LAKELAND BOARD OF EDUCATION
BUSINESS MEETING AGENDA
Monday, February 5, 2024, 5:45 PM
LPS Library
5020 Lions Crest Dr
Lakeland, TN 38002

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. **APPROVAL OF AGENDA**
VI. **CONSENT AGENDA**
1. Approval of Meeting Minutes: December 11, 2023 Business Meeting
2. Approval of FY 24-25 Budget Calendar
3. Approval of FY 23-24 Budget Amendments (01/24)
4. Approval of Update to Policy 5.501 - Complaints and Grievances
5. Approval of Update to Extracurricular Activities and Clubs
6. Approval of Interlocal Agreement for Student Transportation Assistance

VII. **DISCUSSION / ACTION**
1. Election of School Board Chairman & Vice Chairman (Policy 1.200)
2. Presentation of FY 22-23 Audit Report by Watkins Uiberall
3. Presentation of FY 22-23 Nyhart Actuarial Report by Director of Finance
4. Nomination of Volunteer of the Year
5. Signing of Boardmanship Code of Conduct
6. Finalize TSBA Legislative and Legal Institute
7. Review Policy Manual: Section 2
8. Review Policy Manual: Section 5 (First Half)
9. Benchmark Data Presentation by Director of Data, Accountability, Assessment, and Data
10. Review of 5-Year Strategic Plan Survey
11. Discussion on New Legislative Agenda Items

VIII. **REPORTS**
1. Legislative Liaison Update
2. Superintendent's Report
3. Monthly Financial Summary
   - December 2023

IX. **ANNOUNCEMENTS**
X. **ADJOURNMENT**

LAKELAND BOARD OF EDUCAITON

BUSINESS MEETING MINUTES

Monday, December 11, 2023, 5:45 PM

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

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

With a quorum present, the meeting was called to order on Monday, December 11, 2023, 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):	Absent at time of roll call *(Arrived later in meeting)*

III. CHAIR'S WELCOME

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

No comments.

V. REPORTS

1. Legislative Liaison Update

Legislative Liaison Michelle Childs reserved her report for the action item later on the agenda.

2. Superintendent's Report

Superintendent Horrell reported on various administrative items:

- District's stance on A-F letter grades and update on data that will be released
- Construction update on access road / walking path and Campus Drive
- Centegix update
- Impact Aid Survey
- Gearing up for registration

- 5-6th grade house system
- Finalizing LPS positions for 24-25

3. Monthly Financial Summary

- **November 2023**

VI. APPROVAL OF AGENDA

Laura Harrison (Chair) moved to amend the agenda by adding Discussion/Action on Central Office Timeline, seconded by Keith Acton. **Motion carried.**

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

Laura Harrison (Chair) moved to approve the agenda as amended, seconded by Keith Acton. **Motion carried.**

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

VII. CONSENT AGENDA

1. **Approval of Meeting Minutes: November 13, 2023 Business Meeting**
2. **Approval of Update to Policy 1.105 - School Board Legislative Involvement**
3. **Approval of Update to Policy 1.701 - School District Planning**
4. **Approval of Update to Policy 2.400 - Revenues**
5. **Approval of Update to Policy 4.209 - Alternative Credit Options**
6. **Approval of Update to Policy 4.602 - Honor Roll, Awards, and Class Ranking**
7. **Approval of Update to Policy 4.603 - Promotion and Retention**

8. Approval of Update to Policy 6.200 - Attendance

Keith Acton moved to approve the items on Consent Agenda as presented, seconded by Michelle Childs. **Motion carried.**

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

VIII. DISCUSSION / ACTION

1. Approval of Update to 23-24 School Board Calendar

Superintendent Horrell noted that there was a conflict for the January 08, 2024 Business Meeting and suggested a revised date of Wednesday, January 17, 2024.

Laura Harrison (Chair) moved to amend the 23-24 School Board Calendar to change the January 2024 Business Meeting from January 08, 2024 to January 17, 2024; seconded by Keith Action. **Motion carried.**

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

2. Election of Policy Committee

It was noted that the Policy Committee membership will be changed at a future meeting to include three (3) administrators to represent the three (3) grade bands.

Superintendent Horrell recommended Tami Boeve and Kim Louis as the administrators to continue to serve on the Policy Committee.

Keith Acton nominated Deborah Thomas to serve on the Policy Committee. Deborah Thomas expressed willingness to continue to serve. Laura Harrison (Chair) closed the floor for nominations.

When the question was called, the following members of the Policy Committee were approved:

Tami Boeve
Kim Louis
Deborah Thomas

Voice vote, all in favor.

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

3. Election of Ethics Committee

Laura Harrison (Chair) recommended the following members to serve on the Ethics Committee: Laura Harrison, Jeremy Burnett, Adam Henry; seconded by Keith Acton. **Motion carried.**

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

4. Election of Disciplinary Hearing Officers

Superintendent Horrell recommended the following members of the DHA: Kim Louis, Tami Boeve, and Kim Pickens.

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

Acton:	Aye
Childs:	Aye

Harrison (Chair): Aye

Thomas: Aye

5. Discussion on SCOPE Conference Applications

Laura Harrison (Chair) moved to bring to the floor, seconded by Keith Acton.

No action was taken.

6. Approval of Resolution Opposing the Education Freedom Act

Laura Harrison (Chair) moved to bring the Resolution opposing the Education Freedom Act to the floor, seconded by Keith Acton.

Legislative Liaison Michelle Childs delivered a recap on the Governor's voucher program. Superintendent Horrell reviewed the resolution.

Attendance Update Taken at 6:16 PM.

Jeremy Burnett (Vice-Chair): Present

Laura Harrison (Chair) stated that she would like to educate parents and the community on the resolution and how to communicate with lawmakers.

When question was called, the Resolution Opposing the Education Freedom Act was approved as presented. **Voice vote, all in favor.**

Acton: Aye

Burnett (Vice-Chair): Aye

Childs: Aye

Harrison (Chair): Aye

Thomas: Aye

7. Approval of 2024 Legislative Agenda

Laura Harrison (Chair) moved to bring the 2024 Legislative Agenda to the floor, seconded by Keith Acton.

Legislative Liaison Michelle Childs reviewed the highlights of the Legislative Agenda, including:

- A-F letter grading
- Voucher program
- SPED preschool funding

Laura Harrision (Chair) stated she would like communication to go out to parents and the community regarding legislative agenda items.

When the question was called, the 2024 Legislative Agenda was approved as presented. **Voice vote, all in favor.**

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

8. Discussion on Central Office Timeline

Laura Harrison (Chair) moved to bring the Central Office Timeline to the floor, seconded by Keith Acton.

Laura Harrison (Chair) stated that she was in favor of updating the capital improvement plan to push the central office project to FY 24-25.
Jeremy Burnett (Vice-Chair) asked to explore options for current staff.
Superintendent Horrell stated that fund balance and doing what is in the best interest of the school system are his top priorities.

Laura Harrison (Chair) moved to update the Capital Improvement Plan to move the Central Office project to FY 24-25, seconded by Keith Acton. **Motion carried.**

Acton:	Aye
Burnett (Vice-Chair):	Aye

Childs:	Aye
Harrison (Chair):	Aye
Thomas:	Aye

IX. ANNOUNCEMENTS

X. ADJOURNMENT

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

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

The meeting was adjourned at 06:52 PM on Monday, December 11, 2023.
These minutes were approved on Wednesday, January 17, 2024.

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Laura Harrison, Chair

ATTEST:

_____ _____

Dr. Ted Horrell, Superintendent Jessica Millspaugh, Board Secretary

LAKELAND SCHOOL SYSTEM
BUDGET PLANNING AND PREPARATION CALENDAR
FOR FISCAL YEAR 2024-2025

April 1, 2024	INITIAL BUDGET PRESENTED TO LAKELAND SCHOOL SYSTEM BOARD OF EDUCATION AT WORK SESSION
April 1 – 8, 2024	BOARD REVIEW OF FY 2024-2025 BUDGET (Individual Meetings To Be Scheduled)
April 8, 2024	PROPOSED BUDGET APPROVED BY LAKELAND SCHOOL SYSTEM BOARD OF EDUCATION AT BUSINESS MEETING
April 2024	LAKELAND SCHOOL SYSTEM SUBMITS BUDGET TO THE CITY OF LAKELAND
May 2, 2024	BUDGET PRESENTED TO COMMISSIONERS AT LAKELAND BOARD OF COMMISSIONERS WORK SESSION
May 9, 2024	BUDGET PRESENTED FOR FIRST READING AT LAKELAND BOARD OF COMMISSIONERS BUSINESS MEETING
June 6, 2024	LAKELAND BOARD OF COMMISSIONERS WORK SESSION
June 13, 2024	BUDGET PRESENTED FOR PUBLIC HEARING AND FINAL READING AT LAKELAND BOARD OF COMMISSIONERS BUSINESS MEETING
June 30, 2024	SUBMIT BUDGET TO STATE OF TENNESSEE - COMPTROLLER'S OFFICE
July 31, 2024	SUBMIT BUDGET TO STATE OF TENNESSEE - DEPARTMENT OF EDUCATION

FY 23-24 January Budget Amendments

Fund 141 - General Purpose School Fund

Account Number Fnd T Acct Obj Prj Loc Prg	Account Level Description	Selected Year Revised Budget	Selected Year FY Activity	Selected Year Encumbered	Selected Year Available Funds	Selected Year Batch Activity	Previous year CF Encumbered	Proposed Amendment	Difference
Revenues:									
141 R 46510 000 000 00000 000	TISA	$ 13,481,949.72	$ 5,303,926.99	$ -	$ 8,178,022.73	$ -	$ -	$ 13,861,953.00	$ 380,003.28
		$ 13,481,949.72	**$ 5,303,926.99**	**$ -**	**$ 8,178,022.73**	**$ -**	**$ -**	**$ 13,861,953.00**	**$ 380,003.28**
Expenditures:									
141 E 71100 116 310 03000 000	Teachers	$ 1,587,111.79	$ 631,250.67	$ -	$ 955,861.12	$ -	$ -	$ 1,522,111.79	$ (65,000.00)
141 E 71200 116 320 00116 000	Teachers	$ 464,541.21	$ 196,233.37	$ -	$ 268,307.84	$ -	$ -	$ 530,000.00	$ 65,458.79
141 E 71200 116 320 02000 000	Teachers	$ 252,398.67	$ 101,331.10	$ -	$ 151,067.57	$ -	$ -	$ 265,000.00	$ 12,601.33
141 E 71200 201 320 00116 000	Social Security	$ 54,377.68	$ 18,989.65	$ -	$ 35,388.03	$ -	$ -	$ 58,477.68	$ 4,100.00
141 E 71200 201 320 02000 000	Social Security	$ 22,153.58	$ 8,191.06	$ -	$ 13,962.52	$ -	$ -	$ 22,953.58	$ 800.00
141 E 71200 204 320 00116 000	State Retirement	$ 78,935.34	$ 20,638.32	$ -	$ 58,297.02	$ -	$ -	$ 84,835.34	$ 5,900.00
141 E 71200 204 320 02000 000	State Retirement	$ 32,158.42	$ 8,998.12	$ -	$ 23,160.30	$ -	$ -	$ 33,358.42	$ 1,200.00
141 E 71200 212 320 00116 000	Employer Medicare	$ 12,717.36	$ 4,441.31	$ -	$ 8,276.05	$ -	$ -	$ 13,717.36	$ 1,000.00
141 E 71200 212 320 02000 000	Employer Medicare	$ 5,181.08	$ 1,915.72	$ -	$ 3,265.36	$ -	$ -	$ 5,381.08	$ 200.00
141 E 71900 188 000 02000 000	Bonus Pay	$ 20,000.00	$ 13,150.03	$ -	$ 6,849.97	$ -	$ -	$ 33,500.00	$ 13,500.00
141 E 71900 201 000 02000 000	Social Security	$ 12,090.00	$ 3,106.27	$ -	$ 8,983.73	$ -	$ -	$ 12,927.00	$ 837.00
141 E 71900 204 000 02000 000	State Retirement	$ 17,550.00	$ 3,204.14	$ -	$ 14,345.86	$ -	$ -	$ 18,765.00	$ 1,215.00
141 E 71900 212 000 02000 000	Employer Medicare	$ 2,827.50	$ 726.46	$ -	$ 2,101.04	$ -	$ -	$ 3,023.50	$ 196.00
141 E 72120 131 620 00116 000	Medical Personnel	$ 48,393.72	$ 15,423.35	$ -	$ 32,970.37	$ -	$ -	$ 58,393.72	$ 10,000.00
141 E 72120 201 620 00116 000	Social Security	$ 4,836.29	$ 1,941.19	$ -	$ 2,895.10	$ -	$ -	$ 5,456.29	$ 620.00
141 E 72120 204 620 00116 000	State Retirement	$ 7,020.43	$ 1,897.33	$ -	$ 5,123.10	$ -	$ -	$ 7,920.43	$ 900.00
141 E 72120 212 620 00116 000	Employer Medicare	$ 1,131.07	$ 453.99	$ -	$ 677.08	$ -	$ -	$ 1,276.07	$ 145.00
141 E 72210 129 335 02000 000	Librarian(s)	$ 62,737.52	$ 46,058.10	$ -	$ 16,679.42	$ -	$ -	$ 127,737.52	$ 65,000.00
141 E 72250 189 360 01000 000	Other Salaries & Wages	$ 135,825.24	$ 62,688.96	$ -	$ 73,136.28	$ -	$ -	$ 170,000.00	$ 34,174.76
141 E 72250 201 360 01000 000	Social Security	$ 15,316.82	$ 6,752.21	$ -	$ 8,564.61	$ -	$ -	$ 17,516.82	$ 2,200.00
141 E 72250 204 360 01000 000	State Retirement	$ 22,234.09	$ 6,632.73	$ -	$ 15,601.36	$ -	$ -	$ 25,334.09	$ 3,100.00

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Lakeland Board of Education

Monitoring:	Descriptor Term:	Descriptor Code:	Issued Date:
Review: Annually, in March	**Complaints and Grievances**	**5.501**	**01/17/24**
		Rescinds: **5.501**	Issued: **05/11/15**

EMPLOYMENT-RELATED COMPLAINTS/GRIEVANCES

The Board believes that differences of opinions arising in the course of employment should be resolved as quickly as possible and at the lowest supervisory level.

In instances of questions by an individual staff member concerning the interpretation of policies and procedures to that staff member, administrative practices within the staff member's particular school, and relationships with other employees, the staff member concerned must consult the administrative or supervisory personnel to whom they are responsible. If a satisfactory resolution of the problem cannot be reached after ample opportunity for consideration of the matter, the staff member concerned may discuss the matter with the next level of supervision up to and including the superintendent.

In instances where an individual staff member feels, for personal reasons, that they cannot discuss a problem with his/her immediate superior, the staff member may take the problem directly to the superintendent. After review of the case, the superintendent shall take action as they deem appropriate and within a prompt, reasonable time shall notify all parties concerned of his/her decision.

HARASSMENT/DISCRIMINATION GRIEVANCES

Employees should notify any district complaint manager if they believe the Board, its employees or agents have violated their rights guaranteed by the state or federal constitution, state or federal statute or board policy including: [1,3,4]

1. Title II of the Americans with Disabilities Act [2]
2. Title IX of the Education Amendments of 1972 [7]
3. Section 504 of the Rehabilitation Act of 1973 [5]
4. Claims of sexual harassment under Title VII of the Civil Rights Act of 1964 and Title IX of the Education Amendments of 1972 [6,7]

The complaint manager will endeavor to respond and resolve complaints without resorting to this grievance procedure and, if a complaint is filed, to address the complaint promptly and equitably. The right of a person to prompt and equitable resolution of the complaint shall not be impaired by the person's pursuit of other remedies. Use of this grievance procedure is not a prerequisite to the pursuit of other remedies and use of this grievance procedure does not extend any filing deadline related to the pursuit of other remedies.

1. Filing a Complaint — An employee who wishes to avail themselves to this grievance procedure may do so by filing a complaint with any district complaint manager. The complaint manager may assist the employee in filing a grievance.

2. Investigation — The complaint manager will investigate the complaint or appoint a qualified person to undertake the investigation on his/her behalf. The complaint and identity of the complainant will not be disclosed except (1) as required by law or this policy; or (2) as necessary to fully investigate the complaint; or (3) as authorized by the complainant. The complaint manager shall file a written report within ten (10) calendar days of the filing of the grievance, of his or her findings with the superintendent. If a complaint of sexual harassment contains allegations involving the superintendent, the written report shall be filed with the Board.

3. Decision and Appeal — After receipt of the complaint manager's report, the superintendent shall render a written decision within five (5) business days of the receipt of the report that shall be provided to the employee. If the employee is not satisfied with the decision, the employee may appeal the decision to the Board by making a written request to the complaint manager. The complaint manager shall be responsible for promptly forwarding all materials relative to the complaint and appeal to the Board. Thereafter, the Board shall render within thirty (30) calendar days from the date the appeal was received, review the report and affirm, overrule or modify the decision and render a written finding that shall be provided to the complainant. This grievance procedure shall not be construed to create an independent right to a Board hearing.

APPOINTING COMPLAINT MANAGERS

~~The superintendent shall serve as the complaint manager and may be contacted as follows:~~

The superintendent shall appoint at least two complaint managers, one of each gender. The Federal Rights Coordinator may be appointed as a complaint manager.

District Federal Rights Coordinator:
Federal Programs Supervisor
titleix@lakelandk12.org
10001 Highway 70
Lakeland, Tennessee 38002
901.867.5412

Legal References

1. Age Discrimination Employment Act, 29 U.S.C. § 621 et seq.
2. Americans with Disabilities Act, 42 U.S.C. § 12101 et seq.
3. Equal Pay Act, 29 U.S.C. § 206(d)
4. Immigration Reform and Control Act, 8 U.S.C. § 1324a et seq.
5. Rehabilitation Act, 29 U.S.C. § 791 et seq.
6. Title VII of Civil Rights Act, 42 U.S.C. § 2000e et seq.

Cross References

Section 504 and ADA Grievance Procedures 1.802
Discrimination/Harassment of Employees (Sexual, Racial, Ethnic, Religious) 5.500
Code of Conduct 6.300

7. Title IX of the Education Amendments, 20 U.S.C. § 1681 et seq.

LAKELAND PREPARATORY

Sports

Middle School Football	6-8	MS Track Boys	6-8
High School Football	9-12	MS Track Girls	6-8
MS Basketball Boys	6-8	HS Track Boys	9-12
MS Basketball Girls	6-8	HS Track Girls	9-12
HS Basketball Boys	9-12	HS Cross Country Boys	9-12
HS Basketball Girls	9-12	MS Cross Country Boys	6-8*
MS Baseball	6-8	HS Cross Country Girls	9-12
HS Baseball	9-12	MS Cross Country Girls	6-8*
MS Cheer-basketball	5-8	HS Soccer Boys	9-12
HS Cheer-basketball	9-12	HS Soccer Girls	9-12
MS Cheer Competitive	5-8	MS Soccer Boys	6-8
HS Cheer Competitive	9-12	MS Soccer Girls	6-8
MS Volleyball	6-8	HS Lacrosse Boys	9-12
HS Volleyball	9-12	MS Lacrosse Boys	5-8
MS Softball	6-8	HS Swimming	9-12
HS Softball	9-12	MS Swimming	6-8*
HS Golf Boys	9-12	HS Tennis	9-12
HS Golf Girls	9-12	MS Tennis	6-8*
MS Golf Boys	6-8		
MS Golf Girls	6-8		
HS Wrestling	9-12		

Some TSSAA sports allow 8th graders to participate on high school teams, but that varies by sport and may vary by season. Coaches will announce during tryouts whether 8th graders are eligible to try out for high school teams. *5th graders may participate in Cross Country practices with LPS, but they run on LES's team. 5th graderes may practice with middle school swim, however they cannot compete until they are in 6th grade.

LAKELAND PREPARATORY

MIDDLE SCHOOL CLUBS

Club	Grades Involved	Description
Junior Beta Club	6th, 7th, 8th	National Beta Club is the largest independent, non-profit, educational youth organization in America. And for more than 80 years, it has prepared today's students to be tomorrow's leaders. The National Beta Club is an organization for 4th through 12th grade students in the United States. Its purpose is "to promote the ideals of academic achievement, character, leadership and service among elementary and secondary school students."
Art Club	5th, 6th, 7th, 8th	*These clubs may be combined or may stay separate. 5th-6th Grade Art Club will be tailored to students who want to dive a little deeper in the art making process. Students will be focusing on an artist and creating artwork that is inspired by that artist. Students involved in art classes should apply. Art Club will meet once a week for a 4-5 week period during the second semester. 7th-8th Grade Art Club will include (but is not limited to) creating banners, posters, etc. for school events. They will also be involved in creating art for the plays. Students will be required to have a high level of artistic skills and be self motivated to complete projects. Art Club will meet periodically throughout the year.
Chess Club	5th, 6th, 7th, 8th	Students learn and play chess! FOUNDERS OF MID-SOUTH CHESS are International Grandmaster Alex Stripunsky, a competitive player and premier chess instructor dedicated to spreading quality chess in the Mid-South, and International Master Jake Kleiman, a native Memphian and Phi Beta Kappa Rhodes College graduate recognized as one of the top players in the country. MID-SOUTH CHESS INSTRUCTORS are college students and recent graduates who must exhibit chess ability, skill, enthusiasm, play actively, possess communicative-child friendly skills and fine moral character. Our instruction has spanned 21 years in Memphis and includes coaching elementary, middle, and high school students, camps, tournaments, seminars, and simultaneous chess exhibitions.
Drama Club - Soon to be Thespian Troupe	5th, 6th, 7th, 8th	Jr. Thespian and Thespian Troupe 10902 - Lakeland Preparatory School - Commitment to theatre is what the International Thespian Society is all about. The Society was established in 1929 by a group of college and high school teachers in Fairmont, West Virginia. They named their organization for Thespis, the Greek who, according to legend, was the first actor; their guiding principle was a dedication to excellence in theatre arts in secondary schools. In the years since, the Society has grown into an international organization with more than 2.2 million members, but its goals haven't changed; the International Thespian Society still strives to make education and arts programs places for good theatre and to honor those students who do theatre well. The Society is a service as well as an honorary organization. This school year we will hold Thespian meetings, elect officers, attend the TN Thespian Conference in January and have special events. We are excited for the future of Jr. Thespian and Thespian Troupe 10902.
Jazz Band	5th, 6th, 7th, 8th	The LPS Jazz Bands will serve as an introduction to the rich history of jazz music. Through ensemble rehearsal, individual practice, and a variety of performance opportunities, the student will gain an understanding and appreciation for this great art form. Emphasis will be placed on rudimentary improvisational skills, a sense of personal accountability, and musicianship as well as performance techniques. Members will study and perform different forms of music including jazz, funk, and blues. Each student is expected to show musical and technical growth through participation in this ensemble. Public and outside of school day performances are a requirement of the ensemble.

LAKELAND PREPARATORY

MIDDLE SCHOOL CLUBS

Club	Grades Involved	Description
Gamers Unplugged	5th, 6th, 7th, 8th	Gamers Unplugged is a time for students to unplug from technology and have fun with their fellow classmates. Students play non-electronic card games, board games, and building games with one another. This club was funded by an LEF grant and will enter into its second year this school year. The club had 59 members last school year.
National Elementary Honor Society	5th	The National Elementary Honor Society (NEHS) provides students in Fifth Grade a place to develop and apply their passion for service, while obtaining the skills to be confident young leaders for years to come. NEHS membership is centered on recognizing students for their accomplishments while challenging and equipping them to develop further as leaders through service to their school and community. The NEHS program empowers and equips our students with the knowledge and skills to be transformative leaders in our school, community, and beyond.
National Junior Honor Society	6th, 7th, 8th	The National Junior Honor Society (NJHS) provides students with the opportunity to show their outstanding qualities in scholarship, character, citizenship, leadership, and service. NJHS is an honor society that meets once a month; we have guest speakers, group building exercises, and discussions about the five pillars that form the foundation of NJHS.
Spanish Club	5th, 6th, 7th, 8th	This club is for students to come and explore the diverse perspectives of the Spanish speaking world. Whether to bolster the learning taking place in Spanish class or to increase awareness and curiosity for language learning and culture, Spanish club provides a safe space for all middle school students to engage in some cultural celebrations, experience some traditional foods, play with the language, listen to guest native speakers, and understand more about what connects us all as a global community.
Student Ambassadors	5th, 6th, 7th, 8th	The LPS Student Ambassadors Program is a leadership opportunity for students who would like to represent Lakeland Preparatory School. This group of students will be dedicated to the positive promotion of our school. They will play an active role in welcoming new students, leading school tours for visitors, and helping with a variety of school-related events. Ambassadors will show leadership, good judgment, maturity, honesty, and integrity while upholding their responsibilities of being a model student.
Student Council (MS)	5th, 6th, 7th, 8th	This is an annually elected body of students serving the high school student community. It consists of 4 officer positions (President, Vice President, Secretary and Historian) and 5 representatives from each class (freshmen, sophomores, juniors, seniors). The entire council meets monthly and the executive council meets bi weekly. The group carries out a variety of events, activities and programs with the aim of fostering community and school spirit. Students may also be asked to work in tandem with faculty and administration in advising policies which affect student life.
Origami Club	5th, 6th, 7th, 8th	The Origami Club focuses on a different paper folding project each meeting, ranging from small boxes to animals. Club members may request to lead a meeting to teach the group how to create an origami project of their choice. No experience is required and all ability levels are welcome. Only students in grades 5-8 may join.

LAKELAND PREPARATORY

MIDDLE SCHOOL CLUBS

Club	Grades Involved	Description
Robotics Club	6th, 7th, 8th	This program will primarily focus on VEX IQ Robotic Competitions. VEX IQ is the world's largest robotics competitions for middle school students. Student's (grade 6-8) required applications will be considered and awarded final membership via teacher invitation. Selected team members will apply classroom STEM concepts, complete research, and create innovative CODING solutions to problems. Teams will also work together using a completely tool-less method of robotic assembly. This is a multi-membered team activity. Students MUST be dedicated to working both independently and collectively within their group. Members MUST also be committed to attending EVERY meeting and participating throughout their time on the team.
Kindness Club	5th, 6th, 7th, 8th	This 5 - 8 club works to highlight LPS groups, students, or teachers to spread kindness to. Typically, we create cards and goodie bags. It is a free club.
Pokemon Club	5th, 6th, 7th, 8th	This 5 - 8 club is a place for students to play the Pokémon card game. Students may leave cards with Mrs. Campbell in the morning on club days. They may show their cards during club time, but they may not have them out at school.
History Club	8th	This new club will serve as a "deeper dive" into the 8th Grade Social Studies curriculum. It will increase students' enthusiasm for American history (especially Tennessee history) through morning meetings and parent-accompanied Saturday field trips to historic sites and museums. History club students would also learn how to properly raise, lower, and fold our school's flags, assisting Student Council with flag duty when needed.
Battle of the Books	5th and 6th	Students read books and come together, usually in groups, to demonstrate their abilities and to test their knowledge of the books they have read.
LPS Community Book Club	7th and 8th	In our club students in grades 7 and 8 will participate in a book club with the faculty and staff. Students will meet twice a month. At one meeting students will write discussion questions and plan the club meeting. The second meeting of the month will be with the faculty/staff participants. At this time students will take turns asking discussion questions about the book and leading the conversations. Each month there will be a new book that is appropriate for all audiences in the club.
Fellowship for Christian Students	7th and 8th	Fellowship of Christian Students is an Equal Access Club that studies the Bible, what it means to be Christian, and how to better understand our religion. We work together to strengthen our community and to become better people, regardless of what Christianity branch. Last year (and the year before), members of the club volunteered to present their own Bible Study. We alternate weeks to learn about different aspects of the Bible and how to grow in our faith. We work to strengthen bonds between the members and how to be better people through Christian ideals. Fellowship of Christian Students is a source for community, religious growth, and stronger ties in life.
Lunch Time Book Club	5th-8th	The librarian will choose the books, and students will participate in reading and discussing the books during lunch usually once per week.

LAKELAND PREPARATORY

HIGH SCHOOL CLUBS

Club	Grades Involved	Description
Knowledge Bowl	9-12	This is a high school based club which practices competitive knowledge based questions in a timed scenario. The team competes against other area high schools in local tournaments and WREG's pre-recorded, televised tournament. The team practices monthly and holds other practice rounds as necessary.
HS Student Council	9-12	This is an annually elected body of students serving the high school student community. It consists of 4 officer positions (President, Vice President, Secretary and Historian) and 5 representatives from each class (freshmen, sophomores, juniors, seniors). The entire council meets monthly and the executive council meets bi weekly. The group carries out a variety of events, activities and programs with the aim of fostering community and school spirit. Students may also be asked to work in tandem with faculty and administration in advising policies which affect student life.
BETA Club	9-12	"National Beta is committed to recognizing high academic achievement, rewarding and nurturing worthy character, fostering leadership skills and encouraging service to others."
Art Club	9-12	Art club is a chance for students who have a strong interest in art to come and create along with other like minded students. We will have different projects and pieces that will help students to understand art and its relation to the school and community. Students applying should be responsible, self motivated, and excel in the art classroom.
Robotics Club	9-12	Planning and Preparing for Robotics Competitions
Marching Band	9-12	The Marching Band is a music ensemble that meets during the summer and fall. The ensemble consists of woodwinds, brass, percussion, and a color guard. The Marching band provides entertainment at home football games, local events, and competes all over the Mid-South.
Color Guard/Winter Guard	9-12	Color guard is a part of the marching band that uses flags, dance, rifles, sabres, and other equipment to visually represent what is happening in the music. Since color guard is part of the marching band, the season begins mid-summer and continues throughout the fall. Winterguard is a group that uses choreography, dancing, staging, and equipment (flags, rifles, sabres, etc.) to interpret music. Although similar to color guard, winterguard is performed indoors without the band and occurs during the winter/spring seasons.
Emerging Bilingual Club	9-12	The Emerging Bilingual Club proposes to promote awareness, appreciation, and understanding of the people and diverse cultural productions of the languages around the world. It also proposes to contribute and encourage the study and appreciation of world languages. Finally, it proposes to foster friendly relations with other clubs and organizations, as well as the community, and to work with them to better understand diversity through cultural awareness. The Emerging Bilingual Club is composed of students in all levels or just those who are interested in diverse cultures.
Technology Community	9-12	Students will learn the importance of using graphic design and communication as a tool to keep our community informed of events and happenings within the school. Students will learn to design, edit, and proof graphics and articles as well as utilize technology to provide resources and technology tutorials to the community and school. Students will also learn the importance of digital citizenship and understand the digital footprint their interactivity with technology creates.

