

CITY OF PORTLAND, TENNESSEE

ANNUAL FINANCIAL REPORT

JUNE 30, 2022

CITY OF PORTLAND, TENNESSEE

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CITY OF PORTLAND, TENNESSEE

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CITY OF PORTLAND, TENNESSEE
ROSTER OF PUBLICLY ELECTED AND APPOINTED OFFICIALS
JUNE 30, 2022

PUBLICLY ELECTED OFFICIALS

Mike Callis	Mayor
Andrew Jennings	Vice-Mayor
Penny Barnes	Alderwoman
Thomas Dillard	Alderman
Mike Hall	Alderman
Jody McDowell	Alderman
Megann Thomson	Alderwoman
Brian Woodall	Alderman

APPOINTED OFFICIALS

Rachel Slusser	CMFO/Finance Director
Patricia Keen	City Recorder
John R. Bradley	City Attorney
Joseph B. (Jack) Freedle	City Judge

AUDIT COMMITTEE

Andrew Jennings
Kim Delaney, CPA
Sonja Schuette, CPA



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor
And Board of Aldermen
City of Portland, Tennessee

Report on the Audit of 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 Portland, Tennessee, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Portland, Tennessee'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 Portland, Tennessee, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund and airport fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Portland, 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Portland, Tennessee's basic financial statements. The supplementary information, miscellaneous schedules, and schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, miscellaneous schedules and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements,

or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2023, on our consideration of the City of Portland, Tennessee's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Portland, Tennessee's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Portland, Tennessee's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Wickberg Accounting, LLC". The signature is written in a cursive, flowing style.

Lewisburg, Tennessee
March 30, 2023

CITY OF PORTLAND, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022

As management of the City of Portland, Tennessee (the "City" or the "City of Portland"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Portland for the fiscal year ended June 30, 2022. This analysis focuses on significant financial position, budget changes and variances from the budget, and specific issues related to funds. Please consider the information presented here in conjunction with the City's financial statements.

Financial Highlights

- The assets of the City of Portland exceeded its liabilities at the close of the most recent fiscal year by \$81,659,483 (net position). Of this amount, \$32,198,514 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$5,546,010 inclusive of prior period adjustments. Changes totaling an increase of \$1,555,110 within the business-type activities and an increase of \$3,990,900 within the governmental activities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$11,272,806, an increase of 19% in comparison with the prior year's total of \$9,488,447. Approximately 80% of this total amount is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$9,053,134.

Overview of the Financial Statements

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

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

The government-wide financial statements are:

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Portland include general government, planning, codes, police, fire, highways and streets, recreation, animal control, city engineering, community development, sanitation, storm water, golf course, and the

airport authority. The business-type activities of the City of Portland include the water, sewer and natural gas operations.

The government-wide financial statements can be found on pages 13 and 14 of this report.

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

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

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

The City of Portland maintains eight governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statements of revenues, expenditures, and changes in fund balances for the general fund and airport authority which are considered major funds. Data for the other governmental funds are combined into a single, aggregate presentation, as nonmajor governmental funds. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its general fund, airport authority fund, drug fund, impact fee fund, industrial loan fund, storm water fund, golf course fund and solid waste fund. A budgetary comparison statement has been provided for the major funds to demonstrate compliance with this budget. The other budgetary comparisons are in the combining and individual nonmajor fund statements and schedules of the report.

Proprietary funds – There are two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Portland uses enterprise funds to account for activities in its Water and Sewer Fund and Natural Gas Fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the Water and Sewer Fund and the Natural Gas Fund which are considered to be major funds of the City of Portland.

The basic proprietary fund financial statements can be found on pages 28-30 of this report.

Fiduciary funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Portland's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City of Portland has one fiduciary fund which can be found on page 31.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 32 – 66 of this report.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The City of Portland's progress in funding its obligation to provide pension and OPEB benefits to its employees is presented. Required supplementary information can be found on pages 67 – 71 of this report.

Supplementary Information: In addition to the basic financial statements and accompanying notes, this report also presents supplementary schedules required by the Comptroller of the State of Tennessee on pages 72-85.

Government-wide Financial Analysis (The City as a Whole)

Net Position: Net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Portland, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$81,659,483 as of June 30, 2022, an increase of 7%, from last year.

The largest portion of the City of Portland's net position (54%) reflects its investments in capital assets (e.g., land, infrastructure, buildings, machinery, and equipment) less any related debt used to acquire those assets that are still outstanding. The City of Portland uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Portland's investment in 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.

At the end of the current fiscal year, the City of Portland reports a positive balance in both of the governmental and business-type activity categories of net position.

During the current fiscal year, the government's net position increased by \$5,546,010. This increase is approximately 7% of total net position. Of this \$5,546,010 increase, the governmental activities increased \$3,990,900 and the business-related activities increased \$1,555,110.

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 19,374,698	\$ 16,573,508	\$ 30,349,125	\$ 31,363,955	\$ 49,723,823	\$ 47,937,463
Capital Assets	36,551,654	35,000,899	49,262,826	45,438,459	85,814,480	80,439,358
Total Assets	55,926,352	51,574,407	79,611,951	76,802,414	135,538,303	128,376,821
Deferred Outflows of resources	1,875,821	-	941,831	-		-
Long-term liabilities outstanding	12,563,318	13,101,019	31,420,651	32,661,968	43,983,969	45,762,987
Other liabilities	1,076,475	841,629	2,827,331	755,342	3,903,806	1,596,971
Total Liabilities	13,639,793	13,942,648	34,247,982	33,417,310	47,887,775	47,359,958
Deferred inflows of resources	7,438,186	5,520,182	1,370,511	349,559	8,808,697	5,869,741
Net position:						
Net Investment in Capital Assets	25,439,020	23,423,151	18,525,540	13,522,415	43,964,560	36,945,566
Restricted	4,328,561	5,893,869	1,167,848	653,091	5,496,409	6,546,960
Unrestricted	6,956,613	3,416,274	25,241,901	29,204,673	32,198,514	32,620,947
Total Net position	\$ 36,724,194	\$ 32,733,294	\$ 44,935,289	\$ 43,380,179	\$ 81,659,483	\$ 76,113,473

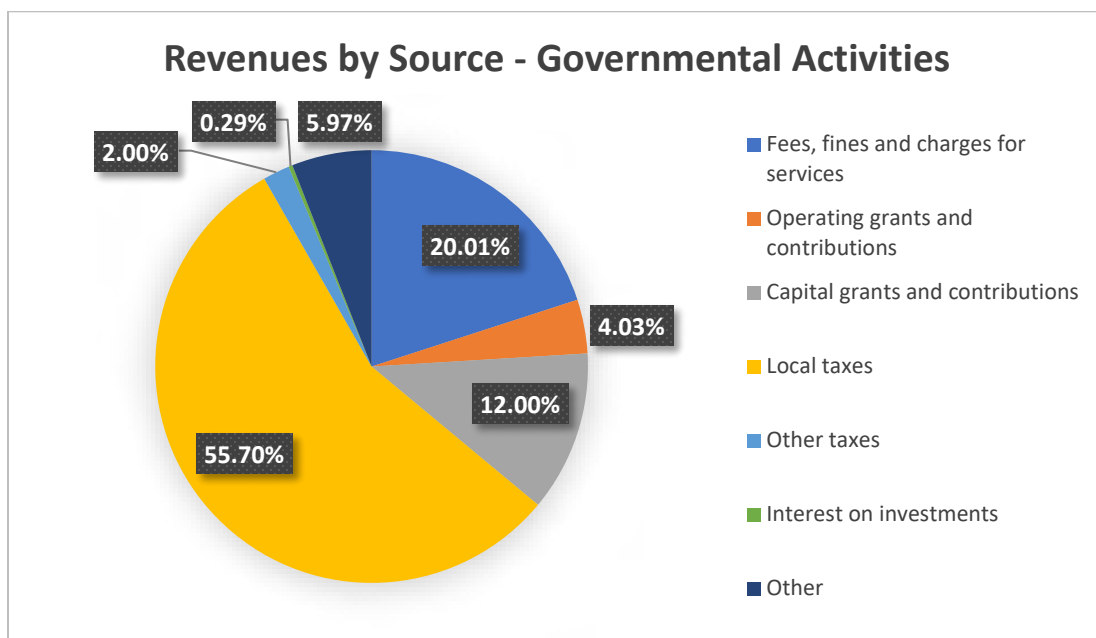
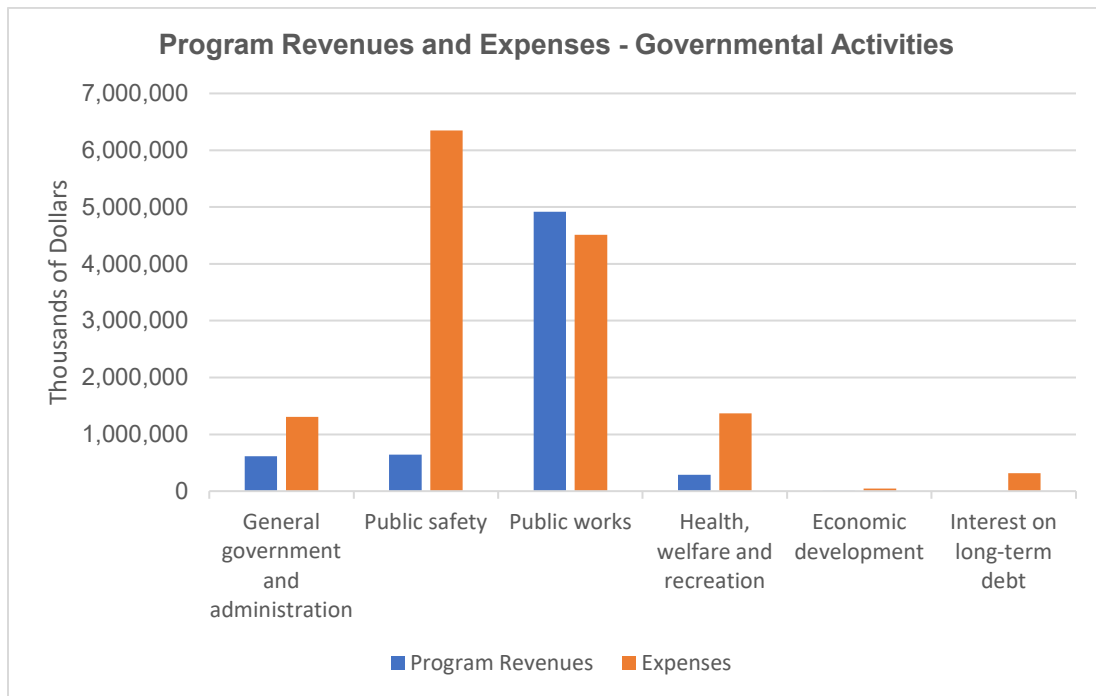
Condensed Statement of Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues:						
Fees, fines and charges for services	\$ 3,589,982	\$ 2,986,861	\$ 15,745,541	\$ 14,142,937	\$ 19,335,523	\$ 17,129,798
Operating grants and contributions	722,573	436,387	-	-	722,573	436,387
Capital grants and contributions	2,153,171	1,556,767	841,092	140,525	2,994,263	1,697,292
General Revenues						
Property taxes	4,967,275	5,151,790	-	-	4,967,275	5,151,790
Other taxes	5,386,960	5,084,578	-	-	5,386,960	5,084,578
Interest on investments	51,869	15,986	51,038	50,590	102,907	66,576
Other	425,416	241,677	58,277	88,953	483,693	330,630
Total revenues	17,297,246	15,474,046	16,695,948	14,423,005	33,993,194	29,897,051
Expenses						
General government and administration	1,308,009	789,493	-	-	1,308,009	789,493
Public safety	6,347,471	6,514,130	-	-	6,347,471	6,514,130
Public works	4,510,570	4,829,799	-	-	4,510,570	4,829,799
Health, welfare and recreation	1,366,767	1,170,938	-	-	1,366,767	1,170,938
Economic development	45,350	73,680	-	-	45,350	73,680
Interest on long-term debt	313,766	377,676	-	-	313,766	377,676
Water and Sewer	-	-	8,601,405	8,262,482	8,601,405	8,262,482
Natural Gas	-	-	6,320,743	4,529,142	6,320,743	4,529,142
Total expenses	13,891,933	13,755,716	14,922,148	12,791,624	28,814,081	26,547,340
Changes in net position before transfers	3,405,313	1,718,330	1,773,800	1,631,381	5,179,113	3,349,711
Transfers	316,321	-	(316,321)	-	-	-
Gain/loss from sale of capital assets	329,721	39,458	7,631	8,504	337,352	47,962
Change in net position	4,051,355	1,757,788	1,465,110	1,639,885	5,516,465	3,397,673
Net position at beginning of year, as originally reported	32,733,294	31,179,252	43,380,179	41,740,294	76,113,473	72,919,546
Prior period adjustments	(60,455)	(203,746)	90,000	-	29,545	(203,746)
Net position at beginning of year, as restated	32,672,839	30,975,506	43,470,179	41,740,294	76,143,018	72,715,800
Net position at end of year	<u>\$ 36,724,194</u>	<u>\$ 32,733,294</u>	<u>\$ 44,935,289</u>	<u>\$ 43,380,179</u>	<u>\$ 81,659,483</u>	<u>\$ 76,113,473</u>

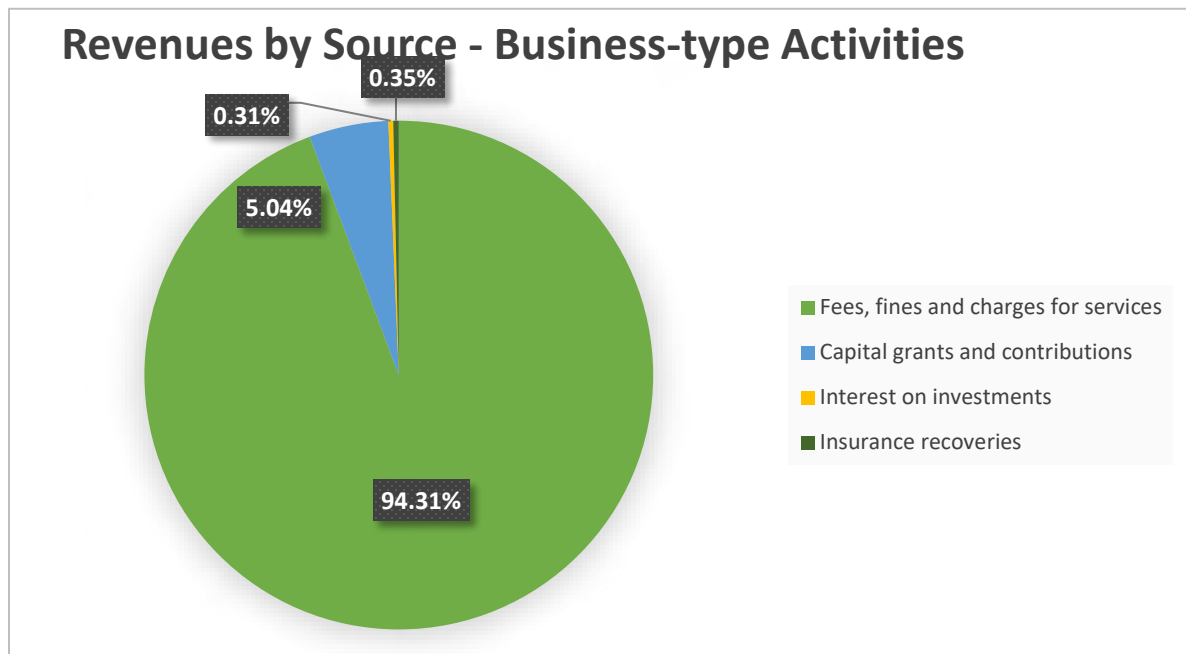
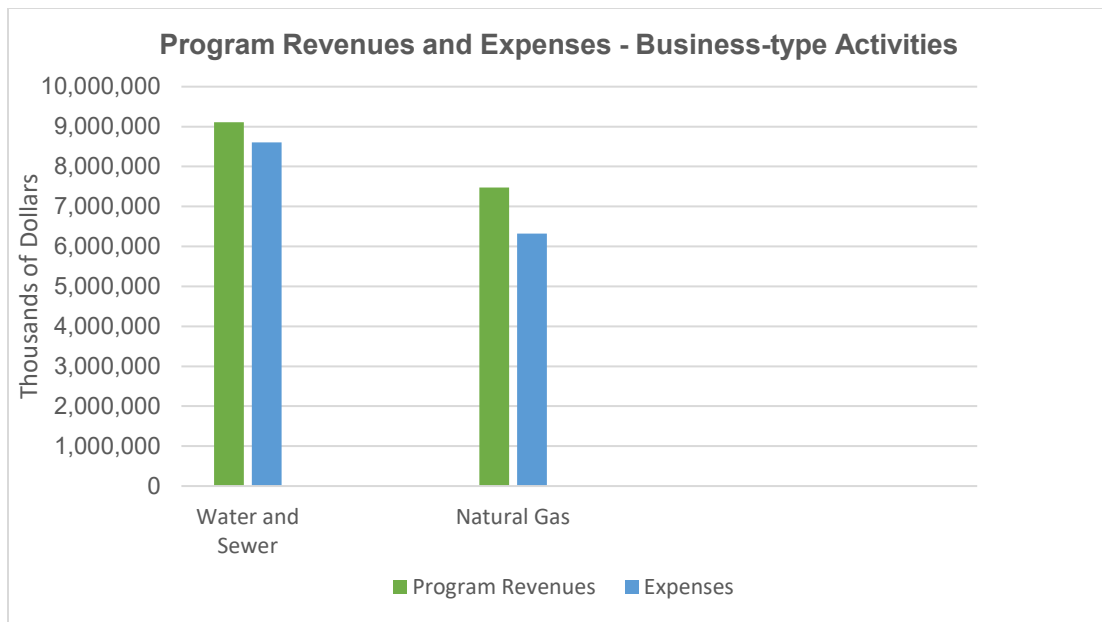
Governmental Activities: Current fiscal year revenues for the City's governmental activities were \$17,943,288 compared to \$15,513,504 last year. Expenses for the same period were \$13,891,933 compared \$13,755,716 last year.

General and program revenue experienced a mixture of increases and decreases for the year; most notable of which are discussed below.

- Local sales tax increased due to economic growth.
- The Governmental Activities had increased grant contributions during the current year. This is primarily due to the airport grant and the ARPA grant.



Business-type activities: Business-type activities increased the City's net position by \$1,555,110 inclusive of prior period adjustment. Charges for services increased from prior year by \$1,602,604, capital grants and contributions increased by \$700,567 and expenses were \$2,130,524 more than the previous year.



Financial Analysis of the Government's Funds

The following provides a more detailed analysis of the City's funds.

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.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$11,272,806, an increase of \$1,784,359.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$6,427,614, while total fund balance reached \$9,539,214.

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

The Water and Sewer Fund had an increase in net position of \$568,576 for the year compared to an increase of \$745,843 in the prior year. Factors affecting this amount include:

- The Water and Sewer Fund had \$307,020 in ARPA revenue in the current year.
- The Water and Sewer Fund had increases in repairs and maintenance expenses of \$492,010.
- The Water and Sewer fund had increases in supplies expenses of \$136,928.
- The Water and Sewer Fund had bond issue costs of \$236,212.00 in the prior year.

The Natural Gas Fund had an increase in net position of \$986,534 for the year compared to an increase of \$596,301 in the prior year. Factors affecting this amount include:

- The Gas Fund received \$26,520 in ARPA funding in the current year.
- The Gas Fund received \$459,613 in capital contributions in the current year.

General Fund Budgetary Highlights

The City had various amendments to the budget during the year. The airport fund had expenditures that exceeded appropriations due to grant funding that was not budgeted in the current year.

Capital Asset and Debt Administration

Capital assets: At the end of the current fiscal year, the City had \$85,814,480 (net of accumulated depreciation) invested in capital assets for its governmental and business-type activities. This investment in capital assets includes land, buildings, improvements, equipment, vehicles, construction in progress and other infrastructure. The total increase in the City's investment in capital assets for the current fiscal year was \$5,375,124. Depreciation expense for the year was \$3,693,377. Additional information on capital assets is in Note 3.C.

Debt: At the end of the current fiscal year, the City had total debt outstanding of \$39,925,819. Of this amount, \$10,949,278 belongs to the Governmental Funds and \$28,976,541 belongs to the Enterprise Fund – Water and Sewer Fund. Additional information on debt is in Note 3.E.

Economic Factors and Other Matters

The unemployment rate for the City of Portland is currently 2.4% compared to the State unemployment rate of 3.5% and the national rate of 3.5%. Unemployment rates are leveling after the COVID unemployment spike. According to the U.S. Census Bureau, Portland's population is 13,156 for the 2020 Census.

The Portland Airport continues to seek federal and state grant programs to enhance the airport. Realizing the benefit of air service in the northern part of the county, Sumner County provides an annual allocation of funds to partner with Portland on Airport projects. The completion of various major projects at the airport and the current additional on-going enhancements will provide more opportunities for service to our local industries and citizens. The improved airport is a strong attraction for prospective industries to our city.

Portland's industries continue to thrive in our community. The close proximity and easy access to I-65 makes Portland an ideal location for product to market whether it be distribution or manufacturing. Portland industries employ approximately 7,000 people in over 10 million sq ft of industrial building space housed on 900+ acres. Private investors have signed Developer Agreements for 1,000,000+ SF of speculative property (400,000 SF on Vaughn Parkway and 600,000 SF on Shoals Way). Mortenson Development is near completion of 500,000 SF to be occupied by Arrowhead Engineered Products on Vaughn Parkway. This project includes a 35-million-dollar investment with plans to hire 200-300 employees.

Our location also serves well for access to a skilled and trainable workforce. The Portland Campus of the TN college of Applied Technology (TCAT) is in full operation. TCAT Portland offers classes in Advanced Manufacturing, Machine Tool, Information Technology, Construction, Nursing, Office Administration and Cosmetology and Welding. To accommodate demand in the welding program, TCAT has added additional classes for more opportunity to enhance our local workforce training. A partnership with Sumner County School Board, TN Board of Regents and the City of Portland provided for the installation of an elevator and renovations to open the

second floor of the building to accommodate Middle School Core Curriculum classes. The TCAT staff is working closely with the local industries to meet their special training needs. The process of feeding the TCAT with high school students who wish to graduate with certifications to enter the workforce using the Middle College curriculum has been a huge success.

