



**LAKELAND BOARD OF EDUCATION  
BUSINESS MEETING AGENDA  
Monday, February 3, 2025, 5:45 PM  
Lakeland City Hall / Board Room  
10001 Highway 70  
Lakeland, TN 38002**

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- I. **CALL TO ORDER / MOMENT OF SILENCE / PLEDGE TO FLAG**
- II. **ROLL CALL**
- III. **CHAIR'S WELCOME**
- IV. **PUBLIC COMMENT (Limited to two (2) minutes per speaker.)**
- V. **REPORTS**
  1. Legislative Liaison Update
  2. Superintendent's Report
  3. Monthly Financial Summary
    - December 2025
- VI. **APPROVAL OF AGENDA**
- VII. **CONSENT AGENDA**
  1. Approval of Meeting Minutes:
    - January 15, 2025 - Business Meeting
    - January 27, 2025 - Special Called Meeting
  2. Approval of FY 24-25 Budget Amendments (02-01)
  3. Approval of Update to Policy 6.313 - Discipline Procedures
  4. Review of FY 23-24 Audit Report
- VIII. **DISCUSSION / ACTION**
  1. Benchmark 2 Presentation by Director of Data, Assessment, and Accountability
  2. Discussion on New Legislative Agenda Items
  3. Review Policy Manual: Section 5 (First Half)
- IX. **ANNOUNCEMENTS**
- X. **ADJOURNMENT**

**LAKELAND SCHOOL SYSTEM**  
**Expense Summary Fiscal Year 2025**  
**Report Period Ending December 31,**  
**2024 (Q2)**

<b>PROGRAM</b>	<b>BUDGET AMOUNT</b>	<b>ADJUSTED BUDGET</b>	<b>YTD ACTIVITY</b>	<b>CURRENT ACTIVITY</b>	<b>ENCUMBRANCE</b>	<b>BALANCE</b>	<b>% EXPENDED</b>
Regular Instruction Program	\$ 16,417,333	\$ 16,348,833	\$ 6,661,676	\$ 1,206,106	\$ 22,943	\$ 9,664,214	41%
Special Education Program	\$ 2,811,992	\$ 2,811,992	\$ 1,028,293	\$ 190,651	\$ -	\$ 1,783,699	37%
Vocational Education	\$ 114,511	\$ 114,511	\$ 8,497	\$ 1,510	\$ 1,268	\$ 104,745	9%
Other (Bonus Pay)	\$ 989,528	\$ 989,528	\$ 512,285	\$ 259	\$ -	\$ 477,243	52%
School Security	\$ 65,193	\$ 65,193	\$ 24,829	\$ 4,578	\$ -	\$ 40,364	38%
Health Services	\$ 393,978	\$ 393,978	\$ 168,061	\$ 31,853	\$ -	\$ 225,917	43%
Other Student Support	\$ 1,065,045	\$ 1,065,045	\$ 436,638	\$ 76,435	\$ -	\$ 628,406	41%
Regular Instruction Program Support	\$ 866,934	\$ 866,934	\$ 328,573	\$ 59,236	\$ 1,061	\$ 537,299	38%
Special Education Program Support	\$ 453,750	\$ 453,750	\$ 214,887	\$ 36,916	\$ 28	\$ 238,834	47%
Technology	\$ 850,113	\$ 850,113	\$ 405,725	\$ 65,549	\$ 5,485	\$ 438,903	48%
Board of Education	\$ 747,988	\$ 747,988	\$ 432,110	\$ 37,569	\$ 3,500	\$ 312,378	58%
Office of the Superintendent	\$ 405,935	\$ 405,935	\$ 198,166	\$ 25,503	\$ 1,666	\$ 206,104	49%
Office of the Principal	\$ 2,042,010	\$ 2,042,010	\$ 918,328	\$ 140,803	\$ 259	\$ 1,123,423	45%
Fiscal Services	\$ 436,589	\$ 505,089	\$ 208,468	\$ 34,474	\$ -	\$ 296,621	41%
Human Services/Personnel	\$ 381,196	\$ 381,196	\$ 176,543	\$ 24,832	\$ 350	\$ 204,302	46%
Operation of Plant	\$ 1,828,031	\$ 1,828,031	\$ 673,966	\$ 114,339	\$ 6,077	\$ 1,147,987	37%
Maintenance of Plant	\$ 644,313	\$ 644,313	\$ 363,421	\$ 31,953	\$ -	\$ 280,891	56%
Transportation	\$ 902,500	\$ 902,500	\$ 424,158	\$ 85,687	\$ -	\$ 478,342	47%
Transfers Out	\$ 3,000,000	\$ 3,500,000	\$ 3,500,000	\$ -	\$ -	\$ -	100%
Federal Projects Regular Instruction	\$ 240,559	\$ 218,651	\$ 109,089	\$ 13,039	\$ 232	\$ 109,331	50%
Federal Projects Special Education	\$ 253,220	\$ 271,238	\$ 111,128	\$ 21,943	\$ -	\$ 160,110	41%
Federal Programs Innovative Schools	\$ 447,485	\$ 285,689	\$ 22,818	\$ 14,046	\$ 35,394	\$ 227,477	20%
Federal Projects Other Student Support	\$ 57,086	\$ 62,958	\$ 30,961	\$ 5,028	\$ -	\$ 31,998	49%
Federal Projects Regular Instruction Support	\$ 60,084	\$ 52,726	\$ 22,632	\$ -	\$ -	\$ 30,093	43%
Federal Projects Special Education Support	\$ 151,422	\$ 183,557	\$ 62,002	\$ 12,338	\$ 1,721	\$ 119,834	35%
Federal Projects Vocational	\$ 5,000	\$ 7,500	\$ 1,809	\$ 227	\$ -	\$ 5,691	24%
Federal Programs Technology	\$ 9,602	\$ 6,367	\$ 2,077	\$ 1,057	\$ -	\$ 4,289	33%
Federal Programs Operation of Plant	\$ 7,500	\$ 5,800	\$ -	\$ -	\$ -	\$ 5,800	0%
Food Service	\$ 1,031,988	\$ 1,323,167	\$ 468,156	\$ 74,855	\$ 10,161	\$ 844,850	36%
State Grants	\$ 85,734	\$ 120,443	\$ 42,267	\$ 12,626	\$ 1,600	\$ 76,576	36%
Before/After School Program	\$ 280,000	\$ 280,000	\$ 125,542	\$ 17,945	\$ -	\$ 154,458	45%
Education Capital Projects	\$ 4,015,527	\$ 4,515,527	\$ 4,136,832	\$ -	\$ -	\$ 378,695	92%
<b>GRAND TOTAL:</b>	<b>\$ 41,062,143</b>	<b>\$ 42,250,558</b>	<b>\$ 21,819,940</b>	<b>\$ 2,341,356</b>	<b>\$ 91,746</b>	<b>\$ 20,338,873</b>	<b>52%</b>



**LAKELAND BOARD OF EDUCATION**

**BUSINESS MEETING MINUTES**

**Wednesday, January 15, 2025, 5:45 PM**

**Lakeland City Hall / Board Room  
10001 Highway 70  
Lakeland, TN 38002**

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**I. CALL TO ORDER / MOMENT OF SILENCE / PLEDGE TO FLAG**

With a quorum present, the meeting was called to order on Wednesday, January 15, 2025, at 5:45 PM, by Chair Laura Harrison. Laura Harrison led a moment of silence and led the Pledge to the Flag.

**II. ROLL CALL**

Attendance Taken at 5:45 PM.

Deborah Thomas:	Present
Keith Acton:	Present
Michelle Childs:	Present
Laura Harrison (Chair):	Present
Jeremy Burnett (Vice-Chair):	Present

**III. CHAIR'S WELCOME**

**IV. PUBLIC COMMENT (Limited to two (2) minutes per speaker.)**

*No comments.*

**V. REPORTS**

**1. Legislative Liaison Update**

Legislative Representative Childs presented an update to the board which included information regarding recent visits from legislators and an update about the 114th General Assembly. Questions from board members were taken and responses given accordingly.

**2. Superintendent's Report**

Superintendent Horrell reported on various administrative items:

- Recognition of Jessie Rosales and Tristan Gately-Sweatt, LSS Finance Directors
- Snow Day
- Top Workplaces 2024 Recognition



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- 30+ Club Recognition
- SCOPE Conference Applications
- Schools and district closed on Martin Luther King, Jr. Day

**3. Monthly Financial Summary**

- **November 2024**

**VI. APPROVAL OF AGENDA**

Jeremy Burnett moved to bring the agenda to the floor for discussion, seconded by Keith Acton.

Deborah Thomas moved to table Policy 6.313 - Discipline Procedures until the February 2025 business meeting, seconded by Keith Acton. **Motion carried.**

- Acton: Aye
- Burnett (Vice-Chair): Aye
- Childs: Aye
- Harrison (Chair): Aye
- Thomas: Aye

When the question was called, the agenda was passed as amended.

- Acton: Aye
- Burnett (Vice-Chair): Aye
- Childs: Aye
- Harrison (Chair): Aye
- Thomas: Aye

**VII. CONSENT AGENDA**

- 1. Approval of Meeting Minutes: December 09, 2024 - Business Meeting**
- 2. Approval of FY 2025-2026 Budget Calendar**
- 3. Approval of Update to Policy 4.603 - Promotion and Retention**



LAKELAND BOARD OF EDUCATION

BUSINESS MEETING MINUTES

Wednesday, January 15, 2025, 5:45 PM

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- 4. **Approval of Update to Policy 5.118 - Background Investigations**
- 5. **Approval of Update to Policy 6.304 - Student Discrimination, Harassment, Bullying, Cyber-bullying and Intimidation**

Laura Harrison (Chair) moved to approve the Consent Agenda as presented, seconded by Keith Acton. **Motion carried.**

- Acton: Aye
- Burnett (Vice-Chair): Aye
- Childs: Aye
- Harrison (Chair): Aye
- Thomas: Aye

Jeremy Burnett moved to approve the items on the Consent Agenda as presented, seconded by Laura Harrison. **Motion carried.**

- Acton: Aye
- Burnett (Vice-Chair): Aye
- Childs: Aye
- Harrison (Chair): Aye
- Thomas: Aye

**VIII. DISCUSSION / ACTION**

- 1. **Presentation of FY 23-24 Audit Report Update by Watkins Uiberall**

Clark Province from Watkins Uiberall presented an update regarding the FY 23-24 Audit Report to the board.

**No action taken.**

- 2. **Presentation of FY 23-24 Nyhart Actuarial Report**

Presentation by Tristan Gately-Sweatt, LSS Finance Director.

**No action taken.**

- 3. **Election of School Board Chairman & Vice Chairman**



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Jeremy Burnett nominated Laura Harrison as Board Chair, seconded by Keith Acton.  
**Motion carried.**

Acton: Aye

Burnett (Vice-Chair): Aye

Childs: Aye

Harrison (Chair): Aye

Thomas: Aye

Laura Harrison nominated Jeremy Burnett as Board Vice-Chair, seconded by Keith Acton. **Motion carried.**

Acton: Aye

Burnett (Vice-Chair): Aye

Childs: Aye

Harrison (Chair): Aye

Thomas: Aye

**4. Approval of Update to Policy 6.313 - Discipline Procedures**

**5. Approval of Committee Appointments**

- **Policy Committee**
- **Ethics Committee**

Laura Harrison nominated Deborah Thomas to serve as the Policy Committee board member liaison, seconded by Keith Acton.

Superintendent Horrell recommended Kim Louis, Tami Boeve, and Dorian Brown as the staff members to serve on the Policy Committee.

Jeremy Burnett moved to accept Superintendent Horrell's recommendations, seconded by Laura Harrison.

When the question was called, Policy Committee members Deborah Thomas (board member liaison), Kim Louis, Tami Boeve, and Dorian Brown were approved as presented.



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Acton: Aye

Burnett (Vice-Chair): Aye

Childs: Aye

Harrison (Chair): Aye

Thomas: Aye

Superintendent Horrell recommended Adam Henry as the citizen member of the Ethics Committee.

Keith Acton nominated Jeremy Burnett and to serve as the Ethics Committee board member liaison, seconded by Laura Harrison.

When the question was called, Ethics Committee members Laura Harrison (Board Chair), Jeremy Burnett (board member liaison), and Adam Henry (citizen member) were approved as presented.

Acton: Aye

Burnett (Vice-Chair): Aye

Childs: Aye

Harrison (Chair): Aye

Thomas: Aye

**6. Signing of Code of Ethics by Board Members**

**7. Disclosure of Statement of Interest**

**8. Finalize TSBA Legislative and Legal Institute**

**9. Review Policy Manual: Section 2**

**IX. ANNOUNCEMENTS**

**X. ADJOURNMENT**

There being no other business on which to take action, Keith Acton moved to adjourn the meeting, seconded by Laura Harrison. **Motion carried.**



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Acton: Aye

Burnett (Vice-Chair): Aye

Childs: Aye

Harrison (Chair): Aye

Thomas: Aye

**The meeting was adjourned at 06:24 PM on Wednesday, January 15, 2025.  
These minutes were approved on Monday, February 03, 2025.**

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Laura Harrison, Chair

ATTEST:

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Dr. Ted Horrell, Superintendent

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Jessica Millspaugh, Board Secretary



**LAKELAND BOARD OF EDUCATION**  
**SPECIAL CALLED MEETING MINUTES**  
**Monday, January 27, 2025, 5:45 PM**  
**Lakeland City Hall / Board Room**  
**10001 Highway 70**  
**Lakeland, TN 38002**

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**I. CALL TO ORDER**

With a quorum present, the meeting was called to order on Monday, January 27, 2025, at 5:45 PM, by Chair Laura Harrison.

**II. ROLL CALL**

Attendance Taken at 5:45 PM.

Deborah Thomas:	Present
Keith Acton:	Present
Michelle Childs:	Present
Laura Harrison (Chair):	Present
Jeremy Burnett (Vice-Chair):	Absent

**III. PUBLIC COMMENT**

*No comments.*

**IV. DISCUSSION / ACTION**

**1. Approval of First Addendum to Memorandum of Understanding Between the City of Lakeland, Tennessee and Lakeland School System for Use of Video Board Located at Lakeland Preparatory School**

Superintendent Horrell provided context regarding the need for the updated MOU.

Laura Harrison (Chair) moved to to approve the First Addendum to Memorandum of Understanding Between the City of Lakeland, Tennessee and Lakeland School System for Use of Video Board Located at Lakeland Preparatory School as presented, seconded by Deborah Thomas. **Motion carried.**

Acton:	Aye
Childs:	Aye
Harrison (Chair):	Aye



**LAKELAND BOARD OF EDUCATION**  
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Thomas: Aye

**2. Approval of FY 24-25 Budget Amendments (01/25-02)**

Laura Harrison (Chair) moved to to approve the FY 24-25 Budget Amendments (01/25-02) as presented, seconded by Michelle Childs. **Motion carried.**

Acton: Aye

Childs: Aye

Harrison (Chair): Aye

Thomas: Aye

**3. Approval of Resolution 2025/01-01 Opposing the Education Freedom Act and Similar Voucher Initiatives**

Laura Harrison (Chair) moved to to approve Resolution 2025/01-01 Opposing the Education Freedom Act and Similar Voucher Initiatives as presented, seconded by Deborah Thomas. **Motion carried.**

Acton: Aye

Childs: Aye

Harrison (Chair): Aye

Thomas: Aye

**V. ADJOURNMENT**

There being no other business on which to take action, Keith Acton moved to adjourn the meeting, seconded by Laura Harrison. **Motion carried.**

Acton: Aye

Childs: Aye

Harrison (Chair): Aye

Thomas: Aye



**LAKELAND BOARD OF EDUCATION  
SPECIAL CALLED MEETING MINUTES  
Monday, January 27, 2025, 5:45 PM  
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Lakeland, TN 38002**

**The meeting was adjourned at 05:56 PM on Monday, January 27, 2025.  
These minutes were approved on Monday, February 03, 2025.**

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Laura Harrison, Chair

ATTEST:

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Dr. Ted Horrell, Superintendent

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Jessica Millspaugh, Board Secretary

LSS Proposed Budget Amendment

Fund 177 - Capital Projects													
Account Number		Account Level Description	FY 24-25	FY 24-25	FY 24-25	FY 24-25	Proposed						
Fnd	T Acct		Revised Budget	FY Activity	Encumbered	Available Funds	Budget	Difference					
	Obj						Amendment						
	Prj												
	Loc												
	Prg												
<b>Revenues:</b>													
177	R	49800	000	000	00000	660	Transfers In From City	\$ -	\$ -	\$ -	\$ -	\$ 320,000.00	\$ 320,000.00
								\$ -	\$ -	\$ -	\$ -	\$ 320,000.00	\$ 320,000.00
<b>Expenditures:</b>													
177	E	91300	706	000	00000	660	Building Construction	\$ -	\$ -	\$ -	\$ -	\$ 320,000.00	\$ 320,000.00
								\$ -	\$ -	\$ -	\$ -	\$ 320,000.00	\$ 320,000.00

# Lakeland Board of Education

Monitoring: <b>Review: Annually, in April</b>	Descriptor Term: <b>Discipline Procedures</b>	Descriptor Code: <b>6.313</b>	Issued Date: <b>02/03/25</b>
		Rescinds: <b>6.313</b>	Issued: <b>12/09/24</b>

1 The following levels of misbehavior and disciplinary procedures and options are designed to protect all  
2 members of the educational community in the exercise of their rights and duties.<sup>1</sup>

## 3 **MISBEHAVIORS: Level I**

4 Minor misbehavior on the part of the student which impedes orderly classroom procedures or interferes  
5 with the orderly operation of the school, but which can usually be handled by an individual staff  
6 member.

7 *Examples (not an exclusive listing):*

- 8 ● Classroom disturbances
- 9 ● Classroom tardiness
- 10 ● Cheating and lying
- 11 ● Abusive language
- 12 ● Non-defiant failure to do assignments or carry out directions
- 13 ● Wearing while on the grounds of a public school during the regular school day, clothing  
14 that exposes underwear or body parts in an indecent manner that disrupts the learning  
15 environment<sup>2</sup>
- 16 ● ~~Harassment (Sexual, Racial, Ethnic, Religious)~~

17 *Disciplinary Procedures:*

- 18 ● Immediate intervention by the staff member.
- 19 ● Determine what offense was committed and its severity.
- 20 ● Determine offender and that he/she understands the nature of the offense.
- 21 ● Employ appropriate disciplinary options.
- 22 ● Record of the offense and disciplinary action maintained by staff member.

23 *Disciplinary Options:*

- 24 ● Verbal reprimand
- 25 ● Special Assignment
- 26 ● Restricting activities

- 1 ● Assigning work details
- 2 ● Counseling
- 3 ● Withdrawal of privileges
- 4 ● Issuance of demerits which might affect citizenship or department grades
- 5 ● Strict supervised study
- 6 ● Detention
- 7 ● In-school suspension
- 8 ● Response to Intervention-Behavior (RTI2-B), multi-tiered system of support, and
- 9 behavior intervention plans.

## 10 MISBEHAVIORS: Level II

11 Misbehavior whose *frequency* or *seriousness* tends to disrupt the learning climate of the school.  
12 Included in this level are misbehaviors which do not represent a direct threat to the health and safety of  
13 others but whose educational consequences are serious enough to require corrective action on the part  
14 of administrative personnel.

15 *Examples* (not an exclusive listing):

- 16 ● Continuation of unmodified Level I behaviors
- 17 ● School or class tardiness
- 18 ● School or class truancy
- 19 ● Using forged notes or excuses
- 20 ● Disruptive classroom behavior
- 21 ● Harassment on the basis of sex, race, religion, natural origin, ethnicity, or disability
- 22 ● Bullying, intimidation, cyberbullying, hazing

23 *Disciplinary Procedures:*

- 24 ● Student is referred to principal for appropriate disciplinary action.
- 25 ● Principal meets with student and teacher.
- 26 ● Principal hears accusation made by teacher, permits student the opportunity of
- 27 explaining his/her conduct, denying it or presenting any mitigating circumstances.
- 28 ● Principal takes appropriate disciplinary action and notifies teacher of action.
- 29 ● Record of offense and disciplinary action maintained by principal.

30 *Disciplinary Options:*

- 31 ● Teacher/schedule change
- 32 ● Modified probation
- 33 ● Behavior modification
- 34 ● Social probation
- 35 ● Peer counseling
- 36 ● Referral to outside agency

- 1 ● In-school suspension
- 2 ● Transfer
- 3 ● Detention
- 4 ● Suspension from school-sponsored activities or from riding school bus
- 5 ● Restricting school related honors student is otherwise due
- 6 ● Out-of-school suspension (not to exceed ten (10) days).
- 7 ● Response to Intervention-Behavior (RTI2-B), multi-tiered system of support, and
- 8 behavior intervention plans.

### 9 MISBEHAVIORS: Level III

10 Acts directly against persons or property but whose consequences do not seriously endanger the health  
11 or safety of others in the school.

12 *Examples (not an exclusive listing):*

- 13 ● Continuation or severe of unmodified Level I and II behaviors
- 14 ● Simple Assault, including, without limitation, fighting
- 15 ● Vandalism (minor)
- 16 ● Use, possession, sale, and/or distribution of tobacco, and/or alcohol
- 17 ● Stealing
- 18 ● Threats to others
- 19 ● ~~Harassment (Sexual, Racial, Ethnic, Religious)~~
- 20 ● Harassment on the basis of sex, race, religion, natural origin, ethnicity, or disability
- 21 ● Harassment, bullying, intimidation, cyberbullying, hazing

22 *Disciplinary Procedures:*

- 23 ● Student is referred to principal for appropriate disciplinary action.
- 24 ● Principal meets with student and teacher.
- 25 ● Principal hears accusation by accusing party and permits offender the opportunity of  
26 explaining conduct.
- 27 ● Principal takes appropriate disciplinary action.
- 28 ● Principal may refer incident to Superintendent and make recommendations for  
29 consequences. In cases of vandalism or property damage, principal shall report the  
30 incident to the Superintendent.
- 31 ● If student's program is to be changed, adequate notice shall be given to the student and  
32 his/her parents of the charges against him, his/her right to appear at a hearing and to be  
33 represented by a person of his/her choosing.
- 34 ● Any change in school assignment is appealable to the Board.
- 35 ● Record of offense and disciplinary action maintained by principal or Superintendent.

36 *Disciplinary Options:*

- 37 ● In-school suspension

- 1 ● Detention
- 2 ● Restitution from loss, damage or stolen property
- 3 ● Out-of-school suspension not to exceed ten (10) days
- 4 ● Social adjustment classes
- 5 ● Transfer
- 6 ● Expulsion
- 7 ● Response to Intervention-Behavior (RTI2-B), multi-tiered system of support, and
- 8 behavior intervention plans.

#### 9 MISBEHAVIORS: Level IV

10 Acts which result in violence to another's person or property; which substantially interfere with a  
 11 victim's ability to participate in or benefit from the services, activities, or privileges provided by the  
 12 school; or which pose a threat to the safety of others in the school. These acts are so serious that they  
 13 usually require administrative actions which result in the immediate removal of the student from the  
 14 school, the intervention of law enforcement authorities and/or action by the Board.

15 If a student's action poses a threat to the safety of others in the school, a teacher, principal, school  
 16 employee, or school bus driver may use reasonable force when necessary to prevent bodily harm or  
 17 death to another person.<sup>3</sup>

18 *Examples (not an exclusive listing):*<sup>4</sup>

- 19 ● Repeated/unmodified or severe Level I, II and/or III behaviors
- 20 ● Death threat (hit list)
- 21 ● Extortion
- 22 ● Bomb threat
- 23 ● Threat of mass violence on school property or at a school-related activity \*
- 24 ● Possession/use/transfer of dangerous weapons \*
- 25 ● Assault that results in bodily injury upon any teacher, principal, administrator, any other
- 26 employee of the school, or a school resource officer \*
- 27 ● Aggravated Assault \*
- 28 ● Vandalism (significant)
- 29 ● Theft/possession/sale of stolen property
- 30 ● Arson/Possession of unauthorized substances \*
- 31 ● Use/transfer of unauthorized substances
- 32 ● ~~Harassment (Sexual, Racial, Ethnic, Religious)~~
- 33 ● Harassment on the basis of sex, race, religion, natural origin, ethnicity, or disability
- 34 ● Harassment, bullying, intimidation, cyberbullying, hazing
- 35 ● Refusal to be searched or participate in a search; behaving uncooperatively during a
- 36 search
- 37 ● Off campus criminal behavior that results in the student being legally charged with an
- 38 offense that would be classified as a felony if the student was charged as an adult<sup>4</sup>

- 1 ● Unlawful possession of any drug, including any controlled substance, controlled
- 2 substance analogue, or legend drug on school grounds or at a school-sponsored event \*
- 3 ● Possession of drug paraphernalia

4 *Disciplinary Procedures:*

- 5 ● Law enforcement officials and the Superintendent are immediately contacted, if
- 6 applicable.<sup>5</sup>
- 7 ● Principal confers with appropriate staff members and with the student.
- 8 ● Principal hears accusations and permits offender opportunity to explain conduct.
- 9 ● Parents are notified.
- 10 ● Incident is reported and recommendations made to the Superintendent.
- 11 ● Complete and accurate reports are submitted to the Superintendent.
- 12 ● Student is given hearing before disciplinary hearing authority.

13 *Disciplinary Options*

- 14 ● Expulsion
- 15 ● Alternative schools
- 16 ● In cases of vandalism or school property damage, the Superintendent shall address
- 17 restitution.
- 18 ● Other hearing authority or Board action which results in appropriate placement
- 19 ● Response to Intervention-Behavior (RTI2-B), multi-tiered system of support, and
- 20 behavior intervention plans.

21 \* Expulsion/Remand for a period of not less than one (1) calendar year subject to modification  
22 by the Superintendent on a case-by-case basis.

23 **ADDITIONAL GUIDELINES:**

- 24
- 25 ● A principal shall not impose successive short-term suspensions that cumulatively
- 26 exceed ten (10) days for the same offense.<sup>5</sup>
- 27 ● A teacher or other school official shall not reduce or authorize the reduction of a
- 28 student's grade because of discipline problems except in deportment or citizenship.
- 29 ● A student shall not be denied the passing of a course or grade promotion solely on the
- 30 basis of absences except as provided by board policy.
- 31 ● A student shall not be denied the passing of a course or grade promotion solely on the
- 32 basis of failure to:
  - 33 ○ pay any activity fee;
  - 34 ○ pay a library or other school fine; or
  - 35 ○ make restitution for lost or damaged school property.

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Legal References

1. [TCA 49-6-4002 to TCA 49-6-4005](#)
2. [TCA 49-6-4009](#)
3. [TCA 49-6-2802](#)
4. [TCA 39-16-517; TCA 49-6-3401\(g\); Public Acts of 2024, Chapter No. 882; Public Acts of 2024, Chapter No. 915](#)
5. [Public Acts of 2024, Chapter No. 882](#)

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Cross References

Traffic and Parking Controls 3.403  
Procedural Due Process 6.302  
Interrogations and Searches 6.303  
Student Discrimination, Harassment, Bullying, Cyber-bullying, and Intimidation 6.304  
**Title IX & Sexual Harassment 6.3041**  
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Suspension/Expulsion/Remand 6.316  
Safe Relocation of Students 6.4081

**COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE  
AT THE CONCLUSION OF THE AUDIT**

February 13, 2025

To the Mayor and Board of Commissioners

City of Lakeland, Tennessee  
10001 U.S. Highway 70  
Lakeland, Tennessee 38002

We have audited the financial statements of the governmental activities, the business-type activity, each major fund, the fiduciary fund, and the aggregate remaining fund information of the City of Lakeland (“the City”) for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 28, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2024. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the City’s financial statements were:

Management's estimate of the allowance for doubtful accounts is based on past collection experience. We evaluated the methods, assumptions, and data used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the allowances for depreciation expense are based on historical lives of capital assets.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of the pension plan and other post-employment benefit obligations as explained in Note 10 and Note 12 to the financial statements, respectively; due to significant estimates based on actuarial studies.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated February 13, 2025.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as [Name of Governmental Unit] 's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

We applied certain limited procedures to management's discussion and analysis, and other required supplementary information (RSI) which are required to supplement the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on combining and individual fund statements and schedules, supporting schedules and the schedule of expenditures of federal awards and state financial assistance and related notes, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on introductory section and statistical information section, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### Restriction on Use

This information is intended solely for the information and use of the Mayor, Board of Commissioners, and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

A handwritten signature in black ink that reads "Watkins Uiberall, PLLC". The signature is written in a cursive, flowing style.

Watkins Uiberall, PLLC

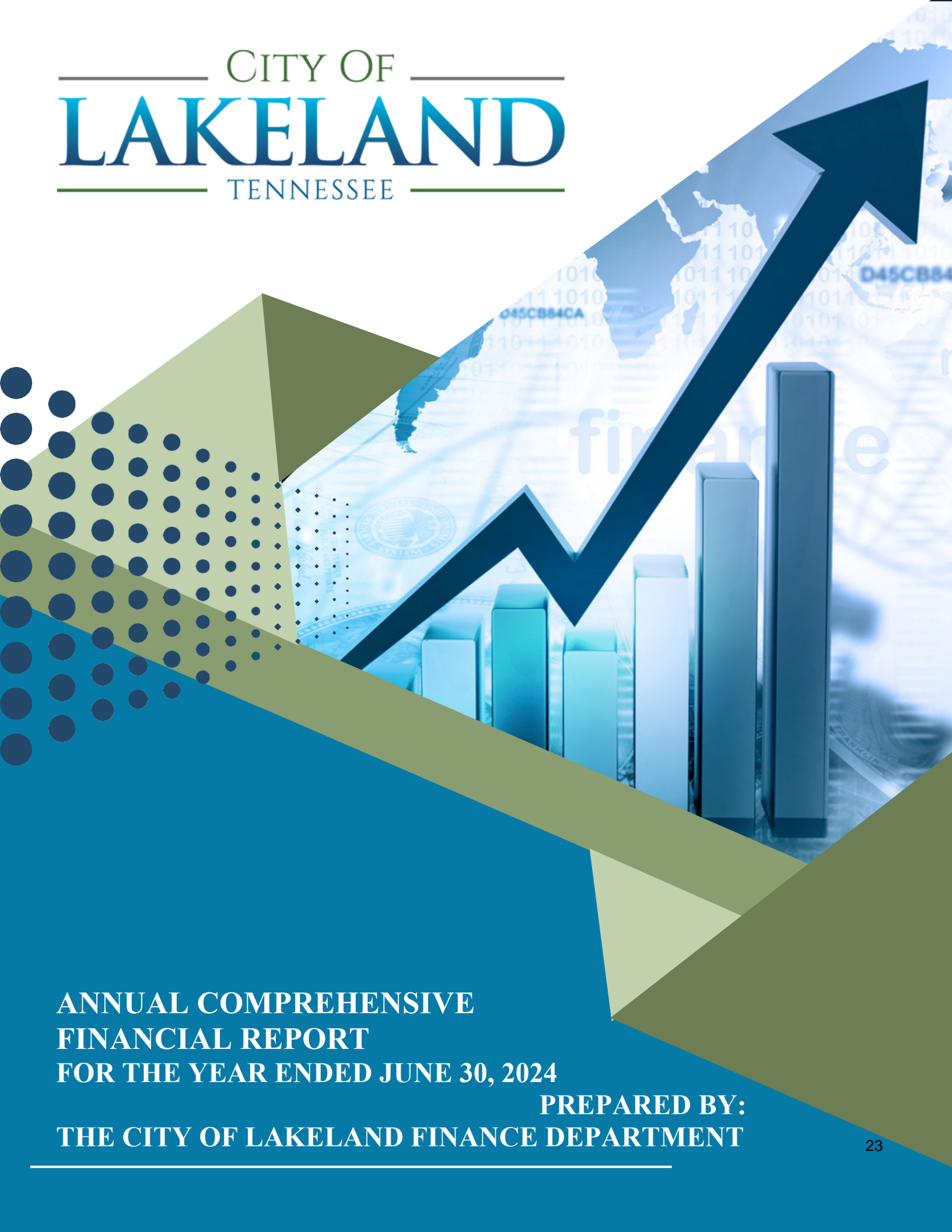
**CITY OF LAKELAND, TENNESSEE**  
**SUMMARY OF PASSED ADJUSTING JOURNAL ENTRIES**  
**For the Year Ended June 30, 2024**

<b>Fund: 110</b>	<b>General Fund</b>		
<b>Proposed Journal Entries JE # 401</b>			
Government wide entry to correct prior year expense run through current year expense			
6600 GA	GW - Education Expenditures	125,449.00	
360 GA	GW - Net Position		125,449.00
<b>Total</b>		<b><u>125,449.00</u></b>	<b><u>125,449.00</u></b>

<b>Fund: 141</b>	<b>LCS Board of Ed</b>		
<b>Proposed Journal Entries JE # 400</b>			
To record additional property tax accruals and show the prior year effect.			
141 A 11430 000 000 00000 000	Due from Other Governments	28,334.00	
141 R 40163 000 000 00000 000	Delinquent/Other In Lieu of TA		6,559.00
141-340	Unassigned		21,775.00
<b>Total</b>		<b><u>28,334.00</u></b>	<b><u>28,334.00</u></b>

<b>Fund: 416</b>	<b>Storm Water</b>		
<b>Proposed Journal Entries JE # 402</b>			
To pass on write off of receivable			
416 R 37000 000 000 00000 000	Residential STW Fees	30,000.00	
416 A 13200 000 000 00000 000	Accounts Receivable		30,000.00
<b>Total</b>		<b><u>30,000.00</u></b>	<b><u>30,000.00</u></b>

CITY OF  
**LAKELAND**  
TENNESSEE



**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2024**

**PREPARED BY:  
THE CITY OF LAKELAND FINANCE DEPARTMENT**

**CITY OF LAKELAND, TENNESSEE  
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## **INTRODUCTORY SECTION (UNAUDITED)**



10001 US Highway 70 • Lakeland, TN 38002  
Phone: (901) 867-2717 | Fax: (901) 867-2063

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February 13, 2025

To the Honorable Mayor, Members of the Board of Commissioners, and Citizens of the City of Lakeland:

State law requires that every general-purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2024 (with allowed and approved extensions).

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Watkins Uiberall, PLLC, Certified Public Accountants, have issued an unmodified (clean) opinion on the City of Lakeland's financial statements for the year ended June 30, 2024. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the City

The City of Lakeland (the City), incorporated in 1977, is located in the western part of the state, which is considered to be one of the most highly populated areas of the State of Tennessee. The City currently occupies approximately 24 square miles and serves an estimated population of 14,186 (see Exhibit D-19 (a)). The City is empowered to levy a property tax on real property located within its boundaries.

The City has operated by charter under the city manager-commission form of government since 1977. Policymaking and legislative authority are vested in the Board of Commissioners (the Board), consisting of the mayor and four other members, all of whom are elected at large. Commissioners serve four-year terms, with two members elected every two years. The Mayor is elected for a four-year term. The Board appoints the City Manager, who in turn appoints the City's department heads.

The City provides a full range of services, including refuse collection, leaf removal, licenses and permits, vital statistics, the construction and maintenance of roads and other infrastructure, recreational and park activities, and wastewater treatment. Water distribution services are provided through a separate governmental entity, Memphis Light Gas & Water.

The Board of Commissioners is required to adopt an initial budget for the fiscal year no later than June 30 preceding the beginning of the fiscal year on July 1. This annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, function (e.g., community services), and department (e.g., engineering). The City Manager and Finance Director may transfer resources within a fund as they see fit, subject to reporting of such transfers at the next Board of Commissioners meeting. Budget amendments to increase the total appropriation of a fund require approval by Ordinance of the Board of Commissioners passed upon two readings and a public hearing (which may be in conjunction with the second reading).

### Local Economy

The City of Lakeland is a suburb in a metropolitan area and functions as a major commuter hub and suburban residential center. The City is the home of many affluent residential developments. Major industries located within the City's boundaries or in proximity include retail trade, professional services, and wholesale distributors. The Lakeland School System and City also have a significant economic presence, employing in total more than 380 teachers, professionals, and support staff. The current unemployment rate for the City is estimated to be 4.6% (see Exhibit D-19 (D)) which is the lowest it has been since before the pandemic. The City has historically experienced unemployment rates consistent with national averages.

Per capita personal income within the City is significantly higher than the county or the state as a whole. The City's per capita personal income was \$67,467 (Exhibit D-19 (c)). According to the United Census Bureau the county's was \$37,666 while the state's was \$37,866. The City's population has increased significantly over the past year, growing from an estimated 13,713 to 14,186. Housing prices in the vicinity of the City of Lakeland continue to remain strong. At the end of the third quarter of 2023, the median price of a single-family home in the City was \$373,800. Due to its strong and healthy local tax base, the City has maintained a credit rating of Aa3 from Moody's Investor Service since 2012.