LAKELAND PREPARATORY

HIGH SCHOOL CLUBS

Club	Grades Involved	Description
Theatre - Soon to be Thespian Troupe	9-12	Jr. Thespian and Thespian Troupe 10902 - Lakeland Preparatory School - Commitment to theatre is what the International Thespian Society is all about. The Society was established in 1929 by a group of college and high school teachers in Fairmont, West Virginia. They named their organization for Thespis, the Greek who, according to legend, was the first actor; their guiding principle was a dedication to excellence in theatre arts in secondary schools. In the years since, the Society has grown into an international organization with more than 2.2 million members, but its goals haven't changed; the International Thespian Society still strives to make education and arts programs places for good theatre and to honor those students who do theatre well. The Society is a service as well as an honorary organization. This school year we will hold Thespian meetings, elect officers, attend the TN Thespian Conference in January and have special events. We are excited for the future of Jr. Thespian and Thespian Troupe 10902.
HOSA Health Occupations Students of America	9-12	HOSA provides a unique program of leadership development, motivation, and recognition exclusively for secondary, postsecondary, adult, and collegiate students enrolled in health science education and biomedical science programs or have interests in pursuing careers in health professions. https://hosa.org/
DECA Distributive Education Clubs of America	9-12	DECA prepares emerging leaders and entrepreneurs for careers in marketing, finance, hospitality and management in high schools and colleges around the globe. https://www.deca.org/
SkillsUSA	9-12	A nonprofit national education association, SkillsUSA serves middle-school, high-school and college/postsecondary students preparing for careers in trade, technical and skilled service occupations. https://www.skillsusa.org/
TSA Technology Student Association	9-12	The Technology Student Association fosters personal growth, leadership, and opportunities in technology, innovation, design, and engineering. Members apply and integrate science, technology, engineering and mathematics (STEM) concepts through co-curricular activities, competitions and related programs. https://tsaweb.org/
History Club	9-12	This new club will serve as a "deeper dive" into the 8th Grade Social Studies curriculum. It will increase students' enthusiasm for American history (especially Tennessee history) through morning meetings and parent-accompanied Saturday field trips to historic sites and museums. History club students would also learn how to properly raise, lower, and fold our school's flags, assisting Student Council with flag duty when needed.
National Honor Society	10-12	The National Honor Society enshrines four pillars at its heart: Scholarship, Service, Leadership, and Character. More than mere badges of honor for NHS members, these principles are transformative keys that unlock potential, enhancing every student's educational journey, and ultimately empowering them to make profound, enduring contributions to our world.
Fellowship for Christian Students	9-10	Fellowship of Christian Students is an Equal Access Club that studies the Bible, what it means to be Christian, and how to better understand our religion. We work together to strengthen our community and to become better people, regardless of what Christianity branch. Last year (and the year before), members of the club volunteered to present their own Bible Study. We alternate weeks to learn about different aspects of the Bible and how to grow in our faith. We work to strengthen bonds between the members and how to be better people through Christian ideals. Fellowship of Christian Students is a source for community, religious growth, and stronger ties in life.
Lunch Time Book Club	9-12	The librarian will choose the books, and students will participate in reading and discussing the books during lunch usually once per week.

LAKELAND PREPARATORY

HIGH SCHOOL CLUBS

Club	Grades Involved	Description
Chess Club	9-12	Students learn and play chess! FOUNDERS OF MID-SOUTH CHESS are International Grandmaster Alex Stripunsky, a competitive player and premier chess instructor dedicated to spreading quality chess in the Mid-South, and International Master Jake Kleiman, a native Memphian and Phi Beta Kappa Rhodes College graduate recognized as one of the top players in the country. MID-SOUTH CHESS INSTRUCTORS are college students and recent graduates who must exhibit chess ability, skill, enthusiasm, play actively, possess communicative-child friendly skills and fine moral character. Our instruction has spanned 21 years in Memphis and includes coaching elementary, middle, and high school students, camps, tournaments, seminars, and simultaneous chess exhibitions.

INTERLOCAL AGREEMENT FOR
STUDENT TRANSPORTATION ASSISTANCE

This Agreement is made and entered into by and between the Collierville Schools Board of Education ("Provider"), a public school district, located at 145 West Poplar Ave, Collierville, TN 38017 and Arlington Community Schools Board of Education, Bartlett City Schools Board of Education, Lakeland School System Board of Education, and the Germantown Municipal School District Board of Education, (the "Districts" or the "Boards").

WITNESSETH:

WHEREAS, pursuant to Tennessee Code Annotated §7-51-908, the Parties are authorized to contract among themselves for matters concerning education; and

WHEREAS, the Parties are in need of Student Transportation services in order to serve their present and future needs; and

WHEREAS, the Collierville Schools Board of Education has a Student Transportation staff with sufficient qualifications to provide those services to the Board; and

WHEREAS, the Parties have agreed to enter into this Agreement to effect the purposes stated herein.

NOW THEREFORE, in consideration of the mutual covenants contained herein, the sufficiency of which is hereby confirmed, the Collierville Schools Board of Education (the "Provider") and the Boards agree as follows:

1. Purpose – The purpose of this Agreement is to authorize the Provider to deliver Student Transportation services to the Districts in exchange for consideration under the following terms and conditions.

2. Designated Representatives – To implement this Agreement, each Party's Director of Schools or their designee shall be that Party's representative with regard to their respective Districts' Student Transportation needs and all other matters pertaining to those services provided pursuant to this Agreement. Such designees, hereinafter collectively referred to as the "Directors," shall serve as the point of contact for the Provider, the Provider's Director, and all Student Transportation personnel concerning disputes regarding the terms of this Agreement or any services provided hereunder.

3. Services – The Provider shall cause its Student Transportation personnel ("Student Transportation Personnel") to deliver the Student Transportation (the "Services") outlined on Attachment A to the Districts pursuant to applicable federal, state and local laws, codes, rules and regulations.

4. Third-Party Contract(s) – The Parties expressly acknowledge, and this Agreement contemplates, that Provider has entered into a third-party contract, which includes a yearly subscription cost, for Student Transportation software (the "Software")

necessary for the delivery of the Services outlined on Attachment A. The Software shall be made accessible to the Districts subject to the terms and conditions stated on Attachment B. Each such third-party software contract shall be and is hereby incorporated herein by reference, and each of the Parties shall be bound by all terms, conditions, obligations, limitations and exclusions set forth therein as if a signatory thereto, including but not limited to any warranties, limitations on warranties, limitations of liability, intellectual property rights and restrictions, and termination provisions, provided that Provider shall not bind Parties to indemnification of a third party provider to an extent impermissible under Tennessee law. Such terms, conditions, obligations, limitations and exclusions shall apply to any claim by any District or Board against Provider concerning the subject matter hereof.

The Parties further acknowledge that each District has collectively entered into an agreement with Durham School Services, L.P. ("Bus Vendor") for the transportation of its pupils using vehicles provided by the Bus Vendor. While the Provider may, as outlined on Attachment A, schedule and coordinate routing for each District with the Bus Vendor and, for escalated issues and upon request, act in a limited capacity as a liaison between the Bus Vendor and the Districts, the Bus Vendor's services shall be governed exclusively by the agreement between the Districts and the Bus Vendor and the Provider shall not be responsible in any way for such services. Likewise, the Student Transportation Services to be provided under this Agreement shall not include any of the services for which the Districts have contracted with the Bus Vendor, nor shall the terms and conditions of the contract between the Bus Vendor and the Districts govern the instant Agreement in any respect.

5. Oversight – The Provider shall use its own facilities, equipment, personnel, and personnel policies in providing the Services under this Agreement. Student Transportation Personnel shall be considered employees of the Provider for all purposes and shall not be under the control or supervision of the Parties' Boards or Directors of Schools.

6. Relationship Between the Parties – The relationship between the Boards and the Provider or the Provider's Student Transportation Personnel shall be that of an independent contractor. No principal-agent or employer-employee relationship is created by this Agreement.

7. Consideration – In consideration for the Services listed in Attachment A, each District shall pay the Provider twenty percent (20%) of the cost of providing Student Transportation Services.

8. Extraordinary Expenditures – If the Provider determines that an expense/s outside of the "contract price" may be incurred, Provider shall provide the anticipated expense/s to the affected Districts prior to incurring the expense/s. If the affected District(s) believe that the expense/s are necessary, the expense/s shall be equally apportioned between the Provider and the affected District(s). Services beyond

those listed in Attachment A will be outside the scope of this Agreement and must be agreed upon, in writing, by the Provider and the party(s) for whom the additional work will be performed prior to commencement of any such work.

9. Payment – The Provider shall invoice the Boards monthly, with the first payment being due July 1, 2023. All payments shall be remitted within thirty (30) calendar days to Collierville Schools, Attention: Chief Financial Officer, 146 College Street, Collierville, TN 38017.

10. Term – The term of this Agreement shall commence on July 1, 2023 and shall end on the termination of the Agreement between the Districts and the Bus Vendor.

11. Termination for Cause – If, through any cause, any Party shall breach a material term of this Agreement by failing to fulfill in a timely and proper manner its obligations under this Agreement or by violating any of the covenants, agreements, or stipulations of this Agreement, the non-breaching Party may terminate this Agreement. The non-breaching Party shall provide all Parties with written notice specifying the nature of the breach, and the breaching Party shall have thirty (30) days in which to cure the breach. Should the breaching Party fail to cure the breach, the non-breaching Party shall provide written notice of such failure to cure and such Agreement shall terminate as to that Party no earlier than fourteen (14) days after such notice. Termination by one Party, other than the Provider, pursuant to this paragraph, shall be effective only with regard to that Party; the Agreement shall continue under the same terms and conditions with respect to all other Parties. Except for circumstances beyond the Provider's control which make the continued performance of this Agreement impossible or impracticable with respect to the non-breaching Districts, termination by the Provider pursuant to this paragraph shall be effective only with regard to the breaching District; the Agreement shall continue under the same terms and conditions with respect to all other Districts.

12. Access to Student Transportation Services – The Parties acknowledge that Student Transportation Services provided under this Agreement are equally available to all signatories hereto. The Provider agrees that Student Transportation Personnel employed in furtherance of this Agreement shall use best efforts at all times to provide equal access to the Services.

13. *Force Majeure* – If performance of this Agreement or any obligation under this Agreement is prevented, restricted, or interfered with by causes beyond any Party's reasonable control ("Force Majeure"), and if the Party unable to carry out its obligations gives the other Parties prompt written notice of such event, then the obligations of the Party invoking this provision shall be suspended to the extent necessary by such event. The term Force Majeure shall include, without limitation, acts of God, fire, explosion, vandalism, storm or other similar occurrence, orders or acts of military or civil authority, or by national emergencies, insurrections, riots, or wars, or strikes, lock-outs, work stoppages. The excused Party shall use reasonable efforts under the circumstances to avoid or remove such causes of non-performance and shall proceed to perform with reasonable dispatch whenever such

causes are removed or ceased. An act or omission shall be deemed within the reasonable control of a Party if committed, omitted, or caused by such Party, or its employees, officers, agents, or affiliates.

14. Liability – Each Party to this Agreement shall be solely responsible for its own actions and the actions of its employees and agents conducted pursuant to this Agreement. The Provider shall offer the Services to the Parties in an advisory role, and all decision-making authority remains entirely vested in each District. The Parties confer no agency or authority, either express or implied, on the Provider for which any third party may rely. To the extent permitted by Tennessee law, each party to this Agreement shall hold harmless the Provider, and its members, directors, agents and employees, including Provider's Transportation Personnel, from any and all liabilities arising out of the rendition of services hereunder unless such liabilities arise from the willful and intentional acts of Provider or its members, directors, agents and employees.

15. Governing Law – This Agreement shall be exclusively governed by the laws of the State of Tennessee.

16. Notice – All notices to Consortium required under this Agreement shall not be effective unless in writing and sent by certified mail to the following:

a) Notices to Collierville Schools shall be sent to:

Attn: Superintendent's Office
Collierville Schools
145 W. Poplar Ave,
Collierville, TN 38017

b) Notices to Bartlett City Board of Education shall be sent to:

Attn: Superintendent's Office
Bartlett City Schools
5650 Woodlawn Drive
Bartlett, TN 38134

c) Notices to Arlington Community Schools Board of Education shall be sent to:

Attn: Superintendent's Office
Arlington Community Schools
12060 Arlington Trail
Arlington, TN 38002

d) Notices to Lakeland Board of Education shall be sent to:

Attn: Superintendent's Office
Lakeland School System
5020 Lions Crest Drive
Lakeland, TN 38002

e) Notices to Germantown Municipal School District Board of Education shall be sent to:

Attn: Superintendent's Office
Germantown Municipal School District
3350 S. Forest Hill-Irene Rd,
Germantown, TN 38138

17. Entire Agreement – This Agreement and any attachments included herewith at the time of execution of this Agreement contain the entire agreement between the Parties as to the subject matter herein, and no statements, promises, or inducements made by any party or agent of any party that is not contained in this written Agreement shall be valid or binding.

18. Modifications in Writing – This Agreement may not be amended, enlarged, modified or altered except in writing and signed by all affected Parties.

19. Assignment – The rights and obligations of this Agreement are not assignable.

20. No Consent to Breach – No consent or waiver, express or implied, by any Party to this Agreement to or of any breach or default by any other Party to this Agreement in the performance by such other Party of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default of the same or any other obligations hereunder. Failure on the part of any Party to this Agreement to complain of any act or failure to act of any other Party to this Agreement, or to declare such Party in default, irrespective of how long such failure continues, shall not constitute a waiver by the non-defaulting party of its rights hereunder.

21. Severability – If any provision of this Agreement is held to be invalid, unlawful, or unenforceable under present or future laws, such provision shall be fully severable, and this Agreement shall be construed and enforced as if such invalid, unlawful, or unenforceable provision had not been a part hereof. The remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by such invalid, unlawful, or unenforceable provision or by its severance therefrom.

22. Headings – The headings in this Agreement are for convenience and reference and are not intended to define or limit the scope of any provision of this Agreement.

23. Counterparts - This Agreement may be signed in multiple counterparts, each of which shall be an original, and shall be binding on the Parties hereto and their servants and assigns.

24. Effective Date – This Agreement shall not be binding upon the Parties until it has been properly approved by the Boards of Education of the respective parties and has been signed by the authorized representatives of the Parties. When it has been so approved and signed, this Agreement shall be effective as of July 1, 2023.

THE REMAINDER OF THIS PAGE IS INTENTIONALY BLANK

IN WITNESS WHEREOF, the Parties have executed this Agreement by their duly authorized representatives on the date and year hereof.

Collierville Board of Education

_____
Wright Cox, Chair

_____
Gary Lilly, Superintendent

APPROVED AS TO FORM:

_____
Board Attorney

Arlington Community Schools Board of Education

_____
Scott Benjamin, Chair

_____
Jeffery Mayo, Superintendent

APPROVED AS TO FORM:

_____
Board Attorney

Bartlett City Schools Board of Education

_____
Shirley Jackson, Chair

_____
David Stephens, Superintendent

APPROVED AS TO FORM:

_____
Board Attorney

Lakeland Board of Education

_____
Laura Harrison, Chair

_____
Ted Horrell, Superintendent

APPROVED AS TO FORM:

_____
Board Attorney

Germantown Municipal School District

Board of Education

_____
Ryan Strain, Chair

_____
Jason Manuel, Superintendent

APPROVED AS TO FORM:

_____
Board Attorney

ATTACHMENT A- SCOPE OF STUDENT TRANSPORTATION SERVICES

Student Transportation Services (the "Services") pursuant to this Agreement shall include, but not be limited to, the following:

1. Assist and advise the Districts with regard to all matters relating to compliance with school transportation objectives, policies, and procedures of the Tennessee Department of Education and state and federal laws and regulations related to school transportation;

2. Assist and advise the Districts with regard to establishing goals and objectives for the Districts' future student transportation needs;

3. Assist and advise the Directors on all administrative matters related to transportation and prepare reports and make presentations, as requested;

4. Encode policy, route students, assign stops, and schedule buses for the Districts using Transportation Software;

5. Coordinate transportation routing and schedule transportation services with Bus Vendor for each District to ensure safety and efficiency;

6. Recommend and coordinate route changes during the school year to ensure student loads are balanced and within legal limits and, upon approval of such changes by the Directors, communicate such changes to the Bus Vendor;

7. When the Bus Vendor is unable to resolve issues related to parent concerns regarding school bus stop placement, hardship waivers, and routing schedules, assist the Districts, as requested, on researching and resolving such escalated issues;

8. Respond to requests from the Directors or their designees to provide information related to transportation services;

9. Make recommendations and communicate with the Directors regarding routes for newly enrolled students, schedules, missed stops, bus/route changes and other updates;

10. Update computerized District maps for each District with information provided by the Planning Department;

11. Generate reports, maps, and route information using Transportation Software and disseminate to appropriate personnel in each District;

12. Assist Districts, as requested, and serve as a liaison between the Districts and the supplying Bus Vendor with regard to developing transportation budget proposals for the department of instruction, special education, and alternative services;

13. Make recommendations, as requested, with regard to opening and closing times for all schools to ensure efficiency of service. The Bartlett City Schools, the Lakeland School System, and the Arlington Community Schools acknowledge a three tiered bell system for the purpose of school start and end times for the term of this Agreement. If one or more Parties decide to implement a different system of bell times ("Change"), and such Change directly impacts the costs or efficiency of student transportation in another District ("Affected District") as determined by the Provider or, in the case of a Provider Change, as determined by the Bus Vendor, then the changing Party shall reimburse the Affected District(s) for the direct costs incurred that constitute more than two and a half percent (2.5%) of the Affected District's total year's costs under the Consortium's with the Bus Vendor, or Fifty Thousand Dollars ($50,000), whichever is less. Direct costs include, but are not limited to, additional costs incurred due to the loss of shared routes between Districts. This provision shall not apply to the Collierville Schools or to the Germantown Municipal School District.

14. Assist and advise Districts with regard to coordinating the placement of crossing guards for schools with law enforcement officials in each District, as requested;

15. Evaluate and make recommendations, as requested, with regard to planning and coordinating safest delivery patterns for students on each campus;

16. Make recommendations with regard to establishing Parent Responsibility Zones for each school to determine student eligibility for transportation services;

17. Consult with the Directors as requested to assist with, guide and/or coordinate training of the Districts' employees on Transportation Software;

18. Organize, prepare, and process State transportation reports, subject to review and approval of the Districts;

19. Assist Districts, as requested, with the administration of grant funds related to transportation and prepare any requisite reports related to same, subject to review and approval of the Districts; and

20. Any other such duties reasonably related to transportation services as assigned or requested by the Directors.

ATTACHMENT B – THIRD-PARTY CONTRACT(S)

The Interlocal Agreement for Student Transportation Assistance acknowledges that Provider has entered into a third-party contract and subscription with Tyler Technologies, Inc. (the "Software Vendor") for Routing & Planning software, e-Link software, and Onscreen (GPS) software (the "Software"), which Software is necessary for the delivery of the Services outlined on Attachment A. While the Provider shall be the exclusive licensee of such Software, reports, maps, routes, and other transportation reports generated by the Software will be made accessible to the Districts subject to the following terms and conditions:

1. Scope of Services to be Provided under Third-Party Contract – The Software Vendor shall provide all services and deliverables to the Provider as required, described, and detailed in the Software Vendor's Statement of Work.

2. Consideration – Payment for the Districts' access to the Software shall be made as follows:

   a) Annual Software Costs – The Software Vendor's annual costs associated with the licensing of and access to the Software ("Annual Software Costs") shall be included in the Provider's Annual Student Transportation Budget(s) and, accordingly, shall be apportioned among the Districts.

3. Software Vendor Services Outside the Statement of Work – Software Vendor services beyond what is included in the Software Vendor's Statement of Work are outside the scope of this Agreement and shall be the responsibility of the District for whom the additional services are requested (the "Requesting District").

   a) Any District in need of such additional services shall communicate such request to the Provider's Transportation Personnel. Upon such notice, Transportation Personnel will function as the Requesting District's point of contact with the Software Vendor to arrange for such additional services.

   b) The Requesting District shall enter into a Statement of Work with the Software Vendor for the additional services and Software Vendor shall invoice the Requesting District directly for any and all costs and fees related to the provision of such additional services. In no event shall the Provider be responsible for any charges, fees, or costs related to the provision of such additional services to the Requesting District.

4. Termination –

   a) Rights Upon Termination – The Districts' payment for Annual Software Costs shall entitle any District which terminates according to the terms of the Agreement (the "Terminating District") to its electronic records maintained by the Software Vendor and any associated records or documents maintained by the Provider, but such Terminating District shall have no right to the software itself, the software license and/or subscription, or any service included in the Software Vendor's Statement of Work beyond the date of termination. In no

event shall the Terminating District be entitled to a refund of its share of the Initial Software Costs.

b) Fees and Costs Related to Termination – Software Vendor's charges or fees, if any, related to cancelling the Terminating District's access to the Software or packaging and/or exporting the Terminating District's electronic records shall be invoiced directly to the Terminating District. Likewise, any other Software Vendor charges or fees incurred by Provider that arise out of the Terminating District's decision to terminate shall be invoiced by the Provider to the Terminating District.

5. Access to Technical Support or Information – The Parties acknowledge that the Provider's Transportation Personnel are the primary points of contact with the Software Vendor for the provision of the services outlined in the Software Vendor's Statement of Work. The Provider's Transportation Personnel has developed a protocol for requesting technical support, maintenance, and/or information related to the Software. Such protocol shall ensure that Transportation Personnel are apprised of all such requests and that the Districts' are provided prompt and efficient access to technical support, maintenance, and/or information from the Software Vendor.

CITY OF LAKELAND · TENNESSEE · 1977

CITY OF
LAKELAND
TENNESSEE

Annual Comprehensive Financial Report

for the year ended June 30, 2023

Prepared by:
The City of Lakeland Finance Department

CITY OF LAKELAND, TENNESSEE
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INTRODUCTORY SECTION (UNAUDITED)

CITY OF
LAKELAND
TENNESSEE

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

January 30, 2024

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, 2023 (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, 2023. 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 13,904 (per the 2020 Census). 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. Policy-making 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 close 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 350 teachers, professionals, and support staff. Despite its location in a region with a varied economic base, unemployment has returned to pre-pandemic levels in 2023 with an unemployment rate of 6.8%. The City has historically experienced unemployment rates consistent with national averages.

Per capita personal incomes within the City are significantly higher than for the county or the state as a whole. According to the calendar year 2022 U.S. Bureau of Labor Statistics data, the City's per capita personal income was $63,588; the county's was $36,230, while the state's was $58,292. The City's population has increased significantly as a result of the 2020 U.S. Census, growing from an estimated 12,642 in calendar year 2019 to an actual 13,904, reflecting growth of 7%. 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 $490,000. 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 new mixed-use, and multiple 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 (currently 43.5%). Additionally, the school system's capital projects fund expenditures currently represent another 11.7% of governmental fund expenditures. These increases are due to the creation within this decade of the Lakeland School System, and reflects 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 a significant portion of governmental funds revenues (currently 22.8%).

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 61.7% of total general fund revenues. Unassigned fund balance was 50.6% 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 2024-2028 Capital Improvement Program anticipates $53 million in capital projects. Included in this $53 million is $14 million for construction of a new Lakeland Community Center and $24 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 $14.5 million in additional debt in fiscal year 2024.

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. Modified accrual basis accounting requires that expenditures are not incurred for capital outlays until amounts are reasonably estimable or known, a contract or agreement exists, and control or possession of the underlying asset has occurred. During the fiscal year ended June 30, 2023, while the cost for the acquisition of property on Huff N Puff Road was paid (deposited), the amount of payment was known, and legal requirements were met, the possession date did not occur until after June 30, 2023, and therefore, this payment of $2,256,000 is shown on the Governmental Funds Balance Sheet as a prepaid item/deposit, with related nonspendable fund balance, rather than as a capital outlay expenditure.

Awards and Acknowledgements

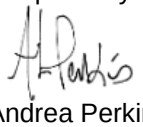
Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lakeland for its comprehensive annual financial report for the fiscal year ended June 30, 2022. This was the second year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual 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 comprehensive annual financial report continues to the meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

Subsequent to June 30, 2023, the GFOA awarded a Distinguished Budget Presentation Award for its fiscal year 2024 annual budget document dated June 15, 2023. 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 third 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 wish to thank all City of Lakeland departments for their assistance in providing the data necessary to prepare this report. Credit also is 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,



Andrea Perkins
Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Lakeland
Tennessee

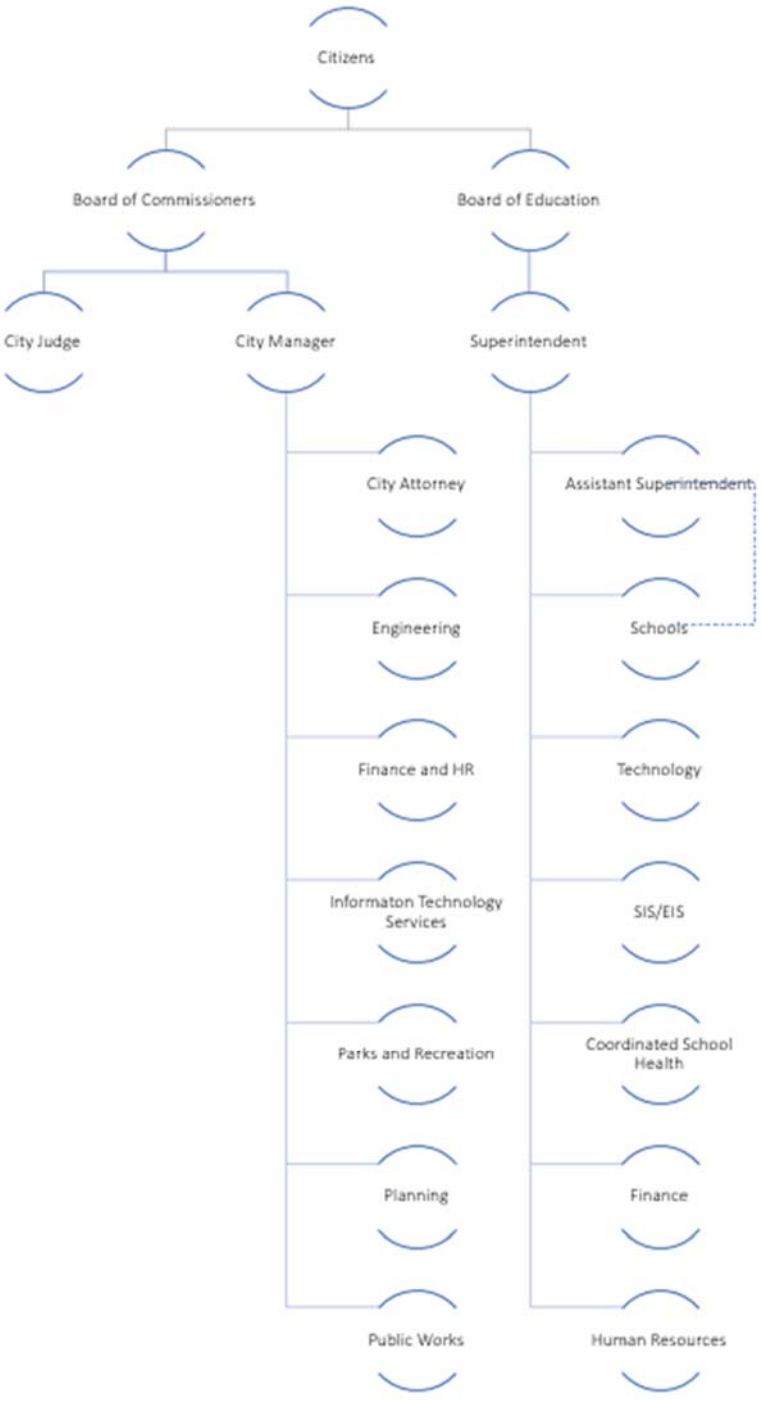
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO

CITY OF LAKELAND, TENNESSEE
CITY OF LAKELAND ORGANIZATION CHART
June 30, 2023



CITY OF LAKELAND, TENNESSEE
CITY AND BOARD OF EDUCATION OFFICIALS
June 30, 2023

BOARD OF COMMISSIONERS

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

CITY OFFICIALS

City Manager ..... Michael Walker, CPA
City Attorney ..... Patterson Bray, PLLC
Finance Director ..... Andrea Perkins**

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 ..... Jessie Rosales, CMFO**

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

FINANCIAL SECTION

WATKINS UIBERALL
Certified Public Accountants
Independent Member of BKR International

Watkins Uiberall, PLLC

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Memphis, Tennessee 38120
901.761.2720 • Fax: 901.683.1120

417 West Main Street • Suite 100
Tupelo, Mississippi 38804
662.269.4014 • Fax: 662.269.4016

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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, 2023, 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, 2023, 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.

Adoption of New Accounting Standard

As discussed in Note 1 to the financial statements, during the year ended June 30, 2023, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 96, *Software Based IT Arrangements.* Our opinion is not modified with respect to this matter.

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 January 30, 2024, 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.

Memphis, Tennessee
January 30, 2024

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, 2023. 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 $113,983,473 (net position). The net position of the City of Lakeland consists of $86,735,203 in net investment in capital assets, $10,846,427 in restricted, and $16,401,843 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 $7,945,981 for the year ended June 30, 2023, a decrease of $9,695,699 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 of June 30, 2023, the City of Lakeland's governmental funds reported combined ending fund balances of $26,598,463 a decrease of $2,597,215 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 $9,481,569 or 68.7% of total general fund balance.
- The City of Lakeland's total debt decreased $1,904,483 during the current fiscal year. This is primarily due to the scheduled principal repayments on existing general obligation debt ($914,254) and Sewer Fund notes payable ($636,000).

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.

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 27-28 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 29-40 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 41-43 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 44-45 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 46-73 of this report.

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 $113,983,473 at the close of the most recent fiscal year, an increase of $7,945,981 or 7.5%, from last year.