Developers, Investors and Retailers are showing increased interest in our community. Portland continues to be a good market for locally owned and operated businesses. During the year, Portland saw several small business start-ups. Highway 109 is still the focus for retailers, but significant additional interest is being generated along Main Street and the new interchange corridor.

The City completed a bond issue in August 2015 of over \$7.4 million for a building program to include two fire halls, (one on the north side of town at the mouth of the interchange tie in to 109 and a joint project with the Sumner County EMS on the south side of town), a City Hall and several parks improvements. Due to increased construction costs, an additional bond issue of \$3.8 million was completed in April 2020 for completion of the renovation and addition to the City Hall. Additional funds are available under the 2020 bond to renovate the Police Station, add roads, and complete other Parks related projects.

The City Hall renovation project was completed in March 2021. The Police Station renovation project, road projects and Park related projects are still on-going. Portland has begun developing a Park's Master Plan. This collaborative effort between City Leaders, City Staff, and the Community is expected to be completed in the Fall of 2022. The city completed projects to the water and waste water system. Several projects are still on-going with a plan to begin Phase II Wastewater Plant expansion in the Spring of 2023. The City closed an additional \$17 million dollar Water & Sewer Bond issue in October 2020 to fund the wastewater plant expansion and several large collection system projects to upgrade our system for the anticipated growth due to the road infrastructure improvements.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

City Recorder
City of Portland, Tennessee
100 South Russell St.
Portland, TN 37148

CITY OF PORTLAND, TENNESSEE
STATEMENT OF NET POSITION
JUNE 30, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents:			
Unrestricted	\$ 7,923,222	\$ 9,550,694	\$ 17,473,916
Restricted	2,885,495	17,000,572	19,886,067
Investments	-	1,023,134	1,023,134
Receivables			
Property taxes	4,746,077	-	4,746,077
Other governments	496,187	-	496,187
Grants receivable	448,510	-	448,510
Customers	151,236	1,022,803	1,174,039
Others	67,001	-	67,001
Internal balances	214,260	(214,260)	-
Inventory of Supplies	84,431	789,814	874,245
Net pension asset	2,331,967	1,167,848	3,499,815
Prepaid Expenses	26,312	8,520	34,832
Capital assets, being depreciated, net	27,234,375	42,608,131	69,842,506
Capital assets, not being depreciated	9,317,279	6,654,695	15,971,974
TOTAL ASSETS	55,926,352	79,611,951	135,538,303
DEFERRED OUTFLOWS OF RESOURCES			
OPEB Plan	307,639	152,243	459,882
Deferred charge on refunding of debt	-	42,426	42,426
Pension Plans	1,568,182	747,162	2,315,344
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,875,821	941,831	2,817,652
LIABILITIES			
Accounts Payable	818,211	987,260	1,805,471
Overdrafts	7,919	-	7,919
Accrued liabilities	133,282	52,396	185,678
Accrued interest	86,658	228,892	315,550
Unearned revenues	30,405	1,380,472	1,410,877
Retainage payable	-	133,194	133,194
Accrued payroll	-	45,117	45,117
Noncurrent liabilities:			
Total OPEB liability	1,164,275	576,152	1,740,427
Compensated absences	286,409	107,213	393,622
Due within one year	812,040	960,128	1,772,168
Due in more than one year	10,300,594	29,777,158	40,077,752
TOTAL LIABILITIES	13,639,793	34,247,982	47,887,775
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues - property taxes	4,584,333	-	4,584,333
OPEB plan	587,486	290,699	878,185
Pension plan	2,266,367	1,079,812	3,346,179
TOTAL DEFERRED INFLOWS OF RESOURCES	7,438,186	1,370,511	8,808,697
NET POSITION			
Net investment in capital assets	25,439,020	18,525,540	43,964,560
Restricted for:			
Airport	45,750	-	45,750
Golf course	11,633	-	11,633
Solid waste	407,185	-	407,185
Stormwater	831,545	-	831,545
Drug enforcement	75,960	-	75,960
Impact fee	324,114	-	324,114
Streets and highways	300,407	-	300,407
Net pension asset	2,331,967	1,167,848	3,499,815
Unrestricted	6,956,613	25,241,901	32,198,514
TOTAL NET POSITION	\$ 36,724,194	\$ 44,935,289	\$ 81,659,483

**CITY OF PORTLAND, TENNESSEE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

Functions/Programs	Program Revenues				Net (Expense) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary government:							
Governmental activities:							
General government	\$ 1,308,009	\$ 528,676	\$ 74,649	\$ 8,773	\$ (695,911)	\$ -	\$ (695,911)
Public safety	6,347,471	283,470	124,007	234,814	(5,705,180)	-	(5,705,180)
Public works	4,510,570	2,510,536	500,117	1,909,584	409,667	-	409,667
Health, welfare, and recreation	1,366,767	267,300	23,000	-	(1,076,467)	-	(1,076,467)
Economic development	45,350	-	800	-	(44,550)	-	(44,550)
Interest on long-term debt	313,766	-	-	-	(313,766)	-	(313,766)
Total governmental activities	13,891,933	3,589,982	722,573	2,153,171	(7,426,207)	-	(7,426,207)
Business-type activities:							
Water and sewer	8,601,405	8,729,260	-	381,479	-	509,334	509,334
Natural gas	6,320,743	7,016,281	-	459,613	-	1,155,151	1,155,151
Total business-type activities	14,922,148	15,745,541	-	841,092	-	1,664,485	1,664,485
Total primary government	\$ 28,814,081	\$ 19,335,523	\$ 722,573	\$ 2,994,263	(7,426,207)	1,664,485	(5,761,722)
General Revenues							
Property taxes					4,967,275	-	4,967,275
Sales and use taxes					5,027,605	-	5,027,605
Business taxes					242,600	-	242,600
Public service taxes					116,755	-	116,755
Investment earnings					51,869	51,038	102,907
Insurance recoveries					34,013	58,277	92,290
Gain (loss) on sale of assets					329,721	7,631	337,352
Other					391,403	-	391,403
Transfers					316,321	(316,321)	-
Total general fund revenues and transfers					11,477,562	(199,375)	11,278,187
Change in net position					4,051,355	1,465,110	5,516,465
Net position at beginning of year, as originally stated					32,733,294	43,380,179	76,113,473
Prior period adjustment					(60,455)	90,000	29,545
Net position at beginning of year, as restated					32,672,839	43,470,179	76,143,018
Net position at end of year					\$ 36,724,194	\$ 44,935,289	\$ 81,659,483

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

CITY OF PORTLAND, TENNESSEE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

		Airport	Other	
ASSETS	General	Fund	Governmental	Total
			Funds	
Cash and cash equivalents	\$ 6,305,353	\$ 51,842	\$ 1,566,027	\$ 7,923,222
Restricted cash and cash equivalents	2,885,495	-	-	2,885,495
Taxes receivable	4,746,077	-	-	4,746,077
Accounts receivable, net of uncollectible	-	-	151,236	151,236
Due from other governments	496,187	-	-	496,187
Grants receivable	19,031	429,479	-	448,510
Other receivables	67,001	-	-	67,001
Inventory	53,488	23,204	7,739	84,431
Due from other funds	180,598	4,000	35,695	220,293
Prepaid insurance	19,850	6,462	-	26,312
Total assets	\$ 14,773,080	\$ 514,987	\$ 1,760,697	\$ 17,048,764
LIABILITIES				
Accounts payable	\$ 344,437	\$ 411,712	\$ 62,062	\$ 818,211
Accrued liabilities	118,475	1,472	13,335	133,282
Overdraft	-	8	7,911	7,919
Unearned revenue	-	11,200	19,205	30,405
Due to other funds	5,846	179	8	6,033
Total liabilities	468,758	424,571	102,521	995,850
DEFERRED INFLOWS OF RESOURCES				
Deferred grant	19,031	15,000	-	34,031
Unavailable revenues - property taxes	4,746,077	-	-	4,746,077
Total deferred inflows of resources	4,765,108	15,000	-	4,780,108
FUND BALANCE				
<i>Nonspendable</i>				
Inventory	53,488	23,204	7,739	84,431
Prepays	19,850	6,462	-	19,850
<i>Restricted</i>				
State Street Aid	300,407	-	-	300,407
Airport	-	45,750	-	45,750
Solid waste collection	-	-	407,185	407,185
Stormwater	-	-	831,545	831,545
Drug fund	-	-	75,960	75,960
Golf course	-	-	11,633	11,633
Impact fees	-	-	324,114	324,114
<i>Committed</i>				
Cable	19,122	-	-	19,122
Capital projects	112,742	-	-	112,742
SRO	3,403	-	-	3,403
Sidewalks	58,565	-	-	58,565
<i>Assigned</i>				
Assigned for projects	2,544,023	-	-	2,544,023
<i>Unassigned</i>	6,427,614	-	-	6,427,614
Total fund balances	9,539,214	75,416	1,658,176	11,272,806
Total liabilities, deferred inflows, of resources, and fund balances	\$ 14,773,080	\$ 514,987	\$ 1,760,697	\$ 17,048,764

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

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

Total fund balance - total governmental funds	\$	11,272,806
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.		36,551,654
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Other long-term assets are not available to pay for current-period expenditures and, therefore, are not deferred in the funds.		161,744
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Deferred grant revenues on the governmental fund statements that is recognized as income on the government-wide statements		34,031
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Liabilities for accrued interest are not due and payable currently and not recorded in the governmental funds		(86,658)
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Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Long-term debt payable	(11,112,634)		
Compenstated absences	(286,409)		
Net pension asset	2,331,967		
Deferred outflows of resources - pension	1,568,182		
Deferred inflows of resources - pension	(2,266,367)		
Total OPEB obligations	(1,164,275)		
Deferred outflows of resources - OPEB	307,639		
Deferred inflows of resources - OPEB	(587,486)		
			(11,209,383)

Net postion of governmental activities	\$	<u>36,724,194</u>
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The accompanying notes are an integral part of these financial statements.

CITY OF PORTLAND, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	General Fund	Airport Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 8,738,269	\$ -	\$ -	\$ 8,738,269
Intergovernmental	2,805,076	1,494,811	273,271	4,573,158
License and permits	406,708	-	-	406,708
Fines, fees and forfeitures	230,840	-	156,200	387,040
Charges for services	50,565	318,550	2,414,771	2,783,886
Miscellaneous	387,663	6,634	19,741	414,038
Total revenues	<u>12,619,121</u>	<u>1,819,995</u>	<u>2,863,983</u>	<u>17,303,099</u>
Expenditures				
General government	1,137,418	-	-	1,137,418
Public safety	6,107,372	-	-	6,107,372
Public works	1,573,614	368,731	1,778,420	3,720,765
Health, welfare, and recreation	853,753	-	326,972	1,180,725
Economic development	46,455	-	-	46,455
Debt service	1,121,195	-	259,391	1,380,586
Capital outlay	1,320,623	1,482,233	453,353	3,256,209
Total expenditures	<u>12,160,430</u>	<u>1,850,964</u>	<u>2,818,136</u>	<u>16,829,530</u>
Revenues Over (Under) Expenditures	<u>458,691</u>	<u>(30,969)</u>	<u>45,847</u>	<u>473,569</u>
Other financing sources and (uses)				
Transfers in	453,098	-	63,000	516,098
Transfer out	(63,000)	-	(136,777)	(199,777)
Sale of general capital assets	378,662	-	17,300	395,962
Bond issue costs	(36,000)	-	-	(36,000)
Loan proceeds	399,500	-	153,750	553,250
Insurance recoveries	34,013	-	-	34,013
Total other financing sources and (uses)	<u>1,166,273</u>	<u>-</u>	<u>97,273</u>	<u>1,263,546</u>
Net Change In Fund Balance	<u>1,624,964</u>	<u>(30,969)</u>	<u>143,120</u>	<u>1,737,115</u>
Fund Balance at Beginning of Year, as originally stated	7,871,964	116,260	1,500,223	9,488,447
Prior period adjustment	<u>42,286</u>	<u>(9,875)</u>	<u>14,833</u>	<u>47,244</u>
Fund Balance at Beginning of Year, as restated	<u>7,914,250</u>	<u>106,385</u>	<u>1,515,056</u>	<u>9,535,691</u>
Fund Balance at End of Year	<u><u>\$ 9,539,214</u></u>	<u><u>\$ 75,416</u></u>	<u><u>\$ 1,658,176</u></u>	<u><u>\$ 11,272,806</u></u>

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

CITY OF PORTLAND, 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 **\$ 1,737,115**

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

Governmental funds report capital outlays as expenditures. However, in the government-wide statement of activities and changes in net position, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded for the current period. 3,256,209

Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditure in the government funds. (1,639,213)

Net effect of various transactions involving capital assets (i.e., sales, trade-ins, and contributed assets) (66,241)

Governmental funds do not record net pension, OPEB liabilities, or deferred inflows/outflows of resources related to pensions or OPEB. However, the government wide statement of activities and changes in net assets reports the effects of these items. 337,255

The repayment of principal of long-term debt consumes the current financial resources of governmental funds. However, it has no effect on net position. 1,012,564

Debt proceeds are recorded as revenue in the governmental funds but not in the government wide financials. (553,250)

Some expenses reported in the statement of activities do not require the use of current financial resources, therefore, they are not reported as expenditures in governmental funds. (accrued interest, compensated absences, bond amortization) 6,775

Revenues that were deferred in the governmental statements but are recognized in the government-wide statements 34,032

Some revenues will not be collected for several months after the City's fiscal year end, they are not considered "available" revenues in the governmental funds. (73,891)

Change in net position of governmental activities \$ 4,051,355

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

CITY OF PORTLAND, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues				
Taxes				
Property	\$ 4,600,000	\$ 4,600,000	\$ 4,665,811	\$ 65,811
Delinquent property taxes	100,000	200,000	204,669	4,669
Interest and penalty - real estate tax	20,000	35,000	44,288	9,288
Tax equivalents payments	23,000	23,000	25,761	2,761
Local sales tax	2,200,000	2,900,000	3,051,710	151,710
Business tax	125,000	210,000	242,600	32,600
Wholesale beer tax	260,000	260,000	309,740	49,740
Wholesale liquor tax	60,000	60,000	76,935	16,935
Beer privileged tax	3,250	3,250	2,900	(350)
Franchise tax	107,000	107,000	113,855	6,855
Total taxes	7,498,250	8,398,250	8,738,269	340,019
Intergovernmental				
State revenues				
Sales tax	1,300,000	1,300,000	1,464,899	164,899
TVA in lieu of tax	152,000	152,000	144,925	(7,075)
Telecommunication tax	6,000	6,000	6,947	947
Income tax	25,000	-	3,206	3,206
Streets and transportation	25,545	25,545	23,897	(1,648)
Gasoline and motor fuel tax	450,595	450,595	234,988	(215,607)
Gas tax 1989	-	-	36,152	36,152
Gas tax 3 cent	-	-	66,986	66,986
2017 gasoline tax	-	-	116,878	116,878
Corporate excise tax	-	58,000	58,005	5
Mixed drink tax	10,000	10,000	13,851	3,851
Beer tax	6,000	6,000	6,009	9
Sports betting tax	13,000	13,000	12,406	(594)
County operating grant	10,000	10,000	19,585	9,585
Fire grant	-	244,770	232,114	(12,656)
ARPA grant funds	-	209,000	180,598	(28,402)
Sidewalk grant	-	14,225	14,224	(1)
Miscellaneous state and federal grants	225,059	261,809	169,406	(92,403)
Total intergovernmental revenues	2,223,199	2,760,944	2,805,076	44,132
Licenses and permits				
Beer licenses	500	500	600	100
Building permits	150,000	205,000	223,740	18,740
Plan review fees	50,000	50,000	51,813	1,813
Mechanical fees	30,000	13,000	12,618	(382)
Plumbing fees	20,000	13,800	12,547	(1,253)
Fire permit fees	2,500	2,500	1,069	(1,431)
Code violation fees	1,000	1,000	-	(1,000)
Food truck fees	-	3,100	3,400	300
Zoning permits	500	500	-	(500)
Zoning violation fees	500	500	-	(500)
Sidewalk fees	-	-	58,565	58,565
Planning/BZA fees	15,000	15,000	15,408	408
Clerk's fees	15,000	23,500	26,948	3,448
Total licenses and permits	285,000	328,400	406,708	78,308
City court fines and vehicle fees	241,000	229,800	230,840	1,040
Charges for services				
Property maintenance fees	2,000	2,000	4,804	2,804
Duplicating services	500	500	1,246	746
Recreation revenue and fees	30,350	35,350	44,515	9,165
Total charges for services	32,850	37,850	50,565	12,715
Miscellaneous				
Animal control	1,000	1,000	2,020	1,020
Rent revenues	10,000	10,000	10,328	328
Interest income	5,000	5,000	6,857	1,857
Contributions	50,000	65,000	66,450	1,450
Miscellaneous revenues	60,000	314,102	302,008	(12,094)
Total miscellaneous	126,000	395,102	387,663	(7,439)
Total revenues	10,406,299	12,150,346	12,619,121	468,775

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

CITY OF PORTLAND, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (continued)
GENERAL FUND
YEAR ENDED JUNE 30, 2022

Expenditures	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Legislative				
Salaries	220,312	251,312	252,337	(1,025)
Payroll taxes	16,854	20,354	20,000	354
Employee health insurance	47,869	55,869	51,394	4,475
Retirement	1,755	1,755	1,967	(212)
Workers compensation	700	700	492	208
Employee training and education	5,000	5,000	4,460	540
Advertising	4,000	4,000	5,241	(1,241)
Dues and subscriptions	1,000	1,000	691	309
Postage	7,000	7,000	7,207	(207)
Administrative services	28,800	28,800	25,305	3,495
Utilities	22,000	23,900	21,136	2,764
Telephone	50,000	60,000	57,034	2,966
Legal	1,000	1,000	-	1,000
Accounting	11,000	11,000	7,500	3,500
Data Processing	13,000	31,000	28,382	2,618
Code red	6,500	6,500	6,500	-
Other Professional services	5,000	5,000	-	5,000
Insurance	15,600	15,600	15,931	(331)
Office supplies	13,000	13,600	14,118	(518)
Operating supplies	11,000	22,000	25,790	(3,790)
Physicals	250	250	168	82
Building expense	4,000	15,800	19,172	(3,372)
Vehicle expense	1,000	1,500	1,350	150
Travel	2,500	2,500	35	2,465
Gas, oil and fuel	1,000	2,000	1,860	140
Debt service payments	593,332	593,332	593,332	-
Donations	115,250	144,875	124,895	19,980
Building rent	-	1,500	1,500	-
Equipment rent	6,500	6,500	4,762	1,738
Bank charges	1,000	1,000	1,281	(281)
TIF payments	8,500	8,500	8,423	77
Tax relief matching	12,500	12,500	11,199	1,301
Miscellaneous	9,000	9,000	2,642	6,358
Building improvements and repairs	-	8,220	8,220	-
Small equipment	5,000	8,090	9,443	(1,353)
Capital outlay	25,009	33,809	34,180	(371)
Total legislative	1,266,231	1,414,766	1,367,947	46,819
Financial administration				
Salaries	68,081	68,081	68,390	(309)
Payroll taxes	5,208	5,208	8,339	(3,131)
Employee health insurance	39,217	39,217	20,240	18,977
Retirement	545	545	545	-
Workers compensation	800	800	585	215
Employee training and education	1,000	1,000	708	292
Aldermen salaries	50,400	50,400	50,400	-
Dues and subscriptions	14,000	14,000	13,996	4
Public relations	15,000	15,000	11,914	3,086
Advertising	2,500	2,500	599	1,901
Telephone	2,000	2,000	1,898	102
Legal	1,000	1,000	-	1,000
Data processing	500	3,300	4,264	(964)
Vehicle expense	1,000	1,000	512	488
Travel	2,500	2,500	1,314	1,186
Meeting expense	1,500	1,500	1,053	447
Office supplies	3,000	3,000	831	2,169
Gas, oil and fuel	1,000	1,000	30	970
Insurance	1,500	1,500	1,118	382
Chamber events	-	10,750	10,626	124
Library expense	-	-	650	(650)
Miscellaneous	1,000	1,000	1,340	(340)
Total financial administration	211,751	225,301	199,352	25,949

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

CITY OF PORTLAND, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(continued)
GENERAL FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Expenditures				
Human resources				
Salaries	54,530	56,830	57,772	(942)
Payroll taxes	1,082	4,282	4,194	88
Employee health insurance	13,442	13,442	12,508	934
Retirement	436	436	460	(24)
Workers compensation	550	550	225	325
Employee training and education	5,500	5,500	6,805	(1,305)
Dues and subscriptions	1,000	1,000	-	1,000
Telephone	1,000	1,000	454	546
Physicals	250	250	-	250
Legal	500	500	-	500
Data Processing	4,500	5,200	4,278	922
Other Professional services	-	8,000	7,744	256
Travel	750	750	-	750
Meeting expense	250	250	-	250
Insurance	500	500	606	(106)
Office supplies	1,500	2,500	2,373	127
Safety committee	5,000	5,000	2,430	2,570
Employee recognition	2500	2500	13	2,487
Employee events	-	5,400	5,311	89
Small equipment	1,000	2,300	4,484	(2,184)
Total human resources	94,290	116,190	109,657	6,533
 Collection				
Salaries	60,750	64,150	63,205	945
Payroll taxes	4,647	4,647	4,599	48
Employee health insurance	19,338	19,338	16,728	2,610
Retirement	474	474	504	(30)
Employee training and education	1,500	1,500	654	846
Data processing	-	1,900	2,284	(384)
Travel	1,500	1,500	-	1,500
Total collection	88,209	93,509	87,974	5,535
 Total general government	1,660,481	1,849,766	1,764,930	84,836

