

NEW ISSUE
Book-Entry-Only

PRELIMINARY OFFICIAL STATEMENT

\$9,995,000*

LAUDERDALE COUNTY, TENNESSEE
General Obligation School Bonds, Series 2026
(Bank-Qualified)

OFFERED FOR SALE NOT SOONER THAN

Thursday, April 23, 2026 at 10:15 a.m., E.D.T / 9:15 a.m. C.D.T.
Through the Facilities of *PARITY*[®]

Cumberland Securities Company, Inc.
Municipal Advisor

April 14, 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 APRIL 14, 2026

NEW ISSUE
BOOK-ENTRY-ONLY

Rating: S&P – “AA-”
(See “MISCELLANEOUS-Rating”)

In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the County, 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. Under existing law, the Bonds and the income therefrom will be exempt from all state, county and municipal taxation in the State of Tennessee, except Tennessee franchise and excise taxes. (See “LEGAL MATTERS - Tax Matters” herein).

\$9,995,000*

LAUDERDALE COUNTY, TENNESSEE
General Obligation School Bonds, Series 2026

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

Due: June 1 (as shown below)

The \$9,995,000* General Obligation School Bonds, Series 2026 (the “Bonds”) of Lauderdale County, Tennessee (the “County” or the “Issuer”) 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 December 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 shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the County. The County has also pledged as additional security for the payment of the Bonds such local option sales tax revenues as may be received by the County for school purposes in accordance with Tenn. Code Ann. § 67-6-712(a) and certain interlocal agreements between the County and the Town of Gates, Town of Halls, City of Henning and City of Ripley (“Sales Tax Revenues”). The County may pledge such Sales Tax Revenues to future debt obligations on a parity basis. The Bonds are additionally payable from, but not secured by a pledge of, payments made by the County’s Board of Education pursuant to the terms of an intergovernmental agreement (the “Intergovernmental Agreement”). For the prompt payment of the principal of, premium, if any, and interest on the Bonds, the full faith and credit of the County are irrevocably pledged.

The Bonds maturing on or after June 1, 2034 are subject to optional redemption prior to maturity on or after June 1, 2033 as described herein.

Table with 10 columns: Due (June 1), Amount*, Interest Rate, Yield, CUSIP**, Due (June 1), Amount*, Interest Rate, Yield, CUSIP**. It lists bond maturities from 2028 to 2042 on the left and 2043 to 2056 on the right.

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, subject to the approval of the legality thereof by Bass, Berry & Sims PLC, Knoxville, Tennessee, bond counsel, whose opinion will be delivered with the Bonds. Certain legal matters will be passed upon from the County by William Dan Douglas, Esq., counsel to the County. It is expected that the Bonds will be available for delivery through the facilities of DTC New York, New York, on or about May __, 2026.

Cumberland Securities Company, Inc.
Municipal Advisor

April __, 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, as herein after defined, the Disclosure Certificate, as herein after defined, 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, as herein after defined, 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.

LAUDERDALE COUNTY, TENNESSEE

COUNTY OFFICIALS

Maurice Gaines, Jr.	<i>County Mayor</i>
Judy Conrad	<i>County Trustee</i>
Jason Chrestman	<i>Assessor of Property</i>
William Dan Douglas	<i>County Attorney</i>

BOARD OF COUNTY COMMISSIONERS

Xavier Andrews	Dale McCaslin
Mark Ballard	Terry Mills
Joe Carmack	Eugene Pugh
Don Connell	Joseph Pursell
Gene Edwards	Todd Rankin
Rob Harris	Brad Rose
Danny Hartsfield	Tommy Sanders
Jeff Henson	Reed Sanders
Ronnie Jackson	Erin Colby Smith
Sherrie Jones	Lowell Tillman
Kaye Jordon	Dan Ungerecht
Brian Maclin	Susan Worlds

BOND REGISTRATION AND PAYING AGENT

Regions Bank
Nashville, Tennessee

BOND COUNSEL

Bass, Berry & Sims PLC
Knoxville, 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 IssuerLauderdale County, Tennessee (the “County” or “Issuer”). See the section entitled “Supplemental Information Statement” for more information.

Securities Offered.....\$9,995,000* General Obligation School Bonds, Series 2026 (the “Bonds”) of the County, dated the date of delivery (estimated to be assume May __, 2026). The Bonds will mature each June 1 beginning June 1, 2028 through June 1, 2056, inclusive. See the section entitled “SECURITIES OFFERED – Authority and Purpose”.

Security.....The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the County. The County has also pledged as additional security for the payment of the Bonds such local option sales tax revenues as may be received by the County for school purposes in accordance with Tenn. Code Ann. § 67-6-712(a) and certain interlocal agreements between the County and the Town of Gates, Town of Halls, City of Henning and City of Ripley (“Sales Tax Revenues”). The County may pledge such Sales Tax Revenues to future debt obligations on a parity basis. The Bonds are additionally payable from, but not secured by a pledge of, payments made by the County’s Board of Education pursuant to the terms of the Intergovernmental Agreement. For the prompt payment of the principal of, premium, if any, and interest on the Bonds, the full faith and credit of the County are irrevocably pledged.

PurposeThe Bonds are being issued for the purposes of providing funds for (i) constructing, improving, repairing, renovating and equipping of schools and other educational facilities, including any school athletic fields or facilities required therefor; (ii) payment of legal, fiscal, administrative, architectural and engineering costs incident to all of the foregoing (collectively, the “Projects”); (iii) reimbursement to the appropriate fund of the County for prior expenditures for the foregoing costs, if applicable; and (iv) payment of costs incident to the issuance of the bonds.

Optional Redemption.....The Bonds maturing on or after June 1, 2034 are subject to optional redemption prior to maturity on or after June 1, 2033, at the redemption price of par plus accrued interest. See section entitled “SECURITIES OFFERED - Optional Redemption”.

Tax Matters.....In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the County, 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. Under existing law, the Bonds and the income therefrom will be exempt from all state, county and municipal taxation in the State of Tennessee, except Tennessee franchise and excise taxes. (See “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.

RatingS&P: “AA-”. See the section entitled “MISCELLANEOUS - Rating” for more information.

Underwriter....., _____, _____.

* Preliminary, subject to change.

Municipal Advisor.....Cumberland Securities Company, Inc., See the section entitled “MISCELLANEOUS - Municipal Advisor; Related Parties; Other”, herein.

Bond CounselBass, Berry & Sims PLC, Knoxville, 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”.

Registration and Paying AgentRegions Bank, Nashville, Tennessee (the “Registration Agent”).

GeneralThe Bonds are being issued in full compliance with applicable provisions of Title 49, Chapter 3 and Title 9, Chapter 21, *Tennessee Code Annotated*, as supplemented and revised. See the section entitled 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 County will provide the Municipal Securities Rulemaking Board (“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 Annual Comprehensive Financial Reports. See the section entitled “MISCELLANEOUS-Continuing Disclosure.”

Other InformationThe 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 County or this *Preliminary Official Statement* contact Mr. Maurice Gaines, Jr., County Mayor, 100 Court Square, Ripley, Tennessee 38063, (731) 635-3500; or the County’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	\$10,690,312	\$13,260,050	\$13,787,500	\$13,698,367	\$13,392,815
Revenues	12,947,777	12,257,102	12,346,711	13,227,951	13,948,118
Expenditures	10,408,804	11,434,560	12,469,509	12,856,695	13,627,557
Revenues Over Expenditures:	2,538,973	822,542	(122,798)	371,256	320,561
Insurance Recovery/Other	30,765	58,319	33,665	24,089	125,698
Transfers In	-	393,998	-	-	-
Transfers Out	-	(747,409)	-	(700,897)	(759,000)
Ending Fund Balance	<u>\$13,260,050</u>	<u>\$13,787,500</u>	<u>\$13,698,367</u>	<u>\$13,392,815</u>	<u>\$13,080,074</u>

Source: Annual Comprehensive Financial Reports of Lauderdale County, Tennessee.

SUMMARY NOTICE OF SALE

\$9,995,000*

LAUDERDALE COUNTY, TENNESSEE General Obligation School Bonds, Series 2026

NOTICE IS HEREBY GIVEN that the County Mayor of Lauderdale County, Tennessee (the “County” or “Issuer”) will receive electronic or written bids for the purchase of all, but not less than all, of the County’s \$9,995,000* General Obligation School Bonds, Series 2026 (the “Bonds”) at the office of the County’s Municipal Advisor, Cumberland Securities Company, Inc., via facsimile at 865-988-1863, until **10:15 a.m. E.D.T. / 9:15 a.m. C.D.T. on Thursday, April 23, 2026**. Prior to accepting bids, the County reserves the right to adjust the principal amount 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 Daylight 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 hour’s 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 this 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 their date of issuance and delivery (assume May 20, 2026) and will mature on June 1, 2028 through June 1, 2056, inclusive with term bonds optional, and will be subject to redemption prior to maturity on or after June 1, 2033. 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 for the Bonds. **The interest rate bid for each maturity of the Bonds shall not be less than four percent (4.00%) or more than 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 County Mayor of the County on the sale date to the bidder whose bid results in the lowest true interest rate on the Bonds. The approving opinion for the Bonds will be furnished at the expense of the County by Bass, Berry & Sims PLC, Bond Counsel, Knoxville, Tennessee.

In the event that the competitive sale requirements of applicable Treasury Regulations are not met, the County will require bidders to comply with the “hold-the-offering-price rule” or the “10% Test” for purposes of determining the issue price of each maturity 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 County’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/ Maurice Gaines, Jr.
County Mayor

DETAILED NOTICE OF SALE

\$9,995,000*

LAUDERDALE COUNTY, TENNESSEE General Obligation School Bonds, Series 2026

NOTICE IS HEREBY GIVEN that electronic or written bids will be received by the County Mayor of Lauderdale County, Tennessee (the “County” or “Issuer”), all or none, until **10:15 a.m. E.D.T. / 9:15 a.m. C.D.T. on Thursday, April 23, 2026.** (or at such later time and date announced at least forty-eight hours in advance via Bloomberg News Service or the **PARITY**[®] system) for the purchase of \$9,995,000* General Obligation School 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 at the office of the County’s Municipal Advisor, Cumberland Securities Company, Inc., via facsimile at 865-988-1863. Prior to accepting bids, the County reserves the right to adjust the principal amount 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 Daylight 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 book-entry-only form without coupons and will 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. Interest on the Bonds will be payable on June 1 and December 1 of each year, commencing December 1, 2026.

The Bonds will mature and be payable on June 1 of each year as outlined below:

<u>YEAR</u>	<u>AMOUNT*</u>	<u>YEAR</u>	<u>AMOUNT*</u>
2028	\$180,000	2043	\$340,000
2029	185,000	2044	350,000
2030	195,000	2045	370,000
2031	205,000	2046	385,000
2032	210,000	2047	400,000
2033	220,000	2048	420,000
2034	230,000	2049	435,000
2035	240,000	2050	455,000
2036	250,000	2051	475,000
2037	260,000	2052	495,000
2038	275,000	2053	515,000
2039	285,000	2054	540,000
2040	295,000	2055	565,000
2041	310,000	2056	585,000
2042	325,000		

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 or more fully-registered bond certificates (the "Bond Certificates") 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, 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 County 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 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 County, the 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 County 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 shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the County. The County has also pledged as additional security for the payment of the Bonds such local option sales tax revenues as may be received by the County for school purposes in accordance with Tenn. Code Ann. § 67-6-712(a) and certain interlocal agreements between the County and the Town of Gates, Town of Halls, City of Henning and City of Ripley ("Sales Tax Revenues"). The County may pledge such Sales Tax Revenues to future debt obligations on a parity basis. The Bonds are additionally payable from, but not secured by a pledge of, payments made by the County's Board of Education pursuant to the terms of the Intergovernmental Agreement. For the prompt payment of the principal of, premium, if any, and interest on the Bonds, the full faith and credit of the County are irrevocably pledged.

Purpose. The Bonds are being issued for the purposes of providing funds for (i) constructing, improving, repairing, renovating and equipping of schools and other educational facilities, including any school athletic fields or facilities required therefor; (ii) payment of legal, fiscal, administrative, architectural and engineering costs incident to all of the foregoing (collectively, the "Projects"); (iii) reimbursement to the appropriate fund of the County for prior expenditures for the foregoing costs, if applicable; and (iv) payment of costs incident to the issuance of the bonds. See the section entitled "SECURITIES OFFERED - Authority and Purpose" contained herein.

Optional Redemption. The Bonds maturing on and after June 1, 2034 will be subject to optional redemption prior to maturity at the option of the County, in whole or in part at any time on and after June 1, 2033 at the redemption price of par plus accrued interest as provided herein.

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 the successful bidder for the Bonds designates certain consecutive serial maturities of such series of 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 County 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 proposal 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 County will receive electronic or written bids for the purchase of all, but not less than all, of the Bonds. **Bidders for 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 more than five percent (5.00%) per annum for each maturity of the Bonds. 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 County 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 the 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 the Detailed Notice of Sale and shall be binding upon the bidder as if made by a signed, written bid delivered to the County. The County 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 only, bidders may submit bids prior to the established date and time by FACSIMILE transmission sent to the County’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 County 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.

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

Unless all bids for the Bonds are rejected, the Bonds will be awarded by the Mayor of the County to the bidder whose bid complies with this notice 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 County Mayor shall determine in his sole discretion which of the bidders shall be awarded the Bonds.

The County reserves the right to reject all bids and to waive informalities in the bid accepted.

Adjustment and/or Revision. While it is the County'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 County Mayor reserves the right, in his sole discretion, to adjust down the original par amount of the Bonds by up to twenty-five percent (25%). The primary factor to be considered in such adjustment is the amount of premium that is bid. Among other factors the County 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 County. Additionally, the County 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 Daylight 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 County's Municipal Advisor (via 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 certified check or wire transfer must be received by the County's Municipal Advisor no later than the close of business on the day following the competitive sale. The good faith instructions will be sent to the winning bidder after the sale.

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 County as liquidated damages.

In the event of the failure of the County 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 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 County 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 County within 24 hours after award, furnish the following information to the County 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 County 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 County determines is necessary to complete the *Official Statement* in final form.

After the award of the Bonds, the County 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 County 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 County in all aspects for the accuracy and completeness of information provided by such successful bidder with respect to such reoffering.

The County 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 it has made delivery of the Final Official Statement to the MSRB, to acknowledge that the County 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 County in establishing the issue price of the Bonds as more fully described herein. All actions to be taken by the County under this Detailed Notice of Bond Sale to establish the issue price of the Bonds may be taken on behalf of the County by the Municipal Advisor, and any notice or report to be provided to the County may be provided to the Municipal Advisor.
- b. The County 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 County 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 County 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 County 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 County shall so advise the successful bidder. In such event, the County 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 County 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 County 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 County 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 County 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 County (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 County to the successful bidder.

Issue Price Certificate. The winning bidder will be required to provide the County, 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, Knoxville, 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 County. 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 County 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 and operating data relating to the County by not later than twelve months after each of the County'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 ("MSRB") and any State Information Depository established in the State of Tennessee (the "SID"). If the County 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 specific nature of the information to be contained in the Annual Report or the notices of events will be summarized in the County's *Official Statement* to be prepared and distributed in connection with the sale of each series of Bonds.

Delivery of Bonds. Delivery of the Bonds is expected within forty-five (45) days. At least five (5) days notice will be given the successful bidder. 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 County. The County 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 County 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 County will furnish the successful bidder at the expense of the County 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(s) to the persons to whom such bidder and members of its bidding group initially sell the Bonds. Acceptance of the bid will constitute a contract between the County 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*, the Detailed Notice of Sale and the Official Bid Form, may be obtained from the County'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/ Maurice Gaines, Jr., County Mayor

EXHIBIT A

LAUDERDALE COUNTY, TENNESSEE
[\$ _____ GENERAL OBLIGATION SCHOOL 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 Lauderdale County, 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 April 23, 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

**LAUDERDALE COUNTY, TENNESSEE
[§ _____ GENERAL OBLIGATION SCHOOL 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 Lauderdale County, 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 April 23, 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

The Honorable Maurice Gaines, Jr.
 100 Court Square
 Ripley, Tennessee 38063

April 23, 2026

Dear Mayor Gaines:

For your legally issued, properly executed \$9,995,000* General Obligation School Bonds, Series 2026 (the "Bonds") of Lauderdale County, Tennessee (the "County") in all respects as more fully outlined in your Notices 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 delivery (assume May 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>June 1</u> <u>Year</u>	<u>Amount*</u>	<u>Rate</u>	<u>June 1</u> <u>Year</u>	<u>Amount*</u>	<u>Rate</u>
2028	\$180,000	_____ %	2043	\$340,000	_____ %
2029	185,000	_____ %	2044	350,000	_____ %
2030	195,000	_____ %	2045	370,000	_____ %
2031	205,000	_____ %	2046	385,000	_____ %
2032	210,000	_____ %	2047	400,000	_____ %
2033	220,000	_____ %	2048	420,000	_____ %
2034	230,000	_____ %	2049	435,000	_____ %
2035	240,000	_____ %	2050	455,000	_____ %
2036	250,000	_____ %	2051	475,000	_____ %
2037	260,000	_____ %	2052	495,000	_____ %
2038	275,000	_____ %	2053	515,000	_____ %
2039	285,000	_____ %	2054	540,000	_____ %
2040	295,000	_____ %	2055	565,000	_____ %
2041	310,000	_____ %	2056	585,000	_____ %
2042	325,000	_____ %			

We have the option to designate two or more consecutive serial maturities of the Bonds 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 will be issued as "qualified tax-exempt obligation" subject to the final approving opinion of Bass, Berry & Sims PLC, Bond Counsel, Knoxville, Tennessee, whose opinion together with the executed Bonds, will be furnished by the County without cost to us.

If our bid is accepted, we agree to provide a good faith deposit up to 2% of the aggregate principal amount of the Bonds on which we have bid by the close of business on the date of 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
 Lauderdale County, Tennessee, this
 23rd day of April 2026.

 Maurice Gaines, Jr., County Mayor

Respectfully submitted,

Total interest cost from	
May 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

\$9,995,000*
LAUDERDALE COUNTY, TENNESSEE
General Obligation School Bonds, Series 2026

SECURITIES OFFERED

AUTHORITY AND PURPOSE

This *Preliminary Official Statement*, which includes the Summary Statement and appendices, is furnished in connection with the offering by Lauderdale County, Tennessee (the “County” or “Issuer”) of its \$9,995,000* General Obligation School Bonds, Series 2026 (the “Bonds”).

The Bonds are authorized to be issued pursuant to the provisions of Title 49, Chapter 3 and Title 9, Chapter 21, *Tennessee Code Annotated*, as supplemented and amended, and other applicable provisions of law and pursuant to the bond resolution (the “Resolution”) duly adopted by the County Commission of the County on July 8, 2024.

The Bonds are being issued for the purposes of providing funds for (i) constructing, improving, repairing, renovating and equipping of schools and other educational facilities, including any school athletic fields or facilities required therefor; (ii) payment of legal, fiscal, administrative, architectural and engineering costs incident to all of the foregoing (collectively, the “Projects”); (iii) reimbursement to the appropriate fund of the County for prior expenditures for the foregoing costs, if applicable; and (iv) payment of costs incident to the issuance of the bonds. See the section entitled “SECURITIES OFFERED - Authority and Purpose” contained herein.

DESCRIPTION OF THE BONDS

The Bonds will be initially dated and bear interest from their date of issuance and delivery (assume May 20, 2026). Interest on the Bonds will be payable semi-annually on June 1 and December 1, commencing December 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 County Mayor and shall be attested by the County Clerk. 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 shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the County. The County has also pledged as additional security for the payment of the Bonds such local option sales tax revenues as may be received by the County for school purposes in accordance with Tenn. Code Ann. § 67-6-712(a) and certain interlocal agreements between the County and the Town of Gates, Town of Halls, City of Henning and City of Ripley (“Sales Tax Revenues”). The County may pledge such Sales Tax Revenues to future debt

obligations on a parity basis. The Bonds are additionally payable from, but not secured by a pledge of, payments made by the County's Board of Education pursuant to the terms of the Intergovernmental Agreement. For the prompt payment of the principal of, premium, if any, and interest on the Bonds, the full faith and credit of the County are irrevocably pledged.

The County, through its governing body, shall annually levy and collect a tax on all taxable property within the County, 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 County 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 County or other available funds of the County to the payment of debt service on the Bonds.

The Bonds will not be obligations of the State of Tennessee.

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 County 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

The Bonds maturing on or after June 1, 2034 and thereafter are subject to optional redemption prior to maturity on or after June 1, 2033 in whole or in part at any time at a redemption price of par plus accrued interest.

If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be designated by the Board of County Commissioners, 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 any credit described below, the County shall redeem Bonds maturing June 1, 20__ , and June 1, 20__ on the redemption dates set forth below, 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. Specific Bonds to be so redeemed 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>
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*Final Maturity

At its option, to be exercised on or before the forty-fifth (45) day next preceding any such redemption date, the County 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 County 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 County 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) 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 County 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 County 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 County pursuant to written instructions from an authorized representative of the County (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 County 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 dated 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 principal trust office of the Registration Agent.

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BASIC DOCUMENTATION

REGISTRATION AGENT

The Bond Registration and Paying Agent, Regions Bank, Nashville, Tennessee, its successor (the “Registration Agent”) or the County 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 described in the following section entitled “Book-Entry-Only System”. However, if the winning bidder certifies to the County 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 (as herein after defined) 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 (as herein after defined) of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners, as herein after defined, 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 U.S. 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 the 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 registrar 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 County 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 County 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 County believes to be reliable, but the County, the Bond Counsel, the Registration Agent, the Municipal Advisor and the Underwriter 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 County, the Bond Counsel, the Registration Agent, the Municipal Advisor or the Underwriter 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 to be known as the 2026 Construction Fund (the "Construction Fund") to be kept separate and apart from all other funds of the County. The County shall disburse funds in the Construction 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. The remaining funds in the Construction Fund shall be disbursed solely to pay the costs of the Project. Money in the Construction 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 Construction Fund. Moneys in the Construction Funds shall be invested at the direction of the County Trustee in such investments as shall be permitted by applicable law. Earnings from such investments in the Construction Fund shall be deposited in the County's debt service fund.

DISCHARGE AND SATISFACTION OF BONDS

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

- (a) 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;
- (b) 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

(c) By delivering such Bonds to the Registration Agent for cancellation by it;

and if the County shall also pay or cause to be paid all other sums payable hereunder by the County 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 County to the holders of such Bonds shall be fully discharged and satisfied and shall thereupon cease, terminate and become void.

If the County 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 (defined herein) deposited as aforesaid.

Except as otherwise described below, neither Defeasance Obligations nor moneys deposited with the Registration Agent 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 County 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 County, as received by the Registration Agent. For the purposes hereof, 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.

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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 County, including, but not limited to, the right to require the County 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 County 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 claims against the County, including claims in litigation, which, in the opinion of the County, would materially affect the County's financial position as it relates to its ability to make payments on the Bonds. There are no suits threatened or pending challenging the legality or validity of the Bonds or the right of the County to sell or issue the Bonds. See the subsection entitled "CLOSING CERTIFICATES" for additional information.

TAX MATTERS

Federal

General. Bass, Berry & Sims PLC, Knoxville, Tennessee, is Bond Counsel for the Bonds. Their opinion under existing law, relying on certain statements by the County and assuming compliance by the County 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 tax preference in calculating the alternative minimum tax imposed on individuals under the Code; 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 County 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 County 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 County 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 subsection "CHANGES IN FEDERAL AND STATE 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 a 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 an 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 County 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 County 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 County 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 County 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 County Mayor acting in his official capacity, evidencing delivery of and payment for the Bonds; (iii) a signature identification and incumbency certificate, signed by the County Mayor and County Clerk 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 County 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, Knoxville, 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 “AA-”.

There is no assurance that such rating will continue for any given period of time or that the ratings may not be suspended, lowered or withdrawn entirely by S&P, if circumstances so warrant. Due to the ongoing uncertainty regarding the economy of the United States of America, including, without limitation, matters such as the future political uncertainty regarding the United States debt limit, 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 debt 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 April 23, 2026. Details concerning the public sale were provided to potential bidders and others in the *Preliminary Official Statement* that was dated April 14, 2026.

The successful bidder for the Bonds was an account led by _____, _____, _____ (the “Underwriters”) who contracted with the County, 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 an original issue discount of \$ _____) or ____% of par plus accrued interest, if any, to the date of delivery.

MUNICIPAL ADVISOR; RELATED PARTIES; OTHER

Municipal Advisor. Cumberland Securities Company, Inc., has served as Municipal Advisor (the “Municipal Advisor”) to the County 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 County to compile, create, or interpret any information in the *Preliminary Official Statement* and *Official Statement* relating to the County, including without limitation any of the County’s financial and operating data, whether historical or projected. Any information contained in the *Preliminary Official Statement* and *Official Statement* concerning the County, 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 County 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 County in other normal commercial banking capacities, it will be compensated separately for such services.

Official Statements. 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 County and will be compensated and/or reimbursed for such distribution and other such services.

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 County’s Dissemination Agent. If the County chooses to use one or more of these other services provided by Cumberland Securities Company, Inc. 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 County has not authorized any additional debt. However, the County has ongoing needs that may or may not require the issuance of additional debt.

DEBT LIMITATIONS

Pursuant to Title 9, Chapter 21, Part 1 *Tennessee Code Annotated*, as amended, there is no limit on the amount of bonds that may be issued when the County 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 County from information available. Additionally, no agreements or legal proceedings of the County relating to securities have been declared invalid or unenforceable.

CONTINUING DISCLOSURE

The County 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 County 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 County. The County will provide notice in a timely manner to the MSRB of a failure by the County to provide the annual financial information on or before the date specified in the continuing disclosure agreement. The Annual Report and notices described above will be filed by the County 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. The County is unaware of any instances during the past five years in which it has not complied in all material respects with its existing continuing disclosure agreements in accordance with Rule 15c2-12.

Content of Annual Report. The County's Annual Report shall contain or incorporate by reference the General Purpose Financial Statements of the County for the fiscal year, prepared in accordance with generally accepted accounting principles; provided, however, if the County'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 Long Term Indebtedness as of the end of such fiscal year;
1. The Indebtedness and Debt Ratios as of the end of such fiscal year, together with information about the property tax base;
2. Information about the General Obligation Debt Service Requirements as of the end of such fiscal year;
3. The Fund Balances, Net Assets and Retained Earnings for the fiscal year;

4. Five Year Summary of Revenues, Expenditures and Changes in Fund Balances - General Fund for the fiscal year;
5. The estimated Assessed Valuations of property in the County for the tax year ending in such fiscal year and the total estimated actual value of all taxable property for such year;
8. Property Tax Rates and Tax Collections of the County for the tax year ending in such fiscal year as well as the uncollected balance for such fiscal year; and
9. The Ten Largest Taxpayers.

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 County 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 County shall clearly identify each such other document so incorporated by reference.

Reporting of Significant Events. The County 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 County 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 County 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, 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 County, if material, or agreement as to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the County, 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 County, any of which reflect financial difficulties.

Termination of Reporting Obligation. The County'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 County 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 County 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 County. 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 County 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 County 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 County to comply with the Disclosure Certificate shall be an action to compel performance.

BONDHOLDER RISK

GENERAL. The purchase of the Bonds is subject to a number of investment considerations. The following is a discussion of certain investment considerations, which, among others, could affect the ability of the County to pay the principal of and interest and premium, if any, on the Bonds and which could also affect the marketability of, or the market price for, the Bonds. Such discussion is not, and is not intended to be, a comprehensive compilation of all possible investment considerations nor a substitute for an independent evaluation of the information presented in this Official Statement, including the Appendices attached hereto. Each prospective purchaser of any Bond should read the Preliminary Official Statement and the Official Statement, including the Appendices attached hereto, in their entirety and consult such prospective purchaser's own investment or legal advisor for a more complete explanation of the matters that should be considered when purchasing an investment such as the Bonds.

CLIMATE CHANGE AND ADVERSE WEATHER EVENTS. Planning for climate change in the State and its impact on the County's operations 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 of climate change include changes in the length, intensity, and frequency of droughts and floods. Additionally, severe weather and natural disasters, generally, including tornadoes and other storm events, can affect the County and its residents in a number of ways, including by damaging County property, causing the temporary or permanent displacement of County residents and interrupting County services. The County cannot predict the impact of climate change or the timing, extent or severity of any adverse weather event or natural disaster and any potential effect on the County's operations or finances.

CYBER-SECURITY. Computer networks and data transmission and collection are vital to the efficient operations of the County. 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 County, 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 County's operations, which could materially affect the County and its operations. Attempted cyber security attacks against organizations or entities similar to the County are increasingly common. In January 2024, the Federal Bureau of Investigation issued a specific warning that international hackers are working to attack governmental infrastructure in the United States. To mitigate against such risks, the County has instituted various policies and procedures to protect its network infrastructure. The County maintains insurance to mitigate any potential financial losses from cyber-security threats, though such insurance may not be sufficient to cover all losses incurred by the County as a result of any cyberattack or breach.

FUTURE LEGISLATION. From time to time, the Tennessee General Assembly considers bills purporting to limit the amount by which Tennessee local governments may increase ad valorem tax levies for purposes other than the payment of general obligation debt service without first obtaining voter approval by referendum. If enacted into law, such bills would have no impact on the security for the payment of the Bonds. However, such laws could impact the County's ability to raise revenue for other governmental operating and capital requirements. See also "LEGAL MATTERS – Tax Matters – Changes in Federal and State Tax Law" for the potential impact of changes in tax law on the Bonds.

ENFORCEABILITY OF REMEDIES. The remedies available to the holders or beneficial owners of the Bonds upon any event of default under the Resolution are in many respects dependent upon judicial actions which are often subject to discretion and delay.

The enforceability of remedies or rights with respect to the Bonds may be limited by state and federal laws, rulings and decisions affecting remedies and by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

Under existing law, municipalities must obtain the consent of state governments in order to avail themselves of federal bankruptcy protection under Title 11 of the United States Code. There is currently no law in the State granting such consent. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency, moratorium, or other similar laws affecting the rights of creditors generally or as to the availability of any particular remedy.

SECONDARY MARKET PRICES. No assurance can be given that a secondary market for any of the Bonds will be available and no assurance can be given that the initial offering prices for the Bonds will continue for any period of time.

The Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Bonds in the event a holder or beneficial owner thereof determines to solicit purchasers of the Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Bonds may be sold. Such price may be lower than that paid by the current holder or beneficial owner of the Bonds, depending on existing market conditions and other factors.

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 County 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 County 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 ISSUER

On behalf of the County, 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/
County Mayor

ATTEST:

/s/
County Clerk

APPENDIX A

PROPOSED FORM OF 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 Lauderdale County, Tennessee (the "Issuer") in connection with the issuance of \$_____ General Obligation School 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 Board of County Commissioners 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 enforceable in accordance with its terms.
3. The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the Issuer. The Issuer has also pledged as additional security for the payment of the Bonds such local option sales tax revenues as may be received by the County for school purposes in accordance with Tenn. Code Ann. § 67-6-712(a) and certain interlocal agreements between the County and the Town of Gates, Town of Halls, City of Henning and City of Ripley ("Sales Tax Revenues"). The County may pledge such Sales Tax Revenues to future debt obligations on a parity basis. For the prompt payment of the principal of, premium, if any, and interest on the Bonds, the full faith and credit of the County are hereby irrevocably pledged. The Bonds are additionally payable from, but not secured by a pledge of, payments made by the County Board of Education to the County pursuant to the terms of an intergovernmental agreement.
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,

APPENDIX B

SUPPLEMENTAL INFORMATION STATEMENT

GENERAL INFORMATION

LOCATION

Lauderdale County (the “County”) is located in the western part of Tennessee and is approximately 50 miles north of Memphis. The County is bordered on the north by Dyer County, on the east by Crockett and Haywood Counties, on the south by the Tipton County and west by the Mississippi River / Missouri state line to the west. The City of Ripley (the “City”) is the county seat. The County also has the Cities of Gates, Halls and Henning.

Approximate land area is 477 square miles. The 2020 U.S. Census has the population of the County at 25,143 and the City at 7,800.

TRANSPORTATION

Roadways. The County is served by U.S. Highway 51 and State Highways 19 and 209. Interstate I-40 is located about 20 miles south of the County, and Interstate I-55 is located about 25 miles north in Dyer County. The Mississippi River Bridge, a quarter-of-a-mile structure located north of the County near Dyersburg and Caruthersville, Missouri, is the only river bridge between Memphis, Tennessee and Cairo, Illinois. The proposed Interstate 69 from Canada to Mexico has been approved in Congress and will go directly through Ripley.

River Ports. Lauderdale County is located on the banks of the Mississippi River. The Mississippi River is easily accessible to ports at Caruthersville, Missouri, Hickman, Kentucky, and Memphis, Tennessee with barge loading and unloading locally. The Port of Memphis's is a short drive south and is the nation's fourth busiest inland river port. There are 17 million tons of cargo handled each year through this port with five (5) public terminals.

The Port of Cates Landing on the Mississippi is a natural slackwater port 29 miles northwest of the County in Lake County that has recently been approved by the U.S. Corps of Engineers. It is a joint project between Lake, Obion and Dyer Counties. It is the only port that is not protected by a levee between Memphis and Illinois since it is above a 100-year-flood plain of the Mississippi. The port became operational in 2013. The Port of Cate Landing has been designated a foreign trade zone.

The 2,320-mile-long Mississippi River is part of the Missouri-Mississippi river system, which is the largest river system in North America. The River borders Lake, Obion, Dyer, Lauderdale, Tipton and Shelby Counties in the state. Channelization of the Mississippi River to a 9-foot minimum navigable depth from its junction in Minnesota to the Gulf of Mexico gives the County the benefits of year-round, low cost water transportation. The Lower Mississippi, below St. Louis, is only constrained by levees and directed by numerous wing dams which make it relatively free-flowing compared to the Upper Mississippi which has a series 29 locks and dams.

Rail Service. Canadian National/Illinois Central Gulf, main line of Mid America from Omaha to Chicago and Chicago to the Gulf of Mexico and Canada. Canadian National/Illinois

Central Railroad connects to the following major railroads in Memphis: BNSF, NS, U PSP and CSX for rail service to any part of the country. Canadian National/Illinois Central's Memphis yard is the largest in the system. Canadian National/Illinois Central offers port access at Mobile, At and New Orleans. LA.

Airport. Dyersburg Municipal Airport is a full-service airport located 25 miles to the north. Two lighted runways are 5,700 and 4,000 feet in length. The Dyersburg Airport also offers charter service. Ripley is just 45 miles north of the Memphis International Airport, the Federal Express Worldwide Headquarters and the UPS Super Hub. Memphis International is the world's largest cargo airport with its own special runway for increased global traffic.

Source: Lauderdale County Chamber of Commerce.

EDUCATION

The *Lauderdale County School System* serves area includes the cities of Gates, Halls, Henning and Ripley. The County's school system operates seven schools - three elementary, two middle schools, and two high schools. Enrollment is approximately 3,100 students.

Source: Tennessee Department of Education.