Over the past ten plus years, the City has experienced a period of significant economic growth and investment. Three large-scale mixed-use and single-family residential developments have been completed or are in various stages of construction in the City. These developments, combined with an easy commute to the nearby metropolitan center, an award-winning school system, and the presence of recreational and natural amenities has further strengthened the City's economic base. Thanks to the strength of the housing market and the City's reliance upon property taxes as a large portion of its revenue base, the City has remained financially healthy.

During the past ten years, the City's expenditures related to education have increased the total expenditures in governmental funds and are currently 45.5%. These increases are due to the creation within this decade of the Lakeland School System, and reflect the move in Shelby County, Tennessee of many municipalities that formed their own school districts beginning with the fiscal year ended June 30, 2013.

During this same ten-year period, a property tax was established in the City of Lakeland in 2012 to fund education in the fiscal year ended June 30, 2013. This currently represents 27.1% of governmental funds revenues.

### Long-term Financial Planning and Major Initiatives

Unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) in the general fund at year end was 83.7% of total general fund revenues. Unassigned fund balance was 68.7% of total general fund revenues, which is significantly higher than the policy guidelines set by the Board of Commissioners for budgetary and planning purposes (25% of general fund recurring revenues, plus \$1.1 million).

As part of its long-term transportation plan, the Board envisions the completion of New Canada Road. Federal funding covering 80% of planned expenditures has been secured, and loan funds from the U.S. Department of Agriculture (USDA) have been obligated for the City's remaining 20% match. Due to rising construction costs, the City is currently seeking funding alternatives for anticipated expenditures in excess of currently-awarded grant totals.

As mentioned earlier, the City has undergone a recent period of growth and expansion. New residential development has been extremely strong, with nearly 3,000 housing units being constructed and/or approved in the past ten years.

The City maintains a five-year Capital Improvement Program, which serves as its planning document to ensure that its facilities, equipment, and infrastructure are well maintained and operating in peak condition. This process gives the City the ability to plan for its capital needs and allocate short- and long-term resources appropriately. As part of this process, the City identifies and quantifies the operational costs associated with its capital projects and budgets resources accordingly. The fiscal year 2025-2029 Capital Improvement Program anticipates approximately \$111 million in capital projects. Included is \$22 million for construction of a new Lakeland Community Center and \$35 million for the completion of New Canada Road. The remainder of the program will finance improvements to the City's parks, transportation system, and public works functions. Related to this Capital Improvement Program, the City's Long-Term Financial Plan anticipates the issuance of \$26.2 million in additional debt in fiscal year 2025.

Relevant Financial Policies

The City of Lakeland has adopted a comprehensive set of financial policies. During the current year, one of these policies was particularly relevant. The City's financial policies manual includes policies addressing long-term debt, including the policy that long-term debt is not utilized for operations, but only for capital projects or construction identified through the City's long-term financial planning process, including capital improvement projects. During the fiscal year ended June 30, 2024, the City's proprietary fund issued long-term debt to fund construction costs on certain infrastructure projects, in line with the financial policy of only issuing debt to support capital needs. The construction costs are reflected as assets and the debt as liabilities on the Proprietary Fund Statement of Net Position.

Awards and Acknowledgements

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lakeland for its annual comprehensive financial report for the fiscal year ended June 30, 2023. This was the fourth year that the government has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The GFOA also awarded a Distinguished Budget Presentation Award for the City's fiscal year 2025 annual budget document dated June 15, 2024. To qualify for the Distinguished Budget Presentation Award, the City's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device. This marks the fifth consecutive time the City has received this recognition.

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Finance Departments of both the City of Lakeland and Lakeland School Systems. We want to thank all City of Lakeland departments for their assistance in providing the data necessary to prepare this report. Credit is also due to the Board of Commissioners for their unfailing support in maintaining the highest standards of professionalism in the management of the City of Lakeland's finances.

Respectfully submitted,



Sue Matthews  
Finance Director



Michael Walker  
City Manager



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Lakeland  
Tennessee**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

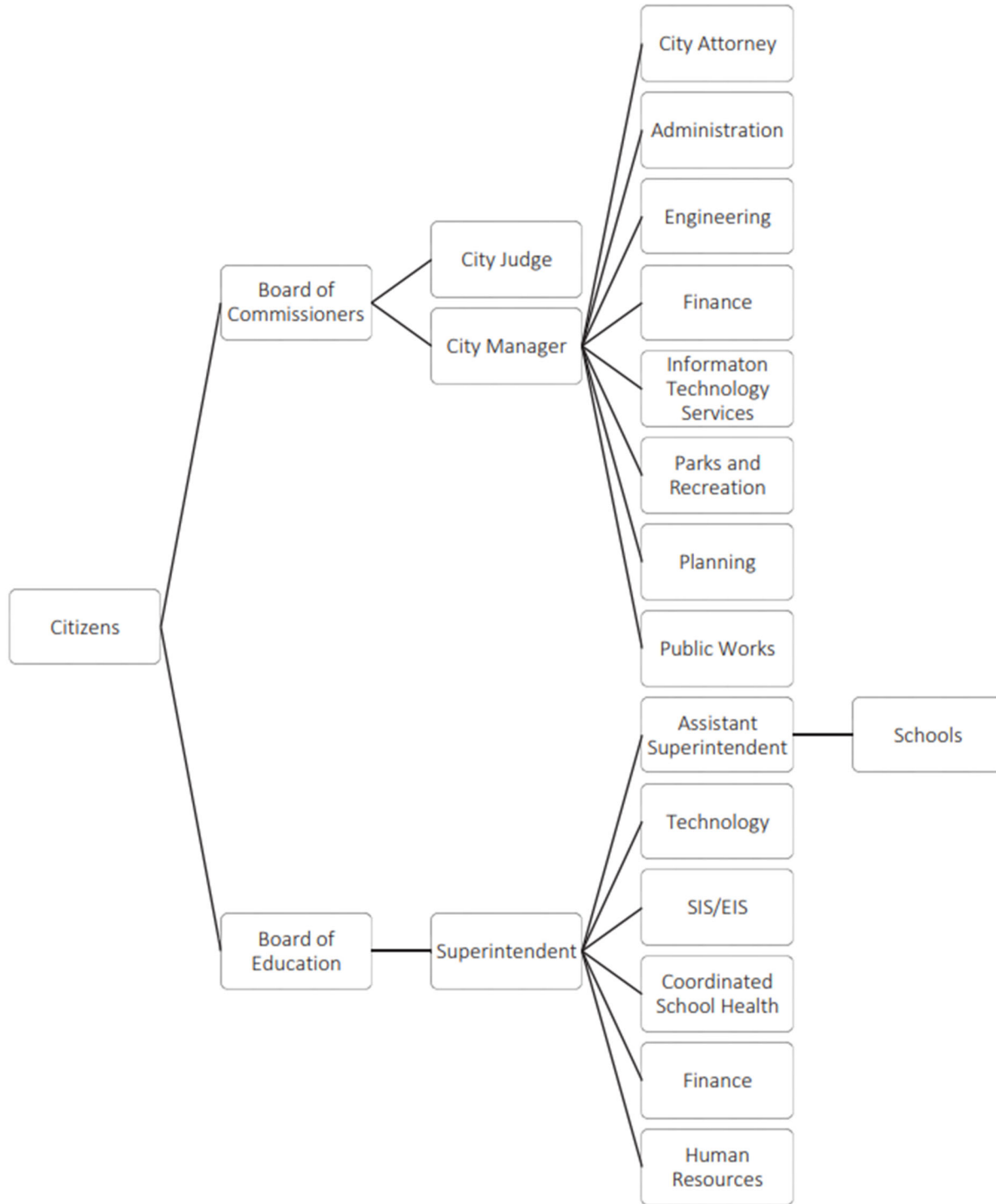
June 30, 2023

*Christopher P. Morill*

Executive Director/CEO

**CITY OF LAKELAND, TENNESSEE**  
**CITY OF LAKELAND ORGANIZATION CHART**  
 June 30, 2024

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**BOARD OF COMMISSIONERS**

Josh Roman, Mayor (2026\*)  
Michele Dial, Vice Mayor (2026\*)  
Jim Atkinson, Commissioner (2024\*)  
Connie McCarter, Commissioner (2026\*)  
Wesley Wright, Commissioner (2024\*)

**CITY OFFICIALS**

City Manager ..... Michael Walker, CPA  
City Attorney ..... Will Patterson, *Patterson Bray, PLLC*  
Finance Director ..... Sue Matthews\*\*

**BOARD OF EDUCATION OFFICIALS**

Laura Harrison, Chair (2026\*)  
Jeremy Burnett, Vice Chair (2024\*)  
Michelle Childs, Board Member (2024\*)  
Deborah Thomas, Board Member (2026\*)  
Keith Acton, Board Member (2026\*)

Superintendent ..... William E. Horrell, III  
School System Attorney ..... Burch, Porter & Johnson, PLLC  
Finance Director ..... Tristan Gately-Sweatt, CMFO\*\*

\* Date elected term expires  
\*\* Employee with financial oversight responsibility

## **FINANCIAL SECTION**

## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners of the  
City of Lakeland, Tennessee:

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activity, each major fund, the fiduciary fund, and the aggregate remaining fund information of the City of Lakeland, Tennessee, (the "City") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activity, each major fund, the fiduciary fund, and the aggregate remaining fund information of the City of Lakeland, Tennessee, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the statements of budgetary comparison for the general fund and each major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### 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 the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Responsibilities of Management's for the Financial Statements

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

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

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional

omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

### **Required Supplementary Information**

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lakeland, Tennessee's basic financial statements. The accompanying combining and individual fund financial statements and schedules, supporting schedules, and schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 fund financial statements and schedules, the supporting schedules, and the schedule of expenditures of federal awards and state financial assistance 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 and statistical 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 Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2025, on our consideration of the City of Lakeland'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Lakeland's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Watkins Mikusall, PLLC". The signature is written in a cursive, flowing style.

Memphis, Tennessee  
February 13, 2025

**CITY OF LAKELAND, TENNESSEE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2024

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As management of the City of Lakeland, Tennessee (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the notes to the financial statements.

### **Financial Highlights**

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$112,560,953 (net position). The net position of the City of Lakeland consists of \$91,998,553 in net investment in capital assets, \$12,006,318 in restricted, and \$8,556,082 in unrestricted. The unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.
- The City of Lakeland's change in net position was negative \$1,422,520 for the year ended June 30, 2024, a decrease of \$9,368,501 under the prior fiscal year primarily due to increases in education expenses as an additional high school grade level was served during the fiscal year as well as increases in general government expenses related to property purchased that was not subject to capitalization.
- As of June 30, 2024, the City of Lakeland's governmental funds reported combined ending fund balances of \$18,126,185, a decrease of \$8,472,278 in comparison with the prior year due primarily to the use of fund balance for capital outlays related to accommodating an additional grade level in a new high school facility.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$6,948,587 or 92.2% of total general fund balance.
- The City of Lakeland's total debt increased \$3,963,627 during the current fiscal year. This is primarily due to draws on Sewer Fund debt of \$5,042,702 and offset by scheduled principal repayments on existing general obligation debt and Sewer Fund debt.

### **Overview of the Financial Statements**

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

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

The government-wide financial statements are:

- **Statement of Net Position** – presents information on all the City's assets and deferred outflows and liabilities and deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial net position of the City is improving or deteriorating.
- **Statement of Activities** – presents information showing how the City's net position changed during the most recent fiscal year. All current year revenues and expenses are considered regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused leave).

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) and other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, community development, public works, parks and recreation, and education. The business-type activities of the City include the operations of the sewer facilities.

**CITY OF LAKELAND, TENNESSEE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
For the Year Ended June 30, 2024

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The government-wide financial statements also include the operations of the Lakeland School System (LSS).

The government-wide financial statements can be found on pages 25-26 of this report.

**Fund financial statements** – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds** – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City maintains five individual governmental funds and LSS maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the general-purpose school fund, the school capital projects fund, and the debt service fund.

The City adopts an annual appropriated budget for all governmental funds, including the funds of the LSS except for the Internal School Fund. Budgetary comparison statements have been provided to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 27-38 of this report.

**Proprietary funds** – The City maintains one type of proprietary fund – an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its Sewer operations. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the sewer activities of the City, which is a major fund.

The basic proprietary fund financial statements can be found on pages 39-41 of this report.

**Fiduciary funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 42-43 of this report.

**Notes to the financial statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 44-73 of this report.

**CITY OF LAKELAND, TENNESSEE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
For the Year Ended June 30, 2024

**Required Supplementary Information** – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information regarding the City's and LSS's pension plans and LSS's other postemployment benefit plan, in Exhibits A-1 through A-9.

**Combining and Individual Fund Statements and Schedules** – The combining and individual fund statements and schedules related to nonmajor governmental funds and budgetary comparison schedules for major funds, other than major special revenue funds, are presented immediately following the required supplementary information. These statements and schedules are presented as Exhibits B-1 through B-11.

**Supporting Schedules, and Other Schedules** – Supporting schedules and other schedules are included as prescribed by the State of Tennessee. These statements and schedules are presented as Exhibits C-1 through C-8.

**Statistical Information** –Statistical information is included to enhance reader understanding, as required to be reported in the Annual Comprehensive Financial Report. These statements and schedules are presented as Exhibits D-1 through D-23.

**Government-Wide Financial Analysis**

**Net Position** – Net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$112,560,953 at the close of the most recent fiscal year, a decrease of \$1,422,520 or 1.2%, from last year.

The largest portion of the City's net position (81.7%) reflects its net investment in capital assets (e.g., land, buildings, equipment, and infrastructure). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The following provides a summary of the City's net position for the fiscal years ended June 30, 2024 and 2023:

	Condensed Statement of Net Position					
	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 31,990,949	\$ 38,641,527	\$ 1,308,858	\$ 1,157,924	\$ 33,299,807	\$ 39,799,451
Capital assets	137,081,983	131,784,625	25,589,493	15,636,660	162,671,476	147,421,285
<b>Total Assets</b>	<b>169,072,932</b>	<b>170,426,152</b>	<b>26,898,351</b>	<b>16,794,584</b>	<b>195,971,283</b>	<b>187,220,736</b>
<b>Deferred Outflows of Resources</b>	<b>4,508,919</b>	<b>4,486,122</b>	<b>26,510</b>	<b>29,711</b>	<b>4,535,429</b>	<b>4,515,833</b>
Long-term liabilities outstanding	60,090,982	62,068,348	5,787,166	2,085,643	65,878,148	64,153,991
Other liabilities	4,976,858	2,868,875	6,975,609	822,540	11,952,467	3,691,415
<b>Total Liabilities</b>	<b>65,067,840</b>	<b>64,937,223</b>	<b>12,762,775</b>	<b>2,908,183</b>	<b>77,830,615</b>	<b>67,845,406</b>
<b>Deferred Inflows of Resources</b>	<b>10,114,238</b>	<b>9,905,185</b>	<b>906</b>	<b>2,505</b>	<b>10,115,144</b>	<b>9,907,690</b>
<b>Net Asset</b>						
Invested in capital assets	77,101,130	73,163,543	14,897,423	13,571,660	91,998,553	86,735,203
Restricted	12,006,318	10,846,427	-	-	12,006,318	10,846,427
Unrestricted	9,292,325	16,059,896	(736,243)	341,947	8,556,082	16,401,843
<b>Total Net Position</b>	<b>\$ 98,399,773</b>	<b>\$ 100,069,866</b>	<b>\$ 14,161,180</b>	<b>\$ 13,913,607</b>	<b>\$ 112,560,953</b>	<b>\$ 113,983,473</b>

**CITY OF LAKELAND, TENNESSEE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
For the Year Ended June 30, 2024

An additional portion of the City's net position of \$12,006,318 (10.7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$8,556,082 (7.6%) may be used to meet the government's ongoing obligations to citizens and creditors.

**Changes in Net Position:** Governmental activities decreased the City's net position by \$1,670,093 while business-type activities increased the City's net position by \$247,573 resulting in a net decrease of \$1,422,520. Key elements of this increase are discussed below.

The following provides a summary of activities for the City for the years ended June 30, 2024 and 2023:

	<b>Condensed Statement of Activities</b>					
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Totals</b>	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues:						
Charges for services	\$ 2,819,529	\$ 2,593,866	\$ 2,422,202	\$ 1,887,349	\$ 5,241,731	\$ 4,481,215
Operating grants and contributions	18,502,789	17,512,419	61,372	-	18,564,161	17,512,419
Capital grants and contributions	1,776,358	5,999,299	-	363,947	1,776,358	6,363,246
General Revenues:						
Property taxes	12,000,408	10,591,634	-	-	12,000,408	10,591,634
Local taxes	7,398,069	6,880,132	-	-	7,398,069	6,880,132
Intergovernmental	2,074,699	1,860,270	-	-	2,074,699	1,860,270
Interest on investments	412,659	293,013	5,417	96,585	418,076	389,598
Other revenue	151,613	1,364,077	5,339	-	156,952	1,364,077
Insurance recoveries	232,120	-	-	-	232,120	-
<b>Total Revenues</b>	<b>45,368,244</b>	<b>47,094,710</b>	<b>2,494,330</b>	<b>2,347,881</b>	<b>47,862,574</b>	<b>49,442,591</b>
Expenses:						
General government	5,386,179	2,448,002	-	-	5,386,179	2,448,002
Community development	1,179,351	1,051,168	-	-	1,179,351	1,051,168
Public works	7,560,961	6,389,408	-	-	7,560,961	6,389,408
Parks and recreation	1,338,097	1,188,121	-	-	1,338,097	1,188,121
Education	30,340,419	27,190,110	-	-	30,340,419	27,190,110
Interest and fiscal charges	1,233,330	1,287,073	-	-	1,233,330	1,287,073
Debt Issuance costs	-	-	-	-	-	-
Water and sewer	-	-	2,246,757	1,942,728	2,246,757	1,942,728
<b>Total Expenses</b>	<b>47,038,337</b>	<b>39,553,882</b>	<b>2,246,757</b>	<b>1,942,728</b>	<b>49,285,094</b>	<b>41,496,610</b>
Increase/(Decrease) in net position	(1,670,093)	7,540,828	247,573	405,153	(1,422,520)	7,945,981
Net position, beginning	100,069,866	92,529,038	13,913,607	13,508,454	113,983,473	106,037,492
Net position, ending	<b>\$ 98,399,773</b>	<b>\$ 100,069,866</b>	<b>\$ 14,161,180</b>	<b>\$ 13,913,607</b>	<b>\$ 112,560,953</b>	<b>\$ 113,983,473</b>

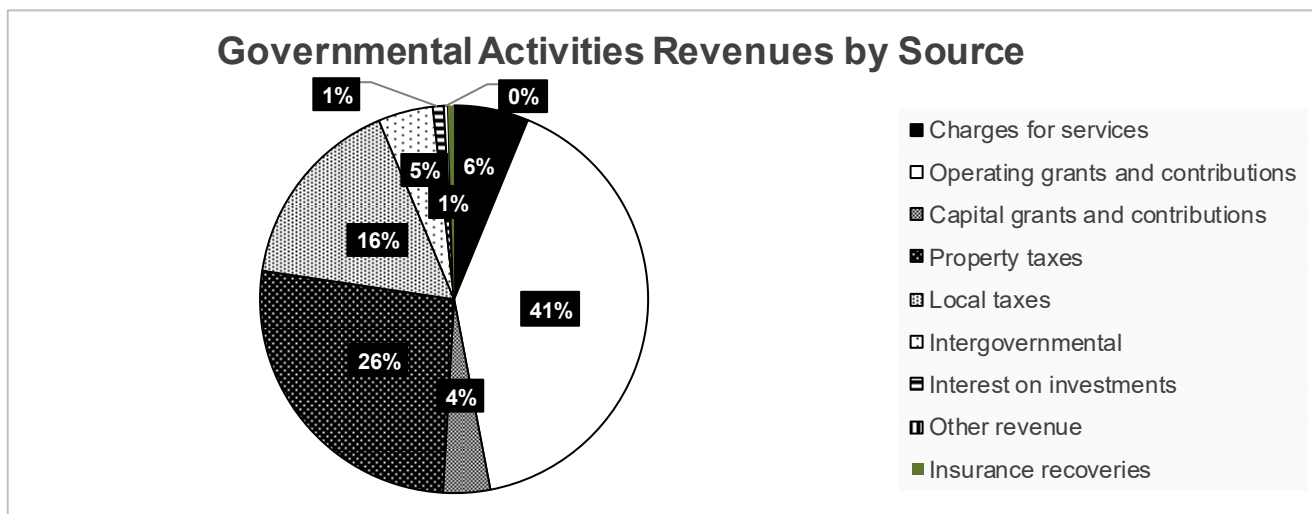
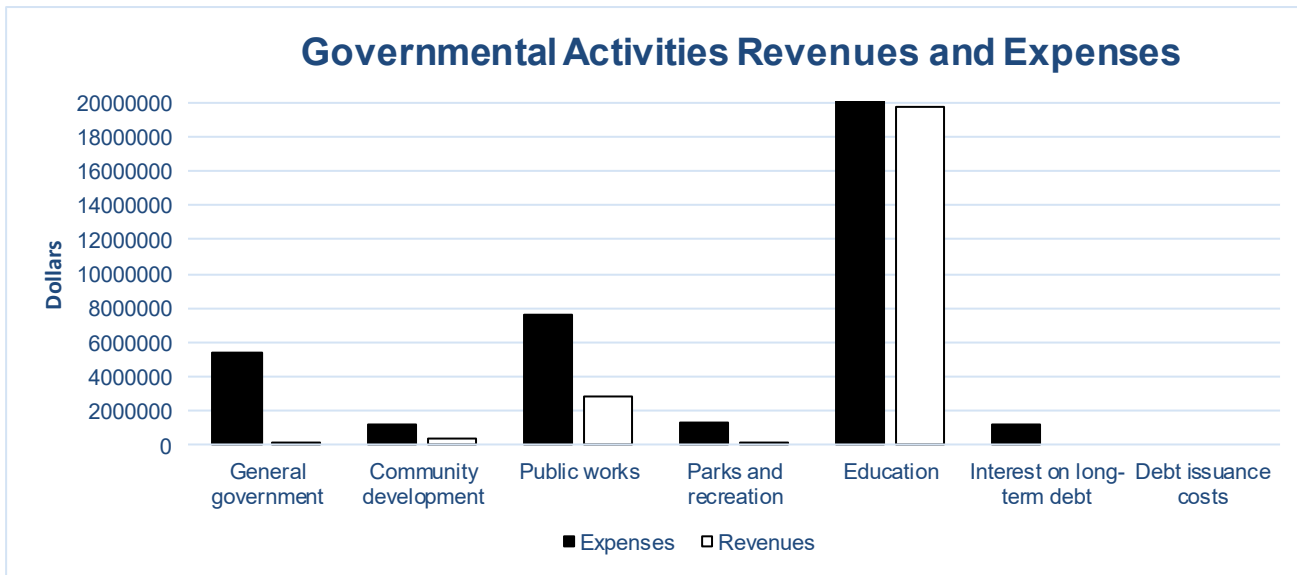
**Governmental Activities:** Current fiscal year revenues for the City's governmental activities were \$45,368,244 compared to \$47,094,710 last year. Expenses for the same period were \$47,038,337 compared to \$39,553,882 last year.

General revenue increased for the year, while program revenue decreased slightly; the most notable changes are discussed below.

- Capital grants and contributions decreased from \$5,999,299 to \$1,776,358 primarily related to a reduction of expenditures and associated reimbursement grant revenue on the Highway Planning and Construction grant for the New Canada Road project.
- Property taxes increased from \$10,591,634 to \$12,000,408 due to continued residential and commercial development within the City.
- Local taxes increased from \$6,880,132 to \$7,398,069 due to continued commercial development within the City and increased consumer prices and spending.

**CITY OF LAKELAND, TENNESSEE**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)**  
 For the Year Ended June 30, 2024

- Other revenue decreased from \$1,364,077 to \$151,613 and operating grants and contributions increased from \$17,512,419 to \$18,502,789 due to a change in classification of school student activity fund revenue previously presented as general revenue in the prior year.



**Business-type activities:** Business-type activities increased the City’s net position by \$247,573. The largest factors contributing to this increase were 1) improved interest income in a rising rate environment and 2) developer contributions of infrastructure.

**CITY OF LAKELAND, TENNESSEE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
For the Year Ended June 30, 2024

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**Financial Analysis of the Government's Funds**

As noted earlier, the City uses fund accounting to help control and manage money for particular purposes or to ensure and demonstrate compliance with finance-related legal requirements. The following provides a more detailed analysis of the City's funds.

**Governmental funds:** Governmental funds focus on providing information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements.

Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$18,126,185, a decrease of \$8,472,278 over the prior year. The decrease was primarily due to capital outlay expenditures of \$10,581,774 used towards capital needs in the new high school facility funded by debt issued in a prior fiscal year, and acquisition costs of land to be utilized for future projects. Approximately 37% of this total amount (\$6,697,792) constitutes unassigned fund balance, which is available for spending at the government's discretion. All the governmental funds reported a positive ending fund balance.

**General Fund:** The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$6,948,587, while total fund balance reached \$7,536,843. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 49.0% of total general fund expenditures, while total fund balance represents 53% of that same amount.

The fund balance of the City's general fund decreased \$6,272,378 during the fiscal year ended June 30, 2024. The primary factor related to this decrease was the purchase of property, both capitalizable and noncapitalizable, as a part of the to be used in future projects..

**General Purpose School Fund:** The general-purpose school fund is the chief operating fund of LSS and focuses on providing educational instruction for students enrolled in the City's municipal school system. At June 30, 2024, the fund had a fund balance of \$7,049,636, all of which is restricted for education expenditures.

The fund balance of the general-purpose school fund increased \$722,710 during the fiscal year ended June 30, 2024 (an insignificant change).

**Proprietary fund:** The City's proprietary fund provides the same type of information found in the government-wide financial statements for business-type activities, but in more detail. Unrestricted net position for the Sewer fund increased during the year by \$341,947 to \$(736,243) at the end of the year.

**General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget in the general fund are summarized as follows:

- The original budget for revenues increased from \$17,966,032 to \$18,022,388 in the final budget. The increased revenues budget was due to budget amendments passed via ordinance for the carryforward of grant revenues on projects with costs deferred from the prior fiscal year to the current fiscal year.
- The original budget for expenditures increased from \$27,189,289 to \$28,874,273 in the final budget. The increased expenditures budget was due to budget amounts encumbered in the prior fiscal year and carried forward to the current fiscal year and budget amendments passed via ordinance for increased costs related to capital projects in progress.

**CITY OF LAKELAND, TENNESSEE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
For the Year Ended June 30, 2024

- The general fund revenues were \$5,360,133 less than budgeted. The variance was due primarily to \$4,883,811 in lower than expected federal, state, and local grant revenue related to the timing of associated grant expenditures.
- General fund expenditures were less than budgeted by \$14,592,217. Of this, \$16,790,502 is related to lower than expected expenditures for capital outlays as noted previously. These capital outlays were to be offset by previously issued but undrawn debt which was less than budget by \$14,500,000.

The variations noted above between budgeted and actual results are not expected to have a significant impact on the general fund's future liquidity or service levels; however, the delay in capital projects will require future budget amendments and revisions during fiscal year 2025.

**Capital Asset and Debt Administration**

**Capital assets:** The City's capital assets for its governmental and business-type activities as of June 30, 2024 amounts to \$162,671,476 (net of accumulated depreciation, but not net of related debt). This capital assets includes land, buildings, improvements, machinery and equipment, subscription assets, and infrastructure including streets. The total increase in the City's capital assets for the current fiscal year was \$15,250,191 primarily related to additions in the Sewer Fund for the Clear Creek Interceptor which is an ongoing project. Depreciation expense for the year was \$5,089,407 mostly from depreciation of infrastructure and buildings.

	Condensed Statement of Capital Assets (Net of Depreciation)					
	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Land	\$ 13,779,408	\$ 9,428,436	\$ 75,360	\$ 75,360	\$ 13,854,768	\$ 9,503,796
Buildings and improvements	79,889,522	81,025,825	6,062,081	6,317,880	85,951,603	87,343,705
Improvements other than buildings	1,761,913	1,769,317	6,567,177	6,790,756	8,329,090	8,560,073
Machinery and equipment	5,467,240	5,441,593	652,310	709,647	6,119,550	6,151,240
Vehicles	282,195	396,900	-	-	282,195	396,900
Infrastructure	22,404,091	22,711,344	-	-	22,404,091	22,711,344
Subscription asset	690,718	54,356	-	-	690,718	54,356
Construction in progress	12,806,896	10,956,854	12,232,565	1,743,017	25,039,461	12,699,871
Total capital assets, net	\$ 137,081,983	\$ 131,784,625	\$ 25,589,493	\$ 15,636,660	\$ 162,671,476	\$ 147,421,285

Additional information on the City's capital assets can be found in Note 6 of this report.

**Long-term debt:** At the end of the current fiscal year, the City had total debt outstanding of \$66,337,842, all of which is debt backed by the full faith and credit of the government, although \$6,446,702 of this amount represents notes secured primarily by a specified revenue source with a full faith and credit pledge.

	Condensed Statement of Outstanding Debt					
	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Notes payable	\$ -	\$ -	\$ 6,446,702	\$ 2,065,000	\$ 6,446,702	\$ 2,065,000
Settlement liability	167,603	167,603	-	-	167,603	167,603
Construction loan	1,174,437	1,241,104	-	-	1,174,437	1,241,104
General obligation bonds	57,910,754	58,847,259	-	-	57,910,754	58,847,259
Subscription liability	638,346	53,249	-	-	638,346	53,249
Total debt	\$ 59,891,140	\$ 60,309,215	\$ 6,446,702	\$ 2,065,000	\$ 66,337,842	\$ 62,374,215

As mentioned above, the City's total debt increased \$3,963,627 during the current fiscal year due to draws on previously issued debt within the Sewer Fund.

Additional information on the City's long-term debt can be found in Note 7 of this report.

**CITY OF LAKELAND, TENNESSEE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
For the Year Ended June 30, 2024

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**Currently Known Facts, Decisions, or Conditions of Future Significance**

As of the report date of this Annual Comprehensive Financial Report, the following items are considered to hold future significance for the City of Lakeland:

Governmental Activities –

- During the fiscal year ended June 30, 2024, the City took possession of certain property within the City of Lakeland to be utilized as the construction site of a planned Lakeland Community Center. The fiscal year ending June 30, 2025, annual budget includes the planned capital outlays and debt issuance related to this project in future fiscal years.
- The high school facility at Lakeland Preparatory School continues to add one grade level per year, with related increases in governmental activities intergovernmental revenues and related education expenses. The final grade level will be added during fiscal year ending June 30, 2026.

Business-type Activities –

- During the fiscal year ended June 30, 2024, the City implemented sewer rate changes effective on December 1, 2023. This rate will significantly increase business-type activities and the sewer fund revenue for future fiscal years.

**Requests for Information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Lakeland, Finance Director, 10001 U.S. Highway 70, Lakeland, Tennessee 38002.

## **BASIC FINANCIAL STATEMENTS**

**CITY OF LAKELAND, TENNESSEE**  
**STATEMENT OF NET POSITION**  
June 30, 2024

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activity</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 16,988,499	\$ 816,532	\$ 17,805,031
Receivables			
Property taxes	6,081,782	-	6,081,782
Customer	289,693	-	289,693
Other	61,407	1,721	63,128
Less allowance for doubtful accounts	(65,559)	-	(65,559)
Due from other governments	4,303,136	490,605	4,793,741
Internal balances	1,024,354	(1,024,354)	-
Inventory	8,363	-	8,363
Prepaid items	599	-	599
Net pension asset	2,995,969	-	2,995,969
Restricted investments	302,706	-	302,706
Capital assets, not being depreciated	26,586,304	12,307,925	38,894,229
Capital assets, being depreciated, net	110,495,679	13,281,568	123,777,247
Total assets	<u>169,072,932</u>	<u>26,898,351</u>	<u>194,946,929</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to pension	3,278,402	26,510	3,304,912
Related to OPEB	1,230,517	-	1,230,517
Total deferred outflows of resources	<u>4,508,919</u>	<u>26,510</u>	<u>4,535,429</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	1,918,744	5,214,017	7,132,761
Accrued payroll	1,241,540	49,238	1,290,778
Accrued interest payable	150,695	-	150,695
Customer deposits	130,225	-	130,225
Unearned revenue	53,515	-	53,515
Noncurrent liabilities:			
Due within one year	1,482,139	688,000	2,170,139
Due in more than one year			
Other liabilities	58,927,661	5,758,702	64,686,363
Net pension liability	323,527	28,464	351,991
Net other postemployment benefits liability	839,794	-	839,794
Total liabilities	<u>65,067,840</u>	<u>12,762,775</u>	<u>76,806,261</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Current property taxes assessed for subsequent period	5,841,566	-	5,841,566
Related to pension	805,651	906	806,557
Related to other postemployment benefits	2,789,944	-	2,789,944
Gain on refunding	677,077	-	677,077
Total deferred inflows of resources	<u>10,114,238</u>	<u>906</u>	<u>10,115,144</u>
<b>NET POSITION</b>			
Net investment in capital assets	77,101,130	14,897,423	91,998,553
Restricted for:			
Net pension asset	2,995,969	-	2,995,969
Stabilization reserve trust	302,706	-	302,706
Storm water	372,642	-	372,642
School activities	8,335,001	-	8,335,001
Unrestricted	9,292,325	(736,243)	8,556,082
Total net position	<u>\$ 98,399,773</u>	<u>\$ 14,161,180</u>	<u>\$ 112,560,953</u>

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

**CITY OF LAKELAND, TENNESSEE**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Primary government:</b>							
Governmental Activities:							
General government	\$ 5,386,179	\$ -	\$ 25,000	\$ -	\$ (5,361,179)	\$ -	\$ (5,361,179)
Community development	1,179,351	191,725	-	152,934	(834,692)	-	(834,692)
Public works	7,560,961	1,588,578	795,907	490,759	(4,685,717)	-	(4,685,717)
Parks and recreation	1,338,097	170,954	-	-	(1,167,143)	-	(1,167,143)
Education	30,340,419	868,272	17,681,882	1,132,665	(10,657,600)	-	(10,657,600)
Interest on long-term debt	1,233,330	-	-	-	(1,233,330)	-	(1,233,330)
Total governmental activities	47,038,337	2,819,529	18,502,789	1,776,358	(23,939,661)	-	(23,939,661)
Business-Type activity:							
Sewer	2,246,757	2,422,202	61,372	-	-	236,817	236,817
Total primary government	<u>\$ 49,285,094</u>	<u>\$ 5,241,731</u>	<u>\$ 18,564,161</u>	<u>\$ 1,776,358</u>	(23,939,661)	236,817	(23,702,844)
General revenues:							
Property taxes					12,000,408	-	12,000,408
Local option sales tax					6,754,613	-	6,754,613
Other taxes							
Wholesale liquor and beer taxes					235,345	-	235,345
Business, cable tv, and hotel-motel taxes					408,111	-	408,111
Intergovernmental revenues:							
State sales tax					1,729,780	-	1,729,780
Other state revenue					344,919	-	344,919
Other revenue					151,613	5,339	156,952
Interest on investments					412,659	5,417	418,076
Insurance recoveries					232,120	-	232,120
Total general revenues and transfers					<u>22,269,568</u>	<u>10,756</u>	<u>22,280,324</u>
Change in net position					(1,670,093)	247,573	(1,422,520)
Net position - beginning					100,069,866	13,913,607	113,983,473
Net position - ending					<u>\$ 98,399,773</u>	<u>\$ 14,161,180</u>	<u>\$ 112,560,953</u>