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

CITY OF PORTLAND, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (continued)
GENERAL FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Expenditures				
Public safety				
Police department				
Salaries	2,169,581	2,179,581	2,157,512	22,069
Contra salary - reimbursed by DTF	-	-	(14,953)	14,953
Payroll taxes	165,973	165,973	159,957	6,016
Employee health insurance	433,244	418,244	380,161	38,083
Retirement	16,642	16,642	16,568	74
Workers compensation	75,000	75,000	57,651	17,349
Employee training and education	8,000	8,000	14,780	(6,780)
Advertising	250	250	-	250
Dues and subscriptions	2,500	2,500	2,275	225
Postage	250	250	208	42
Utilities	29,750	29,750	31,212	(1,462)
Telephone	40,000	34,000	31,767	2,233
Radio system license	8,700	8,700	7,849	851
Licenses and fees	-	17,760	17,760	-
Physicals	3,000	3,000	2,359	641
Data processing	20,000	33,000	35,769	(2,769)
Other professional services	402,000	402,000	252,641	149,359
Travel	1,000	1,000	454	546
Office supplies	9,000	9,000	7,752	1,248
Operating supplies	22,500	30,500	18,202	12,298
Repairs and maintenance - vehicles	50,000	79,000	88,874	(9,874)
Repairs and maintenance - building	10,000	10,000	4,216	5,784
Clothing and uniforms	15,000	23,000	25,142	(2,142)
Duty equipment	15,000	15,000	10,714	4,286
Gas, oil and fuel	60,000	98,000	99,491	(1,491)
Insurance	50,000	50,000	54,677	(4,677)
Office equipment rental	4,000	4,000	3,228	772
Small items of equipment	2,500	8,700	8,671	29
Debit service	133,652	133,652	134,042	(390)
Miscellaneous	250	250	40	210
GNRC transport services grant	-	420	454	(34)
Capital outlay	225,000	331,000	370,607	(39,607)
Total police department	3,972,792	4,188,172	3,980,080	208,092
Fire department				
Salaries	1,430,509	1,527,509	1,519,279	8,230
Payroll taxes	109,434	109,434	111,209	(1,775)
Employee health insurance	281,298	316,298	292,077	24,221
Retirement	9,795	11,795	11,296	499
Workers compensation	35,000	35,000	26,954	8,046
Employee training and education	8,000	13,000	13,705	(705)
Advertising	500	500	-	500
Dues and subscriptions	1,000	1,000	150	850
Postage	100	100	100	-
Utilities	47,250	47,250	43,847	3,403
Telephone	30,000	30,000	31,575	(1,575)
Radio system license	5,800	5,800	5,357	443
Other utility services	500	500	671	(171)
Physicals	5,400	5,400	4,827	573
Data processing	10,000	19,000	19,817	(817)
Repairs and maintenance - vehicles	40,000	40,000	36,445	3,555
Repairs and maintenance - equipment	-	5,800	6,399	(599)
Repairs and maintenance - building	5,000	25,000	26,605	(1,605)
Travel	3,000	3,000	5,264	(2,264)
Office supplies	1,500	1,500	332	1,168
Operating supplies	15,000	18,000	19,022	(1,022)
Clothing and uniforms	12,000	20,500	21,320	(820)
PPE	16,200	16,200	9,389	6,811
Gas, oil and fuel	16,000	21,500	21,736	(236)
Insurance	30,000	30,000	26,939	3,061
Office equipment rental	1,500	1,500	1,596	(96)
Small items of equipment	4,000	4,000	3,748	252
Debit service	95,939	95,939	96,063	(124)
Miscellaneous	150	150	-	150
Capital outlay	35,000	319,700	307,824	11,876
Total fire department	2,249,875	2,725,375	2,663,546	61,829

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

CITY OF PORTLAND, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (continued)
GENERAL FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Expenditures				
Public safety(continued)				
Court				
Salaries	12,100	12,100	12,150	(50)
Payroll taxes	926	926	853	73
Employee health insurance	1,500	1,500	-	1,500
Fees	-	-	200	(200)
Data processing	500	800	761	39
Travel	1,000	1,000	486	514
Office supplies	1,000	1,000	1,214	(214)
Operating supplies	4,000	4,000	103	3,897
Insurance	250	250	229	21
Small equipment	750	750	-	750
Total court	22,026	22,326	15,996	6,330
Planning				
Salaries	129,061	79,061	77,710	1,351
Payroll taxes	9,873	9,873	6,221	3,652
Employee health insurance	8,715	16,115	15,214	901
Retirement	1,032	1,032	310	722
Workers compensation	500	500	1,755	(1,255)
Employee training and education	2,500	2,500	704	1,796
Meeting compensation	15,000	15,000	9,100	5,900
Contractual services	2,000	2,000	16,000	(14,000)
Site plan review	-	10,500	10,050	450
Dues and subscriptions	1,300	1,300	-	1,300
Postage	500	500	200	300
Advertising	1,000	1,000	622	378
Telephone	1,500	1,500	1,317	183
Physicals	250	250	258	(8)
Data processing	5,000	8,100	10,337	(2,237)
Other professional services	38,000	3,000	3,000	-
Repairs and maintenance - vehicles	1,000	1,000	27	973
Travel	2,000	2,000	12	1,988
Meeting expense	1,000	1,000	-	1,000
Office supplies	3,000	3,000	784	2,216
Operating supplies	2,000	2,000	56	1,944
Repairs and maintenance - property	-	1,000	-	1,000
Gas, oil and fuel	1,000	700	-	700
Insurance	700	-	716	(716)
Small equipment	-	-	462	(462)
Total planning	226,931	162,931	154,855	8,076
Codes				
Salaries	92,274	52,274	49,615	2,659
Payroll taxes	7,059	7,059	3,659	3,400
Employee health insurance	8,431	17,331	15,505	1,826
Retirement	726	726	396	330
Workers compensation	2,000	2,000	1,966	34
Employee training and education	750	750	-	750
Contractual services	1,500	45,500	45,987	(487)
Dues and subscriptions	350	350	310	40
Advertising	100	100	-	100
Telephone	2,000	2,000	901	1,099
Data processing	3,000	3,300	3,003	297
Repairs and maintenance - vehicles	1,500	1,500	18	1,482
Office supplies	1,500	1,500	962	538
Operating supplies	2,500	2,500	248	2,252
Repairs and maintenance - property	-	-	696	(696)
Gas, oil and fuel	2,000	2,000	533	1,467
Insurance	1,100	1,100	1,032	68
Small equipment	1,000	1,000	111	889
Total engineering	127,790	140,990	124,942	16,048
Animal control				
Salaries	33,335	33,335	37,218	(3,883)
Payroll taxes	2,550	2,550	2,761	(211)
Employee health insurance	16,408	16,408	8,469	7,939
Retirement	264	264	296	(32)
Workers compensation	1,100	1,100	935	165
Fees	500	500	-	500
Utilities	4,250	4,250	4,318	(68)
Telephone	3,500	3,500	2,894	606
Data processing	400	400	380	20
Euthanasia fees	-	-	826	(826)
Repairs and maintenance - vehicles	1,500	1,500	1,408	92
Repairs and maintenance - building	1,000	1,000	2,411	(1,411)
Operating supplies	500	500	335	165
Uniforms	250	250	232	18
Insurance	800	800	787	13
Small equipment	-	-	738	(738)
Total animal control	66,357	66,357	64,008	2,349

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

CITY OF PORTLAND, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (continued)
GENERAL FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Expenditures(continued)				
Public safety(continued)				
Engineering				
Salaries	8,277	8,277	6,152	2,125
Payroll taxes	633	633	842	(209)
Employee health insurance	1,581	1,581	1,832	(251)
Retirement	66	66	63	3
Workers compensation	300	300	207	93
Employee training and education	500	500	-	500
Telephone	2,250	3,250	3,250	-
Travel	500	500	-	500
Office supplies	250	250	-	250
Insurance	150	150	135	15
Total engineering	<u>14,507</u>	<u>15,507</u>	<u>12,481</u>	<u>3,026</u>
Total public safety	<u>6,680,278</u>	<u>7,321,658</u>	<u>7,015,908</u>	<u>305,750</u>
Public works				
Shop				
Salaries	25,748	27,248	25,979	1,269
Payroll taxes	1,970	1,970	1,946	24
Employee health insurance	4,903	10,203	9,083	1,120
Retirement	196	196	123	73
Workers compensation	2,000	2,000	1,536	464
Utilities	5,650	5,650	3,401	2,249
Telephone	3,000	3,000	3,242	(242)
Physicals	100	100	173	(73)
Data processing	400	4,700	4,761	(61)
Repairs and maintenance - vehicles	750	750	505	245
Repairs and maintenance - building	1,000	1,000	511	489
Operating supplies	7,000	13,500	14,579	(1,079)
Uniforms	850	850	637	213
Gas, oil and fuel	2,000	2,000	1,506	494
Insurance	900	1,700	1,696	4
Small equipment	-	-	3,990	(3,990)
Total shop	<u>56,467</u>	<u>74,867</u>	<u>73,668</u>	<u>1,199</u>
Highways and streets				
Salaries	342,389	388,389	380,874	7,515
Payroll taxes	26,193	26,193	27,881	(1,688)
Employee health insurance	102,820	122,820	110,495	12,325
Retirement	2,403	2,403	2,725	(322)
Workers compensation	22,000	22,000	19,833	2,167
Employee training and education	1,000	1,300	1,350	(50)
Fees	500	500	30	470
Advertising	750	750	161	589
Utilities	222,000	222,000	231,769	(9,769)
Telephone	5,500	5,500	5,236	264
Physicals	750	750	361	389
Data processing	1,000	5,000	6,463	(1,463)
Other professional services	-	15,000	14,628	372
Repairs and maintenance - vehicles	20,000	20,000	8,730	11,270
Repairs and maintenance - equipment	15,000	15,000	7,548	7,452
Repairs and maintenance - traffic lights	15,000	15,000	17,552	(2,552)
Repairs and maintenance - property	-	-	500	(500)
Repairs and maintenance - building	5,000	10,000	12,402	(2,402)
Repairs - streets	50,000	50,000	38,840	11,160
Office supplies	750	750	708	42
Operating supplies	10,000	10,000	11,101	(1,101)
Signs	10,000	10,000	7,673	2,327
Rock/cold mix/salt	30,000	30,000	2,377	27,623
Uniforms	6,500	6,500	5,517	983
Gas, oil and fuel	20,000	28,000	33,796	(5,796)
Insurance	10,000	10,000	11,352	(1,352)
Street decorations	10,000	10,000	3,822	6,178
Debt service	208,100	208,100	208,099	1
Capital outlay	250,000	489,513	492,386	(2,873)
Total highways and streets	<u>1,387,655</u>	<u>1,725,468</u>	<u>1,664,209</u>	<u>61,259</u>
State street aid				
Operating supplies	-	-	227	(227)
Street paving	525,000	540,000	535,995	4,005
Capital outlay	-	48,000	47,444	556
Total airport	<u>525,000</u>	<u>588,000</u>	<u>583,666</u>	<u>4,334</u>
Total public works	<u>1,969,122</u>	<u>2,388,335</u>	<u>2,321,543</u>	<u>66,792</u>

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

CITY OF PORTLAND, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (continued)
GENERAL FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Expenditures(continued)				
Health, welfare, and recreation				
Recreation				
Salaries	403,800	408,800	414,816	(6,016)
Payroll taxes	30,891	30,891	30,426	465
Employee health insurance	80,423	93,023	84,366	8,657
Retirement	3,111	3,111	2,653	458
Workers compensation	10,000	10,000	9,117	883
Employee training and education	1,000	1,000	704	296
Contractual services	2,500	2,500	1,262	1,238
Dues	400	400	100	300
Public relations	1,700	1,700	1,454	246
Advertising	500	500	119	381
Utilities	75,000	75,000	62,608	12,392
Telephone	11,500	11,500	10,231	1,269
Physicals	1,000	1,000	4,141	(3,141)
Data processing	1,500	6,100	7,414	(1,314)
Other professional services	-	58,000	34,800	23,200
Repairs and maintenance - vehicles	4,000	4,000	4,379	(379)
Repairs and maintenance - equipment	8,000	8,000	6,861	1,139
Repairs and maintenance - grounds	21,000	47,000	45,235	1,765
Repairs and maintenance - building	12,000	12,000	4,636	7,364
Office supplies	1,500	1,500	385	1,115
Operating supplies	13,000	13,000	11,507	1,493
Uniforms	4,000	4,000	3,330	670
Gas, oil, and fuel	13,000	19,600	19,222	378
Concessions	8,000	8,000	8,128	(128)
Insurance	20,000	20,000	20,600	(600)
Office equipment rental	1,500	1,500	1,123	377
Debt service	17,901	89,659	89,659	-
Walk of honor monument	200	200	-	200
Miscellaneous	-	6,000	-	6,000
Golf cart rental	12,550	12,550	13,779	(1,229)
Small equipment	-	2,000	1,986	14
Capital outlay	138,000	148,500	68,182	80,318
Total recreation	897,976	1,101,034	963,223	137,811
Swimming pool				
Salaries	19,000	19,000	20,981	(1,981)
Payroll taxes	1,454	1,454	1,630	(176)
Employee training and education	-	-	2,720	(2,720)
Dues	750	750	550	200
Utilities	15,500	15,500	8,361	7,139
Telephone	500	500	-	500
Repair and maintenance	2,500	2,500	4,827	(2,327)
Operating supplies	2,000	2,000	3,181	(1,181)
Chemicals	7,000	7,000	6,121	879
Total community service	48,704	48,704	48,371	333
Total health, welfare, and recreation	946,680	1,149,738	1,011,594	138,144

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

CITY OF PORTLAND, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (continued)
GENERAL FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Expenditures(continued)				
Economic development				
Economic and community development				
Salaries	30,807	31,307	31,740	(433)
Payroll taxes	2,357	2,357	2,396	(39)
Employee health insurance	3,425	3,725	3,408	317
Retirement	246	246	253	(7)
Workers compensation	300	300	184	116
Employee training and education	1,000	1,500	1,454	46
Advertising	250	250	79	171
Postage	250	250	128	122
Dues	375	375	-	375
Public relations	8,500	8,500	2,273	6,227
Telephone	1,250	1,250	454	796
Data processing	450	750	912	(162)
Other professional services	30,000	30,000	-	30,000
Office supplies	1,000	1,000	1,299	(299)
Travel	2,000	2,000	-	2,000
Insurance	500	500	629	(129)
Office equipment	1,000	1,000	1,246	(246)
Total economic and community development	83,710	85,310	46,455	38,855
Total economic development	83,710	85,310	46,455	38,855
Total expenditures	11,340,271	12,794,807	12,160,430	634,377
Revenues Over (Under) Expenditures	(933,972)	(644,461)	458,691	1,103,152
Other financing sources and (uses)				
Transfers in	360,000	316,321	453,098	136,777
Transfers out	(301,000)	(133,000)	(63,000)	70,000
Loan proceeds	-	348,500	399,500	51,000
Bond issue costs	-	-	(36,000)	(36,000)
Sale of general capital assets	-	377,564	378,662	1,098
Insurance recoveries	5,000	30,000	34,013	4,013
Total other financing sources and (uses)	64,000	939,385	1,166,273	226,888
Net Change In Fund Balance	(869,972)	294,924	1,624,964	1,330,040
Fund Balance at Beginning of Year, as originally reported	7,871,964	7,871,964	7,871,964	-
Prior period adjustment	42,286	42,286	42,286	-
Fund Balance at Beginning of Year, as originally reported	7,914,250	7,914,250	7,914,250	-
Fund Balance at End of Year	\$ 7,044,278	\$ 8,209,174	\$ 9,539,214	\$ 1,330,040

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

CITY OF PORTLAND, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
AIRPORT FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues				
Intergovernmental revenues				
Federal grants	\$ -	\$ 1,080,333	\$ 1,494,811	\$ 414,478
State grants	15,000	17,600	-	(17,600)
Charges for services				
Fuel sales revenues	150,000	200,000	218,625	18,625
Hangar rentals	93,000	93,000	99,925	6,925
Other revenues				
Rentals	4,000	4,000	4,000	-
Interest	-	-	50	50
Miscellaneous	-	-	2,584	2,584
Total revenues	<u>262,000</u>	<u>1,394,933</u>	<u>1,819,995</u>	<u>425,062</u>
Expenditures				
Salaries	93,187	100,187	101,812	(1,625)
Payroll taxes	7,129	7,729	7,704	25
Employee insurance	8,549	9,149	8,457	692
Retirement	745	745	464	281
Workers compensation	1,100	1,100	1,071	29
Employee education and training	-	1,000	954	46
Fees	1,000	1,000	950	50
Public relations	750	750	550	200
Advertising	250	250	-	250
Utilities	27,000	27,000	24,476	2,524
Telephone	7,500	7,500	6,698	802
Auditing	500	1,000	1,000	-
Data processing	2,500	3,100	1,558	1,542
Landscaping	500	500	-	500
Repairs and maintenance - vehicles	2,000	2,000	2,092	(92)
Building maintenance	2,500	2,500	2,908	(408)
Other repair and maintenance	25,000	25,000	7,451	17,549
Travel	1,500	1,500	350	1,150
Operating supplies	2,500	2,500	2,274	226
Gas and fuel	135,000	2,500	2,167	333
Fuel purchased for resale	-	185,000	174,313	10,687
Insurance	8,500	14,500	14,372	128
Bank charges	3,000	7,000	7,083	(83)
Miscellaneous	-	-	27	(27)
Capital outlay	-	1,065,726	1,482,233	(416,507)
Total expenditures	<u>330,710</u>	<u>1,469,236</u>	<u>1,850,964</u>	<u>(381,728)</u>
Excess (deficiency) of revenues over under expenditures	<u>(68,710)</u>	<u>(74,303)</u>	<u>(30,969)</u>	<u>43,334</u>
Other financing sources (uses)				
Sale of equipment	70,000	70,000	-	(70,000)
Total Other financing sources (uses)	<u>70,000</u>	<u>70,000</u>	<u>-</u>	<u>(70,000)</u>
Net Change In Fund Balance	<u>1,290</u>	<u>(4,303)</u>	<u>(30,969)</u>	<u>(26,666)</u>
Fund Balance at Beginning of Year, as originally reported	116,260	116,260	116,260	-
Prior period adjustment	<u>(9,875)</u>	<u>(9,875)</u>	<u>(9,875)</u>	
Fund Balance at Beginning of Year, as restated	<u>106,385</u>	<u>106,385</u>	<u>106,385</u>	-
Fund Balance at End of Year	<u>\$ 107,675</u>	<u>\$ 102,082</u>	<u>\$ 75,416</u>	<u>\$ (26,666)</u>

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

CITY OF PORTLAND, TENNESSEE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS		
	WATER AND SEWER	NATURAL GAS	TOTALS
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 3,718,184	\$ 5,832,510	\$ 9,550,694
Investments	1,023,134	-	1,023,134
Accounts receivable, net of allowance	667,472	355,331	1,022,803
Due from other funds	4,799	27,025	31,824
Inventory	577,603	212,211	789,814
Prepaid expenses	-	8,520	8,520
Net Pension asset	864,302	303,546	1,167,848
Total Current Assets	<u>6,855,494</u>	<u>6,739,143</u>	<u>13,594,637</u>
Restricted Assets			
Cash and cash equivalents	<u>17,000,572</u>	<u>-</u>	<u>17,000,572</u>
Property, Plant and Equipment			
Plant and equipment	53,749,758	19,907,338	73,657,096
Land, right of ways, usages	1,055,521	240,061	1,295,582
Total Property, Plant and Equipment	<u>54,805,279</u>	<u>20,147,399</u>	<u>74,952,678</u>
Construction in progress	5,267,003	92,110	5,359,113
Less accumulated depreciation	<u>(23,562,097)</u>	<u>(7,486,868)</u>	<u>(31,048,965)</u>
Net Property, Plant and Equipment	<u>36,510,185</u>	<u>12,752,641</u>	<u>49,262,826</u>
Total Assets	<u>60,366,251</u>	<u>19,491,784</u>	<u>79,858,035</u>
Deferred Outflows of Resources			
Deferred charge on refunding	42,426	-	42,426
Related to pension	554,062	193,100	747,162
Related to OPEB	114,653	37,590	152,243
Total Deferred Outflows of Resources	<u>711,141</u>	<u>230,690</u>	<u>941,831</u>
LIABILITIES			
Current Liabilities			
Accounts payable	567,243	420,017	987,260
Accrued expenses	52,396	-	52,396
Retainage payable	133,194	-	133,194
Unearned revenue	1,380,105	367	1,380,472
Accrued payroll	34,307	10,810	45,117
Due to other funds	246,063	21	246,084
Accrued interest payable	228,892	-	228,892
Current portion of long-term debt	960,128	-	960,128
Total Current Liabilities	<u>3,602,328</u>	<u>431,215</u>	<u>4,033,543</u>
Long-Term Liabilities			
Compensated absences	78,582	28,631	107,213
Total OPEB liability	433,874	142,278	576,152
Long-term debt	<u>29,777,158</u>	<u>-</u>	<u>29,777,158</u>
Total Long-Term Liabilities	<u>30,289,614</u>	<u>170,909</u>	<u>30,460,523</u>
Total Liabilities	<u>33,891,942</u>	<u>602,124</u>	<u>34,494,066</u>
Deferred Inflows of Resources			
Related to OPEB	218,924	71,775	290,699
Related to pension	800,741	279,071	1,079,812
Total deferred inflows of resources	<u>1,019,665</u>	<u>350,846</u>	<u>1,370,511</u>
NET POSITION			
Net investment in capital assets	5,772,899	12,752,641	18,525,540
Restricted for pension	864,302	303,546	1,167,848
Unrestricted	<u>19,528,584</u>	<u>5,713,317</u>	<u>25,241,901</u>
Total Net Position	<u>\$ 26,165,785</u>	<u>\$ 18,769,504</u>	<u>\$ 44,935,289</u>