Dyersburg State Community College is an accredited public comprehensive community college that operates within the governance of the Tennessee Board of Regents. Founded in 1967, Dyersburg State is located on a 100-acre campus in Dyer County, Tennessee and serves the educational needs of a seven-county area of Northwest Tennessee: Lake, Obion, Dyer, Gibson, Lauderdale, Crockett and Tipton Counties. The fall of 2023 semester had an enrollment of 3,203 students. Dyersburg State also offers increased access to education via technology-assisted instruction, distance learning and course offerings at convenient locations in three other campuses in Obion, Gibson and Tipton Counties. The College opened the Learning Resource Center in 2007. The facility includes approximately 25,000 square feet.

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

Tennessee Colleges of Applied Technology North West (the "TCAT-NW"). In May 2022, the TCAT-NW merged from three TCATs in northwest Tennessee to be under one umbrella. The former TCATs in Covington (Tipton County), Newbern (Dyer County) and Ripley (Lauderdale County) will focus on the specific areas of concern to extend its footprint statewide while solidifying the opportunity for advanced education. The combined educational system will offer a larger footprint of programs of study for all individuals. The main office will be located in Newbern. TCAT services provide job placement after program completion, and student loans are not accepted to insure that graduates leave debt free.

TCAT-NW is part of a statewide system of 26 vocational-technical schools. The Tennessee Technology Center 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. Fall 2022 enrollment for all three campuses was 826 students.

Source: Tennessee College of Applied Technology.

University of Tennessee at Martin Ripley Campus. The University of Tennessee at Martin was founded in 1900 as Hall-Moody Institute. Fall semester 2023 had 6,947 students enrolled at UT Martin. There are 4 satellite campuses in addition to the main campus in Weakley County: Jackson (Madison County), Parsons (Decatur County), Ripley (Lauderdale County) and Selmer (McNairy County). UT Martin is listed as a top-tier university among southern, master's level institutions in the 2009 edition of *America's Best Colleges* compiled by *U.S. News & World Report*. More than \$70 million in capital improvement and renovation projects were completed at UT Martin, including projects. The campus at Selmer offers a full two-year rotation plan of general education courses.

Source: University of Tennessee at Martin and Tennessee Higher Education Commission.

MEDICAL

Lauderdale Community Hospital. Lauderdale Community Hospital is a 25-bed critical access facility. The facilities offers services in emergency, surgery services, radiology, laboratory, physical rehabilitation, and acute care.

In early 2010, HMC/CAH Consolidated Inc bought the hospital formerly known as Baptist Memorial Hospital – Lauderdale. Baptist Memorial Health Care had operated the facility since 1980. HMC/CAH specializes in operating critical access hospitals and plans to build a replacement hospital. HMC/CAH was founded as an industry consolidator of critical access hospitals. Since 1982, HMC/CAH and its predecessor companies have provided consulting, development and management services to more than 800 hospitals throughout the United States. In the past few years, HMC/CAH has worked with more than 200 rural hospitals, 150 of which have been critical access hospitals, and has completed approximately 25 hospital replacement or expansion projects.

Source: Baptist Memorial Health Care Corporation.

MANUFACTURING AND COMMERCE

Industrial Parks. The County has three industrial parks that are all certified as Select Tennessee Certified Sites: American Way Site (21 acres) in Ripley; Halls Industrial Site (31 acres); and Walker East Industrial Park (101 acres) in Ripley.

Port of Cates Landing. The Port of Cates Landing is a natural slackwater port four miles northeast of Tiptonville in Lake County (and 29 miles north of Dyersburg) that is a joint project of Lake, Obion and Dyer Counties and the U.S. Corps of Engineers. It is the only port that is not protected by a levee between Memphis and Illinois since it is above a 100-year flood plain of the Mississippi. R.J. Corman Railroad Group of Nicholasville, KY has been awarded the contract as port operator.

Construction of the 420-acre site began in 2011, and the \$35 million port became operational in 2013. There is room for an industrial park at the site, and the port is expected to bring 1,700 jobs to the region and retain 2,293 related jobs. In late 2010 a federal grant of \$13 million was awarded to the port to complete construction and infrastructure. In addition to the construction at the river an upgrade of the local roads and rail lines was also completed. In summer of 2011 Choctaw Transportation, a locally operated business, won the \$9.6 million bid

for the construction of the open cell dock construction at the port. Construction was completed in 2012. It is the most expensive and critical piece to the larger project of building the Port.

The Northwest Tennessee Port is an intermodal freight transfer facility and potential industrial park complex designed to exploit the unique geography and existing river, rail and highway transportation assets already in place. The River Port is comprised of a river terminal and includes a cross-dock, and trans-load facility that is designed to handle, Barge to Rail, Barge to Truck and Truck to Rail. The site of a proposed Industrial Park is comprised of the adjacent 350 acres of flat lands north of the City of Tiptonville. The optimum use envisioned for the Park is one which would exploit the River, and the proximity to I-55, I-24 as well as the planned I-69 corridor, and the main line Canadian National Railway. Being centrally located in Mid-America makes this location even more obvious as a venue for the project. The benefit of the Port to the City of Dyersburg lies in the fact that all southern highway access to the Port and all Railroad access to the Port runs through the City of Dyersburg. The City anticipates a significant economic boost resulting from the commencement of the Port operations.

Select Tennessee Certified Sites Program (the “STCSP”). The Halls Industrial Site (31 acres), the Walker East Industrial Park (101 acres), and the American Way Site (21 acres) have all 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-three 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 City of Halls has a historically significant downtown that it has improved through the Tennessee Downtowns program. Halls was accepted to the program in 2020. 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 Cities of Halls and Ripley also have a historically significant downtown that they have 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.

Major Employers located in Lauderdale County, Tennessee

<u>Company</u>	<u>Business Type</u>	<u>Employees</u>
Marvins Windows	Wood Windows	688
Lauderdale County School System	Education	650
West Tennessee State Penitentiary	State Penitentiary	620
Komatsu America	Parts Distribution	325
VF Imagewear	Uniform Distribution	300
SRG Global	Auto Assembly	290
Lauderdale County	Government	233
WalMart	Retail	200
VF Imagewear, Inc	Manufacturing	170
Lauderdale Community Hospital	Healthcare	163
West TN Expediting	Manufacturing	160

Source: TN Department of Economic & Community Development - 2024.

ECONOMIC DATA

Per Capita Personal Income

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
National	\$59,151	\$64,692	\$66,298	\$70,002	\$73,204
Tennessee	\$51,977	\$57,715	\$59,107	\$63,479	\$66,504
Lauderdale County	\$36,460	\$41,936	\$39,427	\$42,622	\$42,471
Index vs. National	62	65	59	61	58
Index vs. State	70	73	67	67	64

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

Social and Economic Characteristics

	<u>National</u>	<u>Tennessee</u>	<u>Lauderdale County</u>	<u>Ripley</u>
Median Value Owner Occupied Housing	\$332,700	\$286,700	\$143,200	\$154,900
% High School Graduates or Higher Persons 25 Years Old and Older	89.6%	90.0%	83.6%	83.7%
% Persons with Income Below Poverty Level	10.6%	13.5%	20.7%	30.7%
Median Household Income	\$80,734	\$69,595	\$48,879	\$37,432

Source: U.S. Census Bureau State & County QuickFacts - 2025.

RECREATION

Alex Haley Birthplace & Museum. The Alex Haley Museum was home to the 1976 Pulitzer Prize-winning novelist, Alex Haley. Haley's book, *Roots*, received international acclaim and spurred millions to research their own ancestry.

Source: Lauderdale County Chamber of Commerce.

Chickasaw National Wildlife Refuge. Located in Lauderdale County, Chickasaw National Wildlife Refuge was established in 1985. Chickasaw NWR currently encompasses 25,006 acres and includes the largest block of bottomland hardwood forest in Tennessee. Chickasaw NWR and adjacent lands are known to be important wintering and stop-over areas for a large portion of the Mississippi Flyway mallard population. Under optimum conditions, peak waterfowl numbers may exceed 250,000 including black ducks, gadwall, pintail, teal, wigeon, wood duck, ring-necked duck, and hooded merganser. The Chickasaw NWR provides opportunities for hunting, fishing, photography, and boating.

Source: U.S. Fish & Wildlife Service.

Fort Pillow State Historic Park. The 1,642-acre Fort Pillow, located in Lauderdale County on the Chickasaw Bluffs overlooking the Mississippi River, is rich in both historic and archaeological significance. In 1861 the Confederate Army built extensive fortifications on this site. Remains of the earthworks are well-preserved. There is a museum on site with a camp ground, a boat ramp and a picnic area. The Anderson-Tully Wildlife Management Area borders the park on the north and is only a 10-minute drive from the family camping area.

Source: Tennessee State Parks.

Halls Dyersburg Army Air base. The Halls Army Airfield was in operation from 1942 to 1945. Thousands of airmen took their last statewide training here before going into combat overseas. Training received here in flying B-17 Flying Fortresses played a key role in preparing U.S. bomber crews for combat in World War II. The Airfield is the site of an annual air show.

Source: Lauderdale County Chamber of Commerce.

John Tully State Forest and Wildlife Management Area. John Tully State Forest, acquired in 2002, was formed from part of a substantial tract of prime forestland and wildlife habitat that is about 2,132 acres. Funding was provided by a joint effort of the State of Tennessee, the USDA Forest Service's Forest Legacy program, the Nature Conservancy, and various other private sources including the National Wild Turkey Federation, Tennessee Parks and Greenways Foundation and Wildlife Forever, Inc. In addition, the property has been managed for years by the Tennessee Wildlife Resources Agency (TWRA) as the John Tully Wildlife Management Area that is about 15,500 acres. As the only state forest representing western Tennessee's physiogeographic region, it is covered in Mississippi River alluvial bottomland hardwoods and holds some of the state's best hunting and fishing lands. It is only the second state forest established in the last half-century.

Source: Tennessee Department of Agriculture.

Lauderdale County Tomato Festival. The Tomato Festival is held annually the weekend following the 4th of July. It pays tribute to the famous tomato growers of Lauderdale County; features rides, food, crafts, entertainment and beauty pageants.

Source: Lauderdale County Chamber of Commerce.

Lower Hatchie National Wildlife Refuge. Lower Hatchie National Wildlife Refuge (NWR) sits along the lower 17 miles of the Hatchie River in Lauderdale County. The refuge currently comprises 9,451 acres. Unlike most Mississippi River tributaries that have been straightened and levees constructed for flood control, the Hatchie River remains the longest continuous stretch of naturally meandering river in the lower Mississippi River Valley. In result, wildlife and fisheries thrive in its almost pristine watershed ecosystems. The refuge helps protect and enhance the ever diminishing bottomland hardwood forests, along with other important habitats within the Hatchie River watershed. Lower Hatchie NWR provides opportunities for hunting, fishing, photography, and boating.

Source: U.S. Fish & Wildlife Service.

Ripley Park. Ripley Park is a 50-acre park that features a lighted tennis courts, six pavilions, four multipurpose fields, open areas for picnicking, a walking track, several playgrounds, volleyball area, weight training equipment, and a swimming pool with three slides. There is also a full-service fitness center just across the road.

Source: Lauderdale County Chamber of Commerce.

RECENT DEVELOPMENTS

ALUKO Group. ALUKO Group has selected Halls for its second U.S. manufacturing facility in 2026. This will create approximately 285 new jobs in Lauderdale County and invest \$107.7 million to locate its integrated aluminum manufacturing operations in the former Tupperware building in Halls. Once operational, the retrofitted facility will further support and expand the company's customer base across the electric vehicle (EV), solar energy, construction and building industries. Based in South Korea, the ALUKO Group consists of ALUKO, Hyundai Aluminium, Gogang Aluminium, Alutec, KPTU, Hyundai Aluminium Vina and Alutec Vina. Today's announcement marks the company's second project to locate in Tennessee in the last year. In 2025, ALUKO Group established its first U.S. manufacturing facility in Jackson, Tennessee.

Source: Department of Economic & Community Development

Interstate 69 Project. The proposed north-south highway corridor between Canada and Mexico will go past Dyersburg and Memphis. There are already service-related businesses expressing interest in coming to Dyersburg once the interstate is completed. It is estimated that 63 percent of the truck traffic between Canada and Mexico will go through West Tennessee on I-69. Completion of the corridor in Tennessee could cost in excess of \$800 million. The economic potential of this interstate's location in West Tennessee is very promising. One study has shown I-69 would produce about \$1.57 for every dollar invested.

Source: The State Gazette and the Knoxville News Sentinel.

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LAUDERDALE COUNTY, TENNESSEE

Summary of Long Term Indebtedness

AMOUNT ISSUED	PURPOSE	DUE DATE	INTEREST RATE(S)	As of June 30, 2025 OUTSTANDING (1)
\$ 2,523,000	Qualified School Construction Bonds, Series 2010	Sept. 2027	Fixed	\$ 345,202
<u>\$ 2,523,000</u>	EXISTING LONG TERM INDEBTEDNESS			
\$ 9,900,000	General Obligation School Bonds, Series 2025 (Issued 7-25-2025)	June 2055	Fixed	\$ 9,900,000
9,995,000	General Obligation School Bonds, Series 2026	June 2056	Fixed	9,995,000
<u>\$ 22,418,000</u>	NET LONG TERM INDEBTEDNESS			
				<u>\$ 20,240,202</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 ACFR.

LAUDERDALE COUNTY, TENNESSEE
INDEBTEDNESS AND DEBT RATIOS

INTRODUCTION

The information set forth in the following table is based upon information derived in part from the ACFR 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.

INDEBTEDNESS	For Fiscal Year Ended June 30					After Issuance
	2021	2022	2023	2024	2025	
TAX SUPPORTED						
General Obligation Bonds and Notes	\$ 2,037,926	\$ 1,040,495	\$ 660,064	\$ 502,633	\$ 345,202	\$ 20,240,202
TOTAL TAX SUPPORTED	<u>\$2,037,926</u>	<u>\$1,040,495</u>	<u>\$660,064</u>	<u>\$502,633</u>	<u>\$345,202</u>	<u>\$20,240,202</u>
TOTAL DEBT	\$2,037,926	\$1,040,495	\$660,064	\$502,633	\$345,202	\$20,240,202
Less: Debt Service Funds	(4,041,900)	(5,262,852)	(4,924,177)	(5,366,926)	(1,268,872)	(1,268,872)
NET DIRECT DEBT	<u>(\$2,003,974)</u>	<u>(\$4,222,357)</u>	<u>(\$4,264,113)</u>	<u>(\$4,864,293)</u>	<u>(\$923,670)</u>	<u>\$18,971,330</u>
PROPERTY TAX BASE						
Estimated Actual Value	\$1,398,217,392	\$1,493,229,939	\$1,524,733,722	\$1,897,977,821	\$1,904,868,013	\$1,951,441,904 *
Appraised Value	1,245,811,696	1,493,229,939	1,524,733,722	1,451,573,438	1,456,843,056	1,492,462,769 *
Assessed Value	369,273,895	434,288,285	444,437,616	427,517,500	429,851,234	440,361,067 *

* - Estimated

	For Fiscal Year Ended June 30					After Issuance
	2021	2022	2023	2024	2025	
DEBT RATIOS						
TOTAL DEBT to Estimated Actual Value	0.15%	0.07%	0.04%	0.03%	0.02%	1.04%
TOTAL DEBT to Appraised Value	0.16%	0.07%	0.04%	0.03%	0.02%	1.36%
TOTAL DEBT to Assessed Value	0.55%	0.24%	0.15%	0.12%	0.08%	4.60%
NET DIRECT DEBT to Estimated Actual Value	-0.14%	-0.28%	-0.28%	-0.26%	-0.05%	0.97%
NET DIRECT DEBT to Appraised Value	-0.16%	-0.28%	-0.28%	-0.34%	-0.06%	1.27%
NET DIRECT DEBT to Assessed Value	-0.54%	-0.97%	-0.96%	-1.14%	-0.21%	4.31%
PER CAPITA RATIOS						
POPULATION (1)	25,108	24,793	24,610	24,610	24,610	24,610
PER CAPITA PERSONAL INCOME (2)	\$39,733	\$39,733	\$39,733	\$39,733	\$39,733	\$39,733
Estimated Actual Value to POPULATION	\$55,688	\$60,228	\$61,956	\$77,122	\$77,402	\$79,295
Assessed Value to POPULATION	\$14,707	\$17,517	\$18,059	\$17,372	\$17,467	\$17,894
Total Debt to POPULATION	\$81	\$42	\$27	\$20	\$14	\$822
Net Direct Debt to POPULATION	-\$80	-\$170	-\$173	-\$198	-\$38	\$771
Total Debt Per Capita as a percent of PER CAPITA PERSONAL INCOME	0.20%	0.11%	0.07%	0.05%	0.04%	2.07%
Net Direct Debt Per Capita as a percent of PER CAPITA PERSONAL INCOME	-0.20%	-0.43%	-0.44%	-0.50%	-0.09%	1.94%

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

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

LAUDERDALE COUNTY, TENNESSEE
General Obligation Debt Service

F.Y. Ended	Existing General Obligation Debt (1) As of June 30, 2025			General Obligation School Bonds, Series 2025			General Obligation School Bonds, Series 2026			2026 Bonds Principal			Total Bonded Debt Service Requirements			% All Principal Repaid
	Principal	Interest and Fees	TOTAL	Principal	Interest (2)	TOTAL	Principal	Interest (3)	TOTAL	Repaid	Percent 2026 Bonds Principal	Principal	Interest	TOTAL	Repaid	
2026	\$ 157,431	\$ 124,333	\$ 281,764	\$ -	\$ 377,273	\$ 377,273	\$ -	\$ 377,273	\$ 377,273	0.00%	\$ 157,431	\$ 878,878	\$ 1,036,309	0.78%		
2027	172,929	124,333	297,262	175,000	443,850	618,850	-	454,106	454,106		347,929	1,022,289	1,370,218			
2028	14,842	12,552	27,394	185,000	435,100	620,100	180,000	434,783	614,783		379,842	882,435	1,262,277			
2029	-	-	-	190,000	425,850	615,850	185,000	426,953	611,953		375,000	852,803	1,227,803			
2030	-	-	-	200,000	416,350	616,350	195,000	418,905	613,905		395,000	835,255	1,230,255			
2031	-	-	-	210,000	406,350	616,350	205,000	410,423	615,423	7.65%	415,000	816,773	1,231,773	10.23%		
2032	-	-	-	220,000	395,850	615,850	210,000	401,505	611,505		430,000	797,355	1,227,355			
2033	-	-	-	230,000	384,850	614,850	220,000	392,370	612,370		450,000	777,220	1,227,220			
2034	-	-	-	245,000	373,350	618,350	230,000	382,800	612,800		475,000	756,150	1,231,150			
2035	-	-	-	255,000	363,550	618,550	240,000	372,795	612,795		495,000	736,345	1,231,345			
2036	-	-	-	265,000	353,350	618,350	250,000	362,355	612,355		515,000	715,705	1,230,705			
2037	-	-	-	275,000	342,750	617,750	260,000	351,480	611,480	19.16%	535,000	694,230	1,229,230	21.91%		
2038	-	-	-	285,000	331,750	616,750	275,000	340,170	615,170		560,000	671,920	1,231,920			
2039	-	-	-	295,000	320,350	615,350	285,000	328,208	613,208		580,000	648,558	1,228,558			
2040	-	-	-	305,000	308,550	613,550	295,000	315,810	610,810		600,000	624,360	1,224,360			
2041	-	-	-	320,000	296,350	616,350	310,000	302,978	612,978	33.42%	630,000	599,328	1,229,328	36.27%		
2042	-	-	-	330,000	283,550	613,550	325,000	289,493	614,493		655,000	573,043	1,228,043			
2043	-	-	-	345,000	269,525	614,525	340,000	275,355	615,355		685,000	544,880	1,229,880			
2044	-	-	-	360,000	254,863	614,863	350,000	260,565	610,565		710,000	515,428	1,225,428			
2045	-	-	-	375,000	239,563	614,563	370,000	245,340	615,340		745,000	484,903	1,229,903			
2046	-	-	-	390,000	223,625	613,625	385,000	229,245	614,245	51.13%	775,000	452,870	1,227,870	53.90%		
2047	-	-	-	410,000	206,075	616,075	400,000	212,498	612,498		810,000	418,573	1,228,573			
2048	-	-	-	430,000	187,625	617,625	420,000	195,098	615,098		850,000	382,723	1,232,723			
2049	-	-	-	450,000	168,275	618,275	435,000	176,828	611,828		885,000	345,103	1,230,103			
2050	-	-	-	470,000	148,025	618,025	455,000	157,905	612,905		925,000	305,930	1,230,930			
2051	-	-	-	490,000	126,288	616,288	475,000	138,113	613,113		965,000	264,400	1,229,400			
2052	-	-	-	510,000	103,625	613,625	495,000	117,450	612,450	77.94%	1,005,000	221,075	1,226,075	75.82%		
2053	-	-	-	535,000	80,038	615,038	515,000	95,918	610,918		1,050,000	175,955	1,225,955			
2054	-	-	-	560,000	54,625	614,625	540,000	73,515	613,515		1,100,000	128,140	1,228,140			
2055	-	-	-	590,000	28,025	618,025	565,000	50,025	615,025		1,155,000	78,050	1,233,050			
2056	\$ 345,202	\$ 261,218	\$ 606,420	\$ 9,900,000	\$ 8,349,198	\$ 18,249,198	\$ 9,995,000	\$ 8,615,704	\$ 18,610,704	100.00%	\$ 585,000	\$ 25,448	\$ 610,448	100.00%		
											\$ 20,240,202	\$ 17,226,119	\$ 37,466,321			

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) Average Coupon 4.50%.

(3) Estimated Interest Rates. Estimated Average Coupon 4.35%.

FINANCIAL INFORMATION

BASIS OF ACCOUNTING AND PRESENTATION

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds and Expendable Trust Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All Proprietary Funds, Nonexpendable Trust Funds and Pension Trust Funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and fund balance components. Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

All governmental funds and, expendable trust funds are accounted for using a current financial resource measurement focus. Revenues are recognized when they become measurable and available as a net current asset. Expenditures are generally recognized when the related fund liability is incurred. Exceptions to this general ruling include: (1) sick pay which is not accrued or vested, and (2) principal and interest on general long-term debt which is recognized when due.

All proprietary funds are accounted for using the accrual basis of accounting, whereby revenues are recognized when they are earned and expenses are recognized when they are incurred.

BUDGETARY PROCESS

The County is required by State statute to adopt annual operating budgets. The general fund, special revenue funds, and debt service funds are budgeted on a basis so that current available funds are sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed initial or revised appropriations authorized by the County Commission. Unencumbered appropriations at the end of each fiscal year lapse.

The County's budgetary basis of accounting are consistent with generally accepted accounting principles (GAAP) except where encumbrances are treated as budgeted expenditures.

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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	\$13,260,050	\$13,787,500	\$13,698,367	\$13,392,815	\$13,080,074
Ambulance Service	-	510,807	919,350	1,014,502	1,505,810
General					
Governmental	512	6,950	3,711,192	-	-
Highway / Public					
Works	3,761,653	4,167,699	3,435,458	3,630,274	4,037,206
General Debt Service	4,041,900	5,262,852	4,924,177	5,366,926	1,268,872
Other Governmental	619,585	129,738	160,705	2,605,996	1,340,991
Total	<u>\$21,683,700</u>	<u>\$23,865,546</u>	<u>\$26,849,249</u>	<u>\$26,010,513</u>	<u>\$21,232,953</u>
<i>Proprietary Net</i>					
<i>Assets:</i>					
Solid Waste	\$1,598,773	\$1,844,533	\$1,890,505	\$2,028,549	\$1,791,176

Source: Annual Comprehensive Financial Reports and Auditors Reports for Lauderdale County, Tennessee.

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LAUDERDALE COUNTY, 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	\$ 8,232,223	\$ 8,427,610	\$ 8,791,914	\$ 8,810,810	\$ 9,170,729
Licenses and Permits	23,870	21,342	24,164	30,221	42,190
Fines, forfeitures & penalties	120,945	121,234	120,846	129,961	123,474
Charges for current services	138,342	87,203	95,574	116,779	112,381
Other local revenue	92,808	79,621	160,726	148,529	155,157
Fees Recv'd from County Officials	1,069,761	1,067,870	1,065,513	1,005,499	1,118,759
State of Tennessee	2,423,234	1,884,532	1,509,063	2,202,561	2,263,900
Federal Government	467,195	142,407	67,558	651,489	835,686
Other Governments & Citizens Groups	379,399	425,283	511,353	132,102	125,842
Total Revenues	<u>\$ 12,947,777</u>	<u>\$ 12,257,102</u>	<u>\$ 12,346,711</u>	<u>\$ 13,227,951</u>	<u>\$ 13,948,118</u>
Expenditures:					
General Government	\$ 1,379,626	\$ 1,918,259	\$ 1,990,196	\$ 2,032,666	\$ 1,734,219
Finance	877,384	879,209	971,370	982,901	1,001,439
Administration of Justice	1,763,448	1,549,435	1,403,648	1,570,341	1,709,411
Public Safety	3,994,380	4,752,000	5,389,912	6,120,829	6,609,764
Public Health & Welfare	491,378	516,817	517,608	610,616	677,066
Social, Cultural & Recreational Services:	207,623	222,856	232,940	225,199	252,332
Agricultural & Natural Resources	260,013	277,746	289,858	301,664	310,398
Other Operations	1,434,952	1,318,238	1,673,977	852,479	1,076,445
Debt Service	-	-	-	-	-
Capital Projects	-	-	-	160,000	256,483
Total Expenditures	<u>\$ 10,408,804</u>	<u>\$ 11,434,560</u>	<u>\$ 12,469,509</u>	<u>\$ 12,856,695</u>	<u>\$ 13,627,557</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,538,973	\$ 822,542	\$ (122,798)	\$ 371,256	\$ 320,561
Other Sources & Uses:					
Capital Leases / Notes / Bonds Issued	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance Recovery	30,765	58,319	33,665	24,089	125,698
Operating Transfers In	-	393,998	-	-	-
Operating Transfers Out	-	(747,409)	-	(700,897)	(759,000)
Total Sources & Uses	<u>\$ 30,765</u>	<u>\$ (295,092)</u>	<u>\$ 33,665</u>	<u>\$ (676,808)</u>	<u>\$ (633,302)</u>
Net Change in Fund Balances	\$ 2,569,738	\$ 527,450	\$ (89,133)	\$ (305,552)	\$ (312,741)
Fund Balance July 1	10,690,312	13,260,050	13,787,500	13,698,367	13,392,815
Prior Period Adjustment	-	-	-	-	-
Fund Balance June 30	<u><u>\$ 13,260,050</u></u>	<u><u>\$ 13,787,500</u></u>	<u><u>\$ 13,698,367</u></u>	<u><u>\$ 13,392,815</u></u>	<u><u>\$ 13,080,074</u></u>

Source: Annual Comprehensive Financial Reports for Lauderdale County, Tennessee.

INVESTMENT AND CASH MANAGEMENT PRACTICES

Investment of idle County operating funds is controlled by State statute and local policies. Generally, such policies limit investment instruments to direct U. S. Government obligations, those issued by U.S. Agencies or Certificates of Deposit. Unless deposited in a financial institution participating in the State Consolidated Collateral Pool, all demand deposits or Certificates of Deposit must be secured by similar grade collateral (such as direct U. S. Government obligations, those issued by U.S. Agencies or Certificates of Deposit) pledged at 105% 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 County. For reporting purposes, all investments are stated at cost which approximates market value. The County Trustee is responsible for the administration of all County investments.

Prevailing State law does not allow cities or counties in the State to invest in reverse repurchase agreements or unusual "derivative" products.

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 on-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.

Assessed Valuations. According to the Tax Aggregate Report, property in the County reflected a ratio of appraised value to true market value of 0.7648. 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	\$ 49,892,969	55%	\$ 114,317,119
Commercial and Industrial	83,629,720	40%	273,371,211
Personal Tangible Property	30,766,760	30%	128,302,497
Residential and Farm	<u>265,561,785</u>	25%	<u>1,388,877,186</u>
Total	<u>\$429,851,234</u>		<u>\$1,904,868,013</u>

¹ The tax year coincides with the calendar year, so tax year 2024 for example is actually fiscal year 2024-2025.
Source: 2024 Tax Aggregate Report for Tennessee.

The estimated assessed value of property in the County for the fiscal year ending June 30, 2025 (tax year 2024) is \$429,851,234 compared to \$427,517,500 for the fiscal year ending June 30, 2024 (tax year 2023). The estimated actual value of all taxable property for tax year 2024 is \$1,904,868,013 compared to \$1,897,977,821 for tax year 2023.

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

PROPERTY TAX RATES AND COLLECTIONS				Fiscal Yr Collections		Aggregate Uncollected Balance	
Tax Year ²	Assessed Valuation	Tax Rates	Taxes Levied	Amount	Pct	As of June 30, 2025	
						Amount	Pct
2021	\$434,288,285	\$2.5395	\$9,675,887	\$9,151,482	94.6%	NA	N/A
2022	444,437,616	2.5395	9,764,885	9,280,561	95.0%	NA	N/A
2023	427,517,500	2.5395	9,658,921	9,157,368	94.8%	N/A	N/A
2024	429,851,234	2.5395	9,677,001	9,144,766	94.5%	\$532,235	5.5%
2025	440,361,067	2.5395	9,913,603	IN PROGRESS			

² The tax year coincides with the calendar year, so tax year 2024 for example is actually fiscal year 2024-2025.
 Source: Tax Aggregate Reports for Tennessee and the County.

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

<u>Taxpayer</u>	<u>Business Type</u>	<u>Taxes Paid</u>
1. Forked Deer Electric Coop	Public Utility	\$ 359,936
2. Grand Trunk Corp	Manufacturing	331,773
3. Marvin Widows & Doors	Manufacturing	223,598
4. Komatsu America Corp	Parts Distribution	149,578
5. LCH Qalicb LLC		107,417
6. Tenn Faith Inc.	Manufacturing	64,373
7. Wal-Mart	Retail	62,980
8. American Greetings Corp.	Manufacturing	57,653
9. Fullen Farms Inc.	Manufacturing	56,917
10. Lauderdale Community Hospital LLC.	Healthcare	<u>55,524</u>
TOTAL		<u>\$1,469,749</u>

Source: The County.

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

For additional information on the funding status, trend information and actuarial status of the County's retirement programs, please refer to the General Purpose Financial Statements of the County located in herein.

UNFUNDED ACCRUED LIABILITY FOR POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

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

GASB Statement 45 establishes standards for the measurement, recognition, and display of OPEB in the financial reports of state and local government employers. GASB 45 requires the recognition of the accrued liability for the respective year, plus the disclosure of the total unfunded liability. Cash funding of the unfunded liability is not required.

For more information, see the Notes to the General Purpose Financial Statements located herein.

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GENERAL PURPOSE FINANCIAL STATEMENTS

LAUDERDALE COUNTY, TENNESSEE

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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 Lauderdale County for the fiscal year ended June 30, 2025 which is available upon request from the County.



ANNUAL FINANCIAL REPORT

Lauderdale County, Tennessee

For the Year Ended June 30, 2025

Jason E. Mumpower
Comptroller of the Treasury



**DIVISION OF
LOCAL GOVERNMENT AUDIT**

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

COMPTROLLER OF THE TREASURY
JASON E. MUMPOWER

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

LEE ANN WEST, CPA CGFM
Audit Manager

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

LAUDERDALE COUNTY, TENNESSEE

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Summary of Audit Findings

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

Scope

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

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF HIGHWAY COMMISSIONER

- ◆ The office had deficiencies in purchasing procedures.

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ Expenditures exceeded appropriations in salary accounts in the General Purpose School Fund.
- ◆ Some general ledger payroll deduction accounts were not reconciled with payroll reports and payments in the General Purpose School and School Federal Projects funds.



INTRODUCTORY SECTION

LAUDERDALE COUNTY OFFICIALS

June 30, 2025

Officials

Maurice Gaines, County Mayor
Derek Kissell, Highway Commissioner
Sherrie Sweatman, Director of Schools
Judy Conrad, Trustee
Jason Chrestman, Assessor of Property
Lea Turnbow, County Clerk
Jodie Edwards, Circuit and General Sessions Courts Clerk
Minnie Stowe, Clerk and Master
Greg Summar, Register of Deeds
Brian Kelly, Sheriff

Board of County Commissioners

Maurice Gaines, County Mayor, Chairman
Lawrence Andrews
Mark Ballard
Joe Carmack
Don Connell
Gene Edwards
Rob Harris
Danny Hartsfield
Jeff Henson
Ronnie Jackson
Sherrie Jones
Kaye Jordon
Dale McCaslin

Brian Maclin
Terry Mills
Mary Gail Moore
Eugene Pugh
Joe Pursell
Todd Rankin
Reed Sanders
Tommy Sanders
Erin Colby Smith
Lowell Tillman, Jr.
Dan Ungerecht
Susan Worlds

Board of Education

Chris Rose
Bradley Adams
Cynthia Glenn
Josh Hicks

Linda Jennings
Jenny McWilliams
Amanda Rhodes
Austin Thompson, Jr.

