276,800	\$ 2,865,000	\$ 972,100	\$ 9,225,000	\$ 1,503,391

City of Lawrenceburg, Tennessee
Schedule of Debt Service Requirements to Maturity
Business-type Activities, Electric
June 30, 2025

Fiscal Year	Series 2002 Refunding Bonds		Series 2019A General Obligation Bonds		Series 2021 General Obligation Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	1,115,000	55,750	275,000	110,350	320,000	188,550	1,710,000	354,650
2027	-	-	290,000	96,225	340,000	172,550	630,000	268,775
2028	-	-	300,000	85,975	355,000	155,550	655,000	241,525
2029	-	-	305,000	79,925	370,000	137,800	675,000	217,725
2030	-	-	310,000	73,775	390,000	119,300	700,000	193,075
2031	-	-	320,000	67,475	410,000	99,800	730,000	167,275
2032	-	-	325,000	60,822	420,000	91,600	745,000	152,422
2033	-	-	330,000	53,863	425,000	83,200	755,000	137,063
2034	-	-	340,000	46,531	435,000	74,700	775,000	121,231
2035	-	-	345,000	38,825	445,000	66,000	790,000	104,825
2036	-	-	355,000	30,950	455,000	57,100	810,000	88,050
2037	-	-	365,000	22,622	460,000	48,000	825,000	70,622
2038	-	-	370,000	13,894	470,000	38,800	840,000	52,694
2039	-	-	380,000	4,749	480,000	29,400	860,000	34,149
2040	-	-	-	-	490,000	19,800	490,000	19,800
2041	-	-	-	-	500,000	10,000	500,000	10,000
Total	\$ 1,115,000	\$ 55,750	\$ 4,610,000	\$ 785,981	\$ 6,765,000	\$ 1,392,150	\$ 12,490,000	\$ 2,233,881

City of Lawrenceburg, Tennessee
Schedule of Changes in Long-term Debt by Individual Issue
For the Year Ended June 30, 2025

Description of Indebtedness	Original amount of issue	Interest rate	Date of issue	Last maturity date	Outstanding July 1, 2024	Issued during period	Paid and/or matured during period	Refunded during period	Outstanding June 30, 2025
Governmental Activities									
Bonds payable through general fund									
General obligation bonds-Series 2017	\$ 4,750,000 *	2.00-3.00%	11/10/2017	6/1/2037	\$ 3,530,000	\$ -	\$ 290,000	\$ -	\$ 3,240,000
General obligation bonds-Series 2019B	\$ 6,785,000 *	2.00-5.00%	11/1/2019	6/1/2044	4,485,000	-	160,000	-	4,325,000
General obligation bonds-Series 2020B	\$ 2,735,000	3.00-5.00%	12/18/2020	6/1/2041	2,505,000	-	105,000	-	2,400,000
General obligation bonds-Series 2021A	\$ 5,675,000	2.00%	6/18/2021	6/1/2035	4,120,000	-	535,000	-	3,585,000
Total long-term debt, governmental activities					<u>\$ 14,640,000</u>	<u>\$ -</u>	<u>\$ 1,090,000</u>	<u>\$ -</u>	<u>\$ 13,550,000</u>
Business-type Activities									
Bonds payable through electric fund									
Electric revenue refunding bonds-Series 2002	\$ 10,040,000	5.00%	3/1/2002	7/1/2026	\$ 2,175,000	\$ -	\$ 1,060,000	\$ -	\$ 1,115,000
General obligation bonds-Series 2019A	\$ 6,000,000	5.00%	9/20/2019	7/1/2040	4,870,000	-	260,000	-	4,610,000
General obligation bonds-Series 2021	\$ 7,900,000	5.00%	7/1/2021	7/1/2041	7,070,000	-	305,000	-	6,765,000
Total bonds payable through electric fund					<u>14,115,000</u>	<u>-</u>	<u>1,625,000</u>	<u>-</u>	<u>12,490,000</u>
Bonds payable through water and sewer fund									
General obligation bonds-Series 2017	\$ 6,250,000	3.00%	11/10/2017	6/1/2037	1,200,000	-	80,000	-	1,120,000
General obligation refunding bonds-Series 2020	\$ 6,910,000	3.00%	9/1/2020	6/1/2027	2,290,000	-	1,240,000	-	1,050,000
General obligation refunding bonds-Series 2021B	\$ 5,675,000	2.00%	6/30/2021	6/1/2030	4,560,000	-	370,000	-	4,190,000
General obligation bonds-Series 2023	\$ 2,865,000	5.00%	12/20/2023	6/1/2038	2,865,000	-	-	-	2,865,000
Total bonds payable through water and sewer fund					<u>10,915,000</u>	<u>-</u>	<u>1,690,000</u>	<u>-</u>	<u>9,225,000</u>
Total bonds payable through enterprise funds					25,030,000	-	3,315,000	-	21,715,000
Total long-term debt, business-type activities					<u>\$ 25,030,000</u>	<u>\$ -</u>	<u>\$ 3,315,000</u>	<u>\$ -</u>	<u>\$ 21,715,000</u>
* denotes City portion									