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

CITY OF PORTLAND, TENNESSEE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS		
	WATER AND SEWER	NATURAL GAS	TOTALS
OPERATING REVENUES			
Charges for services	\$ 8,671,676	\$ 6,969,193	\$ 15,640,869
Recovery of uncollectible accounts	2,054	-	2,054
Uncollectible accounts	(45,012)	(8,826)	(53,838)
ARPA funding	82,310	26,520	108,830
Miscellaneous	18,232	29,394	47,626
Total Operating Revenues	8,729,260	7,016,281	15,745,541
OPERATING EXPENSES			
Gas purchases	-	4,209,450	4,209,450
Personnel services	2,880,644	887,803	3,768,447
Professional services	297,522	97,180	692,224
Other administrative	97,722	72,945	170,667
Insurance	113,713	16,077	129,790
Utilities	632,280	63,123	695,403
Materials and supplies	499,501	91,485	590,986
Machinery and equipment	58,711	65,541	124,252
Repairs and maintenance	1,668,616	276,941	1,945,557
Depreciation and amortization	1,513,967	540,198	2,054,165
Total Operating Expenses	7,762,676	6,320,743	14,380,941
Operating Income	966,584	695,538	1,364,600
NONOPERATING REVENUES (EXPENSES)			
Interest income	45,912	5,126	51,038
Insurance recoveries	56,906	1,371	58,277
Amortization of bond premium	115,171	-	115,171
Gain on sale of capital assets	7,631	-	7,631
Interest expense	(953,900)	-	(953,900)
Total Nonoperating Revenues (Expenses)	(728,280)	6,497	(721,783)
NET INCOME BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	238,304	702,035	642,817
TRANSFERS AND CAPITAL CONTRIBUTIONS			
Transfer out	(141,207)	(175,114)	(316,321)
Capital contributions	381,479	459,613	841,092
Total Transfers and Capital Contributions	240,272	284,499	524,771
CHANGE IN NET POSITION	478,576	986,534	1,167,588
NET POSITION - BEGINNING OF YEAR, as previously reported	25,597,209	17,782,970	43,380,179
PRIOR PERIOD ADJUSTMENT	90,000	-	90,000
NET POSITON - BEGINNING OF YEAR, as restated	25,687,209	17,782,970	43,470,179
NET POSITION - END OF YEAR	\$ 26,165,785	\$ 18,769,504	\$ 44,637,767

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

CITY OF PORTLAND, TENNESSEE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS		
	WATER AND SEWER	NATURAL GAS	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 8,613,722	\$ 6,847,798	\$ 15,461,520
Cash received from other funds	243,130	-	243,130
Other operating cash receipts	1,480,647	55,914	1,536,561
Cash payments to suppliers for goods and services	(3,121,291)	(4,783,873)	(7,905,164)
Cash payments for personnel services	(3,002,468)	(792,991)	(3,795,459)
Cash payments to other funds	-	(24,496)	(24,496)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	4,213,740	1,302,352	5,516,092
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES			
Transfers out	(141,207)	(175,114)	(316,321)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition/disposals of fixed assets	(4,714,280)	(1,164,252)	(5,878,532)
Gain on sale of capital assets	7,631	-	7,631
Grant proceeds	224,710	-	224,710
Insurance recoveries	56,906	1,371	58,277
Capital contributions	156,769	459,613	616,382
Principal payments on long-term debt	(1,063,976)	-	(1,063,976)
Interest paid on long-term debt	(959,686)	-	(959,686)
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	(6,291,926)	(703,268)	(6,995,194)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase/maturity of investments	(4,639)	-	(4,639)
Interest earned	45,912	5,126	51,038
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	41,273	5,126	46,399
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,178,120)	429,096	(1,749,024)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	22,896,876	5,403,414	28,300,290
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 20,718,756	\$ 5,832,510	\$ 26,551,266
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Income (loss) from operating activities	\$ 966,584	\$ 695,538	\$ 1,662,122
Adjustments to reconcile income from operations to net cash			
Depreciation and amortization	1,513,967	540,198	2,054,165
Changes in Assets and Liabilities:			
(Increase) decrease in accounts receivable	(14,996)	(110,332)	(125,328)
(Increase) decrease in net pension assets	(381,721)	(133,036)	(514,757)
(Increase) decrease in due from other funds	(2,506)	(24,453)	(26,959)
(Increase) decrease in inventories	(350,993)	(71,793)	(422,786)
(Increase) decrease in prepaid expenses	110,023	9,033	119,056
(Increase) decrease in deferred outflows	(442,339)	(154,858)	(597,197)
Increase (decrease) in accounts payable	435,348	304,665	740,013
(Increase) decrease in due to other funds	245,636	(43)	245,593
Increase (decrease) in OPEB liability	(49,593)	(16,257)	(65,850)
Increase (decrease) in unearned revenue	1,380,105	367	1,380,472
Increase (decrease) in accrued payroll	(6,487)	(2,604)	(9,091)
Increase (decrease) in compensated absences	78	3,213	3,291
Increase (decrease) in deferred inflows of resources	758,238	262,714	1,020,952
Increase (decrease) in accrued liabilities	52,396	-	52,396
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$ 4,213,740	\$ 1,302,352	\$ 5,516,092

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

**CITY OF PORTLAND, TENNESSEE
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUND
JUNE 30, 2022**

	Agency Fund
ASSETS	
Cash and cash equivalents	\$ 5,500
TOTAL ASSETS	<u>\$ 5,500</u>
LIABILITIES	
Accrued liabilities	\$ 2,500
Due to other funds	3,000
	<u>\$ 5,500</u>

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

CITY OF PORTLAND, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.A. REPORTING ENTITY AND INTRODUCTION

The City of Portland, Tennessee (“the City”) was incorporated May 21, 1905, by the authority of the 54th Tennessee General Assembly and was chartered under the Private Acts of 1939, Chapter No. 568 House Bill No. 1377. The City operates under a Mayor-Aldermen form of government and provides the following services as authorized by its charter: public safety, water, wastewater, natural gas, solid waste (sanitation), parks and recreation, public works, planning and zoning, airport, and general administrative services.

The City’s financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The accounting and reporting framework and the more significant accounting policies are discussed in subsequent sections of this Note.

The City’s financial reporting entity comprises the following:

Primary Government	City of Portland
Blended Component Units	None

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 14, “The Financial Reporting Entity”, and includes all component units of which the City appointed a voting majority of the units’ board; the City is either able to impose its will or a financial benefit or burden relationship exists.

The Portland Airport Authority as established in the city charter is responsible for development, construction and operation of the Portland Airport. Financial activities of the Portland Airport Authority are included in the Airport Fund of these financial statements.

City officials are responsible for appointing members of the Portland Housing Authority and the Housing Assistance Board of Portland, Tennessee. Accountability for these organizations does not extend beyond making appointments. They do not meet the criteria in Section 2100 of GASB’s Codification of Governmental Accounting and Financial Reporting Standards for inclusion as component units.

City officials are responsible for appointing members to the Industrial Development Board of the City of Portland, Tennessee, as established by authority of Chapter 53, Title 7 of the Tennessee Code Annotated. The City has a fiduciary responsibility to administer proceeds of revenue notes issued by the Portland Industrial Development Board (“IDB”). The IDB does not meet the criteria in Section 2100 of GASB’s Codification of Governmental Accounting and Financial Reporting Standards for inclusion as a component unit, however it does meet the criteria for inclusion as a fiduciary fund.

In evaluating the City as a reporting entity, management has addressed all potential component units for which the City may be financially accountable and, as such, should be included within the City’s financial statements. Based on the criteria of financial accountability, the City had no component units at June 30, 2022.

CITY OF PORTLAND, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

1.B. BASIS OF PRESENTATION

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities, which normally are supported by taxes and intergovernmental, 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 direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers of 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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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 for in lieu of taxes where the amounts are reasonable equivalent in value to the interfund services provided and other charges between the government's utility functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported by the various functions concerned.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues and expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues and expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

The General Fund is the primary operating fund of the City and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds

CITY OF PORTLAND, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes.

Proprietary Fund

Enterprise Fund

Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

Fiduciary Fund

The Fiduciary fund financial statement consists of a Statement of Net Position for an agency fund of the Portland Industrial Development Board which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The agency fund is accounted for on a spending or "economic reasons" measurement focus and the accrual basis of accounting.

Major and Nonmajor Funds

The funds are further classified as major or nonmajor as follows:

Fund	Brief Description
Major:	
General	See above for description
Special Revenue Funds:	
Airport	Accounts for revenues and expenditures related to airport activities.
Proprietary Funds:	
Water and Sewer Fund	Accounts for operation of the water and wastewater services provided to customers of the system.
Natural Gas Fund	Accounts for the distribution of natural gas to customers of the system.
Nonmajor:	
Special Revenue Funds:	
Solid Waste (Sanitation)	Accounts for solid waste collection revenue and expenditures related to disposal services.
Stormwater	Accounts for revenues and expenditures related to stormwater activities.
Drug Enforcement	Accounts for revenues and expenditures on drug fines and enforcement costs.
Golf Course	Accounts for revenues and expenditures related to golf course activities.

CITY OF PORTLAND, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

Impact Fee	Accounts for fees charged for development.
Industrial Revolving Loan Fund	Closed in current year.

1.C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital lease are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met; including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of yearend). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of yearend). All other revenue items are considered to be measurable and available only with the cash is received by the government.

The proprietary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

The City does not allocate indirect costs.

1.D. BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with the accounting principles generally accepted in the United States of America for all governmental funds.

CITY OF PORTLAND, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

The City adopts its budget in accordance with the State's legal requirement which is the level of classification detail at which expenditures may not legally exceed appropriations.

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

- a. Formal budgetary integration is employed as a management control device during the year for the General and Special Revenue Funds. These budgets are adopted on a basis consistent with generally accepted accounting principles.
- b. Unused appropriations for each of the annually adopted budgets funds lapse at the end of the year.
- c. Revisions to the budget may be made throughout the year in accordance with governing statutes and consistent with generally accepted accounting principles.

The City's fiscal operating year begins July 1st. An annual operating budget is adopted by the Mayor and Board of Aldermen prior to the commencement of the fiscal year. The budget is legally enacted through the passage of an ordinance which also sets the tax rate. Any revision that alters the total appropriations of any fund requires action by the Board of Aldermen.

1.E. ESTIMATES

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

1.F. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OR RESOURCES, AND NET POSITION/FUND BALANCE

Cash and cash equivalents

The City considers all highly liquid investments with an original maturity of three months or less when purchased to be cash and cash equivalents. Certain cash and cash equivalents of the City are classified as restricted assets on the Statement of Net Position because they are maintained in separate accounts and/or their use is limited by City ordinance, certain agreements, and/or contracts with third parties.

Investments

Unrestricted investments of the governmental and proprietary fund types consist of certificates of deposit and are stated at cost, which approximates fair value.

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. See Note 3.F. for details of interfund transactions, including receivables and payables at yearend.

CITY OF PORTLAND, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

Receivables

In the government-wide statements, receivables consist of all revenues earned at yearend and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include property taxes, sales taxes, and grants. Business-type activities report utilities as their major receivables.

Inventories and Prepaid Items

Inventory of the Public Works and Solid Waste departments, Airport Authority, Water & Sewer, and Gas Funds is stated at cost determined by the first-in, first-out (FIFO) method. The costs of governmental funds inventories are recorded as expenditures when purchased. Certain payments to vendors reflecting costs applicable to future accounting periods are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased. The inventories and prepaid items recorded in the governmental funds do not reflect current appropriable resources and, thus, an equivalent portion of fund balance is reported as non-spendable.

Restricted Assets

Certain cash is reported as restricted because they are maintained in separate bank accounts and their use is either limited by applicable bond covenants or are restricted for use by outside parties or bond issues.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund financial statements. Capital assets used in governmental fund operations are accounted for as capital outlay expenditures. Capital assets, not including general government infrastructure assets, are defined by the government as assets with an initial, total cost of more than \$2,500 and an estimated useful life in excess of one year.

General government infrastructure assets with a total cost greater than \$10,000 and an estimated useful life in excess of one year are capitalized. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

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

Depreciation has been provided over estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Governmental Activities:

Buildings	40 years
Improvements Other than Buildings	10-40 years
Infrastructure Assets	15-50 years
Machinery, Equipment, & Vehicles	5-40 years

**CITY OF PORTLAND, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

Business-type Activities:

Water and Sewer Plant	10-50 years
Natural Gas Plant	10-50 years
Machinery, Equipment, & Vehicles	5-15 years
Furniture and Fixtures	5-15 years

Property Tax The City's property tax is levied each October 1st on the assessed value listed as of the prior January 1st for all real and personal property located in the City's legal boundaries. All City taxes on real estate are declared to be a lien on such realty from January 1st of the year assessments are made. Taxes become delinquent in March of the year subsequent to the levy date; at that time a lien attaches, and delinquent taxes are turned over for collection proceedings. Property tax revenues are recognized when levied. An allowance is established for delinquent taxes to the extent that their collectability is doubtful.

Property taxes are treated as non-exchange revenue. Accounts receivable from imposed non-exchange transactions are recorded when the City has an enforceable legal claim to the asset. The enforceable legal claim date for property taxes is the assessment date of January 1st. Therefore, the City has recorded the succeeding year's receivable and deferred inflows of resources for taxes assessed as of June 30, 2022 that will not be received until after year-end.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government's pension-related items and OPEP related items fall into this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has three items that qualify for reporting in this category. One item, unavailable revenue, is reported only in the government-wide Statement of Net Position and the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. Also, the government's pension-related items and OPEP related items fall into this category.

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

Compensated Absences

The City's policies permit employees to earn vacation time on a calendar-year basis. Any unused vacation leave at December 31 is forfeited. Vacation leave earned but unpaid at June 30, 2022 is accrued and presented as current liabilities in the government-wide and proprietary fund financial statements. The City's policies permit the

CITY OF PORTLAND, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

accumulation, within certain limitations, of unused sick leave with vesting of unused amounts upon retirement with no monetary payouts. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available resources. The compensated absence liability attributable to the governmental activities will be liquidated primarily by the General Fund.

Long-term Debt

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 assets. Bond premiums and discounts are deferred and amortized straight-line over the life of the bonds that are reported net with bonds payable. Bond issue costs are expensed as 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 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.

Net Position Flow Assumption

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

Net position is displayed in three components:

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

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The *committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The City Board is the government's highest level of decision-making authority for the government that can, by adoption of an

**CITY OF PORTLAND, TENNESSEE
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ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken to remove or revise the limitation.

Amounts in the *assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing board has by resolution authorized the treasurer to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal or assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Non-spendable fund balance is associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned).

Restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

The City considers that committed amounts would be used first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those restricted fund balance classifications could be used.

When expenditures are incurred for purposes, for which both restricted and unrestricted (assigned or unassigned) amounts are available, it shall be the policy of the City to use the restricted amounts first as permitted under the law. When the expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the City to use the assigned amounts first, followed by the unassigned amounts.

1.G. REVENUES, EXPENDITURES AND EXPENSES

Program Revenues

Amounts reported as 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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Sales Tax

The City presently levies a nine and one quarter percent sales tax on taxable sales within the City. The sales tax is collected by the Tennessee Department of Revenue and remitted to the City in the month following receipt by the Department of Revenue. The Department of Revenue receives the sales tax approximately one month after collection by vendors.

Property Tax

Property taxes are levied annually on the first of January. The taxes are due and payable from the following October through February in the year succeeding the tax levy. An unperfected lien attaches by statute to property on March 1 for unpaid taxes from the prior year's levy. Taxes uncollected for one year past the due date are submitted to the Chancery Court for collection. Tax liens become perfected at the time the court enters

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judgment. In the fund financial statements, property taxes are recorded as revenue in the period levied to the extent they are collected within 60 days of year-end.

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities. All revenues that are not generated from the daily operations are defined as non-operating.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental funds – by Character:	Current (further classified by function)
	Debt Service
	Capital Outlay

Proprietary Fund – by Operating and Nonoperating

In fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

Interfund Transfers

Permanent, reallocation of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

1.H. IMPACT OF RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In June 2017, the GASB issued Statement No. 87 – *Leases*, effective for financial statements for periods beginning after December 15, 2019. In May 2020, the GASB issued Statement No. 95 – *Postponement of the Effective Dates of Certain Authoritative Guidance* which postponed the effective date of GASB Statement No. 87 by eighteen months. This delayed the effective date of GASB Statement No. 87 for financial statements for periods beginning after June 15, 2021. The primary 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. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. 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. The City has evaluated financial reporting for leases and has determined that there is no change in lease reporting as a result of the adoption of the standard.

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NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

By its nature as a local government unit, the City and its component units are subject to various federal, state, and local laws and contractual regulations. An analysis of the City's compliance with significant laws and regulations and demonstration of its stewardship over the City resources follows.

2.A. FUND ACCOUNTING REQUIREMENTS

Fund	Required By
Police Drug Fund	State Law

2.B. DEPOSITS AND INVESTMENTS LAWS AND REGULATIONS

In accordance with state law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral valued at the lower of market or par. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain Tennessee or political subdivision debt obligations, or surety bonds. As required by 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the City must have a written collateral agreement approved by the board of directors or loan committee.

The City's investment policies are governed by State Statute. Permissible investments include direct obligations of the U.S. Government and agency securities, certificates of deposit, and savings accounts. Collateral is required for demand deposits, certificates of deposit, and repurchase agreements at 105% of all amounts not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations and the State and its subdivisions. The City has no policy that further limits allowable investments.

Unrestricted investments of the governmental and proprietary fund types consist of certificates of deposit and are stated at cost, which approximates fair market value.

2.C. REVENUE RESTRICTIONS

The City has various restrictions over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

Revenue Source	Legal Restrictions of Use
Gasoline excise tax	Street purposes
Grants	Grant program expenditures

2.D. FUND EQUITY RESTRICTIONS

Deficit Prohibition

Tennessee Statutes prohibit the creation of a deficit fund balance in any individual fund. No City funds had a deficit fund balance at June 30, 2022.

CITY OF PORTLAND, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
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2.E. BUDGET

The Airport Fund had expenditures that exceeded appropriations. This was due to the accrual of payables related to the runway project.

NOTE 3. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

3.A. CASH AND INVESTMENTS

Deposits and Investments

The City's policies regarding deposits of cash are discussed in Note 1.F. and Note 2.B. The City maintains checking accounts with local banks. Also, some funds are held as certificates of deposit at local banks. Deposits are carried at cost plus accrued interest. The carrying amount of deposits is separately displayed on the balance sheet as "cash and cash equivalents" and "investments". Investments consist of certificates of deposits at the local banks whose maturity exceeds three months.

Deposits: As of June 30, 2022, all of the City's deposits were held by financial institutions which participate in the bank collateral pool administered by the Treasurer of the State of Tennessee. Participating banks in the bank collateral pool determine the aggregate balance of their public fund accounts. The amount of collateral required to secure these public deposits must be at least 105% of the average daily balance of public deposits held. Collected securities required to be pledged by the participant banks to protect their public fund accounts are pledged to the State Treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each individual account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under the additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of custodial credit risk disclosure.

Investments: As of June 30, 2022, the City also held certificates of deposit with initial maturities of greater than three months which have been classified as investments. The certificates of deposit earn interest ranging from 0.15% to 0.25% and are invested with banks participating in the state bank collateral pool.

3.B. ACCOUNTS RECEIVABLE

Accounts receivable of the business-type activities consists of utilities receivable. Accounts receivable of the governmental activities consists of amounts due from the various local sources. Receivables detail at June 30, 2022, is as follows:

	Governmental Activities		Business-type Activities		
	Solidwaste	Stormwater	Water and Wastewater	Natural Gas	Total
Accounts receivable	\$ 124,779	\$ 43,014	\$ 746,965	\$ 376,738	\$ 1,291,496
Allowance for doubtful accounts	(13,179)	(3,378)	(79,493)	(21,407)	(117,457)
Net accounts receivable	<u>\$ 111,600</u>	<u>\$ 39,636</u>	<u>\$ 667,472</u>	<u>\$ 355,331</u>	<u>\$ 1,174,039</u>

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3.C. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022, was as follows:

	Balance 7/1/2021	Prior Period Adjustment	Additions/ Adjustments	Retirements/ Adjustments	Balance 6/30/2022
Government Activities:					
Capital assets not being depreciated					
Land	\$ 6,841,222	\$ -	\$ -	\$ 65,782	\$ 6,775,440
Construction in Progress	646,988	-	1,981,575	86,724	2,541,839
Total capital assets not being depreciated	<u>7,488,210</u>	<u>-</u>	<u>1,981,575</u>	<u>152,506</u>	<u>9,317,279</u>
Capital assets being depreciated					
Buildings and plant	15,094,464	-	24,388	-	15,118,852
Other improvements	8,407,996	-	18,181	-	8,426,177
Infrastructure	13,864,681	-	57,155	-	13,921,836
Machinery and equipment	7,006,664	70,603	1,261,633	114,442	8,224,458
Total capital assets being depreciated	<u>44,373,805</u>	<u>70,603</u>	<u>1,361,357</u>	<u>114,442</u>	<u>45,691,323</u>
Less accumulated depreciation for:					
Buildings and plant	2,922,435	-	385,498	-	3,307,933
Other improvements	3,044,514	-	260,056	-	3,304,570
Infrastructure	6,046,456	-	400,988	-	6,447,444
Machinery and equipment	4,847,711	70,603	592,670	113,983	5,397,001
Total accumulated depreciation	<u>16,861,116</u>	<u>-</u>	<u>1,639,212</u>	<u>113,983</u>	<u>18,456,948</u>
Total capital assets, being depreciated, net	<u>27,512,689</u>				<u>27,234,375</u>
Government activities capital assets, net	<u>\$ 35,000,899</u>				<u>\$ 36,551,654</u>
Business-type Activities:					
Capital assets not being depreciated					
Land	\$ 1,295,582	\$ -	\$ -	\$ -	\$ 1,295,582
Construction in Progress	1,426,326	-	4,635,396	702,609	5,359,113
Total capital assets not being depreciated	<u>2,721,908</u>	<u>-</u>	<u>4,635,396</u>	<u>702,609</u>	<u>6,654,695</u>
Capital assets being depreciated					
Water & Sewer Plant	50,715,788	-	737,584	-	51,453,372
Natural Gas Plant	17,520,440	-	916,173	-	18,436,613
Machinery, equipment & vehicles	3,575,664	(70,605)	301,097	39,045	3,767,111
Total capital assets being depreciated	<u>71,811,892</u>	<u>(70,605)</u>	<u>1,954,854</u>	<u>-</u>	<u>73,657,096</u>
Less accumulated depreciation for:					
Water & Sewer Plant	20,691,612	-	1,323,926	-	22,015,538
Natural Gas Plant	6,022,948	-	419,961	-	6,442,909
Machinery, equipment & vehicles	2,380,783	(70,605)	310,278	29,938	2,590,518
Total accumulated depreciation	<u>29,095,343</u>	<u>(70,605)</u>	<u>2,054,165</u>	<u>29,938</u>	<u>31,048,965</u>
Total capital assets, being depreciated, net	<u>42,716,549</u>				<u>42,608,131</u>
Business-type activities capital assets, net	<u>\$ 45,438,457</u>				<u>\$ 49,262,826</u>

Depreciation expense was charged to governmental activities as follows:

Governmental activities:	
General government	\$ 161,656
Public safety	385,426
Public works	878,339
Health, welfare, and recreation	213,791
	<u>\$ 1,639,212</u>

Depreciation expense was charged to business-type activities as follows:

Business-type activities:	
Water and wastewater	\$ 1,513,967
Natural gas	540,198
	<u>\$ 2,054,165</u>

**CITY OF PORTLAND, TENNESSEE
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JUNE 30, 2022**

3.D. ACCOUNTS PAYABLE

Payables in the general fund and nonmajor governmental funds are composed of payables to vendors.