Audit Committee

Phillip Jackson, Chairman
Don Connell
John Helton
Eugene Pugh

FINANCIAL SECTION



JASON E. MUMPOWER
Comptroller

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Audit of the Financial Statements

Opinions

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

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

We did not audit the financial statements of the Lauderdale County Ambulance Authority (a major fund). Also, we did not audit the financial statements of the discretely presented Lauderdale County Water System, a discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Lauderdale County Ambulance Authority and the Lauderdale County Water System, is based solely on the reports of the other auditors. We were unable to determine Lauderdale County Water System's respective percentage of the assets, net position, and revenues of the aggregate discretely presented component units because the Lauderdale County Emergency Communications District, a component unit requiring discrete presentation, was not included in the county's financial statements. We also did not audit the financial statements of the Internal School Fund of the Lauderdale County School Department (a discretely presented component unit), which represent 1.4 percent, 1.6 percent, and 2.3 percent, respectively, of the assets, net position, and revenues of the discretely presented school department component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to amounts included for the Lauderdale County School Department's Internal School Fund, is 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lauderdale County, Tennessee, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Changes in Accounting Principle

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

Emphasis of Matter

We draw attention to Note I.D.9. to the financial statements, which describes restatements to the beginning Governmental Activities net position totaling (\$334,275) for the primary government, (\$4,170) for the business-type activities, and (\$374,655) for the discretely presented Lauderdale County School Department. These restatements were necessary because of the transitional requirements of GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

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

Supplementary Information

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

Other Information

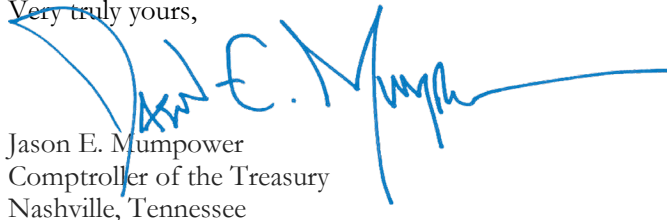
Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information,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

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

Other Reporting Requirements by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 9, 2026, on our consideration of Lauderdale County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Lauderdale County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lauderdale County's internal control over financial reporting and compliance.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 9, 2026

JEM/gc

BASIC FINANCIAL STATEMENTS SECTION

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

	Primary Government			Component Units	
	Governmental Activities	Business- type Activities	Total	Lauderdale County School Department	Lauderdale County Water System
ASSETS					
Cash	\$ 235,607	\$ 1,227,312	\$ 1,462,919	\$ 897,014	\$ 4,952,545
Equity in Pooled Cash and Investments	19,146,231	0	19,146,231	20,208,040	0
Inventories	0	0	0	0	84,770
Accounts Receivable	1,625,238	101,772	1,727,010	1,712	148,899
Allowance for Uncollectibles	(259,144)	0	(259,144)	0	0
Due from Other Governments	1,222,808	0	1,222,808	3,674,084	0
Property Taxes Receivable	9,913,603	24,582	9,938,185	2,547,191	0
Allowance for Uncollectible Property Taxes	(122,954)	(309)	(123,263)	(33,587)	0
Prepaid Items	0	0	0	0	1,164
Cash Shortage	0	0	0	26,767	0
Net Pension Asset - Agent Plan	1,891,650	26,859	1,918,509	1,610,332	88,257
Net Pension Asset - Teacher Retirement Plan	0	0	0	206,366	0
Net Pension Asset - Teacher Legacy Pension Plan	0	0	0	6,193,426	0
Restricted Assets -					
Amounts Accumulated for Pension Benefits	0	0	0	726,560	0
Capital Assets:					
Assets Not Depreciated:					
Land	953,947	160,000	1,113,947	1,393,574	10,000
Construction in Progress	44,887	0	44,887	2,576,370	0
Assets Net of Accumulated Depreciation:					
Buildings and Improvements	3,700,236	205,798	3,906,034	17,205,053	3,711,174
Infrastructure	9,519,027	0	9,519,027	649,527	0
Other Capital Assets	3,359,783	167,261	3,527,044	5,700,180	609,973
Total Assets	<u>\$ 51,230,919</u>	<u>\$ 1,913,275</u>	<u>\$ 53,144,194</u>	<u>\$ 63,582,609</u>	<u>\$ 9,606,782</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension Changes in Experience	\$ 625,121	\$ 8,876	\$ 633,997	\$ 2,200,825	\$ 29,166
Pension Changes in Assumptions	315,055	4,473	319,528	350,208	14,699
Pension Changes in Proportion	0	0	0	344,948	0
Pension Contributions After Measurement Date	341,339	5,056	346,395	1,207,008	21,461
OPEB Changes in Experience	0	0	0	124,860	0
OPEB Changes in Proportion	0	0	0	42,990	0
OPEB Changes in Assumptions	0	0	0	848,458	0
OPEB Contributions after Measurement Date	0	0	0	147,379	0
Total Deferred Outflows of Resources	<u>\$ 1,281,515</u>	<u>\$ 18,405</u>	<u>\$ 1,299,920</u>	<u>\$ 5,266,676</u>	<u>\$ 65,326</u>

(Continued)

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

	Primary Government			Component Units	
	Governmental Activities	Business- type Activities	Total	Lauderdale County School Department	Lauderdale County Water System
LIABILITIES					
Accounts Payable	\$ 58,821	\$ 58,405	\$ 117,226	\$ 0	\$ 1,055
Accrued Payroll	75,192	0	75,192	0	36,611
Payroll Deductions Payable	0	0	0	1,703,170	0
Customer Deposits Payable	0	0	0	0	255,030
Other Current Liabilities	0	0	0	790	110,967
Noncurrent Liabilities:					
Due Within One Year - Debt	157,431	0	157,431	0	0
Due Within One Year - Other	27,686	12,647	40,333	386,268	0
Due in More Than One Year - Debt	187,771	0	187,771	0	0
Due in More Than One Year - Other	369,596	64,207	433,803	4,737,557	0
Total Liabilities	<u>\$ 876,497</u>	<u>\$ 135,259</u>	<u>\$ 1,011,756</u>	<u>\$ 6,827,785</u>	<u>\$ 403,663</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	\$ 9,352,057	\$ 0	\$ 9,352,057	\$ 2,525,427	\$ 0
Pension Changes in Experience	71,629	1,017	72,646	124,378	3,342
Pension Changes in Investment Earnings	297,806	4,228	302,034	1,494,556	13,894
Pension Changes in Proportion	0	0	0	10,435	0
OPEB Changes in Experience	0	0	0	740,497	0
OPEB Changes in Proportion	0	0	0	273,593	0
OPEB Changes in Assumptions	0	0	0	362,960	0
Total Deferred Inflows of Resources	<u>\$ 9,721,492</u>	<u>\$ 5,245</u>	<u>\$ 9,726,737</u>	<u>\$ 5,531,846</u>	<u>\$ 17,236</u>
NET POSITION					
Net Investment in Capital Assets	\$ 17,577,880	\$ 533,059	\$ 18,110,939	\$ 27,524,704	\$ 4,331,147
Restricted for:					
General Government	1,211,172	0	1,211,172	0	0
Finance	20,600	0	20,600	0	0
Administration of Justice	77,210	0	77,210	0	0
Public Safety	171,610	0	171,610	0	0
Public Health and Welfare	2,481,591	0	2,481,591	0	0
Social, Cultural, and Recreational Services	112,874	0	112,874	0	0
Highways/Public Works	201,037	0	201,037	0	0
Education	0	0	0	901,745	0
Operation of Non-instructional Services	0	0	0	736,535	0
Debt Service	1,197,315	0	1,197,315	0	0
Capital Projects	108,696	0	108,696	0	0
Pensions	1,891,650	26,859	1,918,509	8,010,124	88,257
Hybrid Retirement Stabilization Funds	0	0	0	726,560	0
Unrestricted	16,862,810	1,231,258	18,094,068	18,589,986	4,831,805
Total Net Position	<u>\$ 41,914,445</u>	<u>\$ 1,791,176</u>	<u>\$ 43,705,621</u>	<u>\$ 56,489,654</u>	<u>\$ 9,251,209</u>

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

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

Functions/Programs	Expenses		Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units	
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Lauderdale County School Department	Lauderdale County Water System
						Governmental Activities	Business-type Activities	Total		
Primary Government:										
Governmental Activities:										
General Government	\$ 2,641,917	\$ 138,140	\$ 54,752	\$ 229,008	\$ (2,220,017)	\$ 0	\$ (2,220,017)	\$ 0	\$ 0	
Finance	1,080,597	726,485	0	0	(354,112)	0	(354,112)	0	0	
Administration of Justice	1,767,639	419,310	83,681	0	(1,264,648)	0	(1,264,648)	0	0	
Public Safety	6,835,202	785,590	978,032	0	(5,071,580)	0	(5,071,580)	0	0	
Public Health and Welfare	4,344,129	2,450,715	351,184	1,439,499	(102,731)	0	(102,731)	0	0	
Social, Cultural, and Recreational Services	349,228	6,570	40,626	0	(302,032)	0	(302,032)	0	0	
Agriculture and Natural Resources	320,027	0	21,000	0	(299,027)	0	(299,027)	0	0	
Highways/Public Works	6,856,510	0	2,596,091	2,187,706	(2,072,713)	0	(2,072,713)	0	0	
Education	4,159,021	0	282,766	0	(3,876,255)	0	(3,876,255)	0	0	
Interest on Long-term Debt	100,906	0	0	0	(100,906)	0	(100,906)	0	0	
Total Governmental Activities	\$ 28,455,176	\$ 4,526,810	\$ 4,408,132	\$ 3,856,213	\$ (15,664,021)	\$ 0	\$ (15,664,021)	\$ 0	\$ 0	
Business-type Activities:										
Solid Waste Disposal	\$ 1,126,910	\$ 823,468	\$ 0	\$ 0	\$ 0	\$ (303,442)	\$ (303,442)	\$ 0	\$ 0	
Total Primary Government	\$ 29,582,086	\$ 5,350,278	\$ 4,408,132	\$ 3,856,213	\$ (15,664,021)	\$ (303,442)	\$ (15,967,463)	\$ 0	\$ 0	
Component Units:										
Lauderdale County School Department	\$ 50,633,307	\$ 176,275	\$ 13,912,118	\$ 2,967,789	\$ 0	\$ 0	\$ 0	\$ (33,577,125)	\$ 0	
Lauderdale County Water System	1,818,377	1,762,754	0	0	0	0	0	0	(55,623)	
Total Component Units	\$ 52,451,684	\$ 1,939,029	\$ 13,912,118	\$ 2,967,789	\$ 0	\$ 0	\$ 0	\$ (33,577,125)	\$ (55,623)	

(Continued)

LAUDERDALE COUNTY, TENNESSEE
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position					
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units		
					Governmental Activities	Business- type Activities	Total	Lauderdale County School Department	Lauderdale County Water System	
General Revenues:										
Taxes:										
Property Taxes Levied for General Purposes					\$ 8,539,395	\$ 30,829	\$ 8,570,224	\$ 2,514,684	\$ 0	
Property Taxes Levied for Debt Service					11,148	0	11,148	0	0	
Local Option Sales Taxes					0	0	0	5,119,490	0	
Wheel Tax					994,358	0	994,358	0	0	
Litigation Taxes					113,334	0	113,334	0	0	
Business Tax					203,601	0	203,601	0	0	
Wholesale Beer Tax					21,426	0	21,426	0	0	
Other Local Taxes					30,399	7,096	37,495	180,728	0	
Grants and Contributions Not Restricted to Specific Programs					802,829	0	802,829	30,123,051	0	
Unrestricted Investment Income					11,395	32,304	43,699	1,340,666	138,083	
Miscellaneous					269,410	10	269,420	145,634	0	
Total General Revenues					\$ 10,997,295	\$ 70,239	\$ 11,067,534	\$ 39,424,253	\$ 138,083	
Change in Net Position					\$ (4,666,726)	\$ (233,203)	\$ (4,899,929)	\$ 5,847,128	\$ 82,460	
Net Position, July 1, 2024					46,915,446	2,028,549	48,943,995	51,017,181	9,168,749	
Restatement - See Note I.D.9.					(334,275)	(4,170)	(338,445)	(374,655)	0	
Net Position, June 30, 2025					\$ 41,914,445	\$ 1,791,176	\$ 43,705,621	\$ 56,489,654	\$ 9,251,209	

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

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

	Major Funds				Nonmajor	Total
	General	Ambulance Service	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
ASSETS						
Cash	\$ 0	\$ 233,262	\$ 0	\$ 0	\$ 2,345	\$ 235,607
Equity in Pooled Cash and Investments	12,735,647	0	3,800,898	1,268,695	1,340,991	19,146,231
Accounts Receivable	3,259	1,619,648	1,795	0	536	1,625,238
Allowance for Uncollectibles	0	(259,144)	0	0	0	(259,144)
Due from Other Governments	780,083	0	442,725	0	0	1,222,808
Due from Other Funds	2,881	0	0	0	0	2,881
Property Taxes Receivable	9,040,550	0	860,762	12,291	0	9,913,603
Allowance for Uncollectible Property Taxes	(111,946)	0	(10,854)	(154)	0	(122,954)
Total Assets	\$ 22,450,474	\$ 1,593,766	\$ 5,095,326	\$ 1,280,832	\$ 1,343,872	\$ 31,764,270
LIABILITIES						
Accounts Payable	\$ 38,555	\$ 12,764	\$ 7,502	\$ 0	\$ 0	\$ 58,821
Accrued Payroll	0	75,192	0	0	0	75,192
Due to Other Funds	0	0	0	0	2,881	2,881
Total Liabilities	\$ 38,555	\$ 87,956	\$ 7,502	\$ 0	\$ 2,881	\$ 136,894

(Continued)

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

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Ambulance Service	Highway / Public Works	General Debt Service	Other Governmental Funds	
DEFERRED INFLOWS OF RESOURCES						
Deferred Current Property Taxes	\$ 8,530,077	\$ 0	\$ 810,403	\$ 11,577	\$ 0	\$ 9,352,057
Deferred Delinquent Property Taxes	272,582	0	27,020	383	0	299,985
Other Deferred/Unavailable Revenue	529,186	0	213,195	0	0	742,381
Total Deferred Inflows of Resources	<u>\$ 9,331,845</u>	<u>\$ 0</u>	<u>\$ 1,050,618</u>	<u>\$ 11,960</u>	<u>\$ 0</u>	<u>\$ 10,394,423</u>
FUND BALANCES						
Restricted:						
Restricted for General Government - American Rescue Plan Act	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,113,313	\$ 1,113,313
Restricted for Finance	20,100	0	0	0	0	20,100
Restricted for Administration of Justice	76,851	0	0	0	0	76,851
Restricted for Public Safety	56,234	0	0	0	113,990	170,224
Restricted for Public Health and Welfare	449,476	1,505,810	0	0	0	1,955,286
Restricted for Social, Cultural, and Recreational Services	107,882	0	0	0	4,992	112,874
Restricted for Other Operations	97,223	0	0	0	0	97,223
Restricted for Capital Outlay	0	0	0	0	108,696	108,696
Restricted for Debt Service	0	0	0	1,196,932	0	1,196,932
Committed:						
Committed for Highways/Public Works	0	0	4,037,206	0	0	4,037,206
Committed for Debt Service	0	0	0	71,940	0	71,940
Unassigned	12,272,308	0	0	0	0	12,272,308
Total Fund Balances	<u>\$ 13,080,074</u>	<u>\$ 1,505,810</u>	<u>\$ 4,037,206</u>	<u>\$ 1,268,872</u>	<u>\$ 1,340,991</u>	<u>\$ 21,232,953</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 22,450,474</u>	<u>\$ 1,593,766</u>	<u>\$ 5,095,326</u>	<u>\$ 1,280,832</u>	<u>\$ 1,343,872</u>	<u>\$ 31,764,270</u>

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

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

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 21,232,953
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 953,947	
Add: construction in progress	44,887	
Add: buildings and improvements net of accumulated depreciation	3,700,236	
Add: infrastructure net of accumulated depreciation	9,519,027	
Add: other capital assets net of accumulated depreciation	<u>3,359,783</u>	17,577,880
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: compensated absences payable	\$ (397,282)	
Less: other loan payable	<u>(345,202)</u>	(742,484)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.		
Add: deferred outflows related to pensions	\$ 1,281,515	
Less: deferred inflows related to pensions	<u>(369,435)</u>	912,080
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		1,891,650
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>1,042,366</u>
Net position of governmental activities (Exhibit A)		<u>\$ 41,914,445</u>

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

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

	Major Funds				Nonmajor	Total
	General	Ambulance Service	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
Revenues						
Local Taxes	\$ 9,170,729	\$ 0	\$ 877,607	\$ 38,798	\$ 1,357	\$ 10,088,491
Licenses and Permits	42,190	0	314	4	0	42,508
Fines, Forfeitures, and Penalties	123,474	0	0	0	4,653	128,127
Charges for Current Services	112,381	2,440,125	0	0	0	2,552,506
Other Local Revenues	155,157	40,999	89,175	0	9,804	295,135
Fees Received From County Officials	1,118,759	0	0	0	0	1,118,759
State of Tennessee	2,263,900	0	4,852,863	0	0	7,116,763
Federal Government	835,686	386,364	0	0	258,555	1,480,605
Other Governments and Citizens Groups	125,842	0	0	282,766	1,500	410,108
Total Revenues	\$ 13,948,118	\$ 2,867,488	\$ 5,819,959	\$ 321,568	\$ 275,869	\$ 23,233,002
Expenditures						
Current:						
General Government	\$ 1,734,219	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,734,219
Finance	1,001,439	0	0	0	0	1,001,439
Administration of Justice	1,709,411	0	0	0	0	1,709,411
Public Safety	6,609,764	0	0	0	5,761	6,615,525
Public Health and Welfare	677,066	3,249,180	0	0	0	3,926,246
Social, Cultural, and Recreational Services	252,332	0	0	0	13	252,345
Agriculture and Natural Resources	310,398	0	0	0	0	310,398
Other Operations	1,076,445	0	0	4,159,021	260,100	5,495,566
Highways	0	0	6,698,634	0	0	6,698,634

(Continued)

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

	Major Funds				Nonmajor	Total
	General	Ambulance Service	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
Expenditures (Cont.)						
Debt Service:						
Principal on Debt	\$ 0	\$ 0	\$ 0	\$ 157,431	\$ 0	\$ 157,431
Interest on Debt	0	0	0	100,906	0	100,906
Other Debt Service	0	0	0	2,264	0	2,264
Capital Projects	256,483	0	0	0	0	256,483
Total Expenditures	\$ 13,627,557	\$ 3,249,180	\$ 6,698,634	\$ 4,419,622	\$ 265,874	\$ 28,260,867
 Excess (Deficiency) of Revenues Over Expenditures	 \$ 320,561	 \$ (381,692)	 \$ (878,675)	 \$ (4,098,054)	 \$ 9,995	 \$ (5,027,865)
 Other Financing Sources (Uses)						
Insurance Recovery	\$ 125,698	\$ 114,000	\$ 10,607	\$ 0	\$ 0	\$ 250,305
Transfers In	0	759,000	1,275,000	0	0	2,034,000
Transfers Out	(759,000)	0	0	0	(1,275,000)	(2,034,000)
Total Other Financing Sources (Uses)	\$ (633,302)	\$ 873,000	\$ 1,285,607	\$ 0	\$ (1,275,000)	\$ 250,305
 Net Change in Fund Balances	 \$ (312,741)	 \$ 491,308	 \$ 406,932	 \$ (4,098,054)	 \$ (1,265,005)	 \$ (4,777,560)
Fund Balance, July 1, 2024	13,392,815	1,014,502	3,630,274	5,366,926	2,605,996	26,010,513
 Fund Balance, June 30, 2025	 \$ 13,080,074	 \$ 1,505,810	 \$ 4,037,206	 \$ 1,268,872	 \$ 1,340,991	 \$ 21,232,953

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

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

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ (4,777,560)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 1,357,911	
Less: current-year depreciation expense	<u>(1,732,892)</u>	(374,981)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: book value of capital assets disposed		(153,240)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2025	\$ 1,042,366	
Less: deferred delinquent property taxes and other deferred June 30, 2024	<u>(486,918)</u>	555,448
(4) The issuance of long-term debt (e.g., bonds, notes, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Add: principal payments on other loan		157,431
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in compensated absences payable	\$ (63,007)	
Change in net pension asset	554,356	
Change in deferred outflows related to pensions	(395,854)	
Change in deferred inflows related to pensions	<u>(169,319)</u>	<u>(73,824)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ (4,666,726)</u>

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

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 9,170,729	\$ 10,380,235	\$ 10,380,235	\$ (1,209,506)
Licenses and Permits	42,190	32,500	32,500	9,690
Fines, Forfeitures, and Penalties	123,474	165,550	165,550	(42,076)
Charges for Current Services	112,381	99,000	99,000	13,381
Other Local Revenues	155,157	325,000	325,000	(169,843)
Fees Received From County Officials	1,118,759	1,095,000	1,095,000	23,759
State of Tennessee	2,263,900	1,923,391	2,681,691	(417,791)
Federal Government	835,686	4,833,691	5,152,017	(4,316,331)
Other Governments and Citizens Groups	125,842	471,691	471,691	(345,849)
Total Revenues	\$ 13,948,118	\$ 19,326,058	\$ 20,402,684	\$ (6,454,566)
Expenditures				
General Government				
County Commission	\$ 61,082	\$ 77,270	\$ 77,270	\$ 16,188
County Mayor/Executive	428,876	512,307	512,807	83,931
County Attorney	51,984	15,000	52,179	195
Election Commission	289,264	333,205	333,205	43,941
Register of Deeds	197,877	203,592	203,592	5,715
Development	185,174	547,767	547,767	362,593
Planning	34,019	32,831	40,331	6,312
County Buildings	479,614	930,526	935,786	456,172
Other General Administration	6,329	36,315	36,315	29,986
Finance				
Property Assessor's Office	279,276	353,236	353,236	73,960
County Trustee's Office	288,713	294,137	294,137	5,424
County Clerk's Office	433,450	487,995	487,995	54,545
Administration of Justice				
Circuit Court	344,982	360,868	374,418	29,436
General Sessions Judge	144,214	147,508	147,508	3,294
General Sessions Court Clerk	223,296	348,770	348,770	125,474
Drug Court	171,135	166,000	309,000	137,865
Chancery Court	200,661	242,712	243,912	43,251
Juvenile Court	408,382	391,181	418,976	10,594
Juvenile Court Judge	137,855	136,188	138,620	765

(Continued)

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Expenditures (Cont.)				
Administration of Justice (Cont.)				
Other Administration of Justice	\$ 63,886	\$ 68,571	\$ 68,571	\$ 4,685
Victim Assistance Programs	15,000	15,000	15,000	0
Public Safety				
Sheriff's Department	3,349,384	3,198,158	3,475,637	126,253
Administration of the Sexual Offender Registry	1,650	3,000	3,000	1,350
Jail	2,191,966	2,438,863	2,438,863	246,897
Juvenile Services	735,411	685,154	798,460	63,049
Fire Prevention and Control	189,791	56,475	194,213	4,422
Civil Defense	17,635	17,326	34,652	17,017
Rescue Squad	10,000	10,000	10,000	0
Other Emergency Management	113,927	123,498	123,498	9,571
Public Health and Welfare				
Local Health Center	57,882	60,832	60,832	2,950
Rabies and Animal Control	173,297	222,545	222,545	49,248
Dental Health Program	111,142	247,100	324,600	213,458
Alcohol and Drug Programs	95,437	105,070	110,794	15,357
Other Local Health Services	81,862	66,300	96,300	14,438
Regional Mental Health Center	4,973	0	272,932	267,959
Other Local Welfare Services	37,275	48,500	126,850	89,575
Sanitation Education/Information	84,531	87,043	87,043	2,512
Other Public Health and Welfare	30,667	53,350	53,350	22,683
Social, Cultural, and Recreational Services				
Libraries	198,474	234,422	234,422	35,948
Parks and Fair Boards	41,100	41,100	41,100	0
Other Social, Cultural, and Recreational	12,758	0	100,000	87,242
Agriculture and Natural Resources				
Agricultural Extension Service	115,972	125,955	128,355	12,383
Soil Conservation	194,426	196,927	196,927	2,501
Other Operations				
Veterans' Services	30,023	28,816	31,955	1,932
Other Charges	282,083	275,000	295,135	13,052
Contributions to Other Agencies	249,785	951,747	252,347	2,562
Employee Benefits	15,900	46,000	46,000	30,100

(Continued)

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Expenditures (Cont.)				
Other Operations (Cont.)				
American Rescue Plan Act Grant #9	\$ 497,795	\$ 420,342	\$ 621,342	\$ 123,547
Miscellaneous	859	24,000	24,000	23,141
Capital Projects				
American Rescue Plan Act Grant #1	256,483	4,251,275	4,251,275	3,994,792
Total Expenditures	<u>\$ 13,627,557</u>	<u>\$ 19,719,777</u>	<u>\$ 20,595,822</u>	<u>\$ 6,968,265</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 320,561</u>	<u>\$ (393,719)</u>	<u>\$ (193,138)</u>	<u>\$ 513,699</u>
Other Financing Sources (Uses)				
Insurance Recovery	\$ 125,698	\$ 0	\$ 0	\$ 125,698
Transfers Out	(759,000)	0	(759,000)	0
Total Other Financing Sources	<u>\$ (633,302)</u>	<u>\$ 0</u>	<u>\$ (759,000)</u>	<u>\$ 125,698</u>
Net Change in Fund Balance	\$ (312,741)	\$ (393,719)	\$ (952,138)	\$ 639,397
Fund Balance, July 1, 2024	<u>13,392,815</u>	<u>14,230,040</u>	<u>14,230,040</u>	<u>(837,225)</u>
Fund Balance, June 30, 2025	<u><u>\$ 13,080,074</u></u>	<u><u>\$ 13,836,321</u></u>	<u><u>\$ 13,277,902</u></u>	<u><u>\$ (197,828)</u></u>

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

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Charges for Current Services	\$ 2,440,125	\$ 2,400,000	\$ 2,400,000	\$ 40,125
Other Local Revenues	40,999	0	0	40,999
State of Tennessee	0	30,000	30,000	(30,000)
Federal Government	386,364	0	772,727	(386,363)
Total Revenues	\$ 2,867,488	\$ 2,430,000	\$ 3,202,727	\$ (335,239)
Expenditures				
Public Health and Welfare				
Ambulance/Emergency Medical Services	\$ 3,249,180	\$ 3,150,000	\$ 4,074,763	\$ 825,583
Total Expenditures	\$ 3,249,180	\$ 3,150,000	\$ 4,074,763	\$ 825,583
Excess (Deficiency) of Revenues Over Expenditures	\$ (381,692)	\$ (720,000)	\$ (872,036)	\$ 490,344
Other Financing Sources (Uses)				
Insurance Recovery	\$ 114,000	\$ 0	\$ 113,400	\$ 600
Transfers In	759,000	750,000	750,000	9,000
Total Other Financing Sources	\$ 873,000	\$ 750,000	\$ 863,400	\$ 9,600
Net Change in Fund Balance	\$ 491,308	\$ 30,000	\$ (8,636)	\$ 499,944
Fund Balance, July 1, 2024	1,014,502	913,610	913,610	100,892
Fund Balance, June 30, 2025	\$ 1,505,810	\$ 943,610	\$ 904,974	\$ 600,836

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

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 877,607	\$ 985,695	\$ 985,695	\$ (108,088)
Licenses and Permits	314	750	750	(436)
Other Local Revenues	89,175	50,000	50,000	39,175
State of Tennessee	4,852,863	6,257,070	6,257,070	(1,404,207)
Total Revenues	<u>\$ 5,819,959</u>	<u>\$ 7,293,515</u>	<u>\$ 7,293,515</u>	<u>\$ (1,473,556)</u>
Expenditures				
Highways				
Administration	\$ 277,737	\$ 297,426	\$ 298,626	\$ 20,889
Highway and Bridge Maintenance	1,538,152	1,811,500	1,811,500	273,348
Operation and Maintenance of Equipment	481,990	561,160	586,160	104,170
Other Charges	148,693	158,400	158,400	9,707
Employee Benefits	392,001	505,500	505,500	113,499
Capital Outlay	3,860,061	4,007,500	5,256,300	1,396,239
Total Expenditures	<u>\$ 6,698,634</u>	<u>\$ 7,341,486</u>	<u>\$ 8,616,486</u>	<u>\$ 1,917,852</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (878,675)</u>	<u>\$ (47,971)</u>	<u>\$ (1,322,971)</u>	<u>\$ 444,296</u>
Other Financing Sources (Uses)				
Insurance Recovery	\$ 10,607	\$ 0	\$ 0	\$ 10,607
Transfers In	1,275,000	0	1,275,000	0
Total Other Financing Sources	<u>\$ 1,285,607</u>	<u>\$ 0</u>	<u>\$ 1,275,000</u>	<u>\$ 10,607</u>
Net Change in Fund Balance	\$ 406,932	\$ (47,971)	\$ (47,971)	\$ 454,903
Fund Balance, July 1, 2024	3,630,274	3,404,082	3,404,082	226,192
Fund Balance, June 30, 2025	<u>\$ 4,037,206</u>	<u>\$ 3,356,111</u>	<u>\$ 3,356,111</u>	<u>\$ 681,095</u>

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

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

	<u>Business-type Activities</u>
	<u>Major Enterprise Fund</u>
	Solid Waste Disposal
ASSETS	
Current Assets:	
Equity in Pooled Cash and Investments	\$ 1,227,312
Accounts Receivable	101,772
Property Taxes Receivable	24,582
Allowance for Uncollectible Property Taxes	(309)
Total Current Assets	<u>\$ 1,353,357</u>
Noncurrent Assets:	
Net Pension Asset - Agent Plan	\$ 26,859
Capital Assets:	
Assets Not Depreciated:	
Land	160,000
Assets Net of Accumulated Depreciation:	
Buildings and Improvements	205,798
Machinery and Equipment	167,261
Total Noncurrent Assets	<u>\$ 559,918</u>
Total Assets	<u>\$ 1,913,275</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension Changes in Experience	\$ 8,876
Pension Changes in Assumptions	4,473
Pension Contributions After Measurement Date	5,056
Total Deferred Outflows of Resources	<u>\$ 18,405</u>

(Continued)

LAUDERDALE COUNTY, TENNESSEE
Statement of Net Position - Proprietary Fund (Cont.)

	<u>Business-type Activities</u>
	<u>Major Enterprise Fund</u>
	Solid Waste Disposal
LIABILITIES	
Current Liabilities:	
Accounts Payable	\$ 58,405
Total Current Liabilities	<u>\$ 58,405</u>
Noncurrent Liabilities:	
Due Within One Year - Other	\$ 12,647
Due in More Than One Year - Other	64,207
Total Noncurrent Liabilities	<u>\$ 76,854</u>
Total Liabilities	<u>\$ 135,259</u>
DEFERRED INFLOWS OF RESOURCES	
Pension Changes in Experience	\$ 1,017
Pension Changes in Investment Earnings	4,228
Total Deferred Inflows of Resources	<u>\$ 5,245</u>
NET POSITION	
Net Investment in Capital Assets	\$ 533,059
Restricted for Pensions	26,859
Unrestricted	<u>1,231,258</u>
Total Net Position	<u>\$ 1,791,176</u>

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

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

	Business-type Activities
	Major Enterprise Fund
	Solid Waste Disposal
Operating Revenues	
Tipping Fees	\$ 808,207
Surcharge - Waste Tire Disposal	15,261
Total Operating Revenues	<u>\$ 823,468</u>
Operating Expenses	
Supervisor/Director	\$ 38,874
Salary Supplements	7,350
Equipment Operators	36,488
Clerical Personnel	32,760
Part-time Personnel	39,187
Longevity Pay	600
Social Security	8,969
Employee and Dependent Insurance	24,505
Local Retirement	600
Employer Medicare	2,098
Communication	1,114
Contracts with Private Agencies	735,942
Maintenance Agreements	5,850
Maintenance and Repair Services - Buildings	5,008
Maintenance and Repair Services - Equipment	72,027
Travel	3,536
Diesel Fuel	21,611
Gasoline	4,465
Office Supplies	1,215
Utilities	5,222
Gravel and Chert	13,750
Other Supplies and Materials	880
Building and Contents Insurance	1,000
Trustee's Commission	1,080
Vehicle and Equipment Insurance	750
Workers' Compensation Insurance	3,337
Depreciation	51,912
Landfill Closure/Postclosure Care Costs	870
Office Equipment	5,910
Total Operating Expenses	<u>\$ 1,126,910</u>
Operating Income (Loss)	<u>\$ (303,442)</u>

(Continued)

LAUDERDALE COUNTY, TENNESSEE

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Fund (Cont.)

	Business-type Activities <hr/> Major Enterprise Fund <hr/> Solid Waste Disposal <hr/>
Nonoperating Revenues (Expenses)	
Property Taxes	\$ 37,925
Miscellaneous	10
Investment Income	32,304
Total Nonoperating Revenues (Expenses)	<u>\$ 70,239</u>
Change in Net Position	\$ (233,203)
Net Position, July 1, 2024	2,028,549
Restatement - See Note I.D.9.	<u>(4,170)</u>
Net Position, June 30, 2025	<u><u>\$ 1,791,176</u></u>

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

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

	Business-type Activities
	Major Enterprise Fund
	Solid Waste Disposal
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 771,539
Receipts from Others	15,261
Payments for Waste Collections and Disposal Activity	(1,075,827)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (289,027)</u>
Cash Flows from Noncapital Financing Activities	
Local Taxes	\$ 277,949
Licenses and Permits	10
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ 277,959</u>
Cash Flows from Investing Activities	
Investment Income	\$ 32,304
Net Cash Provided By (Used In) Investing Activities	<u>\$ 32,304</u>
Increase (Decrease) in Cash	\$ 21,236
Cash, July 1, 2024	<u>1,206,076</u>
Cash, June 30, 2025	<u><u>\$ 1,227,312</u></u>
Reconciliation of Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities	
Operating Income (Loss)	\$ (303,442)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	51,912
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(36,667)
(Increase) Decrease in Net Pension Asset	(7,458)
(Increase) Decrease in Deferred Outflows of Resources Related to Pensions	5,840
Increase (Decrease) in Accounts Payable	4,325
Increase (Decrease) in Accrued Liability for Landfill Closure/Postclosure Care Costs	(9,607)
Increase (Decrease) in Accrued Leave	3,728
Increase (Decrease) in Deferred Inflows of Resources Related to Pensions	<u>2,342</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ (289,027)</u>
Reconciliation of Cash With Statement of Net Position	
Cash Per Net Position	<u>\$ 1,227,312</u>
Cash, June 30, 2025	<u><u>\$ 1,227,312</u></u>

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

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

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ 660,771
Equity in Pooled Cash and Investments	518,465
Accounts Receivable	19,190
Due from Other Governments	232,200
Cash Shortage	<u>1,012</u>
Total Assets	<u>\$ 1,431,638</u>
LIABILITIES	
Accounts Payable	\$ 1,833
Due to Cities	<u>232,200</u>
Total Liabilities	<u>\$ 234,033</u>
NET POSITION	
Restricted for Individuals, Organizations and Other Governments	<u>\$ 1,197,605</u>
Total Net Position	<u><u>\$ 1,197,605</u></u>

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

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

**Custodial
Funds**

ADDITIONS

Sales Tax Collections for Other Governments	\$ 1,093,148
Fines/Fees and Other Collections	5,606,517
Drug Task Force Collections	345,127
District Attorney General Collections	25,398
Total Additions	<u>\$ 7,070,190</u>

DEDUCTIONS

Payment of Sales Tax Collections to Other Governments	\$ 1,093,148
Payments to State	2,448,232
Payments to Cities, Individuals, and Others	3,203,955
Payment of Drug Task Force Expenses	423,061
Payment of District Attorney General Expenses	26,552
Total Deductions	<u>\$ 7,194,948</u>

Net Increase (Decrease) in Fiduciary in Net Position	\$ (124,758)
Net Position, July 1, 2024	<u>1,322,363</u>
Net Position, June 30, 2025	<u><u>\$ 1,197,605</u></u>

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

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

The Lauderdale County Water System provides water to the residents of Lauderdale County in unincorporated areas. The system's governing body is appointed by the Lauderdale County Commission, and its operating budget is subject to the county commission's approval.

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

The Lauderdale County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the school department are included in this report as listed in the table of contents. Complete financial statements of the Lauderdale County Water System and the Lauderdale County Emergency Communications District can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Lauderdale County Water System
551 Central Curve Road
P.O. Box 527
Ripley, TN 38063

Lauderdale County Emergency Communications District
132 Dodge Drive
Ripley, TN 38063

Related Organization – The Lauderdale County Industrial Development Board is a related organization of Lauderdale County. The county's officials are responsible for appointing the members of the board, but the county's accountability for the organization does not extend beyond making the appointments.

B. Government-wide and Fund Financial Statements

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

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

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

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

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

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

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

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

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

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

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

Lauderdale County reports the following major governmental funds:

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

Ambulance Service Fund – This fund accounts for ambulance service operations of the Lauderdale County Ambulance Authority.

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

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

governmental funds.

Lauderdale County reports the following major proprietary fund:

Solid Waste Disposal Fund – This fund accounts for solid waste disposal operations of the Lauderdale County Landfill.

Additionally, Lauderdale County reports the following fund types:

Capital Projects Fund – The Other Capital Projects Fund is used to account for certain grant expenditures of the county for capital purposes.

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

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

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

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

Other Education Special Revenue Fund – This special revenue fund is used to account for a portion of sales tax revenue collected inside incorporated cities of the county that has been set aside for educational purposes.