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

**CITY OF LAKELAND, TENNESSEE**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
June 30, 2024

	<b>General Fund</b>	<b>General Purpose School Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 6,198,025	\$ 6,081,931	\$ 4,708,543	\$ 16,988,499
Receivables				
Property taxes	6,081,782	-	-	6,081,782
Customer	-	-	289,693	289,693
Other	55,968	3,607	1,832	61,407
Less allowance for doubtful accounts	(65,559)	-	-	(65,559)
Due from other governments	1,172,857	2,255,875	874,404	4,303,136
Due from other funds	1,352,115	288,146	13,121	1,653,382
Inventory	2,861	-	5,502	8,363
Prepaid items	-	599	-	599
Restricted investments	-	302,706	-	302,706
Total assets	<u>\$ 14,798,049</u>	<u>\$ 8,932,864</u>	<u>\$ 5,893,095</u>	<u>\$ 29,624,008</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 772,244	\$ 128,192	\$ 1,018,308	\$ 1,918,744
Accrued payroll	96,793	1,090,262	54,485	1,241,540
Customer deposits	130,225	-	-	130,225
Due to other funds	72,575	-	556,453	629,028
Unearned revenue	25,000	-	28,515	53,515
Total liabilities	<u>1,096,837</u>	<u>1,218,454</u>	<u>1,657,761</u>	<u>3,973,052</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue				
Property taxes	5,954,185	-	-	5,954,185
Other taxes	-	664,774	-	664,774
Grants	203,739	-	695,628	899,367
Other	6,445	-	-	6,445
Total deferred inflows of resources	<u>6,164,369</u>	<u>664,774</u>	<u>695,628</u>	<u>7,524,771</u>
<b>FUND BALANCES</b>				
Nonspendable	2,861	599	-	3,460
Restricted	-	7,049,037	2,548,676	9,597,713
Committed	350,572	-	1,241,825	1,592,397
Assigned	234,823	-	-	234,823
Unassigned	6,948,587	-	(250,795)	6,697,792
Total fund balances	<u>7,536,843</u>	<u>7,049,636</u>	<u>3,539,706</u>	<u>18,126,185</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 14,798,049</u>	 <u>\$ 8,932,864</u>	 <u>\$ 5,893,095</u>	 <u>\$ 29,624,008</u>

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

**CITY OF LAKELAND, TENNESSEE**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF**  
**NET POSITION**  
June 30, 2024

Total fund balances, governmental funds		\$ 18,126,185
Amounts reported for governmental activities in the statement of net position are different because:		
(1) Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		137,081,983
(2) Other long-term assets are not available to pay for current-period expenditures and, therefore, are unearned or unavailable in the funds.		1,683,205
(3) Long-term debt is not due and payable in the current period and, therefore is not reported in the funds.		
Less: subscription lease payable	\$ (638,346)	
Less: general obligation bonds	(57,910,754)	
Less: settlement obligation	(167,603)	
Less: construction loan	<u>(1,174,437)</u>	(59,891,140)
(4) Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Less: accrued interest payable	(150,695)	
Less: compensated absences payable	<u>(518,660)</u>	(669,355)
(5) Net pension assets are not a financial resource in the current period, and net pension liabilities and net other postemployment liabilities are not payable with current financial resources and, therefore, are not reported in the funds.		
Add: net pension asset	2,995,969	
Less: net pension liability	(323,527)	
Less: net other postemployment liability	<u>(839,794)</u>	1,832,648
(6) 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	3,278,402	
Add: deferred outflows of resources related to OPEB	1,230,517	
Less: deferred inflows of resources related to pensions	(805,651)	
Less: deferred inflows of resources related to OPEB	<u>(2,789,944)</u>	913,324
(7) The gain recognized on refunding debt is not a financial resource and will be amortized in future years.		<u>(677,077)</u>
Net position of governmental activities		<u><u>\$ 98,399,773</u></u>

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

**CITY OF LAKELAND, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2024

	<b>General Fund</b>	<b>General Purpose School Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>				
Property taxes	\$ 5,879,855	\$ 6,120,553	\$ -	\$ 12,000,408
Local taxes	3,516,029	3,803,812	-	7,319,841
Intergovernmental				
State sales, income and other tax	2,052,521	-	-	2,052,521
State gas tax	-	-	490,759	490,759
State grant revenue	-	14,740,152	-	14,740,152
Licenses and permits	197,325	-	-	197,325
Charges for services	165,354	58,743	2,398,107	2,622,204
Federal, state, and local grants	409,545	305,451	1,357,804	2,072,800
Contributions	-	-	1,132,665	1,132,665
Co-curricular	-	-	1,145,785	1,145,785
Interest on investments	383,444	2,255	26,960	412,659
Other	58,182	86,188	7,243	151,613
Total revenues	<u>12,662,255</u>	<u>25,117,154</u>	<u>6,559,323</u>	<u>44,338,732</u>
<b>EXPENDITURES</b>				
Current				
General government	4,871,053	-	-	4,871,053
Community development	1,128,616	-	-	1,128,616
Public works	725,531	-	5,163,079	5,888,610
Parks and recreation	1,136,620	-	-	1,136,620
Education	-	24,391,531	3,182,018	27,573,549
Debt Service				
Principal	111,788	-	1,031,384	1,143,172
Interest and fiscal charges	2,356	-	1,442,477	1,444,833
Capital outlay	6,306,092	79,718	4,195,964	10,581,774
Total expenditures	<u>14,282,056</u>	<u>24,471,249</u>	<u>15,014,922</u>	<u>53,768,227</u>
Excess (deficiency) of revenues over (under) expenditures	(1,619,801)	645,905	(8,455,599)	(9,429,495)
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of subscription liability	642,127	-	82,970	725,097
Insurance recovery	133,042	-	99,078	232,120
Transfers in	-	740,595	5,350,941	6,091,536
Transfers out	(5,427,746)	(663,790)	-	(6,091,536)
Total other financing sources (uses)	<u>(4,652,577)</u>	<u>76,805</u>	<u>5,532,989</u>	<u>957,217</u>
Net change in fund balances	(6,272,378)	722,710	(2,922,610)	(8,472,278)
Fund balances - beginning	13,809,221	6,326,926	6,462,316	26,598,463
Fund balances - ending	<u>\$ 7,536,843</u>	<u>\$ 7,049,636</u>	<u>\$ 3,539,706</u>	<u>\$ 18,126,185</u>

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

**CITY OF LAKELAND, 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, 2024

Net change in fund balance - total governmental funds \$ (8,472,278)

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

(1) Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Add: capital outlays capitalized	\$ 10,386,765	
Less: depreciation expense	<u>(5,089,407)</u>	5,297,358
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the net difference between the amounts deferred in the current and prior years.		860,878
(3) 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. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Add: principal payments on long-term debt	1,143,172	
Less: proceeds from debt issuance	<u>(725,097)</u>	418,075
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Add: amortization of deferred amount on refunding debt	208,332	
Change in accrued interest payable	3,171	
Change in compensated absences	<u>(233,019)</u>	(21,516)
(5) Payments of contributions to the pension plans and OPEB plan are recorded as expenditures in the governmental funds. Pension expense and OPEB expense are recorded on an actuarially determined basis in the statement of activities.		
Difference between actual contributions and pension expense	12,549	
Difference between actual contributions and OPEB expense	<u>234,841</u>	<u>247,390</u>
Change in net position of governmental activities		<u>\$ (1,670,093)</u>

**CITY OF LAKELAND, TENNESSEE**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL GENERAL FUND**

For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
<b>PROPERTY TAXES</b>				
Property taxes	\$ 5,817,444	\$ 5,817,444	\$ 5,872,739	\$ 55,295
Property tax interest and penalties	11,571	11,571	7,116	(4,455)
Total property taxes	5,829,015	5,829,015	5,879,855	50,840
<b>LOCAL TAXES</b>				
Local sales tax	3,541,386	3,541,386	2,872,573	(668,813)
Wholesale beer and liquor tax	147,881	147,881	235,345	87,464
Business tax	158,173	158,173	161,230	3,057
Hotel/motel tax	130,918	130,918	95,875	(35,043)
CATV franchise tax	130,674	130,674	119,857	(10,817)
Other revenue	17,261	17,261	31,149	13,888
Total local taxes	4,126,293	4,126,293	3,516,029	(610,264)
<b>INTERGOVERNMENTAL</b>				
State of Tennessee shared revenues				
Sales tax	1,851,492	1,851,492	1,707,602	(143,890)
Beer and liquor tax	1,200	1,200	51,037	49,837
City streets and transportation funding	25,000	25,000	28,024	3,024
Receipts in lieu of tax - TVA	275,000	275,000	265,858	(9,142)
Total intergovernmental	2,152,692	2,152,692	2,052,521	(100,171)
<b>LICENSES AND PERMITS</b>				
Other general government	1,000	1,000	-	(1,000)
Parks improvement fees	4,600	4,600	5,600	1,000
Building and related permits	75,000	75,000	47,280	(27,720)
Other permits	32,750	32,750	46,057	13,307
Engineering fees	28,100	28,100	43,100	15,000
Administrative fees for developments	16,197	16,197	55,288	39,091
Total licenses and permits	157,647	157,647	197,325	39,678
<b>CHARGES FOR SERVICES</b>				
Recreation fees for services	162,500	162,500	99,211	(63,289)
Parks development fees	27,885	27,885	32,964	5,079
Rental income	32,000	32,000	33,179	1,179
Total charge for services	222,385	222,385	165,354	(57,031)
<b>FEDERAL, STATE AND LOCAL GRANTS</b>				
	5,240,000	5,293,356	409,545	(4,883,811)
<b>INTEREST ON INVESTMENTS</b>				
	223,000	223,000	383,444	160,444
<b>OTHER</b>				
	15,000	18,000	58,182	40,182
Total revenues	17,966,032	18,022,388	12,662,255	(5,360,133)

(CONTINUED ON NEXT PAGE)

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

**CITY OF LAKELAND, TENNESSEE**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND**

For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT</b>				
General Government				
Salaries	\$ 216,303	\$ 278,303	\$ 276,379	\$ 1,924
Benefits	63,296	103,421	101,478	1,943
Contractual services	643,199	766,606	3,049,005	(2,282,399)
Materials and supplies	58,000	80,959	223,768	(142,809)
Insurance	68,203	82,703	82,586	117
Other charges	97,500	110,073	104,583	5,490
	<u>1,146,501</u>	<u>1,422,065</u>	<u>3,837,799</u>	<u>(2,415,734)</u>
Municipal Court				
Salaries	7,700	4,100	4,001	99
Benefits	1,089	2,589	2,001	588
Contractual services	1,200	25,800	9,521	16,279
	<u>9,989</u>	<u>32,489</u>	<u>15,523</u>	<u>16,966</u>
Board and Commissions				
Salaries	25,200	25,900	25,900	-
Benefits	2,968	3,568	3,081	487
Other charges	-	4,500	3,145	1,355
	<u>28,168</u>	<u>33,968</u>	<u>32,126</u>	<u>1,842</u>
Financial Administration				
Salaries	283,562	295,962	290,537	5,425
Benefits	130,810	100,860	92,817	8,043
Contractual services	17,000	54,200	49,970	4,230
Materials and supplies	2,500	500	-	500
Other charges	8,500	9,200	8,771	429
	<u>442,372</u>	<u>460,722</u>	<u>442,095</u>	<u>18,627</u>
GIS				
Salaries	207,282	204,982	199,278	5,704
Benefits	67,006	70,106	62,959	7,147
Contractual services	312,420	313,320	227,350	85,970
Materials and supplies	73,250	121,894	29,064	92,830
Other charges	54,850	68,704	24,859	43,845
	<u>714,808</u>	<u>779,006</u>	<u>543,510</u>	<u>235,496</u>
Total general government	<u>2,341,838</u>	<u>2,728,250</u>	<u>4,871,053</u>	<u>(2,142,803)</u>

(CONTINUED ON NEXT PAGE)

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

**CITY OF LAKELAND, TENNESSEE**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL GENERAL FUND**

For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>COMMUNITY DEVELOPMENT</b>				
Engineering				
Salaries	\$ 143,281	\$ 138,681	\$ 132,826	\$ 5,855
Benefits	38,114	44,314	41,347	2,967
Contractual services	45,000	68,055	210,962	(142,907)
Materials and supplies	2,700	4,200	3,456	744
Other charges	13,510	16,270	11,240	5,030
	<u>242,605</u>	<u>271,520</u>	<u>399,831</u>	<u>(128,311)</u>
Construction Inspection				
Salaries	132,401	138,001	111,299	26,702
Benefits	70,067	56,267	53,558	2,709
Materials and supplies	5,400	4,400	4,202	198
Other charges	11,200	12,400	9,383	3,017
	<u>219,068</u>	<u>211,068</u>	<u>178,442</u>	<u>32,626</u>
Code Enforcement				
Salaries	48,298	50,698	49,325	1,373
Benefits	24,883	24,983	23,619	1,364
Materials and supplies	4,400	4,400	2,556	1,844
Other charges	1,200	1,500	1,000	500
	<u>78,781</u>	<u>81,581</u>	<u>76,500</u>	<u>5,081</u>
Planning and Economic Development				
Salaries	265,700	257,600	252,076	5,524
Benefits	95,885	87,685	79,329	8,356
Contractual services	165,000	164,600	114,597	50,003
Materials and supplies	500	500	-	500
Other charges	32,025	33,425	27,841	5,584
	<u>559,110</u>	<u>543,810</u>	<u>473,843</u>	<u>69,967</u>
Total community development	<u>1,099,564</u>	<u>1,107,979</u>	<u>1,128,616</u>	<u>(20,637)</u>
<b>PUBLIC WORKS</b>				
Salaries	405,899	424,499	424,299	200
Benefits	169,212	194,843	173,878	20,965
Contractual services	40,000	29,922	27,530	2,392
Materials and supplies	53,000	68,273	66,533	1,740
Other charges	27,450	34,950	33,291	1,659
Total public works	<u>695,561</u>	<u>752,487</u>	<u>725,531</u>	<u>26,956</u>
<b>PARKS AND RECREATION</b>				
Senior Citizen				
Contractual services	3,500	3,700	3,689	11
Materials and supplies	23,250	22,980	21,643	1,337
Other charges	32,850	31,050	28,489	2,561
	<u>59,600</u>	<u>57,730</u>	<u>53,821</u>	<u>3,909</u>

(CONTINUED ON NEXT PAGE)

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

**CITY OF LAKELAND, TENNESSEE**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL GENERAL FUND**

For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
IH Clubhouse				
Contractual services	\$ 3,000	\$ 5,500	\$ 4,393	\$ 1,107
Materials and supplies	30,000	41,800	40,766	1,034
Other charges	14,650	15,650	13,462	2,188
	<u>47,650</u>	<u>62,950</u>	<u>58,621</u>	<u>4,329</u>
Recreation				
Contractual services	68,000	66,100	64,231	1,869
Materials and supplies	41,000	60,281	58,529	1,752
Other charges	44,000	32,400	27,203	5,197
	<u>153,000</u>	<u>158,781</u>	<u>149,963</u>	<u>8,818</u>
Park Administration				
Salaries	390,001	433,101	416,868	16,233
Benefits	168,950	166,000	155,864	10,136
Contractual services	175,500	159,700	159,559	141
Materials and supplies	45,950	46,561	45,402	1,159
Other charges	93,040	104,140	96,522	7,618
	<u>873,441</u>	<u>909,502</u>	<u>874,215</u>	<u>35,287</u>
Total parks and recreation	<u>1,133,691</u>	<u>1,188,963</u>	<u>1,136,620</u>	<u>52,343</u>
<b>DEBT SERVICE</b>				
Principal	-	-	111,788	(111,788)
Interest - leases	-	-	2,356	(2,356)
Total debt service	<u>-</u>	<u>-</u>	<u>114,144</u>	<u>(114,144)</u>
<b>CAPITAL OUTLAY</b>	<u>21,918,635</u>	<u>23,096,594</u>	<u>6,306,092</u>	<u>16,790,502</u>
Total expenditures	<u>27,189,289</u>	<u>28,874,273</u>	<u>14,282,056</u>	<u>14,592,217</u>
Deficiency of revenues under expenditures	(9,223,257)	(10,851,885)	(1,619,801)	9,232,084
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	14,500,000	14,500,000	-	(14,500,000)
Issuance of subscription liability	-	-	642,127	642,127
Insurance recovery	-	-	133,042	133,042
Transfers out	(5,964,258)	(6,447,302)	(5,427,746)	1,019,556
Total other financing sources (uses)	<u>8,535,742</u>	<u>8,052,698</u>	<u>(4,652,577)</u>	<u>(12,705,275)</u>
Net change in fund balances	<u>\$ (687,515)</u>	<u>\$ (2,799,187)</u>	<u>(6,272,378)</u>	<u>\$ (3,473,191)</u>
Fund balances - beginning			<u>13,809,221</u>	
Fund balances - ending			<u>\$ 7,536,843</u>	

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

**CITY OF LAKELAND, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL PURPOSE SCHOOL FUND**  
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
<b>PROPERTY TAXES</b>	\$ 6,187,107	\$ 6,187,107	\$ 6,120,553	\$ (66,554)
<b>LOCAL TAXES</b>	3,879,538	3,879,538	3,803,812	(75,726)
<b>INTERGOVERNMENTAL</b>				
TN Investment in Student Achievement	13,481,950	13,861,953	14,001,728	139,775
Career Ladder Program	20,000	20,000	17,480	(2,520)
Privilege tax	480,000	480,000	555,636	75,636
Other	78,015	78,015	52,525	(25,490)
Parental leave	-	-	112,783	112,783
Total intergovernmental	<u>14,059,965</u>	<u>14,439,968</u>	<u>14,740,152</u>	<u>300,184</u>
<b>CHARGES FOR SERVICES</b>	43,000	43,000	58,743	15,743
<b>FEDERAL, STATE AND LOCAL GRANTS</b>	32,000	336,240	305,451	(30,789)
<b>INTEREST INCOME</b>	4,500	4,500	2,255	(2,245)
<b>OTHER</b>	<u>55,000</u>	<u>55,000</u>	<u>86,188</u>	<u>31,188</u>
Total revenues	24,261,110	24,945,353	25,117,154	171,801
<b>EXPENDITURES</b>				
<b>EDUCATION</b>				
Board of education services				
Salaries	17,000	17,357	17,356	1
Benefits	299,950	286,162	286,149	13
Contractual services	85,000	120,700	120,700	-
Materials and supplies	13,000	3,407	3,407	-
Other charges	198,000	185,323	185,323	-
	<u>612,950</u>	<u>612,949</u>	<u>612,935</u>	<u>14</u>
Office of superintendent				
Salaries	216,676	235,154	234,154	1,000
Benefits	92,309	84,587	84,447	140
Contractual services	12,500	4,538	4,538	-
Materials and supplies	8,500	6,506	6,433	73
Other charges	27,000	52,049	51,847	202
	<u>356,985</u>	<u>382,834</u>	<u>381,419</u>	<u>1,415</u>

(CONTINUED ON NEXT PAGE)

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

**CITY OF LAKELAND, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL PURPOSE SCHOOL FUND**  
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Office of principal				
Salaries	\$ 1,280,676	\$ 1,324,092	\$ 1,316,038	\$ 8,054
Benefits	355,234	334,583	266,364	68,219
Contractual services	16,000	17,626	16,251	1,375
Materials and supplies	45,000	42,515	24,764	17,751
Other charges	25,250	26,110	15,420	10,690
	<u>1,722,160</u>	<u>1,744,926</u>	<u>1,638,837</u>	<u>106,089</u>
Regular instruction				
Salaries	9,321,071	9,175,777	9,173,894	1,883
Benefits	2,928,630	2,874,943	2,402,304	472,639
Contractual services	185,000	207,892	173,979	33,913
Materials and supplies	802,200	1,206,092	1,058,013	148,079
Other charges	10,000	13,717	12,869	848
	<u>13,236,901</u>	<u>13,464,704</u>	<u>12,808,190</u>	<u>656,514</u>
Other/Bonus Pay				
Salaries	463,578	731,940	639,808	92,132
Benefits	77,687	106,231	75,108	31,123
	<u>541,265</u>	<u>838,171</u>	<u>714,916</u>	<u>123,255</u>
Special education				
Salaries	1,527,752	1,539,976	1,470,009	69,967
Benefits	527,483	546,519	386,747	159,772
Contractual services	70,000	129,999	105,669	24,330
Materials and supplies	60,900	60,900	34,480	26,420
Other charges	450	450	-	450
	<u>2,186,585</u>	<u>2,277,844</u>	<u>1,996,905</u>	<u>280,939</u>
Other student support				
Salaries	645,238	652,968	640,780	12,188
Benefits	196,931	198,588	167,011	31,577
Materials and supplies	12,000	12,000	4,702	7,298
Other charges	22,500	22,500	5,167	17,333
	<u>876,669</u>	<u>886,056</u>	<u>817,660</u>	<u>68,396</u>
Regular instruction support				
Salaries	480,202	538,718	535,956	2,762
Benefits	154,744	161,227	156,581	4,646
Materials and supplies	19,500	19,500	11,654	7,846
Other charges	18,000	18,000	274	17,726
	<u>672,446</u>	<u>737,445</u>	<u>704,465</u>	<u>32,980</u>

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

**CITY OF LAKELAND, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL PURPOSE SCHOOL FUND**  
For the Year Ended June 30, 2024

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Special education support				
Salaries	\$ 305,750	\$ 305,750	\$ 296,644	\$ 9,106
Benefits	115,307	115,307	63,322	51,985
Contractual services	30,000	46,000	45,602	398
Materials and supplies	2,000	2,000	1,180	820
Other charges	4,000	4,000	1,974	2,026
	<u>457,057</u>	<u>473,057</u>	<u>408,722</u>	<u>64,335</u>
Technology				
Salaries	247,045	281,220	256,014	25,206
Benefits	73,133	78,933	59,858	19,075
Contractual services	102,500	102,461	99,411	3,050
Materials and supplies	100,000	104,202	74,001	30,201
Other charges	172,200	168,037	122,500	45,537
	<u>694,878</u>	<u>734,853</u>	<u>611,784</u>	<u>123,069</u>
Fiscal services				
Salaries	158,877	158,877	158,877	-
Benefits	53,098	53,098	43,376	9,722
Contractual services	100,838	98,617	71,631	26,986
Materials and supplies	5,000	4,196	1,210	2,986
Other charges	11,500	14,525	14,055	470
	<u>329,313</u>	<u>329,313</u>	<u>289,149</u>	<u>40,164</u>
Human resources				
Salaries	158,940	223,885	185,178	38,707
Benefits	67,464	75,979	52,777	23,202
Contractual services	30,000	28,501	13,897	14,604
Materials and supplies	10,000	12,980	11,620	1,360
Other charges	8,500	8,019	8,009	10
	<u>274,904</u>	<u>349,364</u>	<u>271,481</u>	<u>77,883</u>
Student services				
Salaries	69,436	88,636	74,764	13,872
Benefits	17,700	17,700	-	17,700
	<u>87,136</u>	<u>106,336</u>	<u>74,764</u>	<u>31,572</u>
Health services				
Salaries	203,372	178,077	174,530	3,547
Benefits	60,332	72,692	34,871	37,821
Contractual services	6,000	3,667	1,535	2,132
Materials and supplies	5,250	5,250	3,459	1,791
Other charges	4,500	6,833	2,836	3,997
	<u>279,454</u>	<u>266,519</u>	<u>217,231</u>	<u>49,288</u>

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

**CITY OF LAKELAND, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL PURPOSE SCHOOL FUND**  
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operation of plant				
Salaries	\$ 768,192	\$ 756,610	\$ 630,165	\$ 126,445
Benefits	160,915	166,949	132,153	34,796
Contractual services	108,000	102,492	71,097	31,395
Materials and supplies	75,500	90,564	69,353	21,211
Other charges	392,126	527,070	501,446	25,624
	<u>1,504,733</u>	<u>1,643,685</u>	<u>1,404,214</u>	<u>239,471</u>
Maintenance of plant				
Benefits	32,372	15,145	15,145	-
Contractual services	215,000	426,821	420,804	6,017
Materials and supplies	96,500	123,262	118,967	4,295
	<u>343,872</u>	<u>565,228</u>	<u>554,916</u>	<u>10,312</u>
Transportation				
Contractual services	650,000	944,000	851,772	92,228
Materials and supplies	-	1,000	(306)	1,306
	<u>650,000</u>	<u>945,000</u>	<u>851,466</u>	<u>93,534</u>
Cafeteria				
Salaries	-	6,781	3,433	3,348
Benefits	-	1,217	370	847
Materials and supplies	-	18,150	15,805	2,345
	<u>-</u>	<u>26,148</u>	<u>19,608</u>	<u>6,540</u>
Total education	24,837,308	26,398,149	24,391,531	2,006,618
<b>CAPITAL OUTLAY</b>	<u>164,400</u>	<u>80,046</u>	<u>79,718</u>	<u>328</u>
Total expenditures	<u>25,001,708</u>	<u>26,478,195</u>	<u>24,471,249</u>	<u>2,006,946</u>
Excess (deficiency) of revenues over (under) expenditures	(740,598)	(1,532,842)	645,905	2,178,747
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	740,595	740,595	740,595	-
Transfers out	<u>(3,663,790)</u>	<u>(663,790)</u>	<u>(663,790)</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,923,195)</u>	<u>76,805</u>	<u>76,805</u>	<u>-</u>
Net change in fund balances	<u>\$ (3,663,793)</u>	<u>\$ (1,456,037)</u>	722,710	<u>\$ 2,178,747</u>
Fund balances - beginning			<u>6,326,926</u>	
Fund balances - ending			<u>\$ 7,049,636</u>	

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

**CITY OF LAKELAND, TENNESSEE**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
June 30, 2024

	<u>Enterprise Fund Sewer Fund</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 816,532
Receivables	
Other	1,721
Due from other governments	490,605
Total current assets	<u>1,308,858</u>
Noncurrent assets:	
Capital assets, not being depreciated	12,307,925
Capital assets, being depreciated, net	13,281,568
Total capital assets, net	<u>25,589,493</u>
Total assets	<u>26,898,351</u>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Related to pension	26,510
 <b>LIABILITIES</b>	
Current liabilities:	
Accounts payable and other accruals	5,214,017
Accrued payroll	49,238
Due to other funds	1,024,354
Current portion of notes payable	688,000
Total current liabilities	<u>6,975,609</u>
Noncurrent liabilities:	
Notes payable, net of current portion	5,758,702
Net pension liability	28,464
Total noncurrent liabilities	<u>5,787,166</u>
Total liabilities	<u>12,762,775</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Related to pension	<u>906</u>
 <b>NET POSITION</b>	
Net investment in capital assets	14,897,423
Unrestricted	(736,243)
Total net position	<u><u>\$ 14,161,180</u></u>

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

**CITY OF LAKELAND, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
For the Year Ended June 30, 2024

	<b>Enterprise Fund Sewer Fund</b>
Operating Revenues:	
Sewer service fee	\$ 2,218,252
Service connections fees	203,950
Other	5,339
Total operating revenues	<u>2,427,541</u>
Operating Expenses:	
Salaries	437,656
Benefits	176,566
Materials and supplies	179,342
Utilities	141,779
Professional services	449,092
Other services and charges	84,683
MLGW collection fees	47,361
Depreciation	592,979
Total operating expenses	<u>2,109,458</u>
Operating income	318,083
Nonoperating Revenues (Expenses):	
Interest	5,417
Bond interest and fiscal charges	<u>(137,299)</u>
Total nonoperating expenses	<u>(131,882)</u>
Income (loss) before contributions and transfers	186,201
Federal grant contributions	<u>61,372</u>
Change in net position	247,573
Total net position - beginning	<u>13,913,607</u>
Total net position - ending	<u><u>\$ 14,161,180</u></u>

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

**CITY OF LAKELAND, TENNESSEE**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
For the Year Ended June 30, 2024

	<u>Enterprise Fund Sewer Fund</u>
<b>CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES</b>	
Receipts from customers and users	\$ 2,077,849
Payments to suppliers	3,532,298
Payments to employees	(598,639)
Other receipts	5,339
Net cash provided by operating activities	<u>5,016,847</u>
<b>CASH FLOW USED FOR NONCAPITAL FINANCING ACTIVITIES</b>	
Payment from other funds	1,024,354
Receipts from grantors	61,372
Net cash provided by noncapital financing activities	<u>1,024,354</u>
<b>CASH FLOW FROM (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchases of capital assets	(10,545,812)
Proceeds from issuance of capital debt	5,042,702
Principal paid on capital debt	(661,000)
Interest paid on capital debt	(137,299)
Net cash used for capital and related financing activities	<u>(6,301,409)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest income	<u>5,417</u>
Net decrease in cash and cash equivalents	(193,419)
Cash and cash equivalents - beginning of the year	1,009,951
Cash and cash equivalents - end of the year	<u>\$ 816,532</u>
<b>Reconciliation of operating income to net cash from operating activities:</b>	
Operating income	\$ 318,083
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation	592,979
Pension expense in excess of employer contributions	9,423
Change in assets and liabilities	
Receivables	(344,353)
Accounts payable	4,434,555
Accrued payroll	6,160
Net cash provided by operating activities	<u>\$ 5,016,847</u>

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

**CITY OF LAKELAND, TENNESSEE**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUND**  
June 30, 2024

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	<b>OPEB Trust Fund</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 31,992
Investments	
Equity exchange traded funds	383,389
Equity mutual funds	1,322,633
Fixed income mutual funds	1,467,059
Structured investments	204,645
Total investments	<u>3,377,726</u>
Total assets	<u>\$ 3,409,718</u>
<b>NET POSITION</b>	
Restricted for OPEB	<u>\$ 3,409,718</u>

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

**CITY OF LAKELAND, TENNESSEE**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUND**  
For the Year Ended June 30, 2024

	<b>OPEB Trust Fund</b>
<b>ADDITIONS</b>	
Contributions	
Employer	\$ 242,153
Implicit subsidy	54,529
Total contributions	<u>296,682</u>
Investment earnings (losses):	
Interest and dividends	116,202
Net appreciation in fair value of investments	239,996
Total investment earnings	<u>356,198</u>
Total additions	652,880
<b>DEDUCTIONS</b>	
Premiums	146,682
Administrative expense	12,812
Total deductions	<u>159,494</u>
Change in net position	493,386
Net position - beginning of the year	<u>2,916,332</u>
Net position - end of the year	<u><u>\$ 3,409,718</u></u>

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

**CITY OF LAKELAND, TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2024

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The City of Lakeland, Tennessee (City) was incorporated in 1977 and operates under a City Manager-Commissioners form of government.

The Lakeland School System (Board of Education or Schools) was created in 2013 and began operation in August 2014. The Board of Education operates under the City Charter and is a legally separate entity. The Board of Education is considered a part of the City reporting entity. The City provides funding, approves the School's operating budget, and issues long-term debt, such as bonds and notes payable, to provide the financing for the acquisition and construction of the School's facilities. The Board of Education's funds include the General Purpose Fund, Federal Projects Fund, Nutrition Fund, Discretionary Grants Fund, Lakeland Extended Activities Program (LEAP) Fund, Internal School Fund, and the Capital Projects Fund. The Board of Education does not issue separate financial statements.

As required by accounting principles generally accepted in the United States of America, these financial statements present the government and its component units, entities for which the government is financially accountable. Blended component units, although legally separate entities, are in substance, part of a government's operations. The City has no blended or discretely presented component units. The significant accounting policies followed by the component unit are generally the same as those followed by the primary government.

*Fiduciary Component Unit* – The Board of Education's Other Postemployment Benefit (OPEB) Trust Fund represents a fiduciary component unit of the City. The trust fund is a legally separate entity, and the resources of the trust fund cannot be used to finance the School's operations. The School is committed to making contributions to the trust, and therefore assumes a financial burden for the trust fund and thus has financial accountability.

**B. Basis of Presentation**

*1. Government-Wide 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 are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business. 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. Certain eliminations have been made regarding interfund activities, payables, and receivables. All internal balances in the statement of net position have been eliminated except those representing balances between the governmental activities and business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the statement of activities, those transactions between governmental and business-type activities have not been eliminated.

The statement of net position presents information on all the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the differences presented as net position. Net position is reported as one of three categories: net investment in capital assets, restricted, or unrestricted. Restricted net position is further classified as either net position restricted by enabling legislation or net position that is otherwise restricted.

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

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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### 2. Fund Financial Statements

Separate financial statements are provided for governmental funds, the proprietary fund, and the fiduciary fund, even though the latter is excluded from the government-wide financial statements. The activities of the government are organized into funds, each of which are separate accounting entities. Each fund is accounted for by providing a set of self-balancing accounts which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/net position, revenues, and expenditures/expenses. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City has presented all major funds that met the quantitative or qualitative criteria to be reported as a major fund as separate columns in the fund financial statements. The City's major funds are as follows:

**Major Governmental Funds:** General Fund and General Purpose School Fund.

**Major Proprietary Funds:** Sewer Fund

Detailed descriptions of these funds are presented below.

### 3. Governmental Fund Financial Statements

Governmental fund financial statements include a balance sheet and statement of revenues, expenditures, and changes in fund balance individually for all major funds and in the aggregate for the remaining nonmajor funds. An accompanying schedule is presented to reconcile and explain the difference in fund balance and changes in fund balances as presented in these statements to net position and changes in net position presented in the government-wide financial statements. The governmental funds of the City are described below:

- a. **General Fund** – The primary operating fund of the City and accounts for all financial resources of the general government not specifically provided for in other funds. Most of the essential governmental services such as general administration, community services, and public works are reported in the general fund.
- b. **Special Revenue Funds** – These funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted or committed to expenditures for specific purposes. The special revenue funds include the State Street Aid Fund, Storm Water Fund, Solid Waste Control Fund, School Federal Projects Fund, School Nutrition Fund, School Discretionary Grants Fund, Lakeland Extended Activities Program (LEAP) Fund, and Internal School Fund. The special revenue funds also include the General Purpose School Fund which is described in further detail below:

General Purpose School Fund – The operating fund of the Lakeland School System and accounts for all general revenues and other receipts that are not allocated by law or contractual agreement to another Lakeland School System fund, such as property tax revenue from Shelby County, Tennessee, Tennessee Investment in Student Achievement (TISA) funds, sales tax, etc. General operating expenditures and capital improvement costs that are not paid through other School funds are paid from the General Purpose School Fund.

- c. **School Capital Projects Fund** – This fund accounts for the School's financing of major capital improvement projects and capital asset purchases.
- d. **Debt Service Fund** – The fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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### 4. *Proprietary Fund Financial Statements*

Proprietary fund financial statements include a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows. The proprietary fund of the City is described below:

- a. **Enterprise Fund** – Accounts for business-like activities provided to the public. The activities are financed primarily by user charges and the measurement of the financial activity focuses on net income measurement like private sector businesses.

Sewer Fund – Accounts for sewer fees in connection with the operation of the City's sewer system. The proceeds of loans in this fund have been used specifically for the construction or acquisition of sewer systems and facilities. Since it is the intention of the City to repay these loans through sewer fund operations, these obligations are reported in this fund.

### 5. *Fiduciary Fund Financial Statements*

Fiduciary fund financial statements include a statement of fiduciary net position and statement of changes in fiduciary net position. Fiduciary fund balances and activities are excluded from the government-wide financial statements as they do not represent amounts available to the primary government.

- a. **Other Postemployment Benefit (OPEB) Trust Fund** – The School's OPEB trust fund accounts for the activities and accumulation of resources related to retiree group health and dental benefits that are required to be held in trust for the members and beneficiaries of other postemployment benefit plans.

## C. **Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

### *Measurement Focus*

On the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the “economic resources” measurement focus. Accordingly, all the City's assets and liabilities, including capital assets and long-term liabilities, along with deferred inflows and outflows of resources, are included in the accompanying statement of net position. The statement of activities presents changes in net position.

Proprietary funds and fiduciary funds are also accounted for using the “economic resources” measurement focus. Accordingly, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) are included in the statement of net position. The statement of revenues, expenses, and changes in net position presents revenues (additions) and expenses (deductions) in total net position.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets, deferred outflows of resources, liabilities, and deferred inflows of resources are generally included on their balance sheets. Their operating statements present sources and uses of available resources during a given period. These funds use fund balance as their measure of available resources at the end of the period.

### *Basis of Accounting*

The government-wide financial statements are presented using the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Unearned revenue arises when assets are recognized before revenue recognition 68

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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criteria have been satisfied. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

### *Basis of Accounting*

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

Revenues in the fiduciary fund are those additions to the plan that are generated from contributions from the City or School and participants and investment related income. Expenses are those deductions to the assets of the plan that arise from the payment of benefits and administrative expenses.

Governmental fund financial statements are reported using the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available to finance expenditures of the current period. Revenues are available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property taxes, other local taxes, and intergovernmental revenues. Licenses and permits, charges for services, fines and forfeitures, and miscellaneous revenues are measurable and available only when cash is received by the City. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. The issuance of long-term debt and financing through leases and SBITA are reported as other financing sources.

### **D - Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balances**

#### *1. Deposits and investments*

The City considers all highly liquid investments with an original maturity of three months or less when purchased to be cash and cash equivalents. Cash equivalents held by the trustee of the School OPEB Fund are included in cash and cash equivalents. Cash equivalents also include investments in the Local Government Investment Pool (LGIP) due to the short-term nature of their maturity.

Investments, including other postemployment benefit investments held in fiduciary funds, are reported at fair value except for those investments in the LGIP. The LGIP qualifies as a 2a7-like pool and is reported at amortized cost using a Stable Net Asset Value which approximates fair value.

Restricted investments consist of assets held in an irrevocable trust for future TCRS pension benefits.