City of Lawrenceburg, Tennessee
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Grantor / Pass-through Grantor	Program Name	Assistance Listing	Contract Number	Expenditures
Federal Awards				
Department of Housing and Urban Development/ Tennessee Department of Economic and Community Development	Community Development Block Grants/State's Program	14.218	14664	92,121
Tennessee Department of Safety and Homeland Security	Alcohol Open Container Requirements	20.607	Z25THS410	3,925
Department of Military / Tennessee Emergency Management Agency	Emergency Management Performance Grants	97.042	34101-27825	44,307
Total federal awards				\$ 140,353
State Financial Assistance				
Tennessee Department of Transportation	Multi-Modal Access Grant	N/A	N/A	64,437
Tennessee Department of Revenue	Violent Crime Intervention Fund	N/A	50898	20,900
Total state financial assistance				85,337
Total federal awards and state financial assistance				\$ 225,690

Notes to Schedule

Note 1. Basis of Presentation

This schedule of expenditures of federal awards and state financial assistance summarizes the expenditures of the City under programs of the federal and state governments for the year ended June 30, 2025. The information in this schedule is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, change in net position, or cash flows of the City. Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 2. Indirect Cost Rate

The City has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

City of Lawrenceburg, Tennessee
Lawrenceburg Utility Systems
Schedules of Operating Revenues and Expenses
Electric Fund
For the Years Ended June 30, 2025 and 2024

	2025		2024	
	Amount	Percent	Amount	Percent
Operating Revenues				
Charges for sales and services				
Residential sales	\$ 33,641,206	52.50%	\$ 30,652,584	52.34%
Small lighting and power sales	7,156,058	11.17%	6,501,169	11.10%
Large lighting and power sales	20,857,878	32.55%	18,832,336	32.16%
Street and athletic lighting sales	158,313	0.25%	316,314	0.54%
Outdoor lighting sales	<u>579,585</u>	<u>0.90%</u>	<u>552,750</u>	<u>0.94%</u>
Total charges for sales and services	62,393,040	97.36%	56,855,153	97.08%
Other revenues				
Forfeited discounts	385,927	0.60%	348,041	0.59%
Miscellaneous service revenues	267,202	0.42%	179,920	0.31%
Rent from electric property	1,034,200	1.61%	1,179,655	2.01%
Other electric revenues	<u>2,580</u>	<u>0.00%</u>	<u>1,039</u>	<u>0.00%</u>
Total other revenues	1,689,909	2.64%	1,708,655	2.92%
Total operating revenues	\$ 64,082,949	100.00%	\$ 58,563,808	100.00%
Operating Expenses				
Cost of sales and services				
Purchased power	\$ 44,896,325	78.53%	\$ 41,507,050	78.80%
Operations expenses				
Distribution expenses				
Station expense	176,911	0.31%	102,304	0.19%
Supervision and engineering	30,683	0.05%	94,825	0.18%
Overhead line expense	689,274	1.21%	668,192	1.27%
Underground line expense	10,138	0.02%	13,546	0.03%
Street lighting and signal system	6,771	0.01%	10,592	0.02%
Meter expense	172,177	0.30%	218,796	0.42%
Installation expense	192,909	0.34%	193,401	0.37%
Rents	834	0.00%	428	0.00%
Miscellaneous	<u>1,258,043</u>	<u>2.20%</u>	<u>988,360</u>	<u>1.88%</u>
Total distribution expenses	2,537,740	4.44%	2,290,444	4.35%
Customer accounts expenses				
Meter reading expense	453,194	0.79%	400,934	0.76%
Customer records and collection	<u>705,802</u>	<u>1.23%</u>	<u>668,171</u>	<u>1.27%</u>
Total customer accounts expenses	1,158,996	2.03%	1,069,105	2.03%
Customer service and information expense	26,042	0.05%	24,514	0.05%