The school department reports a nonmajor special revenue fund (Internal School Fund) which is used to account for funds held at the individual schools for internal school use such as the purchase of supplies, school clubs, and student activities. Collections from students and school activities are the foundational revenues of this fund. To be consistent with the prior year's reporting, the FY 24 balances for the Internal School Fund are presented in this report. Using the prior year balances will not affect the independent auditor's opinion on the Aggregate Discretely Presented Component Units. A more detailed reporting of the fund activities at each individual school may be found on the [Tennessee Comptroller of the Treasury's website](#).

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has one proprietary fund, an enterprise fund, to account for the operations of the county's landfill. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations.

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

1. Deposits and Investments

For purposes of the Statement of Cash Flows, cash includes cash on deposit with the county trustee.

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

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

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

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

All other investments are reported at fair value. Other than the pension stabilization trust

discussed in Note IV.A., no investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

All ambulance and property taxes receivable are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 0.69 percent of total taxes levied.

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

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

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

3. Restricted Assets

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

4. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items) are reported in the governmental and business-type columns in the government-wide financial statements. Capital assets (excluding the Lauderdale County Ambulance Authority, special revenue fund) are defined by the government as assets with an initial, individual cost of \$15,000 or more and an estimated useful life of more than five years.

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

Assets	Years
Buildings and Improvements	20 - 40
Other Capital Assets	5 - 20
Infrastructure:	
Roads	20
Bridges	20 - 30

5. Deferred Outflows/Inflows of Resources

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

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

6. Compensated Absences

It is the county and discretely presented school department's policies to permit employees to accumulate earned but unused vacation pay benefits; however, vacation must be used within the year earned for county employees and by the beginning of the next school year for school department employees. The policy of the sheriff department permits employees to accumulate earned but unused compensatory time up to 240 hours. It is the county and discretely presented school department's policies to permit employees to accumulate earned but unused sick pay benefits. All vacation pay and compensatory time are accrued when

incurred in the government-wide financial statements for the county and its discretely presented component units. Only a portion of the unpaid accumulated sick pay benefits are accrued. The criteria for accrual includes a “more likely than not,” to be used or paid. Since Lauderdale County and the school department do not have a policies to pay any amounts when employees separate from service with the government, only the portion of sick pay benefits “more likely than not” expected to be used are accrued in the government-wide financial statements. Sick pay benefits expected to be credited to TCRS service are not accrued. A liability for vacation pay benefits, compensatory time, or sick pay benefits is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements and payable under the applicable policies.

7. Long-term Debt and Long-term Obligations

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

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

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

8. Net Position and Fund Balance

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

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

The government-wide Statement of Net Position reports \$7,473,755 of restricted net position, of which \$114,618 is restricted by enabling legislation.

As of June 30, 2025, Lauderdale County had \$345,202 in outstanding debt for capital purposes for the discretely presented Lauderdale County School Department. This debt is a liability of Lauderdale County, but the capital assets acquired are reported in the financial statements of the school department. Therefore, Lauderdale County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

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

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

9. Restatements

With the implementation of GASB Statement No. 101, *Compensated Absences*, Lauderdale County must recognize a restatement to the beginning net position in the government-wide financial statements for the primary government and the discretely presented Lauderdale

County School Department to record compensated absences liabilities. A restatement of (\$334,275) has been presented to reflect the beginning balance of the governmental activities of the primary government, (\$4,170) for the business-type activities, and (\$374,655) for the discretely presented Lauderdale County School Department. The following table reflects the restatement amounts necessary to implement this standard:

	Government Wide			
	Primary Government			Discretely Presented Lauderdale County School Department
	Governmental Activities	Business- type Activities	Total	
Net Position, as previously reported	\$ 46,915,446	\$ 2,028,549	\$ 48,943,995	\$ 51,017,181
Adjustments for GASB 101 Implementation:				
Compensated Absences Liability	(334,275)	(4,170)	(338,445)	(374,655)
Net Change in Beginning Net Position	\$ (334,275)	\$ (4,170)	\$ (338,445)	\$ (374,655)
Net Position, June 30, 2024 Restated	\$ 46,581,171	\$ 2,024,379	\$ 48,605,550	\$ 50,642,526

E. Pension Plans

Primary Government

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

Discretely Presented Lauderdale County School Department

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

F. Other Postemployment Benefit (OPEB) Plan

Discretely Presented Lauderdale County School Department

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Lauderdale County School Department

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

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

Primary Government

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

Discretely Presented Lauderdale County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. *Budgetary Information*

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

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

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

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

the GAAP basis is presented on the face of each budgetary schedule.

On June 30, 2025, the Lauderdale County School Department had outstanding encumbrances totaling \$680,990 in the General Purpose School Fund.

B. Cash Shortages – Prior Years

The audit of Lauderdale County for the 2016-17 year reported a cash shortage of \$42,645 in the school department. Our investigation revealed that from May 1, 2014, through February 16, 2017, two former employees of the school department continued to receive compensation after their employment was terminated, resulting in a cash shortage of \$42,645. On June 5, 2017, the Lauderdale County Grand Jury returned indictments against Devlyn Green for the Class C Felony offense of theft over \$10,000 and against Milton Waller for the Class D Felony offense of theft over \$2,500. On June 28, 2017, Ms. Green pled guilty to theft over \$10,000, and on September 22, 2017, Mr. Waller pled guilty to an amended charge of theft under \$1,000. Retirement contributions made by the school department on behalf of Ms. Green in the amount of \$1,770 were refunded by the Tennessee Consolidated Retirement System and adjustments had been made for the FICA payments for both employees totaling \$2,905, Mr. Waller had paid restitution in the amount of \$4,459, and Ms. Green had paid restitution of \$6,744, leaving an unpaid shortage of \$26,767 on June 30, 2025.

The audit of Lauderdale County for the 2018-19 year reported a cash shortage of \$1,012 in the Office of General Sessions Court Clerk. Our investigation revealed that a former employee was missing funds in their cash drawer of \$112, and an additional \$900 was missing from driving school receipts that this employee had never receipted into the computer system. The District Attorney General was advised of this shortage on February 6, 2020. As of June 30, 2025, no restitution has been paid leaving an unpaid shortage of \$1,012.

C. Expenditures Exceeded Appropriations

Salaries exceeded appropriations in three of 64 salary line-items in the General Purpose School Fund by amounts ranging from \$758 to \$145,129. These expenditures in excess of appropriations were funded by available fund balance.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of three methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 90 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members

of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

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

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

Investments

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

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

TCRS Stabilization Trust

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

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

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

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 225,234
Developed Market International Equity	N/A	N/A	101,718
Emerging Market International Equity	N/A	N/A	29,062
U.S. Fixed Income	N/A	N/A	145,312
Real Estate	N/A	N/A	72,656
Short-term Securities	N/A	N/A	7,266
NAV - Private Equity and Strategic Lending	N/A	N/A	145,312
 Total			 \$ 726,560

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

B. Capital Assets

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

Primary Government

Governmental Activities

	Balance 7-1-24	Increases	Decreases	Balance 6-30-25
Capital Assets Not Depreciated:				
Land	\$ 953,947	\$ 0	\$ 0	\$ 953,947
Construction in Progress	2,076,802	44,887	(2,076,802)	44,887
Total Capital Assets Not Depreciated	<u>\$ 3,030,749</u>	<u>\$ 44,887</u>	<u>\$ (2,076,802)</u>	<u>\$ 998,834</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 12,210,912	\$ 1,699,973	\$ (200,000)	\$ 13,710,885
Infrastructure	12,752,217	401,323	0	13,153,540
Other Capital Assets	11,170,595	1,288,530	(626,825)	11,832,300
Total Capital Assets Depreciated	<u>\$ 36,133,724</u>	<u>\$ 3,389,826</u>	<u>\$ (826,825)</u>	<u>\$ 38,696,725</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 9,797,920	\$ 315,396	\$ (102,667)	\$ 10,010,649
Infrastructure	3,178,608	455,905	0	3,634,513
Other Capital Assets	8,081,844	961,591	(570,918)	8,472,517
Total Accumulated Depreciation	<u>\$ 21,058,372</u>	<u>\$ 1,732,892</u>	<u>\$ (673,585)</u>	<u>\$ 22,117,679</u>
Total Capital Assets Depreciated, Net	<u>\$ 15,075,352</u>	<u>\$ 1,656,934</u>	<u>\$ (153,240)</u>	<u>\$ 16,579,046</u>
Governmental Activities Capital Assets, Net	<u>\$ 18,106,101</u>	<u>\$ 1,701,821</u>	<u>\$ (2,230,042)</u>	<u>\$ 17,577,880</u>

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

Governmental Activities:

General Government	\$	131,119
Finance		52,202
Administration of Justice		16,517
Public Safety		304,536
Public Health and Welfare		210,997
Social, Cultural, and Recreational Services		31,094
Highway/Public Works		<u>986,427</u>
Total Depreciation Expense - Governmental Activities	<u>\$</u>	<u>1,732,892</u>

Business-type Activities:

	Balance 7-1-24	Increases	Balance 6-30-25
Capital Assets Not Depreciated:			
Land	\$ 160,000	\$ 0	\$ 160,000
Total Capital Assets Not Depreciated	<u>\$ 160,000</u>	<u>\$ 0</u>	<u>\$ 160,000</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 419,428	\$ 0	\$ 419,428
Other Capital Assets	1,197,470	0	1,197,470
Total Capital Assets Depreciated	<u>\$ 1,616,898</u>	<u>\$ 0</u>	<u>\$ 1,616,898</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 203,144	\$ 10,486	\$ 213,630
Other Capital Assets	988,783	41,426	1,030,209
Total Accumulated Depreciation	<u>\$ 1,191,927</u>	<u>\$ 51,912</u>	<u>\$ 1,243,839</u>
Total Capital Assets Depreciated, Net	<u>\$ 424,971</u>	<u>\$ (51,912)</u>	<u>\$ 373,059</u>
Business-type Activities Capital Assets, Net	<u>\$ 584,971</u>	<u>\$ (51,912)</u>	<u>\$ 533,059</u>

The business-type activities had no decreases in capital assets during the year. Depreciation expense for the business-type activities was \$51,912.

Discretely Presented Lauderdale County School Department

Governmental Activities:

	Balance 7-1-24	Increases	Decreases	Balance 6-30-25
Capital Assets Not Depreciated:				
Land	\$ 1,389,574	\$ 4,000	\$ 0	\$ 1,393,574
Construction in Progress	6,718,753	94,400	(4,236,783)	2,576,370
Total Capital Assets Not Depreciated	<u>\$ 8,108,327</u>	<u>\$ 98,400</u>	<u>\$ (4,236,783)</u>	<u>\$ 3,969,944</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 43,586,148	\$ 5,224,883	\$ 0	\$ 48,811,031
Infrastructure	1,104,924	0	0	1,104,924
Other Capital Assets	11,531,392	1,847,678	0	13,379,070
Total Capital Assets Depreciated	<u>\$ 56,222,464</u>	<u>\$ 7,072,561</u>	<u>\$ 0</u>	<u>\$ 63,295,025</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 30,488,830	\$ 1,117,148	\$ 0	\$ 31,605,978
Infrastructure	400,151	55,246	0	455,397
Other Capital Assets	6,895,044	783,846	0	7,678,890
Total Accumulated Depreciation	<u>\$ 37,784,025</u>	<u>\$ 1,956,240</u>	<u>\$ 0</u>	<u>\$ 39,740,265</u>
Total Capital Assets Depreciated, Net	<u>\$ 18,438,439</u>	<u>\$ 5,116,321</u>	<u>\$ 0</u>	<u>\$ 23,554,760</u>
Governmental Activities Capital Assets, Net	<u>\$ 26,546,766</u>	<u>\$ 5,214,721</u>	<u>\$ (4,236,783)</u>	<u>\$ 27,524,704</u>

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

Governmental Activities:

Instruction	\$ 1,467,491
Support Services	446,141
Operation of Non-instructional Services	<u>42,608</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 1,956,240</u></u>

C. Construction Commitments

On June 30, 2025, the school department had uncompleted construction contracts of approximately \$747,803 for various school construction and renovations projects. Funding for these future expenditures is expected to be received from federal grants.

D. Interfund Receivables, Payables, and Transfers

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

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 2,881
Discretely Presented School Department:		
General Purpose School	School Federal Projects	39,181
School Federal Projects	General Purpose School	8,425

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

Interfund Transfers:

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

Primary Government

Transfers Out	Transfers In		Purpose
	Ambulance Service Fund	Highway/ Public Works Fund	
General Fund	\$ 759,000	\$ 0	Operations
Nonmajor governmental funds	0	1,275,000	ARPA funds
Total	\$ 759,000	\$ 1,275,000	

Discretely Presented Lauderdale County School Department

Transfers Out	Transfers In		Purpose
	General Purpose School Fund		
School Federal Projects Fund	\$ 67,747		CCEIS expenses
Other Education Special Revenue Fund	2,400,000		Salaries
Total	\$ 2,467,747		

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

E. Long-term Debt

Primary Government

Other Loans

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

The other loan outstanding as of June 30, 2025, for governmental activities is as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-25
Direct Borrowing and Direct Placement:				
Other Loan	Variable	9-15-27	\$ 2,523,000	\$ 345,202

During the 2010-11 year, Lauderdale County entered into a loan agreement with the Tennessee State School Board Authority. Under this loan agreement, the authority loaned Lauderdale County \$2,523,000 for rehabilitation and repairs of county school buildings. This loan earns interest monthly based upon the local government investment pool rate, which is netted against the annual principal payment. The county pays an annual administrative fee of \$2,018 under this agreement. The loan retirement schedule also includes equal monthly payments of interest; however, the county will semi-annually receive a federal interest subsidy, which will offset these payments.

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

Year Ending June 30	Other Loan - Direct Placement			
	Principal	Interest	Other Fees	Total
2026	\$ 157,431	\$ 122,315	\$ 2,018	\$ 281,764
2027	172,929	122,315	2,018	297,262
2028	14,842	12,046	506	27,394
Total	\$ 345,202	\$ 256,676	\$ 4,542	\$ 606,420

There is \$1,268,872 available in the General Debt Service Fund to service long-term debt. Total debt per capita for the other loan totaled \$14, based on the 2020 federal census.

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

Description of Indebtedness	Outstanding 6-30-25
Other Loan - Direct Placement	
Contributions from the General Purpose School Fund	
Qualified School Construction Bonds, Series 2010	\$ 345,202

Changes in Long-term Debt

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

Governmental Activities:	Other Loans - Direct Placement
Balance, July 1, 2024	\$ 502,633
Reductions	(157,431)
Balance, June 30, 2025	<u>\$ 345,202</u>
Balance Due Within One Year	<u>\$ 157,431</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2025	\$ 345,202
Less: Balance Due Within One Year - Debt	<u>(157,431)</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 187,771</u>

F. Long-term Obligations

Primary Government

Changes in Long-term Obligations

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

Governmental Activities:	Compensated Absences*
Balance, July 1, 2024	\$ 334,275
Additions	<u>63,007</u>
Balance, June 30, 2025	<u>\$ 397,282</u>
Balance Due Within One Year	<u>\$ 27,686</u>

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

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2025	\$ 397,282
Less: Balance Due Within One Year - Other	<u>(27,686)</u>

Other Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 369,596</u>
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Compensated absences will be paid from the employing funds, primarily, the General and Highway/Public Works funds.

Lauderdale County Solid Waste Disposal Fund (enterprise fund)

Changes in Long-term Obligations

Long-term obligations activity for the Solid Waste Disposal Fund (enterprise fund) for the year ended June 30, 2025, was as follows:

Business-type Activities:	Compensated Absences*	Postclosure Care Costs
Balance, July 1, 2024	\$ 4,170	\$ 78,563
Additions	3,728	0
Reductions	0	<u>(9,607)</u>
Balance, June 30, 2025	<u>\$ 7,898</u>	<u>\$ 68,956</u>
Balance Due Within One Year	<u>\$ 1,424</u>	<u>\$ 11,223</u>

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

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2025	\$ 76,854
Less: Balance Due Within One Year - Other	<u>(12,647)</u>

Other Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 64,207</u>
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Discretely Presented Lauderdale County School Department

Changes in Long-term Obligations

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

Governmental Activities:	Compensated Absences*	Net OPEB Liability
Balance, July 1, 2024	\$ 374,655	\$ 4,293,077
Additions	100,625	498,294
Reductions	0	(142,826)
Balance, June 30, 2025	<u>\$ 475,280</u>	<u>\$ 4,648,545</u>
Balance Due Within One Year	<u>\$ 238,889</u>	<u>\$ 147,379</u>

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

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2025	\$ 5,123,825
Less: Balance Due Within One Year - Other	<u>(386,268)</u>
Other Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 4,737,557</u>

Compensated absences and other postemployment benefits will be paid from the employing funds: the General Purpose School, School Federal Projects, and Central Cafeteria funds.

G. On-Behalf Payments

Discretely Presented Lauderdale County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Lauderdale County School Department. These payments are made by the state to the Local Education Group Insurance Plan. The plan is administered by the State of Tennessee and reported in the state's Annual Comprehensive Financial Report. Payments by the state to the Local Education Group Insurance Plan for the year ended June 30, 2025, were \$107,690. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

Primary Government

Lauderdale County purchases commercial insurance for the risks associated with employee health coverage. Pre-65 age retirees are not allowed to remain in the program.

Discretely Presented Lauderdale County School Department

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

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

B. Accounting Changes

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

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

C. Contingent Liabilities

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

There are several pending lawsuits in which the county is involved. Any potential claims against the county not covered by insurance resulting from such litigation should not materially affect the county's financial statements.

D. Changes in Administration

On June 30, 2024, Sandra Burnham left the Office of Clerk and Master and was succeeded by Minnie Stowe effective July 1, 2024.

On August 31, 2024, Debbie Mays left the Office of Assessor of Property and was succeeded by Jason Chrestman effective September 1, 2024.

On December 31, 2024, Linda Summar left the Office of County Clerk and was succeeded by Lea Turnbow effective January 1, 2025.

On April 11, 2025, Shawn Kimble left the Office of Director of Schools, and Sherrie Sweat was appointed as interim director of schools effective April 12, 2025.

E. Landfill Closure/Postclosure Care Costs

Lauderdale County has active permits on file with the state Department of Environment and Conservation for a sanitary landfill and a demolition landfill. The county has provided financial assurances for estimated postclosure liabilities as required by the State of Tennessee. These financial assurances are on file with the Department of Environment and Conservation.

State and federal laws and regulations require the county to place a final cover on its sanitary 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 postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure

and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Lauderdale County closed its sanitary landfill in 2001. The \$68,956 reported as postclosure care liability on June 30, 2025, represents amounts based on what it would cost to perform all postclosure care in 2025. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

F. Joint Ventures

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

The Lauderdale County Economic and Community Development Board (LCECD) is a joint venture between Lauderdale County, the city of Ripley, and the towns of Halls, Henning, and Gates. The board is comprised of the county, city and town mayors, and various other individuals for a total of 31 members. The purpose of the organization is to foster communications relative to economic and community development between and among governmental entities, industry, and private citizens. The county and cities provide the funding for the organization with membership dues based on population percentages. Lauderdale County contributed dues of \$35,000 to the LCECD for the year ended June 30, 2025.

Lauderdale County does not have an equity interest in any of the above-noted joint ventures. Complete financial statements for the DTF and LCECD can be obtained from their respective administrative offices at the following addresses:

Administrative Offices:

Office of District Attorney General
Twenty-fifth Judicial District Drug Task Force
121 North Main Street
Ripley, TN 38063

Lauderdale County Economic and
Community Development Board
123 S. Jefferson Street
Ripley, TN 38063

G. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Lauderdale County, non-certified employees of the discretely presented Lauderdale County School Department, and the discretely presented Lauderdale County Water System employees are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 53.04 percent, the non-certified

employees of the discretely presented school department comprised 44.52 percent, and the discretely presented Lauderdale County Water System employees comprised 2.44 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be on the [Tennessee Department of Treasury website](#).

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

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

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	278
Inactive Employees Entitled to But Not Yet Receiving Benefits	479
Active Employees	406
Total	1,163

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Lauderdale County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2025, the employer contribution for Lauderdale County was \$641,443 based on a rate of 4.5 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Lauderdale County’s state shared taxes if required employer contributions are not remitted. The employer’s actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability. Employer contributions to separately finance specific liabilities were 4.5 percent for the year ended June 30, 2025. The contributions to separately finance specific liabilities were related to employees who have returned to work under a TCRS Return to Work program which requires employer contribution.

Net Pension Liability (Asset)

Lauderdale County's net pension liability (asset) was measured as of June 30, 2024, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

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

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

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

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

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

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

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

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

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2023	\$ 47,422,169	\$ 50,026,690	\$ (2,604,521)
Changes for the Year:			
Service Cost	\$ 1,412,437	\$ 0	\$ 1,412,437
Interest	3,223,183	0	3,223,183
Differences Between Expected and Actual Experience	497,049	0	497,049
Contributions-Employer	0	596,921	(596,921)
Contributions-Employees	0	757,094	(757,094)
Net Investment Income	0	4,841,616	(4,841,616)
Benefit Payments, Including Refunds of Employee Contributions	(2,167,486)	(2,167,486)	0
Administrative Expense	0	(50,385)	50,385
Net Changes	<u>\$ 2,965,183</u>	<u>\$ 3,977,760</u>	<u>\$ (1,012,577)</u>
Balance, June 30, 2024	<u>\$ 50,387,352</u>	<u>\$ 54,004,450</u>	<u>\$ (3,617,098)</u>

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	53.04%	\$ 26,725,452	\$ 28,643,960	\$ (1,918,509)
School Department	44.52%	22,432,449	24,042,781	(1,610,332)
Water System	2.44%	1,229,451	1,317,709	(88,257)
Total		<u>\$ 50,387,352</u>	<u>\$ 54,004,450</u>	<u>\$ (3,617,098)</u>

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

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (Asset)	\$ 3,072,979	\$ (3,617,098)	\$ (9,103,687)

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

Pension Expense (Negative Pension Expense). For the year ended June 30, 2025, Lauderdale County recognized (negative pension expense) of \$826,341.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 1,195,318	\$ 136,965
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	569,445
Changes in Assumptions	602,431	0
Contributions Subsequent to the Measurement Date of June 30, 2024 (1)	641,443	N/A
Total	<u>\$ 2,439,192</u>	<u>\$ 706,410</u>

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

(2)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 1,299,920	\$ 374,680
School Department	1,073,946	314,494
Water Department	65,326	17,236
Total	<u>\$ 2,439,192</u>	<u>\$ 706,410</u>

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

Year Ending June 30	Amount
2026	\$ 179,613
2027	1,223,644
2028	(112,528)
2029	(199,384)
2030	0
Thereafter	0

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

Discretely Presented Lauderdale County School Department – Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Lauderdale County, non-certified employees of the discretely presented Lauderdale County School Department, and the discretely presented Lauderdale County Water System employees are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 53.04 percent, non-certified employees of the discretely presented school department comprised 44.52 percent, and the discretely presented Lauderdale County Water System employees comprised 2.44 percent of the plan based on contribution data.

Discretely Presented Lauderdale County School Department - Certified Employees – Teacher Retirement Plan

General Information About the Pension Plan

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

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

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2025, to the Teacher Retirement Plan were \$244,226, which is three percent of covered payroll. In addition, employer contributions of \$75,341, which is one percent of covered payroll were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). On June 30, 2025, the school department reported a liability (asset) of (\$206,366) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2024, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2024, the school department's proportion was .289592 percent. The proportion as of June 30, 2023, was .313426 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2025, the school department recognized pension expense of \$177,649.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 17,047	\$ 63,401
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	34,811
Changes in Assumptions	82,006	0
Changes in Proportion of Net Pension Liability (Asset)	51,424	10,435
LEA's Contributions Subsequent to the Measurement Date of June 30, 2024	244,226	N/A
Total	<u>\$ 394,703</u>	<u>\$ 108,647</u>

The school department's employer contributions of \$244,226, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) of net pension liability (asset) in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2026	\$ (14,950)
2027	33,212
2028	(7,621)
2029	(7,430)
2030	9,475
Thereafter	29,144

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

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

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

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

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

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

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

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
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Net Pension Liability (Asset) \$ 544,253 \$ (206,366) \$ (764,983)

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

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

General Information About the Pension Plan

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

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the

Year Ending June 30	Amount
2026	\$ (493,791)
2027	2,497,122
2028	(629,326)
2029	(635,087)
2030	0
Thereafter	0

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

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

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

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

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

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

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (Asset)	\$ 7,867,797	\$ (6,193,426)	\$ (17,855,291)

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

2. Deferred Compensation

Teachers hired after July 1, 2014, by the school department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a

defined contribution portion which is placed into the state’s 401(k) plan and is managed by the employee. The defined contribution portion of the plan requires that the school department contribute five percent of each teacher’s salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year, the school department contributed \$399,407 and teachers contributed \$158,631 to this deferred compensation pension plan.

H. Other Postemployment Benefits (OPEB)

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

OPEB Provided through State Administered Public Entity Risk Pools

Discretely Presented Lauderdale County School Department

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

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

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

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

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

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

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

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

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

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

Benefits Provided. The Lauderdale County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with Section 8-27-30, *TCA*, establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO, or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. During the year, the Lauderdale County School Department provided a direct subsidy of \$100 per month toward the cost of the insurance plan selected by retirees. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees' premiums based on years of service. Therefore, retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 25 percent of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

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

Inactive Employees Currently Receiving Benefits	17
Inactive Employees Entitled To But Not Yet Receiving Benefits	0
Active Employees Eligible for Benefits	<u>281</u>
Total	<u><u>298</u></u>

A state insurance committee, created in accordance with Section 8-27-301, *TCA*, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$147,379 to the LEP for OPEB benefits as they came due.

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

	Share of Collective Liability		
	Lauderdale School Department 64.436%	State of TN 35.564%	Total OPEB Liability
Balance July 1, 2023	\$ 4,293,077	\$ 2,352,202	\$ 6,645,279
Changes for the Year:			
Service Cost	\$ 205,620	\$ 113,486	\$ 319,106
Interest	161,415	89,088	250,503
Difference between Expected and Actual Experience	51,063	28,183	79,246
Changes in Proportion	(11,110)	11,110	0
Changes in Assumption	80,196	44,262	124,458
Benefit Payments	(131,715)	(72,697)	(204,412)
Net Changes	<u>\$ 355,468</u>	<u>\$ 213,433</u>	<u>\$ 568,901</u>
Balance June 30, 2024	<u>\$ 4,648,545</u>	<u>\$ 2,565,635</u>	<u>\$ 7,214,180</u>

The Lauderdale County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The Lauderdale County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employers' long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized \$219,435 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Lauderdale County School Department's proportionate share of the collective OPEB liability was 64.436 percent and the State of Tennessee's share was 35.564 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2025, the school department recognized negative OPEB expense of \$485,251, including the state's share of the expense. On June 30, 2025, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 124,860	\$ 740,497
Changes in Proportion	42,990	273,593
Changes of Assumptions	848,458	362,960
Benefits Paid After the Measurement Date of June 30, 2024	147,379	0
Total	<u>\$ 1,163,687</u>	<u>\$ 1,377,050</u>

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

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

Year Ending June 30	School Department
2026	\$ (101,219)
2027	(101,219)
2028	(81,883)
2029	(33,306)
2030	(56,144)
Thereafter	13,029

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

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

Discount Rate	1% Decrease	Current Discount Rate	1% Increase
	2.93%	3.93%	4.93%
Proportionate Share of the Collective Total OPEB Liability	\$ 4,981,710	\$ 4,648,545	\$ 4,330,311

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

Healthcare Cost Trend Rate

	1% Decrease 9.68 to 3.5%	Current Rate 10.68 to 4.5%	1% Increase 11.68 to 5.5%
Proportionate Share of the Collective Total OPEB Liability	\$ 4,190,137	\$ 4,648,545	\$ 5,176,884

I. Purchasing Laws

Office of County Mayor

Purchasing procedures for the County Mayor’s Office are governed by the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, *Tennessee Code Annotated (TCA)*. This act provides for all purchases exceeding \$25,000 (excluding emergency purchases) to be made based on competitive bids solicited through newspaper advertisement.

Office of Highway Commissioner

Purchasing procedures for the highway department are governed by Chapter 304, Private Acts of 1929 and provisions of Section 54-7-113, *TCA* (Uniform Road Law), which require all purchases exceeding \$25,000 to be made on the basis of publicly advertised competitive bids.

Office of Director of Schools

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

J. Subsequent Events

On July 13, 2025, Sherrie Sweatman left the Office of Director of Schools and was succeeded by Selina Sparkman effective July 14, 2025.

On July 25, 2025, Lauderdale County issued \$9,900,000 in general obligation bonds for school construction and renovations.

VI. OTHER NOTES – LAUDERDALE COUNTY AMBULANCE AUTHORITY (SPECIAL REVENUE FUND)

A. Summary of Significant Accounting Policies

The Lauderdale County Ambulance Authority is a special revenue fund of Lauderdale County, Tennessee. Financial statements of the authority are consolidated into the financial statements of Lauderdale County, Tennessee. The authority is governed by a committee of the Lauderdale County Commission and provides ambulance services to the citizens of Lauderdale County.

The accounting and reporting policies of the authority relating to the activities included in the accompanying financial statements conform to generally accepted accounting principles applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local*

Governmental Units. GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, along with the subsequent GASB pronouncements (Statements and Interpretations) and constitutes GAAP for governmental units. The more significant accounting policies of the authority are described below:

1. Reporting Entity

The authority, for financial purposes, includes all the funds relevant to the operations of the Lauderdale County Ambulance Authority. The authority is a separately reported special revenue fund of the county.

2. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on the nonfiduciary activities of the authority. 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 identifiable activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by the given function or identifiable activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Accounts receivable are reduced by an allowance for uncollectible accounts. The authority has one fund, which is a self-balancing account comprised of its assets, liabilities, fund equity, revenues, and expenditures.

B. Cash and Investments

Cash and cash equivalents consist of the following:

	Balance 6-30-25
	<hr/>
Cash in Bank	\$ 233,262

Cash in bank is insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). On June 30, 2025, all deposits were covered by FDIC. All deposits with financial institutions in excess of FDIC limits are required to be secured by one of two methods. Excess funds can be deposited with a financial institution that participates in the State of Tennessee Bank Collateral Pool administered by the state treasurer. For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits.

Under the laws of Tennessee, the authority is authorized to invest with obligations of the United States

or its agencies, direct obligations of the State of Tennessee or its agencies, collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, certificates of deposit if insured by a Federal Deposit Insurance Corporation or the Tennessee Collateral Pool. During the year ended June 30, 2025, the authority did not own any types of securities other than those permitted by statute.

C. Capital Assets

Capital assets are comprised of equipment purchased by the authority since 2004. All capital assets are capitalized and depreciated in the government-wide statements. Capital assets are recorded as expenditures of the current period in the governmental fund financial statements. Assets purchased prior to July 1, 2004, are reflected within the financial statements of Lauderdale County in conformity with Governmental Accounting Standards Board (GASB) Statement No. 34 (as amended by Statement No. 37).

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

Depreciation of capital assets is computed and recorded by the straight-line method over the estimated useful lives of the assets. Estimated useful lives of the vehicles and equipment are five years. Total depreciation expense was \$160,124 for the year ended June 30, 2025.

Capital assets are summarized as follows:

	Balance 7-1-24	Increases	Decreases	Balance 6-30-25
Capital Assets				
Depreciated:				
Vehicles	\$ 703,772	\$ 114,000	\$ (36,823)	\$ 780,949
Equipment	257,597	446,504	0	704,101
Total Capital Assets Being Depreciated	<u>\$ 961,369</u>	<u>\$ 560,504</u>	<u>\$ (36,823)</u>	<u>\$ 1,485,050</u>
Less Accumulated Depreciation For:				
Vehicles	\$ 530,561	\$ 69,440	\$ (36,823)	\$ 563,178
Equipment	262,031	90,684	0	352,715
Total Depreciation	<u>\$ 792,592</u>	<u>\$ 160,124</u>	<u>\$ (36,823)</u>	<u>\$ 915,893</u>
Total Capital Assets, Net of Depreciation	<u>\$ 168,777</u>	<u>\$ 400,380</u>	<u>\$ 0</u>	<u>\$ 569,157</u>

D. Allowance for Uncollectible Accounts

The authority’s allowance for estimated uncollectible receivables on June 30, 2025, was \$259,144.

Accounts Receivable, June 30, 2024 (net of allowance for doubtful accounts - \$450,577)	\$ 1,051,347
Total amount billed	5,195,349
Less: contractual allowances	(2,283,754)
collections	(1,905,692)
bad debt write-offs	<u>(696,746)</u>
 Accounts Receivable, June 30, 2025 (net of allowance for doubtful accounts - \$259,144)	 <u>\$ 1,360,504</u>

E. Compensated Absences

The authority requires employees to take all earned vacation prior to the year end. Accrued sick leave is not paid upon termination. Therefore, no compensated absences are reflected within these financial statements.

F. Estimates

Management is required to make estimates and assumptions that may affect the reported amounts of assets, liabilities, revenues, and expenses. Actual results could differ from those estimates.

G. Fund Equity

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by the creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the authority's board through approval of resolutions. Assigned fund balance is a limitation imposed by a designee of the authority's board. Unassigned fund balance is the net resources in excess of what can be properly classified in one of the above categories.

When both restricted and unrestricted fund balances are available for use, it is the authority's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

Net Position is reflected in three areas: Investment in Capital Assets, Restricted and Unrestricted. When both restricted and unrestricted resources are available for use, it is the authority's policy to use restricted resources first, then unrestricted resources as they are needed.

H. Stewardship, Compliance, and Accountability

Budgetary information – An annual budget is adopted by the Ambulance Committee of the Lauderdale County Commission on a basis consistent with generally accepted accounting principles, and the budget is approved by the Lauderdale County Commission. Amendments require the approval of the county commission. All annual appropriations lapse at fiscal year-end.

The appropriated budget is prepared on a detailed line-item basis. Revenues are budgeted by source. Expenditures are budgeted by fund which constitutes the legal level of control. Expenditures may not exceed appropriations at this level.

The total expenditures did not exceed budgeted amounts for the fiscal year ending June 30, 2025; also, there were no line item over-expenditures relevant to budgeted expenditures.

I. Pension Plan

The Pension Fund of the Lauderdale County Ambulance Authority is included in the total retirement program for Lauderdale County, Tennessee, under the Tennessee Consolidated Retirement System. Five percent is deducted from the employees' checks, and the county pays a percentage match of 6.2 percent to fund the employees' retirement. Retirement is based on 30 years of service or reaching the age of 60. For details relative to the funding status and progress, actuarially determined contribution requirements and contributions made, and trend information, refer to Note V.G.

J. Risk Management

The authority is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The authority has purchased commercial insurance for all of the above risks. Settled claims have not exceeded this coverage in any of the past three years.

K. Concentration of Credit Risk

The authority receives its operating funds from governmental agencies, private insurance companies, and citizens served. While the authority has a broad consumer base, the ability to pay is dependent on the economic conditions of the area and the policies of the various governmental agencies and private insurance.