#### *2. Receivables*

All trade and property taxes receivable are shown net of an allowance for uncollectible amounts.

Real and personal property taxes are levied by July 1 for each fiscal year on values assessed as of the prior January 1, the date the City has an enforceable legal claim. Property taxes are due on December 1 and are considered delinquent after February 28, at which time penalties and interest are assessed and property is available tax lien.

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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Property taxes receivable are recognized as of the date the City has an enforceable legal claim. Property taxes are reflected as revenues in the fiscal period for which they are levied, which is the subsequent fiscal year for the current fiscal year's assessment, provided they are received and collected within the current period or within 60 days following the fiscal year end (August 29). 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. Delinquent taxes estimated to be collected subsequent to August 29 are included in the balance sheet as property taxes receivable and a deferred inflow of resources to reflect amounts that were not available as revenues at June 30, 2024. The property tax levy is without legal limit. The rate, as permitted by Tennessee State Law and City Charter, is set annually by the Board of Commissioners.

The Board of Education recognizes its share of real and personal property taxes, sales taxes, and other local taxes as revenue in the fiscal year collected by the State of Tennessee, Shelby County, or the City, as applicable. The Board of Education does not have any taxing authority. Consequently, the Schools rely on a share of real and personal property taxes collected by the Shelby County. The Shelby County tax levy of \$3.39 per \$100 of assessed value includes \$1.60 for both the county schools and the municipal schools of Shelby County. Distribution of the \$1.60 to the county schools and the municipal school districts is based on the average daily attendance of each system. Approximately 76% and 24% was distributed to Shelby County Schools and the municipal school districts of Shelby County, respectively.

Receivables due from other governments are primarily from the United States government, the State of Tennessee, and Shelby County, Tennessee. No allowance for uncollectable amounts has been recognized.

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned as "unearned revenue." At the end of the current fiscal year, unavailable revenue principally represents amounts relating to property taxes and grants.

### *3. Interfund transactions*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Permanent reallocations of resources between funds of the City are classified as interfund transfers. For the statement of activities, all transfers between individual governmental funds have been eliminated.

### *4. Inventories and prepaid items*

Inventories consist of expendable supplies and is presented at cost. Inventory is charged to operations using average cost. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of inventory and prepaid items is recorded as expenditures/ expenses when consumed rather than when purchased.

### *5. Capital assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., streets, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets with an initial, individual cost of more than \$5,000 and an estimated useful life more than two years are recorded at historical cost or estimated historical cost if purchased or constructed. Contributed capital assets are recorded at estimated acquisition value at the date received. Major outlays for capital

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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assets and improvements are capitalized as projects are constructed. 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.

Land, easements, rights-of-way, and construction in progress are not depreciated. All other capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	15-40 years
Other improvements	20 years
Machinery and equipment	5 years
Vehicles	5 years
Infrastructure	30 years
Right-to-use-assets	3-7 years

*6. Right-of-use capital assets and related liabilities*

Right-of-use lease assets are recorded at an amount equal to the initial measurement of the related lease liability plus lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. Right-of-use subscription-based IT arrangements (SBITA) are recorded at an amount equal to the initially measurement of the related SBITA liability, plus payments made prior to the SBITA term, and plus capitalizable implementation costs. The right-of-use assets are amortized on a straight-line basis over the life of the related lease term or SBITA term.

Lease and SBITA liabilities are initially measured at the present value of payments expected to be made during the term of the related agreements. Subsequently, the liabilities are reduced by the principal portion of the payments made. The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by lessor is not determinable, the City uses its estimated incremental borrowing rate as the discount rate for the liabilities. The lease or SBITA term includes the noncancellable period of the lease including renewal periods reasonably certain to be exercised and termination options reasonably certain not to be exercised.

*7. Deferred outflows of resources*

Deferred outflows of resources represent 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 City has qualifying items for reporting in this category. Deferred outflows of resources include those related to pension and other postemployment benefits.

*8. Compensated absences*

Compensated absences for accumulated unpaid vacation and sick time are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Vacation hours earned may be accrued depending on years of service and subject to maximums ranging from 160 – 200 hours. Sick time may be converted to vacation time at the time of termination for a maximum combined payout of 240 hours. Compensated absences are paid out of the general fund, the general purpose school fund, LEAP fund, state street aid fund, solid waste fund, storm water fund, and the sewer fund.

*9. Long-term obligations*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Premiums and discounts are deferred and amortized over the life of the associated debt using the effective interest method. Debt is reported net of the applicable premium or discount. Debt issuance costs are expensed when incurred.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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In the governmental fund financial statements, debt premiums and discounts, as well as issuance costs are recognized in the current period. The face amount of debt is reported as other financing sources in the period received. 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 paid or withheld from the actual debt proceeds received, are reported as debt service expenditures.

### 10. *Deferred inflows of resources*

Deferred inflows of resources represent an acquisition of net assets that applies to a future period and is not recognized as an inflow of resources (revenue) until that time. The City has qualifying items for reporting in this category. Unavailable revenues from property taxes are amounts in the governmental funds that were receivable and measurable at year-end but were not available to finance expenditures for the current year. Deferred inflows of resources also include those related to pensions and other postemployment benefits. In addition, the unamortized gain on refunding reported in the government-wide statement of net position results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

### 11. *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:

**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 notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Applicable deferred outflows of resources and deferred inflows of resources, if any, should be included in the component of net position.

**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 legislations.

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

When an expense is incurred for purposes for which both restricted and unrestricted amounts are available, it is the City's policy to reduce restricted amounts first.

In the fund financial statements, governmental funds report fund balances 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 consist of the following five components, as applicable:

**Nonspendable** – amounts that cannot be spent because they are either (a) in a non-spendable form, including items not expected to be converted to cash (i.e. inventories, prepaid amounts, long-term portion of loans and notes receivable), or (b) legally or contractually required to be maintained intact (i.e. the principal of a permanent fund).

**Restricted** – amounts constrained to be used for a specific purpose as per external parties, constitutional provision, or enabling legislation.

**Committed** – amounts constrained to be used for specific purposes by formal action (ordinance) adopted by the Board of Commissioners. Amounts classified as committed are not subject to legal enforceability like restricted resources; however, they cannot be used for any other purpose unless the Board removes or changes the commitment by taking the same action it employed to impose the commitment.

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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**Assigned** – amounts intended to be used by the City for a specific purpose but are neither restricted nor committed. The intent shall be expressed by the Board of Commissioners, or a designee authorized by the Board of Commissioners, with authority to assign amounts. The nature of the actions necessary to remove or modify an assignment is not as rigid as required under a committed fund balance classification. The Mayor and City Manager have been authorized to assign amounts in the general fund for a specific purpose in accordance with fund balance policy established by the Board of Commissioners. Amounts in excess of nonspendable, restricted, and committed fund balance in funds other than the general fund are reported as assigned fund balance.

**Unassigned** – represents the residual balance available for any purpose in the general fund. In other governmental funds, the classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned. All funds in this category are considered spendable resources. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls.

When an expenditure is incurred for purposes for which both restricted, committed, assigned, or unassigned amounts are available, it is the policy of the City to expend any available restricted, committed, or assigned resources, in that order, prior to expending unassigned resources.

The City has determined that the unassigned general fund balance will remain at a level equal to 25 percent of recurring general fund revenues, plus \$1,100,000 associated with cash flow management and protecting against exposure to variable rate debt. If fund balance is depleted below the level established by this policy, the City Manager, with consultation from the Finance Director, will develop a plan to replenish the fund balance. The plan will require the approval of the Board of Commissioners and will include recommendations for rate, fee, or revenue adjustments as well as expenditure reductions, as necessary. The plan will also be reviewed and modified on an annual basis until the fund balance policy level is achieved.

### *12. Pensions and Other Postemployment Benefits*

The City maintains three defined benefit retirement plans sponsored by Tennessee Consolidated Retirement System and one defined benefit other postemployment benefit plan (OPEB) sponsored by the City.

For purposes of measuring the net pension and net OPEB assets or liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position, and additions to/deductions from each plan's fiduciary net position have been determined on the same basis as they are reported by the actuaries. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of each plan. Expenses of the plans, such as investment fees, trustee fees, and audit fees, are paid by the plans. However, certain administrative functions are performed by employees of the City and are not reimbursed by the plans. Investments, other than contracts, are reported at fair value. Investment income is recognized as earned. Plan assets do not include any securities of the City nor have any of the plans made any loans to the City.

### *13. Fair Value Measurements*

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Assets and liabilities recorded at fair value in the statements of net position are categorized based on the level of judgment associated with the inputs used to measure their value. The three categories of level inputs are as follows: Level 1 inputs include unadjusted quoted prices in active markets for identical assets or liabilities accessible at the measurement date; Level 2 inputs include quoted prices for similar assets or liabilities; quoted prices for identical or similar assets or liabilities in inactive markets; or other inputs that can be corroborated by observable market data. Such inputs include market interest rates and volatilities, spreads and yield curves; Level 3 inputs are inputs which are unobservable for the asset or liability and rely on management's own assumptions that market participants would use in pricing the asset or liability. Investments using the Net Asset Value ("NAV") per share have no readily determinable fair value and have been determined using amortized cost which approximates fair value.

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. In determining fair value, the City utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The methods used may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the City believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at reporting date.

### *14. 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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## **NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

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### **A. Budgetary information**

The Board of Commissioners annually approves the operating budgets of the general, special revenue, capital projects, debt service, and sewer funds of the City. Capital projects are approved as part of a five-year capital improvements plan (CIP). The total budgets of these funds constitute legal spending limits, requiring ordinance amendment. Transfers within the funds are authorized by the Board of Commissioners in the budget ordinance but must be presented to the Board of Commissioners at the next scheduled meeting. The Lakeland School Board of Education annually approves the operating budgets of each of school funds, except for the Internal School Fund, which is not required to, and does not, adopt an annual budget. The Board of Commissioners then approves the Lakeland School System budget. Annual budgets are adopted on a basis consistent with Tennessee Code Annotated, which is not materially different than the modified accrual basis of accounting.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported in the fund balance categories of their related ultimate expenditure and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

### **B. Excess of expenditures over appropriations**

For the year ended June 30, 2024, no expenditures exceeded appropriations.

### **C. Deficit fund equity**

As of June 30, 2024, the Solid Waste Fund and School Federal Projects Fund had deficit fund balances of \$62,706, and \$188,089, respectively, due to timing of expenses and reimbursements.

## NOTE 3 – DEPOSITS

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### Legal Provisions

Deposits must be collateralized by federal depository insurance, the Tennessee Bank Collateral Pool, collateral held by the City's agent in the City's name, collateral held by the Federal Reserve Banks acting as third party agents, or a combination of these methods. State statute requires that all uninsured deposits with financial institutions must be collateralized by securities whose fair value is equal to 105% 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 insured for purposes of credit risk disclosure.

### Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's policy for custodial risk is to follow state guidelines. As of June 30, 2024, all bank deposits were entirely insured by federal depository insurance and collateralized by the Bank Collateral Pool of the State of Tennessee.

### Restricted Cash and Cash Equivalents

Restricted cash in the school capital projects fund represent deposits in the LGIP that are restricted for school capital projects.

## NOTE 4 – INVESTMENTS

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### Legal Provisions

Investments are limited to those authorized by Tennessee State Law. State statutes authorize the City to make direct investments in 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 Tennessee Local Government Investment Pool (LGIP); bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; and nonconvertible debt securities of certain federal government sponsored enterprises. Statutes also require that securities underlying repurchase agreements must have a fair value at least equal to the amount of funds invested in the repurchase transaction. State statutes limit maturities of the above investments to four years from the date of investment unless a greater maturity is approved by the State Director of Finance.

The School is a member of the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust. The School has placed funds into the irrevocable trust as authorized by statute under *Tennessee Code Annotated*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the 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 or City. The trust is authorized to make investments as directed by the TCRS Board of Trustees. The School may not impose restrictions on investments placed by the trust on their behalf.

In addition to investments allowed by the School, the fiduciary fund's investment policies authorize investments in mutual funds, common stocks, and other equities. The investment policies of the fiduciary funds have been formally adopted by the City's Board of Commissioners.

### *A. Primary Government Investments*

The LGIP represents 100% of the primary government's investments at June 30, 2024. These investments are reported at amortized cost which approximates fair value and are included as cash equivalents. The LGIP uses amortized costs rather than fair value to report net position to compute share prices. The LGIP maintains a weighted average maturity of 60 days or less.

## NOTE 4 – INVESTMENTS (CONTINUED)

### B. Restricted Investments – TCRS Stabilization Reserve Trust

Assets of the TCRS, including the Stabilization Reserve Trust, are invested in the Tennessee Retiree Group Trust (TRGT). The TRGT is not registered with the Securities and Exchange Commission (SEC) as an investment company. The State of Tennessee has not obtained a credit quality rating for the TRGT from a nationally recognized credit ratings agency. The fair value of investment positions in the TRGT is determined daily based on the fair value of the pool's underlying portfolio. Furthermore, TCRS had not obtained or provided any legally binding guarantees to support the value of participant shares during the fiscal year. There are no restrictions on the sale or redemption of shares. For further information concerning the School's investments with the TCRS Stabilization Reserve Trust, as well as the audited financial statements of the TCRS, please refer to <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

The following table summarizes fair value disclosures and measurements for the School's investments held by the TRGT on its behalf as of June 30, 2024:

Investments at Fair Value	Total	Level 1	Level 2	Level 3
U.S. equity	\$ 93,839	\$ 93,839	\$ -	\$ -
Developed market international equity	42,379	42,379	-	-
Emerging market international equity	12,108	12,108	-	-
U.S. fixed income	60,541	-	60,541	-
Short-term securities	3,027	-	3,027	-
Real estate	30,271	-	-	30,271
	242,165	\$ 148,326	\$ 63,568	\$ 30,271
<b>Investments at amortized cost using NAV</b>				
Private equity and strategic lending	60,541			
<b>Total restricted investments</b>	<b>\$ 302,706</b>			

### C. Fiduciary Investments

The School administers one fiduciary fund, the OPEB Trust Fund, whose investments are held by a third-party trustee bank. Additionally, the School utilizes an advisor to select appropriate investment choices. The following table summarizes fair value disclosures and measurements for the fiduciary investments at June 30, 2024:

Investments at Fair Value	Total	Level 1	Level 2	Level 3
<b>Fiduciary Activities:</b>				
Equity exchange traded funds	\$ 383,389	\$ 383,389	\$ -	\$ -
Equity mutual funds	1,322,633	1,322,633	-	-
Fixed income mutual funds	1,467,059	1,467,059	-	-
Structured Investments	204,645	-	-	204,645
	\$ 3,377,726	\$ 3,173,081	\$ -	\$ 204,645

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2024:

- *Short-term securities:* generally, include investments in money market-type securities reported at cost plus accrued interest.
- *Equity and equity derivative securities:* Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Level 2 are securities whose values are derived daily from associated traded securities. Level 3 are valued with last trade data having limited trading volume.

## NOTE 4 – INVESTMENTS (CONTINUED)

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- *US Treasury Bills, Bonds, Notes and Futures:* Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Level 2 are valued using a bid-ask spread price from multiple independent brokers, dealers, or market principals, which are known to be actively involved in the market. Level 3 are valued using proprietary information, a single pricing source, or other unobservable inputs related to similar assets or liabilities.
- *Real estate investments:* Level 3 are valued using the last valuations provided by external investment advisors or independent external appraisers. Generally, all direct real estate investments are appraised by a qualified independent appraiser(s) with the professional designation of Member of the Appraisal Institute (“MAI”), or its equivalent, every three (3) years beginning from the acquisition date of the property. The appraisals are performed using generally accepted valuation approaches applicable to the property type.
- *Private mutual funds, traditional private equity funds, strategic lending funds and real estate funds:* Those funds that report using GAAP, the fair value, as well as the unfunded commitments, were determined using the prior quarter’s NAV, as reported by the fund managers, plus the current cash flows. These assets were then categorized by investment strategy. In instances where the fund investment reported using non-GAAP standards, the investment was valued using the same method, but was classified in Level 3.

Risks and Uncertainties – The fiduciary fund trust’s and TRGT’s investments include various types of investment funds, which in turn invest in any combination of stock, bonds and other investments exposed to various risks, such as interest rate, credit, and market risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported for trust investments.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The School does not have the ability to limit TRGT investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City and School manages its exposure to declines in fair value by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. The City and School invest operating funds primarily in short-term securities or the LGIP and limits the average maturity of the portfolio to those established by TCA 6-5-106 for commercial paper and repurchase agreements and four years for investments in securities of the U.S. Treasury, Federal Government sponsored agencies, or certificates of deposit.

Concentration of Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Concentration of credit risk is the risk of loss attributed to the magnitude of the investment in a single issuer. The School does not have the ability to limit the credit ratings of individual investments made by the trust. The School places no limit on the amount the TRGT may invest in one issuer. The City and School have adopted the investment policy established by TCA 6-5-106 for investments other than those held for Pension and OPEB benefits. The School diversifies its fiduciary fund investment portfolios so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized. The School had no investments that comprised more than 5% of its total investments at June 30, 2024.

Custodial Credit Risk – Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City’s investments in the LGIP are held by the State Treasury, not in the name of the City. The third-party bank is also a participant in the State collateral pool. Pursuant to the trust agreements, investments are held in the TRGT and each fiduciary trust are for the benefit of the School to pay retirement benefits of their respective employees.

**NOTE 5 – INTERFUND TRANSACTIONS**

The composition of interfund balances as of June 30, 2024, is as follows:

Receivable From	Payable To			Total
	Major Funds		Aggregate Nonmajor Governmental	
	General	General Purpose School		
Major Funds				
General	\$ -	\$ 67,613	\$ 4,962	\$ 72,575
Sewer	1,024,354	-	-	1,024,354
Aggregate Nonmajor Governmental	327,761	220,533	8,159	556,453
Total	<u>\$ 1,352,115</u>	<u>\$ 288,146</u>	<u>\$ 13,121</u>	<u>\$ 1,653,382</u>

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

The composition of interfund transfers for the year ended June 30, 2024 is as follows:

Transfers Out	Transfers In		Total
	Major Funds		
	General Purpose School	Aggregate Nonmajor Governmental	
Major Funds			
General	\$ 740,595	\$ 4,687,151	\$ 5,427,746
General Purpose School	-	663,790	663,790
Total	<u>\$ 740,595</u>	<u>\$ 5,350,941</u>	<u>\$ 6,091,536</u>

Transfers out of the major funds generally represent debt service, cost allocation, and capital project funding.

## NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 9,428,436	\$ 4,350,972	\$ -	\$ -	\$ 13,779,408
Construction in progress	10,956,854	4,023,967	-	(2,173,925)	12,806,896
Total capital assets, not being depreciated	20,385,290	8,374,939	-	(2,173,925)	26,586,304
Capital assets, being depreciated:					
Buildings and improvements	89,881,638	307,632	-	798,749	90,988,019
Other improvements	6,368,929	-	-	132,450	6,501,379
Machinery and equipment	9,181,015	697,909	(14,514)	281,223	10,145,633
Vehicles	861,299	-	-	8,300	869,599
Infrastructure	79,659,093	264,388	-	953,203	80,876,684
Subscription asset	80,749	741,897	-	-	822,646
Total capital assets, being depreciated	186,032,723	2,011,826	(14,514)	2,173,925	190,203,960
Less accumulated depreciation for:					
Buildings and improvements	(8,855,813)	(2,242,684)	-	-	(11,098,497)
Other improvements	(4,599,612)	(139,854)	-	-	(4,739,466)
Machinery and equipment	(3,739,422)	(953,485)	14,514	-	(4,678,393)
Vehicles	(464,399)	(123,005)	-	-	(587,404)
Infrastructure	(56,947,749)	(1,524,844)	-	-	(58,472,593)
Subscription asset	(26,393)	(105,535)	-	-	(131,928)
Total accumulated depreciation	(74,633,388)	(5,089,407)	14,514	-	(79,708,281)
Total capital assets, being depreciated, net	111,399,335	(3,077,581)	-	2,173,925	110,495,679
Governmental activities capital assets, net	\$ 131,784,625	\$ 5,297,358	\$ -	\$ -	\$ 137,081,983
	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-Type activities:					
Capital assets, not being depreciated:					
Land	\$ 75,360	\$ -	\$ -	\$ -	\$ 75,360
Construction in progress	1,743,017	10,489,548	-	-	12,232,565
Total capital assets, not being depreciated	1,818,377	10,489,548	-	-	12,307,925
Capital assets, being depreciated:					
Buildings and improvements	10,541,806	-	-	-	10,541,806
Other improvements	10,935,256	-	-	-	10,935,256
Machinery and equipment	1,270,798	56,264	-	-	1,327,062
Total capital assets, being depreciated	22,747,860	56,264	-	-	22,804,124
Less accumulated depreciation for:					
Buildings and improvements	(4,223,926)	(255,799)	-	-	(4,479,725)
Other improvements	(4,144,500)	(223,579)	-	-	(4,368,079)
Machinery and equipment	(561,151)	(113,601)	-	-	(674,752)
Total accumulated depreciation	(8,929,577)	(592,979)	-	-	(9,522,556)
Total capital assets, being depreciated, net	13,818,283	(536,715)	-	-	13,281,568
Business-Type activities capital assets, net	\$ 15,636,660	\$ 9,952,833	\$ -	\$ -	\$ 25,589,493

**NOTE 6 – CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to function/programs of the primary government as follows:

Governmental Activities:	
General government	\$ 323,445
Community development	50,735
Public works	1,659,659
Parks and recreation	185,105
Education	2,870,463
Total depreciation expense - governmental activities	<u>\$ 5,089,407</u>
Business-Type Activities:	
Sewer	<u>\$ 592,979</u>

Construction and other significant commitments

The government had active construction projects as of June 30, 2024. At year end the government's commitments with contractors were approximately as follows:

Project	Spent-to-Date	Remaining Commitment
City Construction		
Clear Creek Interceptor	\$ 9,058,301	\$ 14,214,879
Parks Restrooms	26,725	270,280
	<u>\$ 9,085,026</u>	<u>\$ 14,485,159</u>

**NOTE 7 – LONG-TERM LIABILITIES**

*1. Long-Term Debt*

General obligation and revenue bonds and notes

The City periodically issues general obligation notes for the acquisition, construction, and improvement of major capital facilities and infrastructure. The bonds are generally issued as 15 to 40-year serial bonds. The City is not subject to any state or other law that limits the amount of debt a City may have outstanding; therefore, there is no legal debt margin or computation thereof. The City's full faith, credit and unlimited taxing power are pledged to the repayment of all general obligation notes payable and interest and the City is contingently liable for the repayment of revenue notes principal and interest. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. Certain notes contain a provision in which amounts outstanding become immediately due on default.

In May 2022, the City entered into a loan agreement with the State Revolving Loan Fund through the Tennessee Department of Environment and Conservation. Under the agreement, the City obtained a \$15,000,000 loan at an interest rate of 2.86%. The loan is payable in 240 monthly installments in the amount of \$51,505 through maturity in May 2042. The loan was obtained to partially finance a \$24,000,000 project to replace the existing Clear Creek Interceptor as a part of the sewer operations. As of June 30, 2024, only \$5,042,702 has been drawn on the loan.

In September 2023, the City entered into a loan agreement with the State Revolving Loan Fund through the Tennessee Department of Environment and Conservation. Under the agreement, the City obtained a \$9,000,000 loan at an interest rate of 3.35%. The loan is payable in 240 monthly installments in the amount of \$51,505 through maturity in June 2044. The loan was obtained to partially finance a \$24,000,000 project to replace the existing Clear Creek Interceptor as a part of the sewer operations. As of June 30, 2024, no amounts have been drawn on the loan.

**NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)**

Shelby County Settlement Obligation

In January 2014, the City and the School entered into a settlement agreement with the Board of Commissioners of Shelby County, Shelby County, Tennessee, and the Shelby County Board of Education. The City agreed to pay the Shelby County Board of Education twelve annual installments of \$56,337. The City elected to establish the liability incurred through the settlement agreement at its present value with a discount rate of .50%.

Debt outstanding as of June 30, 2024 consisted of the following:

	<u>Interest Rates</u>	<u>Maturity Date</u>	<u>Original Issue</u>	<u>Outstanding at Year End</u>
<b>Governmental activities:</b>				
<u>Payable through Debt Service Fund</u>				
Notes from direct borrowings:				
TLDA Construction Loan	1.89%	7/20/2039	\$ 1,725,000	\$ 1,174,437
General Obligation Refunding Bonds, Series 2021 R1	2.125%	1/27/2061	5,194,500	4,937,918
General Obligation Refunding Bonds, Series 2021 R2	2.125%	1/27/2061	9,600,000	9,125,809
General Obligation Refunding Bonds, Series 2022 R1	2.50%	6/22/2062	9,900,000	9,602,495
General Obligation Refunding Bonds, Series 2022 R2	2.50%	6/22/2062	9,800,000	9,505,500
General Obligation Refunding Bonds, Series 2022 R3	2.50%	6/22/2062	9,700,000	9,408,505
General Obligation Refunding Bonds, Series 2022 R4	2.50%	6/22/2062	7,903,000	7,665,506
General Obligation Refunding Bonds, Series 2022 R5	2.50%	6/22/2062	7,902,500	7,665,021
			<u>61,725,000</u>	<u>59,085,191</u>
Other Debt:				
Shelby County Settlement Liability	.50%	11/1/2025	676,044	167,603
			<u>\$ 62,401,044</u>	<u>\$ 59,252,794</u>
<b>Business-Type activities:</b>				
<u>Payable through Sewer Fund</u>				
Notes from direct borrowings:				
TN Municipal League Note, Series 2005	3.98%*	5/25/2026	\$ 11,000,000	\$ 1,404,000
TN State Revolving Loan 2022-476	2.86%	5/30/2042	15,000,000	5,042,702
TN State Revolving Loan 2022-476-01	3.35%	6/30/2044	9,000,000	-
			<u>\$ 35,000,000</u>	<u>\$ 6,446,702</u>

\*Variable rate Tennessee Municipal Bond Fund loan rate for June 30, 2024 was 3.98%

**NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)**

Annual debt service requirements to maturity for bonds and notes payable are as follows:

Years Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 1,139,837	\$ 1,417,456	\$ 688,000	\$ 3,089
2026	1,107,239	1,393,677	716,000	1,575
2027	1,075,798	1,368,664	-	-
2028	1,099,370	1,344,997	-	-
2029	1,129,198	1,315,087	-	-
2030-2034	6,050,449	6,169,626	-	-
2035-2039	6,802,718	5,414,911	-	-
2040-2044	7,187,169	4,588,951	5,042,702	-
2045-2049	8,088,289	3,680,252	-	-
2050-2054	9,108,380	2,660,154	-	-
2055-2059	10,259,239	1,509,301	-	-
2060-2062	6,205,108	293,321	-	-
	<u>\$ 59,252,794</u>	<u>\$ 31,156,397</u>	<u>\$ 6,446,702</u>	<u>\$ 4,664</u>

**2. Subscription-based IT arrangements (SBITA) Obligations**

The City and school entered into long-term, noncancellable SBITAs. The liabilities are measured using discount rates ranging from 2.18% to 4.56%, which is the estimated incremental borrowing rate. Terms of the agreements expire in various years through fiscal year 2030. Amounts are payable through the general fund and education capital projects fund.

Expense on SBITA obligations consisted for the following for the year ended June 30, 2024:

Amortization expense - subscription assets	\$ 105,535
Interest on subscription lease liabilities	2,580
Total	<u>\$ 108,115</u>

Annual debt service requirements to maturity for the SBITA obligations are as follows:

Years Ending June 30	Governmental Activities		
	Principal	Interest	Total
2025	\$ 141,776	\$ 14,724	\$ 156,500
2026	117,494	11,506	129,000
2027	91,720	8,280	100,000
2028	93,723	6,276	99,999
2029	95,770	4,230	100,000
2030	97,863	2,137	100,000
	<u>\$ 638,346</u>	<u>\$ 47,153</u>	<u>\$ 685,499</u>

### 3. Changes in long-term liabilities

A summary of long-term liability activity, including debt, for the year ended June 30, 2024 is as follows. Additional detailed information is available following the summary.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Construction loan	\$ 1,241,104	\$ -	\$ (66,667)	\$ 1,174,437	\$ 67,932
Settlement liability	167,603	-	-	167,603	111,275
General obligation bonds	58,847,259	-	(936,505)	57,910,754	960,630
Subscription lease payable	53,249	725,097	(140,000)	638,346	141,776
Total long-term debt	60,309,215	725,097	(1,143,172)	59,891,140	1,281,613
Compensated absences	285,641	335,575	(102,556)	518,660	200,526
	<u>\$ 60,594,856</u>	<u>\$ 1,060,672</u>	<u>\$ (1,245,728)</u>	<u>\$ 60,409,800</u>	<u>\$ 1,482,139</u>
<b>Business-Type activities:</b>					
Revenue notes payable	<u>\$ 2,065,000</u>	<u>\$ 5,042,702</u>	<u>\$ (661,000)</u>	<u>\$ 6,446,702</u>	<u>\$ 688,000</u>

For governmental activities, compensated absences and SBITA obligations are generally liquidated by the general fund and school general-purpose fund.

### NOTE 8 – DEFERRED GAIN ON REFUNDING

The unamortized deferred gain on refunding relates to General Obligation Refunding Bonds for governmental activities. Deferred gain on refunding reported in the statement of net position at June 30, 2024 of \$677,077 related to the refunding of the Series 2015 Capital Outlay Notes.

### NOTE 9 – NET POSITION AND FUND BALANCE

Following is more detailed information on the government-wide calculation of net investment in capital assets:

	Governmental Activities	Business-Type Activity	Total
Capital assets, net of accumulated depreciation	\$ 137,081,983	\$ 25,589,493	\$ 162,671,476
Total outstanding balance of capital debt	(59,891,140)	(6,446,702)	(66,337,842)
Total other capital-related liabilities	-	(4,245,368)	(4,245,368)
Deferred gain on refunding	(677,077)	-	(677,077)
Unspent bond proceeds related to debt	587,364	-	587,364
Net investment in capital assets	<u>\$ 77,101,130</u>	<u>\$ 14,897,423</u>	<u>\$ 91,998,553</u>

**NOTE 9 – NET POSITION AND FUND BALANCE (CONTINUED)**

Following is more detailed information on the governmental fund balances:

	General Fund	School General Purpose	Nonmajor Governmental Funds	Total
Nonspendable for:				
Inventory	\$ 2,861	\$ -	\$ -	\$ 2,861
Prepaid expenditures	-	599	-	599
Total nonspendable fund balance	<u>2,861</u>	<u>599</u>	<u>-</u>	<u>3,460</u>
Restricted for:				
Education capital projects	-	-	587,364	587,364
Storm water	-	-	372,642	372,642
Education	-	6,746,331	1,588,670	8,335,001
Stabilization reserve trust	-	302,706	-	302,706
Total restricted fund balance	<u>-</u>	<u>7,049,037</u>	<u>2,548,676</u>	<u>9,597,713</u>
Committed for:				
Park acquisition	84,720	-	-	84,720
Major roads	265,852	-	-	265,852
State street aid	-	-	1,241,707	1,241,707
Debt service	-	-	118	118
Total committed fund balance	<u>350,572</u>	<u>-</u>	<u>1,241,825</u>	<u>1,592,397</u>
Assigned to:				
Parks - Athletic Complex	234,823	-	-	234,823
Unassigned	6,948,587	-	(250,795)	6,697,792
Total fund balances	<u>\$ 7,536,843</u>	<u>\$ 7,049,636</u>	<u>\$ 3,539,706</u>	<u>\$ 18,126,185</u>

**NOTE 10 – PENSIONS**

The City of Lakeland and Lakeland School System participate in the following defined benefit multiple-employer Public Employee Retirement Plans administered by the Tennessee Consolidated Retirement System (TCRS):

- I. Public Employee Retirement Plan of TCRS (Classified Plan) – Certain employees of the City of Lakeland and certain classified employees of the Lakeland School System that were former Legacy Shelby County or Memphis City Schools Employees are included in this plan. The plan was closed to new membership on January 1, 2015 but continues to provide benefits to existing members. This is an agent multiple-employer pension plan.
- II. Teacher Legacy Pension Plan of TCRS (School Certified Plan) – Certain certified employees with membership in TCRS prior to July 1, 2014 are included in this plan. The plan was closed to new membership on June 30, 2014 but continues to provide benefits to existing members. The plan is a cost sharing multiple-employer pension plan.
- III. Teacher Retirement Plan of TCRS (School Hybrid Plan) – Certain staff with membership in TCRS beginning on or after July 1, 2014 are included in this plan. The plan is a hybrid plan which features both a defined contribution element and a pension plan element. The plan is a cost sharing multiple-employer pension plan.

The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>. Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute.

The net pension assets, deferred outflows of resources, net pension liabilities, and deferred inflows of resources related to pensions reported on the statement of net position are summarized as follows:

	Net Pension Asset	Deferred Outflows of Resources	Net Pension Liability	Deferred Inflows of Resources	Pension Expense
Governmental Activities					
Classified Plan	\$ -	\$ 308,671	\$ 323,527	\$ 10,297	\$ 173,620
School Certified Plan	2,915,655	2,741,584	-	712,760	508,840
School Hybrid Plan	80,314	228,147	-	82,594	98,718
Total governmental activities	<u>2,995,969</u>	<u>3,278,402</u>	<u>323,527</u>	<u>805,651</u>	<u>781,178</u>
Business-type Activities					
Classified Plan	-	26,510	28,464	906	6,857
Total	<u>\$ 2,995,969</u>	<u>\$ 3,304,912</u>	<u>\$ 351,991</u>	<u>\$ 806,557</u>	<u>\$ 788,035</u>

For governmental activities, pension liability is generally liquidated by the general and school general purpose funds.

**A. General Information about the Pension Plans**

Benefits Provided

Under the Classified Plan and School Certified Plan, members are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. A reduced early retirement benefit is available at age 55 and vested. Under the School Hybrid Plan, members are eligible to retire with an unreduced benefit at age 65 with 5 years of service credit or pursuant to the rule of 90 in which the member's age

**NOTE 10 – PENSIONS (CONTINUED)**

and service credit total 90. A reduced early retirement benefit is available at age 60 and vested or pursuant to the rule of 80.

Benefits are determined by a formula using the member’s highest five consecutive year average compensation and the member’s years of service credit. Members vest with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for non-service-related disability eligibility. The service related and non-service-related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Additionally, under the School Certified Plan and School Hybrid 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.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2023, the following employees were covered by the terms of the agent plan:

	Classified Plan
Inactive employees or beneficiaries currently receiving benefits	18
Inactive employees entitled to but not yet receiving benefits	16
Active employees	14
	48

Contributions

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or, for the School Hybrid Plan, by automatic cost controls set by law. Employees contribute 5 percent of salary. The City and School make employer contributions at the rate set by the Board of Commissioners as determined by an actuarial valuation. By law, employer contributions to each plan are required to be paid. TCRS may intercept the City’s state shared taxes if the required employer contributions are not remitted. 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. Per the statutory provisions governing TCRS, the employer contribution rate for the School Hybrid Plan cannot be less than 4 percent, except in years when the maximum funded level, as established by the TCRS Board of Trustees is reached. For the year ended June 30, 2024, employer contributions to the School TCRS Teacher Hybrid Plan included contributions to the Pension Stabilization Reserve Trust of 1.05%, of covered payroll. Employer contributions to each plan for the year ended June 30, 2024 were as follows:

	Classified Plan	School Certified Plan	School Hybrid Plan
Employer contributions	\$ 62,281	\$ 591,045	\$ 135,144
Covered payroll	827,049	8,776,737	4,582,653
As a percentage of covered payroll	7.53%	6.73%	2.95%

## NOTE 10 – PENSIONS (CONTINUED)

### B. Actuarial Assumptions for each TCRS Plan

The total pension liability as of June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	Graded salary ranges from 8.72% to 3.44% based on age, including inflation, averaging 4.00%
Investment rate of return	6.75%, net of investment expense, including inflation
Cost-of-Living Adjustment	2.125%
Mortality rates	Actual experience including an adjustment for anticipated movement

The actuarial assumptions used in the June 30, 2023 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 reflect more closely actual and expected future experience.