Continued

City of Lawrenceburg, Tennessee
Lawrenceburg Utility Systems
Schedules of Operating Revenues and Expenses
Electric Fund
For the Years Ended June 30, 2025 and 2024

	2025		2024	
	Amount	Percent	Amount	Percent
Operating Expenses				
Operations expenses				
Sales expenses				
Demonstrating and selling	17,425	0.03%	31,906	0.06%
Advertising	17,453	0.03%	15,496	0.03%
Miscellaneous	6,480	0.01%	4,187	0.01%
Total sales expenses	41,358	0.07%	51,589	0.10%
Administrative expenses				
Salaries	911,941	1.60%	691,897	1.31%
Office supplies and expenses	256,316	0.45%	285,395	0.54%
Outside services employed	47,157	0.08%	51,045	0.10%
Insurance	321,173	0.56%	340,507	0.65%
Employee pension and benefits	767,094	1.34%	86,936	0.17%
Duplicate charge credit	(84,451)	-0.15%	(76,921)	-0.15%
Miscellaneous	59,839	0.10%	54,270	0.10%
Total administrative expenses	2,279,069	3.99%	1,433,129	2.72%
Total operations expenses	6,043,205	10.57%	4,868,781	9.24%
Maintenance expenses				
Distribution expenses				
Supervision and engineering	(19,840)	-0.03%	26,855	0.05%
Station equipment	134,866	0.24%	165,857	0.31%
Overhead lines	2,310,558	4.04%	2,283,413	4.33%
Underground lines	16,150	0.03%	12,087	0.02%
Line transformers	49,556	0.09%	116,886	0.22%
Street lights and signal system	25,999	0.05%	32,972	0.06%
Meters	1,397	0.00%	5,269	0.01%
Outdoor lighting	6,859	0.01%	10,431	0.02%
Total distribution expenses	2,525,545	4.42%	2,653,770	5.04%
Administrative expenses				
Maintenance of general plant	88,371	0.15%	83,329	0.16%
Total maintenance expenses	2,613,916	4.57%	2,737,099	5.20%
Total operations and maintenance expenses	8,657,121	15.14%	7,605,880	14.44%
Provision for depreciation	3,141,265	5.49%	3,090,548	5.87%
Taxes and other	473,488	0.83%	470,881	0.89%
Total operating expenses	\$ 57,168,199	100.00%	\$ 52,674,359	100.00%

See independent auditor's report

City of Lawrenceburg, Tennessee
Lawrenceburg Utility Systems
Schedules of Operating Revenues and Expenses
Water and Sewer Fund
For the Years Ended June 30, 2025 and 2024

	2025		2024	
	Amount	Percent	Amount	Percent
Operating Revenues				
Charges for sales and services				
Metered sales	\$ 9,263,203	94.42%	\$ 8,737,106	94.96%
Other revenues				
Forfeited discounts	80,111	0.82%	75,104	0.82%
Miscellaneous	238,012	2.43%	212,980	2.31%
Servicing customers	37,715	0.38%	37,810	0.41%
Tap fees	192,003	1.96%	138,305	1.50%
Total other revenues	<u>547,841</u>	<u>5.58%</u>	<u>464,199</u>	<u>5.04%</u>
Total operating revenues	\$ 9,811,044	100.00%	\$ 9,201,305	100.00%
Operating Expenses				
Operations expenses				
Distribution expenses				
Station expense	\$ 1,688,417	22.85%	\$ 1,807,124	26.74%
Miscellaneous	<u>166,855</u>	<u>2.26%</u>	<u>86,316</u>	<u>1.28%</u>
Total distribution expenses	1,855,272	25.10%	1,893,440	28.02%
Customer accounts expenses				
Meter reading expenses	162,678	2.20%	151,265	2.24%
Customer records and collections	<u>247,090</u>	<u>3.34%</u>	<u>230,752</u>	<u>3.41%</u>
Total customer accounts expenses	409,768	5.54%	382,017	5.65%
Sales expenses				
Demonstrating and selling	112	0.00%	138	0.00%
Advertising	<u>3,161</u>	<u>0.04%</u>	<u>3,075</u>	<u>0.05%</u>
Total sales expenses	3,273	0.04%	3,213	0.05%
Administrative expenses				
Salaries	562,808	7.62%	406,094	6.01%
Office supplies and expenses	191,294	2.59%	201,446	2.98%
Outside services employed	15,293	0.21%	163,086	2.41%
Insurance	42,446	0.57%	23,490	0.35%
Injuries and damages	145,150	1.96%	147,271	2.18%
Employee pension and benefits	786,726	10.65%	395,350	5.85%
Miscellaneous	<u>32,647</u>	<u>0.44%</u>	<u>31,885</u>	<u>0.47%</u>
Total administrative expenses	<u>1,776,364</u>	<u>24.04%</u>	<u>1,368,622</u>	<u>20.25%</u>
Total operations expenses	4,044,677	54.73%	3,647,292	53.97%

