CITY OF MARTIN, TENNESSEE

FINANCIAL REPORT

June 30, 2022

CITY OF MARTIN, TENNESSEE
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CITY OF MARTIN, TENNESSEE
SCHEDULE OF OFFICIALS
June 30, 2022

Board of Aldermen

Randy Brundige, Mayor
Danny Nanney
David Belote
Randy Edwards
Terry Hankins
Scott Robbins
Marvin Flatt

Kelly Wilson, City Recorder/CMFO

FINANCIAL SECTION

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Independent Auditor's Report

Mayor and Board of Aldermen
City of Martin, Tennessee

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Martin, Tennessee, as of and for the year ended June 30, 2022, 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 activities, each major fund, and the aggregate remaining fund information of the City of Martin, Tennessee, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparisons for the general fund and solid waste 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 City of Martin, Tennessee, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Martin'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 City of Martin'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 City of Martin's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the pension schedules 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's basic financial statements. The accompanying combining and individual nonmajor fund statements and schedules, schedule of transfers, schedule of lease obligations and principal and interest requirements by year, schedule of long-term debt principal and interest requirements by individual issue, schedule of changes in long-term debt by individual issue, schedule of changes in property taxes receivable, schedule of utility rates and customers, schedule of state financial assistance, and schedule of expenditures of federal awards 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 nonmajor fund statements and schedules, schedule of transfers, schedule of long-term debt principal and interest requirements by individual issue, schedule of lease obligations and principal and interest requirements by year, schedule of changes in long-term debt by individual issue, schedule of changes in property taxes receivable, schedule of utility rates and customers, schedule of expenditures of federal awards, and schedule of 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 schedule of property tax rates and assessments but does not include the 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 June 21, 2023, on our consideration of the City of Martin's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Martin's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Martin's internal control over financial reporting and compliance.

ATA CPAs + Advisors PLLC

Martin, Tennessee
June 21, 2023

CITY OF MARTIN, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022

Our discussion and analysis of the City of Martin, Tennessee's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the notes to the basic financial performance.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of this year by $30 million (*net position*). This represents an increase of $2.3 million over the prior year. Of this amount, $3.6 million (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City's general fund reported an ending fund balance of $2.7 million, an increase of $2.6 million in comparison with the prior year. The total fund balance consists of $15 thousand in nonspendable inventory and unassigned fund balance of $2.7 million. Revenues exceeded expenditures by $350 thousand and there were loan proceeds of $2.1 million.
- The City acquired new debt of $1.29 million attributable to the new public library.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Martin's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information, as well as supplementary schedules and other 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 of Martin's finances, in a manner similar to a private-sector business.

- The statement of net position presents information on all of the City's assets, liabilities, and deferred inflows and outflows of resources, with the difference reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.
- The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, compensated absences, etc.).

Both of the government-wide financial statements distinguish functions of the City of Martin that are principally supported by taxes and intergovernmental revenues (*governmental activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities).* Most of the City's basic services are included in governmental activities, such as police, fire, public works, and parks departments, as well as general administration. Property taxes, sales taxes, and state and federal grants finance most of these activities. The business-type activities are those for which the City charges fees to customers to help it cover the costs of certain services it provides. The City's water and sewer system and natural gas system are included here.

Fund Financial Statements – A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Martin, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements provide more detailed information about the most significant funds – not the City as a whole. All of the funds of the City can be divided into two categories: Governmental Funds and Proprietary 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, the focus is on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

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 and solid waste fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation.

The City adopts an annual appropriated budget for the general fund and the special revenue funds. Budgetary comparisons have been provided in the Fund Financial Statements for the major funds and as supplementary information for the nonmajor funds to demonstrate compliance with the budget.

Proprietary Funds – There are two types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government- wide financial statements. The City of Martin uses enterprise funds to account for the Water and Sewer Department and the Natural Gas Department. Internal service funds are an accounting device used to accumulate and allocate costs internally among a government's various functions. The City of Martin currently has no internal service funds.

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

Notes to Financial Statements – The notes provide additional information that is essential for a full understanding of the government-wide and fund financial statements and are located immediately following the basic financial statements.

Government-Wide Financial Analysis

Statement of Net Position – As noted earlier, net position serves as a useful indicator of a government's financial position. In the case of the City of Martin, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $30 million at the end of the fiscal year.

The largest portion of the City's net position (77.5%) reflects its investment in capital assets (e.g., infrastructure, land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City of Martin uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Martin'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. During the current year, the City's pension plan activity resulted in a net pension asset of $2 million, which restricted 7% of net position.

CONDENSED STATEMENT OF NET POSITION

	Governmental Activities		Business-Type Activities		Total		Percent
	2022	2021	2022	2021	2022	2021	Change
Current and other assets	$ 9,594,919	$ 5,776,011	$ 10,940,589	$ 4,210,942	$ 20,535,508	$ 9,986,953	105.62%
Capital assets	39,479,616	39,324,541	11,669,345	12,021,911	51,148,961	51,346,452	-0.38%
Total assets	49,074,535	45,100,552	22,609,934	16,232,853	71,684,469	61,333,405	16.88%
Deferred outflows of resources	2,274,054	1,190,276	345,675	203,704	2,619,729	1,393,980	87.93%
Long-term liabilities	27,994,238	27,568,338	7,650,317	1,427,866	35,644,555	28,996,204	22.93%
Other liabilities	918,088	2,047,649	1,084,247	713,003	2,002,335	2,760,652	-27.47%
Total liabilities	28,912,326	29,615,987	8,734,564	2,140,869	37,646,890	31,756,856	18.55%
Deferred inflows of resources	6,486,349	3,497,803	403,685	-	6,890,034	3,497,803	96.98%
Net position							
Net investment in capital assets	12,365,878	13,088,065	10,691,749	10,791,795	23,057,627	23,879,860	-3.44%
Restricted	2,884,624	591,778	230,371	-	3,114,995	591,778	426.38%
Unrestricted	699,412	(502,805)	2,895,240	3,503,893	3,594,652	3,001,088	19.78%
Total net position	$ 15,949,914	$ 13,177,038	$ 13,817,360	$ 14,295,688	$ 29,767,274	$ 27,472,726	8.35%

A small portion of City of Martin's net position (3.5%) represents fund resources that are subject to external restriction on how they may be used. The remaining balance representing unrestricted net position (12%) may be used to meet the City's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the City of Martin reported positive balances in all three categories of net position.

Current assets increased by 1.1 million in cash and other assets increased due to the net pension asset of $2 million, which was a liability of $988 thousand in the prior year, and the recording of lease assets due to new accounting guidance becoming effective. Also related to pension activity was the $1.2 million increase in deferred outflows and $3.4 million increase in deferred inflows. Liabilities increased due to the recording of new lease liabilities in the proprietary funds. The landfill closure/postclosure liability increased $405 thousand, or 208%, due to a reassessment by the Tennessee Department of Environment and Conservation.

CONDENSED STATEMENT OF ACTIVITIES

	Governmental		Business-Type		Total		Percent
	2022	2021	2022	2021	2022	2021	Change
Program revenues							
Charges for services	$ 3,671,876	$ 3,489,323	$ 7,416,412	$ 6,127,976	$ 11,088,288	$ 9,617,299	15.30%
Operating grants/contributions	4,082,955	881,640	-	-	4,082,955	881,640	363.11%
Capital grants/contributions	52,440	3,144,490	106,912	16,134	159,352	3,160,624	-94.96%
General revenues							
Taxes	9,188,764	8,844,872	-	-	9,188,764	8,844,872	3.89%
Interest income	7,437	9,166	18,260	24,843	25,697	34,009	-24.44%
Other	111,073	68,339	-	-	111,073	68,339	62.53%
Total revenues	17,114,545	16,437,830	7,541,584	6,168,953	24,656,129	22,606,783	9.07%
Expenses							
General government	1,063,206	1,203,281	-	-	1,063,206	1,203,281	-11.64%
Community development	277,724	107,349	-	-	277,724	107,349	158.71%
Admin/employee benefits	2,333,911	2,433,558	-	-	2,333,911	2,433,558	-4.09%
Public safety	5,447,830	5,196,289	-	-	5,447,830	5,196,289	4.84%
Streets/equipment maintenance	648,806	776,181	-	-	648,806	776,181	-16.41%
Cemetery	196,854	192,856	-	-	196,854	192,856	2.07%
Community services	760,073	468,914	-	-	760,073	468,914	62.09%
Parks and recreation	859,160	799,639	-	-	859,160	799,639	7.44%
Public works	2,249,870	1,682,599	-	-	2,249,870	1,682,599	33.71%
Interest on long-term debt	641,201	616,464	-	-	641,201	616,464	4.01%
Water and sewer	-	-	3,615,891	2,964,365	3,615,891	2,964,365	21.98%
Gas	-	-	4,269,873	3,008,580	4,269,873	3,008,580	41.92%
Total expenses	14,478,635	13,477,130	7,885,764	5,972,945	22,364,399	19,450,075	14.98%
Transfers	134,148	169,542	(134,148)	(169,542)	-	-	
Change in net position	2,770,058	3,130,242	(478,328)	26,466	2,291,730	3,156,708	-27.40%
Net position - beginning	13,177,038	9,827,708	14,295,688	14,269,222	27,472,726	24,096,930	14.01%
Prior period adjustment	2,818	219,088	-	-	2,818	219,088	
Net position - ending	$ 15,949,914	$ 13,177,038	$ 13,817,360	$ 14,295,688	$ 29,767,274	$ 27,472,726	8.35%

Government-Wide Statement of Activities

The statement of activities shows the current year activity from the City's governmental and business-type activities.

Revenues in governmental activities exceeded expenses by $2.8 million in the current year, and business-type activities had a loss of $478 thousand from current year operations. The main increase in revenues was in charges for services in the utility funds of $1.3 million due to increased amount of gas sold to customers due to weather conditions. The most significant increase in expense was in the utility funds for $1.7 million due to increased amount of gas purchased due to supply and demand because of weather conditions.

Revenues and expenses in the governmental activities remained relatively steady, with a decrease of $325 thousand in net revenue over expenses from the previous year.

Comments on Fund Financial Statements

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

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

The general fund accounts for 85% of governmental fund revenues. The general fund's ending fund balance was $2.7 million at June 30, 2022, compared to $77 thousand at the end of the previous year. Of that balance, $15 thousand is in nonspendable inventory. Revenues and current expenditures in the general fund were steady. Expenditures for capital outlay were $1.975 million, with related loan proceeds of $2.1 million, mainly for finishing the new library.

The Solid Waste fund had decreased revenues of $245 thousand due to rate increase and taking on portions of collections ourselves. Capital outlay expenditures were $42 thousand, with current expenditures decreasing by $125 thousand.

State Street Aid revenues increased by $34 thousand. Street expenditures increased by $162 thousand, mainly in street paving.

Proprietary Funds – The City of Martin's proprietary funds financial statements provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the proprietary funds at the end of the year was $2.9 million. The City's water and sewer fund operated at a profit of $31 thousand before capital grants and in-lieu-of-tax transfers, a decrease of $348 thousand compared to the prior year. Revenues increased by $306 thousand but expenses increased by $651 thousand, mainly in meters and fire hydrants.

The City's natural gas fund had a decrease in net position of $532 thousand, compared to the prior year's deficit of $261 thousand. Revenues increased by $982 thousand and expenses increased by $1.3 million, mainly due to gas purchases.

Both proprietary funds were affected by the new lease guidance issued by the GASB and effective as of July 1, 2021. Lease assets and lease liabilities of $6 million were recorded to reflect the intangible asset

gained by the right to use West Kentucky and Tennessee Telecommunications Cooperative, Inc.'s broadband access for the City's utilities, with an offsetting lease liability for the 30 years covered by the agreement.

General Fund Budgetary Highlights

Actual revenue exceeded amounts budgeted by $1.6 million, with grants and donations underbudgeted by $1.4 million, mainly in American Rescue Plan grant funds.

The original budget had only $24 thousand in budgeted grant expenditures, while the final budget had allocated $3 million to grant expenditures. Actual expenditures were below the final budget by $1.2 million, mainly attributable to the new library. Total expenditures were under budget by $1.8 million Other significant variances were as follows:

- The original budget for ambulance fees was $1.75 million, but the final budget decreased to $1.05 million due to revenue not coming in as expected. Final budget more closely reflected actual revenues received.
- The original budget for note proceeds was $625 thousand, with the final budget increased to $2.9 million. Actual note proceeds were $781 thousand under budget.
- Community activities increased by $242 thousand from the original budget to the final budget due to Tennessee Soybean Festival activities.
- Fire department salaries were $198 thousand under final budget.
- Library equipment services were $61.5 thousand under budget.

Capital Asset and Debt Administration

Capital Assets – At the end of fiscal year 2022, the City had invested approximately $51 million, net of accumulated depreciation, in a variety of capital assets. Capital assets in governmental activities increased due to completion of the library and other capital projects during the year.

Long-term debt – As of June 30, 2022, City of Martin's governmental activities had long-term debt outstanding of $27 million, with $1.5 million due within one year. Other long-term liabilities include compensated absences of $280 thousand, net of the current portion, and a landfill closure/postclosure liability of $600 thousand. Long-term liabilities in business-type activities consisted of notes payable with an outstanding balance of $978 thousand and compensated absences of $60 thousand. Details related to the City's long-term debt are included in the notes to the financial statements.

Economic Factors and Next Year's Budget

Seasonally unadjusted unemployment rates for the City of Martin now stand at 4.2% versus 5.2% a year ago. This compares favorably with the State's rate of 4.2% and unfavorably to the National rate of 3.6%. Inflationary trends in the region compare favorably to national indices.

These indicators were considered when adopting the general fund budget for 2023. During the coming year, the City plans to enter into the following projects:

- Continuing of Phase VII of the Martin Downtown Improvement Project began by Phase III and continuing those improvements from Elm Street to Lee Street. The total cost of this project is estimated to be $1.69 million with 80% to be funded by a federal grant through the Tennessee Department of Transportation, and the remaining 20% to be funded by local contributions and/or loan proceeds.
- Implementation of Phase VIII of the Martin Downtown Improvement Project began by Phase III and continuing the Phase VII project down to Peach. The total cost of this project is estimated to be $1.57 million with 80% to be funded by a federal grant through the Tennessee Department of Transportation, and the remaining 20% to be funded by local contributions and/or loan proceeds.
- Implementation of Multimodal Phase III. The total cost of this project is estimated to be $1.06 million with 90% to be funded by a federal grant through Tennessee Department of Transportation and the remaining 10% to be funded by local contributions and/or loan proceeds.

Contacting the City's Financial Management

This financial report is designed to provide a general overview of the City's finances for citizens, taxpayers, customers, investors, creditors, and all others with an interest in the City of Martin's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the Office of the City Recorder, City of Martin, 109 University Street, Martin, Tennessee 38237.