VII. OTHER NOTES – DISCRETELY PRESENTED LAUDERDALE COUNTY WATER SYSTEM

A. Summary of Significant Accounting Policies

1. Reporting Entity

The Lauderdale County Water System, a component unit of Lauderdale County, Tennessee, was created in 1974. The financial statements are limited to the assets, liabilities, deferred outflows and inflows of resources, net position, and results of operations of the Lauderdale County Water System. They are not intended to present the assets, liabilities, deferred outflows of resources, deferred inflow of resources, and fund balances/net position and results of operations of Lauderdale County taken as a whole. The Lauderdale County Commission appoints the system's five-member board, approves the system's operating budget, and is liable for any unpaid debt of the water system. The water system provides water service to unincorporated areas of Lauderdale County.

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

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The system's financial statements are reported used the economic resources measurement focus and the full accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The accounting policies of the system conform to applicable accounting principles generally accepted in the United States of America as defined by the Governmental Accounting Standards Board (GASB).

Proprietary funds distinguish operating revenues and expenses from non-operating items.

Operating revenues and expenses generally result from providing services and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the system are charges for sales to customers for sales and service. Operating expenses for the system 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.

3. **Assets, Liabilities, and Deferred Outflows/Inflows of Resources and Net Position**

Deposits and Investments

The water system's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the water system to invest in certificates of deposit, obligations of the U.S. Treasury, agencies and instrumentalities, obligations guaranteed by the U.S. government or its agencies, repurchase agreements and the state's investment pool.

Accounts Receivable

Trade receivables result from unpaid billings for water service to customers and from unpaid billings related to work performed for or materials sold to certain entities. The water system uses the direct write-off method to account for any bad debts, therefore, no allowance for uncollectibles is recorded because management has deemed the receivables to be fully collectible.

Inventories and Prepaid Items

All inventories are valued at the lower of average cost or market, using the first-in/first-out (FIFO) method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

Restricted Assets

The net pension asset is classified as a restricted asset on the Statement of Net Position because the amount is restricted for future benefits in the pension plan. The water system elects to use restricted assets before unrestricted assets when the situation arises when either can be used.

Capital Assets

The water system's capitalization threshold is \$15,000 and a useful life of at least five years is reported at historical cost. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Asset	Years
Buildings	50
Water distribution plant	10-50
Machinery and equipment	5-10
Vehicles	5

Compensated Absences

The water system's policy allows employees to accumulate sick leave and annual leave based on length of service. Sick leave is not vested and it not payable upon termination. Accumulated annual leave is vested and payable to employees upon termination.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Pensions

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

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The water system currently has items that qualify for reporting in this category as of June 30, 2025.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The water system has an item that qualifies for reporting in this category as June 30, 2025.

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the water system's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Net Position

Equity is classified as net position and displayed in the following three components:

- Net investment in capital assets – Consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds that are attributable

to the acquisition, construction, or improvement of those assets; debt related to unspent proceeds or other restricted cash and investments is excluded from the determination.

- Restricted for pension asset – Consist of restricted cash and investments for pension obligations.
- Unrestricted – All other net position that does not meet the description of the above category.

B. Detailed Notes

1. Deposits and Investments

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the water system’s deposits may not be returned to it. For an investment, this is the risk that, in the event of a failure of the counterpart, the water system will not be able to recover the value of its investments or the collateral securities that are in the possession of the outside party.

The water system’s policies limit deposits and investments to those instruments allowed by applicable state laws and described in Note VII.A.3. State statutes require that all deposits with financial institutions must be collateralized by securities whose fair value is equal to 105 percent of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance or the Tennessee Bank Collateral Pool, by collateral held by the water system’s agent in the water system’s name, or by the treasury bills of the United States or any its agencies, certificates of deposit at Tennessee state chartered banks and savings and loan associations and federally chartered banks and savings and loan associations, repurchase agreements utilizing obligations of the United States or its agencies as the underlying securities, and the state pooled investment fund. Statutes also require that securities underlying repurchase agreements must have a market value of at least equal to the amount of funds invested in the repurchase transaction. As of June 30, 2025, all bank deposits were fully collateralized or insured.

2. Receivables

Receivables as of June 30, 2025, consisted of the following:

Billed services for utility customers	\$ 148,899
Total	<u>\$ 148,899</u>

3. Restricted Assets

Restricted assets as of June 30, 2025, consisted of the net pension asset totaling \$88,257.

4. Net Position

Net position represents the difference between assets, liabilities, and deferred outflows/inflows of resources. The net position amounts were as follows:

	<u>6-30-25</u>
Investment in capital assets	
Net property, plant and equipment in services	\$ 4,331,147
Restricted for net pension asset	88,257
Unrestricted	<u>4,831,805</u>
Total net position	<u>\$ 9,251,209</u>

5. Capital Assets

Capital assets are summarized as follows:

	Balance 7-1-24	Increases	Decreases	Balance 6-30-25
Capital Assets Not Depreciated:				
Land	\$ 10,000	\$ 0	\$ 0	\$ 10,000
Construction in Progress	504,791	0	(504,791)	0
Total Capital Assets Not Depreciated	<u>\$ 514,791</u>	<u>\$ 0</u>	<u>\$ (504,791)</u>	<u>\$ 10,000</u>
Capital Assets Depreciated:				
Water Plant	\$ 10,703,136	\$ 556,020	\$ 0	\$ 11,259,156
Building and Equipment	787,020	107,057	(60,275)	833,802
Total Capital Assets Depreciated	<u>\$ 11,490,156</u>	<u>\$ 663,077</u>	<u>\$ (60,275)</u>	<u>\$ 12,092,958</u>
Less Accumulated Depreciation:				
Water Plant	\$ 7,181,034	\$ 366,949	\$ 0	\$ 7,547,983
Building and Equipment	328,801	82,655	(187,628)	223,828
Total Accumulated Depreciation	<u>\$ 7,509,835</u>	<u>\$ 449,604</u>	<u>\$ (187,628)</u>	<u>\$ 7,771,811</u>
Total Capital Assets Depreciated, Net	<u>\$ 3,980,321</u>	<u>\$ 213,473</u>	<u>\$ 127,353</u>	<u>\$ 4,321,147</u>
Business-type Activities Capital Assets, Net	<u>\$ 4,495,112</u>	<u>\$ 213,473</u>	<u>\$ (377,438)</u>	<u>\$ 4,331,147</u>

C. Pension Plan

General Information About the Pension Plan

Plan Description. Employees of the water system are provided a defined benefit pension plan through the Public Employee Pension Plan, an agent multiple-employer pension plan administered by the TCRS. The water system participates in TCRS through Lauderdale County. Consequently, the water system's participation is accounted for as a multi-employer cost-sharing plan for purposes of the water system's financial reporting. The water system employees comprised 2.44 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title

8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at [Tennessee Department of Treasury website](#).

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

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

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	7
Inactive Employees Entitled to But Not Yet Receiving Benefits	10
Active Employees	10
Total	27

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of their salary. Lauderdale County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2024, the employer contribution for the water system was \$21,461 based on a rate of 4.5 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the water system's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

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

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

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

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

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

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

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

Discount Rate. The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all Lauderdale County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on

those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2023	\$ 1,418,944	\$ 1,483,015	\$ (64,071)
Change in Allocation	\$ (261,843)	\$ (262,364)	\$ 521
Changes for the Year:			
Service Cost	34,463	0	34,463
Interest	78,646	0	78,646
Differences Between Expected and Actual Experience	12,128	0	12,128
Contributions-Employer	0	14,565	(14,565)
Contributions-Employees	0	18,473	(18,473)
Net Investment Income	0	118,135	(118,135)
Benefit Payments, Including Refunds of Employee Other Charges	(52,887) 0	(52,887) (1,229)	0 1,229
Net Changes	\$ (189,493)	\$ (165,307)	\$ (24,186)
Balance, June 30, 2024	\$ 1,229,451	\$ 1,317,708	\$ (88,257)

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

Water System's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (Asset)	\$ 74,981	\$ (88,257)	\$ (222,130)

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

Pension Liabilities (Assets). On June 30, 2024, the water system reported an asset of (\$88,257) for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2024, and the total pension asset used to calculate the net pension asset was determined by an actuarial value as of that date. The water system's proportion of the net pension asset was based on the water system's share of contributions to the pension plan relative to the contributions of all of Lauderdale County. On June 30, 2024, the water system's proportion was 2.44 percent, which was a decrease from its proportion of 2.46 percent as of June 30, 2023.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2025, the water system recognized (negative pension expense) of \$20,163.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2025, the water system 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
Differences Between Expected and Actual Experience	\$ 29,166	\$ 3,342
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	13,894
Changes in Assumptions	14,699	
Contributions Subsequent to the Measurement Date of June 30, 2024	21,461	N/A
Total	<u>\$ 65,326</u>	<u>\$ 17,236</u>

The water system's employer contributions of \$21,461 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction (increase) of net pension liability (asset) in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2026	\$ 4,383
2027	29,857
2028	(2,746)
2029	(4,865)
2030	0
Thereafter	0

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

D. Other Information

Risk Management

The water system is exposed to various risks or losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. During the year ended June 30, 2025, the water system purchased commercial insurance for all the above risks. Settled claims have not exceeded this commercial coverage in any of the past three years and there has been no significant reduction in the amount of coverage provided.

REQUIRED SUPPLEMENTARY INFORMATION SECTION

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

Primary Government

For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Pension Liability										
Service Cost	\$ 747,212	\$ 754,353	\$ 801,459	\$ 875,549	\$ 920,493	\$ 937,454	\$ 962,991	\$ 1,104,885	\$ 1,270,479	\$ 1,412,437
Interest	2,231,075	2,279,069	2,323,707	2,413,533	2,497,903	2,629,279	2,714,992	2,814,149	3,042,990	3,223,183
Differences Between Actual and Expected Experience	(613,581)	(735,886)	(211,347)	(615,040)	20,006	(579,090)	(684,821)	1,362,774	420,950	497,049
Changes in Assumptions	0	0	878,992	0	0	0	3,012,163	0	0	0
Benefit Payments, Including Refunds of Employee Contributions	(1,538,723)	(1,925,132)	(1,573,793)	(1,545,328)	(1,565,194)	(1,721,359)	(1,940,506)	(1,868,084)	(2,246,221)	(2,167,486)
Net Change in Total Pension Liability	\$ 825,983	\$ 372,404	\$ 2,219,018	\$ 1,128,714	\$ 1,873,208	\$ 1,266,284	\$ 4,064,819	\$ 3,413,724	\$ 2,488,198	\$ 2,965,183
Total Pension Liability, Beginning	29,769,817	30,595,800	30,968,204	33,187,222	34,315,936	36,189,144	37,455,428	41,520,247	44,933,971	47,422,169
Total Pension Liability, Ending (a)	\$ 30,595,800	\$ 30,968,204	\$ 33,187,222	\$ 34,315,936	\$ 36,189,144	\$ 37,455,428	\$ 41,520,247	\$ 44,933,971	\$ 47,422,169	\$ 50,387,352
Plan Fiduciary Net Position										
Contributions - Employer	\$ 703,476	\$ 710,175	\$ 408,745	\$ 430,861	\$ 442,857	\$ 441,437	\$ 442,379	\$ 370,343	\$ 494,284	\$ 596,921
Contributions - Employee	471,377	477,341	511,796	538,808	553,571	552,385	586,255	667,728	706,762	757,094
Net Investment Income	973,579	849,172	3,644,863	2,918,513	2,790,205	1,963,321	10,497,828	(1,923,762)	3,185,162	4,841,616
Benefit Payments, Including Refunds of Employee Contributions	(1,538,723)	(1,925,132)	(1,573,793)	(1,545,328)	(1,565,194)	(1,721,359)	(1,940,506)	(1,868,084)	(2,246,221)	(2,167,486)
Administrative Expense	(17,434)	(25,913)	(30,728)	(35,036)	(32,781)	(31,988)	(31,663)	(37,878)	(41,869)	(50,385)
Other Charges	0	0	1,731	0	0	0	0	0	0	0
Net Change in Plan Fiduciary Net Position	\$ 592,275	\$ 85,643	\$ 2,962,614	\$ 2,307,818	\$ 2,188,658	\$ 1,203,796	\$ 9,554,293	\$ (2,791,653)	\$ 2,098,118	\$ 3,977,760
Plan Fiduciary Net Position, Beginning	31,825,128	32,417,403	32,503,046	35,465,660	37,773,478	39,962,136	41,165,932	50,720,225	47,928,572	50,026,690
Plan Fiduciary Net Position, Ending (b)	\$ 32,417,403	\$ 32,503,046	\$ 35,465,660	\$ 37,773,478	\$ 39,962,136	\$ 41,165,932	\$ 50,720,225	\$ 47,928,572	\$ 50,026,690	\$ 54,004,450
Net Pension Liability (Asset), Ending (a - b)	\$ (1,821,603)	\$ (1,534,842)	\$ (2,278,438)	\$ (3,457,542)	\$ (3,772,992)	\$ (3,710,504)	\$ (9,199,978)	\$ (2,994,601)	\$ (2,604,521)	\$ (3,617,098)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	105.95%	104.96%	106.87%	110.08%	110.43%	109.91%	122.16%	106.66%	105.49%	107.18%
Covered Payroll	\$ 9,442,632	\$ 9,546,067	\$ 10,262,836	\$ 10,771,531	\$ 11,071,436	\$ 11,035,902	\$ 11,077,586	\$ 12,344,700	\$ 14,122,301	\$ 14,920,278
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(19.29)%	(16.08)%	(22.20)%	(32.10)%	(34.08)%	(33.62)%	(83.05)%	(24.26)%	(18.44)%	(24.24)%

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

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

Primary Government

For the Fiscal Year Ended June 30

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially Determined Contribution	\$ 710,175	\$ 396,145	\$ 392,084	\$ 403,000	\$ 364,186	\$ 364,963	\$ 304,916	\$ 475,924	\$ 580,505	\$ 604,379
Less: Contributions in Relation to the Actuarially Determined Contribution	(710,175)	(408,745)	(430,861)	(442,857)	(441,437)	(442,379)	(370,343)	(494,284)	(596,921)	(641,443)
Contribution Deficiency (Excess)	\$ 0	\$ (12,600)	\$ (38,777)	\$ (39,857)	\$ (77,251)	\$ (77,416)	\$ (65,427)	\$ (18,360)	\$ (16,416)	\$ (37,064)
Covered Payroll	\$ 9,546,067	\$ 10,262,836	\$ 10,771,531	\$ 11,071,436	\$ 11,035,902	\$ 11,077,586	\$ 12,344,700	\$ 14,122,301	\$ 14,920,278	\$ 14,254,218
Contributions as a Percentage of Covered Payroll	7.44%	3.98%	4.00%	4.00%	4.00%	3.99%	3.00%	3.50%	4.00%	4.50%

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

LAUDERDALE COUNTY, TENNESSEE
Schedule of Contributions Based on Participation in the Teacher
Retirement Plan of TCRS
 Discretely Presented Lauderdale County School Department
For the Fiscal Year Ended June 30

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually Required Contribution	\$ 76,653	\$ 111,721	\$ 130,816	\$ 85,300	\$ 82,615	\$ 94,260	\$ 108,694	\$ 178,921	\$ 200,687	\$ 244,226
Less: Contributions in Relation to the Contractually Required Contribution	(76,653)	(111,721)	(130,816)	(85,300)	(82,615)	(94,260)	(108,694)	(178,921)	(200,687)	(244,226)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 1,916,302	\$ 2,594,309	\$ 3,240,364	\$ 4,389,229	\$ 4,069,665	\$ 4,666,301	\$ 5,398,582	\$ 6,234,172	\$ 6,802,924	\$ 8,140,867
Contributions as a Percentage of Covered Payroll	4.00%	4.31%	4.04%	1.94%	2.03%	2.02%	2.01%	2.87%	2.95%	3.00%

Note: Beginning in FY 2019, the school department placed the actuarially determined contribution rate of covered payroll into the pension plan and placed the remainder of the four percent contractually required contribution into the Pension Stabilization Reserve Trust (SRT).

- 2019: Pension - 1.94%, SRT - 2.02%
- 2020: Pension - 2.03%, SRT - 1.97%
- 2021: Pension - 2.02%, SRT - 1.98%
- 2022: Pension - 2.01%, SRT - 1.99%
- 2023: Pension - 2.87%, SRT - 1.13%
- 2024: Pension - 2.95%, SRT - 1.05%
- 2025: Pension - 3.00%, SRT - 1.00%

LAUDERDALE COUNTY, TENNESSEE
Schedule of Contributions Based on Participation in the Teacher
Legacy Pension Plan of TCRS
 Discretely Presented Lauderdale County School Department
For the Fiscal Year Ended June 30

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually Required Contribution	\$ 1,367,183	\$ 1,300,579	\$ 1,263,092	\$ 1,382,507	\$ 1,407,355	\$ 1,358,852	\$ 1,282,263	\$ 1,013,888	\$ 793,001	\$ 689,194
Less: Contributions in Relation to the Contractually Required Contribution	(1,367,183)	(1,300,579)	(1,263,092)	(1,382,507)	(1,407,355)	(1,358,852)	(1,282,263)	(1,013,888)	(793,001)	(689,194)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 15,123,706	\$ 14,585,594	\$ 13,940,724	\$ 13,224,714	\$ 13,239,461	\$ 13,231,252	\$ 12,458,209	\$ 11,667,321	\$ 11,644,637	\$ 10,836,384
Contributions as a Percentage of Covered Payroll	9.04%	8.92%	9.06%	10.45%	10.63%	10.27%	10.29%	8.69%	6.81%	6.36%

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
School Department's Proportion of the Net Pension Liability (Asset)	0.446092%	0.435522%	0.425546%	0.374239%	0.415506%	0.322500%	0.323327%	0.316663%	0.313426%	0.289592%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (18,324)	\$ (45,339)	\$ (112,275)	\$ (169,728)	\$ (234,547)	\$ (183,387)	\$ (350,232)	\$ (95,925)	\$ (132,903)	\$ (206,366)
Covered Payroll	\$ 946,395	\$ 1,916,302	\$ 2,594,309	\$ 3,240,364	\$ 4,389,229	\$ 4,069,665	\$ 4,666,301	\$ 5,398,582	\$ 6,234,172	\$ 6,802,924
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.33)%	(5.24)%	(5.34)%	(4.51)%	(7.51)%	(1.78)%	(2.13)%	(3.03)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	127.46%	121.88%	126.81%	126.97%	123.07%	116.52%	121.53%	104.55%	104.97%	106.49%

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
School Department's Proportion of the Net Pension Liability (Asset)	0.430060%	0.418963%	0.406991%	0.397259%	0.394170%	0.397790%	0.403126%	0.378286%	0.359542%	0.359485%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ 176,167	\$ 2,618,284	\$ (133,160)	\$ (1,397,919)	\$ (4,052,776)	\$ (3,033,440)	\$ (17,387,777)	\$ (4,639,320)	\$ (4,238,904)	\$ (6,193,426)
Covered Payroll	\$ 16,099,321	\$ 15,123,706	\$ 14,585,594	\$ 13,940,724	\$ 13,224,714	\$ 13,239,461	\$ 13,231,252	\$ 12,458,209	\$ 11,667,321	\$ 11,644,637
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	1.09%	17.31%	(.91)%	(10.03)%	(30.65)%	(22.91)%	(131.41)%	(37.24)%	(36.33)%	(53.19)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	99.81%	97.14%	100.14%	101.49%	104.28%	103.09%	116.13%	104.42%	104.11%	105.76%

LAUDERDALE COUNTY, TENNESSEE
Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Education Plan
 Discretely Presented Lauderdale County School Department
For the Fiscal Year Ended June 30

	2017	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability								
Service Cost	\$ 430,253	\$ 399,530	\$ 263,539	\$ 248,649	\$ 317,834	\$ 424,200	\$ 307,067	\$ 319,106
Interest	194,096	238,943	164,717	174,803	126,001	153,598	228,096	250,503
Changes in Benefit Terms	0	(876,203)	258,801	0	0	0	0	0
Differences Between Actual and Expected Experience	0	(1,693,919)	366,129	(132,689)	(21,850)	(338,479)	(430,758)	79,246
Changes in Assumptions or Other Inputs	(300,080)	153,956	(368,628)	566,687	1,054,659	(604,853)	506,467	124,458
Benefit Payments	(206,927)	(250,661)	(247,542)	(231,676)	(178,064)	(168,660)	(202,085)	(204,412)
Net Change in Total OPEB Liability	\$ 117,342	\$ (2,028,354)	\$ 437,016	\$ 625,774	\$ 1,298,580	\$ (534,194)	\$ 408,787	\$ 568,901
Total OPEB Liability, Beginning	6,320,328	6,437,670	4,409,316	4,846,332	5,472,106	6,770,686	6,236,492	6,645,279
Total OPEB Liability, Ending	\$ 6,437,670	\$ 4,409,316	\$ 4,846,332	\$ 5,472,106	\$ 6,770,686	\$ 6,236,492	\$ 6,645,279	\$ 7,214,180
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 1,941,273	\$ 1,426,475	\$ 1,581,004	\$ 3,786,019	\$ 2,173,701	\$ 2,108,171	\$ 2,352,202	\$ 2,565,635
Employer Proportionate Share of the Total OPEB Liability	4,496,397	2,982,841	3,265,328	1,686,087	4,596,985	4,128,321	4,293,077	4,648,545
Covered Employee Payroll	\$ 17,565,656	\$ 17,730,793	\$ 17,741,444	\$ 17,846,801	\$ 17,475,033	\$ 17,244,099	\$ 17,663,170	\$ 16,916,081
Net OPEB Liability as a Percentage of Covered Employee Payroll	25.60%	16.82%	18.41%	9.45%	26.31%	23.94%	24.31%	27.48%

Note 1: Ten years of data will be presented when available.

Note 2: Changes in assumptions.

(a) The following are the discount rates used in each period:

2016	2.92%
2017	3.56%
2018	3.62%
2019	3.51%
2020	2.21%
2021	2.16%
2022	3.54%
2023	3.65%
2024	3.93%

(b) The assumed initial trend rate applicable to plan years was revised as follows:

- For the 2019 plan year - from 5.4% to 6.75%
- For the 2020 plan year - from 6.75% to 6.03%
- For the 2021 plan year - from 6.02% to 9.02%
- For the 2022 plan year - from 9.02% to 7.36%
- For the 2023 plan year - from 7.36% to 8.37%
- For the 2024 plan year - from 8.37% to 10.31%
- For the 2025 plan year - from 10.31% to 10.68%

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

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

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for 2025 were calculated based on the June 30, 2023, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	Varies by Year
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Fair Value
Inflation	2.25%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation; averaging 4%
Investment Rate of Return	6.75%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.125%

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

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

CAPITAL PROJECTS FUND

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

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for certain grant expenditures of the county.

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

	Special Revenue Funds				
	Law Library	Drug Control	Other General Government	Constitu- tional Officers - Fees	Total
ASSETS					
Cash	\$ 0	\$ 0	\$ 0	\$ 2,345	\$ 2,345
Equity in Pooled Cash and Investments	4,992	113,990	1,113,313	0	1,232,295
Accounts Receivable	0	0	0	536	536
Total Assets	\$ 4,992	\$ 113,990	\$ 1,113,313	\$ 2,881	\$ 1,235,176
LIABILITIES					
Due to Other Funds	\$ 0	\$ 0	\$ 0	\$ 2,881	\$ 2,881
Total Liabilities	\$ 0	\$ 0	\$ 0	\$ 2,881	\$ 2,881
FUND BALANCES					
Restricted:					
Restricted for General Government - American Rescue Plan Act	\$ 0	\$ 0	\$ 1,113,313	\$ 0	\$ 1,113,313
Restricted for Public Safety	0	113,990	0	0	113,990
Restricted for Social, Cultural, and Recreational Services	4,992	0	0	0	4,992
Restricted for Capital Outlay	0	0	0	0	0
Total Fund Balances	\$ 4,992	\$ 113,990	\$ 1,113,313	\$ 0	\$ 1,232,295
Total Liabilities and Fund Balances	\$ 4,992	\$ 113,990	\$ 1,113,313	\$ 2,881	\$ 1,235,176

(Continued)

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

	Capital Projects Fund	Total Nonmajor Governmental Funds
ASSETS		
Cash	\$ 0	\$ 2,345
Equity in Pooled Cash and Investments	108,696	1,340,991
Accounts Receivable	0	536
Total Assets	\$ 108,696	\$ 1,343,872
LIABILITIES		
Due to Other Funds	\$ 0	\$ 2,881
Total Liabilities	\$ 0	\$ 2,881
FUND BALANCES		
Restricted:		
Restricted for General Government - American Rescue Plan Act	\$ 0	\$ 1,113,313
Restricted for Public Safety	0	113,990
Restricted for Social, Cultural, and Recreational Services	0	4,992
Restricted for Capital Outlay	108,696	108,696
Total Fund Balances	\$ 108,696	\$ 1,340,991
Total Liabilities and Fund Balances	\$ 108,696	\$ 1,343,872

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

	Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
	Law Library	Drug Control	Other General Government	Total	Other Capital Projects -	
Revenues						
Local Taxes	\$ 1,357	\$ 0	\$ 0	\$ 1,357	\$ 0	\$ 1,357
Fines, Forfeitures, and Penalties	0	4,653	0	4,653	0	4,653
Other Local Revenues	0	0	9,804	9,804	0	9,804
Federal Government	0	29,547	229,008	258,555	0	258,555
Other Governments and Citizens Groups	0	1,500	0	1,500	0	1,500
Total Revenues	\$ 1,357	\$ 35,700	\$ 238,812	\$ 275,869	\$ 0	\$ 275,869
Expenditures						
Current:						
Public Safety	\$ 0	\$ 5,761	\$ 0	\$ 5,761	\$ 0	\$ 5,761
Social, Cultural, and Recreational Services	13	0	0	13	0	13
Other Operations	0	0	260,100	260,100	0	260,100
Total Expenditures	\$ 13	\$ 5,761	\$ 260,100	\$ 265,874	\$ 0	\$ 265,874
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,344	\$ 29,939	\$ (21,288)	\$ 9,995	\$ 0	\$ 9,995
Other Financing Sources (Uses)						
Transfers Out	\$ 0	\$ 0	\$ (1,275,000)	\$ (1,275,000)	\$ 0	\$ (1,275,000)
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ (1,275,000)	\$ (1,275,000)	\$ 0	\$ (1,275,000)
Net Change in Fund Balances	\$ 1,344	\$ 29,939	\$ (1,296,288)	\$ (1,265,005)	\$ 0	\$ (1,265,005)
Fund Balance, July 1, 2024	3,648	84,051	2,409,601	2,497,300	108,696	2,605,996
Fund Balance, June 30, 2025	\$ 4,992	\$ 113,990	\$ 1,113,313	\$ 1,232,295	\$ 108,696	\$ 1,340,991

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 1,357	\$ 1,000	\$ 1,000	\$ 357
Total Revenues	\$ 1,357	\$ 1,000	\$ 1,000	\$ 357
Expenditures				
Social, Cultural, and Recreational Services				
Libraries	\$ 13	\$ 1,015	\$ 1,015	\$ 1,002
Total Expenditures	\$ 13	\$ 1,015	\$ 1,015	\$ 1,002
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,344	\$ (15)	\$ (15)	\$ 1,359
Net Change in Fund Balance	\$ 1,344	\$ (15)	\$ (15)	\$ 1,359
Fund Balance, July 1, 2024	3,648	3,315	3,315	333
Fund Balance, June 30, 2025	\$ 4,992	\$ 3,300	\$ 3,300	\$ 1,692

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Fines, Forfeitures, and Penalties	\$ 4,653	\$ 3,000	\$ 3,000	\$ 1,653
Federal Government	29,547	0	0	29,547
Other Governments and Citizens Groups	1,500	0	0	1,500
Total Revenues	<u>\$ 35,700</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 32,700</u>
Expenditures				
Public Safety				
Drug Enforcement	\$ 5,761	\$ 6,600	\$ 9,100	\$ 3,339
Total Expenditures	<u>\$ 5,761</u>	<u>\$ 6,600</u>	<u>\$ 9,100</u>	<u>\$ 3,339</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 29,939</u>	<u>\$ (3,600)</u>	<u>\$ (6,100)</u>	<u>\$ 36,039</u>
Net Change in Fund Balance	\$ 29,939	\$ (3,600)	\$ (6,100)	\$ 36,039
Fund Balance, July 1, 2024	<u>84,051</u>	<u>82,612</u>	<u>82,612</u>	<u>1,439</u>
Fund Balance, June 30, 2025	<u>\$ 113,990</u>	<u>\$ 79,012</u>	<u>\$ 76,512</u>	<u>\$ 37,478</u>

LAUDERDALE COUNTY, TENNESSEE
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Other General Government Fund
For the Year Ended June 30, 2025

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Other Local Revenues	\$ 9,804	\$ 0	\$ 0	\$ 9,804
Federal Government	229,008	0	0	229,008
Total Revenues	<u>\$ 238,812</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 238,812</u>
Expenditures				
Other Operations				
American Rescue Plan Act Grant #7	\$ 239,600	\$ 0	\$ 240,000	\$ 400
American Rescue Plan Act Grant #9	20,500	0	20,500	0
Total Expenditures	<u>\$ 260,100</u>	<u>\$ 0</u>	<u>\$ 260,500</u>	<u>\$ 400</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (21,288)</u>	<u>\$ 0</u>	<u>\$ (260,500)</u>	<u>\$ 239,212</u>
Other Financing Sources (Uses)				
Transfers Out	\$ (1,275,000)	\$ 0	\$ (1,275,000)	\$ 0
Total Other Financing Sources	<u>\$ (1,275,000)</u>	<u>\$ 0</u>	<u>\$ (1,275,000)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (1,296,288)	\$ 0	\$ (1,535,500)	\$ 239,212
Fund Balance, July 1, 2024	<u>2,409,601</u>	<u>2,191,059</u>	<u>2,191,059</u>	<u>218,542</u>
Fund Balance, June 30, 2025	<u><u>\$ 1,113,313</u></u>	<u><u>\$ 2,191,059</u></u>	<u><u>\$ 655,559</u></u>	<u><u>\$ 457,754</u></u>

MAJOR GOVERNMENTAL FUND

GENERAL DEBT SERVICE FUND

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

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
Local Taxes	\$ 38,798	\$ 30,052	\$ 30,052	\$ 8,746
Licenses and Permits	4	20	20	(16)
Other Governments and Citizens Groups	282,766	282,766	282,766	0
Total Revenues	<u>\$ 321,568</u>	<u>\$ 312,838</u>	<u>\$ 312,838</u>	<u>\$ 8,730</u>
Expenditures				
Other Operations				
Other Charges	\$ 4,159,021	0	\$ 4,159,021	0
Principal on Debt				
Education	157,431	157,431	157,431	0
Interest on Debt				
Education	100,906	122,315	122,315	21,409
Other Debt Service				
General Government	246	1,000	1,000	754
Education	2,018	3,019	3,019	1,001
Total Expenditures	<u>\$ 4,419,622</u>	<u>\$ 283,765</u>	<u>\$ 4,442,786</u>	<u>\$ 23,164</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (4,098,054)</u>	<u>\$ 29,073</u>	<u>\$ (4,129,948)</u>	<u>\$ 31,894</u>
Net Change in Fund Balance	\$ (4,098,054)	\$ 29,073	\$ (4,129,948)	\$ 31,894
Fund Balance, July 1, 2024	5,366,926	4,983,019	4,983,019	383,907
Fund Balance, June 30, 2025	<u>\$ 1,268,872</u>	<u>\$ 5,012,092</u>	<u>\$ 853,071</u>	<u>\$ 415,801</u>

CUSTODIAL FUNDS

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

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

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

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

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

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

	Custodial Funds					Total
	Cities - Sales Tax	Constitu- tional Officers - Custodial	Judicial District Drug	District Attorney General		
ASSETS						
Cash	\$ 0	\$ 660,771	\$ 0	\$ 0	\$ 0	\$ 660,771
Equity in Pooled Cash and Investments	0	0	388,928	129,537		518,465
Accounts Receivable	0	19,190	0	0		19,190
Due from Other Governments	232,200	0	0	0		232,200
Cash Shortage	0	1,012	0	0		1,012
Total Assets	<u>\$ 232,200</u>	<u>\$ 680,973</u>	<u>\$ 388,928</u>	<u>\$ 129,537</u>		<u>\$ 1,431,638</u>
LIABILITIES						
Accounts Payable	\$ 0	\$ 0	\$ 1,833	\$ 0		\$ 1,833
Due to Cities	232,200	0	0	0		232,200
Total Liabilities	<u>\$ 232,200</u>	<u>\$ 0</u>	<u>\$ 1,833</u>	<u>\$ 0</u>		<u>\$ 234,033</u>
NET POSITION						
Restricted for Individuals, Organizations, and Other Governments	<u>\$ 0</u>	<u>\$ 680,973</u>	<u>\$ 387,095</u>	<u>\$ 129,537</u>		<u>\$ 1,197,605</u>
Total Net Position	<u>\$ 0</u>	<u>\$ 680,973</u>	<u>\$ 387,095</u>	<u>\$ 129,537</u>		<u>\$ 1,197,605</u>

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

	Custodial Funds				
	Cities - Sales Tax	Constitu- tional Officers - Custodial	Judicial District Drug	District Attorney General	Total
Additions					
Sales Tax Collections for Other Governments	\$ 1,093,148	\$ 0	\$ 0	\$ 0	\$ 1,093,148
Fines/Fees and Other Collections	0	5,606,517	0	0	5,606,517
Drug Task Force Collections	0	0	345,127	0	345,127
District Attorney General Collections	0	0	0	25,398	25,398
Total Additions	\$ 1,093,148	\$ 5,606,517	\$ 345,127	\$ 25,398	\$ 7,070,190
Deductions					
Payment of Sales Tax Collections for Other Governments	\$ 1,093,148	\$ 0	\$ 0	\$ 0	\$ 1,093,148
Payments to State	0	2,448,232	0	0	2,448,232
Payments to Cities, Individuals, and Others	0	3,203,955	0	0	3,203,955
Payment of Drug Task Force Expenses	0	0	423,061	0	423,061
Payment of District Attorney General Expenses	0	0	0	26,552	26,552
Total Deductions	\$ 1,093,148	\$ 5,652,187	\$ 423,061	\$ 26,552	\$ 7,194,948
Change in Net Position	\$ 0	\$ (45,670)	\$ (77,934)	\$ (1,154)	\$ (124,758)
Net Position July 1, 2024	0	726,643	465,029	130,691	1,322,363
Net Position June 30, 2025	\$ 0	\$ 680,973	\$ 387,095	\$ 129,537	\$ 1,197,605

LAUDERDALE COUNTY SCHOOL DEPARTMENT

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

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

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

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

Other Education Special Revenue Fund – The Other Education Special Revenue Fund is used to account for a portion of sales tax revenues collected inside incorporated cities of the county that has been set aside for education purposes.