The largest portion of the City's net position (76.4%) 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, 2023 and 2022:

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Current and other assets	$ 38,641,527	$ 53,155,816	$ 1,157,924	$ 3,582,343	$ 39,799,451	$ 56,738,159
Capital assets	131,784,625	123,406,957	15,636,660	14,846,665	147,421,285	138,253,622
Total Assets	170,426,152	176,562,773	16,794,584	18,429,008	187,220,736	194,991,781
Deferred Outflows of Resources	4,486,122	5,148,149	29,711	41,496	4,515,833	5,189,645
Long-term liabilities outstanding	62,068,348	64,556,944	2,085,643	2,701,000	64,153,991	67,257,944
Other liabilities	2,868,875	9,098,213	822,540	2,226,323	3,691,415	11,324,536
Total Liabilities	64,937,223	73,655,157	2,908,183	4,927,323	67,845,406	78,582,480
Deferred Inflows of Resources	9,905,185	15,526,727	2,505	34,727	9,907,690	15,561,454
Net Asset						
Invested in capital assets	73,163,543	68,900,757	13,571,660	12,145,664	86,735,203	81,046,421
Restricted	10,846,427	8,766,467	-	-	10,846,427	8,766,467
Unrestricted	16,059,896	14,861,814	341,947	1,362,790	16,401,843	16,224,604
Total Net Position	$ 100,069,866	$ 92,529,038	$ 13,913,607	$ 13,508,454	$ 113,983,473	$ 106,037,492

An additional portion of the City's net position of $10,846,427 (9.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of $16,401,843 (14.4%) may be used to meet the government's ongoing obligations to citizens and creditors.

Changes in Net Position: Governmental activities increased the City's net position by $7,540,828 while business-type activities increased the City's net position by $405,153 resulting in a net increase of $7,945,981. Key elements of this increase are discussed below.

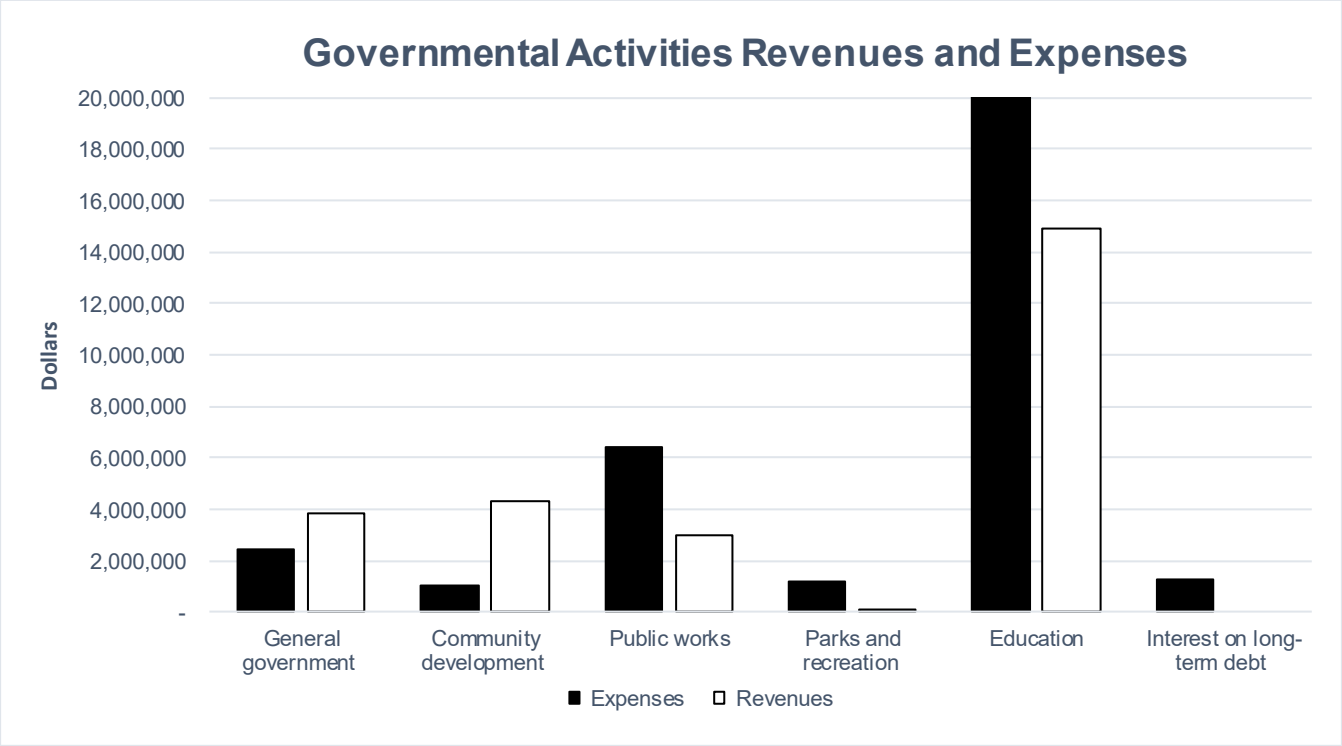
The following provides a summary of activities for the City for the years ended June 30, 2023 and 2022:

	Condensed Statement of Activities					
	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for services	$ 2,593,866	$ 2,324,713	$ 1,887,349	$ 1,823,815	$ 4,481,215	$ 4,148,528
Operating grants and contributions	17,512,419	17,719,942	-	-	17,512,419	17,719,942
Capital grants and contributions	5,999,299	8,465,404	363,947	244,155	6,363,246	8,709,559
General Revenues:						
Property taxes	10,591,634	9,727,528	-	-	10,591,634	9,727,528
Local taxes	6,880,132	5,789,138	-	-	6,880,132	5,789,138
Intergovernmental	1,860,270	1,912,424	-	-	1,860,270	1,912,424
Interest on investments	293,013	35,382	96,585	5,403	389,598	40,785
Other revenue	1,364,077	581,161	-	-	1,364,077	581,161
Total Revenues	47,094,710	46,555,692	2,347,881	2,073,373	49,442,591	48,629,065
Expenses:						
General government	2,448,002	2,280,602	-	-	2,448,002	2,280,602
Community development	1,051,168	839,141	-	-	1,051,168	839,141
Public works	6,389,408	4,573,665	-	-	6,389,408	4,573,665
Parks and recreation	1,188,121	1,045,805	-	-	1,188,121	1,045,805
Education	27,190,110	19,931,522	-	-	27,190,110	19,931,522
Interest and fiscal charges	1,287,073	760,617	-	-	1,287,073	760,617
Debt Issuance costs	-	152,380	-	-	-	152,380
Water and sewer	-	-	1,942,728	1,403,653	1,942,728	1,403,653
Total Expenses	39,553,882	29,583,732	1,942,728	1,403,653	41,496,610	30,987,385
Increase/(Decrease) in net position	7,540,828	16,971,960	405,153	669,720	7,945,981	17,641,680
Net position, beginning	92,529,038	75,557,078	13,508,454	12,838,734	106,037,492	88,395,812
Net position, ending	$ 100,069,866	$ 92,529,038	$ 13,913,607	$ 13,508,454	$ 113,983,473	$ 106,037,492

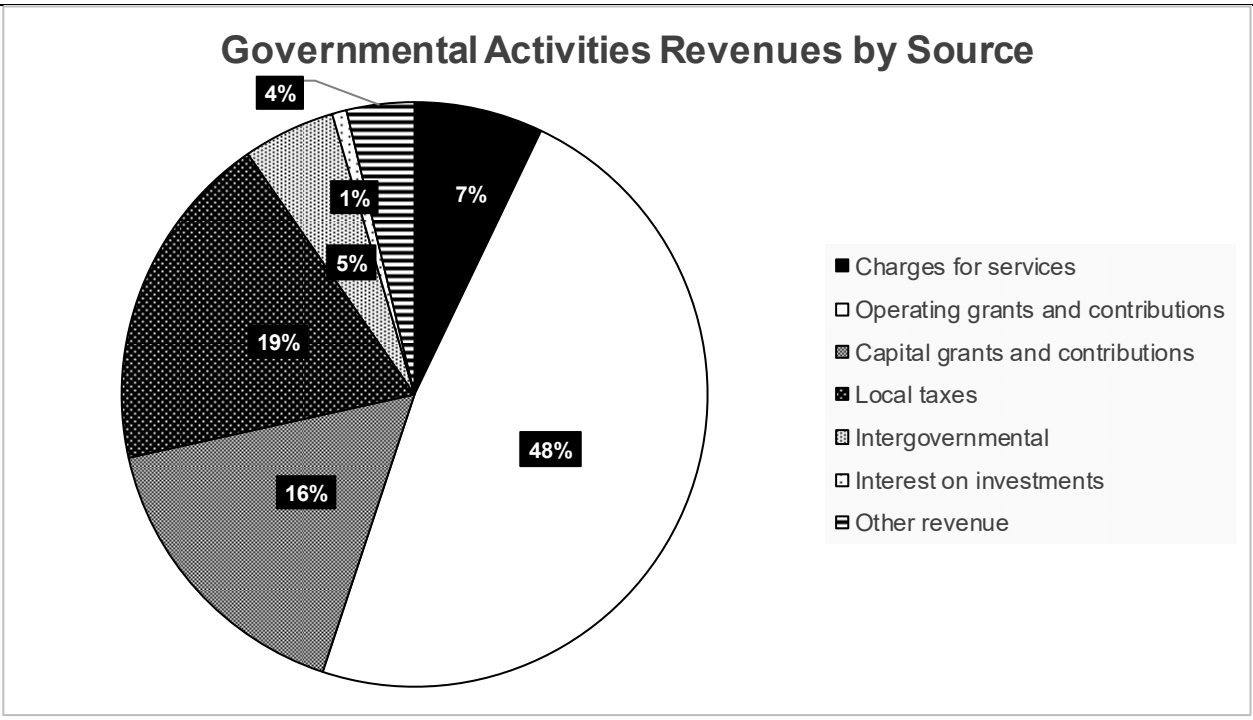
Governmental Activities: Current fiscal year revenues for the City's governmental activities were $47,094,710 compared to $46,555,692 last year. Expenses for the same period were $39,553,882 compared to $29,583,732 last year.

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

- Capital grants and contributions decreased from $8,465,404 to $5,999,299 primarily related to a reduction of expenditures and related capital grants on the Highway Planning and Construction grant (for the New Canada Road project), as well as a reduction from $3,693,363 to $339,143 pf total U.S. Department of Education funding, largely related to the COVID-19 funding utilized in fiscal year 2022 (see the Schedule of Expenditures of Federal Awards and State Financial Assistance on page 135.)
- Property taxes increased from $9,727,528 to $10,591,634 due to continued residential and commercial development within the City.
- Local taxes increased from $5,789,138 to $6,880,132 due to continued commercial development within the City and increased consumer prices and spending.
- Other revenue increased from $581,161 to $1,364,077 in large part due to intentional treasury management and higher interest income returns in a rising interest rate environment.



Note: The chart above does not include governmental general revenues.



Business-type activities: Business-type activities increased the City's net position by $405,153. The largest factors contributing to this increase were 1) improved interest income in a rising rate environment and 2) developer contributions of infrastructure.

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 $26,598,463, an decrease of $2,597,215 over the prior year. The decrease was primarily due to capital outlay expenditures of $12,966,273 used towards capital needs in the new high school facility funded by debt issued in a prior fiscal year, and continued project costs on New Canada Road. Approximately 35.4% of this total amount ($9,426,648) 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 $9,481,569, while total fund balance reached $13,809,221. 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 92.0% of total general fund expenditures, while total fund balance represents 134.1% of that same amount.

The fund balance of the City's general fund increased $(3,633,311) during the fiscal year ended June 30, 2023. The primary factor related to this increase was the City's recognition of the American Rescue and Recovery Plan Act COVID-19 grant funds of $3,701,052.

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, 2023, the fund had a fund balance of $6,326,926, all of which is restricted for education expenditures.

The fund balance of the general-purpose school fund increased $136,197 during the fiscal year ended June 30, 2023 (an insignificant change).

School Capital Projects Fund: The school capital projects fund accounts for LSS's expenditures for various capital projects, including in the fiscal year ended June 30, 2023 expenditures for the furniture, fixtures, and equipment in the new high school facility. At June 30, 2023, fund balance of $2,573,542 was restricted for use in completing school system capital projects.

Fund balance in the school capital projects fund decreased $5,510,947 during the fiscal year ended June 30, 2023, due to the expenditure of restricted bond anticipation note proceeds received in prior fiscal years, which were utilized for capital costs of the new high school facility.

Debt Service Fund: The debt service fund is the governmental fund through which governmental debt service is paid. Fund balance of $54 as of June 30, 2023, is committed toward debt service.

Due to the nature of the debt service fund, there was only a marginal increase of $9 in fund balance for the fiscal year ended June 30, 2023, as the expenditures for debt service are covered through transfers in from the general fund.

Proprietary funds: 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 decreased during the year by $1,020,843 to $341,947 at the end of the year. This decrease in unrestricted net position is primarily related to the utility's investments in equipment upgrades at the wastewater facility and construction in progress on two interceptor projects.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget in the general fund can be briefly summarized as follows:

- The original budget for revenues increased from $22,986,815 to $30,543,450 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 $22,367,032 to $28,194,662 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.

- The general fund revenues were $11,817,635 less than budgeted. The variance was due primarily to $12,137,718 in lower than expected federal, state, and local grant revenue related to the timing of associated grant expenditures, but revenue was more than anticipated in property and local taxes revenue due to improvements in the underlying economic factors driving those revenue sources, specifically related to sales tax revenues and the factors discussed previously.

- General fund expenditures were less than budgeted by $17,894,641. Of this, $17,572,868 is related to lower than expected expenditures for capital outlays as noted previously. The remaining difference is attributed to conservative spending.

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 2024.

Capital Asset and Debt Administration

Capital assets: The City's capital assets for its governmental and business-type activities as of June 30, 2023 amounts to $147,421,285 (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 $9,167,663. Depreciation expense for the year was $5,024,306 mostly from depreciation of infrastructure and buildings.

	Condensed Statement of Capital Assets (Net of Depreciation)					
	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Land	$ 9,428,436	$ 9,428,436	$ 75,360	$ 75,360	$ 9,503,796	$ 9,503,796
Buildings and improvements	81,025,825	31,668,849	6,317,880	6,529,724	87,343,705	38,198,573
Improvements other than buildings	1,769,317	1,665,087	6,790,756	6,582,768	8,560,073	8,247,855
Machinery and equipment	5,441,593	3,093,148	709,647	645,107	6,151,240	3,738,255
Vehicles	396,900	208,031	-	-	396,900	208,031
Infrastructure	22,711,344	18,044,771	-	-	22,711,344	18,044,771
Subscription asset	54,356	-	-	-	54,356	-
Construction in progress	10,956,854	59,298,635	1,743,017	1,013,706	12,699,871	60,312,341
Total capital assets, net	$ 131,784,625	$ 123,406,957	$ 15,636,660	$ 14,846,665	$ 147,421,285	$ 138,253,622

Governmental activities saw an increase of $8,377,668 in capital assets primarily related to the capital outlays for the high school facilities at Lakeland Preparatory School. Additional information 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 $62,374,215, all of which is debt backed by the full faith and credit of the government, although $2,701,000 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	
	2023	2022	2023	2022	2023	2022
Notes payable	$ -	$ 206,095	$ 2,065,000	$ 2,701,000	$ 2,065,000	$ 2,907,095
Settlement liability	167,603	222,825	-	-	167,603	222,825
Construction loan	1,241,104	1,306,516	-	-	1,241,104	1,306,516
General obligation bonds	58,847,259	59,761,513	-	-	58,847,259	59,761,513
Subscription liability	53,249	80,749	-	-	53,249	80,749
Total debt	$ 60,309,215	$ 61,577,698	$ 2,065,000	$ 2,701,000	$ 62,374,215	$ 64,278,698

The City's total debt decreased $1,904,483 during the current fiscal year. This is primarily due to the scheduled principal repayments on existing general obligation debt ($914,254) and Sewer Fund notes payable ($636,000).

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

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, 2023, condemnation proceedings were initiated to acquire certain property within the City. These property acquisitions are anticipated to result in additional capital additions of approximately $5 million in the next fiscal year.
- 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.

Business-type Activities –

- During the fiscal year ended June 30, 2023, the City approved sewer rate changes to be effective as of July 1, 2023. The rate change effective date was subsequently changed to December 1, 2023. This rate change will significantly increase business-type activities and the sewer fund revenues 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, 2023

	Primary Government		
	Governmental Activities	Business-type Activity	Total
ASSETS			
Cash and cash equivalents	$ 24,031,265	$ 1,009,951	$ 25,041,216
Receivables			
Property taxes	5,932,610	-	5,932,610
Grants	929,214	-	929,214
Other	127,897	1,721	129,618
Less allowance for doubtful accounts	(61,614)	-	(61,614)
Due from other governments	2,486,839	146,252	2,633,091
Restricted cash	2,100	-	2,100
Inventory	6,213	-	6,213
Prepaid items	2,256,000	-	2,256,000
Net pension asset	2,697,628	-	2,697,628
Restricted investments	233,375	-	233,375
Capital assets, not being depreciated	20,385,290	1,818,377	22,203,667
Capital assets, being depreciated, net	111,399,335	13,818,283	125,217,618
Total assets	170,426,152	16,794,584	187,220,736
DEFERRED OUTFLOWS OF RESOURCES			
Related to pension	3,379,764	29,711	3,409,475
Related to OPEB	1,106,358	-	1,106,358
Total deferred outflows of resources	4,486,122	29,711	4,515,833
LIABILITIES			
Accounts payable and accrued liabilities	1,322,342	779,462	2,101,804
Accrued interest payable	153,866	-	153,866
Accrued payroll	1,175,723	43,078	1,218,801
Customer deposits	126,572	-	126,572
Unearned revenue	89,882	-	89,882
Due to other governments	490	-	490
Noncurrent liabilities:			
Due within one year	1,217,854	661,000	1,878,854
Due in more than one year			
Other liabilities	59,377,002	1,404,000	60,781,002
Net pension liability	234,624	20,643	255,267
Net other postemployment benefits liability	1,238,868	-	1,238,868
Total liabilities	64,937,223	2,908,183	67,845,406
DEFERRED INFLOWS OF RESOURCES			
Current property taxes assessed for subsequent period	5,808,100	-	5,808,100
Related to pension	710,124	2,505	712,629
Related to other postemployment benefits	2,501,552	-	2,501,552
Gain on refunding	885,409	-	885,409
Total deferred inflows of resources	9,905,185	2,505	9,907,690
NET POSITION			
Net investment in capital assets	73,163,543	13,571,660	86,735,203
Restricted for:			
Net pension asset	2,697,628	-	2,697,628
Stabilization reserve trust	233,375	-	233,375
Storm water	491,836	-	491,836
Solid waste	65,989	-	65,989
School activities	7,357,599	-	7,357,599
Unrestricted	16,059,896	341,947	16,401,843
Total net position	$ 100,069,866	$ 13,913,607	$ 113,983,473

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

CITY OF LAKELAND, TENNESSEE
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Primary government:							
Governmental Activities:							
General government	$ 2,448,002	$ 600	$ 3,857,848	$ -	$ 1,410,446	$ -	$ 1,410,446
Community development	1,051,168	180,241	-	4,100,589	3,229,662	-	3,229,662
Public works	6,389,408	1,562,893	19,063	1,390,358	(3,417,094)	-	(3,417,094)
Parks and recreation	1,188,121	113,671	-	-	(1,074,450)	-	(1,074,450)
Education	27,190,110	736,461	13,635,508	508,352	(12,309,789)	-	(12,309,789)
Interest on long-term debt	1,287,073	-	-	-	(1,287,073)	-	(1,287,073)
Total governmental activities	39,553,882	2,593,866	17,512,419	5,999,299	(13,448,298)	-	(13,448,298)
Business-type activity:							
Sewer	1,942,728	1,887,349	-	363,947	-	308,568	308,568
Total business-type activities	1,942,728	1,887,349	-	363,947	-	308,568	308,568
Total primary government	$ 41,496,610	$ 4,481,215	$ 17,512,419	$ 6,363,246	(13,448,298)	308,568	(13,139,730)
General revenues:							
Property taxes					10,591,634	-	10,591,634
Local option sales tax					6,269,007	-	6,269,007
Other taxes							
Wholesale liquor and beer taxes					206,375	-	206,375
Business, cable tv, and hotel-motel taxes					404,750	-	404,750
Intergovernmental revenues:							
State sales tax					1,540,273	-	1,540,273
State income tax					2,078	-	2,078
Other state revenue					317,919	-	317,919
Other revenue					1,364,077	-	1,364,077
Interest on investments					293,013	96,585	389,598
Total general revenues and transfers					20,989,126	96,585	21,085,711
Change in net position					7,540,828	405,153	7,945,981
Net position - beginning					92,529,038	13,508,454	106,037,492
Net position - ending					$ 100,069,866	$ 13,913,607	$ 113,983,473

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

CITY OF LAKELAND, TENNESSEE
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	General Fund	General Purpose School Fund	School Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 11,327,869	$ 5,852,986	$ 2,790,833	$ 54	$ 4,059,523	$ 24,031,265
Receivables						
Property taxes	5,932,610	-	-	-	-	5,932,610
Grants	108,700	202,675	-	-	617,839	929,214
Other	124,670	3,227	-	-	-	127,897
Less allowance for doubtful accounts	(61,614)	-	-	-	-	(61,614)
Due from other governments	791,325	1,435,364	24,688	-	235,462	2,486,839
Due from other funds	-	440,901	-	-	8,159	449,060
Inventory	-	-	-	-	6,213	6,213
Prepaid Items	2,256,000	-	-	-	-	2,256,000
Restricted cash	4	-	2,096	-	-	2,100
Restricted investments	-	233,375	-	-	-	233,375
Total assets	$ 20,479,564	$ 8,168,528	$ 2,817,617	$ 54	$ 4,927,196	$ 36,392,959
LIABILITIES						
Accounts payable and accrued liabilities	$ 382,773	$ 295,838	$ 244,075	$ -	$ 399,656	$ 1,322,342
Accrued payroll	113,719	980,906	-	-	81,098	1,175,723
Customer deposits	126,572	-	-	-	-	126,572
Due to other funds	24,901	-	-	-	424,159	449,060
Unearned revenue	50,000	-	-	-	39,882	89,882
Due to other governments	-	490	-	-	-	490
Total liabilities	697,965	1,277,234	244,075	-	944,795	3,164,069
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue						
Property taxes	5,857,233	-	-	-	-	5,857,233
Other taxes	-	564,368	-	-	-	564,368
Grants	108,700	-	-	-	93,681	202,381
Other	6,445	-	-	-	-	6,445
Total deferred inflows of resources	5,972,378	564,368	-	-	93,681	6,630,427
FUND BALANCES						
Nonspendable	2,256,000	-	-	-	6,213	2,262,213
Restricted	-	6,326,926	2,573,542	-	1,821,873	10,722,341
Committed	1,216,829	-	-	54	2,115,555	3,332,438
Assigned	854,823	-	-	-	-	854,823
Unassigned	9,481,569	-	-	-	(54,921)	9,426,648
Total fund balances	13,809,221	6,326,926	2,573,542	54	3,888,720	26,598,463
Total liabilities, deferred inflows of resources and fund balances	$ 20,479,564	$ 8,168,528	$ 2,817,617	$ 54	$ 4,927,196	$ 36,392,959

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, 2023

Total fund balances, governmental funds		$ 26,598,463
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.		131,784,625
(2) Other long-term assets are not available to pay for current-period expenditures and, therefore, are unearned or unavailable in the funds.		822,327
(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	$ (53,249)	
Less: general obligation bonds	(58,847,259)	
Less: settlement obligation	(167,603)	
Less: construction loan	(1,241,104)	(60,309,215)
(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	(153,866)	
Less: compensated absences payable	(285,641)	(439,507)
(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	2,697,628	
Less: net pension liability	(234,624)	
Less: net other postemployment liability	(1,238,868)	1,224,136
(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	3,379,764	
Add: deferred outflows of resources related to OPEB	1,106,358	
Less: deferred inflows of resources related to pensions	(710,124)	
Less: deferred inflows of resources related to OPEB	(2,501,552)	1,274,446
(7) The gain recognized on refunding debt is not a financial resource and will be amortized in future years.		(885,409)
Net position of governmental activities		$ 100,069,866

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, 2023

	General Fund	General Purpose School Fund	School Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	$ 4,953,825	$ 5,637,809	$ -	$ -	$ -	$ 10,591,634
Local taxes	3,364,638	3,475,610	-	-	-	6,840,248
Intergovernmental						
State sales, income and other tax	1,974,191	-	-	-	-	1,974,191
State gas tax	-	-	-	-	485,418	485,418
State grant revenue	-	11,601,396	-	-	-	11,601,396
Licenses and permits	182,990	-	-	-	-	182,990
Charges for services	111,522	51,413	-	-	2,247,941	2,410,876
Federal, state, and local grants	7,891,917	484,262	-	-	1,805,766	10,181,945
Contributions	-	-	508,352	-	-	508,352
Interest on investments	231,730	2,978	58,296	9	-	293,013
Other	15,002	52,123	396,549	-	909,208	1,372,882
Total revenues	18,725,815	21,305,591	963,197	9	5,448,333	46,442,945
EXPENDITURES						
Current						
General government	2,092,548	-	-	-	-	2,092,548
Community development	1,000,433	-	-	-	-	1,000,433
Public works	602,062	-	-	-	4,267,379	4,869,441
Parks and recreation	1,005,529	-	-	-	-	1,005,529
Education	-	21,020,428	-	-	3,395,477	24,415,905
Capital outlay	5,571,949	162,471	6,555,344	-	676,509	12,966,273
Debt Service				-		
Principal	27,500	-	-	8,256,730	-	8,284,230
Interest and fiscal charges	-	-	-	1,502,297	-	1,502,297
Total expenditures	10,300,021	21,182,899	6,555,344	9,759,027	8,339,365	56,136,656
Excess (deficiency) of reveneus over (under) expenditures	8,425,794	122,692	(5,592,147)	(9,759,018)	(2,891,032)	(9,693,711)
OTHER FINANCING SOURCES (USES)						
Issuance of debt	7,015,747	-	-	-	-	7,015,747
Issuance of SBITA	80,749	-	-	-	-	80,749
Transfers in	700,000	713,505	81,200	9,759,027	2,035,247	13,288,979
Transfers out	(12,588,979)	(700,000)	-	-	-	(13,288,979)
Total other financing sources (uses)	(4,792,483)	13,505	81,200	9,759,027	2,035,247	7,096,496
Net change in fund balances	3,633,311	136,197	(5,510,947)	9	(855,785)	(2,597,215)
Fund balances - beginning	10,175,910	6,190,729	8,084,489	45	4,744,505	29,195,678
Fund balances - ending	$ 13,809,221	$ 6,326,926	$ 2,573,542	$ 54	$ 3,888,720	$ 26,598,463

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, 2023

Net change in fund balance - total governmental funds			$ (2,597,215)
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	$ 12,222,040		
Less: depreciation expense	(4,446,789)		7,775,251
(2) Contributed capital assets do not provide current financial resources and are not reported as revenues in the funds. In the statement of activities, these contributions are recognized as revenue and capitalized in the current period.			1,760,960
(3) Gain (losses) from the disposition of capital assets are reported net of any remaining net book value in the statement of activities.			(1,158,543)
(4) 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.			(262,616)
(5) 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	8,284,230		
Add: amortization of premiums and discounts	208,331		
Less: proceeds from debt issuance	(7,096,496)		1,396,065
(6) 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.			
Change in accrued interest payable	6,893		
Change in compensated absences	(103,135)		(96,242)
(7) 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	705,137		
Difference between actual contributions and OPEB expense	18,031		723,168
Change in net position of governmental activities			$ 7,540,828

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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
PROPERTY TAXES				
Property taxes	$ 4,900,103	$ 4,900,103	$ 4,941,691	$ 41,588
Property tax interest and penalties	11,346	11,346	12,134	788
Total property taxes	4,911,449	4,911,449	4,953,825	42,376
LOCAL TAXES				
Local sales tax	2,389,373	2,389,373	2,753,513	364,140
Wholesale beer and liquor tax	136,834	136,834	206,375	69,541
Business tax	153,450	153,450	144,330	(9,120)
Hotel/motel tax	88,881	88,881	96,134	7,253
CATV franchise tax	135,179	135,179	134,665	(514)
Other revenue	10,771	10,771	29,621	18,850
Total local taxes	2,914,488	2,914,488	3,364,638	450,150
INTERGOVERNMENTAL				
State of Tennessee shared revenues				
Sales tax	1,819,313	1,819,313	1,654,194	(165,119)
Income tax	-	-	2,078	2,078
Beer and liquor tax	5,000	5,000	14,775	9,775
City streets and transportation funding	25,000	25,000	25,472	472
Receipts in lieu of tax - TVA	325,000	325,000	277,672	(47,328)
Total intergovernmental	2,174,313	2,174,313	1,974,191	(200,122)
LICENSES AND PERMITS				
Other general government	1,000	1,000	600	(400)
Parks improvement fees	7,800	7,800	2,149	(5,651)
Building and related permits	110,000	110,000	85,781	(24,219)
Other permits	40,550	40,550	54,555	14,005
Engineering fees	47,300	47,300	19,900	(27,400)
Administrative fees for developments	56,316	56,316	20,005	(36,311)
Total licenses and permits	262,966	262,966	182,990	(79,976)
CHARGES FOR SERVICES				
Recreation fees for services	147,000	147,000	93,169	(53,831)
Parks development fees	47,282	47,282	(6,847)	(54,129)
Rental income	32,000	32,000	25,200	(6,800)
Total charge for services	226,282	226,282	111,522	(114,760)
FEDERAL, STATE AND LOCAL GRANTS	13,473,000	20,029,635	7,891,917	(12,137,718)
INTEREST ON INVESTMENTS	9,317	9,317	231,730	222,413
OTHER	15,000	15,000	15,002	2
Total revenues	23,986,815	30,543,450	18,725,815	(11,817,635)

(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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
GENERAL GOVERNMENT				
General Government				
Salaries	$ 276,182	$ 239,244	$ 202,222	$ 37,022
Benefits	71,343	71,943	67,918	4,025
Contractual services	683,490	671,042	664,323	6,719
Materials and supplies	40,500	75,119	87,015	(11,896)
Insurance	55,000	55,000	62,665	(7,665)
Other charges	102,000	95,004	78,244	16,760
	1,228,515	1,207,352	1,162,387	44,965
Municipal Court				
Salaries	11,055	11,055	6,610	4,445
Benefits	3,814	3,814	1,594	2,220
Contractual services	1,200	1,200	1,300	(100)
Other charges	10,000	6,500	-	6,500
	26,069	22,569	9,504	13,065
Board and Commissions				
Salaries	25,200	25,200	24,500	700
Benefits	2,968	2,568	2,059	509
Other charges	12,000	15,500	14,976	524
	40,168	43,268	41,535	1,733
Financial Administration				
Salaries	249,545	256,075	250,942	5,133
Benefits	108,342	103,432	84,579	18,853
Contractual services	1,800	15,800	15,096	704
Materials and supplies	-	2,750	2,400	350
Other charges	5,500	5,500	4,926	574
	365,187	383,557	357,943	25,614
GIS				
Salaries	204,711	199,856	196,034	3,822
Benefits	57,780	61,770	57,678	4,092
Contractual services	246,400	263,461	192,073	71,388
Materials and supplies	71,290	71,290	49,924	21,366
Other charges	50,735	57,220	25,470	31,750
	630,916	653,597	521,179	132,418
Total general government	2,290,855	2,310,343	2,092,548	217,795