CITY OF MARTIN, TENNESSEE
STATEMENT OF NET POSITION
June 30, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash	$ 1,742,514	$ 1,773,227	$ 3,515,741
Investments	1,078	-	1,078
Taxes receivable, net	4,283,614	-	4,283,614
Accounts receivable, net	1,068,288	732,535	1,800,823
Intergovernmental receivable	311,995	-	311,995
Notes receivable	17,660	-	17,660
Grants receivable	1,586,149	-	1,586,149
Inventory	15,073	562,095	577,168
Internal balances	(1,250,000)	1,250,000	-
Noncurrent assets			
Capital assets (net of accumulated depreciation):			
Land and other nondepreciable assets	1,721,228	1,200	1,722,428
Construction in progress	266,381	545,753	812,134
Infrastructure	12,021,127	-	12,021,127
Buildings	23,472,432	-	23,472,432
Water and sewer plant	-	10,363,668	10,363,668
Gas plant	-	635,114	635,114
Vehicles and equipment	1,998,448	123,610	2,122,058
Net pension asset	1,818,549	230,371	2,048,920
Lease right-of-use assets, net	-	6,392,360	6,392,360
Total assets	49,074,535	22,609,934	71,684,469
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	2,274,054	345,675	2,619,729
LIABILITIES			
Accounts payable	237,753	305,005	542,759
Accrued and withheld payables	25,883	40,884	66,767
Accrued interest	260,872	5,036	265,908
Compensated absences - current portion	283,314	60,157	343,471
Self-insurance liability	21,166	6,045	27,211
Customer deposits	-	644,483	644,483
Unearned revenue	89,100	-	89,100
Current portion of lease liability	-	22,638	22,638
Noncurrent liabilities			
Landfill closure/postclosure liability	600,174	-	600,174
Compensated absences	280,326	59,522	339,848
Lease liability	-	6,613,198	6,613,198
Debt due within one year	1,495,824	264,645	1,760,469
Debt due in more than one year	25,617,914	712,952	26,330,866
Total liabilities	28,912,326	8,734,564	37,646,891
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	2,994,508	403,685	3,398,193
Deferred property tax revenue	3,491,312	-	3,491,312
Deferred revenue from drug-related cash seized	529	-	529
Total deferred inflows of resources	6,486,349	403,685	6,890,034
NET POSITION			
Net investment in capital assets	12,365,878	10,691,748	23,057,626
Restricted for:			
Drug Fund	36,944	-	36,944
Library	17,592	-	17,592
State Street Aid	166,843	-	166,843
Solid Waste Fund	742,248	-	742,248
Housing Rehabilitation Fund	17,840	-	17,840
Cemetery	84,608	-	84,608
Net pension asset	1,818,549	230,371	2,048,920
Unrestricted	699,412	2,895,240	3,594,652
Total net position	$ 15,949,914	$ 13,817,360	$ 29,767,274

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

CITY OF MARTIN, TENNESSEE
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

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
Governmental Activities:							
General government	$ 1,063,206	$ -	$ 3,240,448	$ 52,440	$ 2,229,683	$ -	$ 2,229,683
Community development	277,724	-	37,450	-	(240,274)	-	(240,274)
Administrative	2,333,911	95,991	-	-	(2,237,920)	-	(2,237,920)
Public safety	5,447,830	1,239,342	250,500	-	(3,957,988)	-	(3,957,988)
Streets and equipment maintenance	648,806	-	401,446	-	(247,360)	-	(247,360)
Cemetery	196,854	21,550	-	-	(175,304)	-	(175,304)
Community services	760,073	-	150,662	-	(609,411)	-	(609,411)
Parks and recreation	859,160	131,089	2,449	-	(725,622)	-	(725,622)
Public works	2,249,870	2,183,904	-	-	(65,966)	-	(65,966)
Interest on long-term debt	641,201	-	-	-	(641,201)	-	(641,201)
Total governmental activities	14,478,635	3,671,876	4,082,955	52,440	(6,671,363)	-	(6,671,363)
Business-type activities:							
Water and sewer	3,615,891	3,645,351	-	106,912	-	136,372	136,372
Gas	4,269,873	3,771,061	-	-	-	(498,812)	(498,812)
Total business-type activities	7,885,764	7,416,412	-	106,912	-	(362,440)	(362,440)
Total	$22,364,399	$ 11,088,288	$ 4,082,955	$ 159,352	(6,671,363)	(362,440)	(7,033,803)
General Revenues:							
Property taxes					3,608,867	-	3,608,867
Sales tax					4,713,750	-	4,713,750
Franchise and other taxes					866,146	-	866,146
Interest income					7,437	18,260	25,697
Gain on disposal of capital assets					32,274	-	32,274
Miscellaneous					78,798	-	78,798
Total general revenues					9,307,273	18,260	9,325,533
Transfer - in lieu of taxes					134,148	(134,148)	-
Total revenues					9,441,421	(115,888)	9,325,533
Change in net position					**2,770,058**	**(478,328)**	**2,291,730**
Net position, beginning					13,177,038	14,295,688	27,472,726
Prior period adjustment and restatements					2,818	-	2,818
Net position, beginning, restated					13,179,856	14,295,688	27,475,544
Net position, ending					$ 15,949,914	$ 13,817,360	$ 29,767,274

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

CITY OF MARTIN, TENNESSEE
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022

	General	Solid Waste Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash	$ 979,943	$ 524,777	237,794	$ 1,742,514
Investments, at cost	1,078	-	-	1,078
Receivables, net of allowances for uncollectibles:				
Taxes	4,283,614	-	-	4,283,614
Accounts	696,996	367,513	3,779	1,068,288
Intergovernmental	246,404	-	65,591	311,995
Notes	-	-	17,660	17,660
Grants	1,580,569	-	5,580	1,586,149
Inventory	15,073	-	-	15,073
Total assets	**$ 7,803,676**	**$ 892,290**	**$ 330,404**	**$ 9,026,370**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	$ 113,865	$ 120,340	$ 3,548	$ 237,753
Accrued and withheld payables	(2,436)	28,319	-	25,883
Self-insurance liability	19,783	1,383	-	21,166
Unearned revenue	86,600	-	2,500	89,100
Due to other funds	1,250,000	-	-	1,250,000
Total liabilities	1,467,812	150,042	6,048	1,623,902
Deferred inflows of resources				
Unavailable property tax revenue	3,623,975	-	-	3,623,975
Unavailable revenue - court fines	2,194	-	-	2,194
Unavailable revenue from drug-related cash seized	-	-	529	529
Total deferred inflows of resources	3,626,169	-	529	3,626,698
Fund balances				
Nonspendable - inventory	15,073	-	-	15,073
Nonspendable - non-current receivable	-	-	17,660	17,660
Restricted				
Drug Fund	-	-	36,944	36,944
Library	-	-	17,592	17,592
State Street Aid	-	-	166,843	166,843
Solid Waste Fund	-	742,248	-	742,248
Housing Rehabilitation Fund	-	-	180	180
Cemetery	-	-	84,608	84,608
Unassigned	2,694,622	-	-	2,694,622
Total fund balances	2,709,695	742,248	323,827	3,775,770
Total liabilities, deferred inflows of resources, and fund balances	**$ 7,803,676**	**$ 892,290**	**$ 330,404**	**$ 9,026,370**

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

CITY OF MARTIN, TENNESSEE
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2022

Fund balances - total governmental funds	$ 3,775,770
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in government activities are not financial resources and, therefore, are not reported in the funds.	39,479,616
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Long-term debt	(27,113,738)
Landfill closure/postclosure liability	(600,174)
Net pension asset (liability) and the related deferred inflows and outflows are not financial assets and, therefore, are not reported in the funds.	
Net pension asset (liability)	1,818,549
Deferred inflows and deferred outflows related to pensions	(720,454)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized in the period it becomes due.	(260,872)
Certain receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	134,857
Compensated absences are not due and payable in the current period and therefore are not reported in the funds. The expenses are reported in the period they are actually paid. All liabilities are reported in the statement of net position.	(563,640)
Net position of governmental activities	$ 15,949,914

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

CITY OF MARTIN, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

	General	Solid Waste Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	$ 3,437,028	$ -	$ -	$ 3,437,028
Sales taxes	3,456,037	-	-	3,456,037
Franchise and other local taxes	796,915	-	-	796,915
Licenses and permits	84,221	-	-	84,221
Charges for services	1,315,065	2,183,904	5,475	3,504,444
Fines and forfeitures	78,164	-	18,093	96,257
Intergovernmental revenues	1,773,619	-	381,358	2,154,977
Grants and donations	3,378,878	-	38,649	3,417,527
Miscellaneous revenues	117,388	4,564	1,471	123,423
Total revenues	14,437,315	2,188,468	445,046	17,070,829
Expenditures				
Current:				
General government	203,768	-	-	203,768
Community development	276,833	-	-	276,833
Administrative	3,093,766	-	-	3,093,766
Public safety	4,849,955	-	23,769	4,873,724
Streets and equipment maintenance	375,863	-	256,678	632,541
Cemetery	194,574	-	2,280	196,854
Community services	557,620	-	40,759	598,379
Parks and recreation	652,522	-	-	652,522
Public works	-	1,795,075	-	1,795,075
Capital Outlay:				
General government	173,107	-	-	173,107
Public safety	135,550	-	-	135,550
Community services	1,666,809	-	-	1,666,809
Public works	-	41,633	-	41,633
Debt Service:				
Principal payments	1,267,317	-	-	1,267,317
Interest and other charges	639,742	-	-	639,742
Total expenditures	14,087,426	1,836,708	323,486	16,247,620
Revenues over (under) expenditures	**349,889**	**351,760**	**121,561**	**823,209**
Other Financing Sources (Uses)				
Loan proceeds	2,144,577	-	-	2,144,577
Transfers in (out)	134,148	-	-	134,148
Total other financing sources (uses)	2,278,725	-	-	2,278,725
Net change in fund balance	**2,628,614**	**351,760**	**121,561**	**3,101,935**
Fund balance - beginning	77,345	390,488	202,266	670,099
Prior period adjustment	2,818	-	-	2,818
Change in inventory	918	-	-	918
Fund balance - beginning, as restated	81,081	390,488	202,266	673,835
Fund balance - ending	$ 2,709,695	$ 742,248	$ 323,827	$ 3,775,770

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

CITY OF MARTIN, 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, 2022

Net change in fund balances - total governmental funds	$ 3,101,935
Amounts reported for governmental activities in that statement of activities are different because:	
Capital outlay is reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	
Capital asset expenditures	2,017,099
Depreciation	(1,857,113)
In the statement of activities, only the gain (loss) on the sale of capital assets is reported. However, in governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.	(4,913)
Proceeds of long-term debt (e.g., bonds, notes) provide financial resources to governmental funds; however, issuing long-term debt increases long-term liabilities in the statement of net position. Repayments of long-term debt are reported as an expenditure in governmental funds, but are a reduction of long-term liabilities in the statement of net position.	
Proceeds from long-term debt	(2,144,577)
Payments against long-term debt	1,267,317
Accrued interest	(1,459)
The liabilities for future compensated absences and landfill closure/postclosure costs are not reported in governmental funds. The changes in these long-term liabilities are only reported in the statement of activities.	(419,427)
Pension contributions are reported as expenditures in the governmental funds. However, pension expense in the statement of activities is primarily the result of changes in the components of net pension liability over the current and future periods.	
Pension contributions	672,020
Pension expense - negative	89,630
Revenues in the statement of activities that do not provide current financial resources (delinquent property taxes, etc.) are not reported as revenues in the funds.	48,628
Some expenses reported in the statement of activities, such as inventory used, do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	918
Change in net position of governmental activities	$ 2,770,058

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

CITY OF MARTIN, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL ON BUDGETARY BASIS
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance Over
	Original	Final	Amounts	(Under)
REVENUES				
Taxes				
Property taxes - current	$ 3,213,091	$ 3,213,091	$ 3,287,480	$ 74,389
prior	60,000	60,000	56,377	(3,623)
interest and penalties	25,000	15,000	15,085	85
In lieu of tax payments	75,000	75,000	78,086	3,086
Local sales tax	3,200,000	3,400,000	3,456,037	56,037
City beer tax	325,000	325,000	335,033	10,033
Privilege tax - beer	2,900	2,900	2,700	(200)
Business taxes	220,000	220,000	291,861	71,861
Franchise taxes	115,000	115,000	107,945	(7,055)
Hotel occupancy tax	-	59,400	59,376	(24)
Total taxes	7,235,991	7,485,391	7,689,980	204,589
Licenses and permits				
City stickers	75,000	75,000	78,962	3,962
Building permits	15,000	5,000	5,259	259
Total licenses and permits	90,000	80,000	84,221	4,221
Charges for services				
Fire calls	7,000	1,800	1,800	-
Rural fire registrations	120,000	120,000	107,300	(12,700)
EMS fees	1,750,000	1,050,000	1,033,515	(16,485)
Cemetery lots	16,000	12,000	16,075	4,075
Dog pound and vaccinations	300	300	60	(240)
Parks and recreation charges	50,000	65,000	66,239	1,239
MRC concessions	120,000	55,000	64,850	9,850
Accident reports	1,500	1,500	410	(1,090)
Post Office rent	1,800	1,800	1,525	(275)
First Community ATM lease	1,500	1,500	1,500	-
Library event center	-	10,750	10,399	(351)
Farmer's market vendor fees	-	2,650	2,647	(3)
SBA tower lease	7,604	7,604	8,745	1,141
Total charges for services	2,075,704	1,329,904	1,315,065	(14,839)
Fines and forfeitures				
Officers' court fees	13,500	13,500	14,132	632
Sex offender registrations	500	500	900	400
City court fines	65,000	55,000	55,032	32
Traffic school	4,000	8,100	8,100	-
State fines	500	500	-	(500)
Total fines and forfeitures	83,500	77,600	78,164	564

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

CITY OF MARTIN, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL ON BUDGETARY BASIS
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance Over
	Original	Final	Amounts	(Under)
Intergovernmental Revenues				
Federal in lieu of taxes	155,393	145,893	123,211	(22,682)
State sales tax	1,170,348	1,170,348	1,241,359	71,011
Telecommunications sales tax	15,000	15,000	16,354	1,354
State income tax	30,000	13,227	533	(12,694)
State beer tax	5,508	5,508	4,945	(563)
Online sports betting	11,474	11,474	10,886	(588)
Mixed drink tax	58,000	74,000	76,979	2,979
Petroleum special tax	22,833	22,833	20,088	(2,745)
State excise tax	20,000	35,265	35,265	0
Firemen in-service reimbursements	32,800	26,400	26,400	-
School Resource Officer reimbursements	200,000	200,000	200,000	-
Police officers in-service reimbursements	24,000	17,600	17,600	-
Total intergovernmental revenues	1,745,356	1,737,548	1,773,619	36,071
Grants and donations				
Police OJP grants	1,500	-	-	-
Local government recovery and rebuilding grant	129,704	129,704	129,704	-
American Rescue Plan grant	1,405,255	1,405,255	3,110,744	1,705,489
Youth alcohol grant	8,000	25,000	25,382	382
Technical rescue equipment grant	-	4,000	4,000	-
TN tourist development grant	-	19,925	19,925	-
Sr. Citizens grants	9,300	9,300	9,610	310
Historical grants	-	-	17,525	17,525
Farmers Market	1,000	1,000	1,500	500
University Street lighting project	-	6,000	3,655	(2,345)
Enhancement Grant VI	-	142,500	18,710	(123,790)
TML Safety grant	-	2,500	2,500	-
Enhancement Grant V	-	187,000	15,995	(171,005)
Multimodal Grant	-	3,600	3,634	34
Multimodal Grant II	-	27,000	6,056	(20,944)
Homeland Security grant	-	-	4,390	4,390
SAC donations	2,500	2,500	2,449	(51)
Memory caf/TFA grant	-	3,100	3,099	(1)
Weldon Park Project donations	15,000	15,000	-	(15,000)
Total grants and donations	1,572,259	1,983,384	3,378,878	1,395,494
Miscellaneous revenues				
Crop income	8,000	12,000	12,067	67
Interest income	500	500	2,324	1,824
Insurance recoveries	50,000	91,000	91,559	559
Sale of vehicles and equipment	11,000	-	-	-
Cash over and short	100	100	28	(72)
Other miscellaneous revenues	12,000	12,000	11,410	(590)
Total miscellaneous revenues	81,600	115,600	117,388	1,788
Total revenues	12,884,410	12,809,427	14,437,315	1,627,888

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

CITY OF MARTIN, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL ON BUDGETARY BASIS
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance Over
	Original	Final	Amounts	(Under)
EXPENDITURES				
Legislative Board				
Mayor	65,000	65,000	65,000	-
Aldermen	36,000	36,000	36,000	-
City judge	3,000	3,000	3,000	-
Travel	7,500	10,500	10,325	(175)
Board approved projects	32,000	65,000	62,829	(2,171)
Total legislative board	143,500	179,500	177,154	(2,346)
Community Development				
Salaries and payroll expenses	142,993	161,993	162,348	355
Postage and freight	250	250	-	(250)
Banner printing	5,000	5,000	2,138	(2,862)
Dues and subscriptions	11,000	11,000	10,914	(86)
Advertising	8,000	500	1,210	710
Telephone	3,300	3,300	3,260	(40)
Travel	10,000	10,000	16,230	6,230
Office supplies	1,000	1,000	595	(405)
Community activities	44,500	134,500	166,483	31,983
Event center	-	5,000	4,080	(920)
Miscellaneous	5,000	5,000	4,196	(804)
Capital outlay	-	-	329	329
Total community development	231,043	337,543	371,783	34,240
Administrative				
Salaries and payroll expenses	429,309	460,365	459,527	(838)
Industrial board	20	20	20	-
Postage	15,000	15,000	9,279	(5,721)
Credit card fees/credit checks	100	100	50	(50)
Printing and stationery	50	2,250	2,292	42
Dues and subscriptions	20,700	23,700	22,772	(928)
School sales tax	25,500	25,500	25,501	1
Community activities	89,049	241,322	231,405	(9,917)
Liquor tax to county	29,000	37,200	36,753	(447)
Stormwater administrative expenses	24,360	28,460	22,835	(5,625)
Advertising	15,000	15,000	14,901	(99)
Utilities	62,000	63,000	61,800	(1,200)
Legal, audit and consultant fees	114,938	124,938	134,350	9,412
Equipment maintenance	10,000	18,000	18,137	137
Repair and maintenance - physical plant	14,100	14,100	13,234	(866)
Training	2,500	2,500	1,108	(1,392)
Travel	2,500	750	529	(221)
Office supplies	11,000	14,000	11,459	(2,541)