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

LAUDERDALE COUNTY, TENNESSEE**Statement of Activities**

Discretely Presented Lauderdale County School Department

For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:					
Instruction	\$ 27,172,776	\$ 0	\$ 8,906,226	\$ 0	\$ (18,266,550)
Support Services	16,115,828	44,454	966,126	2,967,789	(12,137,459)
Operation of Non-instructional Services	7,344,703	131,821	4,039,766	0	(3,173,116)
Total Governmental Activities	\$ 50,633,307	\$ 176,275	\$ 13,912,118	\$ 2,967,789	\$ (33,577,125)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 2,514,684
Local Option Sales Taxes					5,119,490
Other Local Taxes					180,728
Grants and Contributions Not Restricted for Specific Programs					30,123,051
Unrestricted Investment Income					1,340,666
Miscellaneous					145,634
Total General Revenues					\$ 39,424,253
Change in Net Position					\$ 5,847,128
Net Position, July 1, 2024					51,017,181
Restatement - See Note I.D.9.					(374,655)
Net Position, June 30, 2025					\$ 56,489,654

LAUDERDALE COUNTY, TENNESSEE

Balance Sheet - Governmental Funds

Discretely Presented Lauderdale County School Department

June 30, 2025

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	Other Education Special Revenue	Other Governmental Funds	
ASSETS					
Cash	\$ 0	\$ 0	\$ 0	\$ 897,014	\$ 897,014
Equity in Pooled Cash and Investments	16,296,822	381,906	3,316,922	212,390	20,208,040
Accounts Receivable	40	1,084	0	588	1,712
Due from Other Governments	2,130,149	673,709	316,137	554,089	3,674,084
Due from Other Funds	39,181	8,425	0	0	47,606
Property Taxes Receivable	2,547,191	0	0	0	2,547,191
Allowance for Uncollectible Property Taxes	(33,587)	0	0	0	(33,587)
Cash Shortage	26,767	0	0	0	26,767
Restricted Assets	726,560	0	0	0	726,560
Total Assets	<u>\$ 21,733,123</u>	<u>\$ 1,065,124</u>	<u>\$ 3,633,059</u>	<u>\$ 1,664,081</u>	<u>\$ 28,095,387</u>
LIABILITIES					
Payroll Deductions Payable	\$ 1,528,578	\$ 144,850	\$ 0	\$ 29,742	\$ 1,703,170
Due to Other Funds	8,425	39,181	0	0	47,606
Other Current Liabilities	0	0	0	790	790
Total Liabilities	<u>\$ 1,537,003</u>	<u>\$ 184,031</u>	<u>\$ 0</u>	<u>\$ 30,532</u>	<u>\$ 1,751,566</u>

(Continued)

LAUDERDALE COUNTY, TENNESSEE

Balance Sheet - Governmental Funds

Discretely Presented Lauderdale County School Department (Cont.)

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	Other Education Special Revenue	Other Governmental Funds	
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	\$ 2,525,427	\$ 0	\$ 0	\$ 0	\$ 2,525,427
Deferred Delinquent Property Taxes	88,027	0	0	0	88,027
Other Deferred/Unavailable Revenue	339,861	1,582	116,592	0	458,035
Total Deferred Inflows of Resources	<u>\$ 2,953,315</u>	<u>\$ 1,582</u>	<u>\$ 116,592</u>	<u>\$ 0</u>	<u>\$ 3,071,489</u>
FUND BALANCES					
Restricted:					
Restricted for Education	\$ 4,731	\$ 0	\$ 0	\$ 897,014	\$ 901,745
Restricted for Operation of Non-instructional Services	0	0	0	736,535	736,535
Restricted for Hybrid Retirement Stabilization Funds	726,560	0	0	0	726,560
Committed:					
Committed for Education	0	0	3,516,467	0	3,516,467
Committed for Instruction	341,474	0	0	0	341,474
Assigned:					
Assigned for Education	680,990	879,511	0	0	1,560,501
Unassigned	15,489,050	0	0	0	15,489,050
Total Fund Balances	<u>\$ 17,242,805</u>	<u>\$ 879,511</u>	<u>\$ 3,516,467</u>	<u>\$ 1,633,549</u>	<u>\$ 23,272,332</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 21,733,123</u>	<u>\$ 1,065,124</u>	<u>\$ 3,633,059</u>	<u>\$ 1,664,081</u>	<u>\$ 28,095,387</u>

LAUDERDALE COUNTY, TENNESSEE
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Lauderdale County School Department
June 30, 2025

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

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		\$ 23,272,332
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,393,574	
Add: construction in progress	2,576,370	
Add: buildings and improvements net of accumulated depreciation	17,205,053	
Add: infrastructure net of accumulated depreciation	649,527	
Add: other capital assets net of accumulated depreciation	<u>5,700,180</u>	27,524,704
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: compensated absences payable	\$ (475,280)	
Less: net OPEB liability	<u>(4,648,545)</u>	(5,123,825)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 4,102,989	
Less: deferred inflows of resources related to pensions	(1,629,369)	
Add: deferred outflows of resources related to OPEB	1,163,687	
Less: deferred inflows of resources related to OPEB	<u>(1,377,050)</u>	2,260,257
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - agent plan	\$ 1,610,332	
Add: net pension asset - teacher retirement plan	206,366	
Add: net pension asset - teacher legacy pension plan	<u>6,193,426</u>	8,010,124
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>546,062</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 56,489,654</u></u>

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

	Major Funds			Nonmajor	Total
	General Purpose School	School Federal Projects	Other Education Special Revenue	Funds Other Govern-mental Funds	
Revenues					
Local Taxes	\$ 5,963,517	\$ 0	\$ 1,757,446	\$ 0	\$ 7,720,963
Licenses and Permits	2,201	0	0	0	2,201
Charges for Current Services	44,454	0	0	131,821	176,275
Other Local Revenues	1,479,912	0	0	1,281,938	2,761,850
State of Tennessee	31,150,192	12,703	0	19,151	31,182,046
Federal Government	361,350	6,427,337	0	2,958,324	9,747,011
Other Governments and Citizens Groups	552,150	0	4,159,021	0	4,711,171
Total Revenues	\$ 39,553,776	\$ 6,440,040	\$ 5,916,467	\$ 4,391,234	\$ 56,301,517
Expenditures					
Current:					
Instruction	\$ 22,574,275	\$ 3,094,555	\$ 0	\$ 0	\$ 25,668,830
Support Services	14,254,430	1,011,111	0	0	15,265,541
Operation of Non-Instructional Services	1,060,999	95,607	0	4,290,194	5,446,800
Capital Outlay	1,659,070	2,181,751	0	0	3,840,821
Debt Service:					
Other Debt Service	282,766	0	0	0	282,766
Total Expenditures	\$ 39,831,540	\$ 6,383,024	\$ 0	\$ 4,290,194	\$ 50,504,758

(Continued)

LAUDERDALE COUNTY, TENNESSEE
Statement of Revenues, Expenditures, and Changes
in Fund Balances - Governmental Funds
 Discretely Presented Lauderdale County School Department (Cont.)

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	Other Education Special Revenue	Other Governmental Funds	
Excess (Deficiency) of Revenues Over Expenditures	\$ (277,764)	\$ 57,016	\$ 5,916,467	\$ 101,040	\$ 5,796,759
Other Financing Sources (Uses)					
Insurance Recovery	\$ 97,755	\$ 0	\$ 0	\$ 0	\$ 97,755
Transfers In	2,467,747	0	0	0	2,467,747
Transfers Out	0	(67,747)	(2,400,000)	0	(2,467,747)
Total Other Financing Sources (Uses)	\$ 2,565,502	\$ (67,747)	\$ (2,400,000)	\$ 0	\$ 97,755
Net Change in Fund Balances	\$ 2,287,738	\$ (10,731)	\$ 3,516,467	\$ 101,040	\$ 5,894,514
Fund Balance, July 1, 2024	14,955,067	890,242	0	1,532,509	17,377,818
Fund Balance, June 30, 2025	\$ 17,242,805	\$ 879,511	\$ 3,516,467	\$ 1,633,549	\$ 23,272,332

LAUDERDALE COUNTY, TENNESSEE
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
 Discretely Presented Lauderdale County School Department
For the Year Ended June 30, 2025

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

Net change in fund balances - total governmental funds (Exhibit J-4)		\$ 5,894,514
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 2,934,178	
Less: current-year depreciation expense	<u>(1,956,240)</u>	977,938
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2025	\$ 546,062	
Less: deferred delinquent property taxes and other deferred June 30, 2024	<u>(478,889)</u>	67,173
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in compensated absences payable	\$ (100,625)	
Change in net pension asset - agent plan	426,577	
Change in net pension asset - teacher retirement plan	73,463	
Change in net pension asset - teacher legacy pension plan	1,954,522	
Change in deferred outflows related to pensions	(2,170,840)	
Change in deferred inflows related to pensions	(1,157,157)	
Change in net OPEB liability	(355,468)	
Change in deferred outflows related to OPEB	(78,543)	
Change in deferred inflows related to OPEB	<u>315,574</u>	<u>(1,092,497)</u>
Change in net position of governmental activities (Exhibit B)		<u><u>\$ 5,847,128</u></u>

LAUDERDALE COUNTY, TENNESSEE
Combining Balance Sheet - Nonmajor Governmental Funds
 Discretely Presented Lauderdale County School Department
June 30, 2025

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	Central Cafeteria	Internal School	
ASSETS			
Cash	\$ 0	\$ 897,014	\$ 897,014
Equity in Pooled Cash and Investments	212,390	0	212,390
Accounts Receivable	588	0	588
Due from Other Governments	554,089	0	554,089
Total Assets	<u>\$ 767,067</u>	<u>\$ 897,014</u>	<u>\$ 1,664,081</u>
LIABILITIES			
Payroll Deductions Payable	\$ 29,742	\$ 0	\$ 29,742
Other Current Liabilities	790	0	790
Total Liabilities	<u>\$ 30,532</u>	<u>\$ 0</u>	<u>\$ 30,532</u>
FUND BALANCES			
Restricted:			
Restricted for Education	\$ 0	\$ 897,014	\$ 897,014
Restricted for Operation of Non-instructional Services	736,535	0	736,535
Total Fund Balances	<u>\$ 736,535</u>	<u>\$ 897,014</u>	<u>\$ 1,633,549</u>
Total Liabilities and Fund Balances	<u>\$ 767,067</u>	<u>\$ 897,014</u>	<u>\$ 1,664,081</u>

LAUDERDALE COUNTY, TENNESSEE
Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances - Nonmajor Governmental Funds
 Discretely Presented Lauderdale County School Department
For the Year Ended June 30, 2025

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	Central Cafeteria	Internal School	
Revenues			
Charges for Current Services	\$ 131,821	\$ 0	\$ 131,821
Other Local Revenues	7,536	1,274,402	1,281,938
State of Tennessee	19,151	0	19,151
Federal Government	2,958,324	0	2,958,324
Total Revenues	<u>\$ 3,116,832</u>	<u>\$ 1,274,402</u>	<u>\$ 4,391,234</u>
Expenditures			
Current:			
Operation of Non-Instructional Services	\$ 3,129,220	\$ 1,160,974	\$ 4,290,194
Total Expenditures	<u>\$ 3,129,220</u>	<u>\$ 1,160,974</u>	<u>\$ 4,290,194</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (12,388)</u>	<u>\$ 113,428</u>	<u>\$ 101,040</u>
Net Change in Fund Balances	\$ (12,388)	\$ 113,428	\$ 101,040
Fund Balance, July 1, 2024	<u>748,923</u>	<u>783,586</u>	<u>1,532,509</u>
Fund Balance, June 30, 2025	<u>\$ 736,535</u>	<u>\$ 897,014</u>	<u>\$ 1,633,549</u>

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 5,963,517	\$ 0	\$ 0	\$ 5,963,517	\$ 6,185,441	\$ 6,185,441	\$ (221,924)
Licenses and Permits	2,201	0	0	2,201	3,054	3,054	(853)
Charges for Current Services	44,454	0	0	44,454	0	0	44,454
Other Local Revenues	1,479,912	0	0	1,479,912	525,000	525,130	954,782
State of Tennessee	31,150,192	0	0	31,150,192	32,219,739	32,540,426	(1,390,234)
Federal Government	361,350	0	0	361,350	212,926	390,971	(29,621)
Other Governments and Citizens Groups	552,150	0	0	552,150	2,578,045	552,150	0
Total Revenues	\$ 39,553,776	\$ 0	\$ 0	\$ 39,553,776	\$ 41,724,205	\$ 40,197,172	\$ (643,396)
Expenditures							
Instruction							
Regular Instruction Program	\$ 17,978,039	\$ (174,821)	\$ 106,677	\$ 17,909,895	\$ 19,358,859	\$ 19,255,643	\$ 1,345,748
Special Education Program	3,128,679	(2,500)	40,852	3,167,031	3,311,280	3,370,596	203,565
Career and Technical Education Program	1,467,557	(72,640)	832	1,395,749	2,403,579	2,508,370	1,112,621
Support Services							
Attendance	151,205	0	0	151,205	155,267	156,867	5,662
Health Services	407,919	(6,380)	1,690	403,229	474,912	480,062	76,833
Other Student Support	1,122,763	(12)	720	1,123,471	1,049,860	1,236,600	113,129
Regular Instruction Program	702,667	(1,530)	2,029	703,166	802,517	821,522	118,356

(Continued)

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Expenditures (Cont.)							
Support Services (Cont.)							
Special Education Program	\$ 514,977	\$ (5,139)	\$ 1,086	\$ 510,924	\$ 617,210	\$ 623,231	\$ 112,307
Career and Technical Education Program	122,107	0	0	122,107	122,746	123,046	939
Technology	266,554	(4,072)	190	262,672	408,731	334,583	71,911
Other Programs	107,690	0	0	107,690	58,938	166,628	58,938
Board of Education	405,697	0	0	405,697	435,081	469,081	63,384
Director of Schools	535,073	(1,717)	712	534,068	507,322	551,027	16,959
Office of the Principal	3,332,314	(7,937)	0	3,324,377	3,260,392	3,473,107	148,730
Fiscal Services	207,885	0	0	207,885	209,141	211,824	3,939
Human Services/Personnel	164,688	(2,059)	0	162,629	170,046	170,951	8,322
Operation of Plant	2,840,197	0	0	2,840,197	2,841,341	2,909,455	69,258
Maintenance of Plant	1,321,592	(73,855)	13,702	1,261,439	1,273,617	1,346,282	84,843
Transportation	2,051,102	(461)	2,671	2,053,312	2,021,287	2,166,216	112,904
Operation of Non-Instructional Services							
Community Services	141,499	(684)	0	140,815	150,000	150,000	9,185
Early Childhood Education	919,500	(1,103)	1,619	920,016	951,815	951,815	31,799
Capital Outlay							
Regular Capital Outlay	1,659,070	(220,243)	508,210	1,947,037	1,345,000	6,245,000	4,297,963

(Continued)

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Add: Encumbrances 6/30/2025	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Expenditures (Cont.)							
Other Debt Service							
Education	\$ 282,766	\$ 0	\$ 0	\$ 282,766	\$ 300,000	\$ 300,000	\$ 17,234
Total Expenditures	\$ 39,831,540	\$ (575,153)	\$ 680,990	\$ 39,937,377	\$ 42,228,941	\$ 48,021,906	\$ 8,084,529
Excess (Deficiency) of Revenues							
Over Expenditures	\$ (277,764)	\$ 575,153	\$ (680,990)	\$ (383,601)	\$ (504,736)	\$ (7,824,734)	\$ 7,441,133
Other Financing Sources (Uses)							
Insurance Recovery	\$ 97,755	\$ 0	\$ 0	\$ 97,755	\$ 0	\$ 0	\$ 97,755
Transfers In	2,467,747	0	0	2,467,747	78,435	2,498,435	(30,688)
Total Other Financing Sources	\$ 2,565,502	\$ 0	\$ 0	\$ 2,565,502	\$ 78,435	\$ 2,498,435	\$ 67,067
Net Change in Fund Balance	\$ 2,287,738	\$ 575,153	\$ (680,990)	\$ 2,181,901	\$ (426,301)	\$ (5,326,299)	\$ 7,508,200
Fund Balance, July 1, 2024	14,955,067	(575,153)	0	14,379,914	10,505,304	10,505,304	3,874,610
Fund Balance, June 30, 2025	\$ 17,242,805	\$ 0	\$ (680,990)	\$ 16,561,815	\$ 10,079,003	\$ 5,179,005	\$ 11,382,810

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Revenues				
State of Tennessee	\$ 12,703	\$ 0	\$ 0	\$ 12,703
Federal Government	6,427,337	6,641,545	7,113,407	(686,070)
Total Revenues	<u>\$ 6,440,040</u>	<u>\$ 6,641,545</u>	<u>\$ 7,113,407</u>	<u>\$ (673,367)</u>
Expenditures				
Instruction				
Regular Instruction Program	\$ 1,951,700	\$ 1,864,867	\$ 1,998,745	\$ 47,045
Special Education Program	1,088,121	1,031,445	1,163,076	74,955
Career and Technical Education Program	54,734	60,741	55,076	342
Support Services				
Health Services	21,795	20,258	23,398	1,603
Other Student Support	418,430	312,394	451,560	33,130
Regular Instruction Program	412,650	498,100	665,815	253,165
Special Education Program	115,957	188,224	143,071	27,114
Career and Technical Education Program	2,679	4,660	2,837	158
Transportation	39,600	47,582	40,001	401
Operation of Non-Instructional Services				
Community Services	95,607	110,000	127,750	32,143
Capital Outlay				
Regular Capital Outlay	2,181,751	2,331,041	2,295,285	113,534
Total Expenditures	<u>\$ 6,383,024</u>	<u>\$ 6,469,312</u>	<u>\$ 6,966,614</u>	<u>\$ 583,590</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 57,016</u>	<u>\$ 172,233</u>	<u>\$ 146,793</u>	<u>\$ (89,777)</u>
Other Financing Sources (Uses)				
Transfers Out	\$ (67,747)	\$ (172,234)	\$ (146,795)	\$ 79,048
Total Other Financing Sources	<u>\$ (67,747)</u>	<u>\$ (172,234)</u>	<u>\$ (146,795)</u>	<u>\$ 79,048</u>
Net Change in Fund Balance	\$ (10,731)	\$ (1)	\$ (2)	\$ (10,729)
Fund Balance, July 1, 2024	890,242	823,647	823,647	66,595
Fund Balance, June 30, 2025	<u>\$ 879,511</u>	<u>\$ 823,646</u>	<u>\$ 823,645</u>	<u>\$ 55,866</u>

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2024	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Revenues						
Charges for Current Services	\$ 131,821	\$ 0	\$ 131,821	\$ 146,750	\$ 146,750	\$ (14,929)
Other Local Revenues	7,536	0	7,536	3,500	3,500	4,036
State of Tennessee	19,151	0	19,151	20,000	20,000	(849)
Federal Government	2,958,324	0	2,958,324	3,032,623	3,032,623	(74,299)
Total Revenues	<u>\$ 3,116,832</u>	<u>\$ 0</u>	<u>\$ 3,116,832</u>	<u>\$ 3,202,873</u>	<u>\$ 3,202,873</u>	<u>\$ (86,041)</u>
Expenditures						
Operation of Non-Instructional Services						
Food Service	\$ 3,129,220	\$ (28,905)	\$ 3,100,315	\$ 3,369,354	\$ 3,379,606	\$ 279,291
Total Expenditures	<u>\$ 3,129,220</u>	<u>\$ (28,905)</u>	<u>\$ 3,100,315</u>	<u>\$ 3,369,354</u>	<u>\$ 3,379,606</u>	<u>\$ 279,291</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (12,388)</u>	<u>\$ 28,905</u>	<u>\$ 16,517</u>	<u>\$ (166,481)</u>	<u>\$ (176,733)</u>	<u>\$ 193,250</u>
Net Change in Fund Balance	\$ (12,388)	\$ 28,905	\$ 16,517	\$ (166,481)	\$ (176,733)	\$ 193,250
Fund Balance, July 1, 2024	<u>748,923</u>	<u>(28,905)</u>	<u>720,018</u>	<u>698,112</u>	<u>698,112</u>	<u>21,906</u>
Fund Balance, June 30, 2025	<u>\$ 736,535</u>	<u>\$ 0</u>	<u>\$ 736,535</u>	<u>\$ 531,631</u>	<u>\$ 521,379</u>	<u>\$ 215,156</u>

MISCELLANEOUS SCHEDULES

LAUDERDALE COUNTY, TENNESSEE
Schedule of Changes in Long-term Other Loans
For the Year Ended June 30, 2025

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-24	Paid and/or Matured During Period	Outstanding 6-30-25	
OTHER LOAN PAYABLE								
Payable through General Debt Service Fund								
Qualified School Construction Bonds, Series 2010	\$ 2,523,000	(1)	%	10-7-10	9-15-27	\$ 502,633	\$ 157,431	\$ 345,202
Total Other Loan Payable						<u>\$ 502,633</u>	<u>\$ 157,431</u>	<u>\$ 345,202</u>

(1) Interest rate of approximately 4.85 percent is offset by a federal interest subsidy.

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

Year Ending June 30	Other Loan			
	Principal	Interest (1)	Other Fees	Total
2026	\$ 157,431	\$ 122,315	\$ 2,018	\$ 281,764
2027	172,929	122,315	2,018	297,262
2028	14,842	12,046	506	27,394
Total	\$ 345,202	\$ 256,676	\$ 4,542	\$ 606,420

(1) Includes interest requirements on Qualified School Construction Bonds, Series 2010, before federal interest rate subsidy.

LAUDERDALE COUNTY, TENNESSEE

Schedule of Transfers

Primary Government and Discretely Presented Lauderdale County School Department

For the Year Ended June 30, 2025

From Fund	To Fund	Purpose	Amount
PRIMARY GOVERNMENT			
General	Ambulance Service	Operations	\$ 759,000
Other General Government	Highway/Public Works	American Rescue Plan funds	<u>1,275,000</u>
Total Transfers Primary Government			<u><u>\$ 2,034,000</u></u>
DISCRETELY PRESENTED LAUDERDALE COUNTY SCHOOL DEPARTMENT			
School Federal Projects	General Purpose School	CCEIS expenses	\$ 67,747
Other Education Special Revenue	"	Salaries	<u>2,400,000</u>
Total Transfers Discretely Presented Lauderdale County School Department			<u><u>\$ 2,467,747</u></u>

LAUDERDALE COUNTY, TENNESSEE

Schedule of Salaries and Official Bonds of Principal Officials

Primary Government and Discretely Presented Lauderdale County School Department

For the Year Ended June 30, 2025

Official	Salary	Authorization	Bond	Surety
County Mayor		Section 8-24-102, <i>TCA</i>	\$ (1)	Tennessee Risk Management Trust
Base salary	\$ 110,015			
Commission approved additional compensation	15,000			
Travel allowance	24,000			
Total compensation	<u>\$ 149,015</u>			
Highway Commissioner		Chapter 304, Private Acts of 1929, as amended, and	(1)	Tennessee Risk Management Trust
Base salary	\$ 104,776			
Commission approved additional compensation	20,000			
Total compensation	<u>\$ 124,776</u>			
Director of Schools - Shawn Kimble (7/1/24 - 4/11/25)		State Board of Education and County Board of Education	(1)	Tennessee Risk Management Trust
Base salary	\$ 151,484			
Car allowance	9,000			
Career ladder	1,000			
Total compensation	<u>\$ 161,484</u>			
Director of Schools - Sherrie Sweat (4/12/25 - 6/30/25)				
Base salary/Total compensation	\$ 33,600			
Total Director of Schools compensation	<u>\$ 356,568</u>			
Trustee		Section 8-24-102, <i>TCA</i>	1,459,472	RLI Insurance Company
Base salary/Total compensation	<u>\$ 95,251</u>			
Assessor of Property - Debbie Mays (7/1/24 - 8/31/24)		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 15,875</u>			
Assessor of Property - Jason Chrestman (9/1/24 - 6/30/25)				
Base salary/Total compensation	<u>\$ 79,376</u>			
Total Assessor Property Compensation	<u>\$ 95,251</u>			
County Clerk - Linda Summar (7/1/24 - 12/31/24)		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 47,626</u>			
County Clerk - Lea Turnbow (1/1/25 - 6/30/25)				
Base salary/Total compensation	<u>\$ 47,625</u>			
Total County Clerk Compensation	<u>\$ 95,251</u>			
Circuit and General Sessions Courts Clerk		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 95,251</u>			
Clerk and Master		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 95,251</u>			
Register of Deeds		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 95,251</u>			
Sheriff		Section 8-24-102, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary	\$ 104,776			
Law enforcement training supplement	1,600			
Total compensation	<u>\$ 106,376</u>			
Administrator of Elections		Section 2-12-208, <i>TCA</i>	(1)	Tennessee Risk Management Trust
Base salary/Total compensation	<u>\$ 95,251</u>			
Employee Blanket Bonds:				
Employee Fidelity - County Departments			400,000	Tennessee Risk Management Trust
Employee Fidelity - School Department			400,000	"

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

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

	Special Revenue Funds					
	General	Law Library	Ambulance Service	Drug Control	Other General Government	Highway / Public Works
Local Taxes						
County Property Taxes						
Current Property Tax	\$ 7,328,807	\$ 0	\$ 0	\$ 0	\$ 0	726,503
Trustee's Collections - Prior Year	266,521	0	0	0	0	27,302
Circuit Clerk/Clerk and Master Collections - Prior Years	82,376	0	0	0	0	8,433
Interest and Penalty	55,589	0	0	0	0	5,654
Payments in-Lieu-of Taxes - T.V.A.	729	0	0	0	0	73
Payments in-Lieu-of Taxes - Local Utilities	77,288	0	0	0	0	7,718
Payments in-Lieu-of Taxes - Other	49,279	0	0	0	0	4,921
County Local Option Taxes						
Hotel/Motel Tax	30,137	0	0	0	0	0
Wheel Tax	903,876	0	0	0	0	90,482
Litigation Tax - General	69,595	0	0	0	0	0
Litigation Tax - Special Purpose	15,193	1,357	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	114	0	0	0	0	0
Litigation Tax - Courthouse Security	11	0	0	0	0	0
Business Tax	203,601	0	0	0	0	0
Mixed Drink Tax	262	0	0	0	0	0
Statutory Local Taxes						
Bank Excise Tax	65,925	0	0	0	0	6,521

(Continued)

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

	Special Revenue Funds					
	General	Law Library	Ambulance Service	Drug Control	Other General Government	Highway / Public Works
Local Taxes (Cont.)						
Statutory Local Taxes (Cont.)						
Wholesale Beer Tax	\$ 21,426	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Local Taxes	<u>\$ 9,170,729</u>	<u>\$ 1,357</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 877,607</u>
Licenses and Permits						
Licenses						
Animal Registration	\$ 10,590	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	5,468	0	0	0	0	314
Permits						
Beer Permits	238	0	0	0	0	0
Building Permits	25,894	0	0	0	0	0
Total Licenses and Permits	<u>\$ 42,190</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 314</u>
Fines, Forfeitures, and Penalties						
Circuit Court						
Fines	\$ 7,609	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	4,981	0	0	0	0	0
Drug Control Fines	891	0	0	896	0	0
Drug Court Fees	760	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					
	General	Law Library	Ambulance Service	Drug Control	Other General Government	Highway / Public Works
Fines, Forfeitures, and Penalties (Cont.)						
Circuit Court (Cont.)						
Jail Fees	\$ 2,533	\$ 0	\$ 0	\$ 0	\$ 0	0
DUI Treatment Fines	380	0	0	0	0	0
Data Entry Fee - Circuit Court	1,044	0	0	0	0	0
Victims Assistance Assessments	2,200	0	0	0	0	0
Criminal Court						
DUI Treatment Fines	758	0	0	0	0	0
General Sessions Court						
Fines	14,905	0	0	0	0	0
Fines for Littering	48	0	0	0	0	0
Officers Costs	37,935	0	0	0	0	0
Game and Fish Fines	135	0	0	0	0	0
Drug Control Fines	1,125	0	0	1,097	0	0
Drug Court Fees	3,438	0	0	0	0	0
Jail Fees	13,471	0	0	0	0	0
DUI Treatment Fines	3,252	0	0	0	0	0
Data Entry Fee - General Sessions Court	10,678	0	0	0	0	0
Victims Assistance Assessments	12,558	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					
	General	Law Library	Ambulance Service	Drug Control	Other General Government	Highway / Public Works
Fines, Forfeitures, and Penalties (Cont.)						
Juvenile Court						
Fines	\$ 1,690	\$ 0	\$ 0	\$ 0	\$ 0	0
Chancery Court						
Officers Costs	1,241	0	0	0	0	0
Data Entry Fee - Chancery Court	1,842	0	0	0	0	0
Judicial District Drug Program						
Drug Task Force Forfeitures and Seizures	0	0	0	2,660	0	0
Total Fines, Forfeitures, and Penalties	\$ 123,474	\$ 0	\$ 0	\$ 4,653	\$ 0	0
Charges for Current Services						
General Service Charges						
Patient Charges	\$ 0	\$ 0	2,440,125	\$ 0	\$ 0	0
Fees						
Subdivision Lot Fees	400	0	0	0	0	0
Copy Fees	2,122	0	0	0	0	0
Library Fees	5,223	0	0	0	0	0
Greenbelt Late Application Fee	50	0	0	0	0	0
Telephone Commissions	76,805	0	0	0	0	0
Data Processing Fee - Register	7,070	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					
	General	Law Library	Ambulance Service	Drug Control	Other General Government	Highway / Public Works
Charges for Current Services (Cont.)						
Fees (Cont.)						
Data Processing Fee - Sheriff	\$ 1,587	\$ 0	\$ 0	\$ 0	\$ 0	0
Sexual Offender Registration Fee - Sheriff	5,550	0	0	0	0	0
Data Processing Fee - County Clerk	2,187	0	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	6,960	0	0	0	0	0
Education Charges						
Tuition - Other	4,427	0	0	0	0	0
Total Charges for Current Services	\$ 112,381	\$ 0	\$ 2,440,125	\$ 0	\$ 0	0
Other Local Revenues						
Recurring Items						
Investment Income	\$ 91	\$ 0	\$ 0	\$ 0	\$ 9,804	\$ 0
Commissary Sales	37,429	0	0	0	0	0
Miscellaneous Refunds	88,417	0	0	0	0	12,925
Nonrecurring Items						
Sale of Equipment	56	0	40,999	0	0	76,250
Sale of Property	28,665	0	0	0	0	0
Damages Recovered from Individuals	499	0	0	0	0	0
Total Other Local Revenues	\$ 155,157	\$ 0	\$ 40,999	\$ 0	\$ 9,804	\$ 89,175

(Continued)

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

	Special Revenue Funds					
	General	Law Library	Ambulance Service	Drug Control	Other General Government	Highway / Public Works
Fees Received From County Officials						
Fees In-Lieu-of Salary						
County Clerk	\$ 302,890	\$ 0	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	62,123	0	0	0	0	0
General Sessions Court Clerk	168,705	0	0	0	0	0
Clerk and Master	55,819	0	0	0	0	0
Register	98,268	0	0	0	0	0
Sheriff	16,506	0	0	0	0	0
Trustee	414,448	0	0	0	0	0
Total Fees Received From County Officials	\$ 1,118,759	\$ 0	\$ 0	\$ 0	\$ 0	0
State of Tennessee						
General Government Grants						
Juvenile Services Program	\$ 13,500	\$ 0	\$ 0	\$ 0	\$ 0	0
Other General Government Grants	5,868	0	0	0	0	0
Public Safety Grants						
Law Enforcement Training Programs	44,000	0	0	0	0	0
Drug Control Grants	142,296	0	0	0	0	0
Safe and Drug-Free Schools and Communities	30,223	0	0	0	0	0
School Resource Officer Grants	530,600	0	0	0	0	0
Other Public Safety Grants	25,344	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					
	General	Law Library	Ambulance Service	Drug Control	Other General Government	Highway / Public Works
State of Tennessee (Cont.)						
Health and Welfare Grants						
Health Department Programs	\$ 111,142	\$ 0	\$ 0	\$ 0	\$ 0	0
Public Works Grants						
Bridge Program	0	0	0	0	0	443,355
State Aid Program	0	0	0	0	0	1,744,351
Litter Program	38,825	0	0	0	0	0
Other State Revenues						
Beer Tax	17,752	0	0	0	0	0
Vehicle Certificate of Title Fees	21,599	0	0	0	0	0
Alcoholic Beverage Tax	80,456	0	0	0	0	0
Opioid Settlement Funds - TN Abatement Council	79,786	0	0	0	0	0
State Revenue Sharing - T.V.A.	298,932	0	0	0	0	60,095
State Revenue Sharing - Telecommunications	23,110	0	0	0	0	0
State Shared Sports Gaming Privilege Tax	29,970	0	0	0	0	0
Contracted Prisoner Boarding	554,197	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	2,560,555
Petroleum Special Tax	0	0	0	0	0	13,883
Registrar's Salary Supplement	15,519	0	0	0	0	0
Other State Grants	191,781	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					
	General	Law Library	Ambulance Service	Drug Control	Other General Government	Highway / Public Works
State of Tennessee (Cont.)						
Other State Revenues (Cont.)						
Other State Revenues	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 30,624
Total State of Tennessee	\$ 2,263,900	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,852,863
Federal Government						
Federal Through State						
USDA - Other	\$ 12,000	\$ 0	\$ 0	\$ 0	\$ 0	0
Civil Defense Reimbursement	32,200	0	0	0	0	0
Homeland Security Grants	17,326	0	0	0	0	0
American Rescue Plan Act Grant #1	402,937	0	0	0	229,008	0
American Rescue Plan Act Grant #2	12,758	0	0	0	0	0
American Rescue Plan Act Grant #3	32,737	0	0	0	0	0
American Rescue Plan Act Grant D	166,091	0	0	0	0	0
Other Federal through State	158,637	0	0	0	0	0
Direct Federal Revenue						
Asset Forfeiture Funds	0	0	0	29,547	0	0
Other Direct Federal Revenue	1,000	0	386,364	0	0	0
Total Federal Government	\$ 835,686	\$ 0	\$ 386,364	\$ 29,547	\$ 229,008	\$ 0

(Continued)

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

	Special Revenue Funds					
	General	Law Library	Ambulance Service	Drug Control	Other General Government	Highway / Public Works
Other Governments and Citizens Groups						
Other Governments						
Contributions	\$ 22,000	\$ 0	\$ 0	\$ 0	\$ 0	0
Contracted Services	63,521	0	0	0	0	0
Citizens Groups						
Donations	0	0	0	1,500	0	0
Other						
Opioid Settlement Funds - Past Remediation	40,321	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 125,842</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,500</u>	<u>\$ 0</u>	<u>0</u>
Total	<u>\$ 13,948,118</u>	<u>\$ 1,357</u>	<u>\$ 2,867,488</u>	<u>\$ 35,700</u>	<u>\$ 238,812</u>	<u>\$ 5,819,959</u>

(Continued)

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

	Debt Service Fund	
	General Debt Service	Total
Local Taxes		
County Property Taxes		
Current Property Tax	\$ 10,287	\$ 8,065,597
Trustee's Collections - Prior Year	786	294,609
Circuit Clerk/Clerk and Master Collections - Prior Years	247	91,056
Interest and Penalty	140	61,383
Payments in-Lieu-of Taxes - T.V.A.	1	803
Payments in-Lieu-of Taxes - Local Utilities	110	85,116
Payments in-Lieu-of Taxes - Other	70	54,270
County Local Option Taxes		
Hotel/Motel Tax	0	30,137
Wheel Tax	0	994,358
Litigation Tax - General	0	69,595
Litigation Tax - Special Purpose	0	16,550
Litigation Tax - Jail, Workhouse, or Courthouse	27,064	27,178
Litigation Tax - Courthouse Security	0	11
Business Tax	0	203,601
Mixed Drink Tax	0	262
Statutory Local Taxes		
Bank Excise Tax	93	72,539

(Continued)