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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 BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
COMMUNITY DEVELOPMENT				
Engineering				
Salaries	$ 144,497	$ 119,702	$ 118,831	$ 871
Benefits	37,129	34,424	30,520	3,904
Contractual services	30,000	27,700	93,570	(65,870)
Materials and supplies	1,200	1,700	4,098	(2,398)
Other charges	9,910	10,210	7,129	3,081
	222,736	193,736	254,148	(60,412)
Construction Inspection				
Salaries	122,149	121,312	120,397	915
Benefits	52,951	65,391	53,220	12,171
Materials and supplies	6,900	6,900	3,331	3,569
Other charges	9,800	10,360	9,971	389
	191,800	203,963	186,919	17,044
Code Enforcement				
Salaries	43,244	45,538	45,230	308
Benefits	22,764	24,584	22,692	1,892
Materials and supplies	4,400	4,400	2,101	2,299
Other charges	920	920	1,305	(385)
	71,328	75,442	71,328	4,114
Planning and Economic Development				
Salaries	229,581	224,434	219,902	4,532
Benefits	74,254	78,956	67,007	11,949
Contractual services	275,000	267,000	174,304	92,696
Materials and supplies	500	8,500	44	8,456
Other charges	31,945	31,945	26,781	5,164
	611,280	610,835	488,038	122,797
Total community development	1,097,144	1,083,976	1,000,433	83,543
PUBLIC WORKS				
Salaries	361,242	359,952	353,738	6,214
Benefits	160,290	160,661	135,926	24,735
Contractual services	40,000	35,000	23,466	11,534
Materials and supplies	53,000	52,500	53,476	(976)
Other charges	27,450	38,450	35,456	2,994
Total public works	641,982	646,563	602,062	44,501

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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 BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
PARKS AND RECREATION				
Senior Citizen				
Contractual services	$ 3,500	$ 3,500	$ 3,409	$ 91
Materials and supplies	23,250	23,150	7,755	15,395
Other charges	28,300	28,400	22,931	5,469
	55,050	55,050	34,095	20,955
IH Clubhouse				
Contractual services	3,000	3,495	3,726	(231)
Materials and supplies	32,000	33,169	30,676	2,493
Other charges	12,650	14,750	11,035	3,715
	47,650	51,414	45,437	5,977
Recreation				
Contractual services	64,500	61,000	52,325	8,675
Materials and supplies	34,500	51,757	41,837	9,920
Other charges	45,500	33,663	34,247	(584)
	144,500	146,420	128,409	18,011
Park Administration				
Salaries	334,618	345,595	339,587	6,008
Benefits	159,743	159,943	127,390	32,553
Contractual services	113,500	113,500	112,103	1,397
Materials and supplies	45,950	43,791	132,897	(89,106)
Other charges	93,040	93,250	85,611	7,639
	746,851	756,079	797,588	(41,509)
Total parks and recreation	994,051	1,008,963	1,005,529	3,434
DEBT SERVICE				
Principal	-	-	27,500	(27,500)
CAPITAL OUTLAY	17,343,000	23,144,817	5,571,949	17,572,868
Total expenditures	22,367,032	28,194,662	10,300,021	17,894,641
Excess of revenues over expenditures	1,619,783	2,348,788	8,425,794	6,077,006
OTHER FINANCING SOURCES (USES)				
Issuance of debt	3,500,000	9,980,772	7,015,747	(2,965,025)
Issuance of subscription liability	-	-	80,749	80,749
Transfers in	700,000	700,000	700,000	-
Transfers out	(12,908,527)	(15,537,031)	(12,588,979)	2,948,052
Total other financing uses	(8,708,527)	(4,856,259)	(4,792,483)	63,776
Net change in fund balances	$ (7,088,744)	$ (2,507,471)	3,633,311	$ 6,140,782
Fund balances - beginning			10,175,910	
Fund balances - ending			$ 13,809,221	

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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
PROPERTY TAXES	$ 5,636,751	$ 5,636,751	$ 5,637,809	$ 1,058
LOCAL TAXES	3,206,230	3,206,230	3,475,610	269,380
INTERGOVERNMENTAL				
Basic Education Program	11,403,152	11,403,152	11,061,801	(341,351)
Career Ladder Program	20,000	20,000	14,488	(5,512)
Privilege tax	479,577	479,577	502,734	23,157
Other	78,015	78,015	22,373	(55,642)
Total intergovernmental	11,980,744	11,980,744	11,601,396	(379,348)
CHARGES FOR SERVICES	37,000	37,000	51,413	14,413
FEDERAL, STATE AND LOCAL GRANTS	310,768	565,489	484,262	(81,227)
INTEREST INCOME	4,500	4,500	2,978	(1,522)
OTHER	50,000	50,000	52,123	2,123
Total revenues	21,225,993	21,480,714	21,305,591	(175,123)
EXPENDITURES				
EDUCATION				
Board of education services				
Salaries	13,500	17,015	17,014	1
Benefits	189,333	286,176	281,808	4,368
Contractual services	100,000	128,657	119,156	9,501
Materials and supplies	3,000	7,903	5,287	2,616
Other charges	117,500	168,581	163,053	5,528
	423,333	608,332	586,318	22,014
Office of superintendent				
Salaries	165,613	196,613	193,377	3,236
Benefits	101,500	107,200	80,855	26,345
Contractual services	1,600	1,600	793	807
Materials and supplies	4,000	8,000	4,409	3,591
Other charges	22,500	22,500	19,783	2,717
	295,213	335,913	299,217	36,696
Office of principal				
Salaries	1,101,500	1,100,170	1,097,228	2,942
Benefits	317,550	305,818	249,518	56,300
Materials and supplies	28,500	28,725	23,055	5,670
Other charges	3,000	12,774	10,924	1,850
	1,450,550	1,447,487	1,380,725	66,762

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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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Regular instruction				
Salaries	$ 8,556,683	$ 8,513,786	$ 8,255,573	$ 258,213
Benefits	2,910,446	2,628,676	2,303,558	325,118
Contractual services	197,000	236,575	199,558	37,017
Materials and supplies	599,147	837,771	708,409	129,362
	12,263,276	12,216,808	11,467,098	749,710
Special education				
Salaries	1,277,000	1,401,000	1,291,387	109,613
Benefits	523,690	662,690	382,604	280,086
Contractual services	72,000	72,000	54,489	17,511
Materials and supplies	27,000	27,000	10,419	16,581
Other charges	300	300	-	300
	1,899,990	2,162,990	1,738,899	424,091
Other/Bonus Pay				
Salaries	316,000	458,536	457,700	836
Benefits	52,470	48,138	48,133	5
	368,470	506,674	505,833	841
Other student support				
Salaries	506,920	506,920	483,260	23,660
Benefits	163,618	164,314	124,704	39,610
Materials and supplies	9,000	9,000	2,574	6,426
Other charges	18,500	18,500	4,071	14,429
	698,038	698,734	614,609	84,125
Regular instruction support				
Salaries	511,000	511,000	463,276	47,724
Benefits	157,300	157,300	140,105	17,195
Materials and supplies	18,000	18,000	11,911	6,089
Other charges	16,000	16,000	2,815	13,185
	702,300	702,300	618,107	84,193
Special education support				
Salaries	264,000	269,000	261,877	7,123
Benefits	79,000	96,041	71,061	24,980
Contractual services	30,000	29,766	28,748	1,018
Materials and supplies	1,000	1,223	1,137	86
Other charges	4,000	4,012	2,071	1,941
	378,000	400,042	364,894	35,148

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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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Technology				
Salaries	$ 239,000	$ 239,000	$ 237,619	$ 1,381
Benefits	72,000	72,000	64,019	7,981
Contractual services	72,000	72,900	67,549	5,351
Materials and supplies	75,000	77,860	62,900	14,960
Other charges	154,000	150,240	74,171	76,069
	612,000	612,000	506,258	105,742
Fiscal services				
Salaries	153,000	153,000	151,817	1,183
Benefits	53,300	48,006	42,463	5,543
Contractual services	62,500	64,704	62,997	1,707
Materials and supplies	6,000	3,036	3,036	-
Other charges	4,100	10,154	10,096	58
	278,900	278,900	270,409	8,491
Human resources				
Salaries	142,000	147,000	144,185	2,815
Benefits	49,720	51,100	43,190	7,910
Contractual services	14,000	16,281	16,254	27
Materials and supplies	7,500	3,798	3,152	646
Other charges	2,800	4,221	4,001	220
	216,020	222,400	210,782	11,618
Health services				
Salaries	150,256	192,616	128,990	63,626
Benefits	80,098	79,216	25,785	53,431
Contractual services	6,000	6,000	755	5,245
Materials and supplies	4,210	4,105	1,781	2,324
Other charges	6,500	6,605	6,073	532
	247,064	288,542	163,384	125,158
Operation of plant				
Salaries	654,205	587,019	548,674	38,345
Benefits	152,346	137,298	100,354	36,944
Contractual services	108,000	127,539	123,215	4,324
Materials and supplies	76,500	83,816	78,033	5,783
Other charges	370,000	441,529	418,920	22,609
	1,361,051	1,377,201	1,269,196	108,005
Maintenance of plant				
Benefits	-	3,826	3,806	20
Contractual services	205,000	189,662	188,206	1,456
Materials and supplies	79,500	78,812	78,154	658
	284,500	272,300	270,166	2,134

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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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Transportation				
Contractual services	$ 750,000	$ 663,000	$ 646,418	$ 16,582
Materials and supplies	-	87,000	86,009	991
	750,000	750,000	732,427	17,573
Cafeteria				
Salaries	7,771	14,552	7,441	7,111
Benefits	1,246	2,463	858	1,605
Materials and supplies	18,900	37,050	13,807	23,243
	27,917	54,065	22,106	31,959
Total education	22,256,622	22,934,688	21,020,428	1,914,260
CAPITAL OUTLAY	164,000	164,000	162,471	1,529
Total expenditures	22,420,622	23,098,688	21,182,899	1,915,789
Excess (deficiency) of reveneus over (under) expenditures	(1,194,629)	(1,617,974)	122,692	(1,740,666)
OTHER FINANCING SOURCES (USES)				
Transfers in	713,505	713,505	713,505	-
Transfers out	(700,000)	(700,000)	(700,000)	-
Total other financing sources	13,505	13,505	13,505	-
Net change in fund balances	$ (1,181,124)	$ (1,604,469)	136,197	$ (1,740,666)
Fund balances - beginning			6,190,729	
Fund balances - ending			$ 6,326,926	

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

CITY OF LAKELAND, TENNESSEE
STATEMENT OF NET POSITION
PROPRIETARY FUND
June 30, 2023

	Enterprise Fund
	Sewer Fund
ASSETS	
Current assets:	
Cash and cash equivalents	$ 1,009,951
Receivables	
Other	1,721
Due from other governments	146,252
Total current assets	1,157,924
Noncurrent assets:	
Capital assets, not being depreciated	1,818,377
Capital assets, being depreciated, net	13,818,283
Total capital assets, net	15,636,660
Total assets	16,794,584
DEFERRED OUTFLOWS OF RESOURCES	
Related to pension	29,711
Total deferred outflows of resources	29,711
LIABILITIES	
Current liabilities:	
Accounts payable and other accruals	779,462
Accrued payroll	43,078
Current portion of notes payable	661,000
Total current liabilities	1,483,540
Noncurrent liabilities:	
Notes payable, net of current portion	1,404,000
Net pension liability	20,643
Total noncurrent liabilities	1,424,643
Total liabilities	2,908,183
DEFERRED INFLOWS OF RESOURCES	
Related to pension	2,505
NET POSITION	
Net investment in capital assets	13,571,660
Unrestricted	341,947
Total net position	$ 13,913,607

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, 2023

	Enterprise Fund
	Sewer Fund
Operating Revenues:	
Sewer service fee	$ 1,792,549
Service connections fees	94,800
Total operating revenues	1,887,349
Operating Expenses:	
Salaries	400,869
Benefits	153,914
Materials and supplies	353,906
Utilities	190,669
Professional services	90,800
Other services and charges	60,741
MLGW collection fees	35,432
Depreciation	577,514
Total operating expenses	1,863,845
Operating income	23,504
Nonoperating Revenues (Expenses):	
Interest	96,585
Bond interest and fiscal charges	(78,883)
Total nonoperating revenues	17,702
Income (loss) before contributions and transfers	41,206
Capital contributions - development	363,947
Change in net position	405,153
Total net position - beginning	13,508,454
Total net position - ending	$ 13,913,607

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, 2023

	Enterprise Fund
	Sewer Fund
CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES	
Receipts from customers and users	$ 1,879,589
Payments to suppliers	(7,497)
Payments to employees	(539,113)
Other receipts	(263,365)
Net cash provided by operating activities	1,069,614
CASH FLOW USED FOR NONCAPITAL FINANCING ACTIVITIES	
Payment to other funds	(1,875,526)
CASH FLOW FROM (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	(1,003,563)
Principal paid on capital debt	(636,000)
Interest paid on capital debt	(78,883)
Net cash used for capital and related financing activities	(1,718,446)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	96,585
Net decrease in cash and cash equivalents	(2,427,773)
Cash and cash equivalents - beginning of the year	3,437,724
Cash and cash equivalents - end of the year	$ 1,009,951
Reconciliation of operating income to net cash from operating activities:	
Operating income	$ 23,504
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation	577,514
Pension expense in excess of employer contributions	4,613
Change in assets and liabilities	
Receivables	(7,760)
Accounts payable	724,051
Accrued payroll	11,057
Due to other governments	(263,365)
Net cash provided by operating activities	$ 1,069,614

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

CITY OF LAKELAND, TENNESSEE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
June 30, 2023

	OPEB Trust Fund
ASSETS	
Cash and cash equivalents	$ 27,523
Investments	
Exchange traded funds	518,921
Mutual funds	2,174,701
Structured investments	195,187
Total investments	2,888,809
Total assets	$ 2,916,332
NET POSITION	
Restricted for OPEB	$ 2,916,332

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, 2023

	OPEB Trust Fund
ADDITIONS	
Contributions	
Employer	$ 242,491
Implicit subsidy	48,248
Total contributions	290,739
Investment earnings (losses):	
Interest and dividends	76,592
Net appreciation in fair value of investments	213,617
Total investment earnings	290,209
Total additions	580,948
DEDUCTIONS	
Premiums	140,739
Administrative expense	10,713
Total deductions	151,452
Change in net position	429,496
Net position - beginning of the year	2,486,836
Net position - end of the year	$ 2,916,332

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Lakeland, Tennessee (the 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 not 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 fund 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.

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, General Purpose School Fund, School Capital Projects Fund, and Debt Service 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, Lakeland Extended Activities Program (LEAP) Fund, School Discretionary Grants 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, Basic Education Program (BEP) 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.

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

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 funds 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 is 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.

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 31). 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 31 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, 2023. 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 $1.587 for both the county schools and the municipal schools of Shelby County. Distribution of the $1.587 to the county schools and the municipal school districts is based on the average daily attendance of each system. Approximately 75.8% and 24.2% 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.

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

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

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.

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.

In the fund financial statements, governmental funds report fund balances in classifications that compromise 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.

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 and unrestricted (committed, assigned, or unassigned) amounts are available, it is the policy of the City to generally consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the policy of the City that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts. In both instances, when a proposed expenditure is made with specific balances identified as the source of the funding, that specific fund balance will be used.

The City has determined that the unassigned general fund balance will remain at a level equal to 20-30 percent of general fund revenues, with a target of 25 percent, 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)

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.

E. Adoption of New Accounting Standard

Effective July 1, 2022, the City implemented accounting and financial reporting requirements of GASB No. 96, *Subscription-Based Information Technology Arrangements* (SBITA). Under this statement, the City is required to recognize a SBITA liability and an intangible right-of-use SBITA asset. At July 1, 2022, the City recognized a right-of-use asset of $80,749 and a SBITA liability of $80,749. There was no effect on net position as a result of the adoption of this statement.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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, 2023, no expenditures exceeded appropriations.

C. Deficit fund equity

As of June 30, 2023, the School federal projects fund had a deficit fund balance of $54,921 due to timing of expenses and reimbursements.

NOTE 3 – DEPOSITS

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, 2023, 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

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 stature 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, 2023. 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, audited financial statements of the TCRS may be obtained at https://comptroller.tn.gov/advance-search.html.

The following table summarizes fair value disclosures and measurements for the School's investments held by the TRGT on its behalf June 30, 2023:

Investments at Fair Value	Total	Level 1	Level 2	Level 3
U.S. equity	$ 72,346	$ 72,346	$ -	$ -
Developed market international equity	32,672	32,672	-	-
Emerging market international equity	9,335	9,335	-	-
U.S. fixed income	46,675	-	46,675	-
Short-term securities	2,334	-	2,334	-
Real estate	23,338	-	-	23,338
	186,700	$ 114,353	$ 49,009	$ 23,338
Investments at amortized cost using NAV				
Private equity and strategic lending	46,675			
Total restricted investments	$ 233,375			

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, 2023:

Investments at Fair Value	Total	Level 1	Level 2	Level 3
Fiduciary Activities:				
Equity exchange traded funds	$ 518,921	$ 518,921	$ -	$ -
Equity mutual funds	1,046,465	1,046,465	-	-
Fixed income mutual funds	1,128,236	1,128,236	-	-
Structured Investments	195,187	-	-	195,187
	$ 2,888,809	$ 2,693,622	$ -	$ 195,187

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, 2023:

- *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.

- *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, 2023.

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, 2023, is as follows:

	Payable To		
	Major Funds		
Receivable From	General	Aggregate Nonmajor Governmental	Total
Major Funds			
General Purpose School	$ 24,901	416,000	$ 440,901
Aggregate Nonmajor Governmental	-	8,159	8,159
Total	$ 24,901	$ 424,159	$ 449,060

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, 2023 is as follows:

	Transfers In					
	Major Funds					
Transfers Out	General	School General Purpose	School Capital Projects	Debt Service	Aggregate Nonmajor Governmental	Total
Major Funds						
General	$ -	$ 713,505	$ 81,200	$ 9,759,027	$ 2,035,247	$ 12,588,979
School General-Purpose	700,000	-	-	-	-	700,000
Total	$ 700,000	$ 713,505	$ 81,200	$ 9,759,027	$ 2,035,247	$ 13,288,979

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, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 9,428,436	$ -	$ -	$ 9,428,436
Construction in progress	59,298,635	10,626,419	(58,968,200)	10,956,854
Total capital assets, not being depreciated	68,727,071	10,626,419	(58,968,200)	20,385,290
Capital assets, being depreciated:				
Buildings and improvements	38,428,422	51,453,216	-	89,881,638
Other improvements	6,109,967	258,962	-	6,368,929
Machinery and equipment	6,085,007	3,096,008	-	9,181,015
Vehicles	575,689	285,610	-	861,299
Infrastructure	73,667,400	5,991,693	-	79,659,093
Subscription asset	80,749	-	-	80,749
Total capital assets, being depreciated	124,947,234	61,085,489	-	186,032,723
Less accumulated depreciation for:				
Buildings and improvements	(6,759,573)	(2,096,240)	-	(8,855,813)
Other improvements	(4,444,880)	(154,732)	-	(4,599,612)
Machinery and equipment	(2,991,859)	(747,563)	-	(3,739,422)
Vehicles	(367,658)	(96,741)	-	(464,399)
Infrastructure	(55,622,629)	(1,325,120)	-	(56,947,749)
Subscription asset	-	(26,393)	-	(26,393)
Total accumulated depreciation	(70,186,599)	(4,446,789)	-	(74,633,388)
Total capital assets, being depreciated, net	54,760,635	56,638,700	-	111,399,335
Governmental activities capital assets, net	$ 123,487,706	$ 67,265,119	$ (58,968,200)	$ 131,784,625

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 75,360	$ -	$ -	$ 75,360
Construction in progress	1,013,706	729,311	-	1,743,017
Total capital assets, not being depreciated	1,089,066	729,311	-	1,818,377
Capital assets, being depreciated:				
Buildings and improvements	10,499,269	42,537	-	10,541,806
Other improvements	10,507,778	427,478	-	10,935,256
Machinery and equipment	1,102,615	168,183	-	1,270,798
Total capital assets, being depreciated	22,109,662	638,198	-	22,747,860
Less accumulated depreciation for:				
Buildings and improvements	(3,969,545)	(254,381)	-	(4,223,926)
Other improvements	(3,925,010)	(219,490)	-	(4,144,500)
Machinery and equipment	(457,508)	(103,643)	-	(561,151)
Total accumulated depreciation	(8,352,063)	(577,514)	-	(8,929,577)
Total capital assets, being depreciated, net	13,757,599	60,684	-	13,818,283
Business-type activities capital assets, net	$ 14,846,665	$ 789,995	$ -	$ 15,636,660

NOTE 6 – CAPITAL ASSETS (CONTINUED)

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

Governmental Activities:	
General government	$ 263,872
Community development	50,735
Public works	1,410,538
Parks and recreation	170,602
Education	2,551,042
Total depreciation expense - governmental activities	$ 4,446,789
Business-Type Activities:	
Sewer	$ 577,514

Construction and other significant commitments

The government had active construction projects as of June 30, 2023. At year end the government's commitments with contractors were approximately as follows:

Project	Spent-to-Date	Remaining Commitment
City Construction		
Clear Creek Interceptor	$ 598,000	$ 23,310,000
Oliver Creek Interceptor	295,000	52,000
	$ 893,000	$ 23,362,000

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.

On March 24, 2022, the City issued a $11,500,000 General Obligation Capital Outlay Note, Series 2022 maturing on March 24, 2023. The note bears interest at 1.83%. The proceeds will be used to finance a portion of the costs of public works projects. Amounts are available for draw as construction progresses and costs are incurred. In 2023, the City drew and repaid $7,015,747 on this note.

Subsequent to year end, 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.

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, 2023 consisted of the following:

	Interest Rates	Maturity Date	Original Issue	Outstanding at Year End
Governmental activities:				
Payable through Debt Service Fund				
Notes from direct borrowings:				
TLDA Construction Loan	1.89%	7/20/2039	$ 1,725,000	$ 1,241,104
General Obligation Refunding Bonds, Series 2021 R1	2.125%	1/27/2061	5,194,500	5,025,250
General Obligation Refunding Bonds, Series 2021 R2	2.125%	1/27/2061	9,600,000	9,287,208
General Obligation Refunding Bonds, Series 2022 R1	2.50%	6/22/2062	9,900,000	9,753,117
General Obligation Refunding Bonds, Series 2022 R2	2.50%	6/22/2062	9,800,000	9,654,601
General Obligation Refunding Bonds, Series 2022 R3	2.50%	6/22/2062	9,700,000	9,556,084
General Obligation Refunding Bonds, Series 2022 R4	2.50%	6/22/2062	7,903,000	7,785,746
General Obligation Refunding Bonds, Series 2022 R5	2.50%	6/22/2062	7,902,500	7,785,253
			61,725,000	60,088,363
Other Debt:				
Shelby County Settlement Liability	.50%	11/1/2025	$ 676,044	$ 167,603
			$ 62,401,044	$ 60,255,966
Business-type activities:				
Payable through Sewer Fund				
Notes from direct borrowings:				
TN Municipal League Note, Series 2005	3.10%*	5/25/2026	$ 11,000,000	$ 2,065,000

*Variable rate Tennessee Municipal Bond Fund loan rate for June 30, 2023 was 3.10%

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
2024	$ 1,000,817	$ 1,443,888	$ 661,000	$ 4,543
2025	1,028,562	1,416,057	688,000	3,089
2026	1,050,911	1,393,628	716,000	1,575
2027	1,075,798	1,368,664	-	-
2028	1,099,370	1,344,997	-	-
2029-2033	5,912,179	6,308,352	-	-
2034-2038	6,645,084	5,573,047	-	-
2039-2043	7,108,268	4,757,476	-	-
2044-2048	7,896,093	3,872,445	-	-
2049-2053	8,895,199	2,873,339	-	-
2054-2058	10,017,934	1,750,605	-	-
2059-2062	8,358,148	496,338	-	-
	$ 60,088,363	$ 32,598,836	$ 2,065,000	$ 9,207

NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)

Future payments under the settlement liability are as follows:

Years Ending June 30	Settlement Liability
2024	$ 56,337
2025	56,337
2026	56,377
Total payments	169,051
Less amount representing interest	(1,448)
Present value of minimum payments	$ 167,603

2. Subscription-based IT arrangements (SBITA) Obligations

The City entered into a long-term, noncancellable SBITAs. The liabilities are measured using a discount rate of 2.184%, which is the City's estimated incremental borrowing rate. For the year ended June 30, 2023, amortization expense recognized for the SBITA assets was $26,393 and interest expense on the SBITA liability was $1,141.

Future payments under the SBITA obligations are as follows:

Years Ending June 30	Principal	Interest	Total
2024	$ 26,337	$ 1,163	$ 27,500
2025	26,912	588	27,500
	$ 53,249	$ 1,751	$ 55,000

3. Changes in long-term liabilities

A summary of long-term liability activity, including debt, for the year ended June 30, 2023 is as follows. Additional detailed information is available following the summary.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
TML notes payable	$ 206,095	$ -	$ (206,095)	$ -	$ -
Capital outlay notes	-	7,015,747	(7,015,747)	-	-
Construction loan	1,306,516	-	(65,412)	1,241,104	66,660
General obligation bonds	59,761,513	-	(914,254)	58,847,259	934,157
Settlement liability	222,825	-	(55,222)	167,603	55,498
Subscription lease payable	80,749	-	(27,500)	53,249	26,337
Total long-term debt	61,577,698	7,015,747	(8,284,230)	60,309,215	1,082,652
Compensated absences	182,506	130,174	(27,039)	285,641	135,202
	$ 61,760,204	$ 7,145,921	$ (8,311,269)	$ 60,594,856	$ 1,217,854
Business-type activities:					
Revenue notes payable	$ 2,701,000	$ -	$ (636,000)	$ 2,065,000	$ 661,000

For governmental activities, compensated absences 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, 2023 of $885,409 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	$ 131,784,625	$ 15,636,660	$ 147,421,285
Total outstanding balance of capital debt	(60,309,215)	(2,065,000)	(62,374,215)
Deferred gain on refunding	(885,409)	-	(885,409)
Unspent bond proceeds related to debt	2,573,542	-	2,573,542
Net investment in capital assets	$ 73,163,543	$ 13,571,660	$ 86,735,203

Following is more detailed information on the governmental fund balances:

	General Fund	School General Purpose	School Capital Projects	Debt Service Fund	Nonmajor Governmental Funds	Total
Nonspendable for:						
Inventory	$ -	$ -	$ -	$ -	$ 6,213	$ 6,213
Prepaid expenditures	2,256,000	-	-	-	-	2,256,000
Total nonspendable fund balance	2,256,000	-	-	-	6,213	2,262,213
Restricted for:						
Education capital projects	-	-	2,573,542	-	-	2,573,542
Solid waste	-	-	-	-	65,989	65,989
Storm water	-	-	-	-	491,836	491,836
Education	-	6,093,551	-	-	1,264,048	7,357,599
Stabilization reserve trust	-	233,375	-	-	-	233,375
Total restricted fund balance	-	6,326,926	2,573,542	-	1,821,873	10,722,341
Committed for:						
Park acquisition	156,833	-	-	-	-	156,833
Education	794,144	-	-	-	-	794,144
Major roads	265,852	-	-	-	-	265,852
State street aid	-	-	-	-	2,115,555	2,115,555
Debt service	-	-	-	54	-	54
Total committed fund balance	1,216,829	-	-	54	2,115,555	3,332,438
Assigned to:						
Parks - Athletic Complex	854,823	-	-	-	-	854,823
Unassigned	9,481,569	-	-	-	(54,921)	9,426,648
Total fund balances	$ 13,809,221	$ 6,326,926	$ 2,573,542	$ 54	$ 3,888,720	$ 26,598,463

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 www.treasury.tn.gov/tcrs. 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	(Negative) Pension Expense
Governmental Activities					
Classified Plan	$ -	$ 346,711	$ 234,624	$ 28,467	$ 77,934
School Certified Plan	2,643,223	2,831,064	-	614,183	(17,713)
School Hybrid Plan	54,405	201,989	-	67,474	74,108
Total governmental activities	2,697,628	3,379,764	234,624	710,124	134,329
Business-type Activities					
Classified Plan	-	29,711	20,643	2,505	6,857
Total	$ 2,697,628	$ 3,409,475	$ 255,267	$ 712,629	$ 141,186

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

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, 2022, 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	14
Active employees	17
	49

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, 2023, employer contributions to the School TCRS Teacher Hybrid Plan included contributions to the Pension Stabilization Reserve Trust of 1.13%, respectively, as a percentage of covered payroll. Employer contributions to each plan for the year ended June 30, 2023 were as follows:

	Classified Plan	School Certified Plan	School Hybrid Plan
Employer contributions	$ 57,756	$ 695,214	$ 107,598
Covered payroll	902,805	8,000,158	3,749,070
As a percentage of covered payroll	6.40%	8.69%	2.87%

B. Actuarial Assumptions for each TCRS Plan

The total pension liability as of June 30, 2022 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, 2022 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 were 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:

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
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%
		100%

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

Discount Rate

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

C. Net Pension Liability (Asset)

The net pension liability (asset) for each TCRS plan was measured as of June 30, 2022, 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	$ 57,797		
Interest	215,536		
Changes of benefit items	-		
Differences between expected and actual experience	(7,963)		
Changes in assumptions	-		
Benefit payments, including refunds	(119,166)		
Net change in total pension liability	146,204		
Total pension liability - beginning	3,194,907		
Total pension liability - ending	3,341,111		
Plan Fiduciary Net Position			
Contributions - employer	$ 37,392		
Contributions - employee	43,479		
Net investment income	(123,545)		
Benefit payments	(119,166)		
Administrative expense	(1,721)		
Net change in plan fiduciary net position	(163,561)		
Plan fiduciary net position - beginning	3,249,405		
Plan fiduciary net position -ending	3,085,844		
Net pension liability (asset)	$ 255,267		
Plan fiduciary net position as a percentage of the total pension liability	92.36%		
Proportionate share of net pension liability (asset)		$ (2,643,223)	$ (54,405)
Proportionate share at June 30, 2022 measurement date		0.215526%	0.179598%
Proportionate share at June 30, 2021 measurement date		0.204841%	0.188043%

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.