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

CITY OF MARTIN, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL ON BUDGETARY BASIS
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance Over
	Original	Final	Amounts	(Under)
Data processing supplies	7,500	7,500	6,318	(1,182)
Copier lease	4,000	4,000	4,423	423
Other operating supplies	3,500	3,500	3,310	(190)
Gasoline, oil, etc.	5,000	11,500	10,543	(957)
Joint economic board	60,200	60,200	60,200	-
Miscellaneous	25,000	50,000	46,394	(3,606)
Total administrative	970,326	1,222,905	1,197,140	(25,765)
Police Department				
Salaries and payroll expenses	1,852,865	1,914,289	1,881,382	(32,907)
Dues and subscriptions	4,500	4,500	4,313	(188)
Advertising	1,300	2,300	1,366	(934)
Utilities	53,000	56,000	52,344	(3,656)
Sex offender registration fees	300	300	600	300
Fines and fees remitted to state	11,000	11,000	6,695	(4,305)
Training of personnel	29,900	46,500	46,376	(124)
Equipment maintenance	12,000	12,000	8,358	(3,642)
Physical plant repairs	3,500	3,500	2,137	(1,363)
Boarding of prisoners	4,500	4,500	2,463	(2,037)
Office supplies	5,000	5,000	1,324	(3,676)
Data processing supplies	8,400	8,400	8,509	109
Copier lease	5,500	5,500	5,409	(91)
Uniforms	12,000	12,000	9,953	(2,047)
Firearm supplies	6,000	6,000	3,213	(2,787)
Investigative supplies	2,500	2,500	747	(1,753)
Postage and printing	500	500	745	245
Gasoline, oil, etc.	40,000	70,000	66,508	(3,492)
Motor vehicle parts	9,000	30,500	30,879	379
Tires, tubes, etc.	5,000	7,000	8,452	1,452
Rentals	11,240	11,240	2,510	(8,730)
Grant expenditures	20,000	20,000	13,813	(6,187)
Miscellaneous	12,000	25,000	20,444	(4,556)
Equipment services	140,000	156,500	156,210	(290)
Total police department	2,250,005	2,415,029	2,334,750	(80,279)
Fire Department				
Salaries and payroll expenses	1,996,171	2,345,701	2,147,381	(198,320)
Postage and printing	1,550	1,550	603	(947)
Dues and subscriptions	1,500	1,500	1,852	352
Advertising	1,800	1,800	938	(862)
Utilities	52,190	52,190	41,126	(11,064)
EMS professional services	45,000	55,000	50,218	(4,782)
Training of personnel	45,000	45,000	45,600	600
Random drug physicals	13,000	13,000	2,705	(10,295)

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

CITY OF MARTIN, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL ON BUDGETARY BASIS
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance Over
	Original	Final	Amounts	(Under)
Equipment maintenance	42,000	55,500	58,598	3,098
Communications	15,000	15,000	11,333	(3,667)
Physical plant repairs	22,000	22,000	16,016	(5,984)
Professional licensure	8,500	8,500	4,669	(3,831)
Travel	10,000	3,500	3,029	(471)
Office supplies	1,500	1,500	1,296	(204)
Data processing supplies	45,000	45,000	40,253	(4,747)
EMS supplies	40,000	60,000	56,195	(3,805)
Personal protective gear	22,000	22,000	24,054	2,054
Janitorial supplies	6,250	6,250	5,432	(818)
Uniforms	15,000	15,000	15,260	260
Other operating supplies	7,000	7,000	6,637	(363)
Gasoline, oil, etc.	34,000	70,000	64,015	(5,985)
Motor vehicle parts	2,200	2,200	2,529	329
Tires, tubes, etc.	8,000	8,000	8,589	589
Aerial annual testing	2,000	2,000	1,391	(609)
Walmart Community Partners grant	-	4,000	4,000	-
Equipment services	32,750	32,750	32,183	(568)
Miscellaneous	10,000	10,000	4,854	(5,146)
Total fire department	2,479,411	2,905,941	2,650,756	(255,185)
Street Department				
Salaries and payroll expenses	112,256	135,403	134,060	(1,343)
Advertising	200	200	-	(200)
Utilities	10,500	10,700	8,898	(1,802)
Training of personnel	500	500	-	(500)
Equipment maintenance	800	3,000	2,967	(33)
Physical plant repair	3,500	3,500	1,936	(1,564)
Office supplies	500	500	57	(443)
Chemical supplies	1,500	1,500	1,330	(170)
Janitorial supplies	600	600	614	14
Uniforms	1,000	1,000	555	(445)
Other operating supplies	1,500	2,500	1,977	(523)
Gasoline, oil, etc.	12,000	42,000	39,268	(2,732)
Motor vehicle parts	6,000	6,000	3,515	(2,485)
Machinery and equipment parts	6,500	15,000	13,951	(1,049)
Tires, tubes, etc.	2,200	8,000	6,857	(1,143)
Painting supplies	1,200	1,200	1,265	65
Consumable tools	3,000	3,000	1,936	(1,064)
Sign parts and supplies	4,000	7,000	6,986	(14)
Safety supplies	400	400	406	6
Cement and concrete supplies	1,000	1,000	369	(631)
Ready mixed concrete	3,000	3,000	2,822	(178)
Culverts	1,200	1,200	825	(375)
Crushed stone and asphalt	2,500	5,200	5,426	226

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

CITY OF MARTIN, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL ON BUDGETARY BASIS
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance Over
	Original	Final	Amounts	(Under)
Asphalt	1,500	1,500	-	(1,500)
Capital outlay	3,000	3,000	1,779	(1,221)
Miscellaneous	6,000	6,000	4,144	(1,856)
Total street department	186,356	262,903	241,943	(20,960)
Equipment Maintenance Department				
Salaries and payroll expenses	95,972	95,972	95,366	(606)
Utilities	4,150	6,800	5,354	(1,446)
Physical plant repairs	750	750	744	(6)
Janitorial supplies	13,000	33,000	31,166	(1,834)
Janitorial services	30,840	30,840	30,840	-
Gas, oil, etc.	4,000	4,000	3,340	(660)
Motor vehicle parts	4,000	4,000	416	(3,584)
Machinery and equipment repair	1,800	1,800	1,697	(103)
Tires, tubes, etc.	600	600	7	(593)
Total equipment maintenance department	155,112	177,762	168,930	(8,832)
Cemetery and Parks Deparment				
Salaries and payroll expenses	64,812	64,812	63,511	(1,301)
Cemetery lot openings	20,000	20,000	18,767	(1,233)
Utilities	725	725	959	234
Mowing and flower beds	110,104	87,170	87,177	7
Miscellaneous	2,000	2,000	1,320	(680)
Agriculture and horticulture supplies	2,000	3,500	3,100	(400)
Capital outlay	-	10,000	10,000	-
Equipment maintenance	7,000	10,000	9,740	(260)
Total cemetery and parks department	206,641	198,207	194,574	(3,633)
Senior Adult Center				
Salaries and payroll expenses	82,125	82,125	78,708	(3,417)
Postage	400	400	113	(287)
Dues and subscriptions	2,500	2,500	1,602	(898)
Advertising	1,450	1,450	1,233	(217)
Utilities	20,000	20,000	19,181	(819)
Equipment maintenance	2,200	2,200	1,373	(827)
Physical plant repairs	4,500	4,500	3,635	(865)
Travel	1,800	1,800	1,745	(55)
Office supplies	1,600	1,600	1,366	(234)
Operating supplies	14,000	14,000	10,847	(3,153)
Motor vehicle parts	1,000	1,000	1,000	-
Senior Adult/Transit-Memory Cafe	-	2,000	1,121	(879)
SAC luncheon	4,000	4,000	2,600	(1,400)
Equipment services	2,300	2,300	2,435	135
Miscellaneous	500	500	-	(500)
Total senior adult center	138,375	140,375	126,959	(13,416)

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

CITY OF MARTIN, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL ON BUDGETARY BASIS
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance Over
	Original	Final	Amounts	(Under)
Recreation Department				
Salaries and payroll expenses	395,324	395,324	377,737	(17,587)
Postage and printing	2,655	2,655	1,925	(730)
Dues and subscriptions	1,430	1,430	1,123	(307)
Advertising	1,930	1,930	925	(1,005)
Utilities	33,600	33,600	31,805	(1,795)
Training of personnel	1,850	1,850	1,548	(302)
Equipment maintenance	5,925	5,925	5,780	(145)
Field maintenance	11,250	11,250	10,517	(733)
Physical plant repairs	6,900	6,900	2,277	(4,623)
Travel	2,625	2,625	2,500	(125)
Office supplies	2,000	2,000	1,091	(909)
Data processing supplies	1,600	1,600	1,084	(516)
Horticulture supplies	14,625	14,625	15,462	837
Janitorial supplies	725	725	29	(696)
Recreational supplies	4,630	4,630	3,030	(1,600)
Gasoline, oil, etc.	16,329	27,000	25,917	(1,083)
Motor vehicle parts	5,615	5,615	4,428	(1,187)
Tires, tubes, etc.	845	845	845	-
Rent	3,575	3,575	3,827	252
Program development	3,605	3,605	3,092	(513)
Ongoing programs	25,200	25,200	25,029	(171)
Spray pad chemicals	6,300	6,300	3,480	(2,820)
Recreation league operations	49,000	49,000	45,083	(3,917)
Copier lease	2,995	2,995	2,401	(594)
Equipment services	152,000	10,500	10,500	-
Miscellaneous	3,020	3,020	746	(2,274)
Total recreation department	755,553	624,724	582,181	(42,543)
MRC Concessions				
Concession workers	29,500	29,500	17,559	(11,941)
Dues and subscriptions	740	740	630	(110)
Physical plant repairs	1,500	1,500	1,365	(135)
Office supplies	250	250	-	(250)
Janitorial supplies	7,170	7,170	2,104	(5,066)
Concession expense	53,000	53,000	48,683	(4,317)
Miscellaneous	150	150	-	(150)
Total MRC concessions	92,310	92,310	70,341	(21,969)

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

CITY OF MARTIN, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL ON BUDGETARY BASIS
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance Over
	Original	Final	Amounts	(Under)
Library Department				
Salaries and payroll expenses	202,756	211,956	196,962	(14,994)
Postage and printing	1,000	1,000	-	(1,000)
Janitorial services	29,640	29,640	29,640	-
Postage and printing	50	50	-	(50)
Dues and subscriptions	12,900	15,900	15,127	(773)
Utilities	59,200	78,550	76,328	(2,222)
Equipment maintenance	500	500	582	82
Physical plant repairs	10,000	30,000	30,627	627
Travel	2,000	2,000	-	(2,000)
Office supplies	8,000	12,000	11,488	(512)
Janitorial supplies	400	400	766	366
Educational supplies	4,900	4,900	5,036	136
Insurance	2,500	2,500	2,500	-
Computer equipment	8,400	22,000	20,924	(1,076)
Equipment services	300,000	300,000	238,497	(61,503)
Local government recovery expenditures	129,704	129,704	129,704	-
Miscellaneous	550	550	813	263
Total library department	772,500	841,650	758,993	(82,657)
Other Grant Expenditures				
STBG signal Courtright/Hyndsver	-	12,000	8,825	(3,175)
ECDE Historic grant	-	38,070	38,070	-
Historic guideline grant	-	13,000	13,000	-
Tourism marketing grant	-	41,600	41,583	(17)
ADA transition plan	-	25,000	8,670	(16,330)
Regina St. extension	-	10,000	8,000	(2,000)
Enhancement Grant Phase VI	-	176,000	-	(176,000)
Enhancement Grant Phase V	-	230,000	19,994	(210,006)
Farmers Market	-	1,500	1,500	-
Multi Modal Phase II	-	14,500	10,217	(4,283)
Retail Strategies Grant	24,000	24,000	24,000	-
Skyhawk Parkway Project	-	80,000	44,561	(35,439)
University Street lighting project	-	9,000	3,655	(5,345)
New library	-	2,119,752	1,338,477	(781,275)
TA Phase VIII	-	50,000	48,685	(1,315)
Total other grant expenditures	24,000	2,844,422	1,609,237	(1,235,185)
Employee Benefits				
Payroll taxes	413,109	413,109	416,191	3,082
Group insurance	1,221,500	1,221,500	1,176,019	(45,481)
Group retirement	635,766	635,766	651,829	16,063
Wellness program	7,500	7,500	7,420	(80)

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

CITY OF MARTIN, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL ON BUDGETARY BASIS
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance Over
	Original	Final	Amounts	(Under)
Other insurance	106,500	140,000	128,244	(11,756)
Employment security	2,000	2,000	-	(2,000)
Total employee benefits	2,386,375	2,419,875	2,379,703	(40,172)
Debt Service				
Principal retirement	1,344,328	1,344,328	1,267,317	(77,011)
Interest on debt	564,283	572,036	639,742	67,706
Total debt service	1,908,611	1,916,364	1,907,059	(9,305)
Total expenditures	12,700,118	16,579,510	14,771,503	(1,808,009)
Revenues over (under) expenditures	184,292	(3,770,083)	(334,188)	3,435,897
Other Financing Sources				
Transfer - in lieu of tax	168,117	168,117	134,148	(33,969)
Transfer - administrative revenue	555,230	555,230	643,459	88,229
Transfer - equipment services	68,863	68,863	40,618	(28,245)
Note proceeds	624,750	2,925,850	2,144,577	(781,273)
Total other financing sources	1,416,960	3,718,060	2,962,802	(755,258)
Net change in fund balance	$ 1,601,252	$ (52,023)	2,628,614	$ 2,680,639
Fund balance - beginning			77,345	
Prior period adjustment			2,818	
Change in inventory			918	
Fund balance - beginning, as restated			81,081	
Fund balance - ending			$ 2,709,695	

Reconciliation of budgetary basis statement to statement of revenues, expenditures and changes in fund balance - governmental funds

Expenditures per budget statements, above	$ 14,771,503
Reimbursement of administrative expenditures from utilities, recognized as transfer - administrative revenue for budget purposes	(643,459)
Reimbursement of equipment service expenditures from utilities, recognized as transfer - equipment services for budget purposes	(40,618)
Expenditures per statement of revenues, expenditures and changes in fund balance - governmental funds	$ 14,087,426

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

CITY OF MARTIN, TENNESSEE
SOLID WASTE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance Over
	Original	Final	Amounts	(Under)
Revenues				
Garbage service	$ 1,944,000	$ 1,944,000	$ 2,162,499	$ 218,499
Interest income	5,000	5,000	3,642	(1,358)
Interest and penalties	20,000	20,000	21,405	1,405
Miscellaneous	500	500	922	422
Total revenues	1,969,500	1,969,500	2,188,468	218,968
Expenditures				
Salaries and payroll expense	217,707	233,773	226,450	(7,323)
Employee benefits	51,052	74,150	75,886	1,736
Postage	3,200	3,200	2,000	(1,200)
State permits	4,500	4,500	4,000	(500)
Telephone and utilities	1,000	1,000	916	(84)
Professional services	20,000	20,000	8,024	(11,976)
Contracted waste disposal	1,445,850	1,445,850	1,459,208	13,358
Office supplies	600	2,700	2,673	(27)
Gas and oil	9,000	9,000	8,626	(374)
Insurance	7,785	7,785	7,038	(747)
Miscellaneous	500	500	200	(300)
Parts	800	800	267	(533)
Capital outlay	-	41,420	41,420	-
Total expenditures	1,761,994	1,844,678	1,836,708	(7,970)
Net change in fund balance	**$ 207,506**	**$ 124,822**	**351,760**	**$ 226,938**
Fund balance, beginning			390,488	
Fund balance, ending			$ 742,248	

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

CITY OF MARTIN, TENNESSEE
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
June 30, 2022