3.E. LONG-TERM DEBT AND LIABILITIES

The reporting entity's long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

Long-Term Debt

As of June 30, 2022, the City's long-term debt of the financial reporting entity consisted of the following:

Governmental Activities:

Long-Term Debt

General Obligation Bonds and Capital Outlay Notes

The City has outstanding general obligation refunding bonds and capital outlay notes from direct borrowings and direct placements related to governmental activities totaling \$9,931,000 and \$1,018,278, respectively. Direct borrowings related to business-type activities include capital outlay notes and state revolving loans totaling \$821,541 and water/sewer system refunding bonds of \$28,155,000.

General obligation bonds, capital outlay notes and other loans are direct obligations and pledge the full faith and credit of the government. The City's direct borrowings related to governmental and business-type activities require the same pledge of the full faith and credit; however, none of the direct borrowings contain any provision for acceleration of payments of principal or are secured by collateral. All bonds and other loans included in long-term debt as of June 30, 2022 will generally be retired from governmental or enterprise fund cash.

During the year the City authorized issuance of a \$226,250 TML Refunding Capital Outlay Notes to payoff certain debt. The City paid off debt with interest rates of 2.65% - 3.00%. The refunding capital outlay notes have an interest rate of 1.99% and a maturity date of 11/1/2026.

During the year the City authorized issuance of \$276,000 TML Bond Capital Outlay Notes to purchase police vehicles. These notes have an interest rate of 1.99% and have a maturity date of 3/1/2027.

During the year the city authorized issuance of a \$6,000,000 TN Municipal Bond Fund Debt. This debt has an interest rate of 2.85% and have a maturity date of 6/1/2043. As of June 30, 2022 the City had only drawn \$51,000. This debt was issued for various capital projects.

**CITY OF PORTLAND, TENNESSEE
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Debt outstanding as of June 30, 2022 consisted of the following:

	Interest Rates	Maturity Date	Original Issue	Balance 6/30/2022
Governmental Activities				
<i>Direct Borrowings:</i>				
Fire Department CON #72	3.78%	6/21/2023	\$ 378,000	\$ 30,900
Street Paving CON #60	2.87%	4/1/2023	500,000	41,630
Street Paving CON #66	2.61%	10/1/2023	1,150,000	179,620
Police Cars Capital Outlay Note #70	3.16%	4/15/2023	225,000	33,750
Sanitation Trucks Capital Outlay Note #71	3.78%	6/21/2023	267,000	53,400
Police/Fire Equipment Capital Outlay Note #73	3.00%	11/5/2024	369,000	176,728
Refunding Capital Outlay Note #78	1.99%	11/1/2026	226,250	226,250
TML Bonds Capital Outlay Note #79	1.99%	3/1/2027	276,000	276,000
<i>General Obligation Bonds:</i>				
General Obligation Refunding Bonds, Series 2014	3.50%	4/1/2045	7,410,000	6,245,000
General Obligation Refunding Bonds, Series 2020	2.625-4.00%	6/30/2050	3,780,000	3,635,000
TMBF Loan #80 (still drawing as of 6/30/2022)	2.85%	6/1/2043	6,000,000	51,000
			<u>\$ 20,581,250</u>	<u>\$ 10,949,278</u>
Business-type Activities:				
<i>Water and Sewer System Refunding Bonds:</i>				
Refunding Bonds, Series 2016	3.00%	4/1/2046	\$ 14,405,000	\$ 11,765,000
Refunding Bonds, Series 2020	2.63%	4/1/2050	16,930,000	16,390,000
<i>Direct Borrowings:</i>				
Capital outlay note - equipment	2.48%	6/15/2025	237,000	142,200
State Revolving Loan Fund	1.70%	10/1/2031	1,500,000	679,341
			<u>\$ 33,072,000</u>	<u>\$ 28,976,541</u>

CITY OF PORTLAND, TENNESSEE
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JUNE 30, 2022

Debt service requirements on long-term debt at June 30, 2022, are as follows:

Year Ending June 30,	Governmental Activities					
	General Obligation Bonds		Notes from Direct Borrowings and Direct Placements		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 265,000	\$ 330,906	\$ 490,240	\$ 19,796	\$ 755,240	\$ 350,702
2024	270,000	322,407	223,660	9,463	493,660	331,870
2025	280,000	313,294	144,128	5,115	424,128	318,409
2026	290,000	303,794	89,750	2,853	379,750	306,647
2027	305,000	293,906	70,500	1,278	375,500	295,184
2028-2032	1,685,000	1,297,133	-	-	1,685,000	1,297,133
2033-2037	1,980,000	993,982	-	-	1,980,000	993,982
2038-2042	2,320,000	651,070	-	-	2,320,000	651,070
2043-2047	1,930,000	239,789	-	-	1,930,000	239,789
2048-2050	555,000	33,600	-	-	555,000	33,600
	<u>\$ 9,880,000</u>	<u>\$ 4,779,881</u>	<u>\$ 1,018,278</u>	<u>\$ 38,505</u>	<u>\$ 10,898,278</u>	<u>\$ 4,818,386</u>

Year Ending June 30,	Business-type Activities					
	Revenue and Tax Bonds		Other Long-term debt		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 845,000	\$ 915,569	\$ 115,128	\$ 14,004	\$ 960,128	\$ 929,573
2024	870,000	894,119	116,280	11,676	986,280	905,795
2025	885,000	874,343	117,468	9,313	1,002,468	883,656
2026	905,000	854,243	71,268	7,476	976,268	861,719
2027	920,000	833,694	72,492	6,252	992,492	839,946
2028-2032	4,895,000	3,747,468	328,905	12,501	5,223,905	3,759,969
2033-2037	5,490,000	2,825,070	-	-	5,490,000	2,825,070
2038-2042	5,385,000	1,761,117	-	-	5,385,000	1,761,117
2043-2047	5,435,000	845,588	-	-	5,435,000	845,588
2048-2050	2,525,000	152,850	-	-	2,525,000	152,850
	<u>\$ 28,155,000</u>	<u>\$ 13,704,061</u>	<u>\$ 821,541</u>	<u>\$ 61,222</u>	<u>\$ 28,976,541</u>	<u>\$ 13,765,283</u>

For governmental activities, net pension liability, net OPEB liability, and compensated absences are generally liquidated by the general fund.

CITY OF PORTLAND, TENNESSEE
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JUNE 30, 2022

Changes in long-term liabilities

A summary of long-term liability activity, including debt, for the year ended June 30, 2022 is as follows. Additional detailed information is available following the summary.

	Balance 7/1/2021	Issued or Additions	Retirements	Balance 6/30/2022	Due within one year
Governmental Activities:					
General obligation bonds	\$ 10,135,000	\$ 51,000	\$ 255,000	\$ 9,931,000	\$ 316,000
Plus Bond Premium	201,214	-	6,899	194,315	6,899
Less bond discount	(32,058)	-	(1,099)	(30,959)	(1,099)
Total bonds payable	<u>10,304,156</u>	<u>51,000</u>	<u>260,800</u>	<u>10,094,356</u>	<u>321,800</u>
Private Placement Notes	1,273,592	502,250	757,564	1,018,278	490,240
Compensated absences	238,936	47,473	-	286,409	-
Net OPEB liability	1,297,301	-	133,026	1,164,275	-
Total long-term liabilities	<u>\$ 13,113,985</u>	<u>\$ 600,723</u>	<u>\$ 1,151,390</u>	<u>\$ 12,563,318</u>	<u>\$ 812,040</u>

	Balance 7/1/2021	Issued or Additions	Retirements	Balance 6/30/2022	Due within one year
Business-type activities:					
Water & Sewer Refunding & Improvement Bonds	\$ 29,105,000	\$ -	\$ 950,000	\$ 28,155,000	\$ 845,000
Plus Bond Premium	1,881,273	-	115,172	1,766,101	115,171
Less Bond Discount	(5,746)	-	(390)	(5,356)	(390)
Total Bonds Payable	<u>30,980,527</u>	<u>-</u>	<u>1,064,782</u>	<u>29,915,745</u>	<u>959,781</u>
Notes and Loans from Direct Borrowings					
State Revolving Loan	745,917	-	66,576	679,341	67,728
Capital Outlay Notes	189,600	-	47,400	142,200	47,400
Compensated absences	103,922	3,291	-	107,213	-
Post retirement benefit - ins.	642,002	-	(65,850)	576,152	-
Total long-term liabilities	<u>\$ 32,661,968</u>	<u>\$ 3,291</u>	<u>\$ 1,112,908</u>	<u>\$ 31,420,651</u>	<u>\$ 1,074,909</u>

The bond resolution authorizing the Water and Sewer System Refunding and Improvement Bonds, Series 2016 shown above requires the City to establish a Debt Service Reserve Fund, a Bond and Interest Sinking Fund, and requires the City to establish rates to its customers in order to maintain a debt service coverage ratio of no less than 1.2 to 1.0 for the 2006 bonds and all prior lien bonds and 1 to 1 for all other obligations. These refunding bonds defeased certain outstanding bonds, which were retired in October 2016.

CITY OF PORTLAND, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

3.F. INTERFUND TRANSACTIONS AND BALANCES

	TRANSFER FROM				Totals
	General	Revolving Loan Fund	Water and Wastewater	Gas Fund	
TRANSFER TO					
General	\$ -	\$ 136,777	\$ 141,207	\$ 175,114	\$ 453,098
Golf Course Fund	63,000	-	-	-	63,000
	<u>\$ 63,000</u>	<u>\$ 136,777</u>	<u>\$ 141,207</u>	<u>\$ 175,114</u>	<u>\$ 516,098</u>

The transfer from General Fund to the Golf Course Fund was for operating transfers. The transfer to the General Fund from the Revolving Loan Fund was a residual equity transfer to close the Revolving Loan Fund. The transfers from the Proprietary Funds to the General Fund were for in lieu of taxes.

Interfund Payables

	DUE FROM					Totals
	General	Airport	Solid Waste	Water Wastewater	Gas Fund	
DUE TO						
General	\$ -	\$ -	\$ -	\$ 180,598	\$ -	\$ 180,598
Airport	-	-	-	4,000	-	4,000
Solid Waste	-	-	-	17,192	-	17,192
Stormwater	-	-	-	13,652	-	13,652
Golf Course	851	-	-	4,000	-	4,851
Water/wastewater	4,690	81	7	-	21	4,799
Gas	305	98	1	26,621	-	27,025
	<u>\$ 5,846</u>	<u>\$ 179</u>	<u>\$ 8</u>	<u>\$ 246,063</u>	<u>\$ 21</u>	<u>\$ 252,117</u>

All balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. These balances will be repaid within one year.

NOTE 4. OTHER NOTES

4.A. EMPLOYEE PENSION AND OTHER BENEFIT PLANS

Plan Description

Employees of the City are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly

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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 years of 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 non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

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

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	72
Inactive employees entitled to but not yet receiving benefits	104
Active Employees	<u>150</u>
Total Employees	<u>326</u>

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. The City makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2022, employer contributions for the City were \$66,963 based on a rate of 0.79 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the City's state shared taxes if required employer contributions are not remitted. The employer's ADC and member contributions are expected to finance the cost of benefits earned by during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

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

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

Inflation	2.5 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
Cost-of-Living Adjustment	2.125 percent

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

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.

Changes in assumptions

In 2021, the following assumptions were changed: decreased inflation rate from 2.5% to 2.25%; decreased the investment rate of return from 7.25% to 6.75%; decreased the cost-of-living adjustment from 2.25% to 2.125%; and modified mortality assumptions.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of 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:

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

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Changes in Net Pension Liability (Asset)

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 Portland 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 Position Liability (Asset)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability(Asset)
Balance at 6/30/20	\$ 20,086,953	\$ 21,991,610	\$ (1,904,657)
Changes for the year:			
Service cost	578,661	-	578,661
Interest	1,467,352	-	1,467,352
Change in plan provisions	-	-	-
Differences between expected and actual experience	432,951	-	432,951
Change in assumptions	2,033,545	-	2,033,545
Contributions - employer	-	114,007	(114,007)
Contributions - employees	-	381,935	(381,935)
Net investment income	-	5,625,393	(5,625,393)
Benefit payments, including refunds of employee contributions	(852,540)	(852,540)	-
Administrative expense	-	(13,667)	13,667
Net changes	<u>3,659,969</u>	<u>5,255,128</u>	<u>(1,595,159)</u>
Balance at 6/30/21	<u><u>\$ 23,746,922</u></u>	<u><u>\$ 27,246,738</u></u>	<u><u>\$ (3,499,816)</u></u>

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of the City calculated using the discount rate of 6.75 percent, as well as what the net pension liability (asset) 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 (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability (Asset)	\$ 137,392	\$ (3,499,816)	\$ (6,460,906)

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

Pension expense. For the year ended June 30, 2022, the City recognized negative pension expense of (\$454,825).

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2022, Portland reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 407,952	\$ 346,481
Changes in assumptions	1,840,428	-
Net difference between projected and actual earnings on pension plan investment	-	2,999,698
Contribution subsequent to the measurement date of June 30, 2020	66,963	not applicable
	<u>\$ 2,315,343</u>	<u>\$ 3,346,179</u>

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2021," will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

Year ended	
2023	\$ (484,539)
2024	(451,930)
2025	(376,236)
2026	(483,128)
2027	345,677
Thereafter	352,356

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

Payable to the Pension Plan

At June 30, 2022, Portland reported a payable of \$42,938 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2022.

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NOTE 4.B. - OTHER POST-EMPLOYMENT BENEFITS

Local Government OPEB Plan (LGOP)

Plan description - Employees of the City of Portland, who were hired prior to July 1, 2015, are provided with pre-65 retiree health insurance benefits through the closed Local Government OPEB Plan (LGOP) administered by the Tennessee Department of Finance and Administration. This plan is considered to be a multiple-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB). However, for accounting purposes, this plan will be treated as a single-employer plan. All eligible pre-65 retired employees and disability participants of local governments, who choose coverage, participate in the LGOP. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

Benefits provided - The City of Portland offers the LGOP to provide health insurance coverage to eligible pre-65 retirees and disabled participants of local governments. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-701 establishes and amends the benefit terms of the LGOP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members, of the LGOP, receives the same plan benefits as active employees, at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for the retiree premiums. The LGOP is funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

Employees covered by benefit terms - At July 1, 2021, the following employees of City of Portland were covered by the benefit terms of the LGOP:

Inactive employees currently receiving benefit	
Payments	12
Inactive employees entitled to but not yet receiving benefit payments	-
Active Employees	<u>157</u>
Total	<u>164</u>

An insurance committee, created in accordance with TCA 8-27-701, establishes the required payments to the LGOP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. For the fiscal year ended June 30, 2022, the City of Portland paid \$116,621 to the LGOP for OPEB benefits as they came due.

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Actuarial assumptions - The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary increases	Graded salary ranges from 3.44 to 8.72 percent based on age, including inflation, averaging 4 percent
Healthcare cost trend rates	7.36% for pre-65 for 2021, decreasing annually Over a 7-year period to an ultimate rate of 4.50%, 7.32% for post-65 in 2021 decreasing annually over an 8 year period to an ultimate Rate of 4.50%
Retiree's share of benefit-related costs	Members are required to make monthly contributions in order to maintain their coverage. For the purpose of this Valuation a weighted average has been used with weights derived from the current distribution of members among plans offered.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2020, valuations were the same as those employed in the July 1, 2020 Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 - June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the PUB-2010 Headcount-Weighted Employee Mortality Table for General Employees for non-disabled post-retirement mortality, with mortality improvement projected generationally with MP-2020 from 2010. Post-retirement tables are Headcount-Weighted Below Median Healthy Annuity and adjusted with a 6% load for males and a 14% load for females projected generationally from 2010 with MP-2020. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10% load, projected generationally from 2018 with MP-2020.

Discount rate - The discount rate used to measure the total OPEB liability was 2.16 percent. This rate reflects the interest rate derived from yields on 20-year, tax-exempt general obligation municipal bonds, prevailing on the measurement date, with an average rating of AA/Aa as shown on the Bond Buyer 20-Year Municipal GO AA index.

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Changes in Total OPEB Liability

	Total OPEB Liability (a)
Beginning balance	\$ 1,804,092
Changes for the year:	
Service cost	157,085
Interest	42,311
Changes in benefit terms	30,040
Differences between expected and actual experience	62,631
Change in assumptions	(407,197)
Benefit payments	(93,859)
Net changes	(208,989)
Ending balance	<u>\$ 1,595,103</u>

Changes in assumptions - The discount rate was changed from 2.21% as of the beginning of the measurement period to 2.16% as of June 30, 2021. This change in assumption increased the total OPEB liability. Other changes in assumptions include adjustment to initial per capita cost and health trend rates.

Sensitivity of total OPEB liability to changes in the discount rate - The following presents the total OPEB liability related to the LGOP, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16%) or 1-percentage-point higher (3.16%) than the current discount rate.

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB Liability	\$ 1,726,392	\$ 1,595,103	\$ 1,473,036

Sensitivity of total OPEB liability to changes in the healthcare cost trend rate - The following presents the total OPEB liability related to the LGOP, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate.

	1% Decrease (6.36%/6.32% decreasing to 3.50%)	Healthcare Cost Trend Rates (7.36%/7.32% decreasing to 4.50%)	1% Increase (8.36%/8.32% decreasing to 5.50%)
Total OPEB Liability	\$ 1,416,378	\$ 1,595,103	\$ 1,810,914

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OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

OPEB expense - For the fiscal year ended June 30, 2022, the City recognized OPEB expense of \$132,487.

Deferred outflows of resources and deferred inflows of resources - For the fiscal year ended June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB benefits in the LGOP from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	\$ 142,389	\$ 290,641
Changes of assumptions	156,570	541,154
Employer payments subsequent to the measurement date	116,621	-
Total	<u>\$ 415,580</u>	<u>\$ 831,795</u>

The amounts shown above for "Employer payments subsequent to the measurement date" will be recognized as a reduction to total OPEB liability in the following measurement period.

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

Year ended	
2023	\$ (96,949)
2024	(96,949)
2025	(96,949)
2026	(96,949)
2027	(73,603)
Thereafter	(71,437)

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

Tennessee Plan (TNP)

Plan description - Employees of the City of Portland, who were hired prior to July 1, 2015, are provided with post-65 retiree health insurance benefits through the closed Tennessee Plan (TNP) administered by the Tennessee Department of Finance and Administration. This plan is considered a multiple-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB). However, for accounting purposes, this plan will be treated as a single-employer plan. All eligible post-65 retirees and disability participants of local governments, who choose coverage, participate in the TNP. The TNP also includes eligible retirees of the state, certain component units of the state, and local education agencies. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

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Benefits provided - The state offers the TNP to help fill most of the coverage gaps created by Medicare for eligible post-65 retirees and disabled participants of local governments. Insurance coverage is the only postemployment benefit provided to retirees. The TNP does not include pharmacy. In accordance with TCA 8-27-209, benefits of the TNP are established and amended by cooperation of insurance committees created by TCA 8-27-201, 8-27-301 and 8-27-701. Retirees and disabled employees of the state, component units, local education agencies, and certain local governments who have reached the age of 65, are Medicare eligible and also receive a benefit from the Tennessee Consolidated Retirement System may participate in this plan. All plan members receive the same plan benefits at the same premium rates. Participating employers determine their own policy related to subsidizing the retiree premiums. The TNP is funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

Employees covered by benefit terms - At July 1, 2021, the following employees of the City of Portland were covered by the benefit terms of the TNP:

Inactive employees currently receiving benefits	2
Inactive employees entitled to but not yet receiving benefits	16
Active employees	<u>98</u>
Total	<u>116</u>

In accordance with TCA 8-27-209, the state insurance committees established by TCAs 8-27-201, 8-27-301 and 8-27-701 determine the required payments to the plan by member employers and employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the City of Portland paid \$1,175 to the TNP for OPEB benefits as they came due.

Actuarial assumptions - The collective total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Inflation	2.25%
Salary increases	Graded salary ranges from 3.44 to 8.72 percent Based on age, including inflation, averaging 4 percent.
Healthcare cost trend rates	The premium subsidies provided to retirees in the Tennessee Plan are assumed to remain unchanged for the entire projection; therefore, trend rates are not applicable.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2021, valuations were the same as those employed in the July 1, 2020 Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 - June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the PUB-2010 Headcount-Weighted Employee mortality table for General Employees non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2020 from 2010.

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Post-retirement tables are Headcount-Weighted Below Median Healthy Annuitant and adjusted with a 6% load for males and a 14% load for females, projected generationally from 2010 with MP-2020.. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10% load, projected generationally from 2018 with MP-2020.

Discount rate - The discount rate used to measure the total OPEB liability was 2.16 percent. This rate reflects the interest rate derived from yields on 20-year, tax-exempt general obligation municipal bonds, prevailing on the measurement date, with an average rating of AA/Aa as shown on the Bond Buyer 20- Year Municipal GO AA index.