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:

	1% Decrease	Current Rate	1% Increase
Net pension liability (asset)			
Classified Plan	$ 744,138	$ 255,267	$ (146,206)
Proportionate share of the net pension liability (asset)			
School Certified Plan	$ 5,235,313	$ (2,643,223)	$ (9,205,520)
School Hybrid Plan	285,593	(54,405)	(302,707)

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

For the year ended June 30, 2023, the City reported pension expense, deferred outflows of resources, and deferred inflows of resources related to each plan from the following sources:

	Classified Plan	School Certified Plan	School Hybrid Plan
Pension Expense (Negative Pension Expense)	$ 84,791	$ (17,713)	$ 74,108
Deferred Outflows of Resources			
Differences between expected and actual experience	$ 60,135	$ 434,800	$ 2,975
Net difference between projected and actual earnings on pension plan investments	6,422	45,198	17,149
Changes in Assumptions	252,109	1,655,852	63,732
Changes in proportion of net pension liability (asset)	-	-	10,535
Contributions subsequent to the measurement date of June 30, 2022	57,756	695,214	107,598
Total	$ 376,422	$ 2,831,064	$ 201,989
Deferred Inflows of Resources			
Differences between expected and actual experience	$ 30,972	$ 446,624	$ 33,054
Net difference between projected and actual earnings on pension plan investments	-	-	-
Changes in proportion of net pension liability (asset)	-	167,559	34,420
	$ 30,972	$ 614,183	$ 67,474

The amounts shown above for "Contributions subsequent to the measurement date of June 30, 2022," will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

	Classified Plan	School Certified Plan	School Hybrid Plan
2024	$ 97,641	$ 193,084	$ (1,532)
2025	71,282	439,046	(1,357)
2026	50,471	(505,554)	(4,175)
2027	68,300	1,395,091	25,694
2028	-	-	370
Thereafter	-	-	7,917

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 2023, the School's employer contribution to the Hybrid Plan was $326,983.

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 2023, the City and School contributed $96,637 and $225,907, 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).

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 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, 2022 consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	12
Active employees	69
	81

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, 2023, employer contributions including implicit subsidy of $48,248 to the plan were $290,739 which were less than the actuarially determined contribution for the plan of $409,592 by $118,853.

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, 2022, using the entry age normal level percent of salary, actuarial cost method with liabilities rolled forward to the June 30, 2023, measurement date. Significant actuarial assumptions used in the valuation include:

Inflation	3.0%
Salary increases	Graded salary ranges from 7.5% to 3.7% based on age
Investment rate of return	6.50%, 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	7.0% initial, decreasing by 0.5% annually to an ultimate rate of 4.5% for FY 2029

Changes of assumptions
In 2023, the following assumptions were changed: decreased the investment rate of return from 6.6% to 6.5%.

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, 2023, 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, 2023 as summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
US large equity	42.0%	8.2%
International equity	18.0%	7.1%
Emerging equity	5.0%	8.4%
Fixed income	35.0%	3.9%
	100%	6.5%

Rate of Return

For the year ended June 30, 2023, the annual money-weighted rate of return on investments was 11.18 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, 2023 is 6.5% 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.

C. Net OPEB Liability

The components of the School's net OPEB liability based on a measurement date of June 30, 2023 were as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Beginning of year	$ 5,364,325	$ 2,486,836	$ 2,877,489
Changes for the year:			
Service cost	220,458	-	220,458
Interest	362,751	-	362,751
Changes in assumptions	46,981	-	46,981
Differences between expected and actual experience	(1,698,576)	-	(1,698,576)
Contributions - employer	-	290,739	(290,739)
Net investment income	-	290,209	(290,209)
Benefit payments	(140,739)	(140,739)	-
Administrative expenses	-	(10,713)	10,713
Net changes	(1,209,125)	429,496	(1,638,621)
End of year	$ 4,155,200	$ 2,916,332	$ 1,238,868
Plan fiduciary net position as a percentage of the total OPEB liability			70.19%

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 6.5%, 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 (5.5%) or 1-percentagepoint higher (7.5%) than the current rate:

	1% Decrease	Current Rate	1% Increase
Net OPEB liability (asset)	$ 1,740,343	$ 1,238,868	$ 785,200

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 rate of 7.0% 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, 6.0% decreasing to 3.5%, or 1-percentage-point higher, 8.0% to 5.5%, than the current rate:

	1% Decrease	Current Rate	1% Increase
Net OPEB liability (asset)	$ 744,203	$ 1,238,868	$ 1,801,413

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, 2023, the School recognized OPEB expense of $272,708.

Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2023, 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	$ 284,974	$ 2,229,436
Changes in assumptions	721,736	272,116
Net difference between projected and actual earnings on OPEB plan investments	99,648	-
Total	$ 1,106,358	$ 2,501,552

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:

2024	$ (152,405)
2025	(166,696)
2026	(92,909)
2027	(202,967)
2028	(185,679)
Thereafter	(594,538)

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

NOTE 13 - COMMITMENTS AND CONTINGENCIES

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, 2023.

NOTE 14 - RISK MANAGEMENT

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, 2023, the City and the School contributed premiums of $509,112 and $2,457,503, respectively to the Interlocal Health Benefits Plan Asset Trust.

REQUIRED SUPPLEMENTARY INFORMATION

LAKELAND SCHOOL SYSTEM AND CITY OF LAKELAND **Exhibit A-1**

PUBLIC EMPLOYEE RETIREMENT PLAN (TCRS AGENT PLAN)

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last Ten Fiscal Years Ended June 30

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service cost	$ 57,797	$ 56,033	$ 52,918	$ 74,961	$ 102,416	$ 101,316	$ 124,091	$ 135,266	$ 83,026
Interest	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	(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	(119,166)	(110,761)	(110,012)	(101,392)	(72,988)	(63,051)	(82,795)	(60,195)	(36,900)
Net change in total pension liability	146,204	539,933	169,667	78,954	426,427	74,691	184,529	155,814	245,019
Total pension liability - beginning	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	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
Plan Fiduciary Net Position									
Contributions - employer	37,392	37,736	36,167	56,433	87,400	85,193	93,608	101,218	94,211
Contributions - employee	43,479	43,879	42,055	42,327	49,878	49,531	54,424	58,405	54,773
Net investment income	(123,545)	669,512	124,168	174,799	177,719	211,247	46,404	49,863	216,838
Benefit payments	(119,166)	(110,761)	(110,012)	(101,392)	(72,988)	(63,051)	(82,795)	(60,195)	(36,900)
Administrative expense	(1,721)	(1,712)	(1,772)	(1,799)	(2,251)	(2,121)	(2,129)	(1,797)	(862)
Net change in plan fiduciary net position	(163,561)	638,654	90,606	170,368	239,758	280,799	109,512	147,494	328,060
Plan fiduciary net position - beginning	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	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
Net pension liability (asset)	$ 255,267	$ (54,498)	$ 44,223	$ (34,838)	$ 56,576	$ (130,093)	$ 76,015	$ 998	$ (7,322)
Plan fiduciary net position as a percentage of the total pension liability	92.36%	101.71%	98.33%	101.40%	97.65%	106.57%	96.01%	99.94%	100.47%
Covered payroll	$ 869,574	$ 877,583	$ 841,088	$ 846,528	$ 997,556	$ 990,620	$ 1,088,473	$ 1,176,953	$ 1,095,479
Net pension liability (asset) as a percentage of covered payroll	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.

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

Exhibit A-2

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 57,238	$ 37,392	$ 37,736	$ 36,167	$ 56,433	$ 87,400	$ 69,682	$ 93,608	$ 101,218	$ 94,211
Contributions	57,756	37,392	37,736	36,167	56,433	87,400	85,193	93,608	101,218	94,211
Contribution deficiency (excess)	$ (518)	$ -	$ -	$ -	$ -	$ -	$ (15,511)	$ -	$ -	$ -
Covered payroll	$ 902,805	$ 869,574	$ 877,583	$ 841,088	$ 846,528	$ 997,556	$ 990,620	$ 1,088,473	$ 1,176,953	$ 1,095,479
Contributions as a percentage of covered payroll	6.40%	4.30%	4.30%	4.30%	6.67%	8.76%	8.60%	8.60%	8.60%	8.60%

NOTE 1 - VALUATION DATE

Actuarially determined contributions for fiscal year 2023 were calculated based on the June 30, 2021 actuarial valuation.

NOTE 2 - METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	Varies by year
Asset valuation 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 3 - 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 **Exhibit A-3**

TEACHER LEGACY PENSION PLAN (CERTIFIED TCRS PLAN)

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

Last Ten Fiscal Years Ended June 30

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability (asset)	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)	$ (2,643,223)	$ (8,835,304)	$ (1,522,758)	$(1,889,878)	$ (557,457)	$ (36,950)	$ 625,158	$ 37,221	$ (353)
Covered payroll	$ 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	-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	104.42%	116.13%	103.09%	104.28%	101.49%	100.14%	97.14%	99.81%	100.08%

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 LEGACY PENSION PLAN (CERTIFIED TCRS PLAN)
SCHEDULE OF CONTRIBUTIONS
Last Ten Fiscal Years Ended June 30

Exhibit A-4

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required	$ 695,214	$ 730,561	$ 690,477	$ 706,479	$ 644,686	$ 503,691	$ 360,905	$ 326,437	$ 307,490	$ 7,581
Contribution in relation to the contractually required contribution	695,214	730,561	690,477	706,479	644,686	503,691	360,905	326,437	307,490	7,581
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 8,000,158	$ 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
Contributions as a percentage of covered payroll	8.69%	10.30%	10.27%	10.63%	10.46%	9.08%	9.24%	9.04%	9.04%	8.88%

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 **Exhibit A-5**

TEACHER RETIREMENT PENSION PLAN (TCRS HYBRID PLAN)

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

Last Ten Fiscal Years Ended June 30

	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.179598%	0.188043%	0.158725%	0.144815%	0.158576%	0.055238%	0.069721%	0.057412%
Proportionate share of the net pension liability (asset)	$ (54,405)	$ (203,690)	$ (90,258)	$ (81,746)	$ (71,918)	$ (14,573)	$ (7,258)	$ (2,309)
Covered payroll	$ 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	-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	104.55%	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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required	$ 107,598	$ 61,646	$ 54,820	$ 40,661	$ 29,729	$ 22,598	$ 14,502	$ 7,679	$ 2,982
Contribution in relation to the contractually required contribution	107,598	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	$ 3,749,070	$ 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	2.87%	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*	1.13%	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.

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 **Exhibit A-7**

OTHER POSTEMPLOYMENT BENEFIT PLAN

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

Last Ten Fiscal Years Ended June 30

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS - SCHOOL OPEB

	2023	2022	2021	2020	2019	2018	2017	2016
Total OPEB Liability								
Service cost	$ 220,458	$ 256,031	$ 253,347	$ 182,651	$ 189,121	$ 112,708	$ 104,359	$ 12,471
Interest	362,751	358,203	336,860	279,878	263,050	204,813	183,967	45,368
Changes of benefit items	-	-	-	-	-	219,591	-	1,910,502
Differences between expected and actual experience	(1,698,576)	(650,498)	(137,551)	424,160	(170,827)	76,196	-	(99,959)
Changes in assumptions	46,981	(292,770)	-	1,019,657	-	172,083	-	(113,700)
Benefit payments	(140,739)	(78,804)	(119,822)	(50,186)	(32,183)	(22,656)	(32,649)	(12,134)
Net change in total OPEB liability	(1,209,125)	(407,838)	332,834	1,856,160	249,161	762,735	255,677	1,742,548
Total OPEB liability - beginning	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	4,155,200	5,364,325	5,772,163	5,439,329	3,583,169	3,334,008	2,571,273	2,315,596
Plan Fiduciary Net Position								
Contributions - employer	290,739	756,062	223,399	516,864	402,183	377,156	128,500	99,869
Contributions - employer pay-go	-	-	46,423	8,322	15,233	-	32,649	12,134
Net investment income	290,209	(383,241)	468,647	27,912	64,059	24,583	25,907	5,683
Benefit payments	(140,739)	(78,804)	(119,822)	(50,186)	(47,416)	(22,656)	(32,649)	(12,134)
Administrative expense	(10,713)	(9,892)	(7,653)	(5,594)	(3,658)	(1,391)	(653)	-
Net change in plan fiduciary net position	429,496	284,125	610,994	497,318	430,401	377,692	153,754	105,552
Plan fiduciary net position - beginning	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	2,916,332	2,486,836	2,202,711	1,591,717	1,094,399	663,998	286,306	132,552
Net OPEB liability (asset)	$ 1,238,868	$ 2,877,489	$ 3,569,452	$ 3,847,612	$ 2,488,770	$ 2,670,010	$ 2,284,967	$ 2,183,044
Plan fiduciary net position as a percentage of the total OPEB liability	70.19%	46.36%	38.16%	29.26%	30.54%	19.92%	11.13%	5.72%
Covered payroll	$ 4,377,443	$ 4,609,191	$ 4,821,770	$ 4,782,810	$ 5,306,108	$ 5,184,986	$ 3,300,603	$ 3,204,469
Net OPEB liability as a percentage of covered payroll	28.30%	62.43%	74.03%	80.45%	46.90%	51.50%	69.23%	68.12%

In 2022, 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.

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 409,592	$ 468,902	$ 475,549	$ 351,709	$ 366,572	$ 257,746	$ 240,597	$ 67,209	$ 74,970
Contributions	290,739	756,062	223,399	516,864	402,183	377,156	128,500	99,869	27,000
Contribution deficiency (excess)	$ 118,853	$ (287,160)	$ 252,150	$ (165,155)	$ (35,611)	$ (119,410)	$ 112,097	$ (32,660)	$ 47,970
Covered payroll	$ 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	6.64%	16.40%	4.63%	10.81%	7.58%	7.27%	3.89%	3.12%	N/A

NOTE 1 - METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

Valuation Date	Actuarial determined contribution rates for fiscal year 2023 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

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 MONEY-WEIGHTED RATE OF RETURN
Last Ten Fiscal Years Ended June 30

Exhibit A-9

	Annual Money-Weighted Rate of Return Net of Investment Expenses
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 **Exhibit B-1**
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

	Special Revenue Funds								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	
ASSETS									
Cash and cash equivalents	$ 2,145,025	$ 451,856	$ 83,308	$ 2,228	$ 591,368	$ 887	$ 312,408	$ 472,443	$ 4,059,523
Receivables									
Grants	-	-	-	597,767	-	20,072	-	-	617,839
Other	-	-	-	-	-	-	-	-	-
Due from other governments	82,586	46,327	106,549	-	-	-	-	-	235,462
Due from other funds	8,159	-	-	-	-	-	-	-	8,159
Inventory	-	-	-	-	-	-	-	6,213	6,213
Total assets	$ 2,235,770	$ 498,183	$ 189,857	$ 599,995	$ 591,368	$ 20,959	$ 312,408	$ 478,656	$ 4,927,196
LIABILITIES									
Accounts payable and accrued liabilities	$ 107,270	$ 3,748	$ 111,613	$ 107,622	$ 31,121	$ 2	$ 38,280	$ -	$ 399,656
Accrued payroll	12,945	2,599	4,096	53,613	2,655	4,957	233	-	81,098
Due to other funds	-	-	8,159	400,000	-	16,000	-	-	424,159
Unearned revenue	-	-	-	-	39,882	-	-	-	39,882
Total liabilities	120,215	6,347	123,868	561,235	73,658	20,959	38,513	-	944,795
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue									
Grants	-	-	-	93,681	-	-	-	-	93,681
Total deferred inflows of resources	-	-	-	93,681	-	-	-	-	93,681
FUND BALANCES									
Nonspendable	-	-	-	-	-	-	-	6,213	6,213
Restricted	-	491,836	65,989	-	517,710	-	273,895	472,443	1,821,873
Committed	2,115,555	-	-	-	-	-	-	-	2,115,555
Unassigned	-	-	-	(54,921)	-	-	-	-	(54,921)
Total fund balances	2,115,555	491,836	65,989	(54,921)	517,710	-	273,895	478,656	3,888,720
Total liabilities, deferred inflows of resources and fund balances	$ 2,235,770	$ 498,183	$ 189,857	$ 599,995	$ 591,368	$ 20,959	$ 312,408	$ 478,656	$ 4,927,196

CITY OF LAKELAND, TENNESSEE **Exhibit B-2**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended June 30, 2023

	Special Revenue Funds								Total
	State Street Aid Fund	Storm Water Fund	Solid Waste Fund	School Federal Projects	School Nutrition Fund	School Discretionary Grants	LEAP Fund	Internal School Funds	Nonmajor Governmental Funds
REVENUES									
Intergovernmental - state gas tax	$ 485,418	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 485,418
Charges for services	-	205,306	1,357,587	-	448,840	-	236,208	-	2,247,941
Federal, state, and local grants	-	-	19,063	1,398,819	274,594	113,290	-	-	1,805,766
Other	-	-	-	-	450	-	-	908,758	909,208
Total revenues	485,418	205,306	1,376,650	1,398,819	723,884	113,290	236,208	908,758	5,448,333
EXPENDITURES									
Current									
Public works	2,765,209	101,394	1,400,776	-	-	-	-	-	4,267,379
Education	-	-	-	1,454,629	753,088	113,290	264,632	809,838	3,395,477
Capital outlay	402,084	34,474	239,951	-	-	-	-	-	676,509
Total expenditures	3,167,293	135,868	1,640,727	1,454,629	753,088	113,290	264,632	809,838	8,339,365
Excess (deficiency) of revenues over (under) expenditures	(2,681,875)	69,438	(264,077)	(55,810)	(29,204)	-	(28,424)	98,920	(2,891,032)
OTHER FINANCING SOURCES (USES)									
Transfers in	1,971,747	-	63,500	-	-	-	-	-	2,035,247
Net change in fund balances	(710,128)	69,438	(200,577)	(55,810)	(29,204)	-	(28,424)	98,920	(855,785)
Fund balances - beginning	2,825,683	422,398	266,566	889	546,914	-	302,319	379,736	4,744,505
Fund balances - ending	$ 2,115,555	$ 491,836	$ 65,989	$ (54,921)	$ 517,710	$ -	$ 273,895	$ 478,656	$ 3,888,720

CITY OF LAKELAND, TENNESSEE **Exhibit B-3**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

STATE STREET AID FUND

For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental - state gas tax				
Gas motor fuel	$ 259,227	$ 259,227	$ 247,756	$ (11,471)
Gas 1989	74,457	74,457	71,595	(2,862)
Gas 3 cent	49,819	49,819	38,774	(11,045)
Gas 2017	142,530	142,530	124,892	(17,638)
Excise tax	-	-	2,401	2,401
Total revenues	526,033	526,033	485,418	(40,615)
EXPENDITURES				
PUBLIC WORKS				
Salaries	230,049	232,617	209,011	23,606
Benefits	113,374	113,573	79,829	33,744
Contractual services	6,000	6,000	1,963	4,037
Materials and supplies	480,500	460,733	254,474	206,259
Paving	1,500,000	3,842,924	2,189,078	1,653,846
Street lighting	20,000	20,000	23,350	(3,350)
Other charges	9,640	21,640	7,504	14,136
Total public works	2,359,563	4,697,487	2,765,209	1,932,278
CAPITAL OUTLAY	204,000	425,712	402,084	23,628
Total expenditures	2,563,563	5,123,199	3,167,293	1,955,906
Deficiency of revenues under expenditures	(2,037,530)	(4,597,166)	(2,681,875)	(1,996,521)
OTHER FINANCING SOURCES				
Transfers in	1,971,747	1,971,747	1,971,747	-
Net change in fund balances	$ (65,783)	$ (2,625,419)	(710,128)	$ (1,996,521)
Fund balances - beginning			2,825,683	
Fund balances - ending			$ 2,115,555	

CITY OF LAKELAND, TENNESSEE **Exhibit B-4**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

STORM WATER FUND

For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	$ 203,445	$ 203,445	$ 205,306	$ 1,861
EXPENDITURES				
PUBLIC WORKS				
Salaries	40,717	41,238	40,133	1,105
Benefits	17,221	16,700	19,552	(2,852)
Contractual services	7,500	7,500	166	7,334
Materials and supplies	8,450	8,450	32,591	(24,141)
Other charges	12,460	12,460	8,952	3,508
Total public works	86,348	86,348	101,394	(15,046)
CAPITAL OUTLAY	310,000	310,000	34,474	275,526
Total expenditures	396,348	396,348	135,868	260,480
Net change in fund balances	$ (192,903)	$ (192,903)	69,438	$ (258,619)
Fund balances - beginning			422,398	
Fund balances - ending			$ 491,836	

CITY OF LAKELAND, TENNESSEE **Exhibit B-5**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

SOLID WASTE FUND

For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	$ 1,342,514	$ 1,342,514	$ 1,357,587	$ 15,073
Federal, state, and local grants	-	-	19,063	19,063
Other income	-	-	-	-
Total revenues	1,342,514	1,342,514	1,376,650	34,136
EXPENDITURES:				
PUBLIC WORKS				
Salaries	62,170	63,895	63,068	827
Benefits	28,405	28,495	26,865	1,630
Contractual services	1,073,000	1,208,000	1,234,952	(26,952)
Materials and supplies	23,500	23,500	22,563	937
Other charges	60,550	58,735	53,328	5,407
Total public works	1,247,625	1,382,625	1,400,776	(18,151)
CAPITAL OUTLAY	290,000	290,000	239,951	50,049
Total expenditures	1,537,625	1,672,625	1,640,727	31,898
OTHER FINANCING SOURCES				
Transfers in	-	63,500	63,500	-
Net change in fund balances	$ (195,111)	$ (266,611)	(200,577)	$ 2,238
Fund balances - beginning			266,566	
Fund balances - ending			$ 65,989	

CITY OF LAKELAND, TENNESSEE **Exhibit B-5**
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SCHOOL FEDERAL PROJECTS FUND
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Federal, state, and local grants	$ 1,071,032	$ 1,916,188	$ 1,398,819	$ (517,369)
EXPENDITURES:				
Education				
Regular Instruction				
Salaries	231,485	219,117	218,987	130
Benefits	77,417	56,365	52,369	3,996
Contractual services	925	925	925	-
Materials and supplies	128,767	193,639	184,195	9,444
Other Charges	3,000	-	-	-
	441,594	470,046	456,476	13,570
Special Education				
Salaries	168,468	167,243	167,243	-
Benefits	55,076	57,126	55,895	1,231
Materials and supplies	77,742	100,883	79,814	21,069
	301,286	325,252	302,952	22,300
Other Student Support				
Salaries	39,873	169,174	169,043	131
Benefits	5,222	24,269	24,009	260
Contractual services	1,267	325	-	325
Materials and supplies	44,317	72,287	69,305	2,982
Other charges	925	925	925	-
	91,604	266,980	263,282	3,698
Regular Instruction Support				
Salaries	89,559	91,059	90,485	574
Benefits	2,694	2,964	2,602	362
Contractual services	-	6,612	6,612	-
Materials and supplies	-	5,682	5,319	363
Other charges	55,524	93,914	79,820	14,094
	147,777	200,231	184,838	15,393
Special Education Support				
Salaries	10,000	10,101	10,101	-
Benefits	34,971	30,827	29,933	894
Contractual services	3,000	28,918	23,061	5,857
Materials and supplies	7,000	23,200	22,100	1,100
Other charges	22,800	47,882	26,711	21,171
	77,771	140,928	111,906	29,022
Technology				
Other charges	6,000	9,606	4,255	5,351
	6,000	9,606	4,255	5,351

(CONTINUED ON NEXT PAGE)

CITY OF LAKELAND, TENNESSEE **Exhibit B-5**
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SCHOOL FEDERAL PROJECTS FUND
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Transportation				
Contractual services	$ -	$ 150	$ 150	$ -
Technical Education				
Materials and supplies	-	500,000	127,770	372,230
Cafeteria				
Materials and supplies	5,000	3,000	3,000	-
Total expenditures	1,071,032	1,916,193	1,454,629	461,564
Net change in fund balances	$ -	$ (5)	(55,810)	$ (978,933)
Fund balances - beginning			889	
Fund balances - ending			$ (54,921)	

CITY OF LAKELAND, TENNESSEE **Exhibit B-6**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

SCHOOL NUTRITION FUND

For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	$ 304,500	$ 304,500	$ 448,840	$ 144,340
Federal, state, and local grants	273,950	273,950	274,594	644
Other income	-	-	450	450
Total revenues	578,450	578,450	723,884	145,434
EXPENDITURES:				
EDUCATION				
Cafeteria				
Salaries	225,400	240,800	239,465	1,335
Benefits	63,250	69,844	54,728	15,116
Contractual services	4,500	4,285	22	4,263
Materials and supplies	283,550	661,415	453,455	207,960
Other charges	1,750	5,526	5,418	108
Total expenditures	578,450	981,870	753,088	228,782
Net change in fund balances	$ -	$ (403,420)	(29,204)	$ 374,216
Fund balances - beginning			546,914	
Fund balances - ending			$ 517,710	

CITY OF LAKELAND, TENNESSEE **Exhibit B-7**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

SCHOOL DISCRETIONARY GRANTS FUND

For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Federal, state, and local grants	$ 83,000	$ 113,290	$ 113,290	$ -
EXPENDITURES				
EDUCATION				
Regular Instruction Support				
Materials and supplies	-	20,290	20,290	-
Health Services				
Salaries	55,783	55,680	55,680	-
Benefits	7,227	15,010	15,010	-
Contractual Services	10,000	20,000	20,000	-
Materials and supplies	2,500	101	101	-
Other Charges	7,490	2,209	2,209	-
	83,000	93,000	93,000	-
Total expenditures	83,000	113,290	113,290	-
Net change in fund balances	$ -	$ -	-	$ -
Fund balances - beginning			-	
Fund balances - ending			$ -	

CITY OF LAKELAND, TENNESSEE **Exhibit B-8**
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LAKELAND EXTENDED ACTIVITIES PROGRAM FUND
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	$ 326,150	$ 326,150	$ 236,208	$ (89,942)
EXPENDITURES:				
EDUCATION				
Student Services				
Salaries	193,500	139,670	132,881	6,789
Benefits	24,950	26,668	21,088	5,580
Contractual services	2,000	1,478	1,359	119
Materials and supplies	6,000	6,766	5,264	1,502
	226,450	174,582	160,592	13,990
Maintenance of Plant				
Salaries	64,000	35,163	34,440	723
Benefits	10,700	10,700	4,414	6,286
Other charges	25,000	105,705	65,186	40,519
	99,700	151,568	104,040	47,528
Total expenditures	326,150	326,150	264,632	61,518
Net change in fund balances	$ -	$ -	(28,424)	$ (151,460)
Fund balances - beginning			302,319	
Fund balances - ending			$ 273,895	

CITY OF LAKELAND, TENNESSEE **Exhibit B-9**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

DEBT SERVICE FUND

For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Interest income	$ -	$ -	$ 9	$ 9
EXPENDITURES:				
DEBT SERVICE				
Principal	8,740,963	11,221,735	8,256,730	2,965,005
Interest	1,475,912	1,478,944	1,498,716	(19,772)
Other fees	6,400	6,400	3,581	2,819
Total expenditures	10,223,275	12,707,079	9,759,027	2,948,052
Deficiency of revenues under expenditures	(10,223,275)	(12,707,079)	(9,759,018)	2,948,061
OTHER FINANCING SOURCES (USES)				
Transfers in	10,223,275	12,707,079	9,759,027	(2,948,052)
Net change in fund balances	$ -	$ -	9	$ 9
Fund balances - beginning			45	
Fund balances - ending			$ 54	

CITY OF LAKELAND, TENNESSEE **Exhibit B-10**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

SCHOOL CAPITAL PROJECTS FUND

For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Contributions - Shelby County	$ 500,000	$ 500,000	$ 508,352	$ 8,352
Interest income	-	-	58,296	58,296
Other income	-	-	396,549	396,549
Total revenues	500,000	500,000	963,197	463,197
EXPENDITURES:				
CAPITAL OUTLAY				
Architectural and engineering	-	250,924	138,016	112,908
Construction contracts	2,227,500	8,245,004	3,909,430	4,335,574
Equipment	-	4,847,783	2,507,898	2,339,885
Total expenditures	2,227,500	13,343,711	6,555,344	6,788,367
Deficiency of revenues under expenditures	(1,727,500)	(12,843,711)	(5,592,147)	7,251,564
OTHER FINANCING SOURCES (USES)				
Transfers in	-	81,194	81,200	6
Net change in fund balances	$ (1,727,500)	$(12,762,517)	(5,510,947)	$ 7,251,570
Fund balances - beginning			8,084,489	
Fund balances - ending			$ 2,573,542	

SUPPORTING SCHEDULES

CITY OF LAKELAND, TENNESSEE **Exhibit C-1**
SCHEDULE OF TRANSFERS
For the Year Ended June 30, 2023

	Transfers In	Transfers Out
Major Funds		
General Fund		
General Purpose School Fund	$ 700,000	$ 713,505
School Capital Projects Fund	-	81,200
Debt Service Fund	-	9,759,027
State Street Aid Fund	-	1,971,747
Solid Waste Fund	-	63,500
	700,000	12,588,979
General Purpose School Fund		
General Fund	713,505	700,000
School Capital Projects Fund		
General Fund	81,200	-
Debt Service Fund		
General Fund	9,759,027	-
Total major funds	11,253,732	13,288,979
Nonmajor Funds		
State Street Aid Fund		
General Fund	1,971,747	-
Solid Waste Fund		
General Fund	63,500	-
Total nonmajor funds	2,035,247	-
Total transfers	$ 13,288,979	$ 13,288,979