	Water and Sewer Fund	Natural Gas Fund	Total
ASSETS			
Current assets			
Cash	$ 1,565,874	$ 207,353	$ 1,773,227
Accounts receivable, net	472,524	260,011	732,535
Due from other funds	1,250,000	-	1,250,000
Inventory	240,373	321,722	562,095
Total current assets	3,528,771	789,086	4,317,857
Capital assets			
Land	1,200	-	1,200
Construction in process	545,753	-	545,753
Capital assets being depreciated, net			
Vehicles and equipment	87,944	35,666	123,610
Utility plant	10,363,668	635,114	10,998,782
Net capital assets	10,998,565	670,780	11,669,345
Other assets			
Lease right-of-use assets, net of accumulated amortization	3,196,180	3,196,180	6,392,360
Net pension asset	153,636	76,735	230,371
Total other assets	3,349,816	3,272,915	6,622,731
Total assets	17,877,152	4,732,781	22,609,933
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	204,771	140,904	345,675
LIABILITIES			
Current liabilities			
Accounts payable	267,855	37,150	305,005
Accrued interest payable	5,036	-	5,036
Accrued and withheld payables	43,950	(3,066)	40,884
Compensated absences - current portion	35,951	24,206	60,157
Self-insurance liability	4,983	1,062	6,045
Customer deposits	398,762	245,721	644,483
Current portion of long-term lease liability	11,319	11,319	22,638
Current maturities of long-term debt	264,645	-	264,645
Total current liabilities	1,032,500	316,392	1,348,892
Long-term liabilities			
Compensated absences, net of current portion	35,571	23,951	59,522
Lease liability	3,317,918	3,317,918	6,635,836
Notes and bonds payable	977,597	-	977,597
Less: current maturities of notes and bonds payable	(275,964)	(11,319)	(287,283)
Total long-term liabilities	4,055,122	3,330,550	7,385,672
Total liabilities	5,087,622	3,646,942	8,734,564
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	248,065	155,620	403,685
NET POSITION			
Net investment in capital assets	10,020,968	670,780	10,691,748
Restricted for net pension asset	153,636	76,735	230,371
Unrestricted	2,571,632	323,607	2,895,239
Total net position	**$ 12,746,237**	**$ 1,071,122**	**$ 13,817,359**

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

CITY OF MARTIN, TENNESSEE
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended June 30, 2022

	Water and Sewer Fund	Natural Gas Fund	Total
Operating revenues			
Charges for services, net of bad debts	$ 3,536,412	$ 3,761,243	$ 7,297,655
Interest and penalties	35,456	9,818	45,274
Fees for materials and installations	11,058	-	11,058
Miscellaneous revenue	50,135	12,290	62,425
Total operating revenues	3,633,061	3,783,351	7,416,412
Operating expenses			
Salaries and payroll taxes	$ 675,679	434,980	1,110,659
Employee benefits	68,635	99,670	168,305
Postage and freight	16,071	8,463	24,534
Dues, donations, subscriptions	22,863	5,238	28,101
Advertising	-	15,379	15,379
Utilities	275,160	12,049	287,209
Professional services	112,584	13,493	126,077
Equipment repair and maintenance	21,527	15,702	37,229
Plant maintenance and repair	172,609	13,561	186,170
Office supplies	4,603	3,241	7,844
Chemical, laboratory, medical	59,627	-	59,627
Operating supplies	11,628	7,277	18,905
Purchase of gas	-	2,743,917	2,743,917
Gas and oil	28,220	21,678	49,898
Meters and fire hydrants	487,493	25,515	513,008
Materials and supplies	18,523	13,199	31,722
Depreciation	837,227	101,320	938,547
Amortization	127,847	127,847	255,694
Insurance	148,343	102,058	250,401
Administrative expenses	317,571	325,888	643,459
Equipment services	25,144	15,473	40,617
Miscellaneous	5,337	6,034	11,371
Total operating expenses	3,436,691	4,111,982	7,548,673
Operating income (loss)	**196,370**	**(328,631)**	**(132,261)**
Non-operating revenues (expenses)			
Interest income	14,000	4,260	18,260
Interest expense	(179,200)	(157,891)	(337,091)
Total non-operating revenues (expenses)	(165,200)	(153,631)	(318,831)
Income (loss) before contributions and transfers	31,170	(482,262)	(451,092)
Capital contributions - grant proceeds	106,912	-	106,912
Transfer to General Fund - in lieu of taxes	(84,004)	(50,145)	(134,148)
Change in net position	**54,078**	**(532,407)**	**(478,328)**
Net position, beginning	12,692,159	1,603,529	14,295,688
Net position, ending	$ 12,746,237	$ 1,071,122	$ 13,817,360

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

CITY OF MARTIN, TENNESSEE
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2022

	Water and Sewer Fund	Natural Gas Fund	Totals
Cash flows from operating activities			
Receipts from customers and users	$ 3,406,774	$ 3,549,263	$ 6,956,037
Payments to suppliers	(1,276,672)	(3,435,851)	(4,712,523)
Payments to employees	(812,835)	(567,928)	(1,380,763)
Net cash provided (used) by operating activities	1,317,267	(454,516)	862,751
Cash flows from noncapital financing activities			
Due from General Fund	30,000	-	30,000
Transfers out - in lieu of taxes	(84,004)	(50,145)	(134,149)
Net cash used by noncapital financing activities	(54,004)	(50,145)	(104,149)
Cash flows from capital and related financing activities			
Principal paid on capital debt	(252,519)	-	(252,519)
Interest paid on capital debt	(20,137)	-	(20,137)
Receipts from capital grants	118,673	-	118,673
Lease of right-of-use asset	(164,000)	(164,000)	(328,000)
Additions to capital assets	(585,981)	-	(585,981)
Net cash used by capital and related financing activities	(903,964)	(164,000)	(1,067,964)
Cash flows from investing activities			
Investment redeemed	-	111,460	111,460
Interest on investments	14,000	4,260	18,260
Net cash provided by investing activities	14,000	115,720	129,720
Net increase (decrease) in cash and cash equivalents	**373,299**	**(552,941)**	**(179,642)**
Cash and cash equivalents - July 1, 2021	1,192,575	760,294	1,952,869
Cash and cash equivalents - June 30, 2022	$ 1,565,874	$ 207,353	$ 1,773,227
Reconciliation of operating income to net cash provided by operating activities			
Operating income (loss)	$ 196,370	$ (328,631)	$ (132,261)
Adjustments for non-cash activity:			
Depreciation	837,227	101,320	938,547
Amortization of lease assets	127,847	127,847	255,694
Deferred outflows related to pensions	(85,766)	(56,205)	(141,971)
Deferred inflows related to pensions	248,065	155,620	403,685
(Increase) decrease in accounts receivable	(264,342)	(260,011)	(524,353)
(Increase) decrease in prepaid insurance	-	10,167	10,167
(Increase) decrease in inventory	192,248	(117,839)	74,409
Increase (decrease) in accounts payable	240,674	30,374	271,048
Increase (decrease) in accrued payables	17,709	(10,388)	7,321
Increase (decrease) in self-insurance liability	3,877	1,062	4,939
Increase (decrease) in customer deposits	38,055	25,923	63,978
Increase (decrease) in net pension liability	(225,392)	(138,997)	(364,389)
Increase (decrease) in compensated absences	(9,304)	5,242	(4,062)
Total adjustments	1,120,897	(125,885)	995,012
Net cash provided (used) by operating activities	$ 1,317,267	$ (454,516)	$ 862,751

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Martin, Tennessee, was incorporated under the Private Acts of 1919. The City is governed by an elected Mayor and six-member Board of Aldermen, and provides the following services as authorized by its charter: public safety (police and fire), building inspection, planning and zoning, street maintenance, sanitation, cemetery ownership and maintenance, parks and recreation, general administrative services, water and sewer, and natural gas operations.

The accounting and reporting policies of the City conform to generally accepted accounting principles applicable to governmental entities as prescribed by the Governmental Accounting Standards Board (GASB). The more significant accounting policies of the City are described below.

A. Reporting Entity

In evaluating the City as a reporting entity, management has evaluated all potential component units for inclusion within the City's financial statements. The City (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit or to impose specific financial burden on the City. Additionally, the City is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based on the above criteria, no potential component units were identified.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Program revenues include 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 identifiable activity. Taxes and other items not properly included among program revenues are reported as general revenues.

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within sixty days of the end of the current fiscal 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.

Property taxes, sales taxes, franchise taxes, licenses, state and federal grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

General Fund – accounts for all financial resources applicable to the general operations of the City government that are not properly accounted for in another fund. Revenues are derived primarily from taxes and intergovernmental revenues.

Solid Waste Fund – accounts for the revenues and costs associated with the disposal of solid waste for City residents.

The following funds are reported as major proprietary funds:

Water and Sewer Fund – accounts for the revenues and costs of providing water and sewer services to the general public.

Natural Gas Fund – accounts for the revenues and costs associated with providing natural gas services to the general public.

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues include charges for services. Operating expenses include costs of services provided, as well as materials, contracts, personnel and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

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

Cash and Cash Equivalents

In the statements of cash flows, cash and cash equivalents include cash on hand, amounts due from banks, interest-bearing deposits at various financial institutions, and short-term investments with a remaining maturity of three months or less.

Receivables
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 noncurrent portion of interfund loans).

Accounts receivable in the proprietary funds result from unpaid billings for service to customers and from unpaid billings related to work performed for or materials sold to certain entities. The City reports these receivables net of an allowance for doubtful accounts.

Property Taxes
Property taxes attach as an enforceable lien on property on January 1. Taxes are levied on October 1, at which time tax bills are mailed, and are payable through February 28. Unpaid property taxes become delinquent on March 1. The City collects its own property taxes. Property tax revenues are recognized when levied to the extent that they result in current receivables. The City reports its property tax receivables net of an allowance for doubtful accounts, which estimates uncollectible taxes.

Inventories
Inventories in governmental funds consist of expendable supplies held for consumption. They are recorded as expenditures at the time individual inventory items are purchased. Inventory on hand at June 30 is reported as an asset and as nonspendable fund balance, which indicates that the asset does not constitute "available spendable resources." At the government-wide level, inventory is reported using the consumption method. Proprietary fund inventories are recorded at the lower of cost or market on a first-in, first-out basis.

Capital Assets
Capital assets (including infrastructure) are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Contributed capital assets are recorded at their estimated fair market value on the date contributed. Capital assets include public domain infrastructure assets consisting of roads, bridges, streets and sidewalks, sewers, lighting systems, and drainage systems. The City defines capital assets as assets with an initial, individual cost of more than $5,000 ($500 for electronic equipment) and an estimated useful life of three years or greater.

Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on capital assets is calculated using the straight-line method over these estimated useful lives:

Vehicles and machinery	5-25 years
Buildings and infrastructure	40 years
Sewer System	33 years
Gas System	33 years

Compensated Absences
City employees accrue personal leave, or compensated absences, by prescribed formula based on length of service. The City limits personal leave to three hundred thirty-six (336) hours for employees other than firefighters, and six hundred seventy-two (672) for firefighters. The liability for compensated absences attributable to the City’s governmental funds is recorded in the government-wide financial statements as a long-term liability and is a reconciling item between the fund and government-wide financial statements. Compensated absences related to business-type activities are charged to expense with a corresponding liability established in both the government-wide and fund financial statements.

Leases
Management adopted GASB Statement No. 87, *Leases,* effective July 1, 2021. The objective of this statement is to better meet the information needs of financial statement users by improving accounting

and financial reporting for leases by governments. Statement No. 87 requires a lessee to recognize a lease liability and an intangible right-to-use lease asset, and a lessor to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset and requires recognition of certain lease assets, liabilities, and deferred inflows for leases that previously were classified as operating leases. This Statement also will enhance the decision-usefulness of the information provided to financial statement users by requiring notes to financial statements related to the timing, significance, and purpose of a government's leasing arrangements.

The City has lease obligations as a lessee. A lessee recognizes a lease liability and a lease asset at the commencement of the lease term, unless the lease is a short-term lease or it transfers ownership of the underlying asset. The lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease asset is measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. The lease liability will be reduced as payments are made and interest expense recognized on the liability. The lessee should amortize the lease asset in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. The adoption of the new standard resulted in the City recording a right-of-use asset in the government-wide statements of $6,648,054 and a lease liability for the same amount.

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. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

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

Deferred Inflows and Outflows of Resources

In addition to assets, the statements of financial position report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources, which represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has various items that qualifies for reporting in these categories. Property taxes reported as receivables in the statements of financial position before the period for which they were levied are deferred and recognized as an inflow of resources in the period that the amounts become available. Drug-related cash seized that is required to be held for a statutory period of time before being used by the City is also reported as a deferred inflow. The City also has items related to pensions that are reported as deferred outflows and inflows. See Note 4A for details concerning the pension amounts.

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

Fund Balance/Net position
In the governmental fund financial statements, fund balances may be classified as follows:

- Nonspendable – amounts that are not in spendable form (such as inventory) or are required to be maintained intact.
- Restricted – amounts that can be spent only for specific purposes because of limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions.
- Committed – amounts constrained to specific purposes by the City through ordinances or resolutions approved by the Board of Aldermen, which is the highest level of decision-making authority. Once adopted, the limitation imposed by the commitment remains in place until a similar action is taken to remove or revise the limitation.
- Assigned – amounts intended for a specific purpose as expressed by the Board or by an official or body to which the Board delegates the authority but which do not meet the criteria to be classified as committed. Unlike commitments, assignments generally only exist temporarily, and no additional action is required to remove an assignment.
- Unassigned – all amounts in the general fund not included in other spendable classifications.

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the City's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the City's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications – committed and then assigned fund balances, before using unassigned fund balances.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

- Prior to July 1, the City Recorder submits to the Mayor and Board of Aldermen a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to July 1, the budget is legally enacted through passage of a resolution.
- Once approved, the Board may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations.

Formal budgetary integration is employed as a management control device during the year for the General Fund and special revenue funds. Expenditures may not legally exceed appropriations at the fund level. Each budgetary comparison statement or supplementary schedule reports the original budget and the final amended budget.

Budgets for the General Fund and Special Revenue Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP), with the exception of administrative cost reimbursements and equipment services paid by the utility funds to the General Fund and self-insurance costs. Administrative and equipment costs are reported at gross amounts in the General Fund and reimbursements received are reported as operating transfers. In the GAAP–basis financial statements, these reimbursements are required to be reported as reductions in expenditures. Self-insurance "premiums" paid are budgeted, which differs from GAAP-basis insurance expense. A reconciliation has been provided in the General Fund budgetary comparison statement for these items.

NOTE 3 – DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. DEPOSITS AND INVESTMENTS

The City's policies limit deposits and investments to those instruments allowed by applicable state laws. State statutes authorize the City to invest in bonds, notes or treasury bills of the United States or any of its agencies, certificates of deposit at Tennessee state chartered banks and savings and loan associations and federally chartered banks and savings and loan associations, repurchase agreements utilizing obligations of the United States or its agencies as the underlying securities, and the State pooled investment fund. At June 30, 2022, the City's investments consisted of $1,078 held in the State of Tennessee Local Government Investment Pool.

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. State statutes require that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105% of the value of the uninsured deposits. The deposits must be covered by federal depository insurance or the Tennessee Bank Collateral Pool, by collateral held by the City's agent in the City's name, or by the Federal Reserve Banks acting as third party agents. As of June 30, 2022, all deposits were insured or collateralized.

B. RECEIVABLES

Taxes receivable are reported net of an allowance for uncollectible taxes, calculated by using the weighted average percentage of prior year collections on delinquent taxes to total delinquent taxes receivable at June 30. Accounts receivable are also reported net of allowances for uncollectible accounts. These receivables as of June 30, 2022, for each major fund and for nonmajor funds in the aggregate, are as follows:

	Governmental Funds		Proprietary Funds			
	General	Solid Waste	Water and Sewer	Natural Gas	Nonmajor Funds	Total
Accounts receivable	$ 1,095,501	$ 571,865	$ 596,165	$ 331,877	$ 3,779	$ 2,599,187
Less allowance	(398,505)	(204,352)	(123,641)	(71,866)	-	(798,364)
Net accounts receivable	696,996	367,513	472,524	260,011	3,779	1,800,823
Property taxes	3,637,027					3,637,027
Less allowance	(5,460)					(5,460)
Net property taxes	3,631,567					3,631,567
Sales tax	583,192					583,192
Other taxes	68,855					68,855
Total taxes receivable	4,283,614					4,283,614
Total receivables	$ 4,980,610	$ 367,513	$ 472,524	$ 260,011	$ 3,779	$ 6,084,437

Notes receivable of $17,660 are due from individuals to the Housing Rehab Fund from loans made in prior years. Individual balances range from $111 to $4,472 and are secured by liens on the properties.

C. PROPERTY TAX ABATEMENTS

The City of Martin has an agreement with the Weakley County Economic Development Board and Weakley County Industrial Development Board in conjunction with Dong-A USA, whereby the City will pay the amount of property taxes received from Dong-A USA each year to the Industrial Development Board, who will then remit 50% of the amount received back to Dong-A USA and apply the other 50% against the outstanding loan on the building occupied by Dong-A USA. This will continue until Dong-A USA has been paid $800,000 or until the year 2035. The amount of property taxes collected and then remitted for 2022 was $81,163.

D. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

As of June 30, 2022, there was $1,250,000 loaned by the Water and Sewer Fund to the General Fund for cash advances. The balance is being repaid over five years at 3.15%. Interfund transfers for the year consisted of in-lieu-of-tax transfers of $134,148 from the proprietary funds to the General Fund.

E. PRIOR PERIOD ADJUSTMENT

A prior period adjustment was made in the General Fund to void old outstanding checks. Cash and beginning fund balance were increased by $2,818.

F. CAPITAL ASSETS

Activity related to capital assets for the year ended June 30, 2022, is summarized below:

Governmental activities:	Beginning Balance	Additions	Disposals	Ending Balance
Capital assets, not being depreciated				
Land	$ 1,721,228	$ -	$ -	$ 1,721,228
Construction in progress	14,790,831	132,613	14,657,063	266,381
Total	16,512,059	132,613	14,657,063	1,987,609
Capital assets, being depreciated				
Infrastructure	32,029,679	2,224,434	-	34,254,113
Buildings	16,783,272	14,119,433	-	30,902,705
Equipment	3,002,644	20,500	-	3,023,144
Vehicles	5,593,916	177,183	26,800	5,744,299
Total capital assets	57,409,511	16,541,550	26,800	73,924,261
Less accumulated depreciation for:				
Infrastructure	21,495,920	737,066	-	22,232,986
Buildings	6,856,066	574,207	-	7,430,273
Equipment	2,576,335	101,640	-	2,677,975
Vehicles	3,668,707	444,200	21,887	4,091,020
Total accumulated depreciation	34,597,028	1,857,113	21,887	36,432,254
Total being depreciated, net	22,812,483	14,684,437	4,913	37,492,007
Net governmental capital assets	$ 39,324,542	$ 14,817,050	$ 14,661,976	$ 39,479,616

Business-type Activities:				
Capital assets, not being depreciated				
Land	$ 1,200	$ -	$ -	$ 1,200
Construction in progress	112,367	433,386	-	545,753
Total	113,567	433,386	-	546,953
Capital assets, being depreciated				
Water plant	8,673,912	-	-	8,673,912
Sewer plant	22,501,620	132,095	-	22,633,715
Gas plant	2,999,421	-	-	2,999,421
Vehicles and equipment	2,669,397	20,500	-	2,689,897
Total being depreciated	36,844,350	152,595	-	36,996,945
Less accumulated depreciation for:				
Water plant	6,062,682	190,501	-	6,253,183
Sewer plant	14,086,192	604,584	-	14,690,776
Gas plant	2,279,418	84,889	-	2,364,307
Vehicles and equipment	2,507,714	58,573	-	2,566,287
Total accumulated depreciation	24,936,006	938,547	-	25,874,553
Total being depreciated, net	11,908,344	(785,952)	-	11,122,392
Net business-type capital assets	$ 12,021,911	$ (352,566)	$ -	$ 11,669,345

Depreciation expense is charged to governmental functions as follows:

General government	$ 859,438
Community development	954
Public safety	564,032
Public works	66,305
Parks and recreation	205,225
Library	161,159
Total depreciation expense - governmental activities	$ 1,857,113

G. LEASES

The City leases broadband network access and transport from a private company under a long-term lease agreement for 30 years beginning in 2018. Lease right-of-use assets as of June 30, 2022, were $6,648,054 less accumulated amortization of $255,694. Principal and interest requirements to maturity for the lease liabilities as of June 30, 2022, were as follows:

	Principal	Interest	Total
Year ending June 30, 2023	$ 22,638	$ 315,202	$ 337,840
Year ending June 30, 2024	33,848	314,127	347,975
Year ending June 30, 2025	45,895	312,519	358,414
Year ending June 30, 2026	58,828	310,339	369,167
Year ending June 30, 2027	72,697	307,545	380,242
Thereafter	6,401,931	4,121,829	10,523,760
Total	$6,635,837	$5,681,561	$12,317,398

H. LONG-TERM DEBT

On June 22, 2000, the City borrowed $5,400,000 from the Tennessee Municipal Bond Fund, which was used to fund several projects. The interest rate is variable and is currently .85%. The loan is scheduled to mature May 25, 2025. Interest is paid monthly, and principal is paid annually on May 25. The balance of this loan at June 30, 2022, was $1,038,460. Payments are split between the General Fund and Water and Sewer Fund, with outstanding balances of $309,863 recorded for the general government and $728,597 for the Water and Sewer Fund.

Additional Governmental Activities Debt

On December 15, 2010, the City issued a $1,500,000 General Obligation Refunding Bond, Series 2010, through the Tennessee Municipal Bond Fund, purchased by First Tennessee Bank National Association, to repay and refund the outstanding principal of the General Obligation Note, Series 2008. The bond is payable over twenty-five years with semi-annual interest payments due on June 1st and December 1st of each year and annual principal payments due on December 1st. The bond has an interest rate of 2.90%. The balance outstanding at June 30, 2022, was $979,000.

On April 13, 2011, the City executed two notes with First Tennessee Bank to finance capital outlay expenditures for the police department. The notes are payable over twelve years with annual payments due on July 1st. Both notes have a fixed interest rate of 3.79%. The balances outstanding at June 30, 2022, were $36,000 and $21,000.

On November 25, 2011, the City borrowed $235,000 from First Tennessee Bank through the Tennessee Municipal Bond Fund to finance part of the acquisition of a new fire truck. The note is payable over twelve years with semi-annual interest payments due May 1st and November 1st of each year and annual principal payments due on November 1st. The bond has a fixed interest rate of 2.71%. The balance outstanding at June 30, 2022, was $45,000.

On December 28, 2011, the City borrowed $231,500 over twelve years from First Tennessee Bank through the Tennessee Municipal Bond Fund for general public works capital outlay. The note requires semi-annual interest payments on January 1st and July 1st of each year and annual principal payments due January 1st. The note has an interest rate of 2.65%. The balance outstanding at June 30, 2022, was $39,000.

On June 10, 2014, the City borrowed $1,500,000 from First Tennessee Bank to finance capital outlay. The note has an interest rate of 3.22% and matures May 1, 2026. The note requires semi-annual interest payments due June 1st and December 1st of each year and annual principal payments due on June 1st. The balance outstanding as of June 30, 2022, was $566,000.

On February 10, 2015, the City borrowed $650,000 from First Tennessee Bank to finance 2015 capital outlay projects. The note has an interest rate of 3.12% and matures February 1, 2027. The note requires semi-annual interest payments due February 1st and August 1st of each year and annual principal payments due on February 1st. The balance outstanding at June 30, 2022, was $300,000.

On February 5, 2016, the City borrowed $1,550,000 from First Tennessee Bank to finance capital outlay. The note has an interest rate of 2.70% and matures February 1, 2028. The note requires semi-annual interest payments due February 1st and August 1st of each year and annual principal payments due on February 1st. The balance outstanding at June 30, 2022, was $838,000.

On July 6, 2016, the City borrowed $511,000 from First Horizon Bank (formerly First Tennessee Bank) to finance a fire truck purchase. The note has an interest rate of 2.93% and matures August 1, 2028. The note requires semiannual interest payments due February 1st and August 1st of each year and annual principal payments due on August 1st. The balance of this loan at June 30, 2022, was $319,900.

On February 8, 2017, the City borrowed $800,000 from First Horizon Bank to finance capital outlay projects. The note has an interest rate of 3.20% and matures February 1, 2029. The note requires semiannual interest payments due February 1st and August 1st of each year and annual principal payments due on February 1st. The balance of this loan at June 30, 2022, was $503,000.

On February 8, 2018, the City borrowed $845,000 from First Horizon Bank to finance 2018 capital outlay projects. The note has an interest rate of 3.51% and matures February 1, 2030. The note requires semiannual interest payments due February 1st and August 1st of each year and annual principal payments due on February 1st. The balance outstanding at June 30, 2022, was $601,000.

In 2018, the City financed fire station renovations through USDA. These multiple advances were closed into an installment loan dated March 15, 2019, for $1,348,000. The loan has an interest rate of 2.375% with annual payments due March 15th through March 15, 2056. The balance outstanding at June 30, 2022, was $1,279,579.

In 2018, the City also financed a new police station with borrowings from USDA. The final loan was dated December 18, 2018, in the amount of $4,500,000. The interest rate is 2.75% with annual payments due December 18th through December 18, 2055. The balance outstanding at June 30, 2022, was $4,287,645.

On March 15, 2019, the City borrowed $200,000 from USDA to finance the fire station cost overrun. The loan has an interest rate of 3.5% with annual payments due March 15th through March 15, 2058. The balance outstanding at June 30, 2022, was $192,626.

On February 6, 2019, the City borrowed $2,000,000 from First Horizon Bank to finance 2019 capital outlay projects. The note has an interest rate of 3.75% and matures February 1, 2031. The note requires semiannual interest payments due February 1st and August 1st of each year and annual principal payments due on February 1st. The balance outstanding at June 30, 2022, was $1,580,000.

On March 29, 2019, the City borrowed $810,000 from First Horizon Bank to finance 2019 capital outlay projects. The note has an interest rate of 3.75% and matures February 1, 2031. The note requires semiannual interest payments due February 1st and August 1st of each year and annual principal payments due on February 1st. The balance outstanding at June 30, 2022, was $639,000.

On June 6, 2019, the City borrowed $1,350,000 from Trustmark National Bank to finance 2019 capital outlay projects. The note has an interest rate of 3.71% and matures June 1, 2031. Interest payments are due semi-annually on June 1st and December 1st, with principal due annually on June 1st. The balance outstanding at June 30, 2022, was $1,066,000.

On March 5, 2020, the City borrowed $925,000 from Trustmark National Bank to finance 2020 capital outlay projects. The note has an interest rate of 3.22% and matures March 1, 2032. Interest payments are due semi-annually on March 1st and September 1st, with annual principal payments due March 1st. The balance outstanding at June 30, 2022, was $794,000.

In 2020, the City began construction of a new library. The City secured a loan from USDA in the amount of $5,500,000 to assist in the project. This loan was finalized on November 24, 2020, and has an interest rate of 2.75% with a maturity date of November 24, 2059. Interest and principal payments are due annually on November 24th. The balance outstanding at June 30, 2022, was $5,416,125.

USDA also obligated an additional $6,451,000 on January 16, 2020, for cost overrun on the new library. The loan was finalized on March 16, 2022, and has an interest rate of $2.125% and matures March 16, 2060. Interest and principal payments are due annually on March 16th beginning in 2023.

On November 16, 2021, the City borrowed $850,000 through the Tennessee Municipal Bond Fund Alternative Loan Program to finance 2021 capital outlay projects. The note has an interest rate of 1.99%

and matures November 1, 2033, and was purchased by Security Bank and Trust Company. Interest payments are due semi-annually on May 1st and November 1st, with annual principal payments due November 1st.

Additional Business-type Activities Debt

On February 8, 2018, the City borrowed $350,000 from First Horizon Bank to finance water meter purchases. The note has an interest rate of 3.51% and matures February 1, 2030. The note requires semiannual interest payments due February 1st and August 1st of each year and annual principal payments due on February 1st. The balance outstanding at June 30, 2022, was $249,000.

Principal and interest requirements to maturity on long-term debt are as follows:

Fiscal Year	Governmental Activities				Business-type Activities	
Ending	Bonds		Notes		Notes	
June 30,	Principal	Interest	Principal	Interest	Principal	Interest
2023	$ 57,000	$ 29,371	$ 1,438,824	$ 422,611	$ 264,645	$ 14,919
2024	59,000	27,578	1,427,651	519,969	277,472	11,942
2025	61,000	25,724	1,421,651	480,489	271,880	8,833
2026	62,000	23,824	1,356,710	442,683	30,500	5,742
2027	64,000	21,877	1,247,148	403,605	31,600	4,672
2028-2032	352,000	77,962	4,810,717	1,528,013	101,500	7,204
2033-2037	324,000	20,424	2,168,447	1,113,512	-	-
2038-2042	-	-	2,277,535	932,049	-	-
2043-2047	-	-	2,578,135	730,803	-	-
2048-2052	-	-	2,919,072	503,652	-	-
2053-2057	-	-	3,303,835	247,194	-	-
2058-2060	-	-	1,185,013	31,599	-	-
Total	$ 979,000	$ 226,760	$ 26,134,738	$ 7,356,179	$ 977,597	$ 53,312

The Solid Waste Fund provides for costs related to one open landfill, as well as postclosure care costs on a closed landfill. State and federal regulations require the City to place a final cover on all landfills after closure, and the City must perform certain maintenance and monitoring functions for 30 years thereafter. The estimated total current costs for closure of the current landfill and postclosure care for both landfills are based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfills were acquired at June 30, 2022. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. It is anticipated that future inflation costs and additional costs that might arise from changes in postclosure requirements may need to be covered by charges to future landfill users, taxpayers, or both. During the current year, Tennessee Department of Environment and Conservation, Division of Solid Waste Management, adjusted the amounts of financial assurance due for the two landfills by increasing the current landfill amount by $425,836 and reducing the amount for the closed landfill by $20,816. The balance of the liability at June 30, 2022, was $600,173.

I. CHANGES IN LONG-TERM LIABILITIES

Changes in long-term liabilities for the fiscal year ended June 30, 2022, were as follows:

	Balance 7/1/21	Additions	Retirements	Balance 6/30/22	Due within one year
Governmental Activities					
General obligation refunding bonds	$ 1,034,000	$ -	$ 55,000	$ 979,000	$ 57,000
Notes payable	25,202,478	2,144,577	1,212,317	26,134,738	1,438,824
Compensated absences	549,233	14,407	-	563,640	283,314
Landfill closure/postclosure costs	195,154	405,020	-	600,174	n/a
Total governmental activities	$ 26,980,865	$ 2,564,004	$ 1,267,317	$ 28,277,552	$ 1,779,138
Business-type Activities					
Water and Sewer:					
Notes payable	$ 1,230,116	$ -	$ 252,519	$ 977,597	$ 264,645
Lease liability	-	6,648,054	12,217	6,635,837	22,638
Compensated absences	123,740	-	4,061	119,679	60,157
Total business-type activities	$ 1,353,856	$ 6,648,054	$ 268,797	$ 7,733,113	$ 347,440

Approximately 98% of the liability for compensated absences in governmental activities is liquidated by the General Fund. Lease liability addition is due to restatement for new lease standard.

NOTE 4 – OTHER INFORMATION

A. PENSION PLAN

Plan description. Employees of City of Martin are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

Benefits provided. Tennessee Code Annotated Title 8, Chapters 34-37, establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's service credit. Reduced benefits for early retirement are available at age 55 and vested. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

Employees covered by benefit terms. At the measurement date of June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	69
Inactive employees entitled to but not yet receiving benefits	107
Active employees	151
	327

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute 5 percent of salary. City of Martin makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2022, the employer contributions for City of Martin were $762,614 based on a rate of 9.85 percent of covered payroll for nonhazardous workers and 13.35 percent of covered payroll for hazardous employees. By law, employer contributions are required to be paid. The TCRS may intercept City of Martin's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability

City of Martin's net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions. The total pension liability as of the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

The actuarial assumptions used in the June 30, 2021, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016, through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The mortality assumptions were updated from the rates developed in the 2016 experience study to the rates developed in the 2020 experience study, including generational projection of mortality improvements using Scale MP-2020. This change was included with other experience gains or losses.

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; and modified mortality assumptions.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016, actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method, in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	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 percent based on a blending of the factors described above.

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

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balance at 6/30/20	$ 19,816,667	$ 18,828,818	$ 987,849
Changes for the year:			
Service cost	557,633	-	557,633
Interest	1,450,448	-	1,450,448
Differences between expected and actual experience	(935,940)	-	(935,940)
Change in assumptions	1,856,354	-	1,856,354
Contributions-employer	-	757,300	(757,300)
Contributions-employees	-	321,583	(321,583)
Net investment income	-	4,899,725	(4,899,725)
Benefit payments, including refunds of employee contributions	(736,236)	(736,236)	-
Administrative expense	-	(13,344)	13,344
Net changes	2,192,259	5,229,028	(3,036,769)
Balance at 6/30/21	$ 22,008,926	$ 24,057,846	$ (2,048,920)

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of City of Martin calculated using the discount rate of 6.75 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1% Decrease	Current Rate	1% Increase
City of Martin's net pension liability	$ 958,464	$ (2,048,920)	$ (4,551,305)

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

Pension expense. For the year ended June 30, 2022, City of Martin recognized negative pension expense of $101,153.