Changes in the Total OPEB Liability

	Total OPEB Liability (a)
Beginning balance	\$ 135,212
Changes for the year:	
Service cost	9,089
Interest	3,175
Changes of benefit terms	-
Differences between expected and actual experience	41,666
Change in assumptions	(42,616)
Benefit payments	(1,307)
Net changes	<u>10,007</u>
Ending Balance	<u><u>\$ 145,219</u></u>

Changes in assumptions - The discount rate was changed from 2.21% as of the beginning of the measurement period to 2.16% as of June 30, 2021. This change in assumption increased the total OPEB liability.

Sensitivity of total OPEB liability to changes in the discount rate - The following presents the total OPEB liability related to the TNP, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate.

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB liability	\$ 170,988	\$ 145,219	\$ 124,124

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

OPEB expense - For the fiscal year ended June 30, 2022, the City recognized OPEB expense of \$11,482.

Deferred outflows of resources and deferred inflows of resources - For the fiscal year ended June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB benefits in the TNP from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 43,012	\$ -
Changes of assumptions	82	46,361
Employer payments subsequent to the measurement date	1,175	-
Total	<u>\$ 44,269</u>	<u>\$ 46,361</u>

The amounts shown above for "Employer payments subsequent to the measurement date" will be recognized as a reduction to total OPEB liability in the following measurement period.

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

For the year ended June 30:

2023	\$ (782)
2024	(782)
2025	(782)
2026	(849)
2027	135
Thereafter	(207)

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

4.C. RISK MANAGEMENT

The City is exposed to various risks to general liability and property and casualty losses. The City deems it was more economically feasible to participate in a public entity risk pool as opposed to purchasing commercial insurance for general liability, property, casualty and workman's compensation coverage. The City participates in the Public Entity Partners Risk Management Pool (the "Pool"), a public entity risk pool currently operating a workers' compensation common risk management and insurance program. The City pays an annual premium to the Pool for its general liability, law enforcement liability, errors and omissions liability, auto liability, workers' compensation and property coverage. The City's workers' compensation coverage is retrospectively rated, whereby premiums are accrued based on the ultimate costs of the experience of the City. Claims arising are paid by the Pool. The Pool has the right to assess participants for loss experience in excess of premiums collected. The City also obtains commercial insurance coverage for accidents and sick-leave for volunteer firemen. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

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4.D. COMMITMENTS AND CONCENTRATIONS

Commitments

The City is committed on future capital expenditures for projects ongoing at June 30, 2022:

The City was awarded \$32,000 from the FFA American Rescue Plan Act (ARPA) funding for the Airport. The grant is 100% Federal and 0% Local. Airport operating cost is being used as the expense to be reimbursed but it won't be applied until FY '23.

The City was awarded \$6,650,075.00 from a Federal Governmental Grant Contract for Airport Runway Rehabilitation, Line of Sight Correction, and Airfield Lighting Replacement. The grant is 100% Federal and 0% Local. As of June 30, 2022, the City had expenses of \$1,482,233.

The City has been awarded a Federal grant of \$275,000.00 (95% Federal funding of \$261,904.76 and 5% Local funding of \$13,095.24) as Assistance to Firefighters Grant (AFG). As of June 30, 2022, the City has expensed and received receipts of \$232,114.29 with \$29,790.47 remaining in FY23.

The City was awarded State funding for Project Commodore for Preliminary Engineering with 100% State reimbursement of \$283,100.00, Right of Way and Utilities with 50% State reimbursement of \$140,300.00 and 50% Local, Construction with 100% State reimbursement of \$2,690,900.00 and CEI with 100% State reimbursement of \$283,100.00 coming to a total estimated cost of \$3,397,400.00.

The City was awarded Federal funding for "Scattersville Road Paving" which includes New Deal Potts Rd Paving. Federal funding of 80% and Local share is 20% with total estimated Cost at \$128,500.00. As of June 30, 2022, total expenditures are \$30,273.77.

The City was awarded Federal and State funding for "Downtown Rail Crossings" for TN Rail Crossing Safety Manager. Federal funding of 90% for Design and Construction Oversight at East McGlothlin St with the last 10% split between 5% Local and 5% CSX funding, total estimated at \$376,488.00. As well as State funding of 90% for Construction at East McGlothlin St with the last 10% split between 5% Local and 5% CSX funding, total estimated at \$34,685.00.

The City was awarded Federal and State funding for "Downtown Rail Crossings" for TN Rail Crossing Safety Manager. Federal funding of 90% for Design and Construction Oversight at Main St with the last 10% split between 5% Local and 5% CSX funding, total estimated at \$532,352.00. As well as State funding of 90% for Construction at Main St with the last 10% split between 5% Local and 5% CSX, total estimated at \$72,000.00.

Portland received Federal and State funding for "Downtown Rail Crossings" for TN Rail Crossing Safety Manager. Federal funding of 90% for Design and Construction Oversight at E Market with the last 10% split between 5% Local and 5% CSX, total estimated at \$477,823.00. As well as State funding of 90% for Construction at E Market St with the last 10% split between 5% Local and 5% CSX, total estimated at \$54,350.50.

The City received Federal funding for "College Street Sidewalks" with 80% Federal funding and 20% local share totaling \$1,139,215.00.

The City was awarded Federal funding for "Resurfacing Kirby Rd, S. Russell St" with 80% Federal funding and 20% Locally funded at total estimated cost of \$446,295.00.

The City was awarded 100% Federal funding for "CMAQ-SR-109 from SR-52 to College St" at total estimated cost of \$762,662.50. As of June 30, 2022, the City had expended \$35,660.

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The City has a project for construction on 109 Bypass – North Loop for Gas, Water and Sewer with an estimated cost of \$1,895,393 and a project for construction on 109 Bypass – South Loop for Gas and Water with an estimated cost of \$317,874.

The City of Portland and Sumner County Government have adopted the Tax Increment Financing Program established by the Industrial Development Board (IDB) of Sumner County. TIF is an economic development tool that allocates all or a portion of the new, additional taxes generated by a development over a specified period of time to pay for infrastructure such as utility and road improvements related to that development.

The TIF Program is primarily for the economic development projects that provide improvements in underutilized areas. This program applies only to projects initiated by a private developer and supported by tax increment property tax revenues. It is a discretionary program and does not create or vest any rights in any person or entity.

Concentrations

The business-type activities have a concentration of accounts receivable with customers who are geographically concentrated in the City service area. The business-type activities require a cash deposit from new customers or a letter of credit from a previous utility company showing timely payment of bills. These requirements are in place to mitigate the risk of uncollectible accounts.

4.E. SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 30, 2023, which is the date the financial statements were available to be issued. The full impact of the COVID-19 outbreak continues to evolve as of May 12, 2022. As such, it is uncertain as to the full magnitude that the pandemic will have on the City's financial condition and future results of operations. Management is actively monitoring the situation on its financial condition, liquidity, operations, suppliers, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, there is no estimate as to the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for the fiscal year 2023.

4.F. TAX ABATEMENTS

The City of Portland (City) is a separate entity from the Industrial Development Board (IDB) of Portland, the Industrial Development Board of Robertson County, and the Industrial Development Board of Sumner County. These Boards enter into tax agreements that affect the City of Portland. Any decisions made between the IDB (County or City) and the requestor are not voted on by the City Council nor does the City of Portland have any power to change any IDB agreements. The Portland IDB has its own Charter and acts on its own accord without the direction of the City of Portland. Once a tax agreement is established between the IDB and the requestor, it is sent to the Tennessee Comptroller for approval. The Comptroller sends the approved agreement to the County Assessor. The City of Portland must request the approved agreement in order to have a copy. The City's tax revenue for the year ended June 30, 2022 was reduced by \$442,353 as a result of tax abatements.

**CITY OF PORTLAND, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

Currently, the City of Portland has the following tax agreements:

Robertson County

- Dorman Products (RB Distribution, Inc) – The abatement commenced in November 2017 with the following terms on tax abatement with personal property (equipment):
 - Effective date through December 31, 2023 100% Abatement
 - January 1, 2024 through December 31, 2025 80% Abatement
 - January 1, 2026 through December 31, 2027 60% Abatement
 - January 1, 2028 through the end of the 40% Abatement
 - the facility lease term

- Food Warming (Portland Capital Property, LLC) – The abatement commenced in June 2012 with the following terms on tax abatement with property (facility) and personal property (equipment):
 - Facility
 - Lease Years 1-5 100% Abatement
 - Lease Year 6 80% Abatement
 - Lease Year 7 60% Abatement
 - Lease Years 8-10 40% Abatement
 - Lease Years 11 and thereafter 0% Abatement
 - Equipment
 - Operations Years 1-5 100% Abatement
 - Operations Year 6 80% Abatement
 - Operations Year 7 60% Abatement
 - Operations Year 8-10 40% Abatement
 - Operations Years 11 and thereafter 0% Abatement
 - For Equipment first placed in operations after December 31, 2014 0% Abatement

- Kyowa America Corporation – The abatement commenced in June 2012 with the following terms on tax abatement with property (facility) and personal property (equipment):
 - Facility
 - Lease Years 1-5 100% Abatement
 - Lease Year 6 80% Abatement
 - Lease Year 7 60% Abatement
 - Lease Years 8-10 40% Abatement
 - Lease Years 11 and thereafter 0% Abatement
 - Equipment
 - Operations Years 1-5 100% Abatement
 - Operations Year 6 80% Abatement
 - Operations Year 7 60% Abatement
 - Operations Year 8-10 40% Abatement
 - Operations Years 11 and thereafter 0% Abatement
 - For Equipment first placed in operations after December 31, 2014 0% Abatement

**CITY OF PORTLAND, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

- Shoals Technologies Group, LLC -The abatement commenced in December 2011 with the following terms on tax abatement with property (facility) and personal property (equipment):
 - Facility and Equipment

January 1, 2012 through December 31, 2021	100% Abatement
January 1, 2022 through December 31, 2022	80% Abatement
January 1, 2023 through December 31, 2023	60% Abatement
January 1, 2024 through December 31, 2026	40% Abatement
January 1, 2027 and thereafter	0% Abatement

Sumner County

- Shoals Technologies Group, LLC -The abatement commenced on December 2011 with the following terms on tax abatement with property (facility) and personal property (equipment):
 - Facility and Equipment

January 1, 2012 through December 31, 2021	100% Abatement
January 1, 2022 through December 31, 2022	80% Abatement
January 1, 2023 through December 31, 2023	60% Abatement
January 1, 2024 through December 31, 2026	40% Abatement
January 1, 2027 and thereafter	0% Abatement
- Bennett Commercial LLC, ATA Retail Services – The abatement commenced in September 2012 with the following terms on tax abatement with property (facility) and personal property (equipment):
 - Facility

January 1, 2013 through December 31, 2017	100% Abatement
January 1, 2018 through December 31, 2018	80% Abatement
January 1, 2019 through December 31, 2019	60% Abatement
January 1, 2020 through December 31, 2022	40% Abatement
January 1, 2023 and thereafter	0% Abatement
 - Equipment

Operations Years 1-5	100% Abatement
Operations Year 6	80% Abatement
Operations Year 7	60% Abatement
Operations Year 8-10	40% Abatement
Operations Years 11 and thereafter	0% Abatement
For Equipment first placed in operations after December 31, 2015	0% Abatement
- Stevison Ham Company - The abatement commenced in 2016 with the following terms on tax abatement with property (facility) and personal property (equipment):
 - Facility

Lease Years 1-5	100% Abatement
Lease Year 6	80% Abatement
Lease Year 7	60% Abatement
Lease Years 8-10	40% Abatement
Lease Years 11 and thereafter	0% Abatement

**CITY OF PORTLAND, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

- Equipment

2017- 2021	100% Abatement
2022	80% Abatement
2023	60% Abatement
2024 – 2026	40% Abatement
Operations Years 11 and thereafter	0% Abatement
For Equipment first placed in operations after December 31, 2016	0% Abatement
- North American Stamping Group, LLC and NASG Tennessee North 2, LLC - The abatement commenced in December 2013 with the following terms on tax abatement with property (facility) and personal property (equipment):
 - Facility

January 1, 2014 through December 31, 2018	100% Abatement
January 1, 2019 through December 31, 2019	80% Abatement
January 1, 2020 through December 31, 2020	60% Abatement
January 1, 2021 through December 31, 2023	40% Abatement
January 1, 2024 and thereafter	0% Abatement
 - Equipment

Operations Years 1-5	100% Abatement
Operations Year 6	80% Abatement
Operations Year 7	60% Abatement
Operations Year 8-10	40% Abatement
Operations Years 11 and thereafter	0% Abatement
For Equipment first placed in operations after December 31, 2014	0% Abatement
- U.S. Tsubaki Automotive, LLC – The abatement commenced in April 2020 with the following terms with property (facility) and personal property (equipment).(NOTE: Agreement was amended in May 2022 for the personal property). The amended agreement terms are below:
 - Facility

2020 – 2024	100% Abatement
2025	80% Abatement
2026	60% Abatement
2027	40% Abatement
2028	20% Abatement
2029 and thereafter	0% Abatement
 - Equipment (as amended)

2021 - 2025	100% Abatement
2026 and thereafter	0% Abatement

CITY OF PORTLAND, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

4.G. PRIOR PERIOD ADJUSTMENTS

The City has made prior period adjustments to correct errors in previous year's financial statements. They are listed as follows:

General Fund and Government-Wide Level

The City made a prior period adjustment to correct developer deposits that the City received prior to 2020 that are not refundable and should have been recorded as revenues. An entry was made to debit the liability account and credit fund balance at the government fund level (net position at the government-wide level) in the amount of \$42,285.95.

Government-Wide Level

The City made a prior period adjustment to correctly record accrued interest payable on the government-wide financial statements. The prior year accrued interest payable and interest expense was increased by \$13,210.58.

Special Revenue Funds and Government-Wide Level

The City made a prior period adjustment to the Airport Authority Fund to correctly record unearned hangar rent that was not booked. An entry was made to credit unearned revenue-hangar rent and debit fund balance at the government fund level (net position at the government-wide level) in the amount of \$ 9,875.00.

The City made a prior period adjustment to the Golf Course Fund to account for a mower that was paid for in the prior year but was never received. An adjustment was made to debit capital outlay and credit fund balance at the government fund level in the amount of \$14,833. The government-wide level prior period adjustment was to credit equipment and debit prepaid expense.

Water and Sewer Fund

The City made a prior period adjustment to eliminate the deposits on fire hydrants. This amount was not a refundable deposit and should have been recorded as revenue in a prior year. The entry made was to debit deposit on fire hydrants and credit net position in the amount of \$90,000.

CITY OF PORTLAND, TENNESSEE
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY (ASSET) AND RELATED RATIOS - LGOP OPEB PLAN
JUNE 30, 2022

LGOP

	2018	2019	2020	2021	2022
Total OPEB liability					
Service cost	\$ 149,187	\$ 141,202	\$ 152,342	\$ 38,114	\$ 157,085
Interest	70,860	85,728	82,955	17,636	42,311
Change in benefit terms	-	-	(1,365,252)	1,000,152	30,040
Differences between actual and expected experience	-	3,512	(475,369)	112,672	62,631
Change in assumptions	(106,826)	(225,062)	19,405	191,539	(407,197)
Benefit payments, including refunds of employee contributions	(117,143)	(130,554)	(136,753)	(40,341)	(93,859)
Net change in total OPEB liability	(3,922)	(125,174)	(1,722,672)	1,319,772	(208,989)
Total OPEB liability, beginning	2,336,088	2,332,166	2,206,992	484,320	1,804,092
Total OPEB liability, ending	<u>\$ 2,332,166</u>	<u>\$ 2,206,992</u>	<u>\$ 484,320</u>	<u>\$ 1,804,092</u>	<u>\$ 1,595,103</u>
Covered payroll	\$ 6,901,160	\$ 7,688,246	\$ 7,705,243	\$ 7,793,956	\$ 8,717,414
Total OPEB liability as a percentage of covered payroll	33.79%	28.71%	6.29%	23.15%	18.30%

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

CITY OF PORTLAND, TENNESSEE
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY (ASSET) AND RELATED RATIOS - TNP OPEB PLAN
Last Fiscal Year Ending After June 30

TNP

	2018	2019	2020	2021	2022
Total OPEB liability					
Service cost	\$ 6,603	\$ 5,095	\$ 3,932	\$ -	\$ 9,089
Interest	3,727	4,844	5,279	400	3,175
Change in benefit terms	-	-	(144,994)	94,452	-
Differences between actual and expected experience	-	3,156	5,776	1,689	41,666
Change in assumptions	(15,184)	(1,399)	127	27,504	(42,616)
Benefit payments, including refunds of employee contributions	(15,300)	(738)	(800)	(447)	(1,307)
Net change in total OPEB liability	(20,154)	10,958	(130,680)	123,598	10,007
Total OPEB liability, beginning	151,490	131,336	142,294	11,614	135,212
Total OPEB liability, ending	\$ 131,336	\$ 142,294	\$ 11,614	\$ 135,212	\$ 145,219
Covered payroll	\$ 6,901,160	\$ 7,688,246	\$ 7,705,243	\$ 7,793,956	\$ 8,717,414
Total OPEB liability as a percentage of covered payroll	1.90%	1.85%	0.15%	1.73%	1.67%

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

CITY OF PORTLAND, TENNESSEE
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS - CITY PENSION PLAN
JUNE 30

	2014	2015	2016	2017	2018	2019	2020	2021
Total pension liability								
Service cost	\$ 389,011	\$ 409,779	\$ 423,986	\$ 578,391	\$ 573,359	\$ 552,366	\$ 606,437	\$ 578,661
Interest	1,015,953	1,040,811	1,128,066	1,208,654	1,217,498	1,306,593	1,385,853	1,467,352
Differences between actual and expected experience	(439,583)	384,722	36,093	(816,907)	73,950	(139,442)	(46,755)	432,951
Change in assumptions	-	-	-	340,869	-	-	-	2,033,545
Benefit payments, including refunds of employee contributions	(620,533)	(688,881)	(683,337)	(652,758)	(603,825)	(625,990)	(734,715)	(852,540)
Net change in total pension liability	344,848	1,146,431	904,808	658,249	1,260,982	1,093,527	1,210,820	3,659,969
Total pension liability, beginning	13,467,288	13,812,136	14,958,567	15,863,375	16,521,624	17,782,606	18,876,133	20,086,953
Total pension liability, ending (a)	\$ 13,812,136	\$ 14,958,567	\$ 15,863,375	\$ 16,521,624	\$ 17,782,606	\$ 18,876,133	\$ 20,086,953	\$ 23,746,922
Plan fiduciary net position								
Contributions - employer	\$ 495,742	\$ 526,805	\$ 587,552	\$ 631,603	\$ 477,517	\$ 331,739	\$ 216,616	\$ 114,007
Contributions - employee	238,795	248,121	276,673	297,087	368,786	383,706	361,678	381,935
Net investment income	2,076,912	452,471	405,013	1,804,246	1,491,884	1,460,793	1,043,260	5,625,393
Benefit payments, including refunds of employee contributions	(620,533)	(688,881)	(683,337)	(652,758)	(603,825)	(625,990)	(734,715)	(852,540)
Administrative expense	(4,755)	(5,977)	(9,659)	(11,315)	(12,580)	(12,491)	(13,071)	(13,667)
Net change in plan fiduciary net position	2,186,161	532,539	576,242	2,068,863	1,721,782	1,537,757	873,768	5,255,128
Plan fiduciary net position - beginning	12,494,498	14,680,659	15,213,198	15,789,440	17,858,303	19,580,085	21,117,842	21,991,610
Plan fiduciary net position - ending (b)	\$ 14,680,659	\$ 15,213,198	\$ 15,789,440	\$ 17,858,303	\$ 19,580,085	\$ 21,117,842	\$ 21,991,610	\$ 27,246,738
Net pension liability (asset) - ending (a) - (b)	\$ (868,523)	\$ (254,631)	\$ 73,935	\$ (1,336,679)	\$ (1,797,479)	\$ (2,241,709)	\$ (1,904,657)	\$ (3,499,816)
Plan fiduciary net position as a percentage of total pension liability	106.29%	101.70%	99.53%	108.09%	110.11%	111.88%	109.48%	114.74%
Covered-employee payroll	\$ 4,775,917	\$ 4,955,832	\$ 5,527,302	\$ 5,941,704	\$ 6,366,885	\$ 6,634,785	\$ 7,220,545	\$ 7,600,458
Net pension liability (asset) as a percentage of covered-employee payroll	-18.19%	-5.14%	1.34%	-22.50%	-28.23%	-33.79%	-26.38%	-46.05%

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

**CITY OF PORTLAND, TENNESSEE
SCHEDULE OF PLAN CONTRIBUTIONS - CITY PENSION PLAN
FISCAL YEAR ENDING JUNE 30**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Actuarially determined contribution	\$ 495,742	\$ 526,805	\$ 587,552	\$ 620,314	\$ 306,247	\$ 192,409	\$ 177,625	\$ 111,727	\$ 66,963
Contributions in relation to the actuarially determined contribution	<u>(495,742)</u>	<u>(526,805)</u>	<u>(577,156)</u>	<u>(631,603)</u>	<u>(477,517)</u>	<u>(331,739)</u>	<u>(216,616)</u>	<u>(114,007)</u>	<u>(66,963)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,396</u>	<u>\$ (11,289)</u>	<u>\$ (171,270)</u>	<u>\$ (139,330)</u>	<u>\$ (38,991)</u>	<u>\$ (2,280)</u>	<u>\$ -</u>
Covered-employee payroll	\$ 4,775,917	\$ 4,955,832	\$ 5,527,302	\$ 5,941,704	\$ 6,366,885	\$ 6,634,785	\$ 7,220,545	\$ 7,600,458	\$ 8,717,414
Contributions as a percentage to covered-employee payroll	10.38%	10.63%	10.44%	10.63%	7.50%	5.00%	3.00%	1.50%	0.77%

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

**CITY OF PORTLAND, TENNESSEE
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022**

Notes to Pension Required Supplementary Information

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

Actuarial cost method	Entry Age Normal
Amortization method	Leval dollar amortization
Remaining amortization period	Varies by Year
Asset valuation	10-year smoothed within the 20 percent corridor to market value
Inflation	2.50%
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4%
Investment rate of return	7.25%, 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

Assumption changes:

In 2017, the following assumptions were changed: decreased inflation rate from 3% to 2.5%; decreased the investment rate of return from 7.5% to 7.25%; decreased the cost-of-living adjustment from 2.5% to 2.25%; decreased salary growth graded ranges from an average of 1.25% to an average of 4%; and modified mortality assumptions.