CITY OF LAKELAND, TENNESSEE **Exhibit C-2**

SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS - GENERAL OBLIGATION BONDS AND NOTES PAYABLE

GOVERNMENTAL FUNDS

June 30, 2023

	2011 TLDA Construction Loan		Series 2021 General Obligation Refunding Bond I		Series 2021 General Obligation Refunding Bond 2		Series 2022 General Obligation Refunding Bond 1		Series 2022 General Obligation Refunding Bond 2		Series 2022 General Obligation Refunding Bond 3	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	66,660	24,336	87,332	106,787	161,399	197,353	150,108	244,275	148,592	241,808	147,076	239,340
2025	67,932	22,980	89,188	104,931	164,829	193,923	154,748	239,635	153,185	237,214	151,622	234,794
2026	69,228	21,600	91,083	103,036	168,331	190,421	158,177	236,207	156,579	233,821	154,981	231,435
2027	70,548	20,208	93,018	101,100	171,908	186,844	162,131	232,252	160,493	229,906	158,856	227,560
2028	71,892	18,768	94,995	99,123	175,561	183,191	165,766	228,617	164,091	226,308	162,417	223,999
2029	73,260	17,316	97,014	97,105	179,292	179,460	170,739	223,644	169,015	221,385	167,290	219,126
2030	74,664	15,828	99,075	95,043	183,102	175,650	174,597	219,786	172,833	217,566	171,070	215,346
2031	76,080	14,316	101,181	92,938	186,993	171,759	178,962	215,421	177,154	213,245	175,346	211,069
2032	77,532	12,780	103,331	90,788	190,966	167,786	183,049	211,334	181,200	209,199	179,351	207,065
2033	79,008	11,208	105,527	88,592	195,024	163,728	188,391	205,993	186,488	203,912	184,585	201,831
2034	80,520	9,600	107,769	86,350	199,169	159,583	192,722	201,661	190,775	199,624	188,829	197,587
2035	82,056	7,968	110,059	84,059	203,401	155,351	197,540	196,843	195,545	194,855	193,549	192,866
2036	83,616	6,300	112,398	81,721	207,723	151,029	202,127	192,257	200,085	190,315	198,043	188,373
2037	85,212	4,608	114,786	79,332	212,137	146,615	207,874	186,509	205,775	184,625	203,675	182,741
2038	86,832	2,880	117,225	76,893	216,645	142,107	212,728	181,655	210,580	179,820	208,431	177,985
2039	88,488	1,128	119,717	74,402	221,249	137,503	218,047	176,336	215,844	174,555	213,642	172,774
2040	7,576	13	122,260	71,858	225,951	132,801	223,184	171,199	220,930	169,469	218,676	167,740
2041	-	-	124,859	69,260	230,752	128,000	229,381	165,003	227,064	163,336	224,747	161,669
2042	-	-	127,512	66,607	235,656	123,096	234,812	159,571	232,440	157,959	230,068	156,347
2043	-	-	130,221	63,897	240,663	118,089	240,682	153,701	238,251	152,148	235,820	150,596
2044	-	-	132,989	61,130	245,777	112,975	246,428	147,955	243,939	146,460	241,450	144,966
2045	-	-	135,815	58,304	251,000	107,752	253,120	141,264	250,563	139,837	248,006	138,410
2046	-	-	138,701	55,418	256,334	102,418	259,188	135,195	256,570	133,829	253,952	132,464
2047	-	-	141,648	52,470	261,781	96,971	265,668	128,715	262,984	127,415	260,301	126,115
2048	-	-	144,658	49,460	267,344	91,408	272,086	122,298	269,337	121,062	266,589	119,827
2049	-	-	147,732	46,386	273,025	85,727	279,323	115,060	276,502	113,898	273,680	112,736
2050	-	-	150,871	43,247	278,827	79,925	286,095	108,288	283,205	107,195	280,315	106,101
2051	-	-	154,077	40,041	284,752	74,000	293,247	101,136	290,285	100,115	287,323	99,093
2052	-	-	157,352	36,767	290,803	67,949	300,406	93,977	297,372	93,028	294,337	92,078
2053	-	-	160,695	33,423	296,982	61,770	308,247	86,137	305,133	85,266	302,019	84,396
2054	-	-	164,110	30,008	303,293	55,459	315,794	78,589	312,605	77,795	309,415	77,001
2055	-	-	167,597	26,521	309,738	49,014	323,689	70,694	320,420	69,980	317,150	69,266
2056	-	-	171,159	22,960	316,320	42,432	331,667	62,716	328,317	62,083	324,967	61,449
2057	-	-	174,796	19,323	323,042	35,710	340,173	54,210	336,737	53,663	333,301	53,115
2058	-	-	178,510	15,608	329,906	28,846	348,578	45,806	345,057	45,343	341,536	44,880
2059	-	-	182,304	11,815	336,917	21,835	357,292	37,091	353,683	36,716	350,074	36,342
2060	-	-	186,178	7,941	344,076	14,676	366,173	28,210	362,474	27,925	358,775	27,640
2061	-	-	187,508	3,985	346,540	7,364	375,414	18,970	371,621	18,778	367,829	18,586
2062	-	-	-	-	-	-	384,764	9,619	380,878	9,522	376,991	9,425
	$ 1,241,104	$ 211,837	$ 5,025,250	$ 2,348,629	$ 9,287,208	$ - $ 4,340,520	$ 9,753,117	$ 5,627,829	$ 9,654,601	$ 5,570,981	$ 9,556,084	$ 5,514,132

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CITY OF LAKELAND, TENNESSEE **Exhibit C-2**

SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS - GENERAL OBLIGATION BONDS AND NOTES PAYABLE

GOVERNMENTAL FUNDS

June 30, 2023

	Series 2022 General Obligation Refunding Bond 4		Series 2022 General Obligation Refunding Bond 5		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	119,829	195,001	119,821	194,988	1,000,817	1,443,888
2025	123,533	191,296	123,525	191,284	1,028,562	1,416,057
2026	126,270	188,560	126,262	188,548	1,050,911	1,393,627
2027	129,426	185,403	129,418	185,391	1,075,798	1,368,664
2028	132,328	182,501	132,320	182,490	1,099,370	1,344,997
2029	136,298	178,531	136,290	178,520	1,129,198	1,315,087
2030	139,378	175,452	139,369	175,440	1,154,088	1,290,111
2031	142,862	171,967	142,853	171,956	1,181,431	1,262,672
2032	146,125	168,704	146,116	168,694	1,207,670	1,236,350
2033	150,389	164,440	150,380	164,430	1,239,792	1,204,134
2034	153,847	160,983	153,837	160,972	1,267,468	1,176,360
2035	157,693	157,137	157,683	157,127	1,297,526	1,146,206
2036	161,354	153,475	161,344	153,465	1,326,690	1,116,934
2037	165,943	148,887	165,932	148,877	1,361,334	1,082,194
2038	169,818	145,012	169,807	145,003	1,392,066	1,051,355
2039	174,063	140,766	174,052	140,757	1,425,102	1,018,221
2040	178,164	136,665	178,153	136,656	1,374,894	986,401
2041	183,111	131,719	183,099	131,710	1,403,013	950,697
2042	187,446	127,383	187,435	127,375	1,435,369	918,338
2043	192,133	122,697	192,120	122,689	1,469,890	883,817
2044	196,720	118,110	196,707	118,102	1,504,010	849,698
2045	202,061	112,768	202,048	112,761	1,542,613	811,095
2046	206,905	107,924	206,892	107,917	1,578,542	775,165
2047	212,078	102,751	212,065	102,745	1,616,525	737,182
2048	217,201	97,628	217,188	97,623	1,654,403	699,306
2049	222,979	91,851	222,965	91,845	1,696,206	657,503
2050	228,384	86,445	228,370	86,439	1,736,067	617,640
2051	234,094	80,735	234,079	80,730	1,777,857	575,849
2052	239,809	75,020	239,794	75,015	1,819,873	533,834
2053	246,068	68,761	246,052	68,757	1,865,196	488,511
2054	252,093	62,736	252,077	62,732	1,909,387	444,320
2055	258,396	56,434	258,379	56,430	1,955,369	398,338
2056	264,764	50,065	264,747	50,062	2,001,941	351,767
2057	271,554	43,275	271,537	43,272	2,051,140	302,568
2058	278,264	36,566	278,246	36,563	2,100,097	253,612
2059	285,220	29,609	285,202	29,607	2,150,692	203,015
2060	292,309	22,520	292,291	22,518	2,202,276	151,430
2061	299,686	15,143	299,667	15,142	2,248,265	97,968
2062	307,151	7,679	307,131	7,678	1,756,915	43,923
	$ 7,785,746	$ 4,492,599	$ 7,785,253	$ 4,492,310	$ 60,088,363	$ 32,598,836

CITY OF LAKELAND, TENNESSEE **Exhibit C-3**

SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS - SETTLEMENT LIABILITY

GOVERNMENTAL FUNDS

June 30, 2023

	Shelby County Settlement	
	Principal	Interest
2024	55,498	839
2025	55,777	560
2026	56,328	49
	$ 167,603	$ 1,448

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

CITY OF LAKELAND, TENNESSEE **Exhibit C-4**
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS - REVENUE BONDS
SEWER FUND
June 30, 2023

Fiscal Year	Series 2005 Tennessee Municipal League Note Payable [1]	
2024	661,000	4,543
2025	688,000	3,089
2026	716,000	1,575
	$ 2,065,000	$ 9,207

[1] Interest rate as of June 30, 2023 was 3.10%.

CITY OF LAKELAND, TENNESSEE **Exhibit C-5**

SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE

For the Year Ended June 30, 2023

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Maturity Date	Outstanding as of 6/30/2022	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding as of 6/30/2023
GOVERNMENTAL ACTIVITIES									
Notes Payable									
Payable through Debt Service Fund									
TN Municipal League Note, Series 2001	$ 3,500,000	0.72%	7/26/2004	5/26/2023	$ 206,095	$ -	$ 206,095	$ -	$ -
Other Loans Payable									
Payable through Debt Service Fund									
TLDA Construction Loan	$ 1,725,000	1.89%	11/10/2010	7/20/2039	1,306,516	-	65,412	-	1,241,104
Shelby County Settlement Liability	$ 676,044	0.50%	5/31/2014	11/1/2025	222,825	-	55,222	-	167,603
Capital Outlay Note, Series 2022	$ 11,500,000	1.83%	3/24/2022	3/24/2023	-	7,015,747	7,015,747	-	-
Total other loans payable					1,529,341	7,015,747	7,136,381	-	1,408,707
General Obligation									
Payable through Debt Service Fund									
G.O. Refunding Bond 1, Series 2021	$ 5,194,500	2.125%	1/27/2021	1/27/2061	5,110,765	-	85,515	-	5,025,250
G.O. Refunding Bond 2, Series 2021	$ 9,600,000	2.125%	1/27/2021	1/27/2061	9,445,248	-	158,040	-	9,287,208
G.O. Refunding Bond 1, Series 2022	$ 9,900,000	2.50%	6/22/2022	6/22/2062	9,900,000	-	146,883	-	9,753,117
G.O. Refunding Bond 2, Series 2022	$ 9,800,000	2.50%	6/22/2022	6/22/2062	9,800,000	-	145,399	-	9,654,601
G.O. Refunding Bond 3, Series 2022	$ 9,700,000	2.50%	6/22/2022	6/22/2062	9,700,000	-	143,916	-	9,556,084
G.O. Refunding Bond 4, Series 2022	$ 7,903,000	2.50%	6/22/2022	6/22/2062	7,903,000	-	117,254	-	7,785,746
G.O. Refunding Bond 5, Series 2022	$ 7,902,500	2.50%	6/22/2022	6/22/2062	7,902,500	-	117,247	-	7,785,253
					59,761,513	-	914,254	-	58,847,259
Total governmental activities					$ 61,496,949	$ 7,015,747	$ 8,256,730	$ -	$ 60,255,966
BUSINESS-TYPE ACTIVITIES									
Notes Payable									
Payable through Sewer Fund									
TN Municipal League Note, Series 2005	$ 11,000,000	3.10%*	6/1/2006	5/25/2026	$ 2,701,000	$ -	$ 636,000	$ -	$ 2,065,000
Total business-type activities					$ 2,701,000	$ -	$ 636,000	$ -	$ 2,065,000

* Variable rate Tennessee Municipal Bond Fund loan rate for June 30, 2023 was 3.10%.

CITY OF LAKELAND, TENNESSEE **Exhibit C-6**

SCHEDULE OF CHANGES IN PROPERTY TAXES RECEIVABLE - BY LEVY YEAR

For the Year Ended June 30, 2023

CHANGES IN PROPERTY TAXES RECEIVABLE BY LEVY YEAR

Year of Levy	Balance June 30, 2022	Assessment	Adjustments/ Abatements	Collections/ Refunds	Balance June 30, 2023
2023	$ -	$5,880,668	$ -	$	$ 5,880,668
2022	4,946,924	-	(74,213)	(4,830,258)	42,453
2021	44,701	-	(3,211)	(36,163)	5,327
2020	6,151	-	(997)	(3,098)	2,056
2019	4,007	-	(574)	(2,975)	458
2018	1,990	-	(405)	(1,210)	375
2017	2,353	-	(1,539)	-	814
2016	1,041	-	(891)	-	150
2015	394	-	(388)	-	6
2014	1,021	-	(718)	-	303
Total	5,008,582	5,880,668	(82,936)	(4,873,704)	5,932,610
Allowance for uncollectible property taxes	(52,552)				(61,614)
Net receivables	$ 4,956,030				$ 5,870,996

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
2023	$ 494,173,867	$ 1.19	$ 5,880,668
2022	475,665,753	1.04	4,946,924
2021	454,811,396	1.04	4,730,040
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
2014	308,299,440	0.85	2,620,545

CITY OF LAKELAND, TENNESSEE **Exhibit C-7**

SCHEDULE OF OFFICIAL BONDS OF PRINCIPAL OFFICIALS

For the Year Ended June 30, 2023

	Amount of Bond
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 **Exhibit C-8**

SCHEDULE OF UTILITY RATE STRUCTURE AND NUMBER OF CUSTOMERS

For the Year Ended June 30, 2023

SEWER:

Number of Customers as of June 30, 2023: 3,148

Rates:

Gallons Used	Rate/ccf
Residential:	
Base - up to 5 ccf.	$ 7.00
Additional - 6 - 20 ccf.	$ 2.50
Additional - 21+ ccf.	$ 0.50
City of Memphis Sewer System Users	
Monthly charge	$ 23.00
Commercial:	
Base - up to 30 ccf.	$ 60.35
Each additional ccf.	$ 1.30

SANITATION:

Number of Customers as of June 30, 2023: 4,639

Rates:

Type	Monthly Charge
Residential	$ 24.70

STORM WATER:

Number of Customers as of June 30, 2023: 5,189

Type	Monthly Charge
Residential	$ 3.20

STATISTICAL SECTION (UNAUDITED)

CITY OF LAKELAND, TENNESSEE
STATISTICAL SECTION - TABLE OF CONTENTS

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.

Contents	Exhibit	Page
Financial Trends – These exhibits contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.		
Net Position by Component	D-1	110
Changes in Net Position	D-2	111
Fund Balances of Governmental Funds	D-3	113
Changes in Fund Balances – Governmental Funds	D-4	114
Revenues by Fiscal Year – General Fund	D-5	115
Revenues, Expenditures, and Changes in Fund Balance – General Fund	D-6	116
Revenue Capacity – These exhibits contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.		
Assessed Value and Estimated Actual Value of Taxable Property	D-7	117
Analysis of Value of Taxable Property – Current Fiscal Year	D-8	118
Direct and Overlapping Property Tax Rates	D-9	119
Principal Property Tax Payers	D-10	120
Property Tax Levies and Collections	D-11	121
Sales Tax by Fiscal Year	D-12	122
Direct and Overlapping Sales Tax Rates	D-13	123
Taxable Sales by Category	D-14	124
Local Sales Tax Revenue by Industry	D-15	125
Debt Capacity – 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
Ratios of General Bonded Debt	D-17	127
Direct and Overlapping Debt – Governmental Activities	D-18	128
Demographic and Economic Information – 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
Operating Information – 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 **Exhibit D-1**

NET POSITION BY COMPONENT

Last Ten Fiscal Years

(Accrual basis of accounting)

	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	As of June 30, 2014
Governmental Activities										
Net investment in capital assets	$ 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	$ 43,450,817
Restricted	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	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	6,544,205
Total Governmental Activities	$ 100,069,866	$ 92,529,038	$ 75,557,078	$ 69,517,237	$ 64,606,561	$ 58,841,527	$ 57,194,573	$ 53,992,268	$ 52,506,419	$ 49,995,022
Business-Type Activities										
Net investment in capital assets	$ 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	$ 7,364,836
Restricted	-	-	-	2,817	-	16,320	-	-	-	-
Unrestricted	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	1,463,602
Total Business-Type Activities	$ 13,913,607	$ 13,508,454	$ 12,838,734	$ 12,316,614	$ 11,376,116	$ 10,216,694	$ 9,626,772	$ 9,158,239	$ 8,931,844	$ 8,828,438
Primary Government										
Net investment in capital assets	$ 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	$ 50,815,653
Restricted	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	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	8,007,807
Total Primary Government	$ 113,983,473	$ 106,037,492	$ 88,395,812	$ 81,833,851	$ 75,982,677	$ 69,058,221	$ 66,821,345	$ 63,150,507	$ 61,438,263	$ 58,823,460

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
EXPENSES										
Governmental Activities										
General government	$ 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	$ 1,993,291
Community services	1,051,168	839,141	562,646	1,036,685	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	2,252	33,113
Public works	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	7,596,788
Parks and recreation	1,188,121	1,045,805	513,748	505,085	603,062	493,440	680,872	435,148	305,885	420,852
Natural resources	-	-	-	-	-	-	-	-	-	78,243
Education	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	1,071,120
Debt issuance costs	-	152,380	34,000	-	-	-	32,158	214,684	-	-
Interest on long-term debt	1,287,073	760,617	1,185,980	1,141,192	706,464	723,878	120,027	52,145	50,664	-
Total governmental activities	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	11,193,407
Business-Type Activity										
Sewer	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	1,090,116
Total business-type activity	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	1,090,116
Total primary government expenses	$ 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	$12,283,523
PROGRAM REVENUES										
Governmental Activities										
Charges for Services										
General government	$ 600	$ 400	$ 3,606	$ 5,328	$ 182,005	$ 289,925	$ 254,125	$ 115,735	$ 95,372	$ 95,115
Community development	180,241	268,895	397,838	467,443	-	-	-	-	-	-
Public works	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	1,403,605
Parks and recreation	113,671	171,065	155,651	244,630	246,530	254,488	153,810	116,720	55,500	-
Natural resources	-	-	-	-	-	-	-	-	-	50,736
Education	736,461	317,854	234,460	477,764	596,144	537,903	370,351	372,705	126,096	-
Operating grants and contributions	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	347,028
Capital grants and contributions	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	12,738,932
Total governmental activities	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	14,635,416
Business-Type Activity										
Charges for Services										
Sewer	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	1,145,414
Operating grants and contributions	-	-	-	-	-	-	-	-	5,270	-
Capital grants and contributions	363,947	244,155	-	41,709	930,093	390,600	133,300	-	-	-
Total business-type activity	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	1,145,414
Total primary government program revenues	$ 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	$15,780,830
Net (Expense)/Revenue										
Governmental activities	$ (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)	$ 3,442,009
Business-type activity	308,568	664,317	518,849	926,309	1,146,637	584,544	464,535	222,312	96,628	55,298
Total primary government	$ (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)	$ 3,497,307

(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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities										
Local taxes	$ 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	$ 3,398,058
Intergovernmental revenues	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	1,576,204
Other revenue	1,364,077	581,161	324,248	113,589	125,449	61,408	24,941	100,121	42,511	152,356
Gain on sale of capital assets	-	-	-	171	-	172	8,923	-	-	-
Interest on investments	293,013	35,382	71,153	285,656	103,713	86,221	76,616	43,145	11,947	14,603
Total governmental activities	20,989,126	18,045,633	16,531,452	14,883,671	14,245,997	13,748,089	11,417,594	11,491,833	8,466,391	5,141,221
Business-Type Activity										
Interest on investments	96,585	5,403	3,271	14,189	12,785	5,378	3,998	4,083	4,311	5,451
Total primary government	$ 21,085,711	$ 18,051,036	$ 16,534,723	$ 14,897,860	$ 14,258,782	$ 13,753,467	$ 11,421,592	$11,495,916	$ 8,470,702	$ 5,146,672
CHANGE IN NET POSITION										
Governmental activities	$ 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	$ 8,583,230
Business-type activity	405,153	669,720	522,120	940,498	1,159,422	589,922	468,533	226,395	100,939	60,749
Total primary government	$ 7,945,981	$ 17,641,680	$ 6,159,583	$ 5,851,174	$ 6,924,456	$ 2,236,876	$ 3,670,838	$ 2,210,322	$ 2,588,730	$ 8,643,979

CITY OF LAKELAND, TENNESSEE **Exhibit D-3**

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

	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	As of June 30, 2014
General Fund										
Nonspendable	$ 2,256,000	$ 1,004	$ 1,660	$ 320,000	$ 69,998	$ -	$ 66	$ -	$ -	$ 1,159
Restricted	-	81,198	172,546	172,419	-	-	-	-	-	-
Committed	1,216,829	1,297,372	1,612,139	1,478,919	1,087,610	523,435	430,078	408,718	395,769	-
Assigned	854,823	604,823	1,770,000	1,340,354	214,835	259,970	2,617,696	2,404,227	496,275	1,031,229
Unassigned	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	5,449,265
Total General Fund	$ 13,809,221	$ 10,175,910	$ 11,287,831	$ 11,900,034	$ 10,150,524	$ 8,540,305	$ 10,577,370	$ 10,923,322	$ 7,566,904	$ 6,481,653
General Purpose School Fund										
Nonspendable	$ -	$ -	$ 1,857	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	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	-
Total General Purpose School Fund	$ 6,326,926	$ 6,190,729	$ 8,864,038	$ 7,057,075	$ 6,166,249	$ 4,326,764	$ 2,795,478	$ 1,865,633	$ 721,394	$ -
School Federal Projects Fund										
Restricted		$ 889								
School Capital Projects Fund										
Restricted	$ 2,573,542	$ 8,084,489	$ 23,376,222	$ 43,394,431	$ 996,109	$ 6,399,351	$ 6,602,136	$ 20,601,660		
Total School Capital Projects Fund	$ 2,573,542	$ 8,084,489	$ 23,376,222	$ 43,394,431	$ 996,109	$ 6,399,351	$ 6,602,136	$ 20,601,660		
Debt Service Fund										
Committed	$ 54	$ 45	$ 42	$ 42						
Total Debt Service Fund	$ 54	$ 45	$ 42	$ 42						
Solid Waste Fund										
Restricted										$ 152,645 *
Total Solid Waste Fund										$ 152,645
Non-Major Governmental Funds										
Nonspendable	$ 6,213	$ 4,553	$ 13,025	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	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 *	293,368 *
Committed	2,115,555	2,825,683	555,575	294,322	380,340	923,496	239,885	395,010 *	- *	-
Assigned	-	-	-	-	-	-	-	-	1,249,470	-
Unassigned	(54,921)	-	-	-	-	-	-	(2,346)	-	(33,545)
Total Non-Major Governmental Funds	$ 3,888,720	$ 4,744,505	$ 1,921,062	$ 1,664,177	$ 2,132,929	$ 2,487,603	$ 2,092,081	$ 1,391,084	$ 2,016,768	$ 259,823
All Governmental Funds (excluding General)										
Nonspendable	$ 6,213	$ 4,553	$ 14,882	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	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 *	446,013 *
Committed	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	(54,921)	-	-	-	-	-	-	(2,346)	-	(33,545)
Total All Governmental Funds (excluding General)	$ 12,789,242	$ 19,020,657	$ 34,161,364	$ 52,115,725	$ 9,295,287	$ 13,213,718	$ 11,489,695	$ 23,858,377	$ 2,738,162	$ 412,468

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 **Exhibit D-4**

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

Last Ten Fiscal Years Ended June 30

(Modified accrual basis of accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
REVENUES										
Property taxes	$ 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	$ 2,628,092
Local sales taxes	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	785,674
Intergovernmental	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	1,923,232
Licenses and permits	182,990	274,995	353,234	125,308	100,172	63,233	59,323	108,980	95,372	95,115
Charges for services	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	1,454,341
Federal, state, and local grants	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	154,899
Contributions	508,352	197,273	487,886	1,261,019	-	-	-	-	-	-
Interest on investments	293,013	35,382	71,153	285,656	103,713	86,221	76,616	43,145	11,947	14,603
Other	1,372,882	587,755	327,748	119,049	128,349	65,148	25,251	105,621	48,011	155,856
Total revenues	46,442,945	44,202,211	34,055,750	30,833,447	28,369,186	26,351,458	19,856,536	18,675,476	15,741,907	7,211,812
EXPENDITURES										
Current Expenditures										
General government	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	1,836,717
Community development	1,000,433	834,821	558,326	981,344	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	2,252	32,730
Public works	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	1,673,023
Parks and recreation	1,005,529	896,583	436,158	433,545	587,539	423,320	607,642	449,309	240,813	349,704
Natural resources	-	-	-	-	-	-	-	-	-	75,464
Education	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	414,681
Debt Service										
Principal	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	342,411
Interest and fiscal charges	1,502,297	1,008,783	1,422,686	1,373,774	925,531	921,197	922,883	653,755	49,295	37,681
Bond issuance costs	-	152,380	34,000	-	-	-	-	-	-	-
Capital outlays	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	3,640,967
Total expenditures	56,136,656	63,680,456	53,469,192	29,763,670	31,145,277	28,110,542	32,768,246	16,698,824	12,422,605	8,403,378
Excess (deficiency) of revenues over (under) expenditures	(9,693,711)	(19,478,245)	(19,413,442)	1,069,777	(2,776,091)	(1,759,084)	(12,911,710)	1,976,652	3,319,302	(1,191,566)
OTHER FINANCING SOURCES (USES)										
Issuance of debt	7,015,747	3,155,308	-	43,500,000	467,483	1,185,948	188,105	20,000,000	91,643	2,718,827
Issuance of refunding debt	-	43,569,420	14,794,500	-	-	-	-	-	-	-
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	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	414,681
Transfers out	(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)	(414,681)
Total other financing sources (uses)	7,015,747	3,224,728	444,500	43,500,171	467,879	1,446,090	197,028	22,499,981	91,643	2,718,827
Net change in fund balances	$ (2,677,964)	$ (16,253,517)	$ (18,968,942)	$ 44,569,948	$ (2,308,212)	$ (312,994)	$ (12,714,682)	$ 24,476,633	$ 3,410,945	$ 1,527,261
Debt service as a percentage of noncapital expenditures	22.3%	10.9%	15.5%	13.3%	12.3%	12.6%	17.5%	9.0%	4.3%	4.9%

CITY OF LAKELAND, TENNESSEE **Exhibit D-5**

REVENUES BY FISCAL YEAR - GENERAL FUND

Last Ten Fiscal Years Ended June 30

(Modified accrual basis of accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
REVENUES										
Property Taxes										
Property taxes	$ 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	$ 2,605,118
Personalty taxes	39,135	35,095	34,113	13,123	17,787	19,049	23,637	23,465	19,556	22,963
Interest and penalties	12,134	11,571	13,458	12,375	9,184	9,772	14,850	14,153	10,433	-
Utility tax	15,987	16,665	17,385	7,410	6,342	7,747	14,188	24,256	11,332	11
Local Sales Taxes										
Local sales tax	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	794,000
Wholesale beer and liquor tax	206,375	125,859	117,939	96,025	91,344	84,453	84,610	42,754	120,272	69,926
Business tax	144,330	140,432	113,536	87,299	89,615	98,175	83,758	76,994	73,140	47,452
Room occupancy tax	96,134	89,910	74,369	61,069	79,384	47,745	59,501	63,455	61,889	51,751
CATV franchise tax	134,665	140,680	141,043	145,020	146,755	148,500	149,472	148,102	146,346	116,007
Other revenue	29,621	19,327	12,610	-	-	-	-	-	-	-
Intergovernmental										
Sales tax	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	888,074
Income tax (Hall)	2,078	3,623	62,071	102,215	131,374	135,311	143,984	192,645	193,766	152,702
Beer and liquor tax	14,775	1,125	6,268	5,823	5,754	10,918	6,521	8,752	6,573	9,309
State road maintenance	25,472	25,420	24,677	24,677	24,681	25,009	25,106	25,288	25,357	25,438
Payments in lieu of tax - TVA	277,672	257,889	267,643	288,084	307,247	309,880	292,083	293,085	238,635	231,386
Other state revenue	-	-	-	4,899	4,636	5,443	926	1,056	1,217	1,271
Licenses and Permits										
Building permit fees	85,781	98,939	173,090	112,368	64,375	48,261	44,759	31,023	49,345	46,381
Engineering Fees	19,900	59,150	61,651 *	93,767 *	30,200 *	79,000 *	31,900 *	17,900 *	8,800 *	-
Administrative fees - developments	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	2,149	5,700	6,637	-	-	-	-	-	-	-
Other permits - community service	54,555	52,762	58,048	12,940	35,797	14,972	16,064	13,457	12,527	48,734
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	93,169	85,476	86,908	121,246	196,354	106,941	103,437	57,124	14,152	12,327
Parks development fees	(6,847)	45,379	46,528	107,402	19,371	103,257	25,660	14,948	-	-
Rental income	25,200	34,510	15,578	15,982	30,805	44,290	24,698	48,781	40,437	38,409
Federal, State, and Local Grants										
Operating grants	3,857,848	591,426	976,375	319	-	320,494	13,500	36,500	-	-
Capital grants	4,034,069	5,675,505	656,355	458,456	197,711	500,605	248,996	155,201	1,122,339	154,899
Interest on investments	231,730	11,988	9,734	22,337	18,400	9,719	7,893	7,198	9,468	13,680
Other	15,002	14,368	5,814	53,030	77,924	19,165	39,963	38,661	26,974	153,856
Total general fund revenue	$ 18,725,815	$ 16,123,237	$ 10,733,887	$ 9,030,191	$ 8,345,925	$ 8,890,830	$ 8,387,596	$ 7,698,884	$ 6,750,752	$ 5,483,694

* 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)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
REVENUES										
Property taxes	$ 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	$ 2,628,092
Local sales taxes	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	1,079,136
Intergovernmental	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	1,309,359
Licenses and permits	182,990	274,995	353,234	125,308	100,172	63,233	60,823	44,480	61,872	55,150
Charges for services	111,522	165,365	203,861	592,093	328,363	519,322	401,435	184,420	89,000	90,373
Federal, state, and local grants	7,891,917	6,266,931	1,632,730	458,775	197,711	821,099	262,496	191,701	1,122,339	154,899
Interest on investments	231,730	11,988	9,734	22,337	18,400	9,719	7,893	7,198	9,468	13,680
Other	15,002	14,368	5,814	53,030	77,924	19,165	39,963	38,661	26,974	120,080
Total revenues	18,725,815	16,123,237	10,733,887	9,030,191	8,345,925	8,890,830	8,387,596	7,698,884	6,750,752	5,450,769
EXPENDITURES										
Current Expenditures										
General government	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	1,894,147
Community development	1,000,433	834,821	558,326	981,344	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	2,252	32,730
Public works	602,062	692,393	438,558	465,335	401,566	635,091	896,622	138,676	101,769	9,884
Parks and recreation	1,005,529	896,583	436,158	433,545	587,539	423,320	607,642	449,309	1,426,677	762,557
Natural resources	-	-	-	-	-	-	-	-	59,039	59,039
Education	-	-	-	-	-	-	-	-	69,574	-
Debt Service										
Principal	-	-	-	-	-	-	-	-	-	342,411
Interest and fiscal charges	-	-	-	-	-	-	-	101,684	49,295	37,681
Capital outlays	5,571,949	7,827,101	2,069,606	711,936	-	-	-	-	741,324	3,187,109
Total expenditures	10,272,521	12,304,603	5,296,782	3,957,706	3,272,622	4,922,430	4,366,207	2,507,345	3,782,918	6,325,558
Excess (deficiency) of revenues over (under) expenditures	8,453,294	3,818,634	5,437,105	5,072,485	5,073,303	3,968,400	4,021,389	5,191,539	2,967,834	(874,789)
OTHER FINANCING SOURCES (USES)										
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	2,718,827
Issuance of refunding debt	-	43,569,420								
Premium on debt issuance	-	-	-	-	-	-	-	2,499,981	-	-
Issuance of subscription liability	80,749	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	171	-	259,970	-	-	496	32,925
Transfers in	700,000	700,000	700,000	730,923	-	-	-	-	-	-
Transfers out	(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)	(414,681)
Total other financing sources (uses)	(4,792,483)	(4,930,555)	(6,049,308)	(3,322,975)	(3,463,084)	(6,005,417)	(4,367,389)	(1,835,121)	(1,882,583)	2,337,071
Net change in fund balances	$ 3,660,811	$ (1,111,921)	$ (612,203)	$ 1,749,510	$ 1,610,219	$ (2,037,017)	$ (346,000)	$ 3,356,418	$ 1,085,251	$ 1,462,282

CITY OF LAKELAND, TENNESSEE

Exhibit D-7

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

Year of Levy	Real Property: Residential Property	Real Property: Farm Property	Real Property: Commercial Property	Real Property: Public Utilities Property	Commercial Personal 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
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	4,946,924	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	4,730,040	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
2014	261,632,000	7,026,950	34,140,110	1,888,500	3,611,880	308,299,440	0.85	2,620,545	1,176,577,136	26.20%	93,373

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 14,198 for 2022 per census.gov.