Continued

City of Lawrenceburg, Tennessee
Lawrenceburg Utility Systems
Schedules of Operating Revenues and Expenses
Water and Sewer Fund
For the Years Ended June 30, 2025 and 2024

	2025		2024	
	Amount	Percent	Amount	Percent
Operating Expenses				
Maintenance expenses				
Distribution expenses				
Station equipment	105,310	1.42%	204,920	3.03%
Underground lines	<u>1,822,963</u>	<u>24.67%</u>	<u>1,522,872</u>	<u>22.53%</u>
Total distribution expenses	1,928,273	26.09%	1,727,792	25.56%
Administrative expenses				
Maintenance of general plant	<u>53,069</u>	<u>0.72%</u>	<u>41,056</u>	<u>0.61%</u>
Total maintenance expenses	<u>1,981,342</u>	<u>26.81%</u>	<u>1,768,848</u>	<u>26.17%</u>
Total operations and maintenance expenses	6,026,019	81.54%	5,416,140	80.14%
Provision for depreciation	1,364,443	18.46%	1,342,386	19.86%
Total operating expenses	\$ 7,390,462	100.00%	\$ 6,758,526	100.00%

See independent auditor's report

City of Lawrenceburg, Tennessee
Lawrenceburg Utility Systems
Schedules of Operating Revenues and Expenses
Natural Gas Fund
For the Years Ended June 30, 2025 and 2024

	2025		2024	
	Amount	Percent	Amount	Percent
Operating Revenues				
Charges for sales and services				
Metered sales	\$ 7,652,414	98.69%	\$ 6,821,515	98.84%
Other revenues				
Forfeited discounts	33,609	0.43%	27,339	0.40%
Inspection fees	3,161	0.04%	4,542	0.07%
Line extension charges	12,620	0.16%	17,052	0.25%
Miscellaneous	20,783	0.27%	746	0.01%
Rent	18,642	0.24%	18,642	0.27%
Servicing customers	<u>12,535</u>	<u>0.16%</u>	<u>11,985</u>	<u>0.17%</u>
Total other revenues	<u>101,350</u>	<u>1.31%</u>	<u>80,306</u>	<u>1.16%</u>
Total operating revenues	\$ 7,753,764	100.00%	\$ 6,901,821	100.00%
Operating Expenses				
Cost of sales and services				
Purchase of gas	\$ 2,423,241	48.59%	\$ 2,358,347	53.42%
Operations expenses				
Distribution expenses				
Miscellaneous	79,613	1.60%	51,212	1.16%
Customer accounts expenses				
Meter reading expenses	99,333	1.99%	83,719	1.90%
Customer records and collections	<u>151,150</u>	<u>3.03%</u>	<u>146,355</u>	<u>3.32%</u>
Total customer accounts expenses	250,483	5.02%	230,074	5.21%
Sales expenses				
Demonstrating and selling	93	0.00%	126	0.00%
Advertising	<u>2,231</u>	<u>0.04%</u>	<u>2,047</u>	<u>0.05%</u>
Total sales expenses	2,324	0.05%	2,173	0.05%
Administrative expenses				
Salaries	258,449	5.18%	219,165	4.96%
Office supplies and expenses	104,076	2.09%	114,865	2.60%
Outside services employed	8,525	0.17%	7,546	0.17%
Insurance	8,433	0.17%	6,784	0.15%
Injuries and damages	69,493	1.39%	62,422	1.41%
Employee pension and benefits	375,059	7.52%	118,298	2.68%
Miscellaneous	<u>221,697</u>	<u>4.45%</u>	<u>221,105</u>	<u>5.01%</u>
Total administrative expenses	<u>1,045,732</u>	<u>20.97%</u>	<u>750,185</u>	<u>16.99%</u>
Total operations expenses	1,378,152	27.63%	1,033,644	23.41%
Maintenance expenses				
Underground lines	672,920	13.49%	550,535	12.47%
Maintenance of general plant	<u>23,828</u>	<u>0.48%</u>	<u>21,218</u>	<u>0.48%</u>
Total maintenance expenses	696,748	13.97%	571,753	12.95%
Total operations and maintenance expenses	2,074,900	41.60%	1,605,397	36.36%
Provision for depreciation	489,388	9.81%	451,053	10.22%
Total operating expenses	\$ 4,987,529	100.00%	\$ 4,414,797	100.00%