**CITY OF PORTLAND, TENNESSEE
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Solid Waste Fund	Stormwater Fund	Drug Fund	Golf Course Fund	Impact Fee Fund	Total
ASSETS						
Cash and cash equivalents	\$ 331,335	\$ 794,714	\$ 95,165	\$ 20,699	\$ 324,114	\$ 1,566,027
Due from other funds	17,192	13,652	-	4,851	-	35,695
Accounts receivable, net of uncollectible	111,600	39,636	-	-	-	151,236
Inventory	7,739	-	-	-	-	7,739
Total assets	<u>\$ 467,866</u>	<u>\$ 848,002</u>	<u>\$ 95,165</u>	<u>\$ 25,550</u>	<u>\$ 324,114</u>	<u>\$ 1,760,697</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 48,049	\$ 10,560	\$ -	\$ 3,453	\$ -	\$ 62,062
Accrued liabilities	4,885	5,897	-	2,553	-	13,335
Overdraft	-	-	-	7,911	-	7,911
Due to other funds	8	-	-	-	-	8
Unearned revenues	-	-	19,205	-	-	19,205
Total liabilities	<u>52,942</u>	<u>16,457</u>	<u>19,205</u>	<u>13,917</u>	<u>-</u>	<u>\$ 102,521</u>
FUND BALANCES						
<i>Nonspendable</i>						
Inventory	7,739	-	-	-	-	7,739
<i>Restricted</i>						
Solid waste	407,185	-	-	-	-	407,185
Stormwater	-	831,545	-	-	-	831,545
Drug fund	-	-	75,960	-	-	75,960
Golf course	-	-	-	11,633	-	11,633
Impact fees	-	-	-	-	324,114	324,114
Total fund balances	<u>414,924</u>	<u>831,545</u>	<u>75,960</u>	<u>11,633</u>	<u>324,114</u>	<u>1,658,176</u>
Total liabilities and fund balances	<u>\$ 467,866</u>	<u>\$ 848,002</u>	<u>\$ 95,165</u>	<u>\$ 25,550</u>	<u>\$ 324,114</u>	<u>\$ 1,760,697</u>

See Independent Auditor's Report.

CITY OF PORTLAND, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds					Non-major Capital Projects Funds	
	Solid Waste Fund	Stormwater Fund	Drug Fund	Golf Course Fund	Impact Fees Fund	Revolving Loan Fund	Total
Revenues							
Intergovernmental revenues	\$ 255,618	\$ 13,653	\$ -	\$ 4,000	\$ -	\$ -	\$ 273,271
Fines, fees, and forfeitures	-	-	50,610	-	105,590	-	156,200
Charges for Services	1,340,603	851,383	-	222,785	-	-	2,414,771
Other revenues	16,154	3,581	-	-	-	6	19,741
Total revenues	<u>1,612,375</u>	<u>868,617</u>	<u>50,610</u>	<u>226,785</u>	<u>105,590</u>	<u>6</u>	<u>2,863,983</u>
Expenditures							
Public works	1,126,906	651,514	-	-	-	-	1,778,420
Health, welfare and recreation	-	-	-	326,972	-	-	326,972
Debt service	259,391	-	-	-	-	-	259,391
Capital outlay	283,549	46,455	-	14,432	108,917	-	453,353
Total expenditures	<u>1,669,846</u>	<u>697,969</u>	<u>-</u>	<u>341,404</u>	<u>108,917</u>	<u>-</u>	<u>2,818,136</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(57,471)</u>	<u>170,648</u>	<u>50,610</u>	<u>(114,619)</u>	<u>(3,327)</u>	<u>6</u>	<u>45,847</u>
Other financing sources (uses)							
Transfer in (out) to other fund	-	-	-	63,000	-	(136,777)	(73,777)
Debt proceeds	153,750	-	-	-	-	-	153,750
Sale of capital assets	-	-	-	17,300	-	-	17,300
Total Other financing sources (uses)	<u>153,750</u>	<u>-</u>	<u>-</u>	<u>80,300</u>	<u>-</u>	<u>(136,777)</u>	<u>97,273</u>
Net Change In Fund Balance	<u>96,279</u>	<u>170,648</u>	<u>50,610</u>	<u>(34,319)</u>	<u>(3,327)</u>	<u>(136,771)</u>	<u>143,120</u>
Fund Balance at Beginning of Year, as originally reported	318,645	660,897	25,350	31,119	327,441	136,771	1,500,223
Prior period adjustment	-	-	-	14,833	-	-	14,833
Fund Balance at Beginning of Year, as restated	<u>318,645</u>	<u>660,897</u>	<u>25,350</u>	<u>45,952</u>	<u>327,441</u>	<u>136,771</u>	<u>1,515,056</u>
Fund Balance at End of Year	<u>\$ 414,924</u>	<u>\$ 831,545</u>	<u>\$ 75,960</u>	<u>\$ 11,633</u>	<u>\$ 324,114</u>	<u>\$ -</u>	<u>\$ 1,658,176</u>

See Independent Auditor's Report.

CITY OF PORTLAND, TENNESSEE
SOLID WASTE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues				
Charges for services				
Disposal charges	\$ 1,022,112	\$ 1,326,112	\$ 1,340,603	\$ 14,491
Intergovernmental revenues				
Federal grants	-	15,000	17,193	2,193
State awards	-	-	238,425	238,425
Other revenues				
Sale of carts	12,000	16,800	14,980	(1,820)
Miscellaneous income	468,000	300,000	946	(299,054)
Interest income	-	-	228	228
Total revenues	<u>1,502,112</u>	<u>1,657,912</u>	<u>1,612,375</u>	<u>(45,537)</u>
Expenditures				
Salaries	392,342	392,342	392,266	76
Payroll taxes	30,014	30,014	28,356	1,658
Employee insurance	23,103	97,103	96,177	926
Retirement	3,088	3,088	2,789	299
Workers compensation	12,250	12,250	11,012	1,238
Postage	18,500	18,500	16,118	2,382
Utilities	7,000	7,000	5,992	1,008
Telephone	7,000	7,000	8,396	(1,396)
Physicals	1,000	1,000	448	552
Auditing	600	600	500	100
Data processing	2,000	3,600	2,853	747
Repairs and maintenance - vehicles	32,000	45,000	44,634	366
Building maintenance	3,500	11,000	10,689	311
Landfill services	400,000	400,000	390,639	9,361
Office supplies	500	500	372	128
Operating supplies	7,500	7,500	27,604	(20,104)
Uniforms	6,500	6,500	5,589	911
Gas and fuel	37,500	63,500	64,608	(1,108)
Insurance	11,000	11,000	9,969	1,031
Debt service	106,858	259,398	259,391	7
Bank charges	4,100	4,100	2,859	1,241
Bad debt	10,000	10,000	5,036	4,964
Capital outlay	<u>385,000</u>	<u>385,000</u>	<u>283,549</u>	<u>101,451</u>
Building maintenance	<u>1,501,355</u>	<u>1,775,995</u>	<u>1,669,846</u>	<u>106,149</u>
Excess (deficiency) of revenues over (under) expenditures	<u>757</u>	<u>(118,083)</u>	<u>(57,471)</u>	<u>60,612</u>
Other financing sources (uses)				
Debt proceeds	-	153,750	153,750	-
Total Other financing sources (uses)	<u>-</u>	<u>153,750</u>	<u>153,750</u>	<u>-</u>
Net Change In Fund Balance	<u>757</u>	<u>35,667</u>	<u>96,279</u>	<u>60,612</u>
Fund Balance at Beginning of Year	<u>318,645</u>	<u>318,645</u>	<u>318,645</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 319,402</u>	<u>\$ 354,312</u>	<u>\$ 414,924</u>	<u>\$ 60,612</u>

See Independent Auditor's Report.

CITY OF PORTLAND, TENNESSEE
STORMWATER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues				
Charges for services				
Fees	\$ 795,000	\$ 850,380	\$ 851,383	\$ 1,003
Intergovernmental revenues				
Federal grant revenues	-	8,000	13,653	5,653
Other revenues				
Interest	-	-	446	446
Miscellaneous income	-	2,200	3,135	935
Total revenues	<u>795,000</u>	<u>860,580</u>	<u>868,617</u>	<u>8,037</u>
Expenditures				
Salaries	314,828	349,828	340,730	9,098
Payroll taxes	24,084	25,084	25,574	(490)
Employee insurance	96,542	96,542	82,608	13,934
Retirement	2,415	2,415	2,605	(190)
Workers compensation	6,700	6,700	6,264	436
Employee education and training	4,000	6,800	12,673	(5,873)
Fees	4,500	4,500	4,947	(447)
Postage	750	750	-	750
Dues	1,000	1,000	685	315
Public relations	2,500	2,500	1,346	1,154
Advertising	250	250	-	250
Utilities	5,000	7,500	4,926	2,574
Telephone	15,000	15,000	13,045	1,955
Physicals	1,000	1,000	621	379
Legal	250	250	-	250
Auditing	500	500	500	-
Engineering	20,000	5,000	-	5,000
Data processing	3,000	6,700	6,524	176
Other professional services	-	-	1,050	(1,050)
Repair system	100,000	100,000	63,772	36,228
Repairs and maintenance - vehicles	10,000	28,000	27,058	942
Repairs and maintenance - equipment	10,000	10,000	9,898	102
Building maintenance	2,500	2,500	590	1,910
Travel	5,000	5,000	1,198	3,802
Meeting expense	525	525	-	525
Office supplies	2,000	2,000	1,323	677
Operating supplies	10,000	10,000	13,099	(3,099)
Uniforms	2,000	2,000	2,187	(187)
Gas and fuel	12,000	18,300	18,744	(444)
Insurance	5,000	5,000	4,267	733
Equipment rental	20,000	5,000	-	5,000
Office equipment rental	6,000	6,000	1,302	4,698
Bank charges	3,000	3,000	1,906	1,094
Bad debts	2,750	2,750	1,242	1,508
Small items of equipment	2,000	2,000	830	1,170
Capital outlay	43,000	297,000	46,455	250,545
Total expenditures	<u>738,094</u>	<u>1,031,394</u>	<u>697,969</u>	<u>333,425</u>
Excess (deficiency) of revenues over (under) expenditures	<u>56,906</u>	<u>(170,814)</u>	<u>170,648</u>	<u>341,462</u>
Other financing sources (uses)				
Transfer in	-	-	-	-
Total Other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balance	<u>56,906</u>	<u>(170,814)</u>	<u>170,648</u>	<u>341,462</u>
Fund Balance at Beginning of Year	<u>660,897</u>	<u>660,897</u>	<u>660,897</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 717,803</u>	<u>\$ 490,083</u>	<u>\$ 831,545</u>	<u>\$ 341,462</u>

See Independent Auditor's Report.

**CITY OF PORTLAND, TENNESSEE
DRUG FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues				
Fines and fees				
Drug fines	\$ 2,000	\$ 2,000	\$ 6,245	\$ 4,245
Forfeitures	-	-	30,915	30,915
Sale of confiscated property	2,500	15,950	13,450	(2,500)
Other revenues				
Donations	-	-	-	-
Interest	-	-	-	-
Total revenues	<u>4,500</u>	<u>17,950</u>	<u>50,610</u>	<u>32,660</u>
 Expenditures				
Public safety				
Training	1,800	1,800	-	1,800
Operating supplies	135	135	-	135
Equipment	<u>-</u>	<u>13,450</u>	<u>-</u>	<u>13,450</u>
Total expenditures	<u>1,935</u>	<u>15,385</u>	<u>-</u>	<u>15,385</u>
 Net Change In Fund Balance	<u>2,565</u>	<u>2,565</u>	<u>50,610</u>	<u>48,045</u>
 Fund Balance at Beginning of Year	<u>25,350</u>	<u>25,350</u>	<u>25,350</u>	<u>-</u>
 Fund Balance at End of Year	<u><u>\$ 27,915</u></u>	<u><u>\$ 27,915</u></u>	<u><u>\$ 75,960</u></u>	<u><u>\$ 48,045</u></u>

See Independent Auditor's Report.

**CITY OF PORTLAND, TENNESSEE
GOLF COURSE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues				
Charges for services				
Recreational fees	\$ 187,100	\$ 205,900	\$ 222,785	\$ 16,885
Intergovernmental revenues				
Federal grant revenues	-	2,000	4,000	2,000
Other revenues				
Miscellaneous income	500	500	-	(500)
Total revenues	<u>187,600</u>	<u>208,400</u>	<u>226,785</u>	<u>18,385</u>
Expenditures				
Salaries	125,593	161,993	163,488	(1,495)
Payroll taxes	9,608	10,408	11,342	(934)
Employee insurance	17,098	31,298	28,261	3,037
Retirement	947	947	682	265
Workers compensation	1,500	1,500	1,326	174
Advertising	1,000	1,000	200	800
Utilities	12,500	12,500	8,495	4,005
Telephone	6,500	6,500	5,384	1,116
Professional services	10,000	10,000	9,640	360
Other professional services	-	-	2,518	(2,518)
Repair system	2,500	2,500	1,466	1,034
Repairs and maintenance - vehicles	1,000	1,000	458	542
Repairs and maintenance - equipment	8,500	14,900	14,708	192
Building maintenance	16,500	16,500	11,976	4,524
Office supplies	500	500	406	94
Operating supplies	7,000	9,800	11,620	(1,820)
Chemicals and supplies	15,000	15,000	19,231	(4,231)
Gas and fuel	5,000	7,200	7,727	(527)
Concessions	5,000	6,300	6,572	(272)
Insurance	2,500	2,500	2,200	300
Equipment rental	16,000	16,000	15,624	376
Bank charges	1,300	3,500	3,648	(148)
Capital outlay	15,000	15,000	14,432	568
Total expenditures	<u>280,546</u>	<u>346,846</u>	<u>341,404</u>	<u>5,442</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(92,946)</u>	<u>(138,446)</u>	<u>(114,619)</u>	<u>23,827</u>
Other financing sources (uses)				
Sale of capital assets	-	-	17,300	(17,300)
Transfer in	63,000	63,000	63,000	-
Total Other financing sources (uses)	<u>63,000</u>	<u>63,000</u>	<u>80,300</u>	<u>(17,300)</u>
Net Change In Fund Balance	<u>(29,946)</u>	<u>(75,446)</u>	<u>(34,319)</u>	<u>6,527</u>
Fund Balance at Beginning of Year, as originally reported	31,119	31,119	31,119	-
Prior period adjustment	<u>14,833</u>	<u>14,833</u>	<u>14,833</u>	<u>-</u>
Fund Balance at Beginning of Year, as restated	<u>45,952</u>	<u>45,952</u>	<u>45,952</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 16,006</u>	<u>\$ (29,494)</u>	<u>\$ 11,633</u>	<u>\$ 41,127</u>

See Independent Auditor's Report.

CITY OF PORTLAND, TENNESSEE
IMPACT FEES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues				
Fines, fees and forfeitures				
Fees	\$ 42,000	\$ 102,500	\$ 105,590	\$ 3,090
Total revenues	42,000	102,500	105,590	3,090
 Expenditures				
Capital outlay	-	161,000	108,917	52,083
Total expenditures	-	161,000	108,917	52,083
 Net Change In Fund Balance	42,000	(58,500)	(3,327)	55,173
 Fund Balance at Beginning of Year	327,441	327,441	327,441	-
 Fund Balance at End of Year	<u>\$ 369,441</u>	<u>\$ 268,941</u>	<u>\$ 324,114</u>	<u>\$ 55,173</u>

See Independent Auditor's Report.

**CITY OF PORTLAND, TENNESSEE
REVOLVING LOAN FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues				
Charges for services				
Interest income	\$ -	\$ -	\$ 6	\$ 6
Total revenues	-	-	6	6
Expenditures	-	-	-	-
Other financing sources (uses)				
Transfer out	-	-	(136,777)	(136,777)
Total Other financing sources (uses)	-	-	(136,777)	(136,777)
Net Change In Fund Balance	-	-	(136,771)	(136,771)
Fund Balance at Beginning of Year	136,771	136,771	136,771	-
Fund Balance at End of Year	\$ 136,771	\$ 136,771	\$ -	\$ (136,771)

See Independent Auditor's Report.

CITY OF PORTLAND, TENNESSEE
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS - GOVERNMENTAL FUNDS
JUNE 30, 2022

Fiscal Year	General Obligation Refunding Bonds - Series 2015		General Obligation Refunding Bonds - Series 2020		Capital Outlay Note Police Cars #70		Capital Outlay Note Street Paving Note #66		Capital Outlay Note Police/Fire Equipment Note #73		Capital Outlay Note Street Paving/Truck #60	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 190,000	\$ 209,312	\$ 75,000	\$ 121,594	\$ 33,750	\$ 444	\$ 143,760	\$ 2,968	\$ 73,800	\$ 4,398	\$ 41,630	\$ 497
2024	195,000	204,563	75,000	117,844	-	-	35,860	156	73,800	2,158	-	-
2025	200,000	199,200	80,000	114,094	-	-	-	-	29,128	235	-	-
2026	205,000	193,700	85,000	110,094	-	-	-	-	-	-	-	-
2027	215,000	188,062	90,000	105,844	-	-	-	-	-	-	-	-
2028	220,000	181,613	95,000	101,344	-	-	-	-	-	-	-	-
2029	225,000	175,012	100,000	96,594	-	-	-	-	-	-	-	-
2030	230,000	168,263	105,000	91,594	-	-	-	-	-	-	-	-
2031	240,000	161,362	110,000	86,344	-	-	-	-	-	-	-	-
2032	245,000	154,163	115,000	80,844	-	-	-	-	-	-	-	-
2033	255,000	146,812	120,000	76,244	-	-	-	-	-	-	-	-
2034	260,000	139,163	120,000	72,644	-	-	-	-	-	-	-	-
2035	270,000	130,062	125,000	69,044	-	-	-	-	-	-	-	-
2036	280,000	120,613	130,000	65,919	-	-	-	-	-	-	-	-
2037	290,000	110,812	130,000	62,669	-	-	-	-	-	-	-	-
2038	300,000	100,663	135,000	59,256	-	-	-	-	-	-	-	-
2039	310,000	90,162	140,000	55,713	-	-	-	-	-	-	-	-
2040	320,000	79,313	140,000	51,863	-	-	-	-	-	-	-	-
2041	335,000	67,312	145,000	48,013	-	-	-	-	-	-	-	-
2042	345,000	54,750	150,000	44,025	-	-	-	-	-	-	-	-
2043	360,000	41,813	155,000	39,900	-	-	-	-	-	-	-	-
2044	370,000	28,312	160,000	35,638	-	-	-	-	-	-	-	-
2045	385,000	14,438	165,000	31,238	-	-	-	-	-	-	-	-
2046	-	-	165,000	26,700	-	-	-	-	-	-	-	-
2047	-	-	170,000	21,750	-	-	-	-	-	-	-	-
2048	-	-	180,000	16,650	-	-	-	-	-	-	-	-
2049	-	-	185,000	11,250	-	-	-	-	-	-	-	-
2050	-	-	190,000	5,700	-	-	-	-	-	-	-	-
	<u>\$ 6,245,000</u>	<u>\$ 2,959,475</u>	<u>\$ 3,635,000</u>	<u>\$ 1,820,406</u>	<u>\$ 33,750</u>	<u>\$ 444</u>	<u>\$ 179,620</u>	<u>\$ 3,124</u>	<u>\$ 176,728</u>	<u>\$ 6,791</u>	<u>\$ 41,630</u>	<u>\$ 497</u>

Fiscal Year	Capital Outlay Note Sanitation Truck Note #59		Capital Outlay Note Fire Department Note #72		Capital Outlay Note Refunding Note #78		Capital Outlay Note TML Bonds CON #79		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 53,400	\$ 1,095	\$ 30,900	\$ 634	\$ 60,000	\$ 4,481	\$ 53,000	\$ 5,279	\$ 755,240	\$ 350,702
2024	-	-	-	-	60,000	2,711	54,000	4,438	493,660	331,870
2025	-	-	-	-	60,000	1,517	55,000	3,363	424,128	318,409
2026	-	-	-	-	33,750	585	56,000	2,268	379,750	306,647
2027	-	-	-	-	12,500	124	58,000	1,154	375,500	295,184
2028	-	-	-	-	-	-	-	-	315,000	282,957
2029	-	-	-	-	-	-	-	-	325,000	271,606
2030	-	-	-	-	-	-	-	-	335,000	259,857
2031	-	-	-	-	-	-	-	-	350,000	247,706
2032	-	-	-	-	-	-	-	-	360,000	235,007
2033	-	-	-	-	-	-	-	-	375,000	223,056
2034	-	-	-	-	-	-	-	-	380,000	211,807
2035	-	-	-	-	-	-	-	-	395,000	199,106
2036	-	-	-	-	-	-	-	-	410,000	186,532
2037	-	-	-	-	-	-	-	-	420,000	173,481
2038	-	-	-	-	-	-	-	-	435,000	159,919
2039	-	-	-	-	-	-	-	-	450,000	145,875
2040	-	-	-	-	-	-	-	-	460,000	131,176
2041	-	-	-	-	-	-	-	-	480,000	115,325
2042	-	-	-	-	-	-	-	-	495,000	98,775
2043	-	-	-	-	-	-	-	-	515,000	81,713
2044	-	-	-	-	-	-	-	-	530,000	63,950
2045	-	-	-	-	-	-	-	-	550,000	45,676
2046	-	-	-	-	-	-	-	-	165,000	26,700
2047	-	-	-	-	-	-	-	-	170,000	21,750
2048	-	-	-	-	-	-	-	-	180,000	16,650
2049	-	-	-	-	-	-	-	-	185,000	11,250
2050	-	-	-	-	-	-	-	-	190,000	5,700
	<u>\$ 53,400</u>	<u>\$ 1,095</u>	<u>\$ 30,900</u>	<u>\$ 634</u>	<u>\$ 226,250</u>	<u>\$ 9,418</u>	<u>\$ 276,000</u>	<u>\$ 16,502</u>	<u>\$ 10,898,278</u>	<u>\$ 4,818,386</u>

Note: The City is drawing on a Government Loan Program Bond, Series 2022 as of June 30, 2022. They have drawn \$51,000 as of 6/30/2022.