#### Investment Policy

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

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

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

#### Discount Rate

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

**NOTE 10 – PENSIONS (CONTINUED)**

**C. Net Pension Liability (Asset)**

The net pension liability (asset) for each TCRS plan was measured as of June 30, 2023, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date. The components of the net pension liability (asset) as of that date are as follows:

	Agent Plan	Cost-Sharing Plans	
	Classified Plan	School Certified Plan	School Hybrid Plan
Total Pension Liability			
Service cost	\$ 72,017		
Interest	226,036		
Changes of benefit items	-		
Differences between expected and actual experience	106,427		
Changes in assumptions	-		
Benefit payments, including refunds	<u>(128,876)</u>		
Net change in total pension liability	275,604		
Total pension liability - beginning	<u>3,341,111</u>		
Total pension liability - ending	3,616,715		
Plan Fiduciary Net Position			
Contributions - employer	\$ 57,756		
Contributions - employee	45,549		
Net investment income	206,498		
Benefit payments	(128,876)		
Administrative expense	<u>(2,047)</u>		
Net change in plan fiduciary net position	178,880		
Plan fiduciary net position - beginning	<u>3,085,844</u>		
Plan fiduciary net position -ending	<u>3,264,724</u>		
Net pension liability (asset)	<u>\$ 351,991</u>		
Plan fiduciary net position as a percentage of the total pension liability	<u>90.27%</u>		
Proportionate share of net pension liability (asset)		<u>\$ (2,915,655)</u>	<u>\$ (80,314)</u>
Proportionate share at June 30, 2023 measurement date		0.247304%	0.189406%
Proportionate share at June 30, 2022 measurement date		0.215526%	0.179598%

The proportion of the net pension liability (asset) was based on the School's contributions to each cost-sharing plan relative to the contributions of all participating LEAs. Detailed information about each cost-sharing pension plan's fiduciary net position is available in a separately issued TCRS financial report.

**NOTE 10 – PENSIONS (CONTINUED)**

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

The following presents the net pension liability (asset) or proportionate share of net pension liability (asset) of the City related to each TCRS plan calculated using the discount rate of 6.75%, as well as what the net pension liability (asset) or proportionate share of net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage point higher (7.75%) than the current rate:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Net pension liability (asset)			
Classified Plan	\$ 878,043	\$ 351,991	\$ (80,669)
Proportionate share of the net pension liability (asset)			
School Certified Plan	\$ 6,350,500	\$ (2,915,655)	\$ (10,622,483)
School Hybrid Plan	369,442	(80,314)	(404,102)

**D. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2024, the City reported pension expense, deferred outflows of resources, and deferred inflows of resources related to each plan from the following sources:

	<u>Classified Plan</u>	<u>School Certified Plan</u>	<u>School Hybrid Plan</u>
Pension Expense (Negative Pension Expense)	<u>\$ 180,477</u>	<u>\$ 508,840</u>	<u>\$ 98,718</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$ 80,295	\$ 694,658	\$ 2,705
Net difference between projected and actual earnings on pension plan investments	24,533	505,881	20,419
Changes in assumptions	168,072	950,000	60,424
Changes in proportion of net pension liability (asset)	-	-	9,455
Contributions subsequent to the measurement date of June 30, 2023	62,281	591,045	135,144
Total	<u>\$ 335,181</u>	<u>\$ 2,741,584</u>	<u>\$ 228,147</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ 11,203	\$ 135,306	\$ 46,878
Changes in proportion of net pension liability (asset)	-	577,454	35,716
	<u>\$ 11,203</u>	<u>\$ 712,760</u>	<u>\$ 82,594</u>

The amounts shown above for “Contributions subsequent to the measurement date of June 30, 2023,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

**NOTE 10 – PENSIONS (CONTINUED)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows for the years ending June 30:

	Classified Plan	School Certified Plan	School Hybrid Plan
2025	\$ 106,931	\$ 476,610	\$ (3,300)
2026	86,120	(608,530)	(6,272)
2027	68,479	1,565,737	25,228
2028	167	3,962	(1,478)
2029	-	-	(1,354)
Thereafter	-	-	(2,415)

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

**NOTE 11 – DEFINED CONTRIBUTION EMPLOYEE BENEFIT PLAN**

School Hybrid Plan 401(k) Portion

The School Hybrid Plan provides a combination of a defined benefit plan and a defined contribution plan. The defined benefit portion of the Hybrid Plan is managed by TCRS. The defined contribution assets are deposited into the State’s 401(k) plan where the employee manages the investments within the 401(k) plan. Enrolled employees may, at their option, contribute 2% of their salaries and employers are required to contribute 5% of those salaries to the defined contribution (401(k)) portion of the Hybrid Plan. Contributions are made on a tax-deferred basis. Employees are immediately vested in contributions. During 2024, the School’s employer contribution to the Hybrid Plan was \$425,573.

City of Lakeland and Lakeland School System 401(k) Plan

All regular full-time employees of the City and LSS hired after January 1, 2016, who have obtained the age of eighteen, and who are not participating in the TCRS plans, are required to participate in the State of Tennessee Deferred Compensation Plan II defined contribution 401(k) plan. The plan is administered by a third-party administrator. The City of Lakeland Board of Commissioners has the authority for establishing and amending the plan’s provisions. Under the plan terms, the City will match participant contributions up to 5% of the participant’s salary. Participants are required to contribute 5% of their compensation. Participants are 100% vested in their contributions when they are made and are 100% vested in the employer contributions after 5 years of service. During 2024, the City and School contributed \$115,599 and \$272,982, respectively, to the plan.

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS PLAN (OPEB)**

The School administers a single-employer defined benefit other postemployment benefit plan to provide health care benefits to certain School employees who qualify under the provisions of the TCRS i.e. Lakeland School System Other Postemployment Benefit Plan (OPEB). The OPEB liability is liquidated by the school general purpose fund.

**A. General Information about the OPEB Plan**

Benefits Provided

Legacy employees that qualify for retirement benefits under the TCRS may be eligible for post-retirement health benefits for life. Eligible employees must complete 15 years of service with the Lakeland School System and meet the requirements under TCRS. Those who are former employees of Shelby County School District or Memphis City Schools must have 15 years of continuous service with Lakeland School System, Shelby County, and/or Memphis

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS PLAN (OPEB) (CONTINUED)**

City Schools prior to retirement. Legacy employees are those employees who have attained at least three years of service as of July 1, 2016 from Lakeland School System, Shelby County School District or Memphis City Schools and were hired by Lakeland School System directly from any Shelby County school system prior to October 15, 2018. Non-Legacy employees are not eligible for any post-retirement health benefits. Surviving spouses of legacy retirees can stay on the plan at their own expense until eligible for Medicare. The premium charged to retirees is the portion of premiums not covered by the Lakeland School System explicit subsidy. The Board of Education has established benefit provisions and contribution obligations.

Employees Covered by Benefit Terms

Plan membership as of the actuarial valuation date of June 30, 2024 consisted of the following:

Active employees	61
Inactive employees or beneficiaries currently receiving benefits	15
	76
	76

Contributions

Lakeland School System’s intent, at a minimum, is to partially fund the annual required contribution at \$200,000 per year and pay for the pay-as-you-go costs from the school general-purpose fund until the Trust balance is sufficient to meet future benefit payments. Employer contributions are based on an actuarially determined rate. For the year ended June 30, 2024, employer contributions including implicit subsidy of \$54,529 to the plan were \$296,682 which were greater than the actuarially determined contribution for the plan of \$250,682 by \$46,000.

**B. Actuarial Assumptions**

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. As such, the actuarial calculations of the OPEB plan reflect a long-term perspective. Actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future.

The total OPEB liability was determined by an actuarial valuation as of June 30, 2024, using the entry age normal level percent of salary, actuarial cost method with liabilities rolled forward to the June 30, 2024, measurement date. Significant actuarial assumptions used in the valuation include:

Inflation	2.25%
Salary increases	Graded salary ranges from 7.5% to 3.7% based on age
Investment rate of return	6.00%, net of investment expense, including inflation
Mortality table	SOA Pub-2010 mortality tables (General, Teacher, Contingent Survivors) fully generational using scale MP-2021
Health care cost trend rate	Pre-65: 8.0% initial, decreasing by 0.5% annually to an ultimate rate of 4.5% for FY 2032 Post-65: 6.50% initial, decreasing by 0.25% annually to an ultimate rate of 4.5% for FY 2032

Changes of assumptions

In 2024, the following assumptions were changed: decreased the investment rate of return from 6.5% to 6.0%, decreased the inflation rate from 3.0% to 2.25%, increased the initial health care cost trend rate from 7% to 8% for pre-65 retirees, and decreased the initial health care cost trend rate from 7% to 6.5% for post-65 retirees.

## NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS PLAN (OPEB) (CONTINUED)

### Investment Policy

Lakeland School System has placed funds with the Tennessee School Board Association OPEB Trust (“TSBA OPEB Trust”) to be used to pre-fund a portion of the OPEB liability. The assets of the TSBA OPEB Trust are commingled with other participant’s funds for investment purposes but are held in an irrevocable trust for each plan participant and may be used only for the payment of benefits to the members of the plan in accordance with the terms of their plan. The TSBA OPEB Trust’s policy regarding allocation of invested assets is established and may be amended by the TSBA OPEB Trust Board of Trustees by a majority vote of its members. The TSBA OPEB Trust obtains an annual audit, which may be obtained from the TSBA at 525 Brick Church Park Drive, Nashville, TN 37207; however, the audit for the year ended June 30, 2024, was not available from other auditors as of the date of this report.

It is the policy of the TSBA OPEB Trust Board to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The long-term expected rate of return on OPEB plan investments was determined using a building block method in which expected future rates of return are developed for each major asset class. These expected future rates of return are then combined to produce the long-term expected rate of return by weighting them based on the target asset allocation percentage. The best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2024 as summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
US large equity	35.0%	7.54%
International equity	17.0%	7.28%
Fixed Income	42.0%	4.18%
Equity Hedge Assets	6.0%	5.90%
	<u>100%</u>	<u>6.00%</u>

### Rate of Return

For the year ended June 30, 2024, the annual money-weighted rate of return on investments was 11.92 percent. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts invested.

### Discount Rate Information

The discount rate used in valuing OPEB liabilities in funded plans as of the measurement date must be based on the long-term expected rate of return on OPEB plan investments that are expected to be used to finance future benefit payments to the extent that they are sufficient to pay for projected benefit payments and the OPEB plan assets are invested using a strategy that will achieve that return. When the OPEB plan investments are insufficient to cover future benefit payments, a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale) must be used. The final equivalent single discount rate as of June 30, 2024 is 6.0% with the assumption that Lakeland School System will eventually pay the pay-go costs out of the OPEB Trust at the time the Trust is expected to be sufficient to finance all future benefit payments.

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS PLAN (OPEB) (CONTINUED)**

**C. Net OPEB Liability**

The components of the School's net OPEB liability based on a measurement date of June 30, 2024 were as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Beginning of year	\$ 4,155,200	\$ 2,916,332	\$ 1,238,868
Changes for the year:			
Service cost	164,063	-	164,063
Interest	274,805	-	274,805
Change in benefit terms	34,958	-	34,958
Differences between expected and actual experience	(669,405)	-	(669,405)
Changes in assumptions	455,873	-	455,873
Contributions - employer	-	296,682	(296,682)
Net investment income	-	356,198	(356,198)
Benefit payments	(146,682)	(146,682)	-
Administrative expenses	-	(12,812)	12,812
Other changes	(19,300)	-	(19,300)
Net changes	94,312	493,386	(399,074)
End of year	<u>\$ 4,249,512</u>	<u>\$ 3,409,718</u>	<u>\$ 839,794</u>
Plan fiduciary net position as a percentage of the total OPEB liability			<u>80.24%</u>

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

The following presents the School's net OPEB liability (asset) calculated using the discount rate of 6.0%, as well as what the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.0%) or 1-percentage point higher (7.0%) than the current rate:

	1% Decrease	Current Rate	1% Increase
Net OPEB liability (asset)	\$ 1,383,446	\$ 839,794	\$ 388,593

**Sensitivity of the Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rate**

The following presents the School's net OPEB liability (asset) calculated using the healthcare cost trend initial rates. These, respectively, are Pre-65 (Post-65) participants of 8.0% decreasing by 0.5% annually to an ultimate rate of 4.5% as well as what the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower, 7.0% decreasing to 3.5%, or 1-percentage-point higher, 9.0% decreasing to 5.5%, than the current rate:

	1% Decrease	Current Rate	1% Increase
Net OPEB liability (asset)	\$ 406,712	\$ 839,794	\$ 1,365,146

**D. OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB**

**Other Postemployment Benefit Expense**

For the year ended June 30, 2024, the School recognized OPEB expense of \$81,140.

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS PLAN (OPEB) (CONTINUED)**

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Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2024, the School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 234,939	\$ 2,500,179
Changes in assumptions	995,578	233,364
Net difference between projected and actual earnings on OPEB plan investments	-	56,401
Total	\$ 1,230,517	\$ 2,789,944

Amounts recognized as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in pension expense as follows for the year ending June 30:

2025	\$ (225,839)
2026	(152,048)
2027	(262,108)
2028	(244,822)
2029	(212,371)
Thereafter	(462,239)

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

**NOTE 13 - COMMITMENTS AND CONTINGENCIES**

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Shelby County Trustee

The City has contracted with the Shelby County Trustee (the Trustee) to collect real and personal property taxes on behalf of the City. A 2.5% commission is paid to the Trustee. The collection fees paid to the Trustee are expensed in the general government function as contractual services.

Legal Contingencies

Legal proceedings against the City, many of which normally recur in governmental operations, can arise periodically. City officials are not aware of any future legal contingencies to record on the financial statements as of June 30, 2024.

## **NOTE 14 - RISK MANAGEMENT**

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### Insurance Other Than Health Insurance

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The City considers it more economically feasible to participate in a public entity risk pool as opposed to purchasing commercial insurance for certain general liability, workers' compensation, and property and casualty insurance. As such, the City participates in the Public Entity Partners Risk Management Pool (the Pool), which is a public entity risk pool consisting of member political subdivisions of the State of Tennessee that works in many ways like a traditional insurer. Members can obtain typical insurance coverage limits and deductible options at reasonable rates according to their risk tolerance while the Pool provides traditional underwriting, reinsurance, claims processing and loss control services. Unlike commercial insurance, the Pool offers the opportunity to earn a pro-rata refund of the surplus premiums according to the City's premium paid and its favorable loss experience in recent years. Each political subdivision that has participated in the pool is subject to assessment if the funds it paid as premiums are insufficient to meet the obligations of the pool. The pool may reinsure through the Local Government Reinsurance Fund of Tennessee or a commercial insurance company.

The School continues to carry commercial insurance through Public Risk Insurers for all purposes. The City continues to carry commercial insurance for all other risks of loss, including certain general liability and property and casualty insurance. The City has replacement cost insurance, including earthquake coverage, on all buildings and on mobile equipment and vehicles costing more than \$25,000 each. The City and School have not incurred any losses more than commercial insurance coverage for the past three fiscal years. Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated.

### Health Insurance

The City and School participate in the Interlocal Health Benefits Plan Asset Trust to reduce costs of benefit plan administration and lower premium rates related to healthcare benefits. The Interlocal Health Plan is accounted for as a public entity risk pool but operates solely as a risk-sharing pool. Benefits and premium requirements are established and may be amended by an insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop a contribution policy in term of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The plan has a separately issued Annual Comprehensive Financial Report and can be found on the state's website at <http://www.comptroller.tn.gov/advance-search.html>.

The City and the School are only liable for their portion of plan premiums plus any outstanding capital requirements from the Interlocal Health Plan. The liability for any incurred-but-not-reported claims is borne by the Interlocal Health Plan and not by the individual members. During the year ended June 30, 2024, the City and the School contributed premiums of \$603,706 and \$2,596,019, respectively to the Interlocal Health Benefits Plan Asset Trust.

**REQUIRED SUPPLEMENTARY INFORMATION**

**LAKELAND SCHOOL SYSTEM AND CITY OF LAKELAND  
PUBLIC EMPLOYEE RETIREMENT PLAN (TCRS AGENT PLAN)  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**

**Exhibit A-1**

Last Ten Fiscal Years Ended June 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>										
Service cost	\$ 72,017	\$ 57,797	\$ 56,033	\$ 52,918	\$ 74,961	\$ 102,416	\$ 101,316	\$ 124,091	\$ 135,266	\$ 83,026
Interest	226,036	215,536	192,533	180,033	176,220	148,324	148,127	135,255	125,255	103,834
Changes of benefit items	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	106,427	(7,963)	(18,055)	46,728	(70,835)	248,675	(158,858)	7,978	(44,512)	95,059
Changes in assumptions	-	-	420,183	-	-	-	47,157	-	-	-
Benefit payments	(128,876)	(119,166)	(110,761)	(110,012)	(101,392)	(72,988)	(63,051)	(82,795)	(60,195)	(36,900)
Net change in total pension liability	275,604	146,204	539,933	169,667	78,954	426,427	74,691	184,529	155,814	245,019
Total pension liability - beginning	3,341,111	3,194,907	2,654,974	2,485,307	2,406,353	1,979,926	1,905,235	1,720,706	1,564,892	1,319,873
Total pension liability - ending	<u>3,616,715</u>	<u>3,341,111</u>	<u>3,194,907</u>	<u>2,654,974</u>	<u>2,485,307</u>	<u>2,406,353</u>	<u>1,979,926</u>	<u>1,905,235</u>	<u>1,720,706</u>	<u>1,564,892</u>
<b>Plan Fiduciary Net Position</b>										
Contributions - employer	57,756	37,392	37,736	36,167	56,433	87,400	85,193	93,608	101,218	94,211
Contributions - employee	45,549	43,479	43,879	42,055	42,327	49,878	49,531	54,424	58,405	54,773
Net investment income	206,498	(123,545)	669,512	124,168	174,799	177,719	211,247	46,404	49,863	216,838
Benefit payments	(128,876)	(119,166)	(110,761)	(110,012)	(101,392)	(72,988)	(63,051)	(82,795)	(60,195)	(36,900)
Administrative expense	(2,047)	(1,721)	(1,712)	(1,772)	(1,799)	(2,251)	(2,121)	(2,129)	(1,797)	(862)
Net change in plan fiduciary net position	178,880	(163,561)	638,654	90,606	170,368	239,758	280,799	109,512	147,494	328,060
Plan fiduciary net position - beginning	3,085,844	3,249,405	2,610,751	2,520,145	2,349,777	2,110,019	1,829,220	1,719,708	1,572,214	1,244,154
Plan fiduciary net position -ending	<u>3,264,724</u>	<u>3,085,844</u>	<u>3,249,405</u>	<u>2,610,751</u>	<u>2,520,145</u>	<u>2,349,777</u>	<u>2,110,019</u>	<u>1,829,220</u>	<u>1,719,708</u>	<u>1,572,214</u>
<b>Net pension liability (asset)</b>	<u>\$ 351,991</u>	<u>\$ 255,267</u>	<u>\$ (54,498)</u>	<u>\$ 44,223</u>	<u>\$ (34,838)</u>	<u>\$ 56,576</u>	<u>\$ (130,093)</u>	<u>\$ 76,015</u>	<u>\$ 998</u>	<u>\$ (7,322)</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	90.27%	92.36%	101.71%	98.33%	101.40%	97.65%	106.57%	96.01%	99.94%	100.47%
<b>Covered payroll</b>	\$ 910,971	\$ 869,574	\$ 877,583	\$ 841,088	\$ 846,528	\$ 997,556	\$ 990,620	\$ 1,088,473	\$ 1,176,953	\$ 1,095,479
<b>Net pension liability (asset) as a percentage of covered payroll</b>	38.64%	29.36%	-6.21%	5.26%	-4.12%	5.67%	-13.13%	6.98%	0.08%	-0.67%

**NOTE 1 - CHANGES OF ASSUMPTIONS**

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

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

**LAKELAND SCHOOL SYSTEM AND CITY OF LAKELAND  
PUBLIC EMPLOYEE RETIREMENT PLAN (TCRS AGENT PLAN)  
SCHEDULE OF CONTRIBUTIONS  
Last Ten Fiscal Years Ended June 30**

**Exhibit A-2**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 62,773	\$ 57,756	\$ 37,392	\$ 37,736	\$ 36,167	\$ 56,433	\$ 87,400	\$ 69,682	\$ 93,608	\$ 101,218
Contributions	62,281	57,756	37,392	37,736	36,167	56,433	87,400	85,193	93,608	101,218
Contribution deficiency (excess)	\$ 492	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (15,511)	\$ -	\$ -
Covered payroll	\$ 827,049	\$ 910,971	\$ 869,574	\$ 877,583	\$ 841,088	\$ 846,528	\$ 997,556	\$ 990,620	\$ 1,088,473	\$ 1,176,953
Contributions as a percentage of covered payroll	7.53%	6.34%	4.30%	4.30%	4.30%	6.67%	8.76%	8.60%	8.60%	8.60%

**NOTE 1 - METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES**

Valuation date	Actuarially determined contributions for fiscal year 2024 were calculated based on the June 30, 2022 actuarial valuation.
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	Varies by year
Asset valuation method	10 year smoothed with a 20% corridor to market value
Inflation	2.25%
Salary increases	Graded salary ranges from 8.72% to 3.44% based on age, including inflation, averaging 4.00%
Investment rate of return	6.75%, net of investment expenses, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including an adjustment for some anticipated movement
Cost of Living Adjustments	2.125%

**NOTE 2 - CHANGES OF ASSUMPTIONS**

In 2021, the following assumptions were changed: decreased inflation rate from 2.50 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions.

In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

**LAKELAND SCHOOL SYSTEM**  
**TEACHER LEGACY PENSION PLAN (CERTIFIED TCRS PLAN)**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)**  
Last Ten Fiscal Years Ended June 30

**Exhibit A-3**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability (asset)	0.247304%	0.215526%	0.204841%	0.199687%	0.183808%	0.158417%	0.112938%	0.100034%	0.908630%	0.217500%
Proportionate share of the net pension liability (asset)	\$ (2,915,655)	\$ (2,643,223)	\$ (8,835,304)	\$ (1,522,758)	\$ (1,889,878)	\$ (557,457)	\$ (36,950)	\$ 625,158	\$ 37,221	\$ (353)
Covered payroll	\$ 8,025,144	\$ 7,092,820	\$ 6,723,240	\$ 6,646,084	\$ 6,163,343	\$ 5,547,257	\$ 3,904,255	\$ 3,611,030	\$ 3,401,445	\$ 85,374
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-36.33%	-37.27%	-131.41%	-22.91%	-30.66%	-10.05%	-0.95%	17.31%	1.09%	-0.41%
Plan fiduciary net position as a percentage of the total pension liability	104.11%	104.42%	116.13%	103.09%	104.28%	101.49%	100.14%	97.14%	99.81%	100.08%

**LAKELAND SCHOOL SYSTEM  
TEACHER LEGACY PENSION PLAN (CERTIFIED TCRS PLAN)  
SCHEDULE OF CONTRIBUTIONS  
Last Ten Fiscal Years Ended June 30**

**Exhibit A-4**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required	\$ 591,045	\$ 697,385	\$ 730,561	\$ 690,477	\$ 706,479	\$ 644,686	\$ 503,691	\$ 360,905	\$ 326,437	\$ 307,490
Contribution in relation to the contractually required contribution	591,045	697,385	730,561	690,477	706,479	644,686	503,691	360,905	326,437	307,490
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 8,776,737	\$ 8,025,144	\$ 7,092,820	\$ 6,723,240	\$ 6,646,084	\$ 6,163,343	\$ 5,547,257	\$ 3,904,255	\$ 3,611,030	\$ 3,401,445
Contributions as a percentage of covered payroll	6.73%	8.69%	10.30%	10.27%	10.63%	10.46%	9.08%	9.24%	9.04%	9.04%

**NOTE 1 - CHANGES OF ASSUMPTIONS**

In 2021, the following assumptions were changed: decreased inflation rate from 2.50% to 2.25%; decreased the investment rate of return from 7.25% to 6.75%; decreased the cost-of-living adjustment from 2.25% to 2.125%; and modified mortality assumptions.

In 2017, the following assumptions were changed: decreased inflation rate from 3.00% to 2.50%; decreased the investment rate of return from 7.50% to 7.25%; decreased the cost-of-living adjustment from 2.50% to 2.25%; decreased salary growth graded ranges from an average of 4.25% to an average of 4.00%; and modified mortality assumptions.

**LAKELAND SCHOOL SYSTEM  
TEACHER RETIREMENT PENSION PLAN (TCRS HYBRID PLAN)  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)**

**Exhibit A-5**

Last Ten Fiscal Years Ended June 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.189406%	0.179598%	0.188043%	0.158725%	0.144815%	0.158576%	0.055238%	0.069721%	0.057412%
Proportionate share of the net pension liability (asset)	\$ (80,314)	\$ (54,405)	\$ (203,690)	\$ (90,258)	\$ (81,746)	\$ (71,918)	\$ (14,573)	\$ (7,258)	\$ (2,309)
Covered payroll	\$ 3,767,366	\$ 3,066,979	\$ 2,713,911	\$ 2,003,003	\$ 1,532,436	\$ 1,385,759	\$ 450,602	\$ 306,781	\$ 119,286
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-2.13%	-1.77%	-7.51%	-4.51%	-5.33%	-5.19%	-3.23%	-2.37%	-1.94%
Plan fiduciary net position as a percentage of the total pension liability	104.97%	104.55%	121.53%	116.52%	123.07%	126.97%	126.81%	121.88%	127.46%

This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

**LAKELAND SCHOOL SYSTEM  
TEACHER RETIREMENT PENSION PLAN (TCRS HYBRID PLAN)  
SCHEDULE OF CONTRIBUTIONS  
Last Ten Fiscal Years Ended June 30**

**Exhibit A-6**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required	\$ 135,144	\$ 108,123	\$ 61,646	\$ 54,820	\$ 40,661	\$ 29,729	\$ 22,598	\$ 14,502	\$ 7,679	\$ 2,982
Contribution in relation to the contractually required contribution	135,144	108,123	61,646	54,820	40,661	29,729	55,430	14,502	12,271	4,771
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (32,832)	\$ -	\$ (4,592)	\$ (1,789)
Covered payroll	\$ 4,582,653	\$ 3,767,366	\$ 3,066,979	\$ 2,713,911	\$ 2,003,003	\$ 1,532,436	\$ 1,385,759	\$ 450,602	\$ 306,781	\$ 119,286
Contributions as a percentage of covered payroll	2.95%	2.87%	2.01%	2.02%	2.03%	1.94%	4.00%	3.22%	4.00%	4.00%
Contributions as a percentage of covered payroll placed into Pension Stabilization Reserve Trust*	1.05%	1.13%	1.99%	1.98%	1.97%	2.06%	0.00%	0.00%	0.00%	0.00%

\* Beginning in fiscal year 2019, contributions in excess of amounts required by TCRS to be placed towards the pension were placed in a Pension Stabilization Reserve Trust.

**NOTE 1 - CHANGES OF ASSUMPTIONS**

In 2021, the following assumptions were changed: decreased inflation rate from 2.50% to 2.25%; decreased the investment rate of return from 7.25% to 6.75%; decreased the cost-of-living adjustment from 2.25% to 2.125%; and modified mortality assumptions.

In 2017, the following assumptions were changed: decreased inflation rate from 3.00% to 2.50%; decreased the investment rate of return from 7.50% to 7.25%; decreased the cost-of-living adjustment from 2.50% to 2.25%; decreased salary growth graded ranges from an average of 4.25% to an average of 4.00%; and modified mortality assumptions.

**LAKELAND SCHOOL SYSTEM  
OTHER POSTEMPLOYMENT BENEFIT PLAN  
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**

**Exhibit A-7**

Last Ten Fiscal Years Ended June 30

	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Total OPEB Liability</b>									
Service cost	\$ 164,063	\$ 220,458	\$ 256,031	\$ 253,347	\$ 182,651	\$ 189,121	\$ 112,708	\$ 104,359	\$ 12,471
Interest	274,805	362,751	358,203	336,860	279,878	263,050	204,813	183,967	45,368
Changes of benefit items	34,958	-	-	-	-	-	219,591	-	1,910,502
Differences between expected and actual experience	(669,405)	(1,698,576)	(650,498)	(137,551)	424,160	(170,827)	76,196	-	(99,959)
Changes in assumptions	455,873	46,981	(292,770)	-	1,019,657	-	172,083	-	(113,700)
Benefit payments	(146,682)	(140,739)	(78,804)	(119,822)	(50,186)	(32,183)	(22,656)	(32,649)	(12,134)
Other changes	(19,300)	-	-	-	-	-	-	-	-
Net change in total OPEB liability	94,312	(1,209,125)	(407,838)	332,834	1,856,160	249,161	762,735	255,677	1,742,548
Total OPEB liability - beginning	4,155,200	5,364,325	5,772,163	5,439,329	3,583,169	3,334,008	2,571,273	2,315,596	573,048
Total OPEB liability - ending	4,249,512	4,155,200	5,364,325	5,772,163	5,439,329	3,583,169	3,334,008	2,571,273	2,315,596
<b>Plan Fiduciary Net Position</b>									
Contributions - employer	296,682	290,739	756,062	269,822	525,186	417,416	377,156	161,149	112,003
Net investment income	356,198	290,209	(383,241)	468,647	27,912	64,059	24,583	25,907	5,683
Benefit payments	(146,682)	(140,739)	(78,804)	(119,822)	(50,186)	(47,416)	(22,656)	(32,649)	(12,134)
Administrative expense	(12,812)	(10,713)	(9,892)	(7,653)	(5,594)	(3,658)	(1,391)	(653)	-
Net change in plan fiduciary net position	493,386	429,496	284,125	610,994	497,318	430,401	377,692	153,754	105,552
Plan fiduciary net position - beginning	2,916,332	2,486,836	2,202,711	1,591,717	1,094,399	663,998	286,306	132,552	27,000
Plan fiduciary net position -ending	3,409,718	2,916,332	2,486,836	2,202,711	1,591,717	1,094,399	663,998	286,306	132,552
<b>Net OPEB liability (asset)</b>	<b>\$ 839,794</b>	<b>\$ 1,238,868</b>	<b>\$ 2,877,489</b>	<b>\$ 3,569,452</b>	<b>\$ 3,847,612</b>	<b>\$ 2,488,770</b>	<b>\$ 2,670,010</b>	<b>\$ 2,284,967</b>	<b>\$ 2,183,044</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	80.24%	70.19%	46.36%	38.16%	29.26%	30.54%	19.92%	11.13%	5.72%
<b>Covered payroll</b>	<b>\$ 4,337,750</b>	<b>\$ 4,377,443</b>	<b>\$ 4,609,191</b>	<b>\$ 4,821,770</b>	<b>\$ 4,782,810</b>	<b>\$ 5,306,108</b>	<b>\$ 5,184,986</b>	<b>\$ 3,300,603</b>	<b>\$ 3,204,469</b>
<b>Net OPEB liability as a percentage of covered payroll</b>	19.36%	28.30%	62.43%	74.03%	80.45%	46.90%	51.50%	69.23%	68.12%

In 2024, amounts reported as changes of assumptions resulted from changes to the investment rate of return.

In 2023, amounts reported as changes of assumptions resulted from changes to the investment rate of return.

In 2022, amounts reported as changes of assumptions resulted from changes to the investment rate of return.

This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

**LAKELAND SCHOOL SYSTEM**  
**OTHER POSTEMPLOYMENT BENEFIT PLAN**  
**SCHEDULE OF CONTRIBUTIONS**  
Last Ten Fiscal Years Ended June 30

**Exhibit A-8**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 250,682	\$ 409,592	\$ 468,902	\$ 475,549	\$ 351,709	\$ 366,572	\$ 257,746	\$ 240,597	\$ 67,209	\$ 74,970
Contributions	296,682	290,739	756,062	269,822	525,186	417,416	377,156	161,149	112,003	27,000
Contribution deficiency (excess)	<u>\$ (46,000)</u>	<u>\$ 118,853</u>	<u>\$ (287,160)</u>	<u>\$ 205,727</u>	<u>\$ (173,477)</u>	<u>\$ (50,844)</u>	<u>\$ (119,410)</u>	<u>\$ 79,448</u>	<u>\$ (44,794)</u>	<u>\$ 47,970</u>
Covered payroll	\$ 4,337,750	\$ 4,377,443	\$ 4,609,191	\$ 4,821,770	\$ 4,782,810	\$ 5,306,108	\$ 5,184,986	\$ 3,300,603	\$ 3,204,469	N/A
Contributions as a percentage of covered payroll	6.84%	6.64%	16.40%	5.60%	10.98%	7.87%	7.27%	4.88%	3.50%	N/A

**NOTE 1 - METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES**

Valuation Date	Actuarial determined contribution rates for fiscal year 2024 were calculated based on the June 30, 2022 valuation.
Actuarial cost method	Entry age normal
Amortization method	Level percentage of salary
Asset valuation method	Market value
Inflation	3.0%
Salary increases	Graded salary ranges from 7.5% to 3.7% based on age, including inflation
Investment rate of return	6.60%, net of investment expenses, including inflation
Mortality	SOA Pub-2010 mortality tables (General, Teacher, Contingent Survivors) fully generational using Scale MP-2021
Healthcare cost trend rates	Pre-65 & Post-65 benefits - 7.0% initial, decreasing by 0.5% annually to an ultimate rate of 4.5% for FY2029 and onward

**LAKELAND SCHOOL SYSTEM**  
**OTHER POSTEMPLOYMENT BENEFIT PLAN**  
**SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN**  
Last Ten Fiscal Years Ended June 30

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**Exhibit A-9**

	Annual Money-Weighted Rate of Return <u>Net of Investment Expenses</u>
2024	11.92%
2023	11.18%
2022	-14.69%
2021	29.37%
2020	3.60%
2019	7.32%
2018	6.25%
2017	14.10%
2016	-2.12%

This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

## **SUPPLEMENTARY INFORMATION**

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

**CITY OF LAKELAND, TENNESSEE**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
June 30, 2024

Exhibit B-1

	Special Revenue Funds								Debt Service	Total Nonmajor Governmental Funds	
	State Street Aid Fund	Storm Water Fund	Solid Waste Fund	School Federal Projects	School Nutrition Fund	School Discretionary Grants	LEAP Fund	Internal School Funds			Education Capital Projects
<b>ASSETS</b>											
Cash and cash equivalents	\$ 1,630,197	\$ 504,755	\$ -	\$ 57,998	\$ 736,520	\$ -	\$ 295,967	\$ 584,826	\$ 898,162	\$ 118	\$ 4,708,543
Receivables											
Customer	-	65,074	224,619	-	-	-	-	-	-	-	289,693
Other	-	-	-	-	1,832	-	-	-	-	-	1,832
Due from other governments	84,994	-	469,257	226,371	-	13,047	-	-	80,735	-	874,404
Due from other funds	13,121	-	-	-	-	-	-	-	-	-	13,121
Inventory	-	-	-	-	-	-	-	5,502	-	-	5,502
<b>Total assets</b>	<b>\$ 1,728,312</b>	<b>\$ 569,829</b>	<b>\$ 693,876</b>	<b>\$ 284,369</b>	<b>\$ 738,352</b>	<b>\$ 13,047</b>	<b>\$ 295,967</b>	<b>\$ 590,328</b>	<b>\$ 978,897</b>	<b>\$ 118</b>	<b>\$ 5,893,095</b>
<b>LIABILITIES</b>											
Accounts payable and accrued liabilities	\$ 480,294	\$ 5,387	\$ 137,786	\$ 200	\$ 2,533	\$ -	\$ 575	\$ -	\$ 391,533	\$ -	\$ 1,018,308
Accrued payroll	6,311	2,049	3,370	33,381	4,120	5,020	234	-	-	-	54,485
Due to other funds	-	189,751	146,169	212,506	-	8,027	-	-	-	-	556,453
Unearned revenue	-	-	-	-	28,515	-	-	-	-	-	28,515
<b>Total liabilities</b>	<b>486,605</b>	<b>197,187</b>	<b>287,325</b>	<b>246,087</b>	<b>35,168</b>	<b>13,047</b>	<b>809</b>	<b>-</b>	<b>391,533</b>	<b>-</b>	<b>1,657,761</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>											
Unavailable revenue											
Grants	-	-	469,257	226,371	-	-	-	-	-	-	695,628
<b>FUND BALANCES</b>											
Restricted	-	372,642	-	-	703,184	-	295,158	590,328	587,364	-	2,548,676
Committed	1,241,707	-	-	-	-	-	-	-	-	118	1,241,825
Unassigned	-	-	(62,706)	(188,089)	-	-	-	-	-	-	(250,795)
<b>Total fund balances</b>	<b>1,241,707</b>	<b>372,642</b>	<b>(62,706)</b>	<b>(188,089)</b>	<b>703,184</b>	<b>-</b>	<b>295,158</b>	<b>590,328</b>	<b>587,364</b>	<b>118</b>	<b>3,539,706</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 1,728,312</b>	<b>\$ 569,829</b>	<b>\$ 693,876</b>	<b>\$ 284,369</b>	<b>\$ 738,352</b>	<b>\$ 13,047</b>	<b>\$ 295,967</b>	<b>\$ 590,328</b>	<b>\$ 978,897</b>	<b>\$ 118</b>	<b>\$ 5,893,095</b>