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

	Debt Service Fund	
	General Debt Service	Total
Local Taxes (Cont.)		
Statutory Local Taxes (Cont.)		
Wholesale Beer Tax	\$ 0	\$ 21,426
Total Local Taxes	<u>\$ 38,798</u>	<u>\$ 10,088,491</u>
Licenses and Permits		
Licenses		
Animal Registration	\$ 0	\$ 10,590
Cable TV Franchise	4	5,786
Permits		
Beer Permits	0	238
Building Permits	0	25,894
Total Licenses and Permits	<u>\$ 4</u>	<u>\$ 42,508</u>
Fines, Forfeitures, and Penalties		
Circuit Court		
Fines	\$ 0	\$ 7,609
Officers Costs	0	4,981
Drug Control Fines	0	1,787
Drug Court Fees	0	760

(Continued)

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

	Debt Service Fund		
	General Debt Service		Total
Fines, Forfeitures, and Penalties (Cont.)			
Circuit Court (Cont.)			
Jail Fees	\$ 0	\$	2,533
DUI Treatment Fines	0		380
Data Entry Fee - Circuit Court	0		1,044
Victims Assistance Assessments	0		2,200
Criminal Court			
DUI Treatment Fines	0		758
General Sessions Court			
Fines	0		14,905
Fines for Littering	0		48
Officers Costs	0		37,935
Game and Fish Fines	0		135
Drug Control Fines	0		2,222
Drug Court Fees	0		3,438
Jail Fees	0		13,471
DUI Treatment Fines	0		3,252
Data Entry Fee - General Sessions Court	0		10,678
Victims Assistance Assessments	0		12,558

(Continued)

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

	Debt Service Fund	
	General Debt Service	Total
Fines, Forfeitures, and Penalties (Cont.)		
Juvenile Court		
Fines	\$ 0	\$ 1,690
Chancery Court		
Officers Costs	0	1,241
Data Entry Fee - Chancery Court	0	1,842
Judicial District Drug Program		
Drug Task Force Forfeitures and Seizures	0	2,660
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 128,127
Charges for Current Services		
General Service Charges		
Patient Charges	\$ 0	\$ 2,440,125
Fees		
Subdivision Lot Fees	0	400
Copy Fees	0	2,122
Library Fees	0	5,223
Greenbelt Late Application Fee	0	50
Telephone Commissions	0	76,805
Data Processing Fee - Register	0	7,070

(Continued)

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

	Debt Service Fund	
	General Debt Service	Total
Charges for Current Services (Cont.)		
Fees (Cont.)		
Data Processing Fee - Sheriff	\$ 0	\$ 1,587
Sexual Offender Registration Fee - Sheriff	0	5,550
Data Processing Fee - County Clerk	0	2,187
Vehicle Insurance Coverage and Reinstatement Fees	0	6,960
Education Charges		
Tuition - Other	0	4,427
Total Charges for Current Services	<u>\$ 0</u>	<u>\$ 2,552,506</u>
Other Local Revenues		
Recurring Items		
Investment Income	\$ 0	\$ 9,895
Commissary Sales	0	37,429
Miscellaneous Refunds	0	101,342
Nonrecurring Items		
Sale of Equipment	0	117,305
Sale of Property	0	28,665
Damages Recovered from Individuals	0	499
Total Other Local Revenues	<u>\$ 0</u>	<u>\$ 295,135</u>

(Continued)

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

	Debt Service Fund	
	General Debt Service	Total
Fees Received From County Officials		
Fees In-Lieu-of Salary		
County Clerk	\$ 0	\$ 302,890
Circuit Court Clerk	0	62,123
General Sessions Court Clerk	0	168,705
Clerk and Master	0	55,819
Register	0	98,268
Sheriff	0	16,506
Trustee	0	414,448
Total Fees Received From County Officials	<u>\$ 0</u>	<u>\$ 1,118,759</u>
State of Tennessee		
General Government Grants		
Juvenile Services Program	\$ 0	\$ 13,500
Other General Government Grants	0	5,868
Public Safety Grants		
Law Enforcement Training Programs	0	44,000
Drug Control Grants	0	142,296
Safe and Drug-Free Schools and Communities	0	30,223
School Resource Officer Grants	0	530,600
Other Public Safety Grants	0	25,344

(Continued)

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

	Debt Service Fund	
	General Debt Service	Total
State of Tennessee (Cont.)		
Health and Welfare Grants		
Health Department Programs	\$ 0	\$ 111,142
Public Works Grants		
Bridge Program	0	443,355
State Aid Program	0	1,744,351
Litter Program	0	38,825
Other State Revenues		
Beer Tax	0	17,752
Vehicle Certificate of Title Fees	0	21,599
Alcoholic Beverage Tax	0	80,456
Opioid Settlement Funds - TN Abatement Council	0	79,786
State Revenue Sharing - T.V.A.	0	359,027
State Revenue Sharing - Telecommunications	0	23,110
State Shared Sports Gaming Privilege Tax	0	29,970
Contracted Prisoner Boarding	0	554,197
Gasoline and Motor Fuel Tax	0	2,560,555
Petroleum Special Tax	0	13,883
Registrar's Salary Supplement	0	15,519
Other State Grants	0	191,781

(Continued)

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

	Debt Service Fund	
	General Debt Service	Total
State of Tennessee (Cont.)		
Other State Revenues (Cont.)		
Other State Revenues	\$ 0	\$ 39,624
Total State of Tennessee	<u>\$ 0</u>	<u>\$ 7,116,763</u>
Federal Government		
Federal Through State		
USDA - Other	\$ 0	\$ 12,000
Civil Defense Reimbursement	0	32,200
Homeland Security Grants	0	17,326
American Rescue Plan Act Grant #1	0	631,945
American Rescue Plan Act Grant #2	0	12,758
American Rescue Plan Act Grant #3	0	32,737
American Rescue Plan Act Grant D	0	166,091
Other Federal through State	0	158,637
Direct Federal Revenue		
Asset Forfeiture Funds	0	29,547
Other Direct Federal Revenue	0	387,364
Total Federal Government	<u>\$ 0</u>	<u>\$ 1,480,605</u>

(Continued)

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

	Debt Service Fund	
	General Debt Service	Total
Other Governments and Citizens Groups		
Other Governments		
Contributions	\$ 282,766	\$ 304,766
Contracted Services	0	63,521
Citizens Groups		
Donations	0	1,500
Other		
Opioid Settlement Funds - Past Remediation	0	40,321
Total Other Governments and Citizens Groups	<u>\$ 282,766</u>	<u>\$ 410,108</u>
Total	<u>\$ 321,568</u>	<u>\$ 23,233,002</u>

LAUDERDALE COUNTY, TENNESSEE
Schedule of Detailed Revenues -
All Governmental Fund Types
 Discretely Presented Lauderdale County School Department
For the Year Ended June 30, 2025

	<u>Special Revenue Funds</u>					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Internal School	
Local Taxes						
County Property Taxes						
Current Property Tax	\$ 2,366,791	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,366,791
Trustee's Collections - Prior Year	92,613	0	0	0	0	92,613
Circuit Clerk/Clerk and Master Collections - Prior Years	30,978	0	0	0	0	30,978
Interest and Penalty	19,020	0	0	0	0	19,020
Payments in-Lieu-of Taxes - T.V.A.	235	0	0	0	0	235
Payments in-Lieu-of Taxes - Local Utilities	24,917	0	0	0	0	24,917
Payments in-Lieu-of Taxes - Other	15,887	0	0	0	0	15,887
County Local Option Taxes						
Local Option Sales Tax	3,207,639	0	0	1,757,446	0	4,965,085
Wheel Tax	180,728	0	0	0	0	180,728
Mixed Drink Tax	3,655	0	0	0	0	3,655
Statutory Local Taxes						
Bank Excise Tax	21,054	0	0	0	0	21,054
Total Local Taxes	\$ 5,963,517	\$ 0	\$ 0	\$ 1,757,446	\$ 0	\$ 7,720,963

(Continued)

LAUDERDALE COUNTY, TENNESSEE

Schedule of Detailed Revenues -

All Governmental Fund Types

Discretely Presented Lauderdale County School Department (Cont.)

	<u>Special Revenue Funds</u>					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Internal School	
Licenses and Permits						
Licenses						
Marriage Licenses	\$ 1,187	\$ 0	\$ 0	\$ 0	\$ 0	1,187
Cable TV Franchise	1,014	0	0	0	0	1,014
Total Licenses and Permits	\$ 2,201	\$ 0	\$ 0	\$ 0	\$ 0	2,201
Charges for Current Services						
Education Charges						
Lunch Payments - Children	\$ 0	\$ 0	\$ 4,429	\$ 0	\$ 0	4,429
Lunch Payments - Adults	0	0	35,745	0	0	35,745
Income from Breakfast	0	0	2,800	0	0	2,800
Special Milk Sales	0	0	239	0	0	239
A la Carte Sales	0	0	63,524	0	0	63,524
Other Charges for Services	44,454	0	25,084	0	0	69,538
Total Charges for Current Services	\$ 44,454	\$ 0	\$ 131,821	\$ 0	\$ 0	176,275
Other Local Revenues						
Recurring Items						
Investment Income	\$ 1,336,166	\$ 0	\$ 4,500	\$ 0	\$ 0	1,340,666
Miscellaneous Refunds	128,268	0	3,036	0	0	131,304

(Continued)

LAUDERDALE COUNTY, TENNESSEE

Schedule of Detailed Revenues -

All Governmental Fund Types

Discretely Presented Lauderdale County School Department (Cont.)

	<u>Special Revenue Funds</u>					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Internal School	
Other Local Revenues (Cont.)						
Nonrecurring Items						
Sale of Equipment	\$ 12,955	\$ 0	\$ 0	\$ 0	\$ 0	12,955
Damages Recovered from Individuals	597	0	0	0	0	597
Contributions and Gifts	1,335	0	0	0	0	1,335
Other Local Revenues						
Other Local Revenues	591	0	0	0	1,274,402	1,274,993
Total Other Local Revenues	\$ 1,479,912	\$ 0	\$ 7,536	\$ 0	\$ 1,274,402	\$ 2,761,850
State of Tennessee						
General Government Grants						
On-behalf Contributions for OPEB	\$ 107,690	\$ 0	\$ 0	\$ 0	\$ 0	107,690
State Education Funds						
Tennessee Investment in Student Achievement	28,360,354	0	0	0	0	28,360,354
TISA - On-behalf Payments	47,703	0	0	0	0	47,703
Early Childhood Education	959,991	0	0	0	0	959,991
School Food Service	0	0	19,151	0	0	19,151
Other State Education Funds	689,118	0	0	0	0	689,118
Paid Parental Leave	43,940	12,703	0	0	0	56,643

(Continued)

LAUDERDALE COUNTY, TENNESSEE

Schedule of Detailed Revenues -

All Governmental Fund Types

Discretely Presented Lauderdale County School Department (Cont.)

	<u>Special Revenue Funds</u>					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Internal School	
State of Tennessee (Cont.)						
State Education Funds (Cont.)						
Career Ladder Program	\$ 37,702	\$ 0	\$ 0	\$ 0	\$ 0	\$ 37,702
Other Vocational	392,847	0	0	0	0	392,847
Other State Revenues						
State Revenue Sharing - T.V.A.	371,495	0	0	0	0	371,495
Other State Grants	139,352	0	0	0	0	139,352
Total State of Tennessee	\$ 31,150,192	\$ 12,703	\$ 19,151	\$ 0	\$ 0	\$ 31,182,046
Federal Government						
Federal Through State						
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,833,674	\$ 0	\$ 0	\$ 1,833,674
USDA - Commodities	0	0	205,620	0	0	205,620
Breakfast	0	0	886,069	0	0	886,069
USDA - Other	0	0	32,961	0	0	32,961
Vocational Education - Basic Grants to States	0	98,006	0	0	0	98,006
Title I Grants to Local Education Agencies	0	1,543,151	0	0	0	1,543,151
Special Education - Grants to States	0	1,260,501	0	0	0	1,260,501
Special Education Preschool Grants	0	54,979	0	0	0	54,979

(Continued)

LAUDERDALE COUNTY, TENNESSEE

Schedule of Detailed Revenues -

All Governmental Fund Types

Discretely Presented Lauderdale County School Department (Cont.)

	<u>Special Revenue Funds</u>					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Internal School	
Federal Government (Cont.)						
Federal Through State (Cont.)						
English Language Acquisition Grants	\$ 0	\$ 2,443	\$ 0	\$ 0	\$ 0	2,443
Rural Education	0	109,374	0	0	0	109,374
21st Century Community Learning Centers	0	94,423	0	0	0	94,423
Eisenhower Professional Development State Grants	0	152,868	0	0	0	152,868
COVID-19 Grant D	0	87,647	0	0	0	87,647
American Rescue Plan Act Grant #1	0	2,851,946	0	0	0	2,851,946
Other Federal through State	178,921	171,999	0	0	0	350,920
Direct Federal Revenue						
ROTC Reimbursement	66,586	0	0	0	0	66,586
Tax Credit Bond Rebate	115,843	0	0	0	0	115,843
Total Federal Government	\$ 361,350	\$ 6,427,337	\$ 2,958,324	\$ 0	\$ 0	\$ 9,747,011
Other Governments and Citizens Groups						
Other Governments						
Contributions	\$ 552,150	\$ 0	\$ 0	\$ 4,159,021	\$ 0	\$ 4,711,171
Total Other Governments and Citizens Groups	\$ 552,150	\$ 0	\$ 0	\$ 4,159,021	\$ 0	\$ 4,711,171
Total	\$ 39,553,776	\$ 6,440,040	\$ 3,116,832	\$ 5,916,467	\$ 1,274,402	\$ 56,301,517

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

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	42,228	
Social Security		2,568	
Pensions		269	
Employer Medicare		601	
Audit Services		11,063	
Dues and Memberships		3,597	
Travel		682	
Workers' Compensation Insurance		74	
Total County Commission			\$ 61,082

County Mayor/Executive

County Official/Administrative Officer	\$	149,015	
Accountants/Bookkeepers		153,098	
Salary Supplements		6,500	
Part-time Personnel		3,246	
Longevity Pay		2,500	
In-service Training		7,750	
Social Security		19,341	
Pensions		14,349	
Employee and Dependent Insurance		26,714	
Employer Medicare		4,523	
Communication		1,730	
Contracts with Private Agencies		20,192	
Dues and Memberships		2,882	
Postal Charges		9,380	
Travel		1,271	
Office Supplies		2,331	
Other Supplies and Materials		92	
Workers' Compensation Insurance		334	
Land		478	
Office Equipment		3,150	
Total County Mayor/Executive			428,876

County Attorney

Legal Services	\$	51,984	
Total County Attorney			51,984

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Election Commission

County Official/Administrative Officer	\$	95,251	
Deputy(ies)		30,934	
Clerical Personnel		19,517	
Longevity Pay		900	
Other Salaries and Wages		1,099	
Election Commission		3,000	
Election Workers		22,215	
Social Security		8,681	
Pensions		5,768	
Employee and Dependent Insurance		48,291	
Employer Medicare		2,034	
Communication		4,852	
Contracts with Private Agencies		29,938	
Legal Notices, Recording, and Court Costs		2,723	
Travel		990	
Data Processing Supplies		804	
Electricity		2,347	
Natural Gas		1,541	
Office Supplies		4,053	
Water and Sewer		949	
Other Supplies and Materials		745	
Workers' Compensation Insurance		160	
In Service/Staff Development		98	
Office Equipment		2,374	
Total Election Commission			\$ 289,264

Register of Deeds

County Official/Administrative Officer	\$	95,251
Deputy(ies)		39,241
Longevity Pay		2,000
Social Security		8,068
Pensions		6,142
Employee and Dependent Insurance		24,198
Employer Medicare		1,887
Communication		1,730
Contracts with Other Public Agencies		11,438

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Dues and Memberships	\$	882	
Travel		945	
Office Supplies		4,930	
Workers' Compensation Insurance		167	
Office Equipment		998	
Total Register of Deeds			\$ 197,877

Development

Supervisor/Director	\$	54,597	
In-service Training		2,083	
Social Security		3,187	
Pensions		2,551	
Employee and Dependent Insurance		20,107	
Employer Medicare		745	
Communication		1,730	
Contracts with Government Agencies		35,000	
Travel		2,055	
Gasoline		520	
Vehicle and Equipment Insurance		2,000	
Workers' Compensation Insurance		244	
Other Charges		60,355	
Total Development			185,174

Planning

Materials Supervisor	\$	21,100	
Salary Supplements		2,881	
Board and Committee Members Fees		1,215	
Social Security		1,562	
Employer Medicare		365	
Advertising		633	
Communication		503	
Contracts with Private Agencies		5,000	
Workers' Compensation Insurance		45	
Other Charges		715	
Total Planning			34,019

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

County Buildings

Custodial Personnel	\$	38,526	
Maintenance Personnel		87,275	
Part-time Personnel		1,025	
Longevity Pay		700	
Social Security		7,288	
Pensions		5,693	
Employee and Dependent Insurance		33,530	
Employer Medicare		1,704	
Maintenance and Repair Services - Buildings		192,096	
Maintenance and Repair Services - Vehicles		314	
Custodial Supplies		8,500	
Electricity		33,647	
Water and Sewer		10,116	
Building and Contents Insurance		47,260	
Workers' Compensation Insurance		1,940	
Plant Operation Equipment		10,000	
Total County Buildings			\$ 479,614

Other General Administration

Other Salaries and Wages	\$	5,014	
Social Security		295	
Pensions		226	
Employee and Dependent Insurance		725	
Employer Medicare		69	
Total Other General Administration			6,329

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	95,251	
Deputy(ies)		82,084	
Longevity Pay		2,100	
Board and Committee Members Fees		1,030	
Social Security		10,638	
Pensions		8,075	
Employee and Dependent Insurance		35,628	
Employer Medicare		2,488	

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Communication	\$	1,730	
Contracts with Government Agencies		8,050	
Contracts with Other Public Agencies		4,685	
Contracts with Private Agencies		20,192	
Dues and Memberships		1,550	
Travel		2,773	
Office Supplies		2,800	
Workers' Compensation Insurance		202	
Total Property Assessor's Office			\$ 279,276

County Trustee's Office

County Official/Administrative Officer	\$	95,251	
Deputy(ies)		81,311	
Salary Supplements		3,000	
Longevity Pay		4,000	
In-service Training		1,000	
Social Security		10,706	
Pensions		8,305	
Employee and Dependent Insurance		42,983	
Employer Medicare		2,504	
Communication		1,730	
Contracts with Government Agencies		2,990	
Contracts with Private Agencies		22,109	
Dues and Memberships		1,107	
Legal Notices, Recording, and Court Costs		295	
Travel		2,699	
Office Supplies		2,036	
Workers' Compensation Insurance		200	
Office Equipment		6,487	
Total County Trustee's Office			288,713

County Clerk's Office

County Official/Administrative Officer	\$	95,251	
Deputy(ies)		192,649	
Salary Supplements		10,000	
Part-time Personnel		7,616	

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Longevity Pay	\$	3,500	
Social Security		18,409	
Pensions		13,563	
Employee and Dependent Insurance		33,731	
Employer Medicare		4,305	
Communication		8,577	
Contracts with Other Public Agencies		25,106	
Dues and Memberships		922	
Maintenance and Repair Services - Buildings		1,069	
Travel		1,623	
Office Supplies		6,968	
Utilities		7,009	
Workers' Compensation Insurance		312	
Office Equipment		2,840	
Total County Clerk's Office			\$ 433,450

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	95,251	
Deputy(ies)		102,761	
Attendants		6,135	
Longevity Pay		2,400	
Jury and Witness Expense		7,928	
Social Security		11,846	
Pensions		9,019	
Employee and Dependent Insurance		47,718	
Employer Medicare		2,770	
Communication		4,203	
Contracts with Other Public Agencies		28,009	
Contracts with Private Agencies		5,712	
Dues and Memberships		1,157	
Postal Charges		1,500	
Travel		29	
Remittance of Revenue Collected		445	
Office Supplies		12,000	
Workers' Compensation Insurance		376	

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Other Charges	\$	411	
Office Equipment		5,312	
Total Circuit Court			\$ 344,982

General Sessions Judge

Judge(s)	\$	104,808	
Social Security		6,106	
Pensions		4,716	
Employee and Dependent Insurance		24,128	
Employer Medicare		1,428	
Dues and Memberships		200	
Travel		2,676	
Workers' Compensation Insurance		152	
Total General Sessions Judge			144,214

General Sessions Court Clerk

Clerical Personnel	\$	143,646	
Attendants		37,727	
Longevity Pay		3,100	
Social Security		11,172	
Pensions		6,603	
Employee and Dependent Insurance		12,671	
Employer Medicare		2,613	
Communication		4,203	
Workers' Compensation Insurance		1,561	
Total General Sessions Court Clerk			223,296

Drug Court

Supervisor/Director	\$	57,344	
Social Workers		11,625	
Other Salaries and Wages		6,000	
Social Security		4,473	
Pensions		3,374	
Employee and Dependent Insurance		10,409	
Employer Medicare		1,046	
Communication		2,066	

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Drug Court (Cont.)

Contracts with Other Public Agencies	\$	1,680	
Contracts with Private Agencies		22,000	
Postal Charges		500	
Printing, Stationery, and Forms		374	
Rentals		5,800	
Travel		7,433	
Office Supplies		6,881	
Utilities		2,637	
Other Supplies and Materials		3,999	
Workers' Compensation Insurance		34	
Other Charges		23,460	
Total Drug Court			\$ 171,135

Chancery Court

County Official/Administrative Officer	\$	95,251	
Deputy(ies)		33,858	
Salary Supplements		500	
Attendants		3,281	
Part-time Personnel		18,037	
Social Security		9,113	
Pensions		5,763	
Employee and Dependent Insurance		9,531	
Employer Medicare		2,131	
Communication		1,730	
Contracts with Private Agencies		13,586	
Dues and Memberships		982	
Legal Notices, Recording, and Court Costs		440	
Travel		1,155	
Office Supplies		2,164	
Workers' Compensation Insurance		407	
Office Equipment		2,732	
Total Chancery Court			200,661

Juvenile Court

Supervisor/Director	\$	64,671	
Probation Officer(s)		30,823	

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Youth Service Officer(s)	\$	53,500	
Secretary(ies)		81,226	
Attendants		28,706	
Longevity Pay		8,500	
Other Per Diem and Fees		1,112	
Social Security		15,810	
Pensions		10,743	
Employee and Dependent Insurance		51,766	
Employer Medicare		3,697	
Communication		2,825	
Contracts with Private Agencies		42,350	
Evaluation and Testing		555	
Maintenance and Repair Services - Equipment		3,342	
Gasoline		40	
Office Supplies		899	
Other Supplies and Materials		6,132	
Vehicle and Equipment Insurance		1,000	
Workers' Compensation Insurance		685	
Total Juvenile Court			\$ 408,382

Juvenile Court Judge

Judge(s)	\$	104,808	
Part-time Personnel		15,000	
Social Security		7,344	
Pensions		4,716	
Employee and Dependent Insurance		70	
Employer Medicare		1,717	
Communication		516	
Dues and Memberships		416	
Travel		3,116	
Workers' Compensation Insurance		152	
Total Juvenile Court Judge			137,855

Other Administration of Justice

Salary Supplements	\$	2,500	
Secretary(ies)		11,904	

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Other Administration of Justice (Cont.)

Part-time Personnel	\$	17,111	
Social Security		2,442	
Handling Charges and Administrative Costs		10,000	
Pensions		1,868	
Employer Medicare		571	
Communication		2,191	
Maintenance and Repair Services - Equipment		3,198	
Postal Charges		1,000	
Travel		1,657	
Data Processing Supplies		1,736	
Office Supplies		969	
Testing		1,317	
Other Supplies and Materials		1,945	
Workers' Compensation Insurance		477	
Other Charges		3,000	
Total Other Administration of Justice			\$ 63,886
Victim Assistance Programs			
Remittance of Revenue Collected	\$	15,000	
Total Victim Assistance Programs			15,000

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	104,776	
Assistant(s)		88,090	
Deputy(ies)		918,117	
Investigator(s)		246,560	
Accountants/Bookkeepers		43,139	
Salary Supplements		49,100	
Dispatchers/Radio Operators		217,319	
Guards		39,261	
Clerical Personnel		84,664	
Part-time Personnel		47,831	
Longevity Pay		13,900	
Overtime Pay		128,208	
Other Salaries and Wages		4,532	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

In-service Training	\$	9,565	
Social Security		115,613	
Pensions		84,705	
Employee and Dependent Insurance		461,903	
Unemployment Compensation		8,582	
Employer Medicare		27,039	
Communication		11,358	
Confidential Drug Enforcement Payments		400	
Dues and Memberships		2,300	
Maintenance and Repair Services - Equipment		45,724	
Maintenance and Repair Services - Vehicles		85,834	
Postal Charges		1,299	
Towing Services		2,955	
Travel		12,504	
Data Processing Supplies		6,576	
Electricity		81,775	
Gasoline		143,575	
Law Enforcement Supplies		8,628	
Natural Gas		19,512	
Office Supplies		7,474	
Tires and Tubes		15,262	
Uniforms		11,446	
Water and Sewer		58,114	
Other Supplies and Materials		4,979	
Liability Insurance		30,265	
Vehicle and Equipment Insurance		29,315	
Workers' Compensation Insurance		31,322	
Other Charges		8,988	
Law Enforcement Equipment		33,594	
Office Equipment		3,281	
Total Sheriff's Department		<u>3,349,384</u>	\$ 3,349,384
Administration of the Sexual Offender Registry			
Other Supplies and Materials	\$	<u>1,650</u>	
Total Administration of the Sexual Offender Registry			1,650

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Jail

Captain(s)	\$	70,806	
Lieutenant(s)		93,450	
Sergeant(s)		297,776	
Accountants/Bookkeepers		38,375	
Salary Supplements		3,000	
Guards		549,087	
Part-time Personnel		21,751	
Longevity Pay		5,700	
Overtime Pay		36,833	
Social Security		65,854	
Pensions		48,865	
Employee and Dependent Insurance		219,097	
Employer Medicare		15,401	
Communication		2,233	
Maintenance Agreements		20,066	
Medical and Dental Services		323,387	
Travel		3,972	
Other Contracted Services		537	
Custodial Supplies		16,805	
Drugs and Medical Supplies		870	
Food Supplies		284,301	
Office Supplies		12,228	
Prisoners Clothing		4,286	
Uniforms		6,895	
Other Supplies and Materials		11,352	
Workers' Compensation Insurance		19,885	
Other Charges		16,154	
Communication Equipment		3,000	
Total Jail			\$ 2,191,966

Juvenile Services

Deputy(ies)	\$	345,413
Investigator(s)		102,186
Longevity Pay		2,200
Social Security		26,076
Pensions		20,233

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Juvenile Services (Cont.)

Employee and Dependent Insurance	\$	107,842	
Employer Medicare		6,098	
Communication		713	
Contracts with Government Agencies		85,248	
Travel		8,264	
Gasoline		7,200	
Law Enforcement Equipment		23,938	
Total Juvenile Services			\$ 735,411

Fire Prevention and Control

Other Salaries and Wages	\$	8,400	
Social Security		480	
Pensions		378	
Employee and Dependent Insurance		2,834	
Employer Medicare		112	
Contracts with Government Agencies		2,000	
Gasoline		3,320	
Utilities		8,037	
Other Supplies and Materials		13,246	
Building and Contents Insurance		1,500	
Vehicle and Equipment Insurance		6,000	
Workers' Compensation Insurance		390	
In Service/Staff Development		400	
Other Charges		7,330	
Other Equipment		135,364	
Total Fire Prevention and Control			189,791

Civil Defense

Other Equipment	\$	17,635	
Total Civil Defense			17,635

Rescue Squad

Building and Contents Insurance	\$	1,500	
Vehicle and Equipment Insurance		3,500	
Other Charges		5,000	
Total Rescue Squad			10,000

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management

Supervisor/Director	\$	63,123	
Longevity Pay		1,800	
Social Security		3,719	
Pensions		2,922	
Employee and Dependent Insurance		21,294	
Employer Medicare		870	
Communication		2,882	
Dues and Memberships		80	
Maintenance and Repair Services - Vehicles		1,469	
Travel		696	
Gasoline		4,867	
Office Supplies		77	
Other Supplies and Materials		132	
Vehicle and Equipment Insurance		3,000	
Workers' Compensation Insurance		947	
Other Charges		224	
Communication Equipment		5,825	
Total Other Emergency Management			\$ 113,927

Public Health and Welfare

Local Health Center

Communication	\$	3,500	
Janitorial Services		12,000	
Maintenance and Repair Services - Buildings		5,638	
Other Contracted Services		16,982	
Drugs and Medical Supplies		2,095	
Office Supplies		1,428	
Utilities		16,239	
Total Local Health Center			57,882

Rabies and Animal Control

Supervisor/Director	\$	38,875	
Deputy(ies)		58,259	
Part-time Personnel		4,944	
Longevity Pay		400	
Social Security		6,068	

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Pensions	\$ 4,389	
Employee and Dependent Insurance	17,159	
Employer Medicare	1,419	
Communication	1,617	
Maintenance and Repair Services - Vehicles	1,148	
Veterinary Services	11,083	
Animal Food and Supplies	7,874	
Custodial Supplies	1,150	
Gasoline	3,686	
Utilities	9,794	
Other Supplies and Materials	2,446	
Vehicle and Equipment Insurance	600	
Workers' Compensation Insurance	1,200	
Other Equipment	1,186	
Total Rabies and Animal Control	\$ 173,297	\$ 173,297

Dental Health Program

Clerical Personnel	\$ 36,172	
Educational Assistants	37,419	
Social Security	4,140	
Pensions	3,263	
Employee and Dependent Insurance	26,191	
Employer Medicare	968	
Travel	2,389	
Workers' Compensation Insurance	600	
Total Dental Health Program	111,142	111,142

Alcohol and Drug Programs

Other Salaries and Wages	\$ 6,000
Social Security	353
Pensions	270
Employer Medicare	83
Communication	752
Contracts with Private Agencies	50,241
Dues and Memberships	750
Postal Charges	120

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Alcohol and Drug Programs (Cont.)

Rentals	\$	3,600	
Travel		6,012	
Instructional Supplies and Materials		25,592	
Office Supplies		1,664	
Total Alcohol and Drug Programs			\$ 95,437

Other Local Health Services

Contracts with Government Agencies	\$	3,771	
Contracts with Other Public Agencies		30,298	
Other Contracted Services		47,793	
Total Other Local Health Services			81,862

Regional Mental Health Center

Contracts with Private Agencies	\$	3,487	
Travel		1,486	
Total Regional Mental Health Center			4,973

Other Local Welfare Services

Other Salaries and Wages	\$	1,000	
Social Security		59	
Pensions		45	
Employer Medicare		14	
Contracts with Private Agencies		30,971	
Travel		1,078	
Instructional Supplies and Materials		4,108	
Total Other Local Welfare Services			37,275

Sanitation Education/Information

Guards	\$	37,660	
Clerical Personnel		3,432	
Longevity Pay		1,900	
Social Security		2,357	
Pensions		1,934	
Employee and Dependent Insurance		24,828	
Employer Medicare		551	
Contracts with Other Public Agencies		11,049	

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Education/Information (Cont.)

Workers' Compensation Insurance	\$ 580	
Other Charges	240	
Total Sanitation Education/Information	\$ 84,531	

Other Public Health and Welfare

Other Salaries and Wages	\$ 2,000	
Social Security	121	
Pensions	90	
Employer Medicare	28	
Contracts with Private Agencies	15,260	
Postal Charges	1,000	
Travel	730	
Instructional Supplies and Materials	6,990	
Other Charges	4,448	
Total Other Public Health and Welfare	30,667	

Social, Cultural, and Recreational Services

Libraries

Librarians	\$ 93,579	
Part-time Personnel	14,964	
Longevity Pay	2,300	
Social Security	6,580	
Pensions	4,348	
Employee and Dependent Insurance	19,534	
Employer Medicare	1,539	
Communication	2,867	
Contributions	29,308	
Travel	543	
Library Books/Media	3,000	
Office Supplies	2,915	
Utilities	11,420	
Workers' Compensation Insurance	77	
Office Equipment	5,500	
Total Libraries	198,474	

(Continued)

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Parks and Fair Boards

Contributions	\$ 41,100	
Total Parks and Fair Boards		\$ 41,100

Other Social, Cultural, and Recreational

Contracts with Government Agencies	\$ 2,000	
Other Supplies and Materials	10,758	
Total Other Social, Cultural, and Recreational		12,758

Agriculture and Natural Resources

Agricultural Extension Service

Part-time Personnel	\$ 4,160	
Social Security	258	
Employer Medicare	60	
Communication	3,443	
Contracts with Government Agencies	14,809	
Dues and Memberships	565	
Maintenance and Repair Services - Buildings	122	
Maintenance and Repair Services - Equipment	3,993	
Matching Share	65,893	
Travel	4,000	
Other Contracted Services	3,536	
Electricity	5,723	
Natural Gas	1,310	
Water and Sewer	7,976	
Workers' Compensation Insurance	59	
Other Charges	65	
Total Agricultural Extension Service		115,972

Soil Conservation

Assessment Personnel	\$ 87,087	
Secretary(ies)	33,554	
Longevity Pay	3,000	
Social Security	6,908	
Pensions	5,564	
Employee and Dependent Insurance	53,588	
Employer Medicare	1,616	

(Continued)

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation (Cont.)

Gasoline	\$	1,744	
Workers' Compensation Insurance		1,365	
Total Soil Conservation			\$ 194,426

Other Operations

Veterans' Services

Supervisor/Director	\$	26,217	
Social Security		1,625	
Employer Medicare		380	
Communication		1,736	
Office Supplies		49	
Workers' Compensation Insurance		16	
Total Veterans' Services			30,023

Other Charges

Liability Insurance	\$	86,171	
Trustee's Commission		181,770	
Other Charges		10,179	
Office Equipment		3,963	
Total Other Charges			282,083

Contributions to Other Agencies

Contributions	\$	249,785	
Total Contributions to Other Agencies			249,785

Employee Benefits

Unemployment Compensation	\$	950	
Local Retirement		14,950	
Total Employee Benefits			15,900

American Rescue Plan Act Grant #9

Furniture and Fixtures	\$	497,795	
Total American Rescue Plan Act Grant #9			497,795

Miscellaneous

Advertising	\$	829	
Other Charges		30	
Total Miscellaneous			859

(Continued)

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

General Fund (Cont.)