Deferred outflows of resources and deferred inflows of resources. As of June 30, 2022, City of Martin reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	$ 210,057	$ 779,950
Net difference between projected and actual earnings on pension plan investments	-	2,618,243
Changes in assumptions	1,647,059	-
Contributions subsequent to the measurement date of June 30, 2021	762,614	*(not applicable)*
Total	$ 2,619,730	$ 3,398,193

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2021," will be recognized as a reduction to net pension liability in the following measurement period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in the following measurement periods:

Year Ending June 30:	
2022	$ (321,914)
2023	(426,330)
2024	(431,609)
2025	(514,625)
2026	153,401

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

B. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The City is covered as a member of Public Entity Partners for property damage and crime, general liability, law enforcement liability, errors and omissions liability, automobile liability and workers' compensation. Settled claims from these losses have not exceeded commercial insurance coverage in any of the past three fiscal years.

The City has established a limited risk management program for employee health benefits. Effective July 1, 2017, the City joined TN HealthWorks, a consortium of Tennessee municipalities formed as part of a new health insurance program. Premiums to pay claims, claim reserves, and administrative costs are paid to a third party administrator, Jefferson Health Plan, which processes and monitors all claims. The City allocates the cost of providing claims servicing and claim payments by charging a "premium" to each fund based on its covered employees. An excess coverage insurance policy covers an individual's claims in excess of $50,000 and the City's maximum annual cost was $1,789,641 for the year ended June 30, 2022. The liability for unpaid claims of $27,212 reported at year end is based on the requirements of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, as amended by GASB Statement No. 30, *Risk Financing Omnibus*, which requires that a liability for unpaid claims costs, including estimates of costs for claims incurred but not reported, be accrued at the estimated ultimate cost of settling the claims. The District anticipates that these claims will be paid in the next fiscal year and has reported the entire liability as due within one year in the Statement of Net Position. Changes in the City's claims liability for the current year were:

	Beginning Balance	Claims Incurred	Claim Payments	Ending Balance
Claims liability	$ 169,818	$ 1,138,901	$ (1,119,448)	$ 189,271
Less prepaid insurance	(152,967)			(162,059)
Net liability (prepaid)	$ 16,851			$ 27,212

The City also retains the risk of loss related to unemployment compensation. There were no material claims, including claims incurred but not reported, as of June 30, 2022, related to unemployment.

C. COMMITMENTS AND CONTINGENCIES

The City is party to various lawsuits and claims in the ordinary course of their operations. Management believes that the potential adverse impact of these proceedings would not be material to the basic financial statements of the City.

The City receives federal and state grants for specific purposes that are subject to review and audit by grantor agencies. Such audits could result in reimbursements to the grantor agencies for expenditures disallowed under the terms of the grants. City management is not aware of any potential losses from such disallowances and believes that reimbursements, if any, would not be material.

CITY OF MARTIN, TENNESSEE
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2022

Schedule of Changes in City of Martin's Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS
Fiscal Year Ending June 30,

	2014	2015	2016	2017	2018
Total pension liability					
Service cost	$ 357,581	$ 372,995	$ 387,800	$ 401,850	$ 428,268
Interest	973,893	1,020,422	1,061,060	1,121,266	1,200,858
Changes in benefit terms	-	-	-	-	-
Differences between actual and expected experience	(216,808)	(314,351)	2,536	213,688	69,871
Change of assumptions	-	-	-	600,572	-
Benefit payments, including refunds of employee contributions	(503,389)	(515,988)	(588,092)	(737,308)	(763,584)
Net change in total pension liability	611,277	563,078	863,304	1,600,068	935,413
Total pension liability - beginning	12,879,352	13,490,629	14,053,707	14,917,011	16,517,079
Total pension liability - ending (a)	13,490,629	14,053,707	14,917,011	16,517,079	17,452,492
Plan fiduciary net position					
Contributions - employer	452,381	466,570	475,448	503,456	516,006
Contributions - employee	235,170	240,992	245,187	258,266	264,591
Net investment income	1,744,609	381,825	343,048	1,515,105	1,236,268
Benefit payments, including refunds of employee contributions	(503,389)	(515,988)	(588,092)	(737,308)	(763,584)
Administrative expense	(5,203)	(6,771)	(10,180)	(11,287)	(12,523)
Net change in plan fiduciary net position	1,923,568	566,628	465,411	1,528,232	1,240,758
Plan fiduciary net position - beginning	10,407,665	12,331,233	12,897,861	13,363,272	14,891,504
Plan fiduciary net position - ending (b)	12,331,233	12,897,861	13,363,272	14,891,504	16,132,262
Net pension liability - ending (a - b)	$ 1,159,396	$ 1,155,846	$ 1,553,739	$ 1,625,575	$ 1,320,230
Plan fiduciary net position as a percentage of total pension liability	91.41%	91.78%	89.58%	90.16%	92.44%
Covered payroll	$ 4,703,373	$ 4,893,517	$ 4,903,730	$ 5,165,318	$ 5,291,816
Net pension liability (asset) as a percentage of covered payroll	24.65%	23.62%	31.68%	31.47%	24.95%

Notes to Schedule:
Changes in assumptions. In 2017, amounts reported as changes of assumptions resulted from adjustments to the inflation rate, investment rate of return, salary growth, and mortality rates.

CITY OF MARTIN, TENNESSEE
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2022

Schedule of Changes in City of Martin's
Net Pension Liability (Asset) and Related Ratios Based on
Participation in the Public Employee Pension Plan of TCRS
Fiscal Year Ending June 30,

–continued from previous page

	2019	2020	2021
Total pension liability			
Service cost	$ 439,963	$ 463,292	$ 557,633
Interest	1,272,776	1,348,989	1,450,448
Changes in benefit terms	-	-	-
Differences between actual and expected experience	10,203	219,079	(935,940)
Change of assumptions	-	-	1,856,354
Benefit payments, including refunds of employee contributions	(673,846)	(716,281)	(736,236)
Net change in total pension liability	1,049,096	1,315,079	2,192,259
Total pension liability - beginning	17,452,492	18,501,588	19,816,667
Total pension liability - ending (a)	18,501,588	19,816,667	22,008,926
Plan fiduciary net position			
Contributions - employer	630,443	774,754	757,300
Contributions - employee	275,684	341,162	321,583
Net investment income	1,209,402	880,665	4,899,725
Benefit payments, including refunds of employee contributions	(673,846)	(716,281)	(736,236)
Administrative expense	(12,086)	(13,341)	(13,344)
Net change in plan fiduciary net position	1,429,597	1,266,959	5,229,028
Plan fiduciary net position - beginning	16,132,262	17,561,859	18,828,818
Plan fiduciary net position - ending (b)	17,561,859	18,828,818	24,057,846
Net pension liability - ending (a - b)	$ 939,729	$ 987,849	$ (2,048,920)
Plan fiduciary net position as a percentage of total pension liability	94.92%	95.02%	109.31%
Covered payroll	$ 5,513,695	$ 6,601,545	$ 6,442,195
Net pension liability (asset) as a percentage of covered payroll	17.04%	14.96%	-31.80%

Notes to Schedule:

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; and modified mortality assumptions.

This schedule is required to present ten years of data. However, information measured in accordance with the requirements of GASB Statement No. 68 is not available for years prior to those presented above. During the transition period, this information will be presented for as many years as are available.

CITY OF MARTIN, TENNESSEE
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2022

Schedule of City of Martin's
Contributions Based on Participation in the
Public Employee Pension Plan of TCRS
Fiscal Years Ending June 30,

	2014	2015	2016	2017	2018
Actuarially determined contributions	$ 452,381	$ 466,569	$ 475,448	$ 503,456	$ 516,006
Contributions in relation to the actuarially determined contribution	452,381	466,569	475,448	503,456	516,006
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$4,703,373	$4,893,517	$4,903,730	$5,165,318	$5,291,816
Contributions as a percentage of covered payroll	9.62%	9.53%	9.70%	9.75%	9.75%

	2019	2020	2021	2022
Actuarially determined contributions	$ 630,443	$ 774,754	$ 757,300	$ 762,614
Contributions in relation to the actuarially determined contribution	630,443	774,754	757,300	762,614
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$5,513,695	$6,601,545	$6,442,195	$6,489,510
Contributions as a percentage of covered payroll	11.43%	11.74%	11.76%	11.75%

This schedule is required to present ten years of data. However, information measured in accordance with the requirements of GASB Statement No. 68 is not available for years prior to those presented above. During the transition period, this information will be presented for as many years as are available.

Notes to Schedule

Valuation date: Actuarially determined contribution rates for 2022 were calculated based on the June 30, 2020 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period, by tiers	1.43 years for June 30, 2013, valuation 15.00 years for June 30, 2015, valuation 11.21 years for June 30, 2016, valuation 17, 18, 19, and 20 years for June 30, 2017, 2018, 2019, and 2020 valuations, respectively

See independent auditor's report.

Asset valuation	10-year smoothed within a 20 percent corridor to market value
Inflation	2.50 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment Rate of Return	7.25 percent, net of investment expense, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including an adjustment for some anticipated improvement

Changes in 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 salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

SUPPLEMENTARY AND OTHER INFORMATION SECTION

CITY OF MARTIN, TENNESSEE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2022

	Drug Fund	Library Gift Fund	State Street Aid Fund	Housing Rehabilitation Fund	Cemetery Trust Fund	Total
Assets						
Cash	$ 37,473	$ 17,988	$ 101,325	$ 179	$ 80,829	$ 237,794
Accounts receivable, net	-	-	-	-	3,779	3,779
Notes receivable	-	-	-	17,660	-	17,660
Due from grantor	-	5,580	-	-	-	5,580
Due from State	-	-	65,591	-	-	65,591
Total assets	**$ 37,473**	**$ 23,568**	**$ 166,916**	**$ 17,839**	**$ 84,608**	**$ 330,404**
Liabilities, Deferred Inflows and Fund Balances						
Liabilities						
Accounts payable	$ -	$ 3,475	$ 73	$ -	$ -	$ 3,548
Unearned grant revenue	-	2,500	-	-	-	2,500
Total liabilities	-	5,975	73	-	-	6,048
Deferred inflows of resources						
Unavailable revenue - cash seized	529	-	-	-	-	529
Fund balance						
Nonspendable - non-current receivable	-	-	-	17,660	-	17,660
Restricted	36,944	17,592	166,843	180	84,608	306,167
Total fund balance	36,944	17,592	166,843	17,840	84,608	323,827
Total liabilities, deferred inflows of resources, and fund balances	**$ 37,473**	**$ 23,567**	**$ 166,916**	**$ 17,840**	**$ 84,608**	**$ 330,404**

See independent auditor's report.

CITY OF MARTIN, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

	Drug Fund	Library Gift Fund	State Street Aid Fund	Housing Rehabilitation Fund	Cemetery Trust Fund	Total
Revenues						
Charges for services	$ -	$ -	$ -	$ -	$ 5,475	$ 5,475
Fines and forfeitures	18,093	-	-	-	-	18,093
Intergovernmental revenues	-	-	381,358	-	-	381,358
Grants and donations	-	38,649	-	-	-	38,649
Interest	319	146	315	2	691	1,472
Total revenues	18,412	38,795	381,673	2	6,166	445,047
Expenditures						
Public safety	23,769	-	-	-	-	23,769
Community services	-	40,759	-	-	-	40,759
Cemetery	-	-	-	-	2,280	2,280
Streets	-	-	256,679	-	-	256,679
Total expenditures	23,769	40,759	256,679	-	2,280	323,487
Net change in fund balance	**(5,357)**	**(1,964)**	**124,994**	**2**	**3,886**	**121,560**
Fund balance - beginning	42,301	19,556	41,849	17,838	80,722	202,266
Fund balance - ending	$ 36,944	$ 17,592	$ 166,843	$ 17,840	$ 84,608	$ 323,827

See independent auditor's report.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

These are the operating funds which are restricted as to use by the federal or state governments and special purpose funds established by the City Council.

Drug Fund accounts for fines and grants received and usage of those monies to further drug education and investigations.

Library Gift Fund accounts for the contributions by citizens for the City library and the expenditures associated with the contribution campaign.

State Street Aid Fund accounts for revenues and expenditures of the City's share of state gasoline taxes. State law requires that gasoline taxes be used to maintain streets.

Housing Rehabilitation Fund accounts for the revenues and expenditures associated with the grant funds used to rehabilitate housing in the City.

PERMANENT FUND

Cemetery Trust Fund accounts for the perpetual care of the city cemeteries.

CITY OF MARTIN, TENNESSEE
DRUG FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2022

	Budgeted Amounts			Variance Over
	Original	Final	Actual	(Under)
Revenues				
Drug fines	$ 22,000	$ 18,000	$ 18,093	$ 93
Property seizures	1,000	-	-	-
Donations	500	500	-	(500)
Interest	100	100	319	219
Miscellaneous	100	100	-	(100)
Total revenues	23,700	18,700	18,412	(288)
Expenditures				
TACP Leadership endowment	1,000	1,000	1,000	-
Drug education program	5,100	5,100	2,682	(2,418)
K-9 maintenance	2,200	2,200	1,223	(977)
Undercover operations	12,000	12,000	12,000	-
Miscellaneous	2,150	7,000	6,864	(136)
Total expenditures	22,450	27,300	23,769	(3,531)
Net change in fund balance	**$ 1,250**	**$ (8,600)**	**(5,357)**	**$ 3,243**
Fund balance - beginning			42,301	
Fund balance - ending			$ 36,944	

See independent auditor's report.

CITY OF MARTIN, TENNESSEE
LIBRARY GIFT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2022

	Budgeted Amounts			Variance Over
	Original	Final	Actual	(Under)
Revenues				
Donations	$ 23,000	$ 13,500	$ 14,054	$ 554
Local grants	15,000	19,000	24,595	5,595
Interest income	100	100	146	46
Total revenues	38,100	32,600	38,795	6,195
Expenditures				
Dues and books	14,000	14,000	132	(13,868)
Supplies and materials	4,000	4,000	917	(3,083)
Miscellaneous	10,000	13,500	16,634	3,134
Technology expenditures	8,000	25,000	23,075	(1,925)
Total expenditures	36,000	56,500	40,759	(15,741)
Net change in fund balance	**$ 2,100**	**$ (23,900)**	**(1,964)**	**$ 21,936**
Fund balance - beginning			19,556	
Fund balance - ending			$ 17,592	

See independent auditor's report.

CITY OF MARTIN, TENNESSEE
STATE STREET AID FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2022

	Budgeted Amounts			Variance Over
	Original	Final	Actual	(Under)
Revenues				
Gasoline and motor fuel tax	$ 213,589	$ 213,589	$ 195,855	$ (17,734)
Gas 3 cent tax	62,820	62,820	56,466	(6,354)
Gas 2017 tax	104,700	104,700	98,554	(6,146)
1989 gas tax	37,692	37,692	30,483	(7,209)
Miscellaneous revenues	500	500	-	(500)
Interest	1,000	1,000	315	(685)
Total revenues	420,301	420,301	381,673	(38,628)
Expenditures				
Paving	200,000	200,000	119,651	(80,349)
Street lighting	145,000	145,000	109,532	(35,468)
Physical plant repairs	1,200	1,200	1,499	299
Tractor leasing	15,000	15,000	12,600	(2,400)
Infrared operating supplies	30,000	30,000	12,627	(17,373)
Miscellaneous	500	500	770	270
Total expenditures	391,700	391,700	256,679	(135,021)
Net change in fund balance	**$ 28,601**	**$ 28,601**	**124,994**	**$ 96,393**
Fund balance - beginning			41,849	
Fund balance - ending			$ 166,843	

See independent auditor's report.

CITY OF MARTIN, TENNESSEE
HOUSING REHABILITATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2022

	Budgeted Amounts			Variance Over
	Original	Final	Actual	(Under)
Revenues				
Interest Income	$ 3	$ 3	$ 2	$ (1)
Expenditures	-	-	-	-
Net change in fund balance	**$ 3**	**$ 3**	**2**	**$ (1)**
Fund balance - beginning			17,838	
Fund balance - ending			$ 17,840	

See independent auditor's report.