See independent auditor's report.

CITY OF PORTLAND, TENNESSEE
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS - ENTERPRISE FUNDS
JUNE 30, 2022

Fiscal Year	Water and Sewer System Revenue Refunding Bonds Series 2016		Water and Sewer System Revenue Refunding Bonds Series 2020		State Revolving Loan Fund 2006 Loan #37		Capital Outlay Note Jet Vac Truck #76		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 455,000	\$ 410,744	\$ 390,000	\$ 504,825	\$ 67,728	\$ 11,016	\$ 47,400	\$ 2,988	\$ 960,128	\$ 929,573
2024	475,000	397,094	395,000	497,025	68,880	9,864	47,400	1,812	986,280	905,795
2025	480,000	385,218	405,000	489,125	70,068	8,676	47,400	637	1,002,468	883,656
2026	490,000	373,218	415,000	481,025	71,268	7,476	-	-	976,268	861,719
2027	500,000	360,969	420,000	472,725	72,492	6,252	-	-	992,492	839,946
2028	530,000	340,969	425,000	468,525	73,728	5,016	-	-	1,028,728	814,510
2029	545,000	319,769	430,000	464,275	74,988	3,756	-	-	1,049,988	787,800
2030	515,000	297,968	440,000	455,675	76,272	2,472	-	-	1,031,272	756,115
2031	535,000	277,368	450,000	442,475	77,580	1,164	-	-	1,062,580	721,007
2032	555,000	255,969	470,000	424,475	26,337	93	-	-	1,051,337	680,537
2033	575,000	239,319	490,000	405,675	-	-	-	-	1,065,000	644,994
2034	590,000	222,069	510,000	386,075	-	-	-	-	1,100,000	608,144
2035	605,000	204,369	530,000	365,675	-	-	-	-	1,135,000	570,044
2036	635,000	180,169	550,000	344,475	-	-	-	-	1,185,000	524,644
2037	435,000	154,769	570,000	322,475	-	-	-	-	1,005,000	477,244
2038	455,000	137,369	595,000	299,675	-	-	-	-	1,050,000	437,044
2039	470,000	119,168	620,000	275,875	-	-	-	-	1,090,000	395,043
2040	490,000	100,368	640,000	251,075	-	-	-	-	1,130,000	351,443
2041	370,000	80,769	670,000	225,475	-	-	-	-	1,040,000	306,244
2042	385,000	65,968	690,000	205,375	-	-	-	-	1,075,000	271,343
2043	400,000	53,938	710,000	184,675	-	-	-	-	1,110,000	238,613
2044	410,000	41,438	730,000	163,375	-	-	-	-	1,140,000	204,813
2045	425,000	28,112	750,000	141,475	-	-	-	-	1,175,000	169,587
2046	440,000	14,300	775,000	118,675	-	-	-	-	1,215,000	132,975
2047	-	-	795,000	99,600	-	-	-	-	795,000	99,600
2048	-	-	820,000	75,750	-	-	-	-	820,000	75,750
2049	-	-	840,000	51,150	-	-	-	-	840,000	51,150
2050	-	-	865,000	25,950	-	-	-	-	865,000	25,950
	<u>\$ 11,765,000</u>	<u>\$ 5,061,411</u>	<u>\$ 16,390,000</u>	<u>\$ 8,642,650</u>	<u>\$ 679,341</u>	<u>\$ 55,785</u>	<u>\$ 142,200</u>	<u>\$ 5,437</u>	<u>\$ 28,976,541</u>	<u>\$ 13,765,283</u>

See independent auditor's report.

CITY OF PORTLAND, TENNESSEE
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
JUNE 30, 2022

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7/1/2021	Issued During Period	Paid and/or Matured During Period	Refunding During Period	Outstanding 6/30/2022
Governmental Activities									
Capital Outlay Notes									
Payable through General Fund									
Fire Department Capital Outlay Note #72	\$ 378,000	3.78%	2012	3/1/2022	\$ 61,800	\$ -	\$ 30,900	\$ -	\$ 30,900
Street Paving Note #60	500,000	2.87%	2011	4/1/2023	97,190		55,560		41,630
Street Paving Capital Outlay Note #66	1,150,000	2.61%	2013	10/1/2023	323,380		143,760		179,620
Police Cars Capital Outlay Note #68	225,000	2.65%	2002	1/11/2022	26,250		26,250		-
Parks Improvements Capital Outlay Note 2017	150,000	2.65%	2017	4/15/2027	87,500		15,000	72,500	-
Police Cars Capital Outlay Note #70	225,000	3.16%	2003	4/15/2023	78,750		45,000		33,750
Sanitation Trucks Capital Outlay Note #71	267,000	3.78%	2003	6/21/2023	106,800		53,400		53,400
Fire Department Capital Outlay Note , Series 2013	154,500	3.78%	2000	6/21/2023	42,000		42,000		-
Police/Fire Equipment Capital Outlay Note #73	369,000	3.00%	2004	11/5/2024	251,172		74,444		176,728
Sanitation Trucks Capital Outlay Note #74	270,000	3.00%	2008	11/15/2025	198,750		45,000	153,750	-
Refunding Capital Outlay Note #78	226,250	1.99%	2022	11/1/2026	-	226,250	-	-	226,250
TML Bonds Capital Outlay Note #79	276,000	1.99%	2022	3/1/2027	-	276,000	-	-	276,000
Total Notes Payable through the General Fund					<u>\$ 1,273,592</u>	<u>\$ 502,250</u>	<u>\$ 531,314</u>	<u>\$ 226,250</u>	<u>\$ 1,018,278</u>
Bonds Payable									
General Obligation Refunding Bonds, Series 2014	\$ 7,410,000	3.50%	2015	4/1/2045	\$ 6,430,000	\$ -	\$ 185,000	\$ -	\$ 6,245,000
General Obligation Refunding Bonds, Series 2020	3,780,000	2.625-4.00%	2020	6/30/2050	3,705,000	-	70,000	-	3,635,000
TMBF Loan #80 (still drawing as of 6/30/2022)	6,000,000	2.85%	2022	6/1/2043	-	51,000	-	-	51,000
Total Bonds Payable					<u>\$10,135,000</u>	<u>\$ 51,000</u>	<u>\$ 255,000</u>	<u>\$ -</u>	<u>\$ 9,931,000</u>
Business-Type Activities									
Capital Outlay Notes									
Payable through Water and Sewer Fund									
Jet Vac Truck #76	\$ 237,000	2.48%	2020	6/15/2025	\$ 189,600	\$ -	\$ 47,400	\$ -	\$ 142,200
Total Notes Payable through the General Fund					<u>\$ 189,600</u>	<u>\$ -</u>	<u>\$ 47,400</u>	<u>\$ -</u>	<u>\$ 142,200</u>
BONDS PAYABLE									
Payable through Water and Sewer Fund									
Water and Sewer System Revenue Refunding Bonds, Series 2016	\$ 14,405,000	3.00%	2019	4/1/2046	\$12,335,000	\$ -	\$ 570,000	\$ -	\$ 11,765,000
Water and Sewer System Revenue Refunding Bonds, Series 2020	16,930,000	2.63%	2021	4/1/2050	16,770,000	-	380,000	-	16,390,000
Total Bonds Payable through Water and Sewer Fund					<u>\$29,105,000</u>	<u>\$ -</u>	<u>\$ 950,000</u>	<u>\$ -</u>	<u>\$ 28,155,000</u>
OTHER LOANS PAYABLE									
Payable through Water and Sewer Fund									
State Revolving Loan Fund, 2006	\$ 1,500,000	1.70%	2012	10/1/2031	\$ 745,917	\$ -	\$ 66,576	\$ -	\$ 679,341
Total Other Loans Payable through Water and Sewer Fund					<u>\$ 745,917</u>	<u>\$ -</u>	<u>\$ 66,576</u>	<u>\$ -</u>	<u>\$ 679,341</u>

See Independent Auditor's Report.

CITY OF PORTLAND, TENNESSEE
SCHEDULE OF CHANGES IN PROPERTY TAXES RECEIVABLE AND DELINQUENT AMOUNTS FILED WITH CHANCERY COURT
FOR THE YEAR ENDED JUN E30, 2022

Tax Year	Assessment	Tax Rate	Property Tax Receivable Balance June 30, 2021	Taxes Levied	Anticipated Current Year Levy	Releases and Adjustments	Collections	Allowance For Uncollectibles	Outstanding Taxes Ending
2022	\$ 4,422,553	\$ 1.06	\$ -	\$ -	\$4,584,333	\$ -	\$ -	\$ -	\$ 4,584,333
2021	4,801,408	1.06	-	4,801,409	-	3,365	(4,674,181)	-	130,593
2020	4,852,413	1.06	218,439	-	-	(10,062)	(171,729)	(5,497)	31,151
2019	4,692,284	1.06	55,953	-	-	(7,712)	(12,452)	(35,789)	-
2018	3,982,140	1.21	28,399	-	-	(4,183)	(10,153)	(14,063)	-
2017	3,982,140	1.21	18,786	-	-	(2,193)	(3,100)	(13,493)	-
2016	3,985,892	1.21	16,166	-	-	(1,831)	(1,171)	(13,164)	-
2015	3,882,467	1.21	8,595	-	-	(1,164)	(996)	(6,435)	-
2014	2,679,618	1.21	5,752	-	-	(932)	(233)	(4,587)	-
2013	3,761,856	1.18	7,643	-	-	(1,176)	(627)	(5,840)	-
2012	3,310,126	*	10,870	-	-	(1,586)	(1,008)	(8,276)	-
2011	3,315,772	*	33,787	-	-	(33,706)	(81)	-	-
			<u>\$ 404,390</u>	<u>\$4,801,409</u>	<u>\$4,584,333</u>	<u>\$ (61,180)</u>	<u>\$ (4,875,731)</u>	<u>\$ (107,144)</u>	<u>\$ 4,746,077</u>

* Tax rate for Robertson County \$1.13 and Sumner County \$1.10

Notes: All uncollectible taxes for years prior to March 1, 2019 have been turned over to Chancery Court for collection.

See Independent Auditor's Report.

CITY OF PORTLAND
SCHEDULE OF UTILITY RATES AND NUMBER OF CUSTOMERS
JUNE 30, 2022

Water Customer Rates

	<u>Inside City Limits</u>	<u>Outside City Limits</u>
Residential		
First 2,500 gallons	12.75	26.23
Per 1,000 gallons over 2,500	5.10	10.49
Commercial		
First 2,500 gallons	16.53	28.05
Per 1,000 gallons over 2,500	6.61	11.22
Industrial		
First 2,500 gallons	20.05	30.10
Per 1,000 gallons over 2,500	8.02	12.04

Sewer Customer Rates

	<u>Inside City Limits</u>	<u>Outside City Limits</u>
Residential		
First 2,500 gallons	28.75	37.25
Per 1,000 gallons over 2,500	11.50	14.90
Commercial		
First 2,500 gallons	34.38	44.73
Per 1,000 gallons over 2,500	13.75	17.89
Industrial		
First 2,500 gallons	37.25	48.48
Per 1,000 gallons over 2,500	14.9	19.38

Solid Waste (Sanitation) Customer Rates

Residential	
1 or 2 Trash Carts	23.00
3 or 4 Trash Carts	46.00
Commercial	
1 or 2 Trash Carts	29.00
3 Trash Carts	43.00
4 Trash Carts	57.00
4 Yard Dumpster	225.00

Natural Gas Customer Rates

Residential - Inside City Limits		
Service Fee	6.00	
PTA Rate	0.28	
Cost of Gas Rate	0.89	
Residential - Outside City Limits		
Service Fee	10.00	
PTA Rate	0.35	
Cost of Gas Rate	0.89	
Commercial - Inside/Outside City Limits		
Service Fee	35.00	
PTA Rate	0.35	
Cost of Gas Rate	0.89	
Industrial - Inside/Outside City Limits		
Service Fee	250.00	
Usage	PTA Rate	Cost of Gas
0-10,000	0.32	0.89
10,001-30,000	0.25	0.89
30,001-100,000	0.13	0.89
100,001 and up	0.11	0.89

Add PTA Rate and cost of gas together. Then multiply by number of CCF on customer's reading and add service fee charge to that total.

Number of Customers

<u>Service</u>	<u>June 30, 2022</u>
Solid Waste	4,760
Water	8,015
Sewer	4,450
Natural Gas	5,222

CITY OF PORTLAND, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor	Program Name	Federal Assistance Listing Number	Pass-Through Entity Identifying Number		Expenditures
<u>Federal Awards</u>					
Pass-through Funding:					
U.S. Dept. of Homeland Security	Assistance to Firefighters Grant	97.044	EMW-2020-FG 18408		\$ 232,114
U.S. Department of Transportation/TN Dept. of Transportation, Aeronautics Division	Airport Improvement Program/Runway Rehabilitation, Line of Sight Correction and Airfield Lighting Replacement	20.106	AERO-22-382-00		1,476,951.00
U.S. Department of Transportation/TN Dept. of Transportation, Aeronautics Division	Airport Improvement Program/FAA Airports Coronavirus Response Grant Program Funding under the CRRSA Act	20.106	AERO-22-216-00	Note 7	13,000
U.S. Department of Transportation/TN Dept. of Transportation, Aeronautics Division	Airport Improvement Program/CARES Act Part 4	20.106	AERO-21-225-00		860
Total 20.106					1,490,811
U.S. Department of Transportation/Tennessee Department of Transportation	Highway Planning and Construction/Scattersville Road Paving	20.205	83LPLM-F3-131	Note 4	23,840
U.S. Department of Transportation/Tennessee Department of Transportation	Highway Planning and Construction/Portand West Middle School	20.205	83LPLM-F3-090	Note 5	14,224
U.S. Department of Transportation/Tennessee Department of Transportation	Highway Planning and Construction/SR-109 From SR-52 to College St	20.205	83LPLM-F3-139	Note 6	35,660
Total 20.205					73,724
U.S. Department of Safety & Homeland Security/Tennessee Department of Safety & Homeland Security	State and Community Highway Safety High Visibility Enforcement of Tennessee Traffic Safety Laws	20.600	Z22THS230		4,407
U.S. Department of Treasury	Coronavirus State and Local Fiscal Recovery Funds	21.027	"unavailable"		552,983
					552,983
TOTAL FEDERAL AWARDS					2,354,039
<u>State Financial Assistance</u>					
TN Dept. of Transportation, Aeronautics Division	FY22 Airport Maintenance	N/A	AERM-22-150-00		15,000
State of Tennessee Department of Finance and Administration	Governor's Appropriation	N/A	N/A		157,559
TOTAL STATE AWARDS					172,559
TOTAL FEDERAL & STATE AWARDS					\$ 2,526,598

Note 1 - Basis of Presentation: The schedule is presented using the modified accrual basis of accounting.

Note 2 - Indirect Cost Rate: The City of Portland, Tennessee has elected to not use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3 - The City of Portland, Tennessee did not have any funds passed through to subrecipients.

Note 4 - The City's financial statements reported expenditures of \$7,768 in the current year and \$16,072 in the year ending June 30, 2021.

Note 5 - The City's financial statements reported expenditures of \$9,822 in the current year and \$4,402 in the year ending June 30, 2021.

Note 6 - The City's financial statements reported expenditures of \$8,113 in the current year and \$27,547 in the prior year ending June 30, 2021.

Note 7 - The City's financial statements reported the expenditures of \$13,000 in the year ending June 30, 2021.

Note 8 - The City has an outstanding loan of \$679,341 obtained through the State Revolving Loan Fund (SRLF) in 2006. The loan is presented in detail elsewhere in the supplementary and other information section of this report.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor
and Board of Aldermen
City of Portland, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Portland, Tennessee, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise City of Portland, Tennessee's basic financial statements and have issued our report thereon dated March 30, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Portland, Tennessee'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 City of Portland, Tennessee's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Portland, Tennessee's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2022 – 001 and 2022 – 003 to be material weaknesses.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2022 – 002 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Portland, Tennessee's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2022 – 004.

City of Portland, Tennessee's Response to Findings

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

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.

A handwritten signature in black ink that reads "Wickberg Accounting, LLC". The signature is written in a cursive, flowing style.

Lewisburg, Tennessee
March 30, 2023



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

To the Honorable Mayor
and the Board of Aldermen
City of Portland, Tennessee

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Portland, Tennessee'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 City of Portland, Tennessee's major federal programs for the year ended June 30, 2022. City of Portland, Tennessee'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 Portland, 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 Portland, Tennessee and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Portland, Tennessee'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 Portland, Tennessee's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Portland, Tennessee's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable

user of the report on compliance about City of Portland, Tennessee'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 Portland, Tennessee'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 Portland, Tennessee'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 City of Portland, Tennessee's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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



Lewisburg, Tennessee
March 30, 2023

**CITY OF PORTLAND, TENNESSEE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Financial Statement Findings

Prior Year Finding Number	Finding Title	Status/Current Year Finding Number
2021-001	Budgeted Expenditures In Excess of Appropriations (original finding #2021-001)	Repeated/2022-004
2021-002	Financial Statements Materially Misstated Before Audit Adjustments (original finding #2021-002)	Repeated/2022-001
2021-003	Failure to Close Books in a Timely Manner (original finding #2021-003)	Corrected

Federal Award Findings and Questioned Costs

There were no prior findings reported.

**CITY OF PORTLAND, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued Unmodified

Internal control over financial reporting:

- Material weakness(es) identified Yes
- Significant deficiency(s) Yes

Noncompliance material to financial statements noted? Yes

Federal Awards

Internal Control Over Major Programs:

- Material weakness(es) identified? No
- Significant deficiency(s) identified? No

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

Any audit findings disclosed that are required to be reported in
Accordance with 2 CFR 200.516(a)? No

Identification of Major Federal Programs:

- Assistance Listing No.: 20.106 Airport Improvement Program

Dollar threshold for distinguishing Types A and B programs: \$750,000

Auditee qualified as low-risk auditee? No

**Section II – Findings Relating to the Financial Statement Audit as Required to be Reported in
Accordance with *Government Auditing Standards***

2022 – 001 Financial Statements Materially Misstated Before Audit Adjustments (Material Weakness)

Condition: There were various transactions which were misclassified and adjustments were required to prevent materially misstated financial statements.

Criteria: Generally accepted accounting principles require the City to have adequate internal controls over the maintenance of accounting records and employ an individual who has necessary skills, knowledge, and experience to oversee the accounting records.

Cause: Lack of knowledgeable accounting staff.

Effect: Material adjustments were required because the City’s financial system did not detect misstatements in the accounting records.

**CITY OF PORTLAND, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Recommendation: The City should take steps to ensure that general ledger balances are properly stated before closing the books.

Management's Response: We will record all financial information accurately and will strive to improve our accounting and financial reporting.

2022 – 002 Purchase Orders (Significant Deficiency)

Condition: The City had some purchase orders that were issued after the fact and some disbursements were missing purchase orders

Criteria: Follow the City's purchasing policy.

Cause: Oversight.

Effect: Lack of controls over purchasing and violated the City's purchasing policy.

Recommendation: Follow the City's purchasing policy

Management's Response: We are revising and updating the current purchasing policy and will be training departments on the policy.

2022 – 003 Inventory/Workorders (Material Weakness)

Condition: The City does not have an adequate system in place to monitor, track, and provide a full accounting of all inventory transactions. They are not maintaining workorders. Due to inadequate costing controls, some of the materials costs on inventory were materially misstated.

Criteria: Proper internal controls should be in place and should include procedures so that supplies received are secure, inventoried and reported accurately.

Cause: Oversight.

Effect: Lack of controls over inventory and financial statements misstated.

Management's Response: The City of Portland has purchased materials management software and workorder software that will monitor, track, and account for all inventory when received and when materials are used.

2022 – 004 Expenditures in Excess of Budgeted Appropriations (Noncompliance)

Condition: The expenditures exceeded the budget appropriations in the Airport Fund.

Criteria: Tennessee Code Annotated (TCA) 6-56-203 states "no municipality may expend any monies regardless of their source (including moneys derived from bond and long-term note proceeds, federal, state or private grants or loans or special assessments), except in accordance with a budget ordinance adopted under this section". State law requires that municipalities maintain self-supporting funds.

Cause: Lack of monitoring spending and amending the budget for overruns.

Recommendation: We recommend that the City monitor expenditures throughout the year and amend the budget as required.

Effect: The City violated TCA 6-56-203.

Management's Response: The City of Portland will closely monitor spending and will amend the budget as needed.



CITY OF PORTLAND
RACHEL SLUSSER – FINANCE DIRECTOR
100 SOUTH RUSSELL STREET
PORTLAND, TENNESSEE 37148
Telephone 615-323-6776
Email Address: rslusser@cityofportlandtn.gov

MANAGEMENT'S CORRECTIVE ACTION PLAN

City of Portland respectfully submits the following corrective action plan for the year ended June 30, 2022.

Name and address of independent public accounting firm:

Wickberg Accounting, PLLC
111 E Commerce Street
Lewisburg, Tennessee 37091

Responsible officials for corrective action:

Rachel Slusser, CMFO
Audit Period:
June 30, 2022

Signed:

Rachel Slusser

FINDINGS – FINANCIAL STATEMENT AUDIT

2022 – 001 Financial Statements Materially Misstated Before Audit Adjustments

Corrective action planned

We will record all financial information accurately and will strive to improve our accounting and financial reporting.

Anticipated completion date

This will be completed within the next fiscal year.

2022 – 002 Purchase Orders

Corrective action planned

We are revising and updating the current purchasing policy and will be training departments on the policy.

Anticipated completion date

This will be completed within the next fiscal year.

2022 – 003 Inventory/Workorders

Corrective action planned

The City of Portland has purchased materials management software and workorder software that will monitor, track, and account for all inventory when received and when materials are used.

Anticipated completion date

This will be completed within the next fiscal year.

2022 – 004 Expenditures in Excess of Budgeted Appropriations

Corrective action planned

The City of Portland will closely monitor spending and will amend the budget as needed.

Anticipated completion date

This will be completed within the next fiscal year.