Capital Projects

American Rescue Plan Act Grant #1

Other Construction

\$ 256,483

Total American Rescue Plan Act Grant #1

\$ 256,483

Total General Fund

\$ 13,627,557

Law Library Fund

Social, Cultural, and Recreational Services

Libraries

Trustee's Commission

\$ 13

Total Libraries

\$ 13

Total Law Library Fund

13

Ambulance Service Fund

Public Health and Welfare

Ambulance/Emergency Medical Services

Medical Personnel

\$ 1,711,993

In-service Training

3,348

Social Security

125,599

Pensions

76,304

Medical Insurance

267,693

Communication

16,542

Contracts with Government Agencies

11,540

Debt Collection Services

127,101

Licenses

2,416

Maintenance and Repair Services - Buildings

3,294

Maintenance and Repair Services - Equipment

53,377

Travel

1,019

Other Contracted Services

9,975

Diesel Fuel

47,403

Drugs and Medical Supplies

75,934

Office Supplies

16,962

Uniforms

10,934

Utilities

7,707

Liability Insurance

119,535

Motor Vehicles

114,000

Health Equipment

446,504

Total Ambulance/Emergency Medical Services

\$ 3,249,180

Total Ambulance Service Fund

3,249,180

(Continued)

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

Drug Control Fund

Public Safety

Drug Enforcement

Communication	\$	1,259	
Confidential Drug Enforcement Payments		2,500	
Maintenance and Repair Services - Vehicles		1,652	
Law Enforcement Equipment		350	
Total Drug Enforcement			\$ 5,761

Total Drug Control Fund \$ 5,761

Other General Government Fund

Other Operations

American Rescue Plan Act Grant #7

Motor Vehicles	\$	239,600	
Total American Rescue Plan Act Grant #7			\$ 239,600

American Rescue Plan Act Grant #9

Other Equipment	\$	20,500	
Total American Rescue Plan Act Grant #9			20,500

Total Other General Government Fund 260,100

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	124,776	
Accountants/Bookkeepers		83,885	
Longevity Pay		900	
Communication		8,054	
Data Processing Services		16,820	
Dues and Memberships		4,216	
Legal Notices, Recording, and Court Costs		837	
Medical and Dental Services		1,275	
Postal Charges		394	
Printing, Stationery, and Forms		388	
Travel		5,495	
Other Contracted Services		7,065	
Custodial Supplies		1,121	

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Drugs and Medical Supplies	\$	117	
Electricity		9,541	
Natural Gas		4,670	
Office Supplies		1,122	
Water and Sewer		5,980	
Other Charges		1,081	
Total Administration			\$ 277,737

Highway and Bridge Maintenance

Foremen	\$	124,761	
Equipment Operators		633,899	
Part-time Personnel		19,936	
Longevity Pay		18,300	
Overtime Pay		18,226	
Asphalt - Cold Mix		17,508	
Asphalt - Liquid		215,840	
Crushed Stone		262,540	
Other Road Materials		845	
Pipe - Metal		97,975	
Road Signs		13,986	
Sand		6,000	
Small Tools		1,509	
Wood Products		64	
Chemicals		102,892	
Other Supplies and Materials		681	
In Service/Staff Development		3,190	
Total Highway and Bridge Maintenance			1,538,152

Operation and Maintenance of Equipment

Mechanic(s)	\$	83,852	
Longevity Pay		1,400	
Laundry Service		11,869	
Maintenance and Repair Services - Equipment		77,188	
Other Contracted Services		2,443	
Diesel Fuel		96,838	
Equipment and Machinery Parts		120,884	

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Garage Supplies	\$ 3,385
Gasoline	9,424
Lubricants	5,754
Small Tools	3,050
Tires and Tubes	28,564
Other Supplies and Materials	17
Other Charges	<u>37,322</u>

Total Operation and Maintenance of Equipment \$ 481,990

Other Charges

Building and Contents Insurance	\$ 61,205
Liability Insurance	5,000
Trustee's Commission	42,522
Workers' Compensation Insurance	<u>39,966</u>

Total Other Charges 148,693

Employee Benefits

Social Security	\$ 78,600
Pensions	48,639
Employee and Dependent Insurance	258,012
Local Retirement	<u>6,750</u>

Total Employee Benefits 392,001

Capital Outlay

Engineering Services	\$ 29,098
Asphalt - Hot Mix	1,169,705
Bridge Construction	472,165
Communication Equipment	6,241
Highway Construction	85,717
Highway Equipment	393,477
State Aid Projects	<u>1,703,658</u>

Total Capital Outlay 3,860,061

Total Highway/Public Works Fund \$ 6,698,634

(Continued)

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

General Debt Service Fund

Other Operations

Other Charges

Contributions

\$ 4,159,021

Total Other Charges

\$ 4,159,021

Principal on Debt

Education

Principal on Other Loans

\$ 157,431

Total Education

157,431

Interest on Debt

Education

Interest on Other Loans

\$ 100,906

Total Education

100,906

Other Debt Service

General Government

Trustee's Commission

\$ 246

Total General Government

246

Education

Other Debt Issuance Charges

\$ 2,018

Total Education

2,018

Total General Debt Service Fund

\$ 4,419,622

Total Governmental Funds - Primary Government

\$ 28,260,867

LAUDERDALE COUNTY, TENNESSEE
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Lauderdale County School Department
For the Year Ended June 30, 2025

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 11,410,232	
Career Ladder Program	29,000	
Clerical Personnel	38,400	
Educational Assistants	898,653	
Instructional Coaches	68,527	
Other Salaries and Wages	13,830	
Non-certified Substitute Teachers	262,113	
Social Security	740,297	
Pensions	817,557	
Medical Insurance	2,365,637	
Unemployment Compensation	6,349	
Employer Medicare	173,670	
Tuition	30,034	
Other Contracted Services	237,070	
Instructional Supplies and Materials	169,599	
Textbooks - Bound	362,889	
Software	2,202	
Other Supplies and Materials	98,181	
TISA - On-behalf Payments	47,703	
Regular Instruction Equipment	206,096	
Total Regular Instruction Program	\$ 17,978,039	

Special Education Program

Teachers	\$ 1,534,893
Career Ladder Program	6,000
Homebound Teachers	33,758
Educational Assistants	510,888
Speech Pathologist	125,286
Other Salaries and Wages	85,499
Social Security	120,796
Pensions	129,801
Medical Insurance	434,459
Employer Medicare	28,477
Contracts for Substitute Teachers - Non-certified	25,923
Instructional Supplies and Materials	46,915

(Continued)

LAUDERDALE COUNTY, TENNESSEE

Schedule of Detailed Expenditures -

All Governmental Fund Types

Discretely Presented Lauderdale County School Department (Cont.)

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Other Supplies and Materials	\$	3,461	
Other Charges		3,596	
Special Education Equipment		38,927	
Total Special Education Program			\$ 3,128,679

Career and Technical Education Program

Teachers	\$	807,992	
Career Ladder Program		1,000	
Other Salaries and Wages		101,564	
Social Security		43,208	
Pensions		60,647	
Medical Insurance		140,890	
Employer Medicare		10,106	
Instructional Supplies and Materials		9,788	
Software		62,240	
Other Supplies and Materials		40,555	
Other Charges		1,546	
Vocational Instruction Equipment		188,021	
Total Career and Technical Education Program			1,467,557

Support Services

Attendance

Supervisor/Director	\$	100,611	
Social Security		5,942	
Pensions		6,399	
Medical Insurance		15,129	
Employer Medicare		1,390	
Travel		1,468	
Other Contracted Services		19,085	
In Service/Staff Development		1,181	
Total Attendance			151,205

Health Services

Supervisor/Director	\$	68,250	
Medical Personnel		216,311	

(Continued)

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

Discretely Presented Lauderdale County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

Other Salaries and Wages	\$	4,950	
Social Security		16,447	
Pensions		13,028	
Medical Insurance		59,207	
Employer Medicare		3,847	
Communication		500	
Travel		2,315	
Other Supplies and Materials		19,098	
In Service/Staff Development		3,966	
Total Health Services			\$ 407,919

Other Student Support

Supervisor/Director	\$	24,277	
Career Ladder Program		2,000	
Guidance Personnel		274,924	
Other Salaries and Wages		95,689	
Social Security		17,895	
Pensions		28,743	
Medical Insurance		92,404	
Employer Medicare		5,980	
Evaluation and Testing		3,213	
Internet Connectivity		552,150	
Travel		685	
Other Contracted Services		19,586	
Other Supplies and Materials		4,609	
Other Charges		608	
Total Other Student Support			1,122,763

Regular Instruction Program

Supervisor/Director	\$	263,480	
Career Ladder Program		1,000	
Librarians		200,628	
Other Salaries and Wages		22,047	
Social Security		29,117	
Pensions		32,392	

(Continued)

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

Discretely Presented Lauderdale County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Medical Insurance	\$	59,156	
Employer Medicare		6,810	
Travel		9,135	
Other Contracted Services		21,600	
Library Books/Media		6,143	
In Service/Staff Development		51,159	
Total Regular Instruction Program			\$ 702,667

Special Education Program

Supervisor/Director	\$	92,127	
Psychological Personnel		102,692	
Secretary(ies)		34,703	
Speech Pathologist		13,370	
Other Salaries and Wages		720	
Social Security		13,651	
Pensions		19,095	
Medical Insurance		23,578	
Employer Medicare		3,386	
Communication		500	
Postal Charges		365	
Travel		12,523	
Other Contracted Services		116,918	
Other Supplies and Materials		37,722	
In Service/Staff Development		17,678	
Other Equipment		25,949	
Total Special Education Program			514,977

Career and Technical Education Program

Supervisor/Director	\$	100,766	
Social Security		6,137	
Pensions		6,409	
Medical Insurance		7,360	
Employer Medicare		1,435	
Total Career and Technical Education Program			122,107

(Continued)

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

Discretely Presented Lauderdale County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Technology

Supervisor/Director	\$	6,800	
Instructional Computer Personnel		120,995	
Social Security		7,778	
Pensions		5,930	
Medical Insurance		18,148	
Employer Medicare		1,819	
Maintenance and Repair Services - Equipment		10,667	
Internet Connectivity		67,321	
Travel		1,288	
Other Contracted Services		25,808	
Total Technology			\$ 266,554

Other Programs

On-behalf Payments to OPEB	\$	107,690	
Total Other Programs			107,690

Board of Education

Other Salaries and Wages	\$	2,500	
Board and Committee Members Fees		16,405	
Social Security		1,172	
Pensions		202	
Employer Medicare		274	
Audit Services		11,780	
Dues and Memberships		19,187	
Legal Services		48,888	
Travel		5,768	
Liability Insurance		97,729	
Premiums on Corporate Surety Bonds		4,101	
Trustee's Commission		154,244	
Workers' Compensation Insurance		34,435	
In Service/Staff Development		1,403	
Other Charges		7,609	
Total Board of Education			405,697

(Continued)

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

Discretely Presented Lauderdale County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools

County Official/Administrative Officer	\$	185,084	
Assistant(s)		104,010	
Clerical Personnel		52,379	
Social Security		18,177	
Pensions		18,606	
Medical Insurance		53,492	
Employer Medicare		4,738	
Other Fringe Benefits		10,339	
Communication		67,722	
Postal Charges		4,831	
Travel		3,461	
Remittance of Revenue Collected		245	
Office Supplies		6,178	
In Service/Staff Development		3,542	
Administration Equipment		2,269	
Total Director of Schools			\$ 535,073

Office of the Principal

Principals	\$	803,052	
Assistant Principals		1,065,142	
Secretary(ies)		602,812	
Clerical Personnel		49,366	
Social Security		145,853	
Pensions		151,924	
Medical Insurance		436,379	
Employer Medicare		34,111	
Travel		1,785	
Administration Equipment		41,890	
Total Office of the Principal			3,332,314

Fiscal Services

Supervisor/Director	\$	63,495	
Accountants/Bookkeepers		80,945	
Social Security		8,483	
Pensions		6,494	

(Continued)

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

Discretely Presented Lauderdale County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services (Cont.)

Medical Insurance	\$	16,796	
Employer Medicare		1,984	
Travel		2,254	
Other Contracted Services		27,434	
Total Fiscal Services			\$ 207,885

Human Services/Personnel

Supervisor/Director	\$	61,160	
Clerical Personnel		46,132	
Social Security		6,056	
Pensions		4,828	
Medical Insurance		35,619	
Employer Medicare		1,416	
Other Fringe Benefits		1,723	
Travel		1,102	
Other Supplies and Materials		6,652	
Total Human Services/Personnel			164,688

Operation of Plant

Supervisor/Director	\$	71,258	
Custodial Personnel		163,161	
Social Security		13,817	
Pensions		10,549	
Medical Insurance		41,670	
Employer Medicare		3,231	
Other Contracted Services		1,121,614	
Electricity		853,610	
Natural Gas		313,109	
Building and Contents Insurance		248,178	
Total Operation of Plant			2,840,197

Maintenance of Plant

Supervisor/Director	\$	97,427	
Maintenance Personnel		269,301	
Social Security		21,084	

(Continued)

LAUDERDALE COUNTY, TENNESSEE

Schedule of Detailed Expenditures -

All Governmental Fund Types

Discretely Presented Lauderdale County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Pensions	\$	18,315	
Medical Insurance		60,414	
Employer Medicare		4,931	
Maintenance and Repair Services - Buildings		98,630	
Maintenance and Repair Services - Equipment		117,539	
Other Contracted Services		400,332	
Other Supplies and Materials		171,775	
Administration Equipment		20,000	
Maintenance Equipment		37,951	
Other Equipment		3,893	
Total Maintenance of Plant			\$ 1,321,592

Transportation

Supervisor/Director	\$	72,830	
Mechanic(s)		125,390	
Bus Drivers		843,901	
Other Salaries and Wages		100,615	
Social Security		70,651	
Pensions		18,640	
Medical Insurance		69,289	
Employer Medicare		16,523	
Other Fringe Benefits		3,190	
Contracts with Parents		8,670	
Diesel Fuel		24,031	
Gasoline		179,583	
Tires and Tubes		32,007	
Vehicle Parts		78,207	
Other Supplies and Materials		13,970	
Vehicle and Equipment Insurance		59,462	
Transportation Equipment		334,143	
Total Transportation			2,051,102

Operation of Non-Instructional Services

Community Services

Teachers	\$	103,006	
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(Continued)

LAUDERDALE COUNTY, TENNESSEE

**Schedule of Detailed Expenditures -
All Governmental Fund Types**

Discretely Presented Lauderdale County School Department (Cont.)

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

Educational Assistants	\$	4,475	
Social Security		6,179	
Pensions		6,914	
Employer Medicare		1,558	
Other Supplies and Materials		19,367	
Total Community Services			\$ 141,499

Early Childhood Education

Supervisor/Director	\$	23,953	
Teachers		425,168	
Educational Assistants		189,934	
Social Security		37,030	
Pensions		45,000	
Medical Insurance		149,704	
Employer Medicare		8,660	
Travel		885	
Food Supplies		15,719	
Instructional Supplies and Materials		12,716	
Other Supplies and Materials		5,738	
In Service/Staff Development		700	
Other Charges		4,293	
Total Early Childhood Education			919,500

Capital Outlay

Regular Capital Outlay

Other Contracted Services	\$	20,000	
Building Construction		75,000	
Building Improvements		1,564,070	
Total Regular Capital Outlay			1,659,070

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	282,766	
Total Education			282,766

Total General Purpose School Fund \$ 39,831,540

(Continued)

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

Discretely Presented Lauderdale County School Department (Cont.)

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	887,683	
Educational Assistants		217,184	
Other Salaries and Wages		61,080	
Social Security		64,989	
Pensions		74,432	
Medical Insurance		225,698	
Employer Medicare		16,314	
Other Contracted Services		74,098	
Instructional Supplies and Materials		89,772	
Software		9,090	
Other Supplies and Materials		29,397	
Other Charges		92,589	
Regular Instruction Equipment		109,374	
Total Regular Instruction Program			\$ 1,951,700

Special Education Program

Educational Assistants	\$	679,300	
Social Security		47,632	
Pensions		38,583	
Medical Insurance		259,665	
Employer Medicare		11,140	
Instructional Supplies and Materials		51,801	
Total Special Education Program			1,088,121

Career and Technical Education Program

Other Salaries and Wages	\$	15,000	
Social Security		5,041	
Pensions		3,659	
Employer Medicare		1,179	
Instructional Supplies and Materials		11,076	
Other Supplies and Materials		2,215	
Vocational Instruction Equipment		16,564	
Total Career and Technical Education Program			54,734

(Continued)

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

Discretely Presented Lauderdale County School Department (Cont.)

School Federal Projects Fund (Cont.)

Support Services

Health Services

Supervisor/Director	\$	18,215	
Social Security		1,074	
Pensions		820	
Medical Insurance		1,519	
Employer Medicare		167	
Total Health Services			\$ 21,795

Other Student Support

Guidance Personnel	\$	144,312	
Social Workers		122,940	
Social Security		20,071	
Pensions		12,432	
Medical Insurance		47,597	
Employer Medicare		2,983	
Contracts with Private Agencies		20,644	
Travel		3,736	
Other Contracted Services		9,485	
Other Supplies and Materials		2,491	
In Service/Staff Development		16,283	
Other Charges		15,456	
Total Other Student Support			418,430

Regular Instruction Program

Supervisor/Director	\$	95,811	
Secretary(ies)		12,000	
Instructional Coaches		127,255	
Other Salaries and Wages		19,378	
Social Security		15,210	
Pensions		19,901	
Medical Insurance		27,998	
Employer Medicare		3,557	
Other Contracted Services		72,800	
In Service/Staff Development		18,740	
Total Regular Instruction Program			412,650

(Continued)

LAUDERDALE COUNTY, TENNESSEE

Schedule of Detailed Expenditures -

All Governmental Fund Types

Discretely Presented Lauderdale County School Department (Cont.)

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program

Psychological Personnel	\$	25,463	
Other Salaries and Wages		50,904	
Social Security		4,382	
Pensions		4,582	
Medical Insurance		22,999	
Employer Medicare		1,025	
Other Supplies and Materials		4,981	
In Service/Staff Development		1,621	
Total Special Education Program			\$ 115,957

Career and Technical Education Program

Travel	\$	1,142	
In Service/Staff Development		1,537	
Total Career and Technical Education Program			2,679

Transportation

Bus Drivers	\$	36,271	
Social Security		1,726	
Pensions		22	
Employer Medicare		261	
Diesel Fuel		1,320	
Total Transportation			39,600

Operation of Non-Instructional Services

Community Services

Teachers	\$	69,278	
Social Security		4,295	
Pensions		4,445	
Employer Medicare		1,004	
Software		950	
Other Equipment		15,635	
Total Community Services			95,607

(Continued)

LAUDERDALE COUNTY, TENNESSEE

Schedule of Detailed Expenditures -

All Governmental Fund Types

Discretely Presented Lauderdale County School Department (Cont.)

School Federal Projects Fund (Cont.)

Capital Outlay

Regular Capital Outlay

Building Improvements

\$ 2,181,751

Total Regular Capital Outlay

\$ 2,181,751

Total School Federal Projects Fund

\$ 6,383,024

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director

\$ 95,746

Accountants/Bookkeepers

41,000

Cafeteria Personnel

910,786

Other Salaries and Wages

1,596

Social Security

60,571

Pensions

47,174

Medical Insurance

183,242

Unemployment Compensation

1,740

Employer Medicare

14,166

Maintenance and Repair Services - Equipment

50,467

Payments to Schools - Other

1,175

Transportation - Other than Students

12,957

Travel

7,051

Other Contracted Services

61,021

Food Supplies

1,310,256

Uniforms

11,795

USDA - Commodities

205,620

Other Supplies and Materials

5,700

Trustee's Commission

45

Workers' Compensation Insurance

45,000

In Service/Staff Development

4,913

Food Service Equipment

57,199

Total Food Service

\$ 3,129,220

Total Central Cafeteria Fund

3,129,220

Internal School Fund

Operation of Non-Instructional Services

Community Services

Other Charges

\$ 1,160,974

Total Community Services

\$ 1,160,974

Total Internal School Fund

\$ 1,160,974

Total Governmental Funds - Lauderdale County School Department

\$ 50,504,758

SINGLE AUDIT SECTION



JASON E. MUMPOWER
Comptroller

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

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lauderdale County, Tennessee, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Lauderdale County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated February 9, 2026. Our report includes references to other auditors who audited the financial statements of the Lauderdale County Ambulance Authority (a major fund), the discretely presented Lauderdale County Water System, and the Internal School Fund of the Lauderdale County School Department (a discretely presented component unit) as described in our report on Lauderdale County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify the following deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be significant deficiencies: 2025-001 and 2025-003.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lauderdale County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item: 2025-002.


Lauderdale County's Responses to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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 Lauderdale County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,


Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 9, 2026

JEM/gc



JASON E. MUMPOWER
Comptroller

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

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lauderdale County, Tennessee, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Lauderdale County's basic financial statements. We issued our report thereon dated February 9, 2026, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Jason E. Mumpower
Comptroller of the Treasury
Nashville, Tennessee

February 9, 2026

JEM/gc

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

Federal/Pass-through Agency/State Grantor Program Title	Assistance Listing Number	Passed-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Programs:			
Rural Business Development Grant	10.351	N/A	\$ 35,000
Soil and Water Conservation	10.902	N/A	12,000
Passed-through State Department of Education:			
Child Nutrition Cluster: (4)			
School Breakfast Program	10.553	N/A	886,069
National School Lunch Program	10.555	N/A	1,857,724 (6)
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (4)			
National School Lunch Program(Commodities - Noncash Assistance)	10.555	N/A	205,620 (6)
Rebate of Storage and Distribution Fees	10.555	N/A	8,911 (6)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG2583556	35,420
Total U.S. Department of Agriculture			<u>\$ 3,040,744</u>
U.S. Department of Justice:			
Direct Program:			
Federal Asset Forfeiture Program	16.U01	N/A	\$ 29,547
Total U.S. Department of Justice			<u>\$ 29,547</u>
U.S. Department of the Treasury:			
Passed-through Tennessee Department of Environment and Conservation:			
COVID 19 - Coronavirus State And Local Fiscal Recovery Funds (ARP)	21.027	(5)	\$ 402,937 (6)
Passed-through State Department of Education:			
COVID 19 - Coronavirus State And Local Fiscal Recovery Funds (ARP)	21.027	N/A	73,513 (6)
Passed-through State Department of Economic and Community Development:			
COVID 19 - Coronavirus State And Local Fiscal Recovery Funds (ARP)	21.027	16502	12,758 (6)
Passed-through State Department of Health:			
COVID 19 - Coronavirus State And Local Fiscal Recovery Funds (ARP)	21.027	(5)	166,091 (6)
Direct Program:			
Local Assistance and Tribal Consistency Fund	21.032	N/A	229,008
Total U.S. Department of the Treasury			<u>\$ 884,307</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 1,607,899
Special Education Cluster (IDEA): (4)			
Special Education - Grants to States	84.027	N/A	1,170,173 (6)
COVID 19 - Special Education - Grants to States (ARP)	84.027X	N/A	46,172 (6)
Special Education - Preschool Grants	84.173	N/A	54,979
Career and Technical Education - Basic Grants to States	84.048	N/A	89,151
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	N/A	63,498
Twenty-first Century Community Learning Centers	84.287	N/A	93,875
Rural Education	84.358	N/A	109,374
English Language Acquisition State Grants	84.365	N/A	5,213
Supporting Effective Instruction State Grants	84.367	N/A	153,959
Comprehensive Literacy Development	84.371	N/A	86,736
Student Support and Academic Enrichment Program	84.424	N/A	127,388
COVID 19 - Education Stabilization Fund Program – Elementary and Secondary School Emergency Relief Fund (ESSER ARP)	84.425U	N/A	2,848,344
Total U.S. Department of Education			<u>\$ 6,456,761</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Assistance Listing Number	Passed-through Entity Identifying Number	Expenditures
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.404	(5)	\$ 3,233
Total U.S. Election Assistance Commission			<u>\$ 3,233</u>
U.S. Department of Health and Human Services:			
Passed-through Department of Mental Health and Substance Abuse Services:			
Mental Health Research Grants	93.242	DGA 85254	\$ 15,493
Opioid STR	93.788	DGA 78005	28,428
Block Grants for Prevention and Treatment of Substance Abuse	93.959	DGA 82379	65,177 (6)
COVID 19 - Block Grants for Prevention and Treatment of Substance Abuse (ARP)	93.959	DGA 82413	32,737 (6)
Passed-through State Department of Education:			
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response			
	93.354	N/A	37,205
Passed-through Save the Children:			
Temporary Assistance for Needy Families	93.558	(5)	178,921
Passed-through State Department of Health:			
Maternal and Child Health Services Block Grant to the States	93.994	GG2583556	27,373
Total U.S. Department of Health and Human Services			<u>\$ 385,334</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	85591-51323	\$ 32,200
Homeland Security Grant Program	97.067	(5)	17,326
Direct Program:			
Assistance to Firefighters Grant	97.044	N/A	386,364
Total U.S. Department of Homeland Security			<u>\$ 435,890</u>
Total Expenditures of Federal Grants			<u>\$ 11,235,816</u>
State Grants			
Juvenile Court Improvement Funds - State Commission on Children and Youth	N/A	<u>(5)</u>	\$ 13,500
COVID 19 - Summer Learning Camps - State Department of Education	N/A	N/A	220,185
Early Childhood Education - State Department of Education	N/A	N/A	948,581
Innovative School Models - State Department of Education	N/A	N/A	392,847
Learning Camp Transportation - State Department of Education	N/A	N/A	42,289
Lottery for Education: After School Programs - State Department of Education	N/A	N/A	122,132
Local Health Services - State Department of Health	N/A	GG2583556	48,349
Tennessee Mental Health Court Program (TMHCP) - State Department of Mental Health and Substance Abuse Services	N/A	83008	142,296
Litter Program - State Department of Transportation	N/A	Z25LIT049	38,825
Truancy Prevention Services - State Department of Children's Services	N/A	(5)	70,181
Agriculture Resources Conservation Fund Program - State Soil Conservation District	N/A	(5)	9,000
Violent Crime Intervention Fund (VCIF) Grant - State Department of Finance and Administration	N/A	(5)	18,492
Statewide School Resource Officer (SRO) Grant - State Department of Safety and Homeland Security	N/A	(5)	525,000
Volunteer Firefighter Equipment & Training Grant Program - State Department of Commerce and Insurance	N/A	(5)	112,000
Public School Security Grant - State Department of Education	N/A	N/A	139,352
Enforcement of Tennessee Driving Under the Influence Laws - State Department of Safety and Homeland Security	N/A	Z24THS156	6,852
HAVA Election Security Grant - Tennessee Secretary of State	N/A	(5)	647
Coalitions State - State Department of Mental Health & Substance Abuse Services	N/A	(5)	30,223
Training Opportunities For The Public (TOP) - Tennessee State Library and Archives	N/A	(5)	5,221
Total State Grants			<u>\$ 2,885,972</u>

(Continued)

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

ALN = Assistance Listing Number
 N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Lauderdale County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.
- (3) No amounts (\$0) were passed-through to subrecipients.
- (4) Child Nutrition Cluster total \$2,958,324; Special Education Cluster (IDEA) total \$1,271,324.
- (5) Information not available.
- (6) Total for ALN 10.555 is \$2,072,255; Total for ALN 21.027 is \$655,299; Total for ALN 84.207 is \$1,216,345;
 Total for ALN 93.959 is \$97,914.
- (7) CONSOLIDATED ADMINISTRATION
 The following amounts were consolidated for administration purposes:

Program Title	ALN	Amount Provided to Consolidated Administration
Title I Grants to Local Educational Agencies	84.010	\$ 114,819
Supporting Effective Instruction State Grants	84.367	89
Student Support and Academic Enrichment Program	84.424	22
Total amounts consolidated for administration purposes		<u>\$ 114,930</u>

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

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

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	ALN	Current Status
OFFICES OF HIGHWAY COMMISSIONER AND DIRECTOR OF SCHOOLS					
2024	199	2024-001	The Highway/Public Works and Central Cafeteria funds required material audit adjustments for proper financial statement presentation.	N/A	Corrected
OFFICE OF DIRECTOR OF SCHOOLS					
2024	200	2024-002	Some general ledger payroll deduction accounts were not reconciled with payroll reports and payments in the General Purpose School and School Federal Projects funds.	N/A	Not Corrected - See Explanation on Corrective Action Plan

Prior-year Federal Awards Findings

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

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

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

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

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
 - * Assistance Listing Numbers: 10.553 and 10.555 Child Nutrition Cluster: School Breakfast Program and National School Lunch Program
 - * Assistance Listing Number: 84.010 Title I Grants to Local Educational Agencies
 - * Assistance Listing Number: 84.425 COVID 19 - Education Stabilization Fund
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **NO**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICE OF HIGHWAY COMMISSIONER

FINDING 2025-001

THE OFFICE HAD DEFICIENCIES IN PURCHASING PROCEDURES (Internal Control – Significant Deficiency Under *Government Auditing Standards*)

As part of our audit procedures for determining whether the purchasing process was operating as designed, we selected a sample of 39 disbursements totaling \$823,221 from a population of 676 vendor checks totaling \$5,595,044. Our examination revealed the following deficiencies, which are the result of a lack of management oversight and a lack of understanding of internal controls.

- A. In 10 of 36 instances, purchase orders were not issued properly. In some instances, the purchase orders were issued after the invoice date. This practice defeats the purpose of issuing a purchase order and makes the purchase order an approval for payment rather than an approval of the purchase. Purchase orders are necessary to control who has purchasing authority for the highway department and to document purchasing commitments. The failure to issue purchase orders properly increases the risks of unauthorized purchases.
- B. In six of 38 instances, invoices were paid without documentation that goods had been received and/or services had been rendered. This practice weakens controls over the purchasing process and increases the risks of paying for something that was never received.

RECOMMENDATION

To strengthen internal controls over purchasing procedures and to document purchasing commitments, the office should issue purchase orders for all applicable purchases before purchases are made and maintain documentation that goods have been received and/or services have been rendered before invoices are paid.

MANAGEMENT'S RESPONSE - HIGHWAY COMMISSIONER

I concur with the finding. We will emphasize the importance of obtaining approval through purchase orders prior to purchases being made, and we will ensure the appropriate documentation, including receiving reports, is attached with each invoice.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2025-002

EXPENDITURES EXCEEDED APPROPRIATIONS IN SALARY ACCOUNTS IN THE GENERAL PURPOSE SCHOOL FUND (Noncompliance Under *Government Auditing Standards*)

Salaries exceeded appropriations in three of 64 salary line-items in the General Purpose School Fund by amounts ranging from \$758 to \$145,129. The budget resolution approved by the county commission states, "the salary, wages, or remuneration of each officer, employee, or agent of the county, shall not be in excess of the amounts authorized by existing law or as set forth in the estimate of expenditures which accompanies this resolution." Therefore, the salaries that exceeded line-item appropriations were expenditures not approved by the county commission, which violates Section 5-9-401, *Tennessee Code Annotated*, that requires all funds that are to be used in the operation of the county

government to be appropriated by the county legislative body. This deficiency exists because management failed to hold spending to the limits authorized by the county commission.

RECOMMENDATION

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

MANAGEMENT’S RESPONSE – SELINA SPARKMAN, CURRENT DIRECTOR OF SCHOOLS

Management concurs with the finding. We will monitor our budget, including salary line-items, to ensure that budget amendments are requested and that amounts are reported in the appropriate line items.

FINDING 2025-003

SOME GENERAL LEDGER PAYROLL DEDUCTION ACCOUNTS WERE NOT RECONCILED WITH PAYROLL REPORTS AND PAYMENTS IN THE GENERAL PURPOSE SCHOOL AND SCHOOL FEDERAL PROJECTS FUNDS

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

Some general ledger payroll deduction accounts were not reconciled with payroll reports and payments in the General Purpose School and School Federal Projects funds. Sound business practices dictate that these reconciliations be performed monthly. The failure to regularly reconcile payroll deduction accounts allowed errors to remain undiscovered and uncorrected. This deficiency is the result of a lack of management oversight. This deficiency is also the result of management’s failure to correct the finding noted in the prior-year audit report and management’s failure to implement their corrective action plan.

RECOMMENDATION

General ledger payroll deduction accounts should be reconciled monthly with payroll reports and payments, and any errors should be corrected promptly.

MANAGEMENT’S RESPONSE – SELINA SPARKMAN, CURRENT DIRECTOR OF SCHOOLS

Management concurs with this finding. Our staff continues to work on getting these accounts reconciled. We still have work to do.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs related to federal awards for the year ended June 30, 2025.

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

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

Finding Number	Title of Finding	Corrective Action Plan Page Number
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OFFICE OF HIGHWAY COMMISSIONER

2025-001	The office had deficiencies in purchasing procedures.	209
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OFFICE OF DIRECTOR OF SCHOOLS

2025-002	Expenditures exceeded appropriations in salary accounts in the General Purpose School Fund.	210
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2025-003	Some general ledger payroll deduction accounts were not reconciled with payroll reports and payments in the General Purpose School and School Federal Projects funds.	211
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LAUDERDALE COUNTY HIGHWAY DEPARTMENT

888 Asbury-Glimp Road
Ripley, TN 38063-4474
Phone: (731) 635-9251
Fax: (731) 221-0718

Corrective Action Plan

FINDING

THE OFFICE HAD DEFICIENCIES IN PURCHASING PROCEDURES

Response and Corrective Action Plan Prepared by:
Derek Kissell, Highway Commissioner

Person Responsible for Implementing the Corrective Action:
Derek Kissell, Highway Commissioner

Anticipated Completion Date of Corrective Action:
March 31, 2026

Repeat Finding:
No

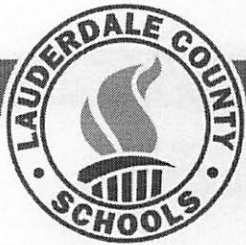
Reason Corrective Action was Not Taken in the Prior Year:
N/A

Planned Corrective Action:

We will emphasize the importance of obtaining approval through purchase orders prior to purchases being made, and we will ensure the appropriate documentation, including receiving reports, is attached with each invoice.



Signature



Mrs. Selina Sparkman, Superintendent

BOARD MEMBERS

Mr. Chris Rose, Chair

Mrs. Jenny McWilliams, Vice-Chair

Mr. Bradley Adams

Mrs. Cynthia Glenn

Mr. Josh Hicks

Ms. Linda Jennings

Mrs. Amanda Rhodes

Mr. Austin Thompson, Jr.

Corrective Action Plan

FINDING

EXPENDITURES EXCEEDED APPROPRIATIONS IN SALARY ACCOUNTS IN THE GENERAL PURPOSE SCHOOL FUND

Response and Corrective Action Plan Prepared by:

Selina Sparkman, Director of Schools

Person Responsible for Implementing the Corrective Action:

Selina Sparkman, Director of Schools and Kim Brewster, Finance Manager

Anticipated Completion Date of Corrective Action:

June 30, 2026

Repeat Finding:

No

Reason Corrective Action was Not Taken in the Prior Year:

N/A

Planned Corrective Action:

We will monitor our budget, including salary line-items, to ensure that budget amendments are requested and that amounts are reported in the appropriate line items.



Mrs. Selina Sparkman, Superintendent

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Corrective Action Plan

FINDING

SOME GENERAL LEDGER PAYROLL DEDUCTION ACCOUNTS WERE NOT RECONCILED WITH PAYROLL REPORTS AND PAYMENTS IN THE GENERAL PURPOSE SCHOOL AND SCHOOL FEDERAL PROJECTS FUNDS

Response and Corrective Action Plan Prepared by:

Selina Sparkman, Director of Schools

Person Responsible for Implementing the Corrective Action:

Selina Sparkman, Director of Schools and Kim Brewster, Finance Manager

Anticipated Completion Date of Corrective Action:

June 30, 2026

Repeat Finding:

Yes

Reason Corrective Action was Not Taken in the Prior Year:

Steps were taken during the year to complete the process; however, some accounts remained unreconciled at year-end.

Planned Corrective Action:

Our staff continues to work on getting these accounts reconciled. We still have work to do.

Signature

BEST PRACTICE

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

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

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

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