CITY OF MARTIN, TENNESSEE
CEMETERY TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2022

	Budgeted Amounts			Variance Over
	Original	Final	Actual	(Under)
Revenues				
Sale of cemetery lots	$ 7,000	$ 4,225	$ 5,475	$ 1,250
Donations	50	50	-	(50)
Interest income	500	500	691	191
Total revenues	7,550	4,775	6,166	1,391
Expenditures				
Operating supplies	1,000	1,000	-	(1,000)
Landscaping	1,000	2,200	2,200	-
Miscellaneous	500	500	80	(420)
Total expenditures	2,500	3,700	2,280	(1,420)
Net change in fund balance	**$ 5,050**	**$ 1,075**	**3,886**	**$ 2,811**
Fund balance - beginning			80,722	
Fund balance - ending			$ 84,608	

See independent auditor's report.

CITY OF MARTIN, TENNESSEE
SCHEDULE OF CHANGES IN PROPERTY TAXES RECEIVABLE
June 30, 2022

Year	Balance July 1, 2021	Assessments	Adjustments	Payments	Balance June 30, 2022
2022	$ -	$ 3,451,456	$ -	$ -	$ 3,451,456
2021	3,428,069	52,755	-	3,372,915	107,909
2020	85,844	-	-	65,498	20,346
2019	15,207	-	-	6,530	8,677
2018	7,204	-	-	5,980	1,224
2017	1,011	-	-	30	981
2016	896	-	-	-	896
2015	882	-	-	149	733
2014	1,143	-	-		1,143
2013	1,862	-	-		1,862
2012	1,944	-	-	-	1,944
2011	1,828	-	(1,828)	-	-
	$ 3,545,890	$ 3,504,211	$ (1,828)	$ 3,451,102	3,597,171
		Plus estimated ad valorem taxes for 2022			39,856
		Less allowance for uncollectible taxes			(5,460)
		Net property taxes receivable			**$ 3,631,567**

All delinquent taxes for 2020 and prior have been turned over to the City Attorney for collection.

See independent auditor's report.

CITY OF MARTIN, TENNESSEE
SCHEDULE OF PROPERTY TAX RATES AND ASSESSMENTS
UNAUDITED

Year of Levy	Tax Rate Per $100	Assessed Valuation	Assessment
2022	$1.75	$196,730,622	$3,451,456
2021	$1.75	$195,397,365	$3,428,069
2020	$1.75	$189,493,048	$3,324,499
2019	$1.40	$182,287,994	$2,560,086
2018	$1.40	$184,215,247	$2,548,955
2017	$1.50	$168,725,870	$2,533,637
2016	$1.50	$167,782,186	$2,519,462
2015	$1.50	$169,047,961	$2,538,459
2014	$1.50	$157,678,251	$2,367,761
2013	$1.50	$152,867,979	$2,295,536
2012	$1.48	$153,302,476	$2,264,593
2011	$1.48	$154,979,865	$2,293,702
2010	$1.48	$146,693,934	$2,225,746

See independent auditor's report.

CITY OF MARTIN, TENNESSEE
SCHEDULE OF TRANSFERS
For the Year Ended June 30, 2022

Transfer from:	Transfer to:	Amount	Purpose
Water and Sewer Fund	General Fund	$ 84,004	in-lieu-of-tax transfer
Gas Fund	General Fund	50,144	in-lieu-of-tax transfer
Total transfers		**$ 134,148**	

See independent auditor's report

CITY OF MARTIN, TENNESSEE

SCHEDULE OF CHANGES IN LEASE OBLIGATIONS

For the Year Ended June 30, 2022

Description of Lease Obligations		Outstanding 7/1/2021 (Restated)	Executed During Period	Paid and/or Matured During Period	Remeasure-ments	Outstanding 6/30/2022
BUSINESS-TYPE ACTIVITIES						
Lease Payable						
Broadband access lease						
Original lease liability	$9,840,000					
Interest rate	4.75%					
Date of lease	11/16/2018					
Maturity date	11/16/2048					
Payable through Water and Sewer Fund		$ 3,324,027	$ -	$ 6,109	$ -	$ 3,317,918
Payable through Gas Fund		3,324,027	-	6,108	-	3,317,919
Total leases payable		**$ 6,648,054**	**$ -**	**$ 12,217**	**$ -**	**$ 6,635,837**

SCHEDULE OF LEASE OBLIGATIONS
PRINCIPAL AND INTEREST REQUIREMENTS BY YEAR

June 30, 2022

		Broadband Access	
		Principal	Interest
Fiscal year ending June 30,	2023	$ 22,638	$ 315,202
	2024	33,848	314,127
	2025	45,895	312,519
	2026	58,828	310,339
	2027	72,697	307,545
	2028	87,557	304,092
	2029	103,466	299,933
	2030	120,483	295,018
	2031	138,671	289,295
	2032	158,097	282,708
	2033	178,830	275,199
	2034	200,946	266,704
	2035	224,520	257,159
	2036	249,634	246,495
	2037	276,376	234,637
	2038	304,835	221,509
	2039	335,104	207,030
	2040	367,286	191,112
	2041	401,484	173,666
	2042	437,809	154,595
	2043	476,377	133,800
	2044	517,310	111,172
	2045	560,737	86,599
	2046	606,792	59,964
	2047	655,617	31,142
		$ 6,635,837	$ 5,681,561

See independent auditor's report

CITY OF MARTIN, TENNESSEE
SCHEDULE OF LONG-TERM DEBT PRINCIPAL AND INTEREST REQUIREMENTS BY INDIVIDUAL ISSUE
June 30, 2022

	GOVERNMENTAL ACTIVITIES											
Fiscal Year	USDA Loan Fire Department		USDA Loan Fire Dept Overrun		USDA Loan Police Department		USDA Loan Library		USDA Loan Library Overrun		**Sub-total USDA Loans**	
Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
6/30/2023	$ 23,865	$ 30,392	$ 2,623	$ 6,743	$ 74,444	$ 117,931	$ 86,182	$ 148,944	$ 112,055	$ 137,084	$ 299,169	$ 155,066
6/30/2024	24,431	29,826	2,715	6,651	76,491	115,884	88,552	146,574	114,435	134,703	306,624	287,064
6/30/2025	25,012	29,245	2,810	6,556	78,594	113,781	90,987	144,138	116,867	132,271	314,270	281,853
6/30/2026	25,606	28,651	2,908	6,458	80,756	111,619	93,489	141,636	119,351	129,787	322,110	276,515
6/30/2027	26,214	28,043	3,010	6,356	82,977	109,398	96,060	139,065	121,887	127,251	330,148	271,048
6/30/2028	26,836	27,421	3,116	6,250	85,258	107,117	98,701	136,424	124,477	124,661	338,388	265,449
6/30/2029	27,474	26,783	3,225	6,141	87,603	104,772	101,416	133,709	127,122	122,016	346,840	259,712
6/30/2030	28,126	26,131	3,338	6,029	90,012	102,363	104,205	130,920	129,823	119,315	355,504	253,838
6/30/2031	28,794	25,463	3,454	5,912	92,487	99,888	107,070	128,055	132,582	116,556	364,387	247,819
6/30/2032	29,478	24,779	3,575	5,791	95,031	97,344	110,015	125,110	135,399	113,739	373,498	241,653
6/30/2033	30,178	24,079	3,700	5,666	97,644	94,731	113,040	122,085	138,277	110,861	382,839	235,337
6/30/2034	30,895	23,362	3,830	5,536	100,329	92,046	116,149	118,976	141,215	107,923	392,418	228,867
6/30/2035	31,629	22,628	3,964	5,402	103,088	89,287	119,343	115,782	144,216	104,922	402,240	222,239
6/30/2036	32,380	21,877	4,103	5,263	105,923	86,452	122,625	112,500	147,281	101,858	412,312	215,450
6/30/2037	33,149	21,108	4,246	5,120	108,836	83,539	125,997	109,128	150,410	98,728	422,638	208,495
6/30/2038	33,936	20,321	4,395	4,971	111,829	80,546	129,462	105,663	153,606	95,532	433,228	201,370
6/30/2039	34,742	19,515	4,549	4,817	114,904	77,471	133,022	102,103	156,871	92,267	444,088	194,070
6/30/2040	35,567	18,690	4,708	4,658	118,064	74,311	136,680	98,445	160,204	88,934	455,223	186,593
6/30/2041	36,412	17,845	4,873	4,493	121,311	71,064	140,439	94,686	163,608	85,530	466,643	178,932
6/30/2042	37,277	16,980	5,043	4,323	124,647	67,728	144,301	90,824	167,085	82,053	478,353	171,084
6/30/2043	38,162	16,095	5,220	4,146	128,075	64,300	148,269	86,856	170,636	78,502	490,362	163,043
6/30/2044	39,069	15,188	5,402	3,964	131,597	60,778	152,347	82,778	174,262	74,876	502,677	154,806
6/30/2045	39,996	14,261	5,592	3,775	135,216	57,159	156,536	78,589	177,965	71,173	515,305	146,368
6/30/2046	40,946	13,311	5,787	3,579	138,934	53,441	160,841	74,284	181,746	67,392	528,254	137,723
6/30/2047	41,919	12,338	5,990	3,376	142,755	49,620	165,264	69,861	185,609	63,529	541,537	128,863
6/30/2048	42,914	11,343	6,199	3,167	146,681	45,694	169,809	65,316	189,553	59,585	555,156	119,789
6/30/2049	43,934	10,323	6,416	2,950	150,715	41,660	174,479	60,647	193,581	55,557	569,125	110,490
6/30/2050	44,977	9,280	6,641	2,725	154,859	37,516	179,277	55,848	197,694	51,444	583,448	100,965
6/30/2051	46,045	8,212	6,873	2,493	159,118	33,257	184,207	50,918	201,895	47,243	598,138	91,205
6/30/2052	47,139	7,118	7,114	2,252	163,494	28,881	189,272	45,853	206,186	42,952	613,205	81,203
6/30/2053	48,258	5,999	7,363	2,003	167,990	24,385	194,477	40,648	210,567	38,571	628,655	70,958
6/30/2054	49,404	4,853	7,621	1,745	172,609	19,766	199,826	35,299	215,042	34,096	644,502	60,460
6/30/2055	50,578	3,679	7,887	1,479	177,356	15,019	205,321	29,804	219,611	29,527	660,753	49,704
6/30/2056	51,779	2,478	8,163	1,203	182,233	10,142	210,967	24,158	224,278	24,860	677,420	38,683
6/30/2057	52,458	1,248	8,449	917	185,785	5,130	216,769	18,356	229,044	20,094	692,505	27,389
6/30/2058			8,745	621			222,730	12,395	233,911	15,227	465,386	15,848
6/30/2059			8,979	315			227,999	6,270	238,882	10,256	475,860	10,571
6/30/2060									243,767	5,180	243,767	5,180
	$1,279,579	$618,865	$192,626	$153,846	$4,287,645	$2,444,020	$5,416,125	$3,282,647	$6,451,000	$3,016,055	$17,626,975	$6,095,702

See independent auditor's report.

CITY OF MARTIN, TENNESSEE
SCHEDULE OF LONG-TERM DEBT PRINCIPAL AND INTEREST REQUIREMENTS BY INDIVIDUAL ISSUE
June 30, 2022

Fiscal Year Ending	GOVERNMENTAL ACTIVITIES													
	First Horizon Bank 2010 Refunding Bond		First Horizon Bank Capital Outlay Note		First Horizon Bank Capital Outlay Note		First Horizon Bank Fire Truck Loan		First Horizon Bank Commons Dr. Project		First Horizon Bank MMS/Veh/ MPD Ren.		First Horizon Bank Fire Ladder Truck	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
6/30/2023	$ 57,000	$ 29,371	$ 56,000	$ 9,360	$ 131,000	$ 22,626	$ 41,800	$ 8,761	$ 36,000	$ 1,364	$ 21,000	$ 796	$ 22,000	$ 922
6/30/2024	59,000	27,578	58,000	7,613	134,000	19,089	43,100	7,517					23,000	312
6/30/2025	61,000	25,724	60,000	5,803	138,000	15,471	44,300	6,237						
6/30/2026	62,000	23,824	62,000	3,931	141,000	11,745	45,600	4,920						
6/30/2027	64,000	21,877	64,000	1,997	145,000	7,938	47,000	3,563						
6/30/2028	66,000	19,869			149,000	4,023	48,300	2,167						
6/30/2029	68,000	17,799					49,800	730						
6/30/2030	70,000	15,666												
6/30/2031	73,000	13,457												
6/30/2032	75,000	11,171												
6/30/2033	77,000	8,822												
6/30/2034	80,000	6,396												
6/30/2035	82,000	3,893												
6/30/2036	85,000	1,313												
	$ 979,000	$226,760	$300,000	$28,704	$ 838,000	$ 80,892	$319,900	$33,895	$ 36,000	$ 1,364	$ 21,000	$ 796	$ 45,000	$ 1,234

See independent auditor's report.

CITY OF MARTIN, TENNESSEE
SCHEDULE OF LONG-TERM DEBT PRINCIPAL AND INTEREST REQUIREMENTS BY INDIVIDUAL ISSUE
June 30, 2022

Fiscal Year Ending	GOVERNMENTAL ACTIVITIES													
	First Horizon Bank 2017 Capital Outlay		First Horizon Bank Misc. Public Works		First Horizon Bank 2014 Capital Outlay		First Horizon Bank 2018 Capital Outlay		First Horizon Bank 2019A Capital Outlay		First Horizon Bank 2019B Capital Outlay		Trustmark Bank 2019 Capital Outlay	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
6/30/2023	$ 65,000	$ 16,096	$ 19,000	$ 1,034	$135,000	$18,226	$ 66,000	$ 21,096	$ 151,000	$ 59,250	$ 61,000	$ 23,963	$ 102,000	$ 39,549
6/30/2024	67,000	14,016	20,000	530	139,000	13,878	69,000	18,778	157,000	53,588	63,000	21,675	106,000	35,764
6/30/2025	70,000	11,872			144,000	9,402	71,000	16,356	162,000	47,700	66,000	18,313	110,000	31,832
6/30/2026	72,000	9,632			148,000	4,766	74,000	13,864	168,000	41,625	68,000	16,838	114,000	27,751
6/30/2027	74,000	7,328					76,000	11,268	175,000	35,325	71,000	14,288	118,000	23,521
6/30/2028	76,000	4,960					79,000	8,600	181,000	28,763	73,000	11,625	122,000	19,144
6/30/2029	79,000	2,528					82,000	5,826	188,000	21,975	76,000	8,888	127,000	14,617
6/30/2030							84,000	2,948	195,000	14,925	79,000	6,038	131,000	9,906
6/30/2031									203,000	7,613	82,000	3,075	136,000	5,046
6/30/2032														
6/30/2033														
6/30/2034														
6/30/2035														
6/30/2036														
	$503,000	$ 66,432	$ 39,000	$ 1,564	$566,000	$46,272	$601,000	$ 98,736	$1,580,000	$310,764	$639,000	$124,703	$1,066,000	$207,130

See independent auditor's report.

CITY OF MARTIN, TENNESSEE
SCHEDULE OF LONG-TERM DEBT PRINCIPAL AND INTEREST REQUIREMENTS BY INDIVIDUAL ISSUE
June 30, 2022

	GOVERNMENTAL ACTIVITIES								WATER AND SEWER FUND	
Fiscal Year	Trustmark Bank 2020 Capital Outlay		Security Bank & Trust 2021 Capital Outlay		**Sub-total Payable to Banks**		Water and Sewer Fund Interfund Loan		First Horizon Bank Water Meters	
Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
6/30/2023	$ 69,000	$ 25,566	$ 63,000	$ 16,288	$ 1,095,800	$ 294,268	$ 240,005	$ 32,687	$ 27,500	$ 8,740
6/30/2024	71,000	23,344	65,000	15,015	1,074,100	258,697	240,876	31,815	28,400	7,774
6/30/2025	73,000	21,058	66,000	13,711	1,065,300	223,479	248,464	24,227	29,500	6,778
6/30/2026	75,000	18,708	67,000	12,388	1,096,600	189,992	256,291	16,401	30,500	5,742
6/30/2027	78,000	16,294	69,000	11,035	981,000	154,434	264,364	8,327	31,600	4,672
6/30/2028	80,000	13,782	70,000	9,652	944,300	122,585			32,700	3,562
6/30/2029	83,000	11,206	71,000	8,249	823,800	91,818			33,800	2,414
6/30/2030	86,000	8,533	73,000	6,816	718,000	64,832			35,000	1,228
6/30/2031	88,000	5,764	74,000	5,353	656,000	40,308				
6/30/2032	91,000	2,930	76,000	3,860	242,000	17,961				
6/30/2033			77,000	2,338	154,000	11,160				
6/30/2034			79,000	786	159,000	7,182				
6/30/2035					82,000	3,893				
6/30/2036					85,000	1,313				
	$794,000	$147,185	$ 850,000	$ 105,491	$ 9,176,900	$1,481,922	$1,250,000	$113,457	$ 249,000	$ 40,910

See independent auditor's report.