CITY OF LAKELAND, TENNESSEE

Exhibit D-8

ANALYSIS OF VALUE OF TAXABLE PROPERTY - CURRENT FISCAL YEAR

For the Year Ended June 30, 2023

Year of Levy: 2023	Appraised Value	Percent of Total	Assessment Value	Percent of Total
Market Real Estate				
Farm	$ 21,393,500	1.15%	$ 5,348,375	1.09%
Residential	1,615,052,100	86.95%	403,763,025	82.11%
Commercial	174,267,800	9.38%	69,707,120	14.18%
Industrial	1,408,700	0.08%	563,480	0.11%
Multiple	2,249,000	0.12%	688,700	0.14%
Subtotal	1,814,371,100		480,070,700	
Greenbelt Real Estate				
Farm	15,120,100	0.81%	3,780,025	0.77%
Residential	11,604,600	0.62%	2,901,150	0.59%
Commercial	23,100	0.00%	5,775	0.00%
Industrial	-	0.00%	-	0.00%
Multiple	674,600	0.04%	249,365	0.05%
Subtotal	27,422,400		6,936,315	
Personal Property				
Tangible	15,661,700	0.84%	4,698,930	0.96%
Intangible	-	0.00%	-	0.00%
Local utility	-	0.00%	-	0.00%
Subtotal	15,661,700		4,698,930	
Total as of April 2023	$ 1,857,455,200		$ 491,705,945	

CITY OF LAKELAND, TENNESSEE **Exhibit D-9**

DIRECT AND OVERLAPPING PROPERTY TAX RATES

Last Ten Fiscal Years

Property Tax Rates per $100 of Assessed Valuation

Levy Year	Fiscal Year	City Direct Rate	County Rate	Total Direct & Overlapping Rates
2022	2023	$ 1.04	$ 3.45	$ 4.49
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
2013	2014	0.85	4.38	5.23

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 **Exhibit D-10**

PRINCIPAL PROPERTY TAX PAYERS

Current and Nine Years Ago

		2023				2014			
Name of Taxpayer	Nature of Property	Tax Levied	Percentage of Total	Assessment	Rank	Tax Levied	Percentage of Total	Assessment	Rank
Lakeland Apartments TN Assoc LLC	Apartments	$ 161,457	2.85%	$ 13,567,800	1				
Lakeland Commons LP	Developing commercial property	108,486	1.92%	9,116,480	2				
MRB- Stonebrige LP	Developing commercial property					$ 74,079	2.82%	$ 8,715,120	1
CB Associates LLC	Strip center	42,905	0.76%	3,605,440	3	12,410	0.47%	1,460,000	2
Lake District LLC	Developing commercial property	39,433	0.70%	3,313,720	4				
Lakeland 64 LLC	Fitness center	27,924	0.49%	2,346,560	5				
Music City Publishing LLC	Strip center	25,584	0.45%	2,149,920	6				
Countrybridge Partners LP	Strip center	18,544	0.33%	1,558,360	7	7,480	0.28%	880,000	8
Corner Shops LLC	Strip center					12,342	0.47%	1,452,040	3
Highway 64 Center LLC	Strip center	17,139	0.30%	1,440,240	8	7,146	0.27%	840,760	9
Lakeland Station Holding LLC	Developing commercial property					11,688	0.44%	1,375,080	4
Hwy 64 Partners LP	Developing commercial property					10,988	0.42%	1,292,720	5
ALDI INC (Tennessee)	Grocery	13,250	0.23%	1,113,480	9				
Belz Investco GP	Developing commercial property					8,711	0.33%	1,024,800	6
PPM XIV LP	Developing commercial property					6,663	0.25%	783,880	10
Vereit Real Estate LP	Developing commercial property	11,496	0.20%	966,040	10				
Orange Grove Utilities Inc	Developing commercial property					7,899	0.30%	929,240	7
Total for ten largest taxpayers		466,218	8.24%	39,178,040		159,406	6.07%	18,753,640	
Total for all other taxpayers		5,194,323	91.76%	436,497,713		2,468,377	93.93%	290,397,311	
Total		$ 5,660,541	100%	$ 475,675,753		$ 2,627,783	100%	$ 309,150,951	

Source: Shelby County Tax Assessor

CITY OF LAKELAND, TENNESSEE **Exhibit D-11**

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

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
2022	2023	$ 4,946,924	$ (74,213)	$ 4,872,711	$ 4,830,258	99.1%	$ -	$ 4,830,258	99.1%	$ 42,453	0.9%
2021	2022	4,730,039	3,961	4,734,000	4,692,510	99.1%	36,163	4,728,673	99.9%	5,327	0.1%
2020	2021	4,577,510	22,389	4,599,899	4,577,881	99.5%	19,962	4,597,843	100.0%	2,056	0.0%
2019	2020	4,489,097	(2,086)	4,487,011	4,425,791	98.6%	60,762	4,486,553	100.0%	458	0.0%
2018	2019	4,439,428	41,889	4,481,317	4,460,647	99.5%	20,295	4,480,942	100.0%	375	0.0%
2017	2018	4,414,291	(14,940)	4,399,351	4,382,555	99.6%	15,982	4,398,537	100.0%	814	0.0%
2016	2017	4,452,639	3,018	4,455,657	4,417,221	99.1%	38,286	4,455,507	100.0%	150	0.0%
2015	2016	4,388,274	(405)	4,387,869	4,330,322	98.7%	57,541	4,387,863	100.0%	6	0.0%
2014	2015	2,620,545	(276)	2,620,269	2,559,795	97.7%	60,171	2,619,966	100.0%	303	0.0%
2013	2014	2,627,891	(681)	2,627,210	2,575,135	98.0%	52,075	2,627,210	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
Last Ten Fiscal Years Ended June 30
(Modified accrual basis of accounting)

Exhibit D-12

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
SALES TAX REVENUE										
Local sales tax	$ 1,974,463	$ 1,582,729	$ 1,173,137	$ 981,036	$ 835,377	$ 772,360	$ 784,428	$ 773,378	$ 655,993	$ 547,990
Local option sales tax	779,050	689,570	567,715	431,188	367,118	339,323	345,286	339,857	288,272	246,010
State-shared sales tax	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	888,074
Total sales tax revenue	$ 4,407,707	$ 3,845,181	$ 3,059,631	$ 2,544,660	$ 2,304,932	$ 2,171,025	$ 2,159,890	$ 2,118,619	$ 1,885,672	$ 1,682,074

CITY OF LAKELAND, TENNESSEE **Exhibit D-13**

DIRECT AND OVERLAPPING SALES TAX RATES

Last Ten Fiscal Years

	Sales Tax Rates			
Fiscal Year	City Direct Rate	Shelby County	State of Tennessee	Total Direct & Overlapping Rates
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%
2014	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 **Exhibit D-14**

TAXABLE SALES BY CATEGORY

Last Five Calendar Years

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

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 Four Years Ago

Exhibit D-15

	Calendar Year 2022				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
Sector								
Retail trade	80	43.24%	$ 1,924,795	80.51%	63	40.91%	$ 1,262,632	80.09%
Services	50	27.03%	233,705	9.78%	49	31.82%	204,937	13.00%
Wholesale trade	10	5.41%	5,756	0.24%	13	8.44%	9,833	0.62%
Other and/or unclassified*	45	24.32%	226,403	9.47%	29	18.83%	99,122	6.29%
Total	185	100.00%	$ 2,390,659	100.00%	154	100.00%	$ 1,576,524	100.00%

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: General Obligation Notes Payable	Governmental Activities: Other Loans Payable	Governmental Activities: Leases Payable	Business-Type Activities Notes Payable	Total Outstanding Debt	Total Personal Income	Ratio of Outstanding Debt to Personal Income	Population	Outstanding Debt per Capita
2023	$ 60,255,966	$ 2,400,000	$ -	$ 2,065,000	$ 64,720,966	$ 871,978,984	7.42%	13,713	$ 4,720
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
2014	5,677,095	676,044	-	6,984,000	13,337,139	682,204,788	1.96%	12,618	1,057

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

Fiscal Year	Governmental Activities: General Obligation Notes Payable	Governmental Activities: Other Loans Payable	Governmental Activities: Leases Payable	Business-Type Activities Notes Payable	Total General Bonded Debt	Estimated Actual Value of Taxable Property	Ratio of General Bonded Debt to Est Actual Value of Taxable Property	Population	General Bonded Debt per Capita
2023	$ 60,255,966	$ 2,400,000	$ -	$ 2,065,000	$ 64,720,966	$ 1,795,841,815	3.60%	13,713	$ 4,720
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
2014	5,677,095	676,044	-	6,984,000	13,337,139	1,175,949,127	1.13%	12,618	1,057

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 **Exhibit D-18**

DIRECT AND OVERLAPPING DEBT - GOVERNMENTAL ACTIVITIES

As of June 30, 2022

Name of Government Unit	Debt Outstanding	Percentage Applicable to Lakeland (1)	Overlapping Debt (2)
City of Lakeland	$ 60,255,966	100.00%	$ 60,255,966
Shelby County	923,186,106	1.19%	10,999,241
Totals - direct and overlapping debt	$ 983,442,072		$ 71,255,207

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

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 **Exhibit D-19**

DEMOGRAPHIC AND ECONOMIC INDICATORS

Last Ten Fiscal Years

Year	Population (a)	Total Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2023	13,713	$ 871,978,984	$ 63,588	6.8%
2022	14,198	858,193,012	60,445 (e)	5.5%
2021	13,904	803,763,546	57,808 (e)	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%
2014	12,618	682,204,788	54,066	8.0%

Sources:

(a) Estimates of population obtained from census.gov for the calendar year falling within the fiscal year. Data for fiscal year 2021 is based on the 2020 Census results. 2022 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 5.2 percent and 6.7 percent for 2022 and 2021, respectively, as reported on bea.gov.

CITY OF LAKELAND, TENNESSEE **Exhibit D-20**

PRINCIPAL EMPLOYERS

Current and Nine Years Ago

Taxpayer	2023 No. of Employees	2023 Rank	2014 No. of Employees	2014 Rank
Lakeland School System	312	1	-	
A2H	92	2	65	2
Cracker Barrel	86	3	130	1
Waffle House (2 stores total)	69	4		
The Pet Hospitals	62	5	-	
Sprouts	53	6	-	
Smith's Plumbing	51	7	-	
City of Lakeland	45	8	30	3
Zaxby's	32	9	20	9
Renaissance Group, Inc.	34	10	30	4
Cannon Chiropractic			20	10
Sonic Drive-In			20	7
Gibson Paving			25	5
Walgreens			20	8
The Learning Tree			22	6
Total for ten largest employers	836		382	

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
CITY FUNDS										
General Fund										
General government	8.6	8.4	7.9	7.2	6.7	14.7	14.0	15.2	14.2	18.7
Community development	7.6	7.4	6.1	5.5	5.6	-	-	-	-	-
Natural resources	-	-	-	-	-	-	-	-	-	0.6
Public works	7.3	8.5	7.3	7.2	6.8	6.0	4.1	1.4	0.9	-
Public safety	-	-	-	-	-	-	-	-	-	0.5
Parks and recreation	7.0	6.2	3.1	2.8	3.2	2.8	4.4	3.3	2.9	4.1
Total General Fund	30.5	30.5	24.4	22.7	22.3	23.5	22.5	19.9	18.0	23.9
State Street Aid Fund										
Public works	3.7	4.0	3.6	4.0	4.7	4.0	4.0	3.0	3.5	2.8
Stormwater Fund										
Public works	0.8	0.8	0.7	0.5	0.5	0.5	0.5	1.8	1.8	2.0
Solid Waste Fund										
Public works	1.5	2.2	2.2	2.2	1.0	1.5	0.5	1.8	0.8	1.0
Sewer Fund										
Public works	8.5	7.0	5.0	4.6	3.3	4.0	4.0	4.0	4.0	4.0
TOTAL CITY FUNDS	45.0	44.5	35.9	34.0	31.8	33.5	31.5	30.5	28.1	33.7
LSS FUNDS										
General Purpose School Fund										
Education	234.0	208.0	197.0	190.0	178.0	162.0	124.0	104.5	95.5	4.5
School Federal Projects Fund										
Education	9.0	14.0	6.0	5.0	4.0	3.0	2.0	2.0	1.5	-
School Nutrition Fund										
Education	10.0	8.0	9.0	7.0	7.0	7.0	3.5	3.5	3.5	-
School Discretionary Grants Fund										
Education	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-
LEAP Fund										
Education	6.0	6.0	6.0	4.0	4.0	5.0	3.5	3.5	-	-
TOTAL LSS FUNDS	260.0	237.0	219.0	207.0	194.0	178.0	134.0	114.5	101.5	4.5
TOTAL FTE'S	305.0	281.5	254.9	241.0	225.8	211.5	165.5	145.0	129.6	38.2
SUMMARY BY FUNCTION, CITY-WIDE:										
General government	8.6	8.4	7.9	7.2	6.7	14.7	14.0	15.2	14.2	18.7
Community development	7.6	7.4	6.1	5.5	5.6	-	-	-	-	-
Natural resources	-	-	-	-	-	-	-	-	-	0.6
Public works	21.8	22.5	18.8	18.5	16.3	16.0	13.1	12.0	11.0	9.8
Public safety	-	-	-	-	-	-	-	-	-	0.5
Parks and recreation	7.0	6.2	3.1	2.8	3.2	2.8	4.4	3.3	2.9	4.1
Education	260.0	237.0	219.0	207.0	194.0	178.0	134.0	114.5	101.5	4.5
TOTAL FTE'S	305.0	281.5	254.9	241.0	225.8	211.5	165.5	145.0	129.6	38.2

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 **Exhibit D-22**

OPERATING INDICATORS BY FUNCTION

Last Ten Fiscal Years

FUNCTION	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Community Development										
Residential building permits issued	92	89	153	87	86	23	27	38	45	50
Commercial building permits issued	8	2	7	2	1	1	4	2	1	2
Public Works										
Bulk waste collections	2,636	2,525	2,806	2,848	1,433	822 *				
Parks and Recreation										
Youth recreation participants	902	814	556	350	986	867	645	538	447	390
Senior Center participants**	5,687	5,822								
Special Events participants**	2,578	1,703								
Wastewater										
Sewer connections***	5,287	3,148	2,939	2,920	2,847	2,900	2,900	2,991	2,855	2,855
Education										
Student enrollment	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 **Exhibit D-23**

CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Fiscal Years

FUNCTION	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government										
City-owned buildings	5	5	5	5	5	5	5	5	5	5
Public Works										
Streets (miles)	83	81	81	81	81	79	79	79	78	78
Parks and Recreation										
Acreage	238	238	238	238	238	238	238	235	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	2	2	2	2	2	2	2	2
Playgrounds	4	4	4	3	3	3	3	3	3	3
Picnic Pavilion	4	4	4	5	5	5	5	5	5	5
Amphitheater	1	1	1	1	1	1	1	1	1	-
Walking trails (miles)	4	4	4	4	4	4	4	4	4	4
Wastewater										
Sanitary sewer (miles)	68	65	65	65	65	64	63	63	62	62
Sewer connections	5,287	3,148	2,939	2,920	2,847	2,900	2,900	2,991	2,855	2,855
Education										
School buildings	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, 2023

Federal Grantor/Pass-Through Grantor/Program	Assistance Listing	Contract Number	Expenditures
U.S. Department of Agriculture			
Passed through TN Department of Education			
Child Nutrition Cluster			
COVID-19 School Breakfast Program	10.553	N/A	$ 32,031
COVID-19 National School Lunch Program	10.555	N/A	215,360
Subtotal - Child Nutrition Cluster			247,391
COVID-19 State Administrative Expenses for Child Nutrition	10.560	N/A	7,964
Food Distribution Cluster			
Commodity Supplemental Food Program	10.565	N/A	19,239
Direct Award			
Community Facilities Loans and Grants Cluster			
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 - Community Facilities Loans and Grants Cluster			58,847,259
Total U.S. Department of Agriculture			59,121,853
U.S. Department of Housing and Urban Development			
Passed through Shelby County			
CDBG - Entitlement Grants Cluster			
Community Development Block Grant (CDBG)	14.218	CA 2300023	92,531
U.S. Department of Transportation			
Passed through TN Department of Transportation			
Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205	STP-M-9409(107)	3,958,906
Highway Planning and Construction	20.205	TAP-M-7900(64)	49,152
Highway Planning and Construction	20.205	NH-I-40(283)	13,620
Total U.S. Department of Transportation			4,021,678
U.S. Department of Treasury			
Direct Award			
COVID-19 - Coronavirus State & Local Fiscal Recovery Funds	21.027	N/A	3,701,052
U.S. Department of Education			
Passed through TN Department of Education			
Title I Grants to Local Education Agencies (Title I, Part A of the ESEA)	84.010A	S010A200042	317,295
Special Education Cluster (IDEA)			
Special Education Grants to States (IDEA, Part B)	84.027A	H027A200052	375,234
Special Education - ARP (IDEA, Part B)	84.027X	H027X210052	93,897
Special Education Preschool Grants (IDEA Preschool)	84.173A	H173A200095	9,642
Special Education - ARP (IDEA Preschool)	84.173X	N/A	6,443
Subtotal - Special Education Cluster (IDEA)			485,216
English Language Acquisition State Grants	84.365	S365A200042	14,156
Supporting Effective Instruction State Grants	84.367	S367A200040	61,925
Student Support and Academic Enrichment Program	84.424A	S424A200044	14,711
Passed through TN Department of Education			
Education Stabilization Fund			
COVID-19 Literacy Training Teacher Stipend Grant - Secondary Training (5-12)	84.425B	N/A	8,000
COVID-19 Elementary & Secondary School Emergency Relief (ESSER) 3.0	84.425D	S425D210047	159,322
COVID-19 Innovative School Models	84.425U	N/A	127,771
COVID-19 Education for Homeless Children and Youth	84.425W	N/A	12,050
Subtotal - Education Stabilization Fund			307,143
Impact Aid (Title VII of ESEA)	84.041	S041B-2019-7197	32,000
Total U.S. Department of Education			339,143

CITY OF LAKELAND, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program	Assistance Listing	Contract Number	Expenditures
U.S. Department of Health and Human Services			
Passed through TN Department of Education			
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	N/A	149,522
COVID-19 Resilient School Communities Grant	93.354	N/A	72,658
COVID-19 Temporary Assistance for Needy Families (TANF)	93.558	N/A	15,282
U.S. Department of Homeland Security			
Passed through FEMA			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	21.027	N/A	162,239
Total Federal Awards			68,569,261

State Financial Assistance	Assistance Listing	Contract Number	Expenditures
TN Department of Education			
Safe Schools	N/A		40,290
Coordinated School Health	N/A		73,000
COVID-19 Summer Learning Camps	N/A		187,393
Total State Financial Assistance			300,683
Total Federal Awards and State Financial Assistance			$ 68,869,944

CITY OF LAKELAND TENNESSEE
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Year Ended June 30, 2023

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, 2023. 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, 2023, the City received food commodities totaling $19,239.

6) The loan balance for the Community Facilities Loans and Grants Cluster totaled $58,847,259.

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	$ 10,181,945
Less: Decrease in unavailable revenue at the fund level	(170,333)
Add: Loan program expenditures	58,847,259
Add: Other grants	11,073
Total federal awards and state financial assistance	$ 68,869,944

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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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 30, 2024.

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

A schedule of cash shortages and thefts has been filed with the State of Tennessee Division of Local Government Audit.

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 Uiburall, PLLC

Memphis, Tennessee
January 30, 2024

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH 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 Each Major Federal Program

Opinion on Each 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 each of the City's major federal programs for the year ended June 30, 2023. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirementsGAS 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 each 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 each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the 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.

Watkins Uiliusall, PLLC

Memphis, Tennessee
January 30, 2024

CITY OF LAKELAND, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

SECTION I – SUMMARY OF INDEPENDENT AUDITIOR'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 Cluster
Assistance Listing Number: 21.027 – Coronavirus State & Local Fiscal Recovery Funds

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, 2023

A. FINANCIAL STATEMENT FINDINGS

None reported.

B. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

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

January 30, 2024

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 City of Lakeland ("the City") for the year ended June 30, 2023. 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 March 3, 2023. 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. As described in Note 1 to the financial statements, the City implemented Statement of Governmental Accounting Standards (GASB Statement) No. 96, *Subscription-Based Information Technology Arrangements* (SBITA), on July 1, 2022. Accordingly, any SBITA in effect at June 30, 2022 that met the criteria for recognition were measured using the facts and circumstances that existed at the date of implementation and any new arrangements executed during the year were measured based on the terms in the original agreement. Right of use assets and SBITA liabilities are reported in the Statement of Net Position and Balance Sheets for Governmental Funds at June 30, 2023. 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 estimates 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 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 January 30, 2024

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 the City'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,

Watkins Uiberall, PLLC

Watkins Uiberall, PLLC

CITY OF LAKELAND, TENNESSEE
SUMMARY OF PASSED ADJUSTING JOURNAL ENTRIES
For the Year Ended June 30, 2023

Fund: 110	**General Fund**			
Proposed Journal Entries JE # 402		**110-C-04**		
To pass on PPA for Sales Tax Revenue recognized in FY23 related to				
110 R 31600 000 000 00	Local Option Sales Tax		158,425.00	
110 E 41000 251 000 00	GOV - Trustee Collection Fees			3,349.00
110 Q 27100 000 000 00	Fund Balance - Unassigned			155,076.00
Total			**158,425.00**	**158,425.00**
Fund: 110	**Proposed Journal Entries**		**158,425.00**	**158,425.00**
Fund: 110	**Total All Journal Entries**		**158,425.00**	**158,425.00**
Fund: 141	**LCS Board of Ed**			
Proposed Journal Entries JE # 400		**C-04**		
To pass on adjustments related to CY and PY 30 day collections on del.				
141 A 11430 000 000 00	Due from Other Governments		21,775.00	
141 R 40163 000 000 00	Delinquent/Other In Lieu of TA		16,506.00	
141 R 40163 000 000 00	Delinquent/Other In Lieu of TA			21,775.00
141-340	Unassigned			16,506.00
Total			**38,281.00**	**38,281.00**
Proposed Journal Entries JE # 401		**R-02**		
To pass on adjustment for invoice 955846730 received after year-end				
141 L 21100 000 000 00	Accounts Payable		16,635.00	
141 E 71100 429 904 00	Instructional Supplies & Mater			16,635.00
Total			**16,635.00**	**16,635.00**
Fund: 141	**Proposed Journal Entries**		**54,916.00**	**54,916.00**
Fund: 141	**Total All Journal Entries**		**54,916.00**	**54,916.00**
All Funds	**All Journal Entries**		**213,341.00**	**213,341.00**

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GASB 74/75 INTERIM ACTUARIAL VALUATION

Fiscal Year Ending June 30, 2023

LAKELAND SCHOOL SYSTEM

CONTACT

Giovanni Gomez, ASA, EA, MAAA
giovanni.gomezperez@nyhart.com

PHONE

General (317) 845-3500

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October 20, 2023

Jessie Rosales
Lakeland School System
10050 Oakseed Ln.
Lakeland, TN 38002

This report summarizes the interim GASB actuarial valuation for the Lakeland School System 2022/23 fiscal year . To the best of our knowledge, the report presents a fair position of the funded status of the plan in accordance with GASB Statement No . 74 (Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans) and GASB Statement No. 75 (Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions). This report may not be appropriate for other purposes. Please contact Nyhart prior to disclosing this report to any other party or relying on its content for any purpose other than that explained above. Failure to do so may result in misrepresentation or misinterpretation of this report.

The information presented herein is based on the actuarial assumptions and substantive plan provisions summarized in this report and participant information furnished to us by the Plan Sponsor. Asset information has been provided to us by the trustee. We have reviewed the employee census provided by the Plan Sponsor for reasonableness when compared to the prior information provided but have not audited the information at the source, and therefore do not accept responsibility for the accuracy or the completeness of the data on which the information is based . When relevant data may be missing, we may have made assumptions we feel are neutral or conservative to the purpose of the measurement . We are not aware of any significant issues with and have relied on the data provided.

The discount rate, expected return on assets, other economic assumptions, and demographic assumptions have been selected by the Plan Sponsor with the concurrence of Nyhart. Evaluation of the reasonableness of expected rate of return on assets was outside the scope of our assignment. In our opinion, the actuarial assumptions are individually reasonable and in combination represent our estimate of anticipated experience of the Plan . All calculations have been made in accordance with generally accepted actuarial principles and practice.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following :

- plan experience differing from that anticipated by the economic or demographic assumptions;
- changes in economic or demographic assumptions;
- increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and
- changes in plan provisions or applicable law.

We did not perform an analysis of the potential range of future measurements due to the limited scope of our engagement .

To our knowledge, there have been no significant events prior to the current year's measurement date or as of the date of this report that could materially affect the results contained herein.

Neither Nyhart nor any of its employees has any relationship with the plan or its sponsor that could impair or appear to impair the objectivity of this report. Our professional work is in full compliance with the American Academy of Actuaries "Code of Professional Conduct" Precept 7 regarding conflict of interest. The undersigned are compliant with the continuing education requirements of the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States.

Should you have any questions please do not hesitate to contact us.

Giovanni Gomez, ASA, EA, MAAA
Actuary

Tina Liu, EA, MAAA, FCA
Actuary

Executive Summary

Lakeland School System Interim GASB 74/75 Valuation for Fiscal Year Ending June 30, 2023

Summary of Results

Presented below is the summary of GASB 75 results for the fiscal year ending June 30, 2023 compared to the prior fiscal year as shown in the System's Notes to Financial Statement.

	As of June 30, 2022	As of June 30, 2023
Total OPEB Liability	$ 5,345,025	$ 4,135,900
Actuarial Value of Assets	$ (2,486,836)	$ (2,916,333)
Net OPEB Liability	$ 2,858,189	$ 1,219,567
Funded Ratio	46.5%	70.5%

	FY 2021/22	FY 2022/23
OPEB Expense	$ 537,712	$ 272,708
Annual Employer Contributions	$ 756,062	$ 290,739
Actuarially Determined Contribution	$ 468,902	$ 409,592

	As of June 30, 2022	As of June 30, 2023
Discount Rate	6.60%	6.50%
Expected Return on Assets	6.60%	6.50%

	As of June 30, 2022	As of June 30, 2023*
Total Active Participants	69	65
Total Retiree Participants	12	12

The active participants' number above may include active employees who currently have no health care coverage.

* The June 30, 2023 counts are provided by the agency as the plan's measurement date, not used as the basis of the OPEB liability.