**CITY OF LAKELAND, TENNESSEE**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2024

Exhibit B-2

	Special Revenue Funds							Education Capital Projects	Debt Service	Total Nonmajor Governmental Funds	
	State Street Aid Fund	Storm Water Fund	Solid Waste Fund	School Federal Projects	School Nutrition Fund	School Discretionary Grants	LEAP Fund				Internal School Funds
<b>REVENUES</b>											
Intergovernmental - state gas tax	\$ 490,759	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 490,759
Charges for services	-	212,482	1,376,096	-	535,478	-	274,051	-	-	-	2,398,107
Federal, state, and local grants	-	-	-	730,136	463,807	163,861	-	-	-	-	1,357,804
Contributions	-	-	-	-	-	-	-	-	1,132,665	-	1,132,665
Co-curricular	-	-	-	-	-	-	-	1,145,785	-	-	1,145,785
Interest on investments	-	1,278	-	-	-	-	-	-	25,672	10	26,960
Other	5,269	-	1,803	-	146	-	25	-	-	-	7,243
<b>Total revenues</b>	<b>496,028</b>	<b>213,760</b>	<b>1,377,899</b>	<b>730,136</b>	<b>999,431</b>	<b>163,861</b>	<b>274,076</b>	<b>1,145,785</b>	<b>1,158,337</b>	<b>10</b>	<b>6,559,323</b>
<b>EXPENDITURES</b>											
Current											
Public works	3,312,919	68,566	1,781,594	-	-	-	-	-	-	-	5,163,079
Education	-	-	-	863,304	813,957	217,831	252,813	1,034,113	-	-	3,182,018
Debt service											
Principal	-	-	-	-	-	28,212	-	-	-	1,003,172	1,031,384
Interest and fiscal charges	-	-	-	-	-	788	-	-	-	1,441,689	1,442,477
Capital outlay	24,193	264,388	-	-	-	-	-	-	3,907,383	-	4,195,964
<b>Total expenditures</b>	<b>3,337,112</b>	<b>332,954</b>	<b>1,781,594</b>	<b>863,304</b>	<b>813,957</b>	<b>246,831</b>	<b>252,813</b>	<b>1,034,113</b>	<b>3,907,383</b>	<b>2,444,861</b>	<b>15,014,922</b>
Excess (deficiency) of revenues over (under) expenditures	(2,841,084)	(119,194)	(403,695)	(133,168)	185,474	(82,970)	21,263	111,672	(2,749,046)	(2,444,851)	(8,455,599)
<b>OTHER FINANCING SOURCES (USES)</b>											
Issuance of subscription liability	-	-	-	-	-	82,970	-	-	-	-	82,970
Insurance proceeds	-	-	-	-	-	-	-	-	99,078	-	99,078
Transfers in	1,967,236	-	275,000	-	-	-	-	-	663,790	2,444,915	5,350,941
<b>Total other financing sources and uses</b>	<b>1,967,236</b>	<b>-</b>	<b>275,000</b>	<b>-</b>	<b>-</b>	<b>82,970</b>	<b>-</b>	<b>-</b>	<b>762,868</b>	<b>2,444,915</b>	<b>5,532,989</b>
Net change in fund balances	(873,848)	(119,194)	(128,695)	(133,168)	185,474	-	21,263	111,672	(1,986,178)	64	(2,922,610)
Fund balances - beginning	2,115,555	491,836	65,989	(54,921)	517,710	-	273,895	478,656	2,573,542	54	6,462,316
Fund balances - ending	<u>\$ 1,241,707</u>	<u>\$ 372,642</u>	<u>\$ (62,706)</u>	<u>\$ (188,089)</u>	<u>\$ 703,184</u>	<u>\$ -</u>	<u>\$ 295,158</u>	<u>\$ 590,328</u>	<u>\$ 587,364</u>	<u>\$ 118</u>	<u>\$ 3,539,706</u>

**CITY OF LAKELAND, TENNESSEE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**STATE STREET AID FUND**  
For the Year Ended June 30, 2024

Exhibit B-3

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental - state gas tax				
Gas motor fuel	\$ 251,562	\$ 251,562	\$ 249,469	\$ (2,093)
Gas 1989	71,859	71,859	71,552	(307)
Gas 3 cent	39,000	39,000	39,002	2
Gas 2017	135,545	135,545	125,774	(9,771)
Excise tax	-	-	4,962	4,962
Total intergovernmental - state gas tax	<u>497,966</u>	<u>497,966</u>	<u>490,759</u>	<u>(7,207)</u>
Other	-	-	5,269	5,269
Federal, state, and local grants	<u>117,000</u>	<u>117,000</u>	-	<u>(117,000)</u>
Total revenues	<u>614,966</u>	<u>614,966</u>	<u>496,028</u>	<u>(118,938)</u>
<b>EXPENDITURES</b>				
<b>PUBLIC WORKS</b>				
Salaries	220,222	220,322	220,231	91
Benefits	88,517	113,217	96,947	16,270
Contractual services	6,000	9,423	9,423	-
Materials and supplies	370,500	473,784	437,338	36,446
Paving	1,967,261	3,829,151	2,495,169	1,333,982
Street lighting	20,000	54,500	36,577	17,923
Other charges	9,640	19,540	17,234	2,306
Total public works	<u>2,682,140</u>	<u>4,719,937</u>	<u>3,312,919</u>	<u>1,407,018</u>
<b>CAPITAL OUTLAY</b>	-	24,200	24,193	7
Total expenditures	<u>2,682,140</u>	<u>4,744,137</u>	<u>3,337,112</u>	<u>1,407,025</u>
Deficiency of revenues under expenditures	(2,067,174)	(4,129,171)	(2,841,084)	1,288,087
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>1,866,910</u>	<u>2,074,954</u>	<u>1,967,236</u>	<u>(107,718)</u>
Net change in fund balances	<u>\$ (200,264)</u>	<u>\$ (2,054,217)</u>	<u>(873,848)</u>	<u>\$ 1,180,369</u>
Fund balances - beginning			<u>2,115,555</u>	
Fund balances - ending			<u>\$ 1,241,707</u>	

**CITY OF LAKELAND, TENNESSEE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**STORM WATER FUND**  
For the Year Ended June 30, 2024

Exhibit B-4

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services	\$ 210,417	\$ 210,417	\$ 212,482	\$ 2,065
Interest on investments	-	-	1,278	1,278
Total revenues	<u>210,417</u>	<u>210,417</u>	<u>213,760</u>	<u>3,343</u>
<b>EXPENDITURES</b>				
<b>PUBLIC WORKS</b>				
Salaries	44,134	44,334	37,808	6,526
Benefits	18,346	20,046	17,751	2,295
Contractual services	7,500	5,500	2,130	3,370
Materials and supplies	8,950	8,950	1,200	7,750
Other charges	12,460	12,560	9,677	2,883
Total public works	<u>91,390</u>	<u>91,390</u>	<u>68,566</u>	<u>22,824</u>
<b>CAPITAL OUTLAY</b>	<u>300,000</u>	<u>300,000</u>	<u>264,388</u>	<u>35,612</u>
Total expenditures	<u>391,390</u>	<u>391,390</u>	<u>332,954</u>	<u>58,436</u>
Deficiency of revenues under expenditures	<u>(180,973)</u>	<u>(180,973)</u>	<u>(119,194)</u>	<u>61,779</u>
Net change in fund balances	<u>\$ (180,973)</u>	<u>\$ (180,973)</u>	<u>(119,194)</u>	<u>\$ 61,779</u>
Fund balances - beginning			<u>491,836</u>	
Fund balances - ending			<u>\$ 372,642</u>	

**CITY OF LAKELAND, TENNESSEE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**SOLID WASTE FUND**  
For the Year Ended June 30, 2024

Exhibit B-5

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services	\$ 1,408,678	\$ 1,408,678	\$ 1,376,096	\$ (32,582)
Other income	-	-	1,803	1,803
Total revenues	<u>1,408,678</u>	<u>1,408,678</u>	<u>1,377,899</u>	<u>(30,779)</u>
<b>EXPENDITURES:</b>				
<b>PUBLIC WORKS</b>				
Salaries	66,880	67,180	64,894	2,286
Benefits	29,118	29,118	24,342	4,776
Contractual services	1,073,000	1,656,200	1,616,645	39,555
Materials and supplies	23,500	44,817	44,501	316
Other charges	61,550	40,733	31,212	9,521
Total public works	<u>1,254,048</u>	<u>1,838,048</u>	<u>1,781,594</u>	<u>56,454</u>
Excess (deficiency) of revenues over (under) expenditures	154,630	(429,370)	(403,695)	25,675
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	275,000	275,000	-
Net change in fund balances	<u>\$ 154,630</u>	<u>\$ (154,370)</u>	<u>(128,695)</u>	<u>\$ 25,675</u>
Fund balances - beginning			<u>65,989</u>	
Fund balances - ending			<u>\$ (62,706)</u>	

**CITY OF LAKELAND, TENNESSEE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**SCHOOL FEDERAL PROJECTS FUND**  
For the Year Ended June 30, 2024

Exhibit B-6

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Federal, state, and local grants	\$ 948,990	\$ 1,280,819	\$ 730,136	\$ (550,683)
<b>EXPENDITURES:</b>				
Education				
Regular Instruction				
Salaries	116,518	121,898	121,898	-
Benefits	36,125	35,796	34,794	1,002
Contractual services	925	1,150	1,150	-
Materials and supplies	119,813	72,167	58,518	13,649
	<u>273,381</u>	<u>231,011</u>	<u>216,360</u>	<u>14,651</u>
Special Education				
Salaries	163,243	170,405	170,405	-
Benefits	57,126	58,442	57,074	1,368
Materials and supplies	73,800	49,065	30,728	18,337
	<u>294,169</u>	<u>277,912</u>	<u>258,207</u>	<u>19,705</u>
Other Student Support				
Salaries	39,867	40,651	39,620	1,031
Benefits	5,329	5,335	5,145	190
Contractual services	325	4,500	3,750	750
Materials and supplies	4,375	3,275	1,470	1,805
Other charges	925	1,150	1,150	-
	<u>50,821</u>	<u>54,911</u>	<u>51,135</u>	<u>3,776</u>
Regular Instruction Support				
Salaries	91,059	95,757	93,511	2,246
Benefits	2,964	2,498	1,856	642
Contractual services	6,612	-	-	-
Materials and supplies	-	7,507	6,573	934
Other charges	79,453	47,971	38,811	9,160
	<u>180,088</u>	<u>153,733</u>	<u>140,751</u>	<u>12,982</u>
Special Education Support				
Salaries	10,101	10,203	10,203	-
Benefits	30,827	31,548	30,655	893
Contractual services	23,500	29,715	8,104	21,611
Materials and supplies	15,500	6,000	1,375	4,625
Other charges	61,000	21,200	9,028	12,172
	<u>140,928</u>	<u>98,666</u>	<u>59,365</u>	<u>39,301</u>
Technology				
Other charges	9,606	9,602	9,602	-
Operation of Plant				
Materials and supplies	-	7,500	106	7,394
Technical Education				
Materials and supplies	-	447,485	127,778	319,707
	<u>-</u>	<u>447,485</u>	<u>127,778</u>	<u>319,707</u>
Total education	<u>948,993</u>	<u>1,280,820</u>	<u>863,304</u>	<u>417,516</u>
Net change in fund balances	<u>\$ (3)</u>	<u>\$ (1)</u>	(133,168)	<u>\$ (133,167)</u>
Fund balances - beginning			<u>(54,921)</u>	
Fund balances - ending			<u>\$ (188,089)</u>	

**CITY OF LAKE LAND, TENNESSEE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**SCHOOL NUTRITION FUND**  
For the Year Ended June 30, 2024

Exhibit B-7

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services	\$ 382,000	\$ 382,000	\$ 535,478	\$ 153,478
Federal, state, and local grants	310,700	310,700	463,807	153,107
Other income	-	-	146	146
Total revenues	<u>692,700</u>	<u>692,700</u>	<u>999,431</u>	<u>306,731</u>
<b>EXPENDITURES:</b>				
<b>EDUCATION</b>				
Cafeteria				
Salaries	302,000	302,696	302,344	352
Benefits	86,700	79,804	69,345	10,459
Contractual services	5,000	3,500	-	3,500
Materials and supplies	296,000	745,496	436,955	308,541
Other charges	3,000	6,182	5,313	869
Total expenditures	<u>692,700</u>	<u>1,137,678</u>	<u>813,957</u>	<u>323,721</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (444,978)</u>	185,474	<u>\$ 630,452</u>
Fund balances - beginning			<u>517,710</u>	
Fund balances - ending			<u>\$ 703,184</u>	

**CITY OF LAKELAND, TENNESSEE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**SCHOOL DISCRETIONARY GRANTS FUND**  
For the Year Ended June 30, 2024

Exhibit B-8

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Federal, state, and local grants	\$ -	\$ 171,822	\$ 163,861	\$ (7,961)
<b>EXPENDITURES</b>				
<b>EDUCATION</b>				
Regular Instruction Support				
Other charges	-	7,500	7,500	-
Special Education				
Salaries	-	43,831	41,663	2,168
Benefits	-	20,986	17,537	3,449
Materials and supplies	-	13,417	11,073	2,344
	-	78,234	70,273	7,961
Maintenance of Plant				
Capital outlay	-	-	99,770	(99,770)
Materials and supplies	-	86,088	40,288	45,800
	-	86,088	140,058	(53,970)
Total education	-	171,822	217,831	(46,009)
<b>DEBT SERVICE</b>				
Principal	-	-	28,212	(28,212)
Interest	-	-	788	(788)
Total debt service	-	-	29,000	(29,000)
Total expenditures	-	171,822	246,831	(75,009)
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of subscription liability	-	-	82,970	(82,970)
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances - beginning			<u>-</u>	
Fund balances - ending			<u>\$ -</u>	

**CITY OF LAKE LAND, TENNESSEE** **Exhibit B-9**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**LAKE LAND EXTENDED ACTIVITIES PROGRAM FUND**  
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services	\$ 280,000	\$ 280,000	\$ 274,051	\$ (5,949)
Other income	-	-	25	25
Total revenues	<u>280,000</u>	<u>280,000</u>	<u>274,076</u>	<u>(5,924)</u>
<b>EXPENDITURES:</b>				
<b>EDUCATION</b>				
Student Services				
Salaries	166,000	149,475	145,017	4,458
Benefits	30,900	30,925	15,765	15,160
Contractual services	2,000	2,000	1,000	1,000
Materials and supplies	8,000	8,000	6,186	1,814
	<u>206,900</u>	<u>190,400</u>	<u>167,968</u>	<u>22,432</u>
Maintenance of Plant				
Salaries	38,000	38,000	33,954	4,046
Benefits	5,100	5,100	4,391	709
Other charges	30,000	46,500	46,500	-
	<u>73,100</u>	<u>89,600</u>	<u>84,845</u>	<u>4,755</u>
Total expenditures	<u>280,000</u>	<u>280,000</u>	<u>252,813</u>	<u>27,187</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	21,263	<u>\$ 21,263</u>
Fund balances - beginning			<u>273,895</u>	
Fund balances - ending			<u>\$ 295,158</u>	

**CITY OF LAKE LAND, TENNESSEE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**SCHOOL CAPITAL PROJECTS FUND**  
For the Year Ended June 30, 2024

Exhibit B-10

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Contributions	\$ 550,000	\$ 800,000	\$ 1,132,665	\$ 332,665
Interest income	-	-	25,672	25,672
Total revenues	<u>550,000</u>	<u>800,000</u>	<u>1,158,337</u>	<u>358,337</u>
<b>EXPENDITURES:</b>				
<b>CAPITAL OUTLAY</b>				
Architectural and engineering	-	199,008	124,196	74,812
Construction contracts	5,950,000	3,467,699	3,225,484	242,215
Equipment	1,050,000	583,293	557,703	25,590
Total capital outlay	<u>7,000,000</u>	<u>4,250,000</u>	<u>3,907,383</u>	<u>342,617</u>
Deficiency of revenues under expenditures	(6,450,000)	(3,450,000)	(2,749,046)	700,954
<b>OTHER FINANCING SOURCES (USES)</b>				
Insurance proceeds	-	-	99,078	99,078
Transfers in	3,663,790	663,790	663,790	-
Total Other Financing Sources	<u>3,663,790</u>	<u>663,790</u>	<u>762,868</u>	<u>99,078</u>
Net change in fund balances	<u>\$ (2,786,210)</u>	<u>\$ (2,786,210)</u>	(1,986,178)	<u>\$ 800,032</u>
Fund balances - beginning			<u>2,573,542</u>	
Fund balances - ending			<u>\$ 587,364</u>	

**CITY OF LAKELAND, TENNESSEE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**  
For the Year Ended June 30, 2024

Exhibit B-11

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Interest income	\$ -	\$ -	\$ 10	\$ 10
<b>EXPENDITURES:</b>				
<b>DEBT SERVICE</b>				
Principal	1,218,127	1,218,127	1,003,172	214,955
Interest	1,988,626	1,988,626	1,440,238	548,388
Other fees	-	-	1,451	(1,451)
Bond issuance costs	150,000	150,000	-	150,000
Total expenditures	<u>3,356,753</u>	<u>3,356,753</u>	<u>2,444,861</u>	<u>911,892</u>
Deficiency of revenues under expenditures	(3,356,753)	(3,356,753)	(2,444,851)	911,902
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>3,356,753</u>	<u>3,356,753</u>	<u>2,444,915</u>	<u>(911,838)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	64	<u>\$ 64</u>
Fund balances - beginning			<u>54</u>	
Fund balances - ending			<u>\$ 118</u>	

## **SUPPORTING SCHEDULES**

**CITY OF LAKELAND, TENNESSEE**  
**SCHEDULE OF TRANSFERS**  
For the Year Ended June 30, 2024

**Exhibit C-1**

	<u>Transfers In</u>	<u>Transfers Out</u>
<b>Major Funds</b>		
General Fund		
General Purpose School Fund	\$ -	\$ 740,595
Debt Service Fund	-	2,444,915
State Street Aid Fund	-	1,967,236
Solid Waste Fund	-	275,000
	<u>-</u>	<u>5,427,746</u>
General Purpose School Fund		
General Fund	740,595	-
School Capital Projects Fund	-	663,790
	<u>740,595</u>	<u>663,790</u>
<b>Total major funds</b>	740,595	6,091,536
<b>Nonmajor Funds</b>		
State Street Aid Fund		
General Fund	1,967,236	-
Solid Waste Fund		
General Fund	275,000	-
School Capital Projects Fund		
General Purpose School Fund	663,790	-
Debt Service Fund		
General Fund	<u>2,444,915</u>	<u>-</u>
<b>Total nonmajor funds</b>	<u>5,350,941</u>	<u>-</u>
<b>Total transfers</b>	<u><u>\$ 6,091,536</u></u>	<u><u>\$ 6,091,536</u></u>

**CITY OF LAKELAND, TENNESSEE**  
**SCHEDULE OF INTERFUND RECEIVABLES AND PAYABLES**  
For the Year Ended June 30, 2024

**Exhibit C-2**

	<u>Receivable From</u>	<u>Payable To</u>
<b>Major Funds</b>		
General Fund		
School General Purpose Fund	\$ -	\$ 67,613
State Street Aid Fund	-	4,962
Solid Waste Fund	138,010	-
Storm Water fund	189,751	-
Sewer Fund	1,024,354	-
	<u>1,352,115</u>	<u>72,575</u>
School General Purpose Fund		
General Fund	67,613	-
School Federal Projects Fund	212,506	-
School Discretionary Grants Fund	8,027	-
	<u>288,146</u>	<u>-</u>
Sewer Fund		
General Fund	-	1,024,354
School Capital Projects Fund	-	-
	<u>-</u>	<u>1,024,354</u>
<b>Total major funds</b>	<b>1,640,261</b>	<b>1,096,929</b>
<b>Nonmajor Funds</b>		
State Street Aid Fund		
General Fund	4,962	-
Solid Waste Fund	8,159	-
Solid Waste Fund		
General Fund	-	138,010
State Street Aid Fund	-	8,159
Storm Water fund		
General Fund	-	189,751
School Federal Projects Fund		
School General Purpose Fund	-	212,506
School Discretionary Grants Fund		
School General Purpose Fund	-	8,027
	<u>13,121</u>	<u>556,453</u>
<b>Total nonmajor funds</b>	<b>13,121</b>	<b>556,453</b>
<b>Total interfund receivables and payables</b>	<b>\$ 1,653,382</b>	<b>\$ 1,653,382</b>

**CITY OF LAKELAND, TENNESSEE**  
**SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS - GENERAL OBLIGATION BONDS AND NOTES PAYABLE**  
**GOVERNMENTAL FUNDS**  
 June 30, 2024

**Exhibit C-3**

	2011 TLDA		Shelby County		Series 2021		Series 2021		Series 2022		Series 2022	
	Construction Loan		Settlement <sup>(1)</sup>		General Obligation		General Obligation		General Obligation		General Obligation	
	Principal	Interest	Principal	Interest	Refunding Bond 1		Refunding Bond 2		Refunding Bond 1		Refunding Bond 2	
2025	\$ 67,932	\$ 22,980	\$ 111,275	\$ 1,399	\$ 89,188	\$ 104,931	\$ 164,829	\$ 193,923	\$ 154,748	\$ 239,635	\$ 153,185	\$ 237,214
2026	69,228	21,600	56,328	49	91,083	103,036	168,331	190,421	158,177	236,207	156,579	233,821
2027	70,548	20,208	-	-	93,018	101,100	171,908	186,844	162,131	232,252	160,493	229,906
2028	71,892	18,768	-	-	94,995	99,123	175,561	183,191	165,766	228,617	164,091	226,308
2029	73,260	17,316	-	-	97,014	97,105	179,292	179,460	170,739	223,644	169,015	221,385
2030	74,664	15,828	-	-	99,075	95,043	183,102	175,650	174,597	219,786	172,833	217,566
2031	76,080	14,316	-	-	101,181	92,938	186,993	171,759	178,962	215,421	177,154	213,245
2032	77,532	12,780	-	-	103,331	90,788	190,966	167,786	183,049	211,334	181,200	209,199
2033	79,008	11,208	-	-	105,527	88,592	195,024	163,728	188,391	205,993	186,488	203,912
2034	80,520	9,600	-	-	107,769	86,350	199,169	159,583	192,722	201,661	190,775	199,624
2035	82,056	7,968	-	-	110,059	84,059	203,401	155,351	197,540	196,843	195,545	194,855
2036	83,616	6,300	-	-	112,398	81,721	207,723	151,029	202,127	192,257	200,085	190,315
2037	85,212	4,608	-	-	114,786	79,332	212,137	146,615	207,874	186,509	205,775	184,625
2038	86,832	2,880	-	-	117,225	76,893	216,645	142,107	212,728	181,655	210,580	179,820
2039	88,488	1,128	-	-	119,717	74,402	221,249	137,503	218,047	176,336	215,844	174,555
2040	7,569	13	-	-	122,260	71,858	225,951	132,801	223,184	171,199	220,930	169,469
2041	-	-	-	-	124,859	69,260	230,752	128,000	229,381	165,003	227,064	163,336
2042	-	-	-	-	127,512	66,607	235,656	123,096	234,812	159,571	232,440	157,959
2043	-	-	-	-	130,221	63,897	240,663	118,089	240,682	153,701	238,251	152,148
2044	-	-	-	-	132,989	61,130	245,777	112,975	246,428	147,955	243,939	146,460
2045	-	-	-	-	135,815	58,304	251,000	107,752	253,120	141,264	250,563	139,837
2046	-	-	-	-	138,701	55,418	256,334	102,418	259,188	135,195	256,570	133,829
2047	-	-	-	-	141,648	52,470	261,781	96,971	265,668	128,715	262,984	127,415
2048	-	-	-	-	144,658	49,460	267,344	91,408	272,086	122,298	269,337	121,062
2049	-	-	-	-	147,732	46,386	273,025	85,727	279,323	115,060	276,502	113,898
2050	-	-	-	-	150,871	43,247	278,827	79,925	286,095	108,288	283,205	107,195
2051	-	-	-	-	154,077	40,041	284,752	74,000	293,247	101,136	290,285	100,115
2052	-	-	-	-	157,352	36,767	290,803	67,949	300,406	93,977	297,372	93,028
2053	-	-	-	-	160,695	33,423	296,982	61,770	308,247	86,137	305,133	85,266
2054	-	-	-	-	164,110	30,008	303,293	55,459	315,794	78,589	312,605	77,795
2055	-	-	-	-	167,597	26,521	309,738	49,014	323,689	70,694	320,420	69,980
2056	-	-	-	-	171,159	22,960	316,320	42,432	331,667	62,716	328,317	62,083
2057	-	-	-	-	174,796	19,323	323,042	35,710	340,173	54,210	336,737	53,663
2058	-	-	-	-	178,510	15,608	329,906	28,846	348,578	45,806	345,057	45,343
2059	-	-	-	-	182,304	11,815	336,917	21,835	357,292	37,091	353,683	36,716
2060	-	-	-	-	186,178	7,941	344,076	14,676	366,173	28,210	362,474	27,925
2061	-	-	-	-	187,508	3,985	346,540	7,364	375,414	18,970	371,621	18,778
2062	-	-	-	-	-	-	-	-	384,250	9,619	380,369	9,522
	<u>\$ 1,174,437</u>	<u>\$ 187,501</u>	<u>\$ 167,603</u>	<u>\$ 1,448</u>	<u>\$ 4,937,918</u>	<u>\$ 2,241,842</u>	<u>\$ 9,125,809</u>	<u>\$ 4,143,167</u>	<u>\$ 9,602,495</u>	<u>\$ 5,383,554</u>	<u>\$ 9,505,500</u>	<u>\$ 5,329,172</u>

<sup>(1)</sup> Payable from General Purpose School Fund, but backed by full faith and credit of City.

CONTINUED ON THE NEXT PAGE

**CITY OF LAKELAND, TENNESSEE**  
**SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS - GENERAL OBLIGATION BONDS AND NOTES PAYABLE**  
**GOVERNMENTAL FUNDS**  
 June 30, 2024

Exhibit C-3

	Series 2022 General Obligation Refunding Bond 3		Series 2022 General Obligation Refunding Bond 4		Series 2022 General Obligation Refunding Bond 5		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
	2025	\$ 151,622	\$ 234,794	\$ 123,533	\$ 191,296	\$ 123,525	\$ 191,284	\$ 1,139,837
2026	154,981	231,435	126,270	188,560	126,262	188,548	1,107,239	1,393,677
2027	158,856	227,560	129,426	185,403	129,418	185,391	1,075,798	1,368,664
2028	162,417	223,999	132,328	182,501	132,320	182,490	1,099,370	1,344,997
2029	167,290	219,126	136,298	178,531	136,290	178,520	1,129,198	1,315,087
2030	171,070	215,346	139,378	175,452	139,369	175,440	1,154,088	1,290,111
2031	175,346	211,069	142,862	171,967	142,853	171,956	1,181,431	1,262,671
2032	179,351	207,065	146,125	168,704	146,116	168,694	1,207,670	1,236,350
2033	184,585	201,831	150,389	164,440	150,380	164,430	1,239,792	1,204,134
2034	188,829	197,587	153,847	160,983	153,837	160,972	1,267,468	1,176,360
2035	193,549	192,866	157,693	157,137	157,683	157,127	1,297,526	1,146,206
2036	198,043	188,373	161,354	153,475	161,344	153,465	1,326,690	1,116,935
2037	203,675	182,741	165,943	148,887	165,932	148,877	1,361,334	1,082,194
2038	208,431	177,985	169,818	145,012	169,807	145,003	1,392,066	1,051,355
2039	213,642	172,774	174,063	140,766	174,052	140,757	1,425,102	1,018,221
2040	218,676	167,740	178,164	136,665	178,153	136,656	1,374,887	986,401
2041	224,747	161,669	183,111	131,719	183,099	131,710	1,403,013	950,697
2042	230,068	156,347	187,446	127,383	187,435	127,375	1,435,369	918,338
2043	235,820	150,596	192,133	122,697	192,120	122,689	1,469,890	883,817
2044	241,450	144,966	196,720	118,110	196,707	118,102	1,504,010	849,698
2045	248,006	138,410	202,061	112,768	202,048	112,761	1,542,613	811,096
2046	253,952	132,464	206,905	107,924	206,892	107,917	1,578,542	775,165
2047	260,301	126,115	212,078	102,751	212,065	102,745	1,616,525	737,182
2048	266,589	119,827	217,201	97,628	217,188	97,623	1,654,403	699,306
2049	273,680	112,736	222,979	91,851	222,965	91,845	1,696,206	657,503
2050	280,315	106,101	228,384	86,445	228,370	86,439	1,736,067	617,640
2051	287,323	99,093	234,094	80,735	234,079	80,730	1,777,857	575,850
2052	294,337	92,078	239,809	75,020	239,794	75,015	1,819,873	533,834
2053	302,019	84,396	246,068	68,761	246,052	68,757	1,865,196	488,510
2054	309,415	77,001	252,093	62,736	252,077	62,732	1,909,387	444,320
2055	317,150	69,266	258,396	56,434	258,379	56,430	1,955,369	398,339
2056	324,967	61,449	264,764	50,065	264,747	50,062	2,001,941	351,767
2057	333,301	53,115	271,554	43,275	271,537	43,272	2,051,140	302,568
2058	341,536	44,880	278,264	36,566	278,246	36,563	2,100,097	253,612
2059	350,074	36,342	285,220	29,609	285,202	29,607	2,150,692	203,015
2060	358,775	27,640	292,309	22,520	292,291	22,518	2,202,276	151,430
2061	367,829	18,586	299,686	15,143	299,667	15,142	2,248,265	97,968
2062	376,488	9,425	306,740	7,679	306,720	7,678	1,754,567	43,923
	<u>\$ 9,408,505</u>	<u>\$ 5,274,793</u>	<u>\$ 7,665,506</u>	<u>\$ 4,297,598</u>	<u>\$ 7,665,021</u>	<u>\$ 4,297,322</u>	<u>\$ 59,252,794</u>	<u>\$ 31,156,397</u>

**CITY OF LAKELAND, TENNESSEE**  
**SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS - REVENUE BONDS**  
**SEWER FUND**  
June 30, 2024

**Exhibit C-4**

Fiscal Year	Series 2005 TN Municipal League Note Payable <sup>(1)</sup>		Series 2022 TN State Revolving Fund Note Payable <sup>(2)</sup>		Series 2022 TN State Revolving Fund Note Payable <sup>(3)</sup>		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
	2025	\$ 688,000	\$ 3,089	\$ -	\$ -	\$ -	\$ -	\$ 688,000
2026	716,000	1,575	-	-	-	-	716,000	1,575
2027	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-	-
2041	-	-	-	-	-	-	-	-
2042	-	-	5,042,702	-	-	-	5,042,702	-
	<u>\$ 1,404,000</u>	<u>\$ 4,664</u>	<u>\$ 5,042,702</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,446,702</u>	<u>\$ 4,664</u>

<sup>(1)</sup> Variable interest rate as of June 30, 2024 was 3.35%.

<sup>(2)</sup> Interim financing loan. No payments due until refinancing or maturity date.

<sup>(3)</sup> No amounts have been drawn on loan at June 30, 2024.

**CITY OF LAKELAND, TENNESSEE**  
**SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE**  
For the Year Ended June 30, 2024

**Exhibit C-5**

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Maturity Date	Outstanding as of 6/30/2023	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding as of 6/30/2024
<b>GOVERNMENTAL ACTIVITIES</b>									
<b>Other Loans Payable</b>									
<u>Payable through Debt Service Fund</u>									
TLDA Construction Loan	\$ 1,725,000	1.89%	11/10/2010	7/20/2039	\$ 1,241,104	\$ -	\$ 66,667	\$ -	\$ 1,174,437
Shelby County Settlement Liability	\$ 676,044	0.50%	5/31/2014	11/1/2025	167,603	-	-	-	167,603
<b>Total other loans payable</b>					<u>1,408,707</u>	<u>-</u>	<u>66,667</u>	<u>-</u>	<u>1,342,040</u>
<b>General Obligation</b>									
<u>Payable through Debt Service Fund</u>									
G.O. Refunding Bond 1, Series 2021	\$ 5,194,500	2.125%	1/27/2021	1/27/2061	5,025,250	-	87,332	-	4,937,918
G.O. Refunding Bond 2, Series 2021	\$ 9,600,000	2.125%	1/27/2021	1/27/2061	9,287,208	-	161,399	-	9,125,809
G.O. Refunding Bond 1, Series 2022	\$ 9,900,000	2.50%	6/22/2022	6/22/2062	9,753,117	-	150,622	-	9,602,495
G.O. Refunding Bond 2, Series 2022	\$ 9,800,000	2.50%	6/22/2022	6/22/2062	9,654,601	-	149,101	-	9,505,500
G.O. Refunding Bond 3, Series 2022	\$ 9,700,000	2.50%	6/22/2022	6/22/2062	9,556,084	-	147,579	-	9,408,505
G.O. Refunding Bond 4, Series 2022	\$ 7,903,000	2.50%	6/22/2022	6/22/2062	7,785,746	-	120,240	-	7,665,506
G.O. Refunding Bond 5, Series 2022	\$ 7,902,500	2.50%	6/22/2022	6/22/2062	7,785,253	-	120,232	-	7,665,021
					<u>58,847,259</u>	<u>-</u>	<u>936,505</u>	<u>-</u>	<u>57,910,754</u>
<b>Total governmental activities</b>					<u>\$ 60,255,966</u>	<u>\$ -</u>	<u>\$ 1,003,172</u>	<u>\$ -</u>	<u>\$ 59,252,794</u>
<b>BUSINESS-TYPE ACTIVITIES</b>									
<b>Revenue Notes Payable</b>									
<u>Payable through Sewer Fund</u>									
TN Municipal League Note, Series 2005	\$ 11,000,000	3.98%*	6/1/2006	5/25/2026	\$ 2,065,000	\$ -	\$ 661,000	\$ -	\$ 1,404,000
TN State Revolving Fund, Series 2022	\$ 5,042,702	2.86%	5/2/2022	5/30/2042	-	5,042,702	-	-	5,042,702
TN State Revolving Fund, Series 2022	\$ -	3.35%	9/20/2023	6/30/2044	-	-	-	-	-
<b>Total business-type activities</b>					<u>\$ 2,065,000</u>	<u>\$ 5,042,702</u>	<u>\$ 661,000</u>	<u>\$ -</u>	<u>\$ 6,446,702</u>

\* Variable rate Tennessee Municipal Bond Fund loan rate for June 30, 2024 was 3.98%.

**CITY OF LAKELAND, TENNESSEE**

**Exhibit C-6**

**SCHEDULE OF CHANGES IN PROPERTY TAXES RECEIVABLE - BY LEVY YEAR**

For the Year Ended June 30, 2024

**CHANGES IN PROPERTY TAXES RECEIVABLE BY LEVY YEAR**

Year of Levy	Balance June 30, 2023	Assessment	Adjustments/ Abatements	Collections/ Refunds	Balance June 30, 2024
2024	\$ -	\$5,963,236	\$ -	\$ -	\$ 5,963,236
2023	5,880,668	-	8,333	(5,805,591)	83,410
2022	42,453	-	4,130	(24,675)	21,908
2021	5,327	-	4,633	(2,571)	7,389
2020	2,056	-	494	(100)	2,450
2019	458	-	253	(193)	518
2018	375	-	327	(134)	568
2017	814	-	255	(36)	1,033
2016	150	-	392	(38)	504
2015	6	-	487	(30)	463
2014	303	-	-	-	303
<b>Total</b>	<b>5,932,610</b>	<b>5,963,236</b>	<b>19,304</b>	<b>(5,833,368)</b>	<b>6,081,782</b>
Allowance for uncollectible property taxes	(61,614)				(65,559)
<b>Net receivables</b>	<b>\$ 5,870,996</b>				<b>\$ 6,016,223</b>

**DELINQUENT PROPERTY TAXES**

The City files delinquent property taxes with the Chancery Court on the first business day of April each year for property taxes receivable aged over two years.