CITY OF MARTIN, TENNESSEE
SCHEDULE OF LONG-TERM DEBT PRINCIPAL AND INTEREST REQUIREMENTS BY INDIVIDUAL ISSUE
June 30, 2022

Tennessee Municipal Bond Fund loan
Payable to Bank of New York
Description: Public Building Authority of the City of Clarksville,
Series 1999, Adjustable Rate Pooled Revenue Bonds

Fiscal Year Ending	General Fund			Water and Sewer Fund		
	Principal	Interest	Total	Principal	Interest	Total
6/30/2023	$ 100,855	$ 2,648	$ 103,503	$ 237,145	$ 6,179	$ 243,324
6/30/2024	105,927	1,786	107,713	249,073	4,168	253,241
6/30/2025	103,081	881	103,962	242,379	2,055	244,434
	$ 309,863	$ 5,315	$ 315,178	$ 728,597	$ 12,402	$ 740,999

See independent auditor's report.

CITY OF MARTIN, TENNESSEE
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
For the Year Ended June 30, 2022

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Final Maturity Date	Outstanding 7/1/2021	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding 6/30/2022
GOVERNMENTAL ACTIVITIES									
Bonds Payable									
Payable through General Fund									
General Obligation Refunding Bond, Series 2010	$1,500,000	2.90%	12/15/2010	12/1/2035	$ 1,034,000	$ -	$ 55,000	$ -	$ 979,000
Notes Payable									
Payable through General Fund									
First Horizon Bank - Fire Truck Loan	$ 511,000	2.93%	7/6/2016	8/1/2028	360,600		40,700		319,900
First Horizon Bank - 2017 Capital Outlay Note	800,000	3.20%	2/8/2017	2/1/2029	566,000		63,000		503,000
First Horizon Bank - 2016 Capital Outlay Note	1,550,000	2.70%	2/5/2016	2/1/2028	965,000		127,000		838,000
Tennessee Municipal Bond Fund - Bank of New York	*5,400,000	Variable	6/22/2000	5/25/2025	405,944		96,081		309,863
Security Bank and Trust Company - Capital Outlay Note	850,000	1.99%	11/1/2021	11/1/2033	-	850,000	-		850,000
First Horizon Bank - Commons Drive Project	350,000	3.79%	4/13/2011	4/1/2023	70,000		34,000		36,000
First Horizon Bank - MMS/Veh/MPD Ren.	208,500	3.79%	4/13/2011	4/1/2023	41,000		20,000		21,000
First Horizon Bank - Fire Ladder Truck	235,000	2.71%	11/25/2011	11/1/2023	66,000		21,000		45,000
First Horizon Bank - Misc. Public Works Projects	231,500	2.65%	12/28/2011	1/1/2024	58,000		19,000		39,000
First Horizon Bank - 2014 Capital Outlay Note (2nd)	1,500,000	3.22%	6/10/2014	6/1/2026	697,000		131,000		566,000
First Horizon Bank - 2015 Capital Outlay Note	650,000	3.12%	2/10/2015	2/1/2027	355,000		55,000		300,000
First Horizon Bank - 2018 Capital Outlay Note	845,000	3.51%	2/8/2018	2/1/2030	665,000		64,000		601,000
USDA - Fire Department Note, Series 2017	1,348,000	2.375%	3/15/2019	3/15/2056	1,301,585		22,006		1,279,579
USDA - Police Department Note	4,500,000	2.75%	12/18/2018	12/18/2055	4,352,048		64,403		4,287,645
USDA - Fire Department Note, Series 2018B	200,000	3.50%	3/15/2019	3/15/2058	194,878		2,252		192,626
First Horizon Bank - 2019A Capital Outlay	2,000,000	3.75%	2/6/2019	2/1/2031	1,725,000		145,000		1,580,000
First Horizon Bank - 2019B Capital Outlay	810,000	3.75%	3/29/2019	3/29/2031	698,000		59,000		639,000
Trustmark Bank - 2019 Capital Outlay	1,350,000	3.71%	6/6/2019	6/1/2031	1,164,000		98,000		1,066,000
Trustmark Bank - 2020 Capital Outlay	925,000	3.22%	3/5/2020	3/1/2032	861,000		67,000		794,000
USDA - Library Note	5,500,000	2.75%	11/24/2020	11/24/2059	5,500,000		83,875		5,416,125
USDA - Library Overrun Note	6,451,000	2.125%	3/16/2022	3/16/2060	5,156,423	1,294,577	-	-	6,451,000
Total notes payable - governmental activities	* *total - payments split with Water and Sewer Fund*				25,202,478	2,144,577	1,212,317	-	26,134,738
Interfund Loan Payable									
Payable through General Fund									
Water and Sewer Fund	$1,250,000	3.15%	8/31/2022	6/30/2027	-	1,250,000	-	-	1,250,000
Total long-term debt - governmental activities					**$ 26,236,478**	**$3,394,577**	**$ 1,267,317**	**$ -**	**$ 28,363,738**
BUSINESS-TYPE ACTIVITIES									
Notes Payable									
Payable through Water and Sewer Fund									
Tennessee Municipal Bond Fund - Bank of New York	$5,400,000	Variable	6/22/2000	5/25/2025	$ 954,516	$ -	$ 225,919	$ -	$ 728,597
First Horizon Bank - System Revenue and Tax Capital Outlay	350,000	3.51%	2/8/2018	2/1/2030	275,600	-	26,600	-	249,000
Total long-term debt - business-type activities					**$ 1,230,116**	**$ -**	**$ 252,519**	**$ -**	**$ 977,597**

See independent auditor's report

CITY OF MARTIN, TENNESSEE
SCHEDULE OF UTILITY RATES AND CUSTOMERS
June 30, 2022

Gas Rates

Number of Customers - 2,320

Residential			
Customer charge	$10.00	per meter	
City rate		0.3600	per cubic foot
Rural rate		0.3600	per cubic foot
Commercial			
Customer charge	$25.00	per meter	
City rate		0.5400	per cubic foot
Rural rate		0.5400	per cubic foot
Industrial			
Customer charge	$100.00	per meter	
City rate		0.4100	per cubic foot
Rural rate		0.4100	per cubic foot
Martin Pipeline		0.1900	per cubic foot

Water Rates

Number of Customers - 5,314

City Water Rates					
First	1,000	Gallons	@	6.68	minimum
Next	1,000	Gallons	@	3.59	
Next	5,000	Gallons	@	2.97	
Next	4,000	Gallons	@	2.65	
Next	19,000	Gallons	@	2.42	
Over	30,000	Gallons	@	2.30	
Rural Water Rates					
First	1,000	Gallons	@	13.37	minimum
Next	1,000	Gallons	@	7.19	
Next	5,000	Gallons	@	5.96	
Next	4,000	Gallons	@	5.30	
Next	19,000	Gallons	@	4.86	
Over	30,000	Gallons	@	4.61	

See independent auditor's report.

CITY OF MARTIN, TENNESSEE
SCHEDULE OF UTILITY RATES AND CUSTOMERS
June 30, 2022

Sewer Rates

Number of Customers - 4,316

City Sewer Rates					
First	1,000	Gallons	@	11.41	minimum
Next	1,000	Gallons	@	6.06	
Next	5,000	Gallons	@	5.04	
Next	4,000	Gallons	@	4.55	
Next	19,000	Gallons	@	4.31	
Over	30,000	Gallons	@	4.05	

Rural Sewer Rates					
First	1,000	Gallons	@	22.83	minimum
Next	1,000	Gallons	@	12.14	
Next	5,000	Gallons	@	10.10	
Next	4,000	Gallons	@	9.12	
Next	19,000	Gallons	@	8.62	
Over	30,000	Gallons	@	8.12	

Garbage Rates

Number of Customers - 3,700

Rates per Month	
Residential	$24.63
95 Gallon Container	$75.65
Duplex	$46.45
Home Business	$61.73
Minimum Commercial Rate	$112.02

Dumpster Charges	
2 Yd Dumpster, 1 per Week	$153.02

Other:

	4 Yd	6 Yd	8 Yd
1 per Week	$214.99	$313.22	$387.42
2 per Week	$265.04	$413.59	$515.15
3 per Week	$397.46	$445.76	$589.99
4 per Week	$611.00	$640.77	$741.50
5 per Week	$615.78	$756.01	$861.83

See independent auditor's report.

CITY OF MARTIN, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2022

Federal Grantor/ Pass-through Grantor	Assistance Listing Number	Pass-thru Agency Identifying Number	Expenditures
U.S. Department of Housing and Urban Development			
Tennessee Department of Economic and Community Development			
Community Development Block Grant	14.228	33004-57717	$ 106,912
U.S. Department of the Interior			
Tennessee Department of Environment and Conservation,			
Tennessee Historical Commission			
Historic Preservation Fund Grants-in-Aid	15.904	14525	13,025
U.S. Department of Agriculture, Rural Development			
Community Facilities Loans and Grant Cluster:			
Community Facilities Loans and Grants - outstanding loan balances	10.766	Loan 97-05	4,287,645
		Loan 97-06	5,416,125
		Loan 97-07	1,279,579
		Loan 97-10	192,626
		Loan 97-12	5,156,423
			16,332,398
Community Facilities Loans and Grants - current year expenditures	10.766	Loan 97-12	1,294,577
			17,626,975
U.S. Department of Transportation			
Federal Highway Administration/			
Tennessee Department of Transportation			
Highway Planning and Construction Cluster:			
Highway Planning and Construction	20.205	180138	3,655
Highway Planning and Construction	20.205	160119	15,995
Highway Planning and Construction	20.205	170082	18,710
			38,360
National Highway Traffic Safety Administration/			
Governor's Highway Safety Office			
Alcohol Open Container Requirements/Enforcement of Driving Under the Influence Laws	20.607	Z22THS177	25,382
U.S. Department of the Treasury			
Coronavirus State and Local Fiscal Recovery Funds	21.027	n/a	3,110,744
Institute of Museum and Library Services/			
Pass-through Tennessee State Library and Archives			
Grants to States	45.310	30501-01722-91D	19,795
U.S. Department of Health and Human Services/			
Northwest Tennessee Development District			
Special Programs for the Aging,			
Title VII, Chapter 3, Prevention of Elder Abuse, Neglect, and Exploitation	93.041	NW11008	150
Title IIID, Disease Prevention and Health Promotion Services	93.043	NW11008	1,100
Aging Cluster:			
Special Programs for the Aging-Title IIIB, Grants for Supportive Services and Senior Centers	93.044	NW11008	200
			1,450
U.S. Department of Homeland Security/			
Tennessee Department of Military/			
Tennessee Emergency Management Agency			
Disaster Grants - Public Assistance (FEMA-4550-DR-TN)	97.036	34101-29421	4,390
Total Federal Awards			**$ 20,947,033**

See independent auditor's report.

CITY OF MARTIN, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2022

Notes to Schedule

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal award activity of City of Martin, Tennessee, under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of U.S. Code of Federal Regulations, Title 2, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City, it is not intended to, and does not, present the financial position or changes in financial position of City of Martin, Tennessee.

Note 2 – Summary of Significant Accounting Policies

Expenditures in the schedule are reported on the modified 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. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3 – Indirect Cost Rate

City of Martin, Tennessee, has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

CITY OF MARTIN, TENNESSEE
SCHEDULE OF STATE FINANCIAL ASSISTANCE
For the Year Ended June 30, 2022

Grantor Agency	Expenditures
Tennessee Department of Agriculture	
2022 Farmers Market	$ 1,500
Tennessee Department of Finance and Administration	
Governor's Local Grant - Direct Appropriation Grant	129,704
Tennessee State Library and Archives	
Library TOP Grant	4,800
Tennessee Department of Tourist Development	
Tourism Cooperative Marketing Grant	19,925
Tennessee Department of Transportation	
Multimodal Access Grant	3,634
Multimodal II Project	6,057
	9,691
Northwest Tennessee Development District	
Special programs for the Aging	8,160
Tennessee Commission on Aging and Disability	
Senior Center Competitive Grant	3,099
Tennessee Department of Economic and Community Development	
Historical Development Grant Program (Rural Development)	4,500
Total State Financial Assistance	**$ 181,379**

This schedule is prepared on the modified accrual basis.

See independent auditor's report.

INTERNAL CONTROL AND COMPLIANCE SECTION

ATA CPAs + Advisors
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Independent Auditor's Report

Mayor and Board of Aldermen
City of Martin, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Martin as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 21, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Martin'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.

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Report on Compliance and Other Matters

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

Purpose of this Report

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

ATA CPAs + Advisors PLLC

Martin, Tennessee
June 21, 2023

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Independent Auditor's Report

Mayor and Board of Aldermen
City of Martin, Tennessee

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Martin'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, 2022. 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, City of Martin, Tennessee, 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, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of City of Martin 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Martin'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 City of Martin's federal programs.

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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 City of Martin'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 one 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 City of Martin'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 City of Martin'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 City of Martin'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 Board'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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2022-001. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on City of Martin's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. City of Martin's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be

prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not 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.

ATA CPAs + Advisors PLLC

Martin, Tennessee
June 21, 2023

CITY OF MARTIN, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements were prepared in accordance with GAAP:	unmodified	
Internal control over financial reporting:		
• material weakness(es) identified?	_____yes	___X__no
• significant deficiency(ies) identified?	_____yes	___X__none reported
Noncompliance material to financial statements noted?	_____yes	___X__no

Federal Awards

Internal control over major federal programs:		
• material weakness(es) identified?	_____yes	___X__no
• significant deficiency(ies) identified?	_____yes	___X__none reported
Type of auditor's report issued on compliance for major federal programs:	unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	___X__yes	_____no

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster
10.766	Community Facilities Loans and Grants
21.027	Coronavirus State and Local Fiscal Recovery Funds

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

Auditee qualified as low-risk auditee? ___X__yes _____no

CITY OF MARTIN, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022

Section II – Findings – Financial Statement Audit

There were no financial statement findings reported for the year ended June 30, 2022.

Section III – Findings and Questioned Costs – Major Federal Award Programs Audit

2022-001 Single Audit Data Collection Form Not Filed by Due Date

Condition: The data collection form for the Single Audit ended June 30, 2022, was not submitted to the Federal Audit Clearinghouse by March 31, 2023.

Criteria: 2 CFR section 200.512(b) provides for a form, referred to as the data collection form, to be prepared at the completion of each audit and submitted by the auditee to the Federal Audit Clearinghouse the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

Cause: The audit report was not issued prior to the March 31, 2023, submission date requirement. Therefore, the data collection form required at audit completion was not filed by this date.

Effect: The City has not met the reporting requirements related to timely submission of the data collection form required for a Single Audit. Therefore, per 2 CFR section 200.520, the City will not meet the low-risk auditee criteria for future Single Audits that requires submission of the data collection form and reporting package by the due date for each of the two preceding audit years.

Recommendation: We recommend that the City develop specific procedures to ensure that the audit report is received prior to the March 31 reporting deadline.

Views of Responsible Officials: The City will work with the audit firm to ensure that the audit and data collection form are filed timely in the future.

CITY OF MARTIN, TENNESSEE
SUMMARY SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022

Financial Statement Findings

Finding No. 2021-001 – Fraud Reported in Comptroller's Investigative Report – Corrected

Federal Award Findings and Questioned Costs

There were no prior year findings or questioned costs reported relative to the requirements of section 2 CFR Section 200.516(a).

CITY OF MARTIN
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MARTIN, TENNESSEE 38237

Martin
TENNESSEE
Building Connections

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MANAGEMENT'S CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2022

The City of Martin, Tennessee, respectfully submits the following corrective action plan. The finding reported by our auditors in their audit report dated June 21, 2023, for the year ended June 30, 2022, is discussed below.

FINDINGS – FINANCIAL STATEMENT AUDIT

2022-001 Single Audit Data Collection Form Not Filed by Due Date

Recommendation: We recommend that the City develop specific procedures to ensure that the audit report is received prior to the March 31 reporting deadline.

Action taken: The City will work with the audit firm to ensure that the audit and data collection form are filed timely in the future.

Name of contact person responsible for corrective action: Kelly Wilson

Anticipated completion date for the corrective action: 6-30-2023

Respectfully submitted,

Kelly Wilson

Kelly Wilson, City Recorder/CMFO

RANDY BRUNDIGE
MAYOR

CITY BOARD
WARD I
DANNY NANNEY • SCOTT ROBBINS
WARD II
MARVIN FLATT • DAVID BELOTE
WARD III
RANDY EDWARDS • TERRY HANKINS