GASB Disclosures

Lakeland School System Interim GASB 74/75 Valuation for Fiscal Year Ending June 30, 2023

Schedule of Changes in Net OPEB Liability and Related Ratios

OPEB Liability	FY 2022/23	FY 2021/22	FY 2020/21	FY 2019/20	FY 2018/19
Total OPEB Liability					
Total OPEB Liability - beginning of year	$ 5,345,025	$ 5,752,862	$ 5,420,028	$ 3,583,169	$ 3,334,008
Service cost	220,458	256,031	253,347	182,651	189,121
Interest	362,751	358,204	336,860	279,878	263,050
Change of benefit terms	0	0	0	0	0
Changes in assumptions	46,981	(292,770)	0	1,019,657	0
Differences between expected and actual experience	(1,698,576)	(650,498)	(137,551)	424,160	(170,827)
Benefit payments	(140,739)	(78,804)	(119,822)	(69,487)	(32,183)
Net change in total OPEB liability	$ (1,209,125)	$ (407,837)	$ 332,834	$ 1,836,859	$ 249,161
Total OPEB Liability - end of year	$ 4,135,900	$ 5,345,025	$ 5,752,862	$ 5,420,028	$ 3,583,169
Plan Fiduciary Net Position					
Plan fiduciary net position - beginning of year	$ 2,486,836	$ 2,202,712	$ 1,591,717	$ 1,094,399	$ 663,998
Contributions - employer	290,739	756,062	269,822	544,487	402,183
Contributions - active employees	0	0	0	0	0
Net investment income	290,209	(383,242)	468,648	27,911	64,059
Benefit payments	(140,739)	(78,804)	(119,822)	(69,487)	(32,183)
Trust administrative expenses	(10,712)	(9,892)	(7,653)	(5,593)	(3,658)
Net change in plan fiduciary net position	$ 429,497	$ 284,124	$ 610,995	$ 497,318	$ 430,401
Plan fiduciary net position - end of year	$ 2,916,333	$ 2,486,836	$ 2,202,712	$ 1,591,717	$ 1,094,399
Net OPEB Liability - end of year	**$ 1,219,567**	**$ 2,858,189**	**$ 3,550,150**	**$ 3,828,311**	**$ 2,488,770**
Plan fiduciary net position as % of total OPEB liability	70.5%	46.5%	38.3%	29.4%	30.5%
Covered employee payroll	$ 4,377,443	$ 4,609,191	$ 4,821,770	$ 4,782,810	$ 5,306,108
Net OPEB liability as % of covered payroll	27.9%	62.0%	73.6%	80.0%	46.9%

* FY 2022/23 contributions/benefit payments include $92,491 actual pay-as-you-go costs and $48,248 estimated implicit subsidy benefit payments. The Difference between the expected and actual benefit payments are includes in the experience gain/loss.

Schedule of Changes in Net OPEB Liability and Related Ratios (Continued)

OPEB Liability	FY 2017/18	FY 2016/17	FY 2015/16
Total OPEB Liability			
Total OPEB Liability - beginning of year	$ 2,571,273	$ 2,315,596	$ 573,048
Service cost	112,708	104,359	12,471
Interest	204,813	183,967	45,368
Change of benefit terms	219,591	0	1,910,502
Changes in assumptions	172,083	0	(113,700)
Differences between expected and actual experience	76,196	0	(99,959)
Benefit payments	(22,656)	(32,649)	(12,134)
Net change in total OPEB liability	$ 762,735	$ 255,677	$ 1,742,548
Total OPEB Liability - end of year	$ 3,334,008	$ 2,571,273	$ 2,315,596
Plan Fiduciary Net Position			
Plan fiduciary net position - beginning of year	$ 286,306	$ 132,552	$ 27,000
Contributions - employer	377,156	161,149	112,003
Contributions - active employees	0	0	0
Net investment income	24,583	25,907	5,683
Benefit payments	(22,656)	(32,649)	(12,134)
Trust administrative expenses	(1,391)	(653)	0
Net change in plan fiduciary net position	$ 377,692	$ 153,754	$ 105,552
Plan fiduciary net position - end of year	$ 663,998	$ 286,306	$ 132,552
Net OPEB Liability - end of year	**$ 2,670,010**	**$ 2,284,967**	**$ 2,183,044**
Plan fiduciary net position as % of total OPEB liability	19.9%	11.1%	5.7%
Covered employee payroll	$ 5,184,986	$ 3,300,603	$ 3,204,469
Net OPEB liability as % of covered payroll	51.5%	69.2%	68.1%

GASB Disclosures

Lakeland School System Interim GASB 74/75 Valuation for Fiscal Year Ending June 30, 2023

Schedule of Employer Contributions

The Actuarially Determined Contributions (ADC) shown below are based on the Annual Required Contribution (ARC) calculated in prior GASB 45 actuarial valuations as shown in the System's financial statements.

	FY 2022/23	FY 2021/22	FY 2020/21	FY 2019/20	FY 2018/19
Actuarially Determined Contribution (ADC)	$ 409,592	$ 468,902	$ 475,549	$ 351,709	$ 366,572
Contributions in relation to the ADC	290,739	756,062	269,822	544,487	402,183
Contribution deficiency/(excess)	$ 118,853	$ (287,160)	$ 205,727	$ (192,778)	$ (35,611)
Covered employee payroll	$ 4,377,443	$ 4,609,191	$ 4,821,770	$ 4,782,810	$ 5,306,108
Contribution as a % of covered payroll	6.6%	16.4%	5.6%	11.4%	7.6%

	FY 2017/18	FY 2016/17	FY 2015/16	FY 2014/15
Actuarially Determined Contribution (ADC)	$ 257,746	$ 240,597	$ 67,209	$ 74,970
Contributions in relation to the ADC	377,156	128,500	99,869	27,000
Contribution deficiency/(excess)	$ (119,410)	$ 112,097	$ (32,660)	$ 47,970
Covered employee payroll	$ 5,184,986	$ 3,300,603	$ 3,204,469	N/A
Contribution as a % of covered payroll	7.3%	3.9%	3.1%	N/A

OPEB Expense

OPEB Expense		FY 2022/23		FY 2021/22
Discount Rate				
Beginning of year		6.60%		6.00%
End of year		6.50%		6.60%
Service cost	$	220,458	$	256,031
Interest		362,751		358,204
Change of benefit terms		0		0
Projected earnings on OPEB plan investments		(168,654)		(167,050)
Reduction for contributions from active employees		0		0
OPEB plan administrative expenses		10,712		9,892
Current period recognition of deferred outflows / (inflows) of resources				
Differences between expected and actual experience	$	(264,951)	$	(52,629)
Changes in assumptions		86,295		80,422
Net difference between projected and actual earnings on OPEB plan investments		26,097		52,842
Total current period recognition	$	(152,559)	$	80,635
Total OPEB expense	$	272,708	$	537,712

Deferred Outflows / (Inflows) of Resources

Deferred Outflows / (Inflows) of Resources represents the following items that have not been recognized in the OPEB Expense:

1. Differences between expected and actual experience of the OPEB plan
2. Changes of assumptions
3. Differences between projected and actual earnings in OPEB plan investments (for funded plans only)

The initial amortization period for the first two items noted above is based on expected future service lives while the difference between the projected and actual earnings in OPEB plan investment is amortized over five years. All balances are amortized linearly on a principal only basis and new bases will be created annually for each of the items above.

Differences between expected and actual experience for FYE	Initial Balance	Initial Amortization Period	Annual Recognition	Unamortized Balance as of June 30, 2023
June 30, 2016	$ (99,959)	12	$ (8,330)	$ (33,319)
June 30, 2017	$ 0	N/A	$ 0	$ 0
June 30, 2018	$ 76,196	10	$ 7,620	$ 30,476
June 30, 2019	$ (170,827)	11	$ (15,530)	$ (93,177)
June 30, 2020	$ 424,160	10	$ 42,416	$ 254,496
June 30, 2021	$ (137,551)	10	$ (13,755)	$ (96,286)
June 30, 2022	$ (650,498)	10	$ (65,050)	$ (520,398)
June 30, 2023	$ (1,698,576)	8	$ (212,322)	$ (1,486,254)

Deferred Outflows / (Inflows) of Resources (Continued)

Changes in assumptions for FYE	Initial Balance	Initial Amortization Period	Annual Recognition	Unamortized Balance as of June 30, 2023
June 30, 2016	$ (113,700)	12	$ (9,475)	$ (37,900)
June 30, 2017	$ 0	N/A	$ 0	$ 0
June 30, 2018	$ 172,083	10	$ 17,208	$ 68,835
June 30, 2019	$ 0	N/A	$ 0	$ 0
June 30, 2020	$ 1,019,657	10	$ 101,966	$ 611,793
June 30, 2021	$ 0	N/A	$ 0	$ 0
June 30, 2022	$ (292,770)	10	$ (29,277)	$ (234,216)
June 30, 2023	$ 46,981	8	$ 5,873	$ 41,108

Net Difference between projected and actual earnings in OPEB plan investments for FYE	Initial Balance	Initial Amortization Period	Annual Recognition	Unamortized Balance as of June 30, 2023
June 30, 2019	$ (770)	5	$ (154)	$ 0
June 30, 2020	$ 71,453	5	$ 14,291	$ 14,289
June 30, 2021	$ (368,937)	5	$ (73,787)	$ (147,576)
June 30, 2022	$ 550,292	5	$ 110,058	$ 330,176
June 30, 2023	$ (121,555)	5	$ (24,311)	$ (97,244)

Deferred Outflows / (Inflows) of Resources (Continued)

As of fiscal year ending June 30, 2023	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	$ 284,972	$ (2,229,434)
Changes in assumptions	721,736	(272,116)
Net difference between projected and actual earnings in OPEB plan investments	99,645	0
Total	**$ 1,106,353**	**$ (2,501,550)**

Annual Amortization of Deferred Outflows / (Inflows)

The balances as of June 30, 2023 of the deferred outflows / (inflows) of resources will be recognized in OPEB expense in the future fiscal years as noted below.

FYE	Balance
2024	$ (152,407)
2025	$ (166,698)
2026	$ (92,907)
2027	$ (202,967)
2028	$ (185,679)
Thereafter	$ (594,539)

Sensitivity Results

The following presents the Net OPEB Liability as of June 30, 2023, calculated using the discount rate assumed and what it would be using a 1% higher and 1% lower discount rate.

- The current discount rate is 6.50%.
- The 1% decrease in discount rate would be 5.50%.
- The 1% increase in discount rate would be 7.50%.

As of June 30, 2023		Net OPEB Liability
1% Decrease	$	1,740,343
Current Discount Rate	$	1,219,567
1% Increase	$	785,200

The following presents the Net OPEB Liability as of June 30, 2023, using the health care trend rates assumed and what it would be using 1% higher and 1% lower health care trend rates.

- The current health care trend rate starts at an initial rate of 7.00%, decreasing to an ultimate rate of 4.50%.
- The 1% decrease in health care trend rates would assume an initial rate of 6.00%, decreasing to an ultimate rate of 3.50%.
- The 1% increase in health care trend rates would assume an initial rate of 8.00%, decreasing to an ultimate rate of 5.50%.

As of June 30, 2023		Net OPEB Liability
1% Decrease	$	744,203
Current Trend Rates	$	1,219,567
1% Increase	$	1,801,413

GASB Disclosures

Lakeland School System Interim GASB 74/75 Valuation for Fiscal Year Ending June 30, 2023

Asset Information

Asset Breakdown		FY 2021/22		FY 2022/23
Assets				
Cash and deposits	$	113,016	$	27,523
Securities lending cash collateral		0		0
Total cash	$	113,016	$	27,523
Receivables				
Contributions	$	0	$	0
Accrued interest		0		0
Total receivables	$	0	$	0
Investments				
Fixed income	$	921,804	$	1,323,423
Equities		1,452,017		1,565,387
Mutual Funds		0		0
Total investments	$	2,373,820	$	2,888,810
Total Assets	$	2,486,836	$	2,916,333
Liabilities				
Payables				
Investment management fees	$	0	$	0
Securities lending expense		0		0
Total liabilities	$	0	$	0
Net Position Restricted to OPEB	**$**	**2,486,836**	**$**	**2,916,333**

GASB Disclosures

Lakeland School System Interim GASB 74/75 Valuation for Fiscal Year Ending June 30, 2023

Asset Information (Continued)

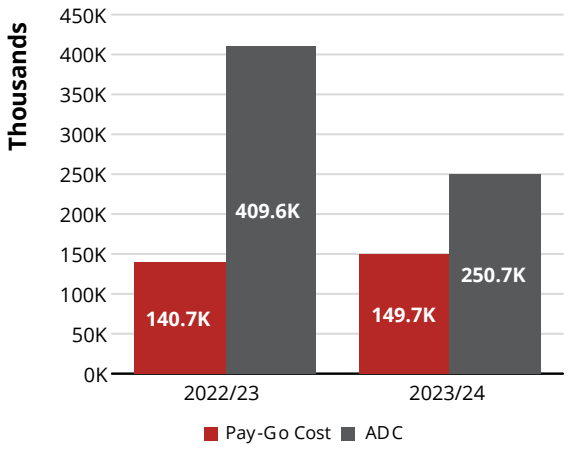
Asset Reconciliation	FY 2021/22	FY 2022/23
Additions		
Contributions Received		
Employer	$ 756,062	$ 290,739
Active employees	0	0
Total contributions	$ 756,062	$ 290,739
Investment Income		
Net increase in fair value of investments	$ (476,933)	$ 213,618
Interest and dividends	93,691	76,591
Investment expense, other than from securities lending	0	0
Securities lending income	0	0
Securities lending expense	0	0
Net investment income	$ (383,242)	$ 290,209
Total additions	$ 372,820	$ 580,948
Deductions		
Benefit payments	$ 78,804	$ 140,739
Administrative expenses	9,892	10,712
Other	0	0
Total deductions	$ 88,696	$ 151,451
Net increase in net position	$ 284,124	$ 429,497
Net position restricted to OPEB		
Beginning of year	$ 2,202,712	$ 2,486,836
End of year	$ 2,486,836	$ 2,916,333

Actuarially Determined Contributions

Lakeland School System Interim GASB 74/75 Valuation For Fiscal Year Ending June 30, 2023

		FY 2022/23		FY 2023/24
Discount rate (Funding)		6.60%		6.50%
Payroll growth factor used for amortization		3.50%		3.50%
Actuarial cost method		Entry Age Normal Level % of Salary		Entry Age Normal Level % of Salary
Amortization type		Level % of Salary		Level % of Salary
Amortization period (years)		24		23
Actuarial Accrued Liability (AAL) - beginning of year	$	5,345,025	$	4,135,900
Actuarial Value of Assets (AVA) - beginning of year		(2,486,836)		(2,916,333)
Unfunded AAL - beginning of year	$	2,858,189	$	1,219,567
Normal Cost	$	220,458	$	164,063
Amortization of Unfunded AAL		163,775		71,319
Total normal cost plus amortization	$	384,233	$	235,382
Interest to end of year		25,359		15,300
Actuarially Determined Contribution - Preliminary	$	409,592	$	250,682
Expected Benefit Payments		140,739		149,704
Actuarially Determined Contribution - Final	$	**409,592**	$	**250,682**

Cash Vs Accrual Accounting



Actuarially Determined Contribution (ADC) is the target or recommended contribution to a defined benefit OPEB plan, which if paid on an ongoing basis, will provide sufficient resources to fund future costs for services to be earned and liabilities attributed to past services. This is typically higher than the pay-as-you-go cost because it includes recognition of employer costs expected to be paid in future accounting periods.

Discussion of Discount Rates

Lakeland School System Interim GASB 74/75 Valuation for Fiscal Year Ending June 30, 2023

Under GASB 74, the discount rate used in valuing OPEB liabilities for 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 (a) they are sufficient to pay for the projected benefit payments and (b) 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.

For the current valuation:

1. The long-term expected rate of return on OPEB plan investment is assumed to be 6.50%. This 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 arithmetical rates of return for each major asset class included in the OPEB Plan's target asset allocation as of June 30, 2023 are summarized in the following table.

Asset Class	Target Allocation	L/T Expected ROR
U.S. Large Equity	42.0%	8.2%
International Equity	18.0%	7.1%
Emerging Market	5.0%	8.4%
Fixed Income	35.0%	3.9%
Total	100.0%	6.5%

2. The discount rate used when the OPEB plan investments are insufficient to pay for future benefit payments are selected from the range of indices as shown in the table below, where the range is given as the spread between the lowest and highest rate shown.

Yield as of	June 30, 2022	June 30, 2023
Bond Buyer Go 20-Bond Municipal Bond Index	3.54%	3.65%
S&P Municipal Bond 20-Year High Grade Rate Index	4.09%	4.13%
Fidelity 20-Year Go Municipal Bond Index	3.69%	3.86%
Bond Index Range	3.54% - 4.09%	3.65% - 4.13%

3. The System's funding policy is to pay for the pay-go cost out of the General Fund and making pre-funding contributions of at least $200,000 per year. The final equivalent single discount rate used for this year's valuation is 6.50% with the assumption that the System will eventually pay the pay-go costs out of the OPEB Trust at the time when the Trust is expected to be sufficient to finance all future benefit payments.

Summary of Key Actuarial Assumptions

Lakeland School System Interim GASB 74/75 Valuation for Fiscal Year Ending June 30, 2023

For a complete summary of actuarial methods and assumptions, refer to the GASB 74/75 actuarial valuation report for the fiscal year ending June 30, 2022.

Measurement Date

For fiscal year ending June 30, 2023, a June 30, 2023 measurement date was used.

Actuarial Valuation Date

July 1, 2022
Liabilities as of June 30, 2023 are based on an actuarial valuation date of July 1, 2022 projected to June 30, 2023, reflecting actual premiums and contributions.
Liabilities as of June 30, 2022 are based on an actuarial valuation date of July 1, 2022 with no adjustments to get to the June 30, 2022 measurement date.

Discount Rate

6.50% as of June 30, 2023 and 6.60% as of June 30, 2022 for accounting disclosure purposes
6.50% for funding disclosure purposes (in calculating the Actuarially Determined Contribution)
Refer to the Discussion of Discount Rates section for more information on selection of the discount rate.

The discount rate was chosen by the plan sponsor based on the information provided in the "Discussion of Discount Rates" section above.

Long-Term Rate of Return

6.50% as of June 30, 2023 and 6.60% as of June 30, 2022.
Refer to the Discussion of Discount Rates section for more information on the selection of the discount rate.

Payroll Growth

2021 TCRS Teacher Salary Growth Table. The assumptions from these state-wide valuations provide reasonable estimates of experience for municipal employers such as the Lakeland School System. Sample rates are as shown below.

Age	Rate
25	7.5%
35	5.8%
45	4.5%
55	3.7%

Summary of Key Actuarial Assumptions

Lakeland School System Interim GASB 74/75 Valuation for Fiscal Year Ending June 30, 2023

Cost Method

Allocation of Actuarial Present Value of Future Benefits for services prior and after the Measurement Date was determined using Entry Age Normal Level % of Salary method where:

- Service Cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant's benefit at retirement; and
- Annual Service Cost is a constant percentage of the participant's salary that is assumed to increase according to the Payroll Growth.

Employer Funding Policy

The System's intention is to fund $200,000 per year and pay for the pay-go costs from the General Fund until the Trust balance is sufficient to meet future benefit payments. The Trust ADC is determined each year as the sum of (a) the actuarial normal cost for benefits accruing during the year, (b) an amortization component of the unfunded actuarial liability amortized over a declining number of years (but not less than five years) and (c) an interest adjustment. For FYE 2023, a 24-year amortization period was used. The amortization amount is based the projected benefit duration of eligible participants and a 3.5% payroll growth assumption.

Health Care Trend Rates

Year	Pre-65	Post-65	Year	Pre-65	Post-65
2023	*	*	2027	5.5%	5.5%
2024	7.0%	7.0%	2028	5.0%	5.0%
2025	6.5%	6.5%	2029+	4.5%	4.5%
2023	6.0%	6.0%			

*Includes actual premium changes from 2022 to 2023.

Models

ProVal

Valuation software developed by Winklevoss Technologies, LLC. This software is widely used for the purpose of performing postretirement medical valuations. We coded the plan provisions, assumptions, methods, and participant data summarized in this report, and reviewed the liability and cost outputs for reasonableness. We are not aware of any weakness or limitations in the software and have determined it is appropriate for performing this valuation.

HealthMAPS Manual

Rating manual developed by WTW. Aging factors are used to develop per capita costs by age for plans with limited credible exposure to develop plan-specific factors. We are not aware of any weakness or limitations in the factors and have determined they are appropriate for performing this valuation.

Actuary's Notes

Lakeland School System Interim GASB 74/75 Valuation for Fiscal Year Ending June 30, 2023

Interim year valuation results have been projected from the prior year's valuation with adjustments for actual premium increases and retiree contribution rate changes from 2022/23 to 2023/24. Making this change resulted in a significant decrease in liabilities mainly due to the lower than expected Medicare premium rates.

Additionally, the discount rate has been updated to reflect the long-term expected rate of return for the TSBA OPEB Trust. The prior valuation used a discount rate of 6.60% as of June 30, 2022 and the current valuation uses a discount rate of 6.50% as of June 30, 2023. This change has caused an increase in liabilities. Refer to the Discussion of Discount Rates section for more information on the selection of the discount rate.

Premium Rates

	Eff. 9/1/2022		Eff. 9/1/2023	
Plan	**Retiree**	**Ret/Spouse**	**Retiree**	**Ret/Spouse**
Copay	$ 723.23	$ 1,446.45	$ 737.70	$ 1,475.38
Aetna (post-65 plan)[1]	$ 379.29	$ 758.58	$ 194.00	$ 388.00

Retiree Contributions

	Eff. 9/1/2022		Eff. 9/1/2023	
Plan	**Retiree Pays**	**Spouse Pays**	**Retiree Pays**	**Spouse Pays**
Copay	21%	41%	21%	41%
Aetna (post-65 plan)	28%	28%	28%	28%

Per Capita Costs

Annual per capita costs were calculated based on the monthly premium rates for the Copay plan effective on July 1, 2022, actuarially increased using health index factors and current enrollment for the Interlocal Health Trust. Post-65 per capita costs are assumed to equal the post-65 premium rate. Annual per capita costs effective July 1, 2023 are calculated based on the actual premium effective September 1, 2023 and the projected trust funding increase.. Sample annual per capita costs are as shown below:

Age	Eff. 7/1/2022	Eff. 7/1/2023
<55	$ 9,700	$ 9,888
55 – 59	$ 12,000	$ 12,232
60 – 64	$ 15,200	$ 15,494

The per capita costs represent the cost of coverage for a retiree-only population.

Actuarial standards require the recognition of higher inherent costs for a retired population versus an active population.

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[1] Premium rates for the Aetna post-65 plan are effective January 1, 2022 and January 1, 2023.

BOARDMANSHIP
CODE OF CONDUCT

The Board adopts these standards as recommended by the Tennessee School Boards Association as a guide to its members as they provide educational leadership for the youth of our state.

ARTICLE I. My Relations to the Children

Section 1. I will at all times think in terms of "children first," always determining how my actions and decisions will affect the education and training of children.

Section 2. I will seek to provide equal educational opportunities for all children.

ARTICLE II. My Relations to My Community

Section 1. I will endeavor to appraise fairly both the present and future educational needs of the community and to support improvements as finances permit.

Section 2. I will represent at all times the entire school community and refuse to represent special interests or partisan politics.

Section 3. I will endeavor to keep the community informed about the progress and needs of the schools.

Section 4. I will represent the Board and the school district to the public in such a way as to promote both interest and support.

Section 5. I will refer to other board members, staff, students, and the public with respect when using social media.

ARTICLE III. My Relations to Teachers and Personnel

Section 1. I will support the employment of those best qualified to serve as employees and insist on a regular and impartial evaluation of all staff.

Section 2. I will support and protect personnel in performance of their duties.

Section 3. I will not criticize employees publicly but will express any relevant concerns to the Superintendent for investigation and action if necessary.

ARTICLE IV. My Relations with other Board Members

Section 1. I will understand that the Board makes decisions as a team and that individual board members may not commit the Board to any action.

Section 2. I will accept the will of the majority vote in all cases and give support to the resulting action.

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Lakeland School System offers educational and employment opportunities without regard to race, color, religion, sex, creed, age, disability, national origin, or genetic information.

Section 3. I will work harmoniously with other board members without trying to dominate the Board or neglect my share of the work.

Section 4. I will refuse to make promises as to how I will vote on a matter that will come before the Board.

Section 5. I will make decisions only after a complete discussion of items at a board meeting.

ARTICLE V. My Relations with the Superintendent

Section 1. I will support the full administrative authority as well as responsibility for the Superintendent to properly discharge all professional duties.

Section 2. I will hold the Superintendent accountable for working with staff and requiring them to work within the framework of policies set up by the Board.

Section 3. I will understand that the Board sets the standards for the school district through policy and that board members do not manage the district on a day-to-day basis.

Section 4. I will refer all complaints and concerns to the Superintendent and abstain from individual counsel and action in regard to staff members.

ARTICLE VI. My Relations to Myself

Section 1. I will uphold the integrity and independence of the position.

Section 2. I will become familiar with federal and state education laws and school board policies.

Section 3. I will educate myself about my duties and responsibilities and current educational issues by individual study and through participation in programs providing needed information.

Section 4. I will continually advocate for the goals of the school district.

Section 5. I will vote and act impartially for the good of the school district.

Section 6. I will avoid conflicts of interest, and I will refrain from using my position on the Board for personal or partisan gain.

Section 7. I will attend all board meetings to the extent possible and become informed concerning the issues to be considered at those meetings.

Section 8. I will model civility to students, employees, and all elements of the community by encouraging the free expression of opinion by all board members and engaging in respectful dialogue with fellow board members on matters being considered by the Board.

_____ _____

Board Member Date

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LAKELAND SCHOOL SYSTEM

Expense Summary

Report Period December 1, 2023 - December 31, 2023

PROGRAM	BUDGET AMOUNT	ADJUSTED BUDGET	YTD ACTIVITY	CURRENT ACTIVITY	ENCUMBRANCE	BALANCE	% EXPENDED
Regular Instruction Program	$ 13,245,898.54	$ 13,271,438.00	$ 5,666,229.23	$ 925,998.52	$ 10,817.05	$ 7,594,391.72	42.78%
Special Education Program	$ 2,161,686.02	$ 2,161,686.02	$ 900,966.52	$ 157,288.68	$ 1,546.72	$ 1,259,172.78	41.75%
Vocational Education	$ 24,900.00	$ 24,900.00	$ -	$ -	$ -	$ 24,900.00	0.00%
Other (Bonus Pay)	$ 542,263.74	$ 847,013.50	$ 484,325.84	$ 308,666.00	$ -	$ 362,687.66	57.18%
School Security	$ 60,832.95	$ 60,832.95	$ 24,346.66	$ 4,492.22	$ -	$ 36,486.29	40.02%
Health Services	$ 366,589.14	$ 366,589.14	$ 146,518.21	$ 23,417.08	$ -	$ 220,070.93	39.97%
Other Student Support	$ 876,669.77	$ 876,669.77	$ 361,225.56	$ 62,944.77	$ -	$ 515,444.21	41.20%
Regular Instruction Program Support	$ 672,445.38	$ 672,445.38	$ 312,784.07	$ 55,351.28	$ 6,174.55	$ 353,486.76	47.43%
Special Education Program Support	$ 457,058.21	$ 457,058.21	$ 188,206.46	$ 33,270.62	$ -	$ 268,851.75	41.18%
Technology	$ 694,878.49	$ 694,878.49	$ 308,425.40	$ 32,017.01	$ 65,083.60	$ 321,369.49	53.75%
Board of Education	$ 612,950.00	$ 612,950.00	$ 313,481.15	$ 6,419.39	$ 3,500.00	$ 295,968.85	51.71%
Office of the Superintendent	$ 356,984.26	$ 382,833.54	$ 161,274.20	$ 16,909.74	$ 562.27	$ 220,997.07	42.27%
Office of the Principal	$ 1,722,159.61	$ 1,722,159.61	$ 779,755.11	$ 122,798.86	$ 300.00	$ 942,104.50	45.30%
Fiscal Services	$ 329,313.97	$ 329,313.97	$ 158,960.34	$ 16,646.65	$ -	$ 170,353.63	48.27%
Human Services/Personnel	$ 274,904.03	$ 349,364.57	$ 124,951.42	$ 19,202.64	$ 1,980.00	$ 222,433.15	36.33%
Operation of Plant	$ 1,378,953.88	$ 1,378,953.88	$ 572,220.22	$ 80,508.15	$ 2,276.83	$ 804,456.83	41.66%
Maintenance of Plant	$ 408,817.15	$ 408,817.15	$ 307,898.98	$ 20,846.46	$ 3,918.37	$ 96,999.80	76.27%
Transportation	$ 650,000.00	$ 650,000.00	$ 344,128.97	$ 73,144.91	$ -	$ 305,871.03	52.94%
Summer Camp Food Service	$ -	$ -	$ -	$ -	$ -	$ -	0.00%
Regular Capital Outlay	$ 164,400.00	$ 164,400.00	$ 18,500.00	$ 3,700.00	$ 35,646.00	$ 110,254.00	32.94%
Transfers Out	$ 3,663,790.00	$ 3,663,790.00	$ -	$ -	$ -	$ 3,663,790.00	0.00%
Federal Projects Regular Instruction	$ 272,456.94	$ 240,559.25	$ 98,578.40	$ 15,738.29	$ 1,015.60	$ 140,965.25	41.40%
Federal Projects Special Education	$ 294,169.06	$ 254,962.88	$ 106,780.30	$ 22,038.05	$ -	$ 148,182.58	41.88%
Federal Programs Innovative Schools	$ -	$ 447,485.19	$ 89,724.00	$ 11,869.76	$ 800.00	$ 356,961.19	20.23%
Federal Projects Health Services	$ -	$ -	$ -	$ -	$ -	$ -	0.00%
Federal Projects Other Student Support	$ 51,745.50	$ 57,085.50	$ 22,859.63	$ 3,838.10	$ -	$ 34,225.87	40.04%
Federal Projects Regular Instruction Suppor	$ 105,527.04	$ 66,591.21	$ 20,462.89	$ 1,076.00	$ -	$ 46,128.32	30.73%
Federal Projects Special Education Support	$ 215,485.60	$ 151,422.19	$ 63,518.31	$ 14,436.72	$ -	$ 87,903.88	41.95%
Federal Projects Vocational	$ -	$ 5,000.00	$ -	$ -	$ -	$ 5,000.00	0.00%
Federal Programs Technology	$ 9,605.90	$ 9,602.46	$ 3,208.88	$ 843.88	$ -	$ 6,393.58	33.42%
Federal Programs Operation of Plant	$ -	$ 7,500.00	$ -	$ -	$ -	$ 7,500.00	0.00%
Federal Projects Capital Projects	$ -	$ -	$ -	$ -	$ -	$ -	0.00%
Food Service	$ 692,700.00	$ 992,678.13	$ 400,668.65	$ 61,882.21	$ 10,684.42	$ 581,325.06	41.44%
State Grants	$ -	$ 171,821.91	$ 18,709.80	$ 15,587.83	$ 13,650.00	$ 139,462.11	18.83%
Before/After School Program	$ 280,000.00	$ 280,000.00	$ 143,616.05	$ 24,134.03	$ -	$ 136,383.95	51.29%
Education Capital Projects	$ 7,000,000.00	$ 7,000,000.00	$ 2,017,813.14	$ 225,732.55	$ 391,267.29	$ 4,590,919.57	34.42%
GRAND TOTAL:	**$ 37,587,185.18**	**$ 38,780,802.90**	**$ 14,160,138.39**	**$ 2,360,800.40**	**$ 549,222.70**	**$ 24,071,441.81**	**37.93%**