See independent auditor's report

City of Lawrenceburg, Tennessee
 Schedule of Property Tax Levies and Collections (Unaudited)
 Last 10 Fiscal Years

Fiscal years	Total tax levy	Current tax collections	Percent of levy collected	Delinquent tax collections	Total tax collections	Percent of total tax collections to levy	Outstanding delinquent taxes	Percent of delinquent taxes to levy
2025	\$ 3,517,984	\$ 3,397,764	96.58%	\$ 136,321	\$ 3,534,085	100.46%	\$ 161,472	4.59%
2024	3,508,936	3,387,760	96.55%	92,093	3,479,853	99.17%	183,503	5.23%
2023	3,437,865	3,324,599	96.71%	111,581	3,436,180	99.95%	152,574	4.44%
2022	3,441,162	3,326,698	96.67%	289,279	3,615,977	105.08%	151,660	4.41%
2021	3,461,890	3,347,035	96.68%	101,570	3,448,605	99.62%	341,616	9.87%
2020	3,356,556	3,229,215	96.21%	78,194	3,307,409	98.54%	328,284	9.78%
2019	3,324,814	3,208,872	96.51%	176,214	3,385,086	101.81%	279,137	8.40%
2018	3,344,873	3,131,723	93.63%	106,891	3,238,614	96.82%	339,409	10.15%
2017	3,301,278	3,196,322	96.82%	125,423	3,321,745	100.62%	233,150	7.06%
2016	3,222,389	3,094,307	96.03%	123,327	3,217,634	99.85%	272,696	8.46%

See independent auditor's report

City of Lawrenceburg, Tennessee
 Schedule of Property Tax Rates and Assessments (Unaudited)
 Last 10 Fiscal Years

**Total Value of Property Tax Assessments
 per \$100 of Assessed Value (in thousands)**

Fiscal Year	
2025	\$ 359,877
2024	350,893
2023	307,652
2022	234,416
2021	240,938
2020	233,609
2019	231,399
2018	231,758
2017	229,758
2016	226,383

Assessment Rate	
Personal property	30%
Residential property	25%
Commercial property	40%
Public Utilities	55%

Tax Rate, per \$100 of Assessed Value

Tax Year	Amount
2025	\$ 1.10
2024	1.10
2023	1.10
2022	1.10
2021	1.44
2020	1.44
2019	1.44
2018	1.44
2017	1.44
2016	1.42

City of Lawrenceburg, Tennessee
Schedule of Utility Statistical Data (Unaudited)
June 30, 2025

Services	Number of Customers
Water	7,689
Sewer	5,342
Gas	6,423
Electricity	22,027

Water Rates	Rate per Gallon	
	Inside City*	Outside City*
Residential		
First 1,099 gallons	\$ 15.04	\$ 26.13
Per 100 gallons after 1,100 gallons	\$ 0.534	\$ 0.534
Commercial		
First 1,999 gallons	\$ 40.11	\$ 49.61
Per 100 gallons after 2,000 gallons	\$ 0.606	\$ 0.606
Industrial		
First 2,099 gallons	\$ 99.23	
Per 100 gallons for 2,100 through 20,099 gallons	\$ 0.629	
Per 100 gallons after 20,100 gallons	\$ 0.519	
Utility districts		
Customer charge	\$109.78 customer charge plus \$0.325094 per gallon	

Sewer Rates	Rate per Gallon	
	Inside City*	Outside City*
Residential		
First 1,099 gallons	\$ 20.53	\$ 22.19
Per gallon after 1,100 gallons	\$ 0.732	\$ 0.806
Commercial		
First 2,099 gallons	\$ 43.61	\$ 48.03
Per gallon after 2,100 gallons	\$ 0.887	\$ 0.902
Industrial		
First 2,099 gallons	\$ 43.61	
Per gallon for 2,100 through 20,099 gallons	\$ 0.902	
Per gallon after 21,000 gallons	\$ 0.902	