**PROPERTY TAX RATES AND ASSESSMENTS - LAST 10 YEARS**

Year of Levy	Total Assessed Valuation	Tax Rate per \$100	Levy
2024	\$ 501,112,285	\$ 1.19	\$ 5,963,236
2023	494,173,867	1.19	5,880,669
2022	475,665,753	1.04	4,946,925
2021	454,811,396	1.04	4,730,039
2020	369,153,978	1.24	4,577,509
2019	362,023,970	1.24	4,489,097
2018	355,154,200	1.25	4,439,428
2017	353,143,290	1.25	4,414,291
2016	318,045,649	1.40	4,452,639
2015	313,448,157	1.40	4,388,274

**CITY OF LAKELAND, TENNESSEE**  
**SCHEDULE OF OFFICIAL BONDS OF PRINCIPAL OFFICIALS**  
For the Year Ended June 30, 2024

**Exhibit C-7**

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	<u>Amount of Bond</u>
Mayor	\$ 10,000
Commissioners (each)	10,000
City Manager	10,000
Finance and Human Resources Director	10,000
City Recorder	10,000
Finance and Inventory Clerk	10,000
Community Services Representative	10,000
Senior Center Manager	10,000
Receptionist	10,000
Human Resources Generalist	10,000
Lakeland School System Superintendent	1,000,000

City employees are covered under the City's insurance policy for dishonesty, forgery, alterations, theft, disappearance or destruction, and computer fraud subject to a \$1,000 deductible. The City of Lakeland also maintains additional fidelity insurance against employee theft up to \$3,000,000 with a \$35,000 retention amount. Lakeland School System employees are covered by a blanket bond.

**CITY OF LAKELAND, TENNESSEE**  
**SCHEDULE OF UTILITY RATE STRUCTURE AND NUMBER OF CUSTOMERS**  
 For the Year Ended June 30, 2024

**Exhibit C-8**

**SEWER:**

Number of Customers as of June 30, 2024: 4,362

Gallons Used / 1 CCF = 748.052 gallons  
 MLGW measures by CCF not gallons

**Residential City Sewer Rates**

Minimum Monthly Bill \$28.77  
 Volumetric Rate \$2.08/ccf

**Commercial City Sewer Rates**

Minimum Monthly Bill (based on meter size), plus Volumetric Rate \$2.08/ccf

**Commercial Rates (Per Month)**

<u>Meter Size (Inches)</u>	<u>Max Flow Rater (GPM)</u>	<u>Multiplier</u>	<u>Minimum bill (\$)</u>	<u>\$/ccf</u>
5/8 & 3/4	20	1	\$ 28.77	\$ 2.08
1	50	2.5	71.93	2.08
1 1/2	100	5	143.85	2.08
2	160	8	230.16	2.08
3	500	25	719.25	2.08
4	1,000	50	1,438.50	2.08
6	1,600	80	2,301.60	2.08
8	2,800	140	4,027.80	2.08
10	4,400	220	6,329.40	2.08

**SANITATION:**

Number of Customers as of June 30, 2024: 4,599

<u>Rate Type</u>	<u>Monthly Charge</u>
Residential	\$ 24.70

**STORM WATER:**

Number of Customers as of June 30, 2024: 5,253

<u>Rate Type</u>	<u>Monthly Charge</u>
Residential	\$ 3.20

**STATISTICAL SECTION (UNAUDITED)**

**CITY OF LAKELAND, TENNESSEE**  
**STATISTICAL SECTION - TABLE OF CONTENTS**

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This part of the City of Lakeland’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

<b>Contents</b>	<b>Exhibit</b>	<b>Page</b>
<b>Financial Trends</b> – These exhibits contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.		
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<b>Revenue Capacity</b> – These exhibits contain information to help the reader assess the factors affecting the City’s ability to generate its property and sales taxes.		
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Direct and Overlapping Sales Tax Rates	D-13	123
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Local Sales Tax Revenue by Industry	D-15	125
<b>Debt Capacity</b> – These exhibits present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.		
Ratios of Outstanding Debt by Type	D-16	126
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Direct and Overlapping Debt – Governmental Activities	D-18	128
<b>Demographic and Economic Information</b> – These exhibits offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place, as a means of comparisons over time and with other governments.		
Demographics and Economic Indicators	D-19	129
Principal Employers	D-20	130
<b>Operating Information</b> – These exhibits contain information about the City’s operations and resources to help the reader understand how the City’s financial information relates to the services the City provides and the activities it performs.		
Full-Time Equivalent Employees by Fund and Function	D-21	131
Operating Indicators by Function	D-22	132
Capital Assets Statistics by Function	D-23	133

**Sources:** Unless otherwise noted, the information in these exhibits is derived from the annual financial reports for the relevant year.

**CITY OF LAKELAND, TENNESSEE**  
**NET POSITION BY COMPONENT**

**Exhibit D-1**

Last Ten Fiscal Years  
 (Accrual basis of accounting)

	As of June 30, 2024	As of June 30, 2023	As of June 30, 2022	As of June 30, 2021	As of June 30, 2020	As of June 30, 2019	As of June 30, 2018	As of June 30, 2017	As of June 30, 2016	As of June 30, 2015
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 77,101,130	\$73,163,543	\$68,900,757	\$ 54,438,834	\$ 49,245,341	\$ 46,769,191	\$ 44,863,094	\$ 42,975,044	\$ 41,237,807	\$ 41,723,002
Restricted	12,006,318	10,846,427	8,766,467	3,103,811	3,441,131	3,408,097	8,135,361	8,288,185	1,708,500	-
Unrestricted	9,292,325	16,059,896	14,861,814	18,014,433	16,830,765	14,429,273	5,843,072	5,931,344	11,045,961	10,783,417
<b>Total Governmental Activities</b>	<u>\$ 98,399,773</u>	<u>\$ 100,069,866</u>	<u>\$ 92,529,038</u>	<u>\$ 75,557,078</u>	<u>\$ 69,517,237</u>	<u>\$ 64,606,561</u>	<u>\$ 58,841,527</u>	<u>\$ 57,194,573</u>	<u>\$ 53,992,268</u>	<u>\$ 52,506,419</u>
<b>Business-Type Activities</b>										
Net investment in capital assets	\$ 14,897,423	\$13,571,660	\$12,145,664	\$ 11,103,421	\$ 9,941,763	\$ 9,462,547	\$ 8,335,618	\$ 8,024,603	\$ 7,548,065	\$ 7,411,864
Restricted	-	-	-	-	2,817	-	16,320	-	-	-
Unrestricted	(736,243)	341,947	1,362,790	1,735,313	2,372,034	1,913,569	1,864,756	1,602,169	1,610,174	1,519,980
<b>Total Business-Type Activities</b>	<u>\$ 14,161,180</u>	<u>\$ 13,913,607</u>	<u>\$ 13,508,454</u>	<u>\$ 12,838,734</u>	<u>\$ 12,316,614</u>	<u>\$ 11,376,116</u>	<u>\$ 10,216,694</u>	<u>\$ 9,626,772</u>	<u>\$ 9,158,239</u>	<u>\$ 8,931,844</u>
<b>Primary Government</b>										
Net investment in capital assets	\$ 91,998,553	\$86,735,203	\$ 81,046,421	\$ 65,542,255	\$ 59,187,104	\$ 56,231,738	\$ 53,198,712	\$ 50,999,647	\$ 48,785,872	\$ 49,134,866
Restricted	12,006,318	10,846,427	8,766,467	3,103,811	3,443,948	3,408,097	8,151,681	8,288,185	1,708,500	-
Unrestricted	8,556,082	16,401,843	16,224,604	19,749,746	19,202,799	16,342,842	7,707,828	7,533,513	12,656,135	12,303,397
<b>Total Primary Government</b>	<u>\$ 112,560,953</u>	<u>\$ 113,983,473</u>	<u>\$ 106,037,492</u>	<u>\$ 88,395,812</u>	<u>\$ 81,833,851</u>	<u>\$ 75,982,677</u>	<u>\$ 69,058,221</u>	<u>\$ 66,821,345</u>	<u>\$ 63,150,507</u>	<u>\$ 61,438,263</u>

Source: Annual audited financial statements for each of the fiscal years presented above, as originally reported. Prior period adjustments, if any, are not reflected.

**CITY OF LAKELAND, TENNESSEE**  
**CHANGES IN NET POSITION**  
Last Ten Fiscal Years Ended June 30  
(Accrual basis of accounting)

**Exhibit D-2**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>EXPENSES</b>										
Governmental Activities										
General government	\$ 5,386,179	\$ 2,448,002	\$ 2,280,602	\$ 2,073,494	\$ 1,615,102	\$ 2,241,345	\$ 2,444,545	\$ 1,984,530	\$ 1,663,019	\$ 1,460,316
Community services	1,179,351	1,051,168	839,141	562,646	1,036,685	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	2,252
Public works	7,560,961	6,389,408	4,573,665	4,719,674	4,063,106	5,237,019	5,310,397	5,524,380	4,845,979	4,420,595
Parks and recreation	1,338,097	1,188,121	1,045,805	513,748	505,085	603,062	493,440	680,872	435,148	305,885
Natural resources	-	-	-	-	-	-	-	-	-	-
Education	30,340,419	27,190,110	19,931,522	19,838,831	17,971,699	15,648,246	15,526,261	8,866,714	9,452,381	6,980,701
Debt issuance costs	-	-	152,380	34,000	-	-	-	32,158	214,684	-
Interest on long-term debt	1,233,330	1,287,073	760,617	1,185,980	1,141,192	706,464	723,878	120,027	52,145	50,664
Total governmental activities	47,038,337	39,553,882	29,583,732	28,928,373	26,332,869	24,436,136	24,498,521	17,208,681	16,663,356	13,220,413
Business-Type Activity										
Sewer	2,246,757	1,942,728	1,403,653	1,387,998	1,411,827	1,280,582	1,287,702	1,171,287	1,046,611	1,097,001
Total business-type activity	2,246,757	1,942,728	1,403,653	1,387,998	1,411,827	1,280,582	1,287,702	1,171,287	1,046,611	1,097,001
Total primary government expenses	\$ 49,285,094	\$ 41,496,610	\$ 30,987,385	\$ 30,316,371	\$ 27,744,696	\$ 25,716,718	\$ 25,786,223	\$ 18,379,968	\$ 17,709,967	\$ 14,317,414
<b>PROGRAM REVENUES</b>										
Governmental Activities										
Charges for Services										
General government	\$ -	\$ 600	\$ 400	\$ 3,606	\$ 5,328	\$ 182,005	\$ 289,925	\$ 254,125	\$ 115,735	\$ 95,372
Community development	191,725	180,241	268,895	397,838	467,443	-	-	-	-	-
Public works	1,588,578	1,562,893	1,566,499	1,508,963	1,465,274	1,450,391	1,438,322	1,450,836	1,411,948	1,397,795
Parks and recreation	170,954	113,671	171,065	155,651	244,630	246,530	254,488	153,810	116,720	55,500
Natural resources	-	-	-	-	-	-	-	-	-	-
Education	868,272	736,461	317,854	234,460	477,764	596,144	537,903	370,351	372,705	126,096
Operating grants and contributions	18,502,789	17,512,419	17,719,942	14,131,983	11,177,075	11,016,750	8,958,325	5,718,014	4,967,226	4,550,491
Capital grants and contributions	1,776,358	5,999,299	8,465,404	1,601,883	2,522,360	2,463,353	918,423	1,046,256	171,116	1,016,559
Total governmental activities	23,098,676	26,105,584	28,510,059	18,034,384	16,359,874	15,955,173	12,397,386	8,993,392	7,155,450	7,241,813
Business-Type Activity										
Charges for Services										
Sewer	2,422,202	1,887,349	1,823,815	1,906,847	2,296,427	1,497,126	1,481,646	1,502,522	1,268,923	1,188,359
Operating grants and contributions	61,372	-	-	-	-	-	-	-	-	5,270
Capital grants and contributions	-	363,947	244,155	-	41,709	930,093	390,600	133,300	-	-
Total business-type activity	2,483,574	2,251,296	2,067,970	1,906,847	2,338,136	2,427,219	1,872,246	1,635,822	1,268,923	1,193,629
Total primary government program revenues	\$ 25,582,250	\$ 28,356,880	\$ 30,578,029	\$ 19,941,231	\$ 18,698,010	\$ 18,382,392	\$ 14,269,632	\$ 10,629,214	\$ 8,424,373	\$ 8,435,442
Net (Expense)/Revenue										
Governmental activities	\$ (23,939,661)	\$ (13,448,298)	\$ (1,073,673)	\$ (10,893,989)	\$ (9,972,995)	\$ (8,480,963)	\$ (12,101,135)	\$ (8,215,289)	\$ (9,507,906)	\$ (5,978,600)
Business-type activity	236,817	308,568	664,317	518,849	926,309	1,146,637	584,544	464,535	222,312	96,628
Total primary government	\$ (23,702,844)	\$ (13,139,730)	\$ (409,356)	\$ (10,375,140)	\$ (9,046,686)	\$ (7,334,326)	\$ (11,516,591)	\$ (7,750,754)	\$ (9,285,594)	\$ (5,881,972)

(Continued on next page)

**CITY OF LAKELAND, TENNESSEE**  
**CHANGES IN NET POSITION**  
Last Ten Fiscal Years Ended June 30  
(Accrual basis of accounting)

**Exhibit D-2**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>GENERAL REVENUES AND OTHER</b>										
<b>CHANGES IN NET POSITION</b>										
Governmental Activities										
Local taxes	\$ 19,398,477	\$ 17,471,766	\$ 15,516,666	\$ 14,281,850	\$ 12,910,473	\$ 12,422,859	\$ 12,054,385	\$ 9,720,013	\$ 8,451,536	\$ 6,639,974
Intergovernmental revenues	2,074,699	1,860,270	1,912,424	1,854,201	1,573,782	1,593,976	1,545,903	1,587,101	2,897,031	1,771,959
Other revenue	151,613	1,364,077	581,161	324,248	113,589	125,449	61,408	24,941	100,121	42,511
Gain on sale of capital assets	-	-	-	-	171	-	172	8,923	-	-
Interest on investments	412,659	293,013	35,382	71,153	285,656	103,713	86,221	76,616	43,145	11,947
Insurance proceeds	232,120	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>22,269,568</u>	<u>20,989,126</u>	<u>18,045,633</u>	<u>16,531,452</u>	<u>14,883,671</u>	<u>14,245,997</u>	<u>13,748,089</u>	<u>11,417,594</u>	<u>11,491,833</u>	<u>8,466,391</u>
Business-Type Activity										
Interest on investments	5,417	96,585	5,403	3,271	14,189	12,785	5,378	3,998	4,083	4,311
Other	5,339	-	-	-	-	-	-	-	-	-
Total business-type activity	<u>10,756</u>	<u>96,585</u>	<u>5,403</u>	<u>3,271</u>	<u>14,189</u>	<u>12,785</u>	<u>5,378</u>	<u>3,998</u>	<u>4,083</u>	<u>4,311</u>
Total primary government	<u>\$ 22,280,324</u>	<u>\$ 21,085,711</u>	<u>\$ 18,051,036</u>	<u>\$ 16,534,723</u>	<u>\$ 14,897,860</u>	<u>\$ 14,258,782</u>	<u>\$ 13,753,467</u>	<u>\$ 11,421,592</u>	<u>\$ 11,495,916</u>	<u>\$ 8,470,702</u>
<b>CHANGE IN NET POSITION</b>										
Governmental activities	\$ (1,670,093)	\$ 7,540,828	\$ 16,971,960	\$ 5,637,463	\$ 4,910,676	\$ 5,765,034	\$ 1,646,954	\$ 3,202,305	\$ 1,983,927	\$ 2,487,791
Business-type activity	247,573	405,153	669,720	522,120	940,498	1,159,422	589,922	468,533	226,395	100,939
Total primary government	<u>\$ (1,422,520)</u>	<u>\$ 7,945,981</u>	<u>\$ 17,641,680</u>	<u>\$ 6,159,583</u>	<u>\$ 5,851,174</u>	<u>\$ 6,924,456</u>	<u>\$ 2,236,876</u>	<u>\$ 3,670,838</u>	<u>\$ 2,210,322</u>	<u>\$ 2,588,730</u>

**CITY OF LAKELAND, TENNESSEE**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**

**Exhibit D-3**

Last Ten Fiscal Years  
(modified accrual basis of accounting)

	As of June 30, 2024	As of June 30, 2023	As of June 30, 2022	As of June 30, 2021	As of June 30, 2020	As of June 30, 2019	As of June 30, 2018	As of June 30, 2017	As of June 30, 2016	As of June 30, 2015
<b>General Fund</b>										
Nonspendable	\$ 2,861	\$ 2,256,000	\$ 1,004	\$ 1,660	\$ 320,000	\$ 69,998	\$ -	\$ 66	\$ -	\$ -
Restricted	-	-	81,198	172,546	172,419	-	-	-	-	-
Committed	350,572	1,216,829	1,297,372	1,612,139	1,478,919	1,087,610	523,435	430,078	408,718	395,769
Assigned	234,823	854,823	604,823	1,770,000	1,340,354	214,835	259,970	2,617,696	2,404,227	496,275
Unassigned	6,948,587	9,481,569	8,191,513	7,731,486	8,588,342	8,778,081	7,756,900	7,529,530	8,110,377	6,674,860
<b>Total General Fund</b>	<b>\$ 7,536,843</b>	<b>\$ 13,809,221</b>	<b>\$ 10,175,910</b>	<b>\$ 11,287,831</b>	<b>\$ 11,900,034</b>	<b>\$ 10,150,524</b>	<b>\$ 8,540,305</b>	<b>\$ 10,577,370</b>	<b>\$ 10,923,322</b>	<b>\$ 7,566,904</b>
<b>General Purpose School Fund</b>										
Nonspendable	\$ 599	\$ -	\$ -	\$ 1,857	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	7,049,037	6,326,926	6,190,729	138,333	67,631	30,024	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	8,723,848	6,989,444	6,136,225	4,326,764	2,795,478	1,865,633	721,394
<b>Total General Purpose School Fund</b>	<b>\$ 7,049,636</b>	<b>\$ 6,326,926</b>	<b>\$ 6,190,729</b>	<b>\$ 8,864,038</b>	<b>\$ 7,057,075</b>	<b>\$ 6,166,249</b>	<b>\$ 4,326,764</b>	<b>\$ 2,795,478</b>	<b>\$ 1,865,633</b>	<b>\$ 721,394</b>
<b>School Federal Projects Fund</b>										
Restricted			\$ 889							
<b>School Capital Projects Fund</b>										
Restricted		\$ 2,573,542	\$ 8,084,489	\$ 23,376,222	\$ 43,394,431	\$ 996,109	\$ 6,399,351	\$ 6,602,136	\$ 20,601,660	
<b>Total School Capital Projects Fund</b>		<b>\$ 2,573,542</b>	<b>\$ 8,084,489</b>	<b>\$ 23,376,222</b>	<b>\$ 43,394,431</b>	<b>\$ 996,109</b>	<b>\$ 6,399,351</b>	<b>\$ 6,602,136</b>	<b>\$ 20,601,660</b>	
<b>Debt Service Fund</b>										
Committed	\$ 54	\$ 45	\$ 42	\$ 42	\$ 42					
<b>Total Debt Service Fund</b>	<b>\$ 54</b>	<b>\$ 45</b>	<b>\$ 42</b>	<b>\$ 42</b>	<b>\$ 42</b>					
<b>Non-Major Governmental Funds</b>										
Nonspendable	\$ -	\$ 6,213	\$ 4,553	\$ 13,025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	2,548,676	1,821,873	1,914,269	1,352,462	1,369,855	1,752,589	1,564,107	1,852,196	998,420 *	767,298 *
Committed	1,241,825	2,115,555	2,825,683	555,575	294,322	380,340	923,496	239,885	395,010 *	-
Assigned	-	-	-	-	-	-	-	-	-	1,249,470
Unassigned	(250,795)	(54,921)	-	-	-	-	-	-	(2,346)	-
<b>Total Non-Major Governmental Funds</b>	<b>\$ 3,539,706</b>	<b>\$ 3,888,720</b>	<b>\$ 4,744,505</b>	<b>\$ 1,921,062</b>	<b>\$ 1,664,177</b>	<b>\$ 2,132,929</b>	<b>\$ 2,487,603</b>	<b>\$ 2,092,081</b>	<b>\$ 1,391,084</b>	<b>\$ 2,016,768</b>
<b>All Governmental Funds (excluding General)</b>										
Nonspendable	\$ 599	\$ 6,213	\$ 4,553	\$ 14,882	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	9,597,713	10,722,341	16,190,376	24,867,017	44,831,917	2,778,722 *	7,963,458 *	8,454,332 *	21,600,080 *	767,298 *
Committed	1,241,825	2,115,609	2,825,728	555,617	294,364	380,340 *	923,496 *	239,885	395,010	-
Assigned	-	-	-	8,723,848	6,989,444	6,136,225	4,326,764	2,795,478	1,865,633	1,970,864
Unassigned	(250,795)	(54,921)	-	-	-	-	-	-	(2,346)	-
<b>Total All Governmental Funds (excluding General)</b>	<b>\$ 10,589,342</b>	<b>\$ 12,789,242</b>	<b>\$ 19,020,657</b>	<b>\$ 34,161,364</b>	<b>\$ 52,115,725</b>	<b>\$ 9,295,287</b>	<b>\$ 13,213,718</b>	<b>\$ 11,489,695</b>	<b>\$ 23,858,377</b>	<b>\$ 2,738,162</b>

Source: Annual audited financial statements for each of the fiscal years presented above, as originally reported. Prior period adjustments, if any, are not reflected.

Notes: Information is presented as of June 30th of each fiscal year ended  
Further information on increases and decreases in fund balance for each year may be found in the audited financial statements for the associated fiscal year end.  
The General Fund is always a major fund. Other funds are only shown individually above in fiscal years in which they were classified as a major governmental fund.  
\* Reclassified from original reports to match correct presentation.

**CITY OF LAKELAND, TENNESSEE**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**

**Exhibit D-4**

Last Ten Fiscal Years Ended June 30  
 (Modified accrual basis of accounting)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>REVENUES</b>										
Property taxes	\$ 12,000,408	\$ 10,591,634	\$ 9,727,528	\$ 9,562,609	\$ 9,028,947	\$ 8,870,195	\$ 8,632,865	\$ 7,102,514	\$ 6,515,877	\$ 4,822,446
Local sales taxes	7,319,841	6,840,248	5,671,295	4,752,798	3,893,516	3,575,127	3,300,271	2,497,650	1,948,981	1,739,951
Intergovernmental	17,283,432	14,061,005	13,050,017	12,686,966	11,948,467	11,838,064	10,009,710	6,717,032	7,495,060	5,971,888
Licenses and permits	197,325	182,990	274,995	353,234	125,308	100,172	63,233	59,323	108,980	95,372
Charges for services	2,622,204	2,410,876	2,049,718	1,947,284	2,535,131	2,374,898	2,457,405	2,169,799	1,901,373	1,579,391
Federal, state, and local grants	2,072,800	10,181,945	12,608,248	3,866,072	1,636,354	1,378,668	1,736,605	1,208,351	556,439	1,472,901
Contributions	1,132,665	508,352	197,273	487,886	1,261,019	-	-	-	-	-
Interest on investments	412,659	293,013	35,382	71,153	285,656	103,713	86,221	76,616	43,145	11,947
Other	151,613	1,372,882	587,755	327,748	119,049	128,349	65,148	25,251	105,621	48,011
<b>Total revenues</b>	<b>43,192,947</b>	<b>46,442,945</b>	<b>44,202,211</b>	<b>34,055,750</b>	<b>30,833,447</b>	<b>28,369,186</b>	<b>26,351,458</b>	<b>19,856,536</b>	<b>18,675,476</b>	<b>15,741,907</b>
<b>EXPENDITURES</b>										
Current Expenditures										
General government	4,871,053	2,092,548	2,053,705	1,794,134	1,365,546	2,283,517	3,864,019	2,861,943	1,817,676	1,332,988
Community development	1,128,616	1,000,433	834,821	558,326	981,344	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	2,252
Public works	5,888,610	4,869,441	3,183,712	3,386,831	2,725,517	3,319,058	3,081,684	3,405,316	1,955,349	1,719,547
Parks and recreation	1,136,620	1,005,529	896,583	436,158	433,545	587,539	423,320	607,642	449,309	240,813
Natural resources	-	-	-	-	-	-	-	-	-	-
Education	27,573,549	24,415,905	21,579,685	18,996,284	17,147,617	15,371,530	14,108,658	8,476,688	7,440,841	7,248,913
Debt Service										
Principal	1,143,172	8,284,230	2,099,849	3,175,823	2,086,610	2,011,071	1,972,858	1,856,902	413,323	402,337
Interest and fiscal charges	1,444,833	1,502,297	1,008,783	1,422,686	1,373,774	925,531	921,197	922,883	653,755	49,295
Bond issuance costs	-	-	152,380	34,000	-	-	-	-	-	-
Capital outlays	10,581,774	12,966,273	31,870,938	23,664,950	3,649,717	6,647,031	3,738,806	14,636,872	3,968,571	1,426,460
<b>Total expenditures</b>	<b>53,768,227</b>	<b>56,136,656</b>	<b>63,680,456</b>	<b>53,469,192</b>	<b>29,763,670</b>	<b>31,145,277</b>	<b>28,110,542</b>	<b>32,768,246</b>	<b>16,698,824</b>	<b>12,422,605</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(10,575,280)</b>	<b>(9,693,711)</b>	<b>(19,478,245)</b>	<b>(19,413,442)</b>	<b>1,069,777</b>	<b>(2,776,091)</b>	<b>(1,759,084)</b>	<b>(12,911,710)</b>	<b>1,976,652</b>	<b>3,319,302</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Issuance of debt	-	7,015,747	3,155,308	-	43,500,000	467,483	1,185,948	188,105	20,000,000	91,643
Issuance of SBITA	725,097	80,749	-	-	-	-	-	-	-	-
Issuance of refunding debt	-	-	43,569,420	14,794,500	-	-	-	-	-	-
Insurance proceeds	232,120	-	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	(43,500,000)	(14,350,000)	-	-	-	-	-	-
Premium on debt issuance	-	-	-	-	-	-	-	-	2,499,981	-
Sale of capital assets	-	-	-	-	171	396	260,142	8,923	-	-
Transfers in	6,091,536	13,288,979	56,655,283	22,318,351	48,284,992	4,268,340	7,181,395	4,461,554	24,335,102	1,994,722
Transfers out	(6,091,536)	(13,288,979)	(56,655,283)	(22,318,351)	(48,284,992)	(4,268,340)	(7,181,395)	(4,461,554)	(24,335,102)	(1,994,722)
<b>Total other financing sources (uses)</b>	<b>957,217</b>	<b>7,096,496</b>	<b>3,224,728</b>	<b>444,500</b>	<b>43,500,171</b>	<b>467,879</b>	<b>1,446,090</b>	<b>197,028</b>	<b>22,499,981</b>	<b>91,643</b>
<b>Net change in fund balances</b>	<b>\$ (9,618,063)</b>	<b>\$ (2,597,215)</b>	<b>\$ (16,253,517)</b>	<b>\$ (18,968,942)</b>	<b>\$ 44,569,948</b>	<b>\$ (2,308,212)</b>	<b>\$ (312,994)</b>	<b>\$ (12,714,682)</b>	<b>\$ 24,476,633</b>	<b>\$ 3,410,945</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>6.0%</b>	<b>22.3%</b>	<b>10.9%</b>	<b>15.5%</b>	<b>13.3%</b>	<b>12.3%</b>	<b>12.6%</b>	<b>17.5%</b>	<b>9.0%</b>	<b>4.3%</b>

**CITY OF LAKELAND, TENNESSEE**  
**REVENUES BY FISCAL YEAR - GENERAL FUND**

**Exhibit D-5**

Last Ten Fiscal Years Ended June 30  
 (Modified accrual basis of accounting)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>REVENUES</b>										
Property Taxes										
Property taxes	\$ 5,816,805	\$ 4,886,569	\$ 4,676,813	\$ 4,583,771	\$ 4,385,969	\$ 4,404,320	\$ 4,385,265	\$ 4,556,460	\$ 4,199,800	\$ 2,646,911
Personalty taxes	38,334	39,135	35,095	34,113	13,123	17,787	19,049	23,637	23,465	19,556
Interest and penalties	7,116	12,134	11,571	13,458	12,375	9,184	9,772	14,850	14,153	10,433
Utility tax	17,600	15,987	16,665	17,385	7,410	6,342	7,747	14,188	24,256	11,332
Local Sales Taxes										
Local sales tax	2,872,573	2,753,513	2,272,299	1,740,852	1,412,224	1,202,495	1,111,683	1,129,714	1,113,235	944,265
Wholesale beer and liquor tax	235,345	206,375	125,859	117,939	96,025	91,344	84,453	84,610	42,754	120,272
Business tax	161,230	144,330	140,432	113,536	87,299	89,615	98,175	83,758	76,994	73,140
Room occupancy tax	95,875	96,134	89,910	74,369	61,069	79,384	47,745	59,501	63,455	61,889
CATV franchise tax	119,857	134,665	140,680	141,043	145,020	146,755	148,500	149,472	148,102	146,346
Other revenue	31,149	29,621	19,327	12,610	-	-	-	-	-	-
Intergovernmental										
Sales tax	1,707,602	1,654,194	1,572,882	1,318,779	1,132,436	1,102,437	1,059,342	1,030,176	1,005,384	941,407
Income tax (Hall)	-	2,078	3,623	62,071	102,215	131,374	135,311	143,984	192,645	193,766
Beer and liquor tax	51,037	14,775	1,125	6,268	5,823	5,754	10,918	6,521	8,752	6,573
State road maintenance	28,024	25,472	25,420	24,677	24,677	24,681	25,009	25,106	25,288	25,357
Payments in lieu of tax - TVA	265,858	277,672	257,889	267,643	288,084	307,247	309,880	292,083	293,085	238,635
Other state revenue	-	-	-	-	4,899	4,636	5,443	926	1,056	1,217
Licenses and Permits										
Building permit fees	47,280	85,781	98,939	173,090	112,368	64,375	48,261	44,759	31,023	49,345
Engineering Fees	43,100	19,900	59,150	61,651 *	93,767 *	30,200 *	79,000 *	31,900 *	17,900 *	8,800
Administrative fees - developments	55,288	20,005	58,044	50,512 *	67,722 *	27,758 *	115,650 *	170,335 *	31,960 *	5,200
Other permits - general government	-	600	400	3,296	-	-	-	-	-	-
Other permits - parks and recreation	5,600	2,149	5,700	6,637	-	-	-	-	-	-
Other permits - community service	46,057	54,555	52,762	58,048	12,940	35,797	14,972	16,064	13,457	12,527
Charges for Services										
General government	-	-	-	310	5,328	-	-	-	-	-
Other fees	-	-	-	54,537	180,646	23,875	70,184	45,405	13,707	20,411
Recreation fees	99,211	93,169	85,476	86,908	121,246	196,354	106,941	103,437	57,124	14,152
Parks development fees	32,964	(6,847)	45,379	46,528	107,402	19,371	103,257	25,660	14,948	-
Rental income	33,179	25,200	34,510	15,578	15,982	30,805	44,290	24,698	48,781	40,437
Federal, State, and Local Grants										
Operating grants	351,650	3,857,848	591,426	976,375	319	-	320,494	13,500	36,500	-
Capital grants	57,895	4,034,069	5,675,505	656,355	458,456	197,711	500,605	248,996	155,201	1,122,339
Interest on investments	383,444	231,730	11,988	9,734	22,337	18,400	9,719	7,893	7,198	9,468
Other	58,182	15,002	14,368	5,814	53,030	77,924	19,165	39,963	38,661	26,974
<b>Total general fund revenue</b>	<b>\$ 12,662,255</b>	<b>\$ 18,725,815</b>	<b>\$ 16,123,237</b>	<b>\$ 10,733,887</b>	<b>\$ 9,030,191</b>	<b>\$ 8,345,925</b>	<b>\$ 8,890,830</b>	<b>\$ 8,387,596</b>	<b>\$ 7,698,884</b>	<b>\$ 6,750,752</b>

\* Reclassified from original reports to match correct presentation.

CITY OF LAKELAND, TENNESSEE

Exhibit D-6

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GENERAL FUND

Last Ten Fiscal Years Ended June 30

(Modified accrual basis of accounting)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>REVENUES</b>										
Property taxes	\$ 5,879,855	\$ 4,953,825	\$ 4,740,144	\$ 4,648,727	\$ 4,418,877	\$ 4,437,633	\$ 4,421,833	\$ 4,609,135	\$ 4,261,674	\$ 2,688,232
Local sales taxes	3,516,029	3,364,638	2,788,507	2,200,349	1,801,637	1,609,593	1,490,556	1,507,055	1,444,540	1,345,912
Intergovernmental	2,052,521	1,974,191	1,860,939	1,679,438	1,558,134	1,576,129	1,545,903	1,498,796	1,526,210	1,406,955
Licenses and permits	197,325	182,990	274,995	353,234	125,308	100,172	63,233	60,823	44,480	61,872
Charges for services	165,354	111,522	165,365	203,861	592,093	328,363	519,322	401,435	184,420	89,000
Federal, state, and local grants	409,545	7,891,917	6,266,931	1,632,730	458,775	197,711	821,099	262,496	191,701	1,122,339
Interest on investments	383,444	231,730	11,988	9,734	22,337	18,400	9,719	7,893	7,198	9,468
Other	58,182	15,002	14,368	5,814	53,030	77,924	19,165	39,963	38,661	26,974
<b>Total revenues</b>	<b>12,662,255</b>	<b>18,725,815</b>	<b>16,123,237</b>	<b>10,733,887</b>	<b>9,030,191</b>	<b>8,345,925</b>	<b>8,890,830</b>	<b>8,387,596</b>	<b>7,698,884</b>	<b>6,750,752</b>
<b>EXPENDITURES</b>										
Current Expenditures										
General government	4,871,053	2,092,548	2,053,705	1,794,134	1,365,546	2,283,517	3,864,019	2,861,943	1,817,676	1,332,988
Community development	1,128,616	1,000,433	834,821	558,326	981,344	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	2,252
Public works	725,531	602,062	692,393	438,558	465,335	401,566	635,091	896,622	138,676	101,769
Parks and recreation	1,136,620	1,005,529	896,583	436,158	433,545	587,539	423,320	607,642	449,309	1,426,677
Natural resources	-	-	-	-	-	-	-	-	-	59,039
Education	-	-	-	-	-	-	-	-	-	69,574
Debt Service										
Principal	111,788	27,500	-	-	-	-	-	-	-	-
Interest and fiscal charges	2,356	-	-	-	-	-	-	-	101,684	49,295
Capital outlays	6,306,092	5,571,949	7,827,101	2,069,606	711,936	-	-	-	-	741,324
<b>Total expenditures</b>	<b>14,282,056</b>	<b>10,300,021</b>	<b>12,304,603</b>	<b>5,296,782</b>	<b>3,957,706</b>	<b>3,272,622</b>	<b>4,922,430</b>	<b>4,366,207</b>	<b>2,507,345</b>	<b>3,782,918</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,619,801)</b>	<b>8,425,794</b>	<b>3,818,634</b>	<b>5,437,105</b>	<b>5,072,485</b>	<b>5,073,303</b>	<b>3,968,400</b>	<b>4,021,389</b>	<b>5,191,539</b>	<b>2,967,834</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Issuance of debt	-	7,015,747	3,155,308	14,794,500	43,500,000	364,001	916,008	94,165	20,000,000	91,643
Issuance of refunding debt	-	-	43,569,420	-	-	-	-	-	-	-
Premium on debt issuance	-	-	-	-	-	-	-	-	2,499,981	-
Issuance of subscription liability	642,127	80,749	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	171	-	259,970	-	-	496
Transfers in	-	700,000	700,000	700,000	730,923	-	-	-	-	-
Transfers out	(5,427,746)	(12,588,979)	(52,355,283)	(21,543,808)	(47,554,069)	(3,827,085)	(7,181,395)	(4,461,554)	(24,335,102)	(1,974,722)
<b>Total other financing sources (uses)</b>	<b>(4,785,619)</b>	<b>(4,792,483)</b>	<b>(4,930,555)</b>	<b>(6,049,308)</b>	<b>(3,322,975)</b>	<b>(3,463,084)</b>	<b>(6,005,417)</b>	<b>(4,367,389)</b>	<b>(1,835,121)</b>	<b>(1,882,583)</b>
<b>Net change in fund balances</b>	<b>\$ (6,405,420)</b>	<b>\$ 3,633,311</b>	<b>\$ (1,111,921)</b>	<b>\$ (612,203)</b>	<b>\$ 1,749,510</b>	<b>\$ 1,610,219</b>	<b>\$ (2,037,017)</b>	<b>\$ (346,000)</b>	<b>\$ 3,356,418</b>	<b>\$ 1,085,251</b>

**CITY OF LAKELAND, TENNESSEE**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
 Last Ten Fiscal Years

**Exhibit D-7**

Year of Levy	Real Property					Total Taxable Assessed Value	Tax Rate per \$100	Tax Levy Before Adjustments	Estimated Actual Taxable Value	Taxable Assessed Value as a percentage of Actual Taxable Value	Estimated Actual Taxable Value per Capita
	Residential Property	Farm Property	Commercial Property	Public Utilities Property	Commercial Personal Property						
2024	\$ 412,662,675	\$ 9,739,925	\$ 71,763,840	\$ 1,873,145	\$ 5,072,700	\$ 501,112,285	\$ 1.19	\$ 5,963,236	\$ 1,860,860,918	26.93%	\$ 131,065
2023	406,664,175	9,128,400	69,214,440	2,024,732	4,698,930	491,730,677	1.19	5,851,595	1,857,455,200	26.47%	130,825
2022	392,801,100	9,361,975	66,252,840	2,107,718	5,142,120	475,665,753	1.04	4,946,925	1,795,841,815	26.49%	126,486
2021	384,174,675	9,806,025	54,440,800	1,831,746	4,558,150	454,811,396	1.04	4,730,039	1,731,134,147	26.27%	124,506
2020	309,278,975	7,708,075	46,245,595	1,677,253	4,244,080	369,153,978	1.24	4,577,509	1,401,359,851	26.34%	110,850
2019	301,905,350	7,310,325	46,808,075	1,806,390	4,193,830	362,023,970	1.24	4,489,097	1,380,492,645	26.22%	109,155
2018	296,229,400	7,603,225	45,233,465	1,721,120	4,366,990	355,154,200	1.25	4,439,428	1,346,705,509	26.37%	106,481
2017	293,221,300	7,422,225	45,633,520	2,499,805	4,366,440	353,143,290	1.25	4,414,291	1,336,869,300	26.42%	105,589
2016	267,822,525	6,665,875	37,425,900	2,045,929	4,085,420	318,045,649	1.40	4,452,639	1,209,946,971	26.29%	95,596
2015	265,348,125	6,871,825	35,791,180	1,905,617	3,531,410	313,448,157	1.40	4,388,274	1,194,704,758	26.24%	94,814

Source: Shelby County, Tennessee, Assessor's Office before adjustment from the County Board of Equalization.

