

City of Pulaski, Tennessee

Annual Financial Report
For the Fiscal Year Ended June 30, 2022

Prepared by
Office of City Recorder

Terry Harrison
City Administrator

City of Pulaski, Tennessee
 Annual Financial Report
 For the Year Ended June 30, 2022

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Introductory Section

City of Pulaski, Tennessee
Directory of Officials (Unaudited)
As of June 30, 2022

Elected Officials

Mayor	Patrick L. Ford
Alderman	Jerry Bryant
Alderman	Randy Massey
Alderman	Ricky Keith
Alderman	Larry Worsham
Alderman	Pat Miles
Alderman	Hardin Franklin

Appointed Officials

City Administrator/City Recorder	Terry Harrison, CMFO
City Attorney	Andrew Hoover
City Judge	Rogers N. Hays
Electric Power Board:	
Chairman	Marcus Houston
Board Member	Patrick L. Ford
Board Member	Neal Bass
Board Member	J.B. Smith, III
Board Member	Sara Reese

Department Officials

Chief of Police	John Dickey
Fire Chief	Don Collins
PES Energize Chief Executive Officer	Scott Newton
Natural Gas Department Manager	Drew McMasters
Street and Sanitary Manager	Chad Witt
Parks and Recreation	Lane Rose
Airport Manager	Randy Jones

Financial Section



Independent Auditor's Report

Honorable Mayor and Board of Aldermen
City of Pulaski, Tennessee

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pulaski, Tennessee (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, 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 for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the PES Energize (Electric Department), which represent 69%, 67%, and 85%, respectively, of the assets, net position, and revenues of the business-type activities as of June 30, 2022. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as they relate to the amounts included for the Electric Department, are based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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'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 GAAS 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 GAAS and *Government Auditing Standards*, we

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-11 and the pension and OPEB information on pages 70-77 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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements on pages 78-82 and the supplementary information on pages 83-98 (including the schedule of expenditures of federal awards and state financial assistance, as required by the State of Tennessee on page 89) 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 GAAS. In our opinion, the combining and individual nonmajor fund financial statements on pages 78-82, and schedules on pages 83-98 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section on page i and other schedules on pages 99-104 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 27, 2023, on our consideration of the City'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'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's internal control over financial reporting and compliance.

Blankenship CPA Group, PLLC

Blankenship CPA Group, PLLC
Brentwood, Tennessee
March 27, 2023

City of Pulaski, Tennessee
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2022

As management of the City of Pulaski, Tennessee (the City) we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2022.

This analysis focuses on significant variances in financial position, budget changes and variances from the budget and specific issues related to the funds and the economic factors affecting the City.

Management's Discussion and Analysis (MD&A) focuses on current year activities and resulting changes; it also contains explanations and discussion relative to significant variances from similar amounts in the prior year.

Financial Highlights

- The assets of the City of Pulaski exceeded its liabilities at the close of 2022 by \$129,646,829 as compared to \$123,270,635 in 2021. Of this amount, \$30,742,955, is unrestricted net position (\$31,544,246 in 2021) to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$6,068,586 in 2022 as compared to \$5,726,097 in 2021
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$9,128,414, a decrease of \$427,225 in comparison with the prior year. Approximately \$8,131,659 of that total is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance of the General Fund was \$8,131,659 or 82% of total General Fund expenditures as compared to \$8,476,182 or 79% in 2021.
- The City's total bonded debt decreased by \$1,698,240 during the current fiscal year. The decrease is a result of scheduled retirement payments.

Overview of the Financial Statements

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

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

The Statement of Net Position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Overall, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected tax and earned but unused vacation leave).

City of Pulaski, Tennessee
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2022

Overview of the Financial Statements (Continued)

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 Pulaski include general government, public safety, highways and streets, sanitation, recreation, economic development, airport, and building inspection. The business-type activities of the City include Water and Sewer services, Natural Gas services, Electric Power services, and a generally inactive Waste and Disposal (land fill) fund.

The government-wide financial statements include the City of Pulaski itself (known as the primary government).

The City has no component units as defined under provisions of GASB Statement number 14.

The government-wide financial statements can be found on pages 12 - 14 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated from specific activities or objectives. The City of Pulaski, 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 can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are funds 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, government fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund which is considered to be a major fund. Data from the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Pulaski, Tennessee adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 15 - 22 of this report.

Proprietary Funds. The City of Pulaski maintains two different 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 uses enterprise funds to account for its Water and Sewer, Natural Gas, Power, and Landfill operations. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City does not use an internal service 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 separate information for the Water and Sewer, Natural Gas, Power distribution, and inactive Landfill operations, each of which is considered to be major funds of the City of Pulaski. An internal service fund would also be presented in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 23 - 28 of this report.

City of Pulaski, Tennessee
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2022

Overview of the Financial Statements (Continued)

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The City uses fiduciary funds to account for its pension plans. The fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the City's own programs. The accounting used for fiduciary funds is similar to proprietary fund.

The basic fiduciary fund financial statements can be found on pages 29 - 30 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government - wide and fund financial statements. The notes to the financial statements can be found on pages 31 - 69 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to financial statements. Combining and individual fund statements and schedules can be found on pages 78 - 82 of this report.

Financial Analysis of the Financial Statements

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Pulaski, assets exceeded liabilities by \$129,646,829 at the close of the most recent fiscal year.

By far the largest portion of the City's assets (73%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Pulaski's Net Position

	2021	2022	2021	2022
	Governmental Activities	Governmental Activities	Business-type Activities	Business-type Activities
Current and other assets	\$ 10,834,010	\$ 11,658,513	\$ 32,334,983	\$ 36,941,006
Capital assets	16,568,170	18,689,415	86,223,914	86,852,216
Net pension asset	1,542,052	-	426,319	1,324,157
Deferred outflows of resources	2,290,955	3,483,775	4,869,537	4,331,356
Total assets and deferred outflows of resources	\$ 31,235,187	\$ 33,831,703	\$ 123,854,753	\$ 129,448,735
Long-term liabilities outstanding	\$ 307,011	\$ 2,265,446	\$ 13,091,364	\$ 11,380,608
Other liabilities	91,034	1,326,320	11,701,517	12,193,957
Deferred inflows of resources	4,351,274	2,824,509	2,277,105	3,642,769
Total liabilities and deferred inflows of resources	<u>4,749,319</u>	<u>6,416,275</u>	<u>27,069,986</u>	<u>27,217,334</u>
Net position:				
Net investment in capital assets	16,568,170	18,538,291	74,043,478	76,252,345
Restricted	794,179	890,080	320,562	3,223,158
Unrestricted	9,123,519	7,987,057	22,420,727	22,755,898
Total net position	<u>26,485,868</u>	<u>27,415,428</u>	<u>96,784,767</u>	<u>102,231,401</u>
Total liabilities, deferred inflows and net position	\$ 31,235,187	\$ 33,831,703	\$ 123,854,753	\$ 129,448,735

City of Pulaski, Tennessee
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2022

Financial Analysis of the Financial Statements (Continued)

An additional portion of the City's net position (3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$30,742,955) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior year.

The government's net position increased by approximately \$6,068,586 during the current fiscal year. Approximately 85% of the increase results from net increases in ongoing revenues over expenses of the Proprietary Funds. Governmental Funds accounted for the remaining increase of approximately 15%.

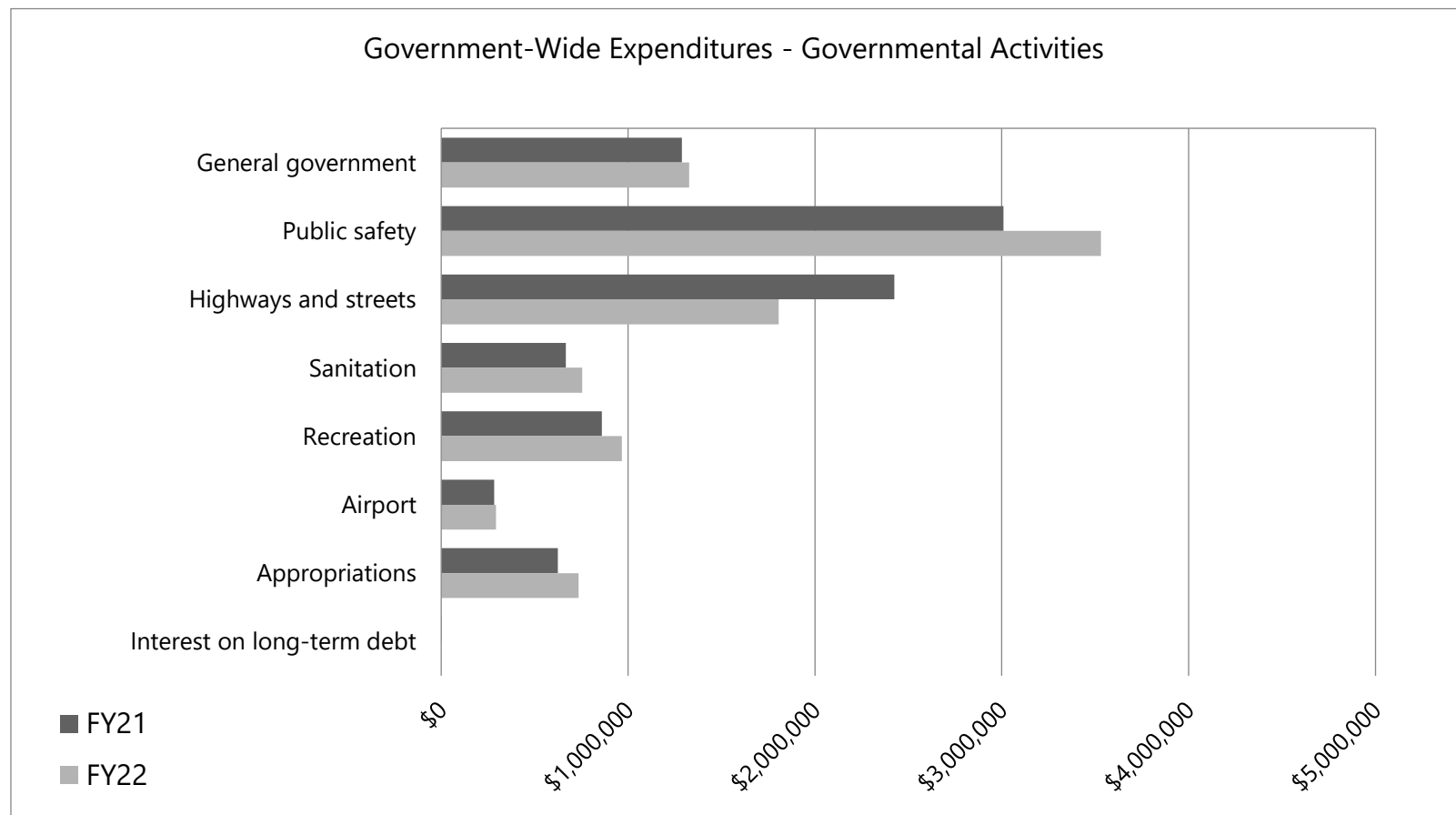
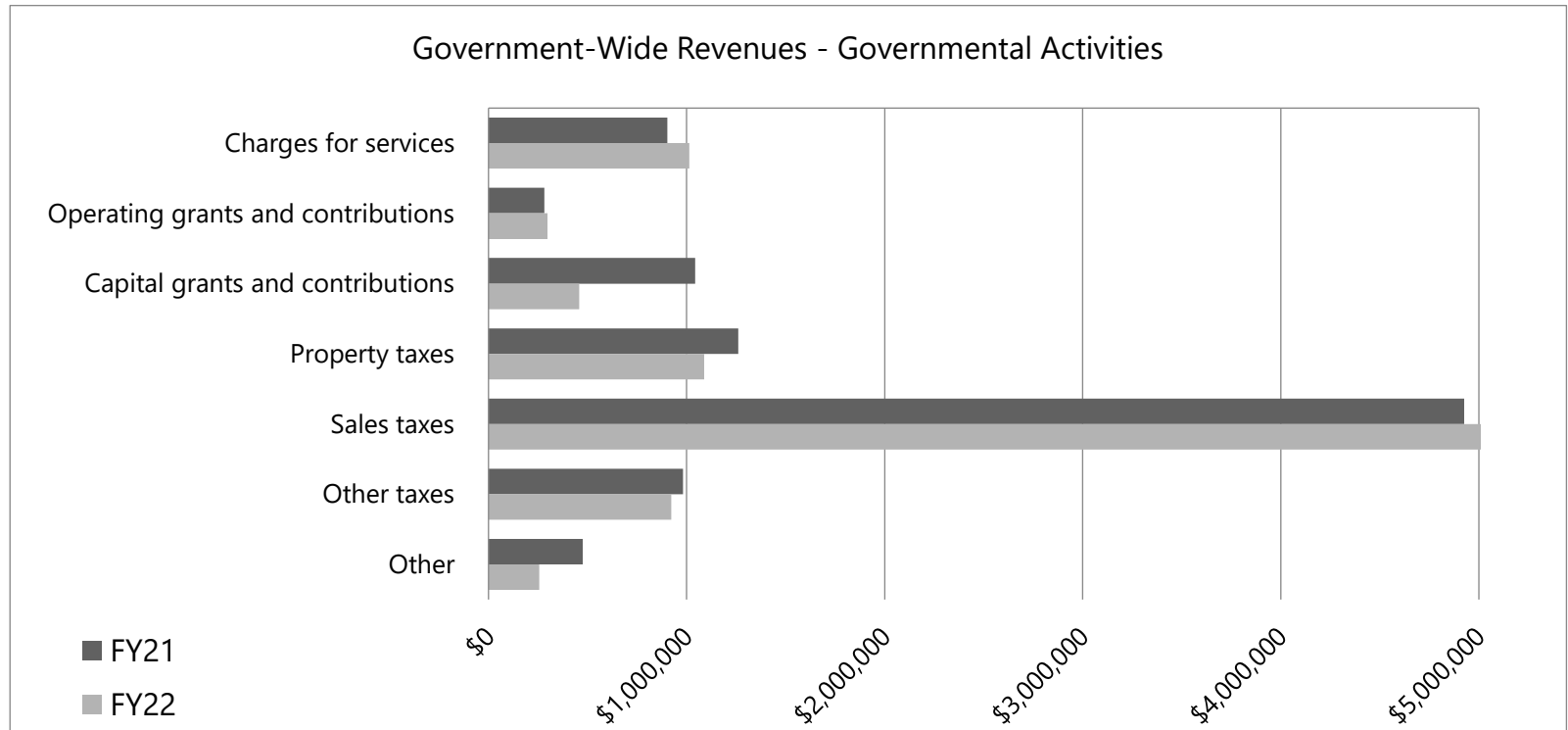
City of Pulaski's Changes in Net Position

	2021	2022	2021	2022
	Governmental Activities	Governmental Activities	Business-type Activities	Business-type Activities
Revenues:				
Program revenues:				
Charges for services	\$ 903,280	\$ 1,013,991	\$ 55,048,782	\$ 61,014,933
Operating grants and contributions	282,798	297,110	-	-
Capital grants and contributions	1,042,935	457,264	198,868	592,529
General revenues:				
Property taxes	1,260,011	1,088,574	-	-
Sales taxes	4,926,609	5,565,686	-	-
Other taxes	981,371	923,414	-	-
Other	475,450	256,673	59,203	139,429
Total revenues	<u>9,872,454</u>	<u>9,602,712</u>	<u>55,306,853</u>	<u>61,746,891</u>
Expenses:				
General government	1,288,933	1,327,123	-	-
Public safety	3,008,658	3,529,773	-	-
Highways and streets	2,424,446	1,806,031	-	-
Sanitation	667,696	755,439	-	-
Recreation	860,191	966,981	-	-
Airport	283,017	293,236	-	-
Appropriations	624,751	735,221	-	-
Interest on long-term debt	53	-	-	-
Water and sewer	-	-	3,683,190	4,036,322
Natural gas	-	-	3,874,597	4,953,995
Electric	-	-	41,545,397	46,769,996
Other	-	-	819,999	106,900
Total expenses	<u>9,157,745</u>	<u>9,413,804</u>	<u>49,923,183</u>	<u>55,867,213</u>
Increases (decreases) in net assets before transfer	714,609	188,908	5,383,670	5,879,678
Transfers	1,145,714	740,652	(1,145,714)	(740,652)
Increases in net position	<u>1,860,323</u>	<u>929,560</u>	<u>4,237,956</u>	<u>5,139,026</u>
Net position, beginning of year	24,625,545	26,485,868	92,546,811	96,784,767
Change in accounting principle	-	-	-	307,608
Net position, end of year	\$ 26,485,868	\$ 27,415,428	\$ 96,784,767	\$ 102,231,401

City of Pulaski, Tennessee
 Management's Discussion and Analysis (Unaudited)
 For the Year Ended June 30, 2022

Financial Analysis of the Financial Statements (Continued)

Revenues for 2022 increased approximately 2.7% from those of 2021, largely from an increase in sales tax collections. Expenses increased approximately 2.8%, largely from an increase in the public safety department.



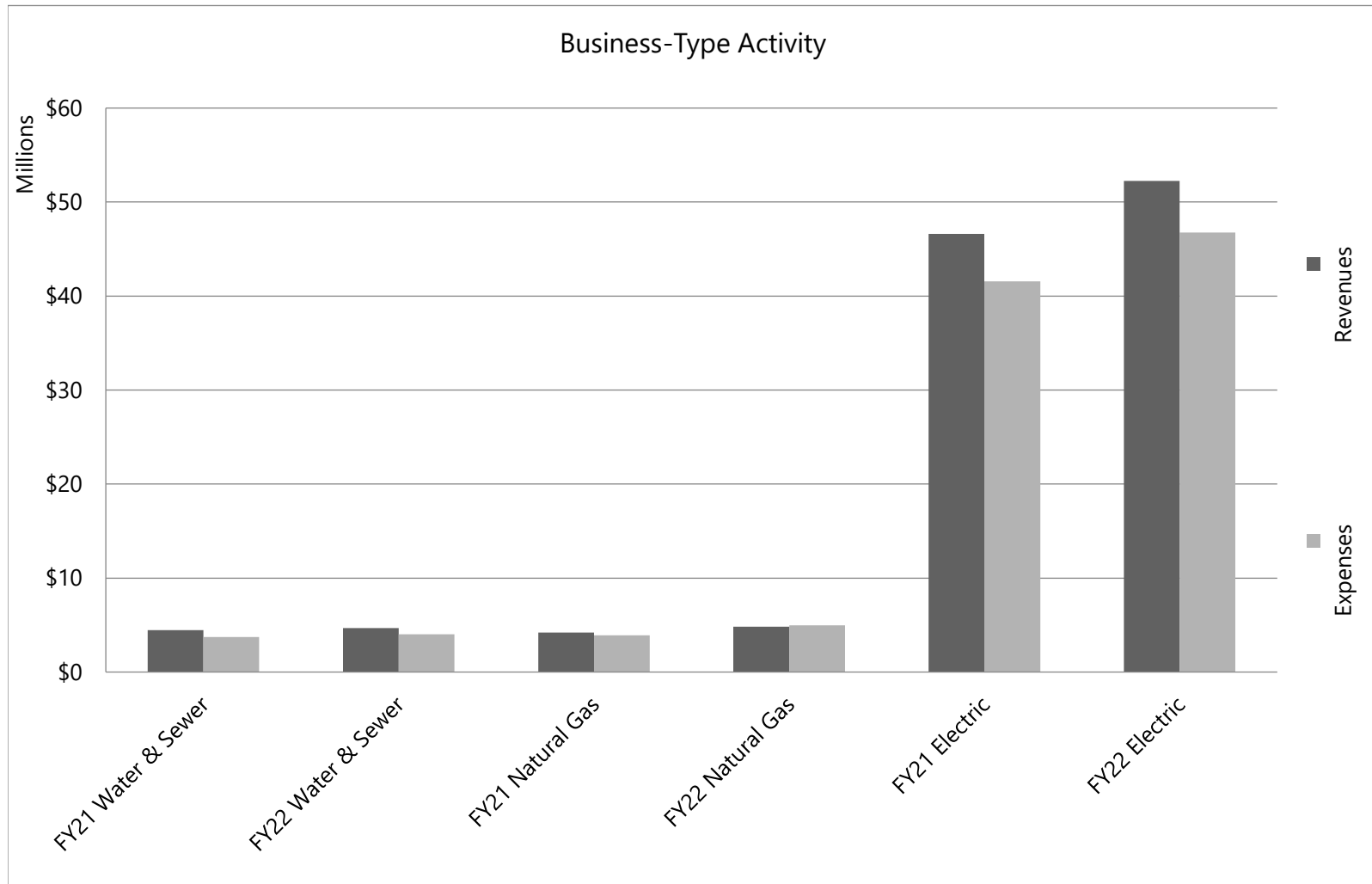
City of Pulaski, Tennessee
 Management's Discussion and Analysis (Unaudited)
 For the Year Ended June 30, 2022

Financial Analysis of the Financial Statements (Continued)

Business-type activities

Business-type activities increased the City's net position by \$5,139,026 accounting for 85% of the growth in the government's net position. Key elements of this increase are as follows:

- The Power System accounted for approximately 93% of the total increase in net position with the Water & Sewer, Natural Gas and Solid Waste Funds providing 11%, (2)%, and (2)%, respectively. Gross revenues in 2022 increased (decreased) by 5%, 14%, 12% and (29)% for the Water & Sewer, Natural Gas, Electric and Solid Waste Funds, respectively.



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

Governmental Funds

The focus of the City of Pulaski'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 requirement. In particular unassigned fund balance may serve as a useful measure to a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$9,128,414, a decrease of \$427,225 from the prior year. Approximately 89% of this total, \$8,131,659 constitutes unassigned fund balance, which is available for spending at the government's discretion, the unspendable portion of fund balance \$21,101 is not available for spending because it represents future loan repayments from the IDB that are not available for spending. Restricted amounts totaling \$725,654 may be spent only for specific purposes with the remaining \$250,000 being earmarked as a result of the City's stabilization policy.

City of Pulaski, Tennessee
 Management's Discussion and Analysis (Unaudited)
 For the Year Ended June 30, 2022

Financial Analysis of the Financial Statements (Continued)

The General Fund is the chief operating fund of the City of Pulaski, Tennessee. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$8,131,659 while total fund balance reached \$8,402,760. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures for the fiscal year. Total fund balance represents 84% of total General Fund expenditures. Unassigned fund balance represents 82% of that same amount.

The fund balance of the City's General Fund decreased by \$445,131 during the current fiscal year. Key factors in this decrease are as follows:

- Revenues for 2022 decreased by approximately \$75,000 from those of 2021. General tax revenues increased by approximately \$492,000 and intergovernmental revenues decreased by approximately \$417,000. Other revenues decreased by approximately \$150,000.

- General Fund expenditures for 2022 increased approximately \$153,000 or 2% from 2021. The primary reason for the increase related to capital outlays for a land purchase.

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

Unrestricted net position of the Water and Sewer Fund, Natural Gas Fund, Electric Power Fund and Solid Waste Disposal Fund amounted to \$1,251,386, \$9,456,395, \$13,288,368 and \$(1,240,251) for each fund, respectively. The growth (decline) in net position of the above funds was \$634,033, \$(227,475), \$4,475,097 and \$257,371 for the Water and Sewer, Natural Gas, Power System and Solid Waste Disposal Funds, respectively.

General Fund Budgetary Highlights

The General Fund budget was amended from amounts adopted in the original budget in the amount of \$410,000, specific departments were as follows:

Department	Original Budget	Final Budget
General government	\$ 5,071,650	\$ 5,991,650
Recreation	1,002,300	1,332,300
Appropriations	724,300	735,300

City of Pulaski, Tennessee
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2022

Capital Asset and Debt Administration

Capital Assets

The City of Pulaski's investment in capital assets from its governmental and business-type activities as of June 30, 2022 amounts to \$105,541,631 (net of accumulated depreciation). This investment in capital assets includes land, building, improvements, machinery and equipment, park facilities, roads, highways and bridges. The total increase in the City's investment in capital assets for the current fiscal year was \$2,749,547 approximately 23% and 77% from the business activities and governmental activities, respectively.

City of Pulaski's capital assets	Governmental Activities	Business-type Activities	Total
Land	\$ 2,449,194	\$ 668,053	\$ 3,117,247
Utility plant and equipment	15,264,192	173,000,930	188,265,122
Infrastructure	14,478,232	-	14,478,232
Construction in progress	664,169	1,522,189	2,186,358
	<u>32,855,787</u>	<u>175,191,172</u>	<u>208,046,959</u>
Less: accumulated depreciation	14,166,372	88,338,957	102,505,329
Net capital assets	\$ 18,689,415	\$ 86,852,215	\$ 105,541,630

Additional information on the City of Pulaski's capital assets can be found in the notes to the financial statements.

Debt Administration

At the end of the current year, the City of Pulaski had bonded debt outstanding of \$9,966,292. This amount comprises debt backed by the full faith and credit of the government with the remainder of the City's debt representing bonds secured by both the taxing power of the City and a specific revenue sources (i.e. revenue and tax bonds) of the various enterprise funds.

City of Pulaski's outstanding debt	Governmental Activities	Business-type Activities	Total
Revenue and tax bonds	\$ -	\$ 9,966,292	\$ 9,966,292

The City's total bonded debt decreased by \$1,698,240 during the current fiscal year as a result of scheduled repayment of debt and refundings.

The City of Pulaski and its various agencies both maintain an "A3" rating from Moody's for general obligation debt.

State statutes impose no debt limit on the amount of general obligation debt a governmental entity may issue.

Additional information on the City of Pulaski's debt can be found in the notes to the financial statements section of this report.

Economic Factors and Next Year's Budget and Rates

The unemployment rate for Giles County is currently 4.3%, which is down 1.3% from a year ago. This compares to the State's average unemployment rate of 4.0% and the national average rate of 3.8%. All of these factors were considered in preparing the City's budget for the 2021-22 fiscal year.

During the current fiscal year, unassigned fund balance in the General Fund decreased to \$8,131,659.

Requests for Information

This financial report is designed to provide a general overview of the City of Pulaski Tennessee's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the City Recorder, 203 South First Street, Pulaski, TN 37478.

City of Pulaski, Tennessee
Statement of Net Position
June 30, 2022

	Governmental activities	Business-type activities	Total
Assets			
Cash and cash equivalents	\$ 9,214,227	\$ 28,977,183	\$ 38,191,410
Receivables, net of allowance for uncollectible			
Accounts receivable	36,894	4,617,207	4,654,101
Property tax receivable	1,238,878	-	1,238,878
Intergovernmental revenue receivable	1,082,753	-	1,082,753
Loan receivable, Industrial Development Board, City of Pulaski	21,101	-	21,101
Inventory of supplies	-	1,187,504	1,187,504
Prepaid expenses	-	230,073	230,073
Other assets, noncurrent	-	20,737	20,737
Restricted assets			
Bond sinking and reserve funds	-	1,833,233	1,833,233
Construction funds	73,126	66,604	139,730
Internal balances	(8,466)	8,466	-
Capital assets			
Nondepreciable capital assets	3,113,363	2,190,242	5,303,605
Depreciable capital assets, net of accumulated depreciation	15,576,052	84,661,973	100,238,025
Net pension asset	-	1,324,157	1,324,157
Total assets	<u>30,347,928</u>	<u>125,117,379</u>	<u>155,465,307</u>
Deferred Outflows of Resources			
City pension plan	3,457,449	1,446,743	4,904,192
City OPEB plan	26,326	8,763	35,089
PES Energize pension plan	-	2,355,113	2,355,113
PES Energize OPEB plan	-	184,673	184,673
Loss on defeasance	-	336,064	336,064
Total deferred outflows of resources	<u>3,483,775</u>	<u>4,331,356</u>	<u>7,815,131</u>
 Total assets and deferred outflows of resources	 \$ 33,831,703	 \$ 129,448,735	 \$ 163,280,438

Continued

City of Pulaski, Tennessee
Statement of Net Position
June 30, 2022

	Governmental activities	Business-type activities	Total
Liabilities			
Accounts payable	\$ 163,308	\$ 7,135,789	\$ 7,299,097
Accrued liabilities	35,946	429,421	465,367
Customer deposits	-	1,019,704	1,019,704
Other liabilities	-	1,276,370	1,276,370
Accrued interest	-	4,326	4,326
Unearned grant revenues	1,127,066	-	1,127,066
Noncurrent liabilities			
PES Energize OPEB liability	-	1,436,967	1,436,967
Due within one year	304,777	2,016,182	2,320,959
Due in more than one year	1,960,669	10,255,806	12,216,475
Total liabilities	<u>3,591,766</u>	<u>23,574,565</u>	<u>27,166,331</u>
Deferred Inflows of Resources			
City pension plan	1,595,552	547,500	2,143,052
City OPEB plan	21,079	7,988	29,067
PES Energize pension plan	-	2,446,205	2,446,205
PES Energize OPEB plan	-	641,076	641,076
Unavailable revenues - property taxes and state shared revenues	<u>1,207,878</u>	<u>-</u>	<u>1,207,878</u>
Total deferred inflows of resources	<u>2,824,509</u>	<u>3,642,769</u>	<u>6,467,278</u>
Net Position			
Net investment in capital assets	18,538,291	76,252,345	94,790,636
Restricted for			
Debt service	-	1,899,001	1,899,001
Roads and streets	546,148	-	546,148
Public safety	130,881	-	130,881
Solid waste	213,051	-	213,051
Pension benefits	-	1,324,157	1,324,157
Unrestricted	<u>7,987,057</u>	<u>22,755,898</u>	<u>30,742,955</u>
Total net position	<u>27,415,428</u>	<u>102,231,401</u>	<u>129,646,829</u>
Total liabilities, deferred inflows of resources, and net position	\$ 33,831,703	\$ 129,448,735	\$ 163,280,438

City of Pulaski, Tennessee
Statement of Activities
For the Year Ended June 30, 2022

Functions/Programs	Program revenues				Net (expenses) revenues and change in net position		
	Expenses	Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities	Business-type activities	Total
Primary Government							
Governmental Activities							
General government	\$ 1,327,123	\$ -	\$ -	\$ -	\$ (1,327,123)	\$ -	\$ (1,327,123)
Police	2,944,115	118,120	1,315	-	(2,824,680)	-	(2,824,680)
Fire	585,658	12,382	-	-	(573,276)	-	(573,276)
Highways and streets	1,806,031	167	295,795	-	(1,510,069)	-	(1,510,069)
Sanitation	755,439	611,897	-	-	(143,542)	-	(143,542)
Recreation	966,981	21,064	-	254,248	(691,669)	-	(691,669)
Airport	293,236	136,010	-	203,016	45,790	-	45,790
Building inspector	-	114,351	-	-	114,351	-	114,351
Appropriations	735,221	-	-	-	(735,221)	-	(735,221)
Total governmental activities	9,413,804	1,013,991	297,110	457,264	(7,645,439)	-	(7,645,439)
Business-type Activities							
Water and sewer	4,036,322	4,363,759	-	291,604	-	619,041	619,041
Natural gas	4,953,995	4,495,982	-	300,925	-	(157,088)	(157,088)
PES Energize	46,769,996	52,151,010	-	-	-	5,381,014	5,381,014
Solid waste disposal	106,900	4,182	-	-	-	(102,718)	(102,718)
Total business-type activities	55,867,213	61,014,933	-	592,529	-	5,740,249	5,740,249
Total primary government	\$ 65,281,017	\$ 62,028,924	\$ 297,110	\$ 1,049,793	(7,645,439)	5,740,249	(1,905,190)
General Revenues and Transfers							
Property tax					1,088,574	-	1,088,574
Sales tax					5,565,686	-	5,565,686
Business tax					142,002	-	142,002
Local beer tax					354,672	-	354,672
Wholesale liquor tax					162,457	-	162,457
Cable TV					89,500	-	89,500
State income and excise					36,327	-	36,327
Gross receipts, TVA					87,184	-	87,184
Mixed drink tax					24,072	-	24,072
Other taxes					27,200	-	27,200
Unrestricted investment earnings					2,200	124,653	126,853
Other					254,473	14,776	269,249
Transfers					740,652	(740,652)	-
Total general revenues and transfers					8,574,999	(601,223)	7,973,776
Change in net position					929,560	5,139,026	6,068,586
Net position, beginning of year					26,485,868	96,784,767	123,270,635
Change in accounting principle					-	307,608	307,608
Net position, end of year					\$ 27,415,428	\$ 102,231,401	\$ 129,646,829

See notes to financial statements

City of Pulaski, Tennessee
Balance Sheet
Governmental Funds
June 30, 2022

	General	Other Governmental	Total Governmental
Assets			
Cash and cash equivalents	\$ 8,578,242	\$ 635,985	\$ 9,214,227
Accounts and notes receivable			
Property taxes	1,238,878	-	1,238,878
Intergovernmental	1,031,173	92,574	1,123,747
Loan receivable, Industrial Development Board, City of Pulaski	21,101	-	21,101
Total accounts and notes receivable	<u>2,291,152</u>	<u>92,574</u>	<u>2,383,726</u>
Due from other funds	-	5,996	5,996
Restricted cash	73,126	-	73,126
Total assets	\$ 10,942,520	\$ 734,555	\$ 11,677,075
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Accounts payable	\$ 156,707	\$ 6,601	\$ 163,308
Accrued liabilities	33,647	2,300	35,947
Due to other funds	14,462	-	14,462
Unearned grant revenues	1,127,066	-	1,127,066
Total liabilities	<u>1,331,882</u>	<u>8,901</u>	<u>1,340,783</u>
Deferred inflows of resources			
Unavailable revenues - property tax	1,207,878	-	1,207,878
Fund balances			
Nonspendable			
Amounts due from County and Industrial Development Board	21,101	-	21,101
Restricted for			
Roads and streets	-	546,148	546,148
Public safety	-	74,658	74,658
Solid waste collection	-	104,848	104,848
Committed for			
Stabilization, public safety	250,000	-	250,000
Unassigned	8,131,659	-	8,131,659
Total fund balances	<u>8,402,760</u>	<u>725,654</u>	<u>9,128,414</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ 10,942,520	\$ 734,555	\$ 11,677,075

City of Pulaski, Tennessee
 Reconciliation of Balance Sheet to Statement of Net Position
 of Governmental Activities
 June 30, 2022

Total governmental funds fund balances		\$ 9,128,414
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Capital assets	\$ 32,855,787	
Less: accumulated depreciation	(14,166,372)	18,689,415
<p>Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.</p>		
Property tax		(4,100)
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not recorded in the funds.</p>		
Long-term debt	(304,777)	
Net pension liability	(1,777,386)	
OPEB liability	(183,282)	
Deferred outflows	3,483,775	
Deferred inflows	(1,616,631)	(398,301)
Net position of governmental activities		\$ 27,415,428

City of Pulaski, Tennessee

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2022

	General	Other Governmental	Total Governmental
Revenues			
Taxes	\$ 6,566,365	\$ -	\$ 6,566,365
Intergovernmental	1,432,910	295,795	1,728,705
Licenses and permits	114,351	-	114,351
Fines and costs	67,124	33,344	100,468
Charges for services	262,773	611,897	874,670
Other	331,305	10,849	342,154
Total revenues	<u>8,774,828</u>	<u>951,885</u>	<u>9,726,713</u>
Expenditures			
Current			
General government	1,252,128	-	1,252,128
Public safety			
Police department	2,456,265	-	2,456,265
Fire department	486,639	-	486,639
Highways and streets	1,192,499	215,000	1,407,499
Sanitation	-	660,817	660,817
Recreation	841,164	-	841,164
Airport	117,994	-	117,994
Appropriations	735,221	-	735,221
Capital outlay	2,878,701	58,162	2,936,863
Total expenditures	<u>9,960,611</u>	<u>933,979</u>	<u>10,894,590</u>
Excess (deficiency) of revenues over expenditures	(1,185,783)	17,906	(1,167,877)
Other financing sources (uses)			
Transfers in	1,100,741	-	1,100,741
Transfers out	(360,089)	-	(360,089)
Total other financing sources (uses)	<u>740,652</u>	<u>-</u>	<u>740,652</u>
Net change in fund balances	(445,131)	17,906	(427,225)
Fund balances, beginning of year	8,847,891	707,748	9,555,639
Fund balances, end of year	\$ 8,402,760	\$ 725,654	\$ 9,128,414

City of Pulaski, 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

Amounts reported for net change in fund balances, total governmental funds		\$ (427,225)
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense for governmental activities. Gains and losses from disposals of capital assets are not presented in the fund financial statements.</p>		
Acquisition of capital assets	\$ 2,936,863	
Depreciation expense	(815,619)	2,121,244
<p>Revenues for governmental activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Property taxes		(124,003)
<p>Expenses reported for governmental activities do not require the use of current financial resources and are not reported as expenditures in the funds.</p>		
Pension expense	(464,655)	
OPEB expense	(178,035)	
Changes in the accrual for compensated absences	2,234	(640,456)
Change in net position of governmental activities		\$ 929,560

City of Pulaski, Tennessee
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual - General Fund
For the Year Ended June 30, 2022

Revenues	Original budget	Final budget	Actual	Variance from final budget + / (-)
Taxes				
Real estate tax	\$ 1,100,000	\$ 1,100,000	\$ 1,173,746	\$ 73,746
Penalties collected	4,500	4,500	3,064	(1,436)
Tax equivalent payments	33,800	33,800	35,767	1,967
Business tax	90,000	90,000	142,002	52,002
Local beer tax	345,000	345,000	354,672	9,672
Wholesale liquor tax	130,000	130,000	162,457	32,457
Cable TV	66,500	66,500	89,500	23,000
Local sales tax	<u>3,800,000</u>	<u>3,800,000</u>	<u>4,605,157</u>	<u>805,157</u>
Total taxes	5,569,800	5,569,800	6,566,365	996,565
Intergovernmental				
Streets and transportation	16,000	16,000	15,332	(668)
State sales tax	675,000	675,000	960,529	285,529
State beer tax	5,500	5,500	3,836	(1,664)
State income and excise	63,000	63,000	36,327	(26,673)
State and federal grant programs	691,750	691,750	204,331	(487,419)
Gross receipts, TVA	90,000	90,000	87,184	(2,816)
Mixed drink tax	15,000	15,000	24,072	9,072
Sports betting tax	-	-	8,032	8,032
County reimbursements	49,700	49,700	59,960	10,260
Other	<u>34,000</u>	<u>34,000</u>	<u>33,307</u>	<u>(693)</u>
Total intergovernmental	1,639,950	1,639,950	1,432,910	(207,040)
Licenses and permits	50,400	50,400	114,351	63,951
Fines and fees	63,000	63,000	67,124	4,124
Charges for services				
Special police services	1,200	1,200	17,653	16,453
Special fire services	7,500	7,500	12,382	4,882
Highway and streets	500	500	167	(333)
Airport	3,500	3,500	136,010	132,510
Administrative cost reimbursement	53,000	53,000	44,792	(8,208)
Recreation account, concession and fees	26,500	26,500	21,064	(5,436)
Other	<u>103,200</u>	<u>103,200</u>	<u>30,705</u>	<u>(72,495)</u>
Total charges for services	195,400	195,400	262,773	67,373
Miscellaneous				
Sale of assets	-	-	18,900	18,900
Rental income	30,000	30,000	48,000	18,000
Interest income	5,500	5,500	2,088	(3,412)
Miscellaneous revenues	15,100	15,100	8,069	(7,031)
Grants	<u>3,220,000</u>	<u>3,220,000</u>	<u>254,248</u>	<u>(2,965,752)</u>
Total miscellaneous	<u>3,270,600</u>	<u>3,270,600</u>	<u>331,305</u>	<u>(2,939,295)</u>
Total revenues	10,789,150	10,789,150	8,774,828	(2,014,322)

Continued

See notes to financial statements

City of Pulaski, Tennessee
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual - General Fund
For the Year Ended June 30, 2022

Expenditures	Original budget	Final budget	Actual	Variance from final budget + / (-)
General government				
Current				
Salaries and wages	429,100	429,100	396,388	32,712
Employee benefits	109,150	109,150	101,788	7,362
Animal control	50,000	50,000	34,329	15,671
TIFF payment	27,000	27,000	-	27,000
Contractual services	312,700	312,700	313,445	(745)
Appropriations to Industrial Development Board	10,000	10,000	5,489	4,511
Supplies	95,000	95,000	130,201	(35,201)
Insurance	40,500	40,500	34,467	6,033
Miscellaneous	91,200	261,200	236,021	25,179
Total current	<u>1,164,650</u>	<u>1,334,650</u>	<u>1,252,128</u>	<u>82,522</u>
Capital outlay	<u>3,907,000</u>	<u>4,657,000</u>	<u>1,846,480</u>	<u>2,810,520</u>
Total general government	5,071,650	5,991,650	3,098,608	2,893,042
Airport				
Current				
Salaries and wages	33,600	33,600	33,491	109
Employee benefits	23,000	23,000	23,238	(238)
Contractual services	15,700	15,700	15,347	353
Maintenance	29,500	29,500	29,111	389
Supplies	1,300	1,300	770	530
Insurance	5,300	5,300	14,120	(8,820)
Miscellaneous	1,500	1,500	1,917	(417)
Total current	<u>109,900</u>	<u>109,900</u>	<u>117,994</u>	<u>(8,094)</u>
Capital outlay	<u>730,000</u>	<u>730,000</u>	<u>218,491</u>	<u>511,509</u>
Total airport	839,900	839,900	336,485	503,415
Public safety				
Police department				
Current				
Salaries and wages	1,657,700	1,657,700	1,560,943	96,757
Employee benefits	722,200	722,200	682,899	39,301
Services	46,000	46,000	38,787	7,213
Repairs and maintenance	27,000	27,000	11,874	15,126
Supplies	52,000	52,000	26,514	25,486
Uniforms	8,000	8,000	12,312	(4,312)
Fuel	45,000	45,000	59,952	(14,952)
Insurance	49,600	49,600	57,923	(8,323)
Travel	7,500	7,500	3,088	4,412
Miscellaneous	4,500	4,500	1,973	2,527
Total current	<u>2,619,500</u>	<u>2,619,500</u>	<u>2,456,265</u>	<u>163,235</u>
Capital outlay	<u>64,000</u>	<u>64,000</u>	<u>58,162</u>	<u>5,838</u>
Total police department	2,683,500	2,683,500	2,514,427	169,073

Continued
See notes to financial statements

City of Pulaski, Tennessee
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual - General Fund
For the Year Ended June 30, 2022

Expenditures	Original budget	Final budget	Actual	Variance from final budget + / (-)
Public safety				
Fire department				
Current				
Salaries and wages	300,050	300,050	299,021	1,029
Employee benefits	117,050	117,050	118,613	(1,563)
Services	13,200	13,200	11,702	1,498
Repairs and maintenance	25,000	25,000	27,861	(2,861)
Supplies	1,000	1,000	368	632
Uniforms	4,000	4,000	2,621	1,379
Fuel	5,500	5,500	6,503	(1,003)
Insurance	16,350	16,350	13,192	3,158
Travel	1,500	1,500	-	1,500
Miscellaneous	10,000	10,000	6,758	3,242
Total current	<u>493,650</u>	<u>493,650</u>	<u>486,639</u>	<u>7,011</u>
Capital outlay	<u>353,500</u>	<u>353,500</u>	<u>250,316</u>	<u>103,184</u>
Total fire department	<u>847,150</u>	<u>847,150</u>	<u>736,955</u>	<u>110,195</u>
Total public safety	3,530,650	3,530,650	3,251,382	279,268
Highway and streets				
Current				
Salaries and wages	250,300	250,300	206,916	43,384
Employee benefits	236,650	236,650	205,219	31,431
Services	14,500	14,500	12,189	2,311
Repairs and maintenance	38,500	38,500	23,421	15,079
Supplies	8,350	8,350	4,808	3,542
Fuel	25,000	25,000	23,326	1,674
Paving and materials	780,000	780,000	706,449	73,551
Insurance	9,400	9,400	8,728	672
Miscellaneous	4,100	4,100	1,443	2,657
Total current	<u>1,366,800</u>	<u>1,366,800</u>	<u>1,192,499</u>	<u>174,301</u>
Capital outlay	<u>195,000</u>	<u>195,000</u>	<u>34,207</u>	<u>160,793</u>
Total highways and streets	1,561,800	1,561,800	1,226,706	335,094

Continued

City of Pulaski, Tennessee
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual - General Fund
For the Year Ended June 30, 2022

Expenditures	Original budget	Final budget	Actual	Variance from final budget + / (-)
Recreation				
Current				
Salaries and wages	378,500	378,500	356,728	21,772
Employee benefits	170,500	170,500	161,930	8,570
Services	138,000	138,000	155,256	(17,256)
Repairs and maintenance	14,000	14,000	4,584	9,416
Supplies	6,700	6,700	5,235	1,465
Insurance	18,500	18,500	21,191	(2,691)
Telephone	6,100	6,100	5,194	906
Recreational programs	65,000	65,000	70,254	(5,254)
Park maintenance	51,000	51,000	49,524	1,476
Miscellaneous	13,000	13,000	11,268	1,732
Total current	<u>861,300</u>	<u>861,300</u>	<u>841,164</u>	<u>20,136</u>
Capital outlay	141,000	461,000	471,045	(10,045)
Total recreation	<u>1,002,300</u>	<u>1,322,300</u>	<u>1,312,209</u>	<u>10,091</u>
 Appropriations				
Current				
Library	137,800	137,800	137,792	8
Senior citizens	20,000	20,000	20,000	-
Chamber of Commerce	26,500	37,500	37,500	-
E 911	112,000	112,000	112,000	-
Miscellaneous	428,000	598,000	427,929	170,071
Total appropriations	<u>724,300</u>	<u>905,300</u>	<u>735,221</u>	<u>170,079</u>
Total expenditures	<u>12,730,600</u>	<u>14,151,600</u>	<u>9,960,611</u>	<u>4,190,989</u>
 Other financing sources (uses)				
Transfer from				
Natural Gas Fund	81,000	81,000	81,000	-
PES Energize Fund	1,385,000	1,385,000	1,019,741	(365,259)
Transfer to				
Solid Waste Disposal Fund	<u>(383,950)</u>	<u>(383,950)</u>	<u>(360,089)</u>	<u>23,861</u>
Total other financing sources (uses)	<u>1,082,050</u>	<u>1,082,050</u>	<u>740,652</u>	<u>(341,398)</u>
 Net change in fund balance	(859,400)	(2,280,400)	(445,131)	1,835,269
 Fund balance, beginning of year	<u>8,847,891</u>	<u>8,847,891</u>	<u>8,847,891</u>	<u>-</u>
Fund balance, end of year	\$ 7,988,491	\$ 6,567,491	\$ 8,402,760	\$ 1,835,269

City of Pulaski, Tennessee
Statement of Net Position - Proprietary Funds
June 30, 2022

	Water and Sewer	Natural Gas	PES Energize	Solid Waste Disposal	Total
Assets					
Current assets					
Cash and cash equivalents	\$ 418,877	\$ 9,446,273	\$ 19,075,914	\$ 36,119	\$ 28,977,183
Accounts receivable, customers	500,558	415,374	3,340,428	-	4,256,360
Other receivables	-	-	487,707	-	487,707
Less: allowance for doubtful accounts	(47,890)	(18,970)	(60,000)	-	(126,860)
Inventory, materials	133,909	84,223	969,372	-	1,187,504
Due from other funds	97,453	1,453	-	-	98,906
Prepaid expenses	24,385	16,809	188,879	-	230,073
Total current assets	1,127,292	9,945,162	24,002,300	36,119	35,110,873
Restricted assets, cash and cash equivalents					
Bond reserve funds	255,649	-	-	-	255,649
Reserve funds - PES Energize	-	-	1,577,584	-	1,577,584
Construction funds	66,604	-	-	-	66,604
Total restricted assets, cash and cash equivalents	322,253	-	1,577,584	-	1,899,837
Capital assets					
Nondepreciable	1,039,600	208,949	941,693	-	2,190,242
Property, plant, and equipment	48,368,039	11,625,385	112,510,159	497,347	173,000,930
Less: accumulated depreciation	(26,658,432)	(6,904,678)	(54,536,994)	(238,853)	(88,338,957)
Total capital assets	22,749,207	4,929,656	58,914,858	258,494	86,852,215
Other assets					
Other receivables	659	-	-	-	659
Net pension asset	-	-	1,324,157	-	1,324,157
Unamortized debt expense	-	-	20,078	-	20,078
Total other assets	659	-	1,344,235	-	1,344,894
Total assets	24,199,411	14,874,818	85,838,977	294,613	125,207,819
Deferred Outflows of Resources					
Deferred outflows related to pensions	1,025,200	421,543	2,355,113	-	3,801,856
Deferred outflows related to OPEB	5,102	3,661	184,673	-	193,436
Loss on defeasance	-	-	336,064	-	336,064
Total deferred outflows of resources	1,030,302	425,204	2,875,850	-	4,331,356

Continued

City of Pulaski, Tennessee
Statement of Net Position - Proprietary Funds
June 30, 2022

	Water and Sewer	Natural Gas	PES Energize	Solid Waste Disposal	Total
Liabilities					
Current liabilities					
Accounts payable	202,701	332,685	6,600,403	-	7,135,789
Due to other funds	1,453	88,987	-	-	90,440
Accrued expenses and other liabilities	24,216	15,936	389,269	-	429,421
Total current liabilities	<u>228,370</u>	<u>437,608</u>	<u>6,989,672</u>	-	<u>7,655,650</u>
Liabilities payable from restricted assets					
Accrued interest	-	-	4,326	-	4,326
Customer deposits	21,270	20	998,414	-	1,019,704
Long-term debt, current maturities	684,021	-	1,205,532	-	1,889,553
Total liabilities payable from restricted assets	<u>705,291</u>	<u>20</u>	<u>2,208,272</u>	-	<u>2,913,583</u>
Long-term liabilities					
Other accrued payroll costs	78,650	47,979	771,783	-	898,412
Net pension liability	471,180	360,461	-	-	831,641
OPEB liability	34,660	25,079	1,436,967	-	1,496,706
Long-term debt, net of current maturities	3,023,700	-	5,568,943	-	8,592,643
Total long-term liabilities	<u>3,608,190</u>	<u>433,519</u>	<u>7,777,693</u>	-	<u>11,819,402</u>
Liability for post-closure costs	-	-	-	1,276,370	1,276,370
Total liabilities	<u>4,541,851</u>	<u>871,147</u>	<u>16,975,637</u>	<u>1,276,370</u>	<u>23,665,005</u>
Deferred Inflows of Resources					
Deferred inflows related to pensions	507,924	39,576	2,446,205	-	2,993,705
Deferred inflows related to OPEB	4,740	3,248	641,076	-	649,064
Total deferred inflows of resources	<u>512,664</u>	<u>42,824</u>	<u>3,087,281</u>	-	<u>3,642,769</u>
Net Position					
Net investment in capital assets	18,923,812	4,929,656	52,140,383	258,494	76,252,345
Restricted for debt service	-	-	1,899,001	-	1,899,001
Pension benefits	-	-	1,324,157	-	1,324,157
Unrestricted	1,251,386	9,456,395	13,288,368	(1,240,251)	22,755,898
Total net position	\$ 20,175,198	\$ 14,386,051	\$ 68,651,909	\$ (981,757)	\$ 102,231,401

City of Pulaski, Tennessee
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds
For the Year Ended June 30, 2022

	Water and Sewer	Natural Gas	PES Energize	Solid Waste Disposal	Total
Operating Revenues					
Services	\$ 4,198,459	\$ 4,377,182	\$ 50,774,924	\$ 4,182	\$ 59,354,747
Other	165,300	118,800	1,376,086	-	1,660,186
Total operating revenues	<u>4,363,759</u>	<u>4,495,982</u>	<u>52,151,010</u>	<u>4,182</u>	<u>61,014,933</u>
Operating Expenses					
Cost of sales and services	-	3,505,557	35,153,519	-	38,659,076
Distribution expense	-	11,173	661,029	-	672,202
Customer service and information expense	-	-	465,851	-	465,851
Customer accounts expense	-	-	409,437	-	409,437
Administration and general expense	-	-	2,953,233	-	2,953,233
Sewage disposal plant expense	286,422	-	-	-	286,422
Water plant expense	295,496	-	-	-	295,496
Salaries and wages	1,035,140	588,052	-	-	1,623,192
Employee benefits	609,560	319,299	-	-	928,859
Utilities	291,319	983	-	5,776	298,078
Maintenance and repairs expense	129,166	104,178	2,840,214	3,606	3,077,164
Supplies	147,805	24,500	-	-	172,305
Insurance	115,661	33,267	-	-	148,928
Depreciation and amortization	989,215	251,537	4,113,620	-	5,354,372
Closing costs	-	-	-	21,937	21,937
Other operating expenses	69,572	115,449	-	75,581	260,602
Total operating expenses	<u>3,969,356</u>	<u>4,953,995</u>	<u>46,596,903</u>	<u>106,900</u>	<u>55,627,154</u>
Operating income (loss)	394,403	(458,013)	5,554,107	(102,718)	5,387,779
Nonoperating revenues (expenses)					
Interest income	216	10,613	113,824	-	124,653
Amortization expense	-	-	(43,451)	-	(43,451)
Interest expense	(66,966)	-	(129,642)	-	(196,608)
Other	14,776	-	-	-	14,776
Total nonoperating revenues (expenses)	<u>(51,974)</u>	<u>10,613</u>	<u>(59,269)</u>	<u>-</u>	<u>(100,630)</u>
Net income (loss) before transfers and contributions	342,429	(447,400)	5,494,838	(102,718)	5,287,149

Continued

City of Pulaski, Tennessee
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds
For the Year Ended June 30, 2022

	Water and Sewer	Natural Gas	PES Energize	Solid Waste Disposal	Total
Transfers and Contributions					
Capital grants and contributions	291,604	300,925	-	-	592,529
Transfers (to) from other funds	-	(81,000)	(1,019,741)	360,089	(740,652)
Change in net position	634,033	(227,475)	4,475,097	257,371	5,139,026
Net position, beginning of year	19,319,372	14,527,711	64,176,812	(1,239,128)	96,784,767
Change in accounting principle	221,793	85,815	-	-	307,608
Net position (deficit), end of year	<u>\$ 20,175,198</u>	<u>\$ 14,386,051</u>	<u>\$ 68,651,909</u>	<u>\$ (981,757)</u>	<u>\$ 102,231,401</u>

City of Pulaski, Tennessee
Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2022

	Water and Sewer	Natural Gas	PES Energize	Solid Waste Disposal	Total
Cash flows from operating activities					
Cash received from customers	\$ 4,415,961	\$ 4,354,742	\$ 51,533,352	\$ 4,182	\$ 60,308,237
Cash paid to employees for services	(1,506,616)	(818,797)	(1,792,309)	-	(4,117,722)
Cash paid to suppliers of goods and services	(1,418,099)	(3,703,272)	(39,489,688)	(84,963)	(44,696,022)
Other	14,776	-	11,795	-	26,571
Net cash provided (used) by operating activities	<u>1,506,022</u>	<u>(167,327)</u>	<u>10,263,150</u>	<u>(80,781)</u>	<u>11,521,064</u>
Cash flows from noncapital financing activities					
Transfers (to) from other funds	(184,994)	96,783	(1,019,741)	360,089	(747,863)
Cash flows from capital and related financing activities					
Capital grants and contributions	291,604	300,925	-	-	592,529
Interest paid on bonds, notes and leases	(66,965)	-	(172,782)	-	(239,747)
Purchase of property, plant, and equipment	(1,356,010)	(196,015)	(4,545,620)	(248,425)	(6,346,070)
Plant removal costs	-	-	(515,859)	-	(515,859)
Materials salvaged from retirements	-	-	879,255	-	879,255
Payments on long-term debt	(533,832)	-	(1,164,409)	-	(1,698,241)
Net cash provided (used) by capital and related financing activities	<u>(1,665,203)</u>	<u>104,910</u>	<u>(5,519,415)</u>	<u>(248,425)</u>	<u>(7,328,133)</u>
Cash flows from investing activities					
Interest and unrealized changes in investments	216	10,613	113,824	-	124,653
Net change in cash	(343,959)	44,979	3,837,818	30,883	3,569,721
Cash and restricted cash, beginning of year	<u>1,085,089</u>	<u>9,401,294</u>	<u>16,815,680</u>	<u>5,236</u>	<u>27,307,299</u>
Cash and restricted cash, end of year	\$ 741,130	\$ 9,446,273	\$ 20,653,498	\$ 36,119	\$ 30,877,020
Reconciliation of cash and cash equivalents and restricted cash and cash equivalents					
Cash and cash equivalents, unrestricted	\$ 418,877	\$ 9,446,273	\$ 19,075,914	\$ 36,119	\$ 28,977,183
Restricted assets, cash and cash equivalents	<u>322,253</u>	<u>-</u>	<u>1,577,584</u>	<u>-</u>	<u>1,899,837</u>
	\$ 741,130	\$ 9,446,273	\$ 20,653,498	\$ 36,119	\$ 30,877,020

Continued

City of Pulaski, Tennessee
Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2022

	Water and Sewer	Natural Gas	PES Energize	Solid Waste Disposal	Total
Reconciliation of operating income to net cash provided (used) by operating activities					
Operating income (loss)	\$ 394,403	\$ (458,013)	\$ 5,554,107	\$ (102,718)	\$ 5,387,779
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation and amortization	989,215	251,537	4,155,475	-	5,396,227
Post closure costs	-	-	-	21,937	21,937
Other	14,776	-	-	-	14,776
Change in:					
Accounts receivable, customers	52,202	(141,240)	(617,658)	-	(706,696)
Inventory, materials	2,679	6,959	(173,033)	-	(163,395)
Other assets	13,458	11,160	165,725	-	190,343
Deferred outflows of resources related to pensions and OPEB	(443,613)	29,400	919,201	-	504,988
Accounts payable	(94,490)	67,485	1,698,031	-	1,671,026
Accrued expenses and other liabilities	700	7,715	(192,148)	-	(183,733)
Customer deposits	-	-	11,795	-	11,795
Compensated absences	(5,704)	(9,199)	-	-	(14,903)
Net pension liability	746,435	511,524	(3,012,378)	-	(1,754,419)
OPEB liability	30,481	22,050	(272,856)	-	(220,325)
Deferred inflows of resources related to pensions and OPEB	(194,520)	(466,705)	2,026,889	-	1,365,664
Net cash provided (used) by operating activities	\$ 1,506,022	\$ (167,327)	\$ 10,263,150	\$ (80,781)	\$ 11,521,064

City of Pulaski, Tennessee
Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2022

	PES Energize Pension Trust	City Employees' Pension Trust
Assets		
Investments, at fair value		
Short-term investments	\$ 149,027	\$ 292,651
Equity investments	11,077,767	13,908,553
Fixed income securities	5,341,570	5,313,769
Other	25,033	33,315
Total assets	<u>\$ 16,593,397</u>	<u>\$ 19,548,288</u>
Net Position		
Restricted for pension benefits	\$ 16,593,397	\$ 19,548,288

City of Pulaski, Tennessee
Statement of Changes in Fiduciary Net Position - Fiduciary Funds
For the Year Ended June 30, 2022

	PES Energize Pension Trust	City Employees' Pension Trust
Additions		
Employer contributions	\$ 400,000	\$ 232,286
Investment income		
Interest income	5,118	1,986
Dividend income	248,033	312,757
Realized gains and losses	945,541	1,495,404
Net appreciation (depreciation) in fair value of investments	<u>(3,604,626)</u>	<u>(4,694,116)</u>
Net investment income	<u>(2,405,934)</u>	<u>(2,883,969)</u>
Total additions	(2,005,934)	(2,651,683)
Deductions		
Benefits	797,926	1,096,359
Administrative expenses	<u>112,163</u>	<u>58,387</u>
Total deductions	910,089	1,154,746
Change in net position	(2,916,023)	(3,806,429)
Net position, beginning of year	<u>19,509,420</u>	<u>23,354,717</u>
Net position, end of year	\$ 16,593,397	\$ 19,548,288

City of Pulaski, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2022

Note 1. Summary of Significant Accounting Policies

Nature of Entity

The City of Pulaski, Tennessee (the City) was incorporated on July 24, 1820. The City operates under a Mayor-Aldermen form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, health and social services, culture/recreation, education, public improvements, planning and zoning, and general administrative services.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America (GAAP) and those applicable to governments as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant policies.

Reporting Entity

As required by GAAP, the financial statements of the City present the primary government, organizations for which the primary government is considered to be financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the City's financial statements to be misleading or incomplete.

PES Energize is not legally separate from the City. Financial information from PES Energize has been presented as part of the primary government as the PES Energize enterprise fund. PES Energize provides electrical and broadband service to customers located generally within Giles County, Tennessee. PES Energize's board is appointed by the Mayor and Board of Aldermen of the City. It is fiscally dependent upon the City because the Mayor and Aldermen approve the borrowing of money and the issuance of bonds by PES Energize. Complete financial statements for PES Energize may be obtained from their administrative office at: PES Energize, 128 South First Street, Pulaski, TN 38478.

The *Economic Development Commission for Pulaski-Giles County* and the *Industrial Development Board of Giles County and the City of Pulaski* are responsible for long-range planning for the City, Giles County, and other local city governments. The Commission and Board derive their funding primarily from the City and Giles County. The Commission and Board are comprised of representatives from the City, County, and others. The Commission and Board are not deemed to be financially accountable to the City and, accordingly, are not reported as components of the City.

The City has not included the financial statements of the Pulaski Housing Authority. The Pulaski Housing Authority is a public agency created to administer housing assistance programs for qualified residents, under regulations of the US Department of Housing and Urban Development. The City does not approve the operating budgets of this entity and does not exercise significant influence over its operations.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

City of Pulaski, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2022

Note 1. Summary of Significant Accounting Policies

Government-wide and Fund Financial Statements

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (i) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (ii) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough 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 period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting; however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, state shared revenues, 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, using the criteria specified in the paragraph above. All other revenue items are considered measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The government reports the following nonmajor governmental funds:

The State Street Aid Fund accounts for activities funded from the Tennessee Municipal Street Aid Fund.

The Drug Fund accounts for resources used in the City's drug enforcement and education programs.

The Solid Waste Collection Fund accounts for the activities of the government's solid waste collection operations.

City of Pulaski, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2022

Note 1. Summary of Significant Accounting Policies

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government reports the following major proprietary funds:

- The Water and Sewer Fund accounts for the water and waste water services provided to customers of the system.
- The Natural Gas Fund accounts for the distribution of natural gas to customers of the system.
- The PES Energize Fund accounts for the activities of the government's electric and broadband operations.
- The Solid Waste Disposal Fund accounts for the activities of the City's old landfill.

The government reports a fiduciary fund that accounts for the activities of the pension plans maintained for qualified employees of the government and PES Energize.

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

Amounts reported as program revenues include (i) charges to customers or applicants for goods, services, or privileges provided, (ii) operating grants and contributions, and (iii) capital grants and contributions. General revenues include all taxes and internally dedicated resources.

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

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, held in banks, and amounts invested with the State Local Government Investment Pool (LGIP), which is a highly liquid investment, and investments with a maturity of three months or less, which are stated at cost and approximate market value as of June 30, 2022.

State statutes authorize the City to invest in obligations of the US Treasury, commercial paper, corporate bonds, repurchase agreements, and LGIP. LGIP operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

City of Pulaski, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2022

Note 1. Summary of Significant Accounting Policies

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either due from/to other funds (i.e., the current portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as internal balances. Amounts due from the County government related to prior infrastructure improvements are reported in the general fund financial statements and are offset by a fund balance reserve account to indicate that such amounts are not available for appropriation and are not expendable available resources.

Interfund payables of the PES Energize Fund and interfund receivables in the Water and Sewer, Natural Gas, and Solid Waste Disposal Funds relate primarily to service billing by PES Energize, which are typically repaid within 60 days. All trade receivables are shown net of an allowance for uncollectible amounts, if applicable. The allowance for uncollectible property taxes approximates amounts deemed to be uncollectible.

Inventory and Prepaid Items

Inventory is valued at average cost. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

Restricted Assets

Cash and cash equivalents of the enterprise funds are classified as restricted assets on the respective balance sheets because they are maintained in separate bank accounts and their use is limited by applicable bond covenants and/or proceeds from bond issues that are restricted for use in construction.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets consisting of certain improvements other than buildings, including roads, bridges, streets and sidewalks, and drainage systems are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$2,500 (\$3,000 for PES Energize) and an estimated useful life in excess of two years (five years for PES Energize). All fixed assets are valued at historical cost or estimated historical cost, if actual historical cost is not available. Donated fixed assets are valued at acquisition value when received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

Infrastructure (roads, bridges)	50 years
Buildings and structures	25-50 years
Distribution systems	10-50 years
Equipment	3-10 years
Furniture and fixtures	3-10 years

City of Pulaski, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2022

Note 1. **Summary of Significant Accounting Policies**

Compensated Absences

The City's policy is to accumulate earned but unused vacation pay. There is no liability for sick leave since the City does not have a policy to pay any amounts when employees separate from service with the City. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. PES Energize paid time off (PTO) is a benefit for all full-time employees. PTO combines traditional vacation, time off for personal matters, and absence due to sickness or injury, but does not include holidays. Special provisions apply to employees with PTO in excess of 90 days at the end of the calendar year.

Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Governmental and business-type activity bond issue costs are reported as current expenditures, except those of PES Energize. The PES Energize Fund continues to report bond issue costs as an asset, and amortizes those costs over the life of the bonds, in accordance with certain provisions included in GASB 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 20, 1989 FASB and AICPA Pronouncements*. This regulatory option as part of GASB Statement No. 65 is available due to the above-mentioned cost being used for rate setting by PES Energize.

Proprietary Fund Equity Classification

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

Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – Consists of net position with constraints, primarily for debt service and capital purchases.

Unrestricted net position – All other net position that does not meet the definition of restricted or invested in capital assets, net of related debt.

City of Pulaski, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2022

Note 1. Summary of Significant Accounting Policies

Fund Balance

Financial Policy

The City has implemented GASB Statement No. 54 for its governmental funds. As a result, fund balance is reported in the fund financial statements under the following categories:

Nonspendable – represents amounts that are required to be maintained intact, such as inventories and prepaid expenses.

Restricted – that portion of fund balance that can be spent only for the specific purpose(s) stipulated by external resources or through enabling legislation.

Committed – includes amounts constrained to specific purposes as determined by formal action of the City Board of Aldermen, using its highest level of decision-making authority (ordinance). Conversely, to rescind or modify a fund balance commitment, an action by ordinance is also required.

Assigned – amounts are intended to be used by the City for specific purposes but do not meet the criteria to be deemed restricted or committed. Intent may be stipulated by the City Board. Appropriations of fund balance to eliminate projected budgetary deficits in the subsequent year's budget are presented as assignments of fund balance.

Unassigned – the residual classification of the general fund.

Spending Policy

Generally, when costs are incurred for purposes for which both restricted and unrestricted funds are available, it is the City's policy to spend the most restricted dollars before less restricted dollars. Similarly, when expenditures are incurred for which committed, assigned, or unassigned amounts may be used, committed amounts are first used, followed by assigned then unassigned amounts.

Stabilization Fund Balance Policy

The Board established a financial stabilization policy for the purpose of providing funds for an urgent event that affects the safety of the general public (e.g. flood, tornado, etc.). The Board must formally acknowledge the occurrence of the urgent event. The minimum level of funding was set at \$250,000 and is reported as committed fund balance. Should the balance fall below the minimum requirement, the Board will develop a plan to replenish it within four years.

Unassigned General Fund Balance Policy

The City endeavors to limit expenditures to anticipated revenues in order to maintain a balanced budget. The fund balance of the General Fund has been accumulated to provide stability and flexibility in order to respond to unexpected adversity and/or opportunities. The City's target is to maintain a minimum unassigned fund balance of \$500,000. In the event the unassigned general fund balance should fall below that minimum level, the City will develop a plan to restore the deficiency within two years.

City of Pulaski, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2022

Note 1. Summary of Significant Accounting Policies

Property Tax

The City's property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and personal property located in the City's legal boundaries. All taxes levied on real estate are declared to be a lien on such realty from January 1 of the year assessments are made.

Assessed values are established by the State of Tennessee at the following rates of assessed market value:

Public utility property	55%
Industrial and commercial property	
Real	40%
Personal	30%
Farm and residential property	25%

Taxes are levied at a rate of \$0.5612 per \$100 of assessed valuation. Property taxes are due each year in a single payment on November 1st and become delinquent and subject to liens on July 1st of the following year. Current tax collections of \$1,081,529 for the fiscal year ended June 30, 2022 were approximately 95.5% of the tax levy. Taxes become delinquent in July the year subsequent to the levy date; at that time delinquent taxes are turned over to the County Clerk and Master for collection proceedings. Taxes assessed on January 1, 2022 that will be levied October 1, 2022 amounted to \$1,132,584.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category: amounts relating to pensions and other postretirement benefits which may result from differences between expected and actual actuarial experience, differences between expected and actual investment earnings of the pension plan, certain changes in actuarial assumptions, and amounts of employer contributions to the plans made subsequent to the measurement date.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The City has the following types of deferred inflows of resources: unavailable revenues reported in the governmental funds balance sheet, which arise under a modified accrual basis of accounting, representing amounts that are deferred and recognized as an inflow of resources in the periods in which the amounts become available. These amounts relate primarily to unavailable property taxes and other receivables not within the collection period. The deferred inflows of resources reported in the statement of net position arise from imposed nonexchange revenues (property taxes) which are assessed prior to the end of the fiscal year, but levied in the subsequent year. Pension and other postretirement benefit-related deferred inflows of resources may result from actuarial gains related to the difference between expected and actual experience for the plan's adopted economic and demographic assumptions, and differences between expected and actual earnings on plan investments.

City of Pulaski, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2022

Note 1. **Summary of Significant Accounting Policies**

Pensions

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the 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 retirement plan. Investments are reported at fair value.

Other Postemployment Benefits (OPEB)

Postemployment healthcare benefits other than pension benefits for the PES Energize OPEB plan are accounted for under GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, which establishes standards for the measurement, recognition, and presentation of postemployment healthcare benefits expense and related liabilities, assets, note disclosures, and if applicable, required supplementary information.

Budget

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

Prior to year-end, a proposed operating budget is prepared and submitted to the Mayor and Board of Aldermen for the fiscal year commencing the following July 1st. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Prior to June 30th of each year, the budget is legally enacted through passage of an ordinance. Department heads are authorized to transfer budgeted amounts within their departments; however, any revisions that alter the total expenditures of any department function or fund must be approved by the Board of Aldermen and Mayor. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with GAAP. All appropriations which are not expended lapse at year-end. There were no amendments to original appropriations.

Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and expenditures during the reporting period. Actual amounts could differ from those estimates.

New Accounting Pronouncements

The City adopted GASB Statement No. 87, *Leases*, effective July 1, 2021. The statement improves guidance regarding leases for accounting and financial reporting purposes and how lease activity should be reported. Adoption of the statement had minimal impact on the City's financial statements.

City of Pulaski, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2022

Note 2. Deposits

The City is authorized to invest funds in financial institutions and direct obligations of the Federal Government. During 2022, the City invested in short-term certificates of deposit, savings accounts, and the Tennessee Local Government Investment Pool.

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City's policy requires that deposits be either (i) secured and collateralized by the institutions at 105% of the value of the deposits placed in the institution, less the amount protected by federal depository insurance, or (ii) placed in financial institutions that participate in the bank collateral pool administered by the Treasurer of the State of Tennessee. Institutions participating in the collateral pool determine the aggregated 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. As of June 30, 2022, all of the City's deposits were fully collateralized in accordance with state statutes.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. City policy provides that, to the extent practicable, investments are matched with anticipated cash flows. Typically, certificates of deposit are issued for periods less than one year and investments in the Local Government Investment Pool are available daily.

Note 3. Investments

Investments of Pension Trust Funds

The pension trust funds hold investments that are measured at fair value on a recurring basis. Investing is a key part of the funds' activities. The City categorizes its fair value measurements for these funds within the fair value hierarchy established by GAAP. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices for identical assets in active markets that can be accessed at the measurement date (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1 – Quoted prices for identical investments in active markets

Level 2 – Observable inputs other than those in Level 1

Level 3 – Unobservable inputs

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of relevant observable inputs and minimize the use of unobservable inputs. Descriptions of the valuation methodologies used for each category of investment measured at fair value are listed below as they appear in the fair value hierarchy.

City of Pulaski, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2022

Note 3. **Investments**

Credit Risk

The City does not have a formal investment policy; however, management's current investment practice is formulated around the prudent-person rule, namely, that investments are made as a prudent person should be expected to make, with discretion and intelligence, to produce reasonable income, preserve capital, and, in general, avoid speculative investments. As of June 30, 2022, the City's pension funds had the following investments.

City of Pulaski Employees' Pension Trust Fund

	Average days to maturity	Cost	Fair value	Average credit rating	Classification
Investment type					
Cash and cash equivalent funds	N/A	\$ 292,652	\$ 292,652	Aaa	N/A
Equities	N/A	10,991,932	13,908,552	N/A	Level 1
Fixed income funds	N/A	5,899,125	5,313,769	Aaa	Level 1
Other	N/A	<u>33,315</u>	<u>33,315</u>	N/A	N/A
Total		\$17,217,024	\$19,548,288		

For the year ended June 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (12.60)%.

PES Energize Employees' Pension Trust Fund

	Fair value	Percent of total	Classification
Investment type			
Cash and cash equivalents	\$ 174,060	1.05%	N/A
Fixed income investments	5,341,570	32.19%	Level 1
Equities	<u>11,077,767</u>	66.76%	Level 1
Total	\$ 16,593,397		

The PES plan categorizes its fair value measurements within the fair value hierarchy established by GAAP.

For the year ended June 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -12.44%.

As of June 30, 2022, the plans had the following investments that represented 5% or more of plan net position:

	City plan fair value	PES plan fair value
Fidelity Contra fund #22	\$ 1,003,136	\$ 920,340
Vanguard Primecap Core	\$ 1,632,962	\$ 1,315,975
Vanguard Short Term Investment	\$ -	\$ 831,621

City of Pulaski, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2022

Note 4. Receivables

Receivables as of the year-end for the government's individual major funds and non-major and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Water and Sewer Fund	Natural Gas Fund	PES Energize	Non-major Funds	Total
Receivables						
Property taxes	\$ 1,242,978	\$ -	\$ -	\$ -	\$ -	\$ 1,242,978
Accounts	-	500,558	415,374	3,400,428	53,804	4,370,164
Intergovernmental	1,031,173	-	-	-	51,580	1,082,753
Loan receivable, IDB	21,101	-	-	-	-	21,101
Other	-	-	-	487,707	-	487,707
Less allowance for doubtful accounts	<u>(4,100)</u>	<u>(47,890)</u>	<u>(18,970)</u>	<u>(60,000)</u>	<u>(12,810)</u>	<u>(143,770)</u>
Receivables, net	\$ 2,291,152	\$ 452,668	\$ 396,404	\$ 3,828,135	\$ 92,574	\$ 7,060,933

Governmental funds report unavailable revenues in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned (unearned revenues). At the end of the current fiscal year, various components of unavailable revenues reported in the governmental funds were as follows:

	Unavailable	Unearned
2022 property tax assessment	\$ 1,132,584	\$ -

City of Pulaski, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2022

Note 5. Capital Assets

A summary of changes in capital assets as presented in the governmental activities column of the government-wide financial statement is as follows:

	Balance June 30, 2021	Transfers/ additions	Transfers/ deletions	Balance June 30, 2022
Nondepreciable				
Land	\$ 1,698,194	\$ 751,000	\$ -	\$ 2,449,194
Construction in progress	1,593,469	1,684,758	(2,614,058)	664,169
Total nondepreciable	<u>3,291,663</u>	<u>2,435,758</u>	<u>(2,614,058)</u>	<u>3,113,363</u>
Depreciable				
Buildings and structures	8,157,819	-	-	8,157,819
Equipment and furniture	6,689,690	416,683	-	7,106,373
Infrastructure	11,779,751	84,423	2,614,058	14,478,232
Total depreciable	<u>26,627,260</u>	<u>501,106</u>	<u>2,614,058</u>	<u>29,742,424</u>
Less: accumulated depreciation				
Buildings and structures	4,619,955	260,050	-	4,880,005
Equipment and furniture	5,119,491	308,756	-	5,428,247
Infrastructure	3,611,307	246,813	-	3,858,120
Total accumulated depreciation	<u>13,350,753</u>	<u>815,619</u>	<u>-</u>	<u>14,166,372</u>
Total depreciable, net	<u>13,276,507</u>	<u>(314,513)</u>	<u>2,614,058</u>	<u>15,576,052</u>
Total capital assets, net	\$ 16,568,170	\$ 2,121,245	\$ -	\$ 18,689,415

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

General government	\$ 28,543
Airport	166,695
Police department	64,115
Fire department	63,807
Highways and streets	338,483
Solid waste collection	61,662
Recreation	86,453
Recorder's office	3,922
Drug Control	1,939
Total	<u>\$ 815,619</u>

City of Pulaski, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2022

Note 5. Capital Assets

A summary of changes in proprietary funds' property, plant, and equipment at June 30, 2022 is as follows:

	Balance June 30, 2021	Transfers/ additions	Transfers/ deletions	Balance June 30, 2022
Nondepreciable				
Land and land rights	\$ 668,053	\$ -	\$ -	\$ 668,053
Construction in progress	637,329	1,317,354	(440,311)	1,514,372
Construction in progress, broadband	7,104	713	-	7,817
Total nondepreciable	<u>1,312,486</u>	<u>1,318,067</u>	<u>(440,311)</u>	<u>2,190,242</u>
Depreciable				
Utility, plant, and equipment				
Water and sewer	47,827,983	99,745	440,311	48,368,039
Natural gas	11,303,810	321,576	-	11,625,386
Electric system	105,011,732	4,683,435	(1,692,779)	108,002,388
Broadband system	4,319,677	236,371	(48,278)	4,507,770
Solid waste disposal	248,922	248,425	-	497,347
Total depreciable	<u>168,712,124</u>	<u>5,589,552</u>	<u>(1,300,746)</u>	<u>173,000,930</u>
Less: accumulated depreciation				
Water and sewer	25,669,217	989,215	-	26,658,432
Natural gas	6,653,141	251,537	-	6,904,678
Electric system	47,587,074	4,170,817	(1,281,444)	50,476,447
Broadband system	3,652,411	448,907	(40,771)	4,060,547
Solid waste disposal	238,853	-	-	238,853
Total accumulated depreciation	<u>83,800,696</u>	<u>5,860,476</u>	<u>(1,322,215)</u>	<u>88,338,957</u>
Total depreciable, net	<u>84,911,428</u>	<u>(270,924)</u>	<u>21,469</u>	<u>84,661,973</u>
Total capital assets, net	\$ 86,223,914	\$ 1,047,143	\$ (418,842)	\$ 86,852,215

Depreciation expense for the year ended June 30, 2022 is as follows:

Water and sewer	\$ 989,215
Natural gas	251,537
Electric system	4,170,817
Broadband system	448,907
Total	<u>\$ 5,860,476</u>

Amounts charged to transportation expense in the PES Energize fund were \$506,104 for electric and \$0 for broadband for the year ended June 30, 2022.

City of Pulaski, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2022

Note 6. Pension Plans

General Government Plan

Description of Plan

The City of Pulaski Pension Plan (City plan) is a single-employer defined benefit pension plan that covers the full-time employees (employed for at least three months) of the City General Government, Water and Sewer, and Natural Gas Funds. The plan provides retirement, termination, disability, and death benefits to plan members and beneficiaries. Cost-of-living adjustments (COLA) are provided annually to plan members and beneficiaries in receipt of monthly benefits at the rate of 3% of the original monthly benefit. The City Recorder is assigned the responsibility to administer the pension plan. All the benefits and provisions of the plan are at the discretion of the Board of Aldermen, consistent with the laws of Tennessee and the United States federal government. The financial statements of the plan are presented solely in the annual financial report of the City. There are no separate financial statements issued for this plan.

All full-time employees, elected officials, appointed board members, and the City Attorney of the City are eligible for participation in the plan on the first day of the month coincident with or next following three full months of service. However, no employees hired after June 30, 2012 are eligible to enter (newly elected officials, appointed Board members, and City attorneys are still eligible).

The membership of the City plan is comprised of the following as of June 30, 2022:

Inactive employees or beneficiaries currently receiving benefits	77
Inactive employees or beneficiaries entitled to but not yet receiving benefits	29
Active employees or beneficiaries	<u>52</u>
Total	158

Discount Rate

The discount rate used to measure the total pension liability was 6.75% as of June 30, 2022 and June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the City's funding policy. Based on these assumptions, the pension plan's fiduciary net position is projected to be sufficient to make all projected benefit payments to current plan members. Therefore, the long-term rate of return on the pension plan assets was applied to all projected future benefit payments.

Funding Policy

The contribution requirements of plan members and the City are established and may be amended through City ordinances. For the fiscal year ended on the June 30, 2022 measurement date, total City benefit payments for the pension plan were \$1,419,307. The City also contributed \$231,937 for the fiscal year ended June 30, 2022.

City of Pulaski, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2022

Note 6. **Pension Plans**

Investment Policy

The chart below demonstrates how the long-term rate of return on assets is derived, based on the City's investment policy:

Target Allocation Asset Class		Long-term Expected Real Rate of Return	
Domestic equity – large cap	42.75%	Domestic equity – large cap	4.42%
Domestic equity – small/mid cap	19.25%	Domestic equity – small/mid cap	4.81%
International equity – developed market	5.75%	International equity – developed market	4.91%
International equity – emerging market	3.50%	International equity – emerging market	5.58%
Domestic fixed income	19.50%	Domestic fixed income	1.00%
International fixed income	2.50%	International fixed income	1.04%
Alternatives	0.00%	Alternatives	5.98%
Real estate	0.00%	Real estate	6.25%
Cash	6.75%	Cash	0.00%
Total	100.00%		
		I. Real rate of return**	3.51%
		II. Inflation assumption	2.75%
		III. Total nominal return [I. + II.]	6.26%
		IV. Investment expense	0.25%
		V. Net investment return [III. – IV.]	6.01%

*Mean Geometric Returns based on 2021 Horizon Survey of Capital Market Assumptions

GASB Actuarially Determined Contribution

	2022	2021
Service cost	\$ 179,474	\$ 195,721
30-year level dollar amortization of NPL	<u>-</u>	<u>-</u>
Actuarially determined contribution	179,474	195,721
Contributions in relation to the actuarially determined contribution	<u>(231,937)</u>	<u>(249,252)</u>
Contribution deficiency (excess)	\$ (52,463)	\$ (53,531)

Recommended Contribution for Funding Purposes

For the fiscal year ended June 30, 2022:

Service cost	\$ 179,474
30-year level dollar amortization of NPL	<u>192,035</u>
Actuarially determined contribution, for funding purposes	\$ 371,509

City of Pulaski, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2022

Note 6. **Pension Plans**

Pension Expense Development

Components of the City's pension expense for the fiscal year ending June 30, 2022 are as follows:

Service cost	\$	179,474
Interest on total pension liability, service cost, and benefit payments		1,419,307
Deferred (inflows)/outflows from plan experience*		(381,255)
Deferred (inflows)/outflows from changes of assumptions*		736,151
Projected earnings on pension plan investments		(1,516,038)
Deferred (inflows)/outflows from earnings on plan investments*		250,668
Pension plan administrative expense		<u>58,387</u>
Financial statement expense prior to plan design changes		746,694
Recognition of plan design changes**		<u>125,989</u>
Total pension expense	\$	872,683

* Amortized over 5.00 years

** 2019 Amendment recognized over 8.66 years

Money Weighted Rate of Return

	Plan investments/ net external cash flows	Periods invested	Period weight
I. Asset value, June 30, 2021	\$ 23,354,717	12	1.0000
Monthly net external cash flows:			
July	(124,195)	11	0.9167
August	(88,913)	10	0.8333
September	(75,251)	9	0.7500
October	(71,803)	8	0.6667
November	(68,522)	7	0.5833
December	(67,444)	6	0.5000
January	(53,223)	5	0.4167
February	(89,164)	4	0.3333
March	(72,299)	3	0.2500
April	(72,299)	2	0.1667
May	(49,007)	1	0.0833
June	<u>(90,339)</u>	0	0.0000
II. Total net external cash flow	(922,459)		
III. Earnings and increase in fair value	<u>(2,883,970)</u>		
IV. Ending value, June 30, 2022 [I.+II.+III.]	\$ 19,548,288		
Money weighted rate of return			(12.60)%

City of Pulaski, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2022

Note 6. **Pension Plans**

Pension Liability, Pension Expense, and Deferred Inflows/Outflows of Resources

Valuation date	July 1, 2022
For the measurement period ending on the measurement date of	June 30, 2022
For the reporting period and fiscal year ended on	June 30, 2022

General Information about the City Pension Plan

Changes in net pension liability (asset)

	Total pension liability (a)	Plan fiduciary net position (b)	Net pension liability (asset) (a)-(b)
Balance, June 30, 2021	\$ 21,386,346	\$ 23,354,717	\$ (1,968,371)
Service cost	179,474	-	179,474
Interest	1,419,307	-	1,419,307
Changes in assumptions*	(450,152)	-	(450,152)
Differences between actual and expected experience*	718,352	-	718,352
Contributions, employer	-	231,937	(231,937)
Contributions, employees	-	-	-
Net investment income	-	(2,883,970)	2,883,970
Benefit payments, including refunds of employee contributions	(1,096,009)	(1,096,009)	-
Administrative expense	-	(58,387)	58,387
Net change	<u>770,972</u>	<u>(3,806,429)</u>	<u>4,577,401</u>
Balance, June 30, 2022	\$ 22,157,318	\$ 19,548,288	\$ 2,609,030

*Amortized over 5.00 years

City of Pulaski, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2022

Note 6. **Pension Plans**

General Information about the City Pension Plan

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

The following presents the net pension liability calculated using the stated discount rate, as well as what the net pension liability would be, if it were calculated using a discount rate that is 1% lower (5.75%) or 1% higher (7.75%) than the current rate, determined as of June 30, 2022:

	1% Decrease (5.75%)	Current rate (6.75%)	1% Increase (7.75%)
Total pension liability	\$ 24,838,794	\$ 22,157,318	\$ 19,913,177
Fiduciary net position	<u>19,548,288</u>	<u>19,548,288</u>	<u>19,548,288</u>
Net pension liability (asset)	\$ 5,290,506	\$ 2,609,030	\$ 364,889

Pension Expense (Income) and Deferred Outflows/Inflows of Resources Related to Pensions

Pension Expense

For the year ended June 30, 2022, the City recognized pension expense of \$872,683.

Changes in Net Pension Liability (Asset)

Deferred Outflows/Inflows of Resources

For the year ended June 30, 2022, the City 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 actual and expected experience	\$ 970,518	\$ 1,416,218
Changes in assumptions	1,896,835	726,834
Net difference between projected and actual earnings on pension plan investments.	1,449,733	-
Change due to plan amendment	<u>587,106</u>	<u>-</u>
Total	\$ 4,904,192	\$ 2,143,052

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 June 30,	
2023	\$ 731,554
2024	713,634
2025	137,829
2026	1,081,244
2027	103,135
Thereafter	(6,256)

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

City of Pulaski, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2022

Note 6. **Pension Plans**

PES Energize Plan, Description and Benefits

Plan Description

The Pulaski Electric System Pension Plan (PESPP) is a single-employer defined benefit retirement plan administered by First Farmers and Merchants Bank for the employees of PES Energize. PESPP was established by statute. With the exception of maximum contribution rates, which are set forth in the statutes, required contributions and benefit provisions are established and amended by First Farmers Trust and Financial Management.

Effective July 1, 2012, entry into the PESPP was frozen for any eligible employee who had not become a participant prior to July 1, 2012. The PESPP was also frozen with respect to any former participant who became reemployed following termination of employment or otherwise regained the status of eligible employee. However, periods of service for vesting purposes may continue to accrue for such employee, subject to the PESPP's break in service rules.

Benefits Provided

PESPP provides retirement, termination, disability, and death benefits to plan members and their beneficiaries.

Normal Retirement Benefit

The amount of retirement benefit to be provided for each participant who retires on the Participant's Normal Retirement Date shall be equal to the Participant's Accrued Benefit (herein referred to as the Participant's Normal Retirement Benefit). For eligible employees, a Participant's Accrued Benefit is based on a retirement benefit formula equal to 2.5% of such participant's average compensation multiplied by the participant's period of service, computed to the nearest dollar. For members of the Board, a participant's accrued benefit is equal to a monthly benefit in an amount determined based on the applicable dollar amount specified below, multiplied by the number of years of service as a member of the Board:

On or after July 1, 1978 but before October 26, 1981	\$	5.00
On or after October 26, 1981 but before May 1, 1984	\$	10.00
On or after May 1, 1984 but before July 1, 1986	\$	15.00
On or after July 1, 1986	\$	25.00

No member of the Board shall be eligible to participate in PESPP or to accrue or vest in any benefits under PESPP after December 31, 2010.

Escalation of Benefits

Each participant receiving a benefit under the provisions of PESPP shall be entitled to receive an escalation of such benefit, effective on the first anniversary of the commencement of the retirement income, but not before July 1, 1973. Subject to the limitations of Code Section 415, the escalation shall be at the rate of 3% per year of the initial retirement benefit. The benefit, once escalated, shall never decrease, provided, however, the benefit of a participant who terminates employment shall not receive an escalation prior to the date which is 10 years prior to his Normal Retirement Date. This Escalation of Benefits provision does not apply to any participant who is a member of the Board.

City of Pulaski, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2022

Note 6. **Pension Plans**

PES Energize Plan, Description and Benefits

Supplemental Benefit

Each participant, other than a member of the Board, whose employment terminates after December 31, 2000 and who is eligible for a benefit under the Normal Retirement, Delayed Retirement, or Early Retirement provisions of PESPP, and who has attained age 65 shall receive a Supplemental Benefit of \$100, commencing on the first day of the month following the date those conditions are met. The Supplemental Benefit will be payable for the life of the participant, and will not be escalated.

The Normal Retirement Benefit of each participant shall not be less than the largest periodic benefit that would have been payable to the participant upon separation from service at or prior to Normal Retirement Age under PESPP, exclusive of social security supplements, premiums on disability or term insurance, and the value of disability benefits not in excess of the Normal Retirement Benefit. For purposes of comparing periodic benefits in the same form, commencing prior to and at Normal Retirement Age, the greater benefit is determined by converting the benefit payable prior to Normal Retirement Age into the same form of annuity benefit payable at Normal Retirement Age and comparing the amount of such annuity payments.

Early Retirement

A participant may elect to retire on an Early Retirement Date. In the event that a participant makes such an election, such participant shall be entitled to receive an Early Retirement Benefit equal to the participant's Accrued Benefit payable at the participant's Normal Retirement Date. However, if a participant so elects, such participant may receive payment of an Early Retirement Benefit commencing on the first day of the month coinciding with or next following the participant's Early Retirement Date, which Early Retirement Benefit shall equal the participant's Accrued Benefit reduced by 2.5% for each of the first 5 years and 3.5% for each of the next 5 years that the first day of the month on which the participant's Early Retirement Benefit commences precedes the participant's Normal Retirement Date. Members of the Board are not eligible for early retirement with respect to their benefit accrued as a member of the Board.

Normal Form of Distribution

The Normal Retirement Benefit payable to a participant pursuant to this section 5.1 of PESPP agreement shall be a monthly pension, commencing on the participant's retirement date and continuing for life. However, the form of distribution of such benefit shall be determined pursuant to the provisions of PESPP.

Delayed Retirement

A participant may be continued in employment beyond Normal Retirement Date. At the close of each plan year prior to the participant's actual retirement date, such participant shall be entitled to a monthly retirement benefit payable each subsequent plan year equal to the greater of (1) the participant's monthly retirement benefit determined at the close of the prior plan year, or (2) the participant's Accrued Benefit determined at the close of the plan year, offset by the actuarial value (determined pursuant to PESPP) of the total benefit distributions made by the close of the plan year.

City of Pulaski, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2022

Note 6. **Pension Plans**

PES Energize Plan, Description and Benefits

At July 1, 2021, the following employees were covered by PESPP:

Active plan participants	34
Retired participants and beneficiaries	44
Vested terminated participants	<u>24</u>
Total	102

Contributions

Required contributions are determined by First Farmers Trust and Financial Management based on actuarial calculations performed by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

No contribution shall be required under PESPP from any participant. PES Energize shall pay to the Trustee from time to time such amounts as the administration and employer shall determine to be necessary to provide the benefits under PESPP, as determined by the application of accepted actuarial methods and assumptions. The method of funding shall be consistent with PESPP objectives.

PESPP's policy provides for actuarially determined periodic contributions. Contributions to the PESPP for the years ended June 30, 2022 of \$400,000 were made in accordance with actuarially determined requirements, computed through the actuarial valuations performed as of July 1, 2021.

Funded Status and Funding Progress

As of June 30, 2021, the actuarial accrued liability for benefits was \$18,185,263 and the net pension liability was \$1,324,157. Total covered payroll was \$2,526,716 and the ratio of net pension liability to covered payroll was (52.41)%.

City of Pulaski, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2022

Note 6. Pension Plans

PES Energize Plan, Description and Benefits

Net Pension Liability

PES Energize's net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions:

Actuarial cost method:	Individual Entry-Age Normal
Asset valuation:	Market value of assets as of measurement date, June 30, 2021.
Investment Rate of Return:	6.40% net of pension plan investment expense, including inflation.
Municipal Bond Rate:	2.18% as of June 30, 2021(source S&P Municipal Bond 20 Year High. Grade Index - SAPIHG)
Single Equivalent Discount Rate:	7.00% per annum
Inflation:	2.75% as of June 30, 2020 and future periods
Salary Increases:	3.00%, including inflation
Cost of Living Adjustment:	3.00% annually
Healthy Mortality:	RP-2014 Blue Collar Mortality Table adjusted to 2006 projected generationally with scale MP-2018.
Disabled Mortality:	RP-2014 Blue Collar Mortality Table adjusted to 2006 projected generationally with scale MP-2018.

Please refer to prior funding valuations for the assumptions used to develop earlier contributions.

The actuarial assumptions used in the July 1, 2021 were based on the results of an actuarial experience study for the period July 1, 2020 through June 30, 2021. In addition, mortality rates were based on the RP-2014 Combined Mortality Table adjusted to 2006 projected generationally with scale MP-2018 for Males or Females, as appropriate, with adjustments for blue collars.

Discount Rate

The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed that employees will not contribute to the plan and that contributions from the employer will be made at contractually required rates, as actuarially determined. Based on those assumptions, PESPP's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on PESPP investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Pulaski, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2022

Note 6. **Pension Plans**

PES Energize Plan, Description and Benefits

Changes in PESPP Net Pension Liability

Changes in PESPP's net pension liability measured at June 30, 2021 are detailed in the following table. The following table shows the net pension liability as of June 30, 2021 as reported in the financial statements in accordance with GASB Statement No. 68. The table listed below is required to be disclosed due to the inclusion of the fiduciary fund statements in PES Energize's financial statements. Total pension liability was rolled forward to June 30, 2021 to comply with GASB Statement No. 67.

Changes in PESPP's net pension liability for the year ended June 30, 2021 were as follows:

	Total pension liability (a)	Plan fiduciary net position (b)	Net pension liability (a)-(b)
Balance, June 30, 2020	\$ 17,266,105	\$ 15,577,884	\$ 1,688,221
Service cost	152,695	-	152,695
Interest	1,190,780	-	1,190,780
Difference between expected and actual experience	405,020	-	405,020
Change in assumptions	-	-	-
Contributions, employer	-	840,000	(840,000)
Net investment income	-	3,959,818	(3,959,818)
Benefit payments, including refunds of employee contributions	(829,337)	(829,337)	-
Administrative expense	-	(38,945)	38,945
Net change	<u>919,158</u>	<u>3,931,536</u>	<u>(3,012,378)</u>
Balance, June 30, 2021	\$ 18,185,263	\$ 19,509,420	\$ (1,324,157)

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

The following presents the net pension liability at June 30, 2021, calculated using the discount rate of 7%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% lower (6%) or 1% higher (8%) than the current rate.

	1% Decrease (6%)	Current rate (7%)	1% Increase (8%)
Total pension liability	\$ 20,717,152	\$ 18,185,263	\$ 16,105,616
Plan fiduciary net position	<u>19,509,420</u>	<u>19,509,420</u>	<u>19,509,420</u>
Net pension liability (asset)	\$ 1,207,732	\$ (1,324,157)	\$ (3,403,804)

City of Pulaski, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2022

Note 6. **Pension Plans**

PES Energize Plan, Description and Benefits

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

For the year ended June 30, 2022, PES Energize recognized pension expense of \$67,223. At June 30, 2022, PES Energize reported deferred outflows of resources and deferred inflows of resources related to pensions as follows:

	Deferred outflows of resources	Deferred inflows of resources
Difference between expected and actual experience	\$ 799,093	\$ 498,073
Changes in assumptions	1,156,020	-
Net difference between projected and actual earnings	-	1,948,132
Contributions subsequent to the measurement date	<u>400,000</u>	<u>-</u>
Total	\$ 2,355,113	\$ 2,446,205

Contributions subsequent to the measurement date will be recognized as reductions to net pension liability in the following measurement period.

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

Year ended June 30,		
2023	\$	(195,098)
2024		(182,996)
2025		(230,574)
2026		(460,287)
2027		134,949
Thereafter		442,914

City of Pulaski, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2022

Note 6. **Pension Plans**

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

Risk and Uncertainties

PES Energize's defined benefit plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of fiduciary net position.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term could be material to the financial statements.

Payment of Benefits

Benefits are recorded when the participant has met all of the plan requirements to receive a benefit. At June 30, 2022, no benefits were payable that were not paid.

Administrative Expense

Qualified plan administrative expenses are paid by PESPP. During the year ended June 30, 2022, administrative expense amounted to \$38,945.

City of Pulaski, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2022

Note 7. Long-term Debt

Governmental Activities

A summary of changes in long-term liabilities accounted for in the governmental activities column of the government-wide financial statements for the year ended June 30, 2022 is as follows:

	Balance				Balance	Due within
	June 30, 2021	Additions	Reductions		June 30, 2022	one year
Compensated absences	\$ 307,011	\$ -	\$ (2,234)		\$ 304,777	\$ 304,777

Business-type Activities

A summary of changes in the enterprise fund long-term debt for the year ended June 30, 2022 is as follows:

PES Energize

General obligation bonds

Revenue Bonds,

2020, Electric \$ 4,605,000 \$ - \$ (370,000) \$ 4,235,000 \$ -

Revenue Bonds,

2014, Electric - - - - -

Revenue and Tax Bonds,

2015, Electric 1,452,406 - (360,892) 1,091,514 -

Revenue and Tax Bonds,

2015, Broadband 1,240,226 - (308,169) 932,057 -

7,297,632 - (1,039,061) 6,258,571 -

Premium 641,251 - (125,347) 515,904 -

Retention Bonus - 216,848 - 216,848 -

Compensated

absences 780,320 - (192,148) 588,172 -

Total PES Energize \$ 8,719,203 \$ 216,848 \$ (1,356,556) \$ 7,579,495 \$ -

Water and sewer

Notes from direct borrowings and direct placements

City of Clarksville,

Pooled Loan

Program Series 2005 \$ 2,776,000 \$ - \$ (413,000) \$ 2,363,000 \$ 432,000

Capital Outlay Note,

Series 2017 1,413,553 - (157,937) 1,255,616 162,916

City of Clarksville,

Series 2021

52,000 220,105 (183,000) 89,105 89,105

4,241,553 220,105 (753,937) 3,707,721 684,021

Compensated

absences 84,354 - (5,704) 78,650 78,650

Total water and sewer \$ 4,325,907 \$ 220,105 \$ (759,641) \$ 3,786,371 \$ 762,671

City of Pulaski, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2022

Note 7. Long-term Debt

The detail of enterprise fund long-term debt for the year ended June 30, 2022 is as follows:

Electric Division Revenue Bonds, Series 2020, due through June 1, 2031, 2.00% interest	\$ 4,235,000
Electric Division Revenue and Tax Bonds, Series 2015, due through June 1, 2025, 1.80% interest	1,091,514
Broadband Fund Revenue and Tax Bonds, Series 2015, due through June 1, 2025, 1.80% interest	<u>932,057</u>
Total PES Energize	\$ 6,258,571
City of Clarksville Public Building Authority, Adjustable Rate Pooled Financing Bonds, Series 2005, interest at a variable rate	\$ 2,363,000
Capital Outlay Notes, Series 2017, due through 2029, 2.70% interest	1,255,616
City of Clarksville Public Building Authority, Series 2021, due through 2041, 2.50% interest	<u>89,105</u>
Total water and sewer	\$ 3,707,721

On February 25, 2021, the City of Pulaski entered into a loan agreement with the Public Building Authority of the City of Clarksville, Tennessee for a loan in the amount of \$12,000,000, for the purpose of making improvements to the water and wastewater system. The 2.35% fixed interest rate loan was obtained through the Tennessee Municipal Bond Fund and is amortized over 20 years. As of June 30, 2022, \$89,105 of the loan proceeds have been drawn down.

The City's outstanding revenue bonds contain provisions specifying that, in the event of default, outstanding amounts are to become immediately due if the City is unable to make payment. The various bond indentures also contain significant limitations and restrictions as to the use of revenues in paying current expenditures (expenses), the maintenance of debt service sinking fund and reserves, and the maintenance of minimum revenue bond coverage. Also, various bond resolutions contain other restrictive covenants and requirements with which the City must comply. As of and for the year ended June 30, 2022, it was management's opinion that the City was in compliance with all such limitations and requirements. The City had no unused bank credit lines at June 30, 2022.

Debt Service Requirements

A summary of annual debt service requirements for the water and sewer fund and PES Energize follows. The amounts include maximum aggregate debt and related interest on loans from the Tennessee Municipal Bond Fund described above.

Fiscal year	Water and Sewer		PES Energize	
	Principal	Interest	Principal	Interest
2023	\$ 684,021	\$ 138,685	\$ 1,080,184	\$ 197,407
2024	618,358	114,803	1,087,529	164,062
2025	644,071	89,795	1,090,858	132,743
2026	669,841	63,785	445,000	102,850
2027	696,744	36,697	475,000	80,600
2028 – 2031	<u>394,686</u>	<u>12,118</u>	<u>2,080,000</u>	<u>136,100</u>
	\$ 3,707,721	\$ 455,883	\$ 6,258,571	\$ 813,762

City of Pulaski, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2022

Note 8. Interfund Balances Transactions

Interfund receivable and payable balances at June 30, 2022 arose primarily as a result of customer collections by the natural gas fund remitted to the solid waste and water and sewer funds in the subsequent month and interfund charges paid in the subsequent month and were as follows:

	Receivable	Payable
General	\$ -	\$ 14,462
Solid waste collection	5,996	-
Natural gas	1,453	88,987
Water and sewer	<u>97,453</u>	<u>1,453</u>
Total	\$ 104,902	\$ 104,902

Individual fund transfers during fiscal year 2022 relate primarily to (i) a budget appropriation transfer from the general fund to the solid waste disposal fund and (ii) in lieu of tax payments made by the water and sewer, natural gas, and PES Energize funds to the general fund.

	Transfers in	
	General Fund	Solid Waste Disposal Fund
Transfers out		
Natural gas in lieu of tax	\$ 81,000	\$ -
PES Energize in lieu of tax	1,019,741	-
General	<u>-</u>	<u>360,089</u>
Total	\$ 1,100,741	\$ 360,089

Note 9. Other Postemployment Benefit Plans

City Plan

Description on Plan

Employees of the City are provided with pre-age 65 retiree health insurance benefits through the 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-age 65 retired employees and disability participants of local governments who choose coverage participate in the LGOP.

City of Pulaski, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2022

Note 9. Other Postemployment Benefit Plans

City Plan

Benefits Provided

The City offers the LGOP to provide health insurance coverage to eligible pre-age 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 for healthcare benefits. Retired plan members of the LGOP receive the same plan benefits as active employees, at a blended premium rate that considers the cost to all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policies related to direct subsidies provided for the retiree premiums. The City does not directly subsidize the premiums and is only subject to the implicit subsidy for retirees. The LGOP is funded on a pay-as-you-go basis, with no assets accumulating in trust that meet the criteria of paragraph 4 of GASB Statement No. 75.

Employees Covered by Benefit Terms

At July 1, 2021, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	5	
Inactive employees entitled to but not yet receiving benefit payments	-	
Active employees	88	93

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, 2021, the City paid \$24,177 to the LGOP for OPEB benefits as they came due.

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%, based on age, including inflation, and averaging 4.00%
Healthcare cost trend rates	7.36% for pre-age 65 in 2021, decreasing annually over a 10-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%.
Retirees' 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.

City of Pulaski, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2022

Note 9. Other Postemployment Benefit Plans

City Plan

Actuarial Assumptions

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 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 pre-retirement mortality, with mortality improvement projected generationally with MP-2020 from 2010. 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%. 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
Balance, June 30, 2021	\$ 235,700
Service cost	48,567
Interest	5,959
Changes in benefit terms	3,195
Differences between expected and actual experience	12,604
Changes in assumptions	(33,573)
Benefit payments	(29,431)
Net changes	<u>7,321</u>
Balance, June 30, 2022	\$ 243,021

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 adjustments to initial per capita costs and health trend rates.

Sensitivity of the 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% lower or 1% higher than the current discount rate.

	1% Decrease (1.16%)	Current discount rate (2.16%)	1% Increase (3.16%)
Total OPEB liability	\$ 261,497	\$ 243,021	\$ 226,052

City of Pulaski, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2022

Note 9. **Other Postemployment Benefit Plans**

City Plan

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

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% lower or 1% higher than the current healthcare cost trend rate:

	1% Decrease (6.36%/6.32% decreasing to 3.50%)	Healthcare cost trend rates assumption (7.36%/7.32% decreasing to 4.50%)	1% Increase (8.36%/8.32% decreasing to 5.50%)
Total OPEB liability	\$ 217,457	\$ 243,021	\$ 274,297

OPEB Expense

For the fiscal year ended June 30, 2022, the City recognized OPEB expense of \$54,907.

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
Differences between actual and expected experience	\$ 10,912	\$ -
Changes in assumptions and other inputs	-	29,067
Employer payments subsequent to the measurement date	<u>24,177</u>	<u>-</u>
Total	\$ 35,089	\$ 29,067

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

Year ended June 30,	
2023	(2,814)
2024	(2,814)
2025	(2,814)
2026	(2,814)
2027	(2,814)
Thereafter	(4,085)

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

City of Pulaski, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2022

Note 9. Other Postemployment Benefit Plans

PES Energize Plan

Description on Plan

PES Energize sponsors a single-employer defined benefit post-retirement medical plan known as the PES Energize Post-employment Benefits Plan. The Utility currently does not have a trust for the plan. The plan provides medical benefits to all eligible retirees. Eligibility is attained at age 55 with 20 years of service. PES Energize pays 75% of the employee premium until the employee becomes eligible for Medicare. Retirees under age 65 are covered by the same plan as active employees until a single retiree is Medicare-eligible or a married retiree's younger spouse is eligible for Medicare.

Changes in Total OPEB Liability

Changes in the total OPEB liability measured at June 30, 2022 are detailed in the following table.

	Total OPEB liability (a)	Plan fiduciary net position (b)	Net OPEB liability (a)-(b)
Balance, July 1, 2021	\$ 1,709,823	\$ -	\$ 1,709,823
Changes for the year			
Service cost	45,357	-	45,357
Interest	38,968	-	38,968
Changes in assumptions	(310,367)	-	(310,367)
Employer contributions	(46,814)	-	(46,814)
Administrative expense	-	-	-
Net change	<u>(272,856)</u>	<u>-</u>	<u>(272,856)</u>
Balance, June 30, 2022	\$ 1,436,967	\$ -	\$ 1,436,967

Plan Membership

At July 1, 2021, the following employees were covered by the Plan:

Active participants with medical coverage	55
Active participants without medical coverage	-
Retired participants with medical coverage	<u>12</u>
Total	67
Annual Projected Payroll	\$ 3,741,525
Average Projected Earnings	\$ 66.046

Benefits Provided

Eligibility is attained at age 55 with 20 years. The System pays 75% of the employee premium until Medicare eligible. Retirees under 65 are covered in the same plan as active employees until single retiree is Medicare eligible or married the youngest spouse is eligible for Medicare.

City of Pulaski, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2022

Note 9. Other Postemployment Benefit Plans

PES Energize Plan

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.0% average, including inflation
Healthcare cost trend rate	Health trend rate is 6.5% starting in 2020, reduced each year by 0.25% until 2.5% is reached.
Age-related health trend	Based on discussion with the system retirees' claims do not increase the premiums; therefore no implicit active subsidy of retire premiums.
Coverage assumptions	80% new retirees will select employee/spouse coverage while 20% will select single coverage. No new retirees will elect the Medicare gap insurance.
Mortality rates	Based on the RP-2014 mortality table for blue collar healthy annuitants projected generationally with scale MP 2016 for males and females, set forward 1 year.
Discount rate	The discount rate used to measure the OPEB liability was 4.09%. The projection of cash flows used to determine this rate assumed that system contributions will be made at rates equal to the actuarially determined contribution rates.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period ending July 1, 2022.

Sensitivity of Total OPEB Liability to Changes in Healthcare Cost Trend Rate

The following represents the total OPEB liability calculated using the stated healthcare cost trend rate assumption noted in the table above, as well as what the OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1% lower or 1% higher than the assumed trend rate:

	1% Decrease (5.5%)	Healthcare cost trend rate (6.5%)	1% Increase (7.5%)
Total OPEB Liability	\$ 1,252,499	\$ 1,436,967	\$ 1,660,003

Sensitivity of Total OPEB Liability to Changes in Discount Rate

The following represents the total OPEB liability calculated using the stated discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% point higher than the current rate:

	1% Decrease (1.25%)	Discount rate (2.25%)	1% Increase (3.25%)
Net pension liability (asset)	\$ 1,616,214	\$ 1,436,967	\$ 1,281,866

City of Pulaski, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2022

Note 9. Other Postemployment Benefit Plans

PES Energize Plan

OPEB Expense, Deferred Outflows/Inflows of Resources

For the year ended June 30, 2022, PES Energize recognized OPEB expense of \$290. At June 30, 2022, PES Energize reported deferred outflows and inflows resources related to OPEB liability from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Difference between expected and actual experience	\$ 35,621	\$ 235,180
Changes in assumptions	<u>149,052</u>	<u>405,896</u>
	\$ 184,673	\$ 641,076

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

Year ended June 30,	
2023	\$ (84,035)
2024	(84,035)
2025	(84,037)
2026	(49,287)
2027	(49,286)
Thereafter	(105,723)

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to discount, trend rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

Payment of Benefits

Benefits are recorded when a participant has met all of the Plan requirements to receive a benefit. At June 30, 2022, no benefits were payable that had not been paid.

Administrative Expenses

Qualified Plan administrative expenses are paid by the Plan. During the year ended June 30, 2022, administrative expenses paid were \$0.

City of Pulaski, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2022

Note 10. **Defined Contribution Pension Plans**

City Plan

City employees are eligible to participate in the following defined contribution pension plans depending on date of hire and certain eligibility factors:

Plan name	Plan administrator	Plan type
Mission Square Retirement Governmental Money Purchase Plan	MissionSquare Retirement	401(a)

Participation in the defined contribution pension plans permits participants to defer a portion of their salary to future years. The deferred compensation is not available to them until termination, retirement, death, or unforeseeable emergency.

The City has determined that none of its defined contribution pension plans are fiduciary component units or fiduciary activities of the government.

MissionSquare Retirement Governmental Money Purchase Plan

The City's participating employer agreement for the MissionSquare Retirement Governmental Money Purchase Plan (401(a) Plan) was effective on July 1, 2012. The plan's investments are held in trust by MissionSquare Retirement.

Each employee hired after July 1, 2012, is eligible to participate in the plan for the purpose of making elective deferrals and receiving non-matching contributions. Employee salary reduction contributions of 5% are mandatory and additional contributions up to IRS maximums are voluntary. Participating employees vest immediately in non-matching contributions. The City's non-matching contribution amount is 5% of the employee's compensation for participating employees.

Benefit terms and contribution rates are established and may be amended by formal resolution of the City's Board of Commissioners.

The City's contributions to the State 401(a) Plan recognized in pension expense for the year totaled \$83,418. No forfeitures were used by the City during the year. At June 30, 2022, there were no amounts relating to required contributions payable to the plan.

PES Energize Plan

PES Energize offers a deferred compensation plan (Pulaski Electric System 457 Plan) that is administered by Mission Square. The contribution rates for this plan are determined by the employee while the System does not match any contributions. The employee can change contributions rates at any time while on the plan. The amount of pension expense recognized by the System in the current period was \$0. The amount of forfeitures reflected in pension expense were \$0 during the current period, and there will never be forfeitures due to the fact that the employee is 100% vested at the time of contribution. The System did not have a liability at June 30, 2022.

City of Pulaski, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2022

Note 11. Commitments and Contingencies

Contractual Agreements

PES Energize has a contract with the Tennessee Valley Authority (TVA) whereby PES Energize purchases all of its electric power from TVA and is subject to certain restrictions and conditions as provided for in the power contract. Such restrictions include, but are not limited to, prohibitions against furnishing, advancing, lending, pledging, or otherwise diverting PES Energize funds, revenues, or property to other operations and the purchase of, payment for, or providing security for indebtedness on, other obligations applicable to such other operations.

The City purchases natural gas under various contracts requiring the purchase of minimum quantities of natural gas from suppliers at costs based upon national index prices. Natural gas purchases exceeding the specified minimum quantities are made at the going market value. City management believes any risk associated with the minimum purchase quantities as specified in the aforementioned contracts to be minimal. Further, the City is committed under various natural gas transportation agreements requiring specified minimum transmission capacities.

Uncompleted Contracts

At June 30, 2022, the City had approximately \$2.3 million in remaining construction commitments.

Litigation

The City is a defendant in various lawsuits. However, the City does not believe the settlement of these matters will have a materially adverse effect on its financial condition.

Note 12. Risk Management

The City is exposed to various risks of general liability and property and casualty losses. The City has decided it is more economically feasible to join a public entity risk pool as opposed to purchasing commercial insurance for general liability and property and casualty coverages. The City participates in the TML Insurance Pool, which is a public entity risk pool established by the Tennessee Municipal League (TML), an association of member cities. The City pays an annual premium to the TML for its general liability and property and casualty insurance coverages. The pool reinsures through commercial insurance companies.

Note 13. Fund Equity

Deficit Fund Equity

At June 30, 2022, the solid waste disposal fund (an enterprise fund) had a deficit net position in the amount of \$981,757. The main cause of this deficit is an accrued liability for post-closure costs as required by GAAP. The