Continued

City of Lawrenceburg, Tennessee
Schedule of Utility Statistical Data (Unaudited)
June 30, 2025

	Rate per MCF	
	Inside City	Outside City
Natural Gas Rates		
Residential	Class 40	Class 45
Customer charge	\$ 3.00	\$ 3.00
Rate per CCF	\$ 1.42100	\$ 1.44180
Commercial	Class 41	Class 46
Customer charge	\$ 6.50	\$ 7.15
Rate per CCF	\$ 1.49588	\$ 1.52396
Industrial	Class 49, 50, 51, 52	
Customer charge	\$ 6.50	
Rate per CCF	\$ 1.49588	
Electric Rates		
Residential rate schedule		
Customer charge, per delivery point per month		\$ 24.81
Energy charge (cents per kWh)		
First 800 kWh per month		\$ 0.11782
Each additional kWh		\$ 0.11782
Commercial rate schedule		
GSA1 (Under 50kW demand & less than 15,000 kWh)		
Customer charge, per delivery point per month		\$ 38.00
Energy charge, cents per kWh		\$ 0.13179
GSA2 (51-1,000 kW demand or mor than 15,000 kWh)		
Customer charge, per delivery point per month		\$ 205.00
Demand		
First 50kW		No charge
Excess over 50 Kw		\$ 18.02
Energy		
First 15,000 kWh per month		\$ 0.12854
Additional kWh per month		\$ 0.08171
GSA3 (1,000 - 5,000 kW demand)		
Customer charge, per delivery point		\$ 500.00
Demand		
First 1,000 kW		\$ 18.21
Next 1,000 kW		\$ 20.62
Excess over 2,500 kW		\$ 20.62
Energy		
All kWh		\$ 0.08335
Outdoor lighting		
Customer charge, per delivery point		\$ 9.50
Energy charge (cents per kWh)		\$ 0.83760
Facility charge (part B)		9% of installed cost

Continued

City of Lawrenceburg, Tennessee
 Schedule of Utility Statistical Data (Unaudited)
 June 30, 2025

Electric Rates

Seasonal rate schedule

S-GSA-1 (Under 50kW demand)

Customer charge, per delivery point	\$ 38.00
Energy charge	\$ 0.14509

S-GSA-2 (50-1,000 kW demand)

Customer charge, per delivery point	\$ 205.00
Demand after 50 kWh	\$ 22.02
Demand first 15000 kWh	0.14184
Demand over 15000 kWh	0.08171

S-GSA-3 (Above 1,000 kW demand)

Customer charge, per delivery point	\$ 500.00
Demand	
First 1000 kW	\$ 22.21
Over 1000 kW	\$ 24.62
Over 2,500 kW or per contract	\$ 24.62
Energy	
All kWh	\$ 0.08335

Industrial rate schedule

TOU MSB (above 5,000 kW)

Customer charge, per delivery point	\$ 1,500.00
Administrative charge	\$ 350.00
OnPeak kW	\$ 11.27
Max Kw	\$ 2.33
Excess of contract kW	\$ 11.27
On Peak kWh	\$ 0.08975
Off Peak kWh, first 200 HUD	\$ 0.06225
Off Peak kWh, next 200 HUD	\$ 0.02961
Off Peak kWh, additional 200 HUD	\$ 0.02680

INTERNAL CONTROL AND COMPLIANCE SECTION

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

Honorable Board of Mayor and Council
City of Lawrenceburg, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lawrenceburg, Tennessee (the City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents and have issued our report thereon dated December 29, 2025. Our report includes a reference to other auditors who audited the financial statements of the water and sewer, natural gas, and electric power enterprise funds and fiduciary funds as described in our report on the City's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

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

Eric Clements, CPA, CFE • Andy Matlock, CPA

Purpose of this Report

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



Matlock Clements, P.C.
December 29, 2025

CITY OF LAWRENCEBURG, TENNESSEE
Schedule of Findings and Responses
For the Year Ended June 30, 2025

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weaknesses identified?	No
• Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

II. Financial Statement Findings – Required to be reported in Accordance With Government Auditing Standards.

No matters were reported.

CITY OF LAWRENCEBURG, TENNESSEE
Summary Schedule of Prior Year Findings
For the Year Ended June 30, 2025

I. Prior Year Financial Statement Findings – Required to be reported in Accordance with Government Auditing Standards.

No prior year deficiencies noted.