Notes: Property in Shelby County, Tennessee, is reassessed every four years.  
 Residential and farm property is assessed at 25% of appraised/estimated actual taxable value.  
 Commercial real property is assessed at 40% of appraised/estimated actual taxable value.  
 Public utilities is assessed at 55% of appraised/estimated actual taxable value.  
 Population estimated at 14,147 for 2023 per census.gov.

**CITY OF LAKELAND, TENNESSEE**  
**ANALYSIS OF VALUE OF TAXABLE PROPERTY - CURRENT FISCAL YEAR**  
For the Year Ended June 30, 2024

**Exhibit D-8**

<b>Year of Levy: 2024</b>	<b>Appraised Value</b>	<b>Percent of Total</b>	<b>Assessment Value</b>	<b>Percent of Total</b>
<b>Market Real Estate</b>				
Farm	\$ 21,691,200	1.15%	\$ 5,422,800	1.09%
Residential	1,638,371,900	86.85%	409,592,975	82.04%
Commercial	175,641,300	9.31%	70,256,520	14.07%
Industrial	1,408,700	0.07%	563,480	0.11%
Multiple	2,249,000	0.12%	688,700	0.14%
Subtotal	<u>1,839,362,100</u>		<u>486,524,475</u>	
<b>Greenbelt Real Estate</b>				
Farm	17,268,500	0.92%	4,317,125	0.86%
Residential	12,278,800	0.65%	3,069,700	0.61%
Commercial	23,100	0.00%	5,775	0.00%
Industrial	-	0.00%	-	0.00%
Multiple	674,600	0.04%	249,365	0.05%
Subtotal	<u>30,245,000</u>		<u>7,641,965</u>	
<b>Personal Property</b>				
Tangible	16,906,600	0.90%	5,072,700	1.02%
Intangible	-	0.00%	-	0.00%
Local utility	-	0.00%	-	0.00%
Subtotal	<u>16,906,600</u>		<u>5,072,700</u>	
<b>Total as of April 2024</b>	<u>\$ 1,886,513,700</u>		<u>\$ 499,239,140</u>	

**CITY OF LAKELAND, TENNESSEE**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
 Last Ten Fiscal Years

**Exhibit D-9**

Property Tax Rates per \$100 of Assessed Valuation

Levy Year	Fiscal Year	City Direct Rate	County Rate	Total Direct & Overlapping Rates
2023	2024	\$ 1.19	\$ 3.39	\$ 4.58
2022	2023	1.04	3.39	4.43
2021	2022	1.04	3.45	4.49
2020	2021	1.24	4.05	5.29
2019	2020	1.24	4.05	5.29
2018	2019	1.25	4.05	5.30
2017	2018	1.25	4.11	5.36
2016	2017	1.40	4.37	5.77
2015	2016	1.40	4.37	5.77
2014	2015	0.85	4.37	5.22

Notes: Shelby County, Tennessee property tax rates obtained from County Annual Comprehensive Financial Report and website.  
 Above are the tax rates for both the City of Lakeland and Shelby County.

**CITY OF LAKELAND, TENNESSEE**  
**PRINCIPAL PROPERTY TAX PAYERS**  
 Current and Nine Years Ago

**Exhibit D-10**

Name of Taxpayer	Nature of Property	2024				2015			
		Tax Levied	Percentage of Total	Assessment	Rank	Tax Levied	Percentage of Total	Assessment	Rank
Lakeland Apartments TN Assoc LLC	Apartments	\$ 161,457	2.83%	\$ 13,567,800	1	\$ 122,012	2.80%	\$ 8,715,120	1
Lakeland Commons LP	Developing commercial property	102,807	1.80%	8,639,240	2				
Lake District LLC	Developing commercial property	88,149	1.54%	7,407,440	3				
CB Associates LLC	Strip center	42,905	0.75%	3,605,440	4	20,440	0.47%	1,460,000	4
Lakeland 64 LLC	Fitness center	26,343	0.46%	2,213,720	5	26,400	0.61%	1,885,680	2
Gregory Realty Group	Developing commercial property	25,556	0.45%	2,147,600	6				
Countrybridge Partners LP	Strip center	18,544	0.32%	1,558,360	7	12,320	0.28%	880,000	6
Highway 64 Center LLC	Strip center					10,345	0.24%	738,960	9
ALDI INC (Tennessee)	Grocery	16,734	0.29%	1,406,200	8				
Sainta Rita Real Estate Company	Service Station	15,671	0.27%	1,316,880	9				
Highway 64 Center LLC	Developing commercial property	14,805	0.26%	1,244,080	10				
Banking Consultants of America LCC	Strip Center					25,081	0.58%	1,791,520	3
Orange Grove Utilities Inc	Retail					13,009	0.30%	929,240	5
PPM XIV LP	Undeveloped Commercial Property					10,974	0.25%	783,880	7
Lakeland Station Holding LLC	Vacant Commercial Property					10,360	0.24%	740,000	8
Cracker Barrel Old Countyr Store Inc	Restaurant					9,009	0.21%	643,520	10
Total for ten largest taxpayers		512,971	8.99%	43,106,760		259,950	5.96%	18,567,920	
Total for all other taxpayers		5,194,323	91.01%	436,497,713		4,100,385	94.04%	292,884,620	
Total		\$ 5,707,294	100%	\$ 479,604,473		\$ 4,360,335	100%	\$ 311,452,540	

Source: Shelby County Tax Assessor

**CITY OF LAKELAND, TENNESSEE**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
 Last Ten Fiscal Years

**Exhibit D-11**

Levy Year	Fiscal Year	Original Tax Levy	Adjustments	Adjusted Tax Levy	Current Tax Collections	Percent of Levy Collected in Funded Fiscal Year	Collections in Subsequent Fiscal Years	Total Tax Collections	Percent of Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Percent of Outstanding Delinquent Taxes to Tax Levy
2023	2024	\$ 5,880,668	\$ 8,333	\$ 5,889,001	\$ 5,805,591	98.6%	\$ -	\$ 5,805,591	98.6%	\$ 83,410	1.4%
2022	2023	4,946,924	(70,083)	4,876,841	4,830,258	99.0%	24,675	4,854,933	99.6%	21,908	0.4%
2021	2022	4,730,039	8,594	4,738,633	4,692,510	99.0%	38,734	4,731,244	99.8%	7,389	0.2%
2020	2021	4,577,510	22,883	4,600,393	4,577,881	99.5%	20,062	4,597,943	99.9%	2,450	0.1%
2019	2020	4,489,097	(1,833)	4,487,264	4,425,791	98.6%	60,955	4,486,746	100.0%	518	0.0%
2018	2019	4,439,428	42,216	4,481,644	4,460,647	99.5%	20,429	4,481,076	100.0%	568	0.0%
2017	2018	4,414,291	(14,685)	4,399,606	4,382,555	99.6%	16,018	4,398,573	100.0%	1,033	0.0%
2016	2017	4,452,639	3,410	4,456,049	4,417,221	99.1%	38,324	4,455,545	100.0%	504	0.0%
2015	2016	4,388,274	82	4,388,356	4,330,322	98.7%	57,571	4,387,893	100.0%	463	0.0%
2014	2015	2,620,545	(579)	2,619,966	2,559,795	97.7%	60,171	2,619,966	100.0%	-	0.0%

Notes: The Shelby County Assessor's office assesses the value of property within the City of Lakeland; the City of Lakeland levies the tax and is ultimately responsible for collection.

**CITY OF LAKELAND, TENNESSEE**  
**SALES TAX BY FISCAL YEAR**

**Exhibit D-12**

Last Ten Fiscal Years Ended June 30  
 (Modified accrual basis of accounting)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>SALES TAX REVENUE</b>										
Local sales tax	\$ 2,011,068	\$ 1,974,463	\$ 1,582,729	\$ 1,173,137	\$ 981,036	\$ 835,377	\$ 772,360	\$ 784,428	\$ 773,378	\$ 655,993
Local option sales tax	861,505	779,050	689,570	567,715	431,188	367,118	339,323	345,286	339,857	288,272
State-shared sales tax	1,707,602	1,654,194	1,572,882	1,318,779	1,132,436	1,102,437	1,059,342	1,030,176	1,005,384	941,407
<b>Total sales tax revenue</b>	<u>\$ 4,580,175</u>	<u>\$ 4,407,707</u>	<u>\$ 3,845,181</u>	<u>\$ 3,059,631</u>	<u>\$ 2,544,660</u>	<u>\$ 2,304,932</u>	<u>\$ 2,171,025</u>	<u>\$ 2,159,890</u>	<u>\$ 2,118,619</u>	<u>\$ 1,885,672</u>

**CITY OF LAKELAND, TENNESSEE**  
**DIRECT AND OVERLAPPING SALES TAX RATES**  
 Last Ten Fiscal Years

**Exhibit D-13**

<b>Sales Tax Rates</b>				
<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>Shelby County</u>	<u>State of Tennessee</u>	<u>Total Direct &amp; Overlapping Rates</u>
2024	0.500%	2.250%	7.000%	9.750%
2023	0.500%	2.250%	7.000%	9.750%
2022	0.500%	2.250%	7.000%	9.750%
2021	0.500%	2.250%	7.000%	9.750%
2020	0.500%	2.250%	7.000%	9.750%
2019	0.500%	2.250%	7.000%	9.750%
2018	0.500%	2.250%	7.000%	9.750%
2017	0.500%	2.250%	7.000%	9.750%
2016	0.500%	2.250%	7.000%	9.750%
2015	0.500%	2.250%	7.000%	9.750%

Notes: Local option sales tax can be changed by a vote of the citizens.

**CITY OF LAKELAND, TENNESSEE**  
**TAXABLE SALES BY CATEGORY**  
 Last Six Calendar Years

**Exhibit D-14**

	2023	2022	2021	2020	2019	2018
<b>Sector</b>						
Retail trade	\$ 136,234,873	\$ 69,992,545	\$ 43,878,929	\$ 41,207,557	\$ 44,147,662	\$ 43,369,724
Services	15,922,400	8,498,364	6,384,086	5,167,586	6,713,857	7,452,086
Wholesale trade	392,218	209,309	166,300	522,586	450,500	357,743
Other and/or unclassified*	13,784,800	8,232,837	8,049,929	5,841,857	4,217,441	4,970,228
<b>Total</b>	<b>\$ 166,334,291</b>	<b>\$ 86,933,055</b>	<b>\$ 58,479,244</b>	<b>\$ 52,739,586</b>	<b>\$ 55,529,460</b>	<b>\$ 56,149,781</b>

Source: Tennessee Department of Revenue, Research Division.

Notes: Figures subject to revision due to amended taxpayer returns.  
 The schedule above is intended to be a ten-year schedule; years will be added to this schedule until ten years of data are presented, as available.

\* This category includes agriculture, construction, finance, manufacturing, and transportation; however, as the number of filers in each category is small the information has been aggregated to prevent identification of individual filers.

**CITY OF LAKELAND, TENNESSEE**  
**LOCAL SALES TAX REVENUE BY INDUSTRY**  
 Current and Five Years Ago

**Exhibit D-15**

Sector	Calendar Year 2023				Calendar Year 2018			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Retail trade	81	47.09%	\$ 3,746,459	81.90%	63	40.91%	\$ 1,262,632	80.09%
Services	47	27.33%	437,866	9.57%	49	31.82%	204,937	13.00%
Wholesale trade	5	2.91%	10,786	0.24%	13	8.44%	9,833	0.62%
Other and/or unclassified*	39	22.67%	379,082	8.29%	29	18.83%	99,122	6.29%
<b>Total</b>	<b>172</b>	<b>100.00%</b>	<b>\$ 4,574,193</b>	<b>100.00%</b>	<b>154</b>	<b>100.00%</b>	<b>\$ 1,576,524</b>	<b>100.00%</b>

Source: Tennessee Department of Revenue, Research Division.

Notes: Figures subject to revision due to amended taxpayer returns.

Figures represent local sales tax collected by taxpayers during the calendar year, not disbursements from the Department of Revenue. Thus, amounts presented above do not match to amounts reflected within the financial report.

Does not include Lakeland's share of county clerk or out-of-state taxpayer amounts.

The schedule above is intended to present the most recent year, and nine years prior; as information becomes available this will be presented in subsequent reporting years.

Number of filers presents the number of returns filed for December of the reported calendar year.

\* This category includes agriculture, construction, finance, manufacturing, and transportation; however, as the number of filers in each category is small the information has been aggregated to prevent identification of individual filers.

**CITY OF LAKELAND, TENNESSEE**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
 Last Ten Fiscal Years

**Exhibit D-16**

Fiscal Year	Governmental Activities					Business-Type Activities Notes Payable	Total Outstanding Debt	Total Personal Income	Ratio of Outstanding Debt to Personal Income	Population	Outstanding Debt per Capita
	General Obligation Notes Payable	Other Loans Payable	Leases Payable	Subscription Liability							
2024	\$ 57,910,754	\$ 1,342,040	\$ -	\$ 638,346	\$ 6,446,702	\$ 66,337,842	\$ 957,081,411	6.93%	14,186	\$ 4,676	
2023	58,847,529	1,408,707	-	53,249	2,065,000	62,374,485	871,978,984	7.15%	13,713	4,549	
2022	59,967,608	1,529,341	-	-	2,701,000	64,197,949	858,193,012	7.48%	14,198	4,522	
2021	58,723,595	1,648,475	-	-	3,313,000	63,685,070	803,763,546	7.92%	13,904	4,580	
2020	62,742,499	1,766,135	105,163	-	3,901,000	68,514,797	698,003,580	9.82%	12,642	5,420	
2019	21,326,831	1,876,968	204,940	-	4,466,000	27,874,739	665,662,198	4.19%	12,647	2,204	
2018	23,355,164	1,578,328	228,401	-	5,010,000	30,171,893	657,774,678	4.59%	12,617	2,391	
2017	25,350,018	718,657	88,461	-	5,533,000	31,690,136	653,848,008	4.85%	12,606	2,514	
2016	27,314,827	665,605	53,833	-	6,036,000	34,070,265	682,006,512	5.00%	12,612	2,701	
2015	5,331,097	737,164	81,900	-	6,519,000	12,669,161	677,397,330	1.87%	12,618	1,004	

Notes: Details regarding the City's outstanding debt are found in the notes to the financial statements for each respective audited fiscal year.  
 Amounts are presented net of related premiums, discounts, and adjustments.  
 Personal income and population data are found in the "Demographics and Economic Indicators" schedule.

**CITY OF LAKELAND, TENNESSEE**  
**RATIOS OF GENERAL BONDED DEBT**  
**Last Ten Fiscal Years**

**Exhibit D-17**

Governmental Activities							Estimated Actual Value of Taxable Property	Ratio of General Bonded Debt to Est Actual Value of Taxable Property	Populatio n	General Bonded Debt per Capita
Fiscal Year	General Obligation Notes Payable	Other Loans Payable	Leases Payable	Subscription Liability	Business-Type Activities Notes Payable	Total General Bonded Debt				
2024	\$ 57,910,754	\$ 1,342,040	\$ -	\$ 638,346	\$ 6,446,702	\$ 66,337,842	1,861,136,531	3.56%	14,186	\$ 4,676
2023	58,847,529	1,408,707	-	53,249	2,065,000	62,374,485	1,795,841,815	3.47%	13,713	4,549
2022	59,967,608	1,529,341	-	-	2,701,000	64,197,949	1,731,134,147	3.71%	14,198	4,522
2021	58,723,595	1,648,475	-	-	3,313,000	63,685,070	1,401,359,851	4.54%	13,904	4,580
2020	62,742,499	1,766,135	105,163	-	3,901,000	68,514,797	1,380,492,645	4.96%	12,642	5,420
2019	21,326,831	1,876,968	204,940	-	4,466,000	27,874,739	1,346,705,509	2.07%	12,647	2,204
2018	23,355,164	1,578,328	228,401	-	5,010,000	30,171,893	1,336,869,300	2.26%	12,617	2,391
2017	25,350,018	718,657	88,461	-	5,533,000	31,690,136	1,209,946,971	2.62%	12,606	2,514
2016	27,314,827	665,605	53,833	-	6,036,000	34,070,265	1,194,704,758	2.85%	12,612	2,701
2015	5,331,097	737,164	81,900	-	6,519,000	12,669,161	1,176,577,136	1.08%	12,618	1,004

Notes: Details regarding the City's outstanding debt are found in the notes to the financial statements for each respective audited fiscal year.  
 Estimated Actual Value of Taxable Property is found on the related statistical table, "Assessed Value and Estimated Actual Value of Taxable Property."  
 Personal income and population data are found in the "Demographics and Economic Indicators" schedule.

**CITY OF LAKELAND, TENNESSEE**  
**DIRECT AND OVERLAPPING DEBT - GOVERNMENTAL ACTIVITIES**  
As of June 30, 2024

**Exhibit D-18**

<u>Name of Government Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to Lakeland (1)</u>	<u>Overlapping Debt (2)</u>
City of Lakeland	\$ 59,891,140	100.00%	\$ 59,891,140
Shelby County	<u>825,622,285</u>	1.19%	<u>9,836,823</u>
Totals - direct and overlapping debt	<u>\$ 885,513,425</u>		<u>\$ 69,727,963</u>

Notes: The Shelby County general obligation debt is obtained on an unaudited basis from the Shelby County Finance department.

The amount for the City of Lakeland above does not include business-type activities debt recorded in the Sewer Fund.

The City of Lakeland has no legal debt limit.

(1) Determined by the ratio of assessed valuation of property subject to taxation in the City of Lakeland to the value of property subject to taxation in Shelby County.

(2) Amount of debt outstanding multiplied by percentage applicable to Lakeland.

**CITY OF LAKELAND, TENNESSEE**  
**DEMOGRAPHIC AND ECONOMIC INDICATORS**  
 Last Ten Fiscal Years

**Exhibit D-19**

<u>Year</u>	<u>Population (a)</u>	<u>Total Personal Income (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rate (d)</u>
2024	14,186	\$ 957,081,411	\$ 67,467	4.6%
2023	13,713	871,978,984	63,588 (e)	6.8%
2022	14,198	858,193,012	60,445 (e)	5.5%
2021	13,904	803,763,546	57,808	7.6%
2020	12,642	698,003,580	55,213	11.6%
2019	12,647	665,662,198	52,634	4.6%
2018	12,617	657,774,678	52,134	4.9%
2017	12,606	653,848,008	51,868	4.7%
2016	12,612	682,006,512	54,076	5.9%
2015	12,618	677,397,330	53,685	7.0%

Sources:

- (a) Estimates of population obtained from census.gov for the calendar year falling within the fiscal year. Data for fiscal year 2024 is based on the 2023 Census results. 2023 est - worldpopulationreview.com
- (b) Calculated estimate of total personal income as population times per capita personal income.
- (c) Data obtained from data.census.gov (unless otherwise indicated) for the calendar year falling within the fiscal year and for the census tracts related to the City of Lakeland.
- (d) Data obtained from U.S. Bureau of Labor Statistics for Shelby County, as the most relevant measure to present given that the majority of Lakeland residents are employed not within the City of Lakeland, but in the greater Shelby County. Data is presented as of June of each fiscal year end.
- (e) Estimated based on State of Tennessee personal income growth of 6.1 percent and 4.3 percent for 2024 and 2023, respectively, as reported on bea.gov.

**CITY OF LAKELAND, TENNESSEE**  
**PRINCIPAL EMPLOYERS**  
 Current and Nine Years Ago

**Exhibit D-20**

Taxpayer	2024		2015	
	No. of Employees	Rank	No. of Employees	Rank
Lakeland School System	331	1	312	1
Chick-Fil-A	125	2		
A2H	100	3	92	2
Cracker Barrel	93	4	86	3
Owner's Box	90	5		
Waffle House (2 stores total)	69	6	69	4
Sprouts	60	7	53	6
The Pet Hospital	59	8	62	5
City of Lakeland	53	9	45	8
Smiths Plumbing	47	10	51	7
Renaissance Group			34	9
Zaxby's			32	10
Total for ten largest employers	<u>1,027</u>		<u>836</u>	

Source: City of Lakeland Business License Data and Chamber of Commerce Member List.

**CITY OF LAKELAND, TENNESSEE**  
**FULL-TIME EQUIVALENT EMPLOYEES BY FUND AND FUNCTION**  
 Last Ten Fiscal Years

**Exhibit D-21**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>CITY FUNDS</b>										
<b>General Fund</b>										
General government	16.4	8.6	8.4	7.9	7.2	6.7	14.7	14.0	15.2	14.2
Community development	7.9	7.6	7.4	6.1	5.5	5.6	-	-	-	-
Natural resources	-	-	-	-	-	-	-	-	-	-
Public works	7.0	7.3	8.5	7.3	7.2	6.8	6.0	4.1	1.4	0.9
Public safety	-	-	-	-	-	-	-	-	-	-
Parks and recreation	5.8	7.0	6.2	3.1	2.8	3.2	2.8	4.4	3.3	2.9
<b>Total General Fund</b>	<u>37.1</u>	<u>30.5</u>	<u>30.5</u>	<u>24.4</u>	<u>22.7</u>	<u>22.3</u>	<u>23.5</u>	<u>22.5</u>	<u>19.9</u>	<u>18.0</u>
<b>State Street Aid Fund</b>										
Public works	2.5	3.7	4.0	3.6	4.0	4.7	4.0	4.0	3.0	3.5
<b>Stormwater Fund</b>										
Public works	0.8	0.8	0.8	0.7	0.5	0.5	0.5	0.5	1.8	1.8
<b>Solid Waste Fund</b>										
Public works	2.2	1.5	2.2	2.2	2.2	1.0	1.5	0.5	1.8	0.8
<b>Sewer Fund</b>										
Public works	7.5	8.5	7.0	5.0	4.6	3.3	4.0	4.0	4.0	4.0
<b>TOTAL CITY FUNDS</b>	<u>50.0</u>	<u>45.0</u>	<u>44.5</u>	<u>35.9</u>	<u>34.0</u>	<u>31.8</u>	<u>33.5</u>	<u>31.5</u>	<u>30.5</u>	<u>28.1</u>
<b>LSS FUNDS</b>										
<b>General Purpose School Fund</b>										
Education	295.0	234.0	208.0	197.0	190.0	178.0	162.0	124.0	104.5	95.5
<b>School Federal Projects Fund</b>										
Education	8.0	9.0	14.0	6.0	5.0	4.0	3.0	2.0	2.0	1.5
<b>School Nutrition Fund</b>										
Education	16.0	10.0	8.0	9.0	7.0	7.0	7.0	3.5	3.5	3.5
<b>School Discretionary Grants Fund</b>										
Education	-	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
<b>LEAP Fund</b>										
Education	6.0	6.0	6.0	6.0	4.0	4.0	5.0	3.5	3.5	-
<b>TOTAL LSS FUNDS</b>	<u>325.0</u>	<u>260.0</u>	<u>237.0</u>	<u>219.0</u>	<u>207.0</u>	<u>194.0</u>	<u>178.0</u>	<u>134.0</u>	<u>114.5</u>	<u>101.5</u>
<b>TOTAL FTE'S</b>	<u>375.0</u>	<u>305.0</u>	<u>281.5</u>	<u>254.9</u>	<u>241.0</u>	<u>225.8</u>	<u>211.5</u>	<u>165.5</u>	<u>145.0</u>	<u>129.6</u>
<b>SUMMARY BY FUNCTION, CITY-WIDE:</b>										
General government	16.4	8.6	8.4	7.9	7.2	6.7	14.7	14.0	15.2	14.2
Community development	7.9	7.6	7.4	6.1	5.5	5.6	-	-	-	-
Natural resources	-	-	-	-	-	-	-	-	-	-
Public works	19.9	21.8	22.5	18.8	18.5	16.3	16.0	13.1	12.0	11.0
Public safety	-	-	-	-	-	-	-	-	-	-
Parks and recreation	5.8	7.0	6.2	3.1	2.8	3.2	2.8	4.4	3.3	2.9
Education	325.0	260.0	237.0	219.0	207.0	194.0	178.0	134.0	114.5	101.5
<b>TOTAL FTE'S</b>	<u>375.0</u>	<u>305.0</u>	<u>281.5</u>	<u>254.9</u>	<u>241.0</u>	<u>225.8</u>	<u>211.5</u>	<u>165.5</u>	<u>145.0</u>	<u>129.6</u>

Source: City of Lakeland and Lakeland School System personnel records.

Notes: Numbers presented above are full-time equivalent average number of employees for each fiscal year. A full-time equivalent ("FTE") is calculated based on 2,080 hours per year, including time off.

"LSS" is Lakeland School System.

For years in which FTE's were not tracked by function, the FTE's on the schedule above are allocated based upon the allocation of personnel costs.

**CITY OF LAKELAND, TENNESSEE**  
**OPERATING INDICATORS BY FUNCTION**  
 Last Ten Fiscal Years

**Exhibit D-22**

<b>FUNCTION</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Community Development</b>										
Residential building permits issued	41	92	89	153	87	86	23	27	38	45
Commercial building permits issued	1	8	2	7	2	1	1	4	2	1
<b>Public Works</b>										
Bulk waste collections	3,889	2,636	2,525	2,806	2,848	1,433	822 *			
<b>Parks and Recreation</b>										
Youth recreation participants	1,372	902	814	556	350	986	867	645	538	447
Senior Center participants**	5,299	5,687	5,822							
Special Events participants**	2,539	2,578	1,703							
<b>Wastewater</b>										
Sewer connections***	4,512	5,287	3,148	2,939	2,920	2,847	2,900	2,900	2,991	2,855
<b>Education</b>										
Student enrollment	2,274	2,290	2,041	1,884	1,841	1,735	1,602	955	920	850

Source: City of Lakeland Functional Departments.

\* Bulk waste collections program began in September 2017.

\*\* New tracking 2022

\*\*\* Sewer connection increase due to Stonebridge acquisition from City of Memphis.

**CITY OF LAKELAND, TENNESSEE**  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
 Last Ten Fiscal Years

**Exhibit D-23**

<b>FUNCTION</b>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>General Government</b>										
City-owned buildings	5	5	5	5	5	5	5	5	5	5
<b>Public Works</b>										
Streets (miles)	83	83	81	81	81	81	79	79	79	78
<b>Parks and Recreation</b>										
Acreage	238	238	238	238	238	238	238	238	235	235
Number of parks	8	8	8	8	8	8	8	8	8	8
Tennis courts	2	2	2	2	2	2	2	2	2	2
Multi use practice fields	4	4	4	2	2	2	2	2	2	2
Athletic fields	2	2	2	-	-	-	-	-	-	-
Playgrounds	4	4	4	4	3	3	3	3	3	3
Picnic Pavilion	4	4	4	4	5	5	5	5	5	5
Amphitheater	1	1	1	1	1	1	1	1	1	1
Walking trails (miles)	4	4	4	4	4	4	4	4	4	4
<b>Wastewater</b>										
Sanitary sewer (miles)	70	68	65	65	65	65	64	63	63	62
Sewer connections	5,287	5,287	3,148	2,939	2,920	2,847	2,900	2,900	2,991	2,855
<b>Education</b>										
School buildings	2	2	2	2	2	2	2	1	1	1

Source: City of Lakeland Functional Departments.

**GOVERNMENT AUDITING STANDARDS SECTION**

**CITY OF LAKELAND, TENNESSEE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
For the Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program	Assistance Listing	Contract Number	Expenditures
<b>U.S. Department of Agriculture</b>			
<u>Passed through TN Department of Education</u>			
<i>Child Nutrition Cluster</i>			
School Breakfast Program	10.553	N/A	\$ 39,847
National School Lunch Program- Non-Cash Assistance	10.555	N/A	30,415
National School Lunch Program- Cash Assistance	10.555	N/A	264,987
USDA Rebate	10.555	N/A	122,042
Subtotal - AL 10.555			<u>417,444</u>
Subtotal - Child Nutrition Cluster			457,291
COVID-19 Pandemic EBT Administrative Costs	10.649	N/A	653
<u>Direct Award</u>			
Community Facilities Loans and Grants	10.766	R-1	5,025,250
Community Facilities Loans and Grants	10.766	R-2	9,287,208
Community Facilities Loans and Grants	10.766	R-1	9,753,117
Community Facilities Loans and Grants	10.766	R-2	9,654,601
Community Facilities Loans and Grants	10.766	R-3	9,556,084
Community Facilities Loans and Grants	10.766	R-4	7,785,746
Community Facilities Loans and Grants	10.766	R-5	7,785,253
Subtotal - AL 10.766			<u>58,847,259</u>
<b>Total U.S. Department of Agriculture</b>			59,305,203
<b>U.S. Department of Housing and Urban Development</b>			
<u>Passed through Shelby County</u>			
<i>CDBG - Entitlement Grants Cluster</i>			
Community Development Block Grant (CDBG)	14.218	CA 2300023	234,119
<b>U.S. Department of Transportation</b>			
<u>Passed through TN Department of Transportation</u>			
Highway Planning and Construction	20.205	STP-M-9409(107)	58,357
Highway Planning and Construction	20.205	TAP-M-7900(64)	154,528
Highway Planning and Construction	20.205	TAP-M-7900(59)	29,249
Highway Planning and Construction	20.205	STP-M-811(136)	3,330
<b>Total U.S. Department of Transportation</b>			<u>245,464</u>
<b>U.S. Department of Treasury</b>			
<u>Direct Award</u>			
COVID-19 - Coronavirus State & Local Fiscal Recovery Funds	21.027	N/A	25,000
<b>U.S. Department of Education</b>			
<u>Passed through TN Department of Education</u>			
Title I Grants to Local Education Agencies (Title I, Part A of the ESEA)	84.010A	S010A200042	252,195
<i>Special Education Cluster (IDEA)</i>			
Special Education Grants to States (IDEA, Part B)	84.027A	H027A200052	384,663
COVID-19 Special Education - ARP (IDEA, Part B)	84.027X	H027X210052	1,742
Special Education Preschool Grants (IDEA Preschool)	84.173A	H173A200095	11,926
Subtotal - Special Education Cluster (IDEA)			<u>398,331</u>
English Language Acquisition State Grants	84.365	S365A200042	13,519
Supporting Effective Instruction State Grants	84.367	S367A200040	38,055
Student Support and Academic Enrichment Program	84.424A	S424A200044	24,106
Impact Aid	84.041	S041B-2019-7197	42,171
<b>Total U.S. Department of Education</b>			<u>768,377</u>

**CITY OF LAKELAND, TENNESSEE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
For the Year Ended June 30, 2024

**U.S. Department of Health and Human Services**

Passed through TN Department of Education

COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	N/A	\$ 6,507
COVID-19 Temporary Assistance for Needy Families (TANF)	93.558	N/A	7,372

**U.S. Department of Homeland Security**

Passed through FEMA

Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	N/A	455,349
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**Total Federal Awards**

\$ 61,047,391

State Financial Assistance	Assistance Listing	Contract Number	Expenditures
<b>TN Department of Education</b>			
Innovative School Models	N/A		\$ 130,592
Child Nutrition State Funding	N/A		5,863
COVID-19 Summer Learning Camps	N/A		255,908
State Education Preschool Grant	N/A		77,773
Public School Security Grant	N/A		86,088
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	N/A		75,281
<b>Total State Financial Assistance</b>			<u>\$ 631,505</u>
 <b>Total Federal Awards and State Financial Assistance</b>			 <u>\$ 61,678,896</u>

**CITY OF LAKELAND TENNESSEE**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
For the Year Ended June 30, 2024

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**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal and state grant activity of the City of Lakeland, Tennessee (the “City”) under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the presentation of the financial statements. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- 1) Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- 2) Pass-through entity identifying numbers are presented where available.
- 3) There were no federal awards passed through to subrecipients.
- 4) The City has elected not to use the *de minimis* indirect cost rate as allowed under the Uniform Guidance.
- 5) Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. For the year ended June 30, 2024, the City received food commodities totaling \$30,415.
- 6) The loan balance for the Community Facilities Loans and Grants totaled \$57,910,754.
- 7) The grant revenue amounts received and expensed (eligible for reimbursement) are subject to audit adjustment. If any expenses are disallowed by the grantor as a result of such audit and claim for reimbursement to the grantor would become a liability of the City. In the opinion of management, all grant expenses (eligible for reimbursement) are in compliance with the terms of the grant agreement and applicable federal and state laws and regulations.

**NOTE 3 – RECONCILIATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE TO THE FINANCIAL STATEMENTS**

The following is a reconciliation of expenditures per the schedule of expenditures of federal awards and state financial assistance to the revenue balances in the City’s financial statements.

Total grant revenue per governmental funds financial statements	\$ 2,072,800
Total grant revenue recognized in proprietary funds	61,372
Plus: Increase in unavailable revenue at the fund level	696,986
Add: Loan program expenditures	58,847,259
Add: Other grants	479
Total federal awards and state financial assistance	<u><u>\$ 61,678,896</u></u>

**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**

To the Board of Commissioners of the  
City of Lakeland, Tennessee:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activity, each major fund, the fiduciary fund, and the aggregate remaining fund information of the City of Lakeland, Tennessee (the "City"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 13, 2025.

**Report on Internal Control over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

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

## 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 City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Watkins Mikusall, PLLC*

Memphis, Tennessee  
February 13, 2025

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Commissioners of the  
City of Lakeland, Tennessee:

### Report on Compliance for the Major Federal Program

#### Opinion on the Major Federal Program

We have audited the City of Lakeland, Tennessee (the "City")'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 the City's major federal program for the year ended June 30, 2024. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2024.

#### Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Lakeland, 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 the major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

#### Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City'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 the City'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 that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City'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 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.



Memphis, Tennessee  
February 13, 2025

**CITY OF LAKELAND, TENNESSEE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the Year Ended June 30, 2024

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**SECTION I – SUMMARY OF INDEPENDENT AUDITOR’S RESULTS**

**Financial Statements**

Type of auditor’s report issued on whether financial statements audited were prepared in accordance with accounting principles generally accepted in the United State of America Unmodified

Internal control over financial reporting:  
Material weakness(es) identified? \_\_\_ Yes X No

Significant deficiency(ies) identified not considered to be material weakness(es)? \_\_\_ Yes X None Reported

Noncompliance material to financial statements noted? \_\_\_ Yes X No

**Federal Awards**

Type of auditor’s report issued on compliance for major programs: Unmodified

Internal control over major programs:  
Material weakness(es) identified? \_\_\_ Yes X No

Significant deficiency(ies) identified not considered to be material weakness(es)? \_\_\_ Yes X None Reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) \_\_\_ Yes X No

Identification of major programs:

*Assistance Listing Number: 10.766 – Community Facilities Loans and Grants*

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Did auditee qualify as a low-risk auditee? X Yes \_\_\_ No

**SECTION II – FINANCIAL STATEMENTS FINDINGS**

None reported.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None reported.

**CITY OF LAKELAND, TENNESSEE**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
For the Year Ended June 30, 2024

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**A. FINANCIAL STATEMENT FINDINGS**

None reported.

**B. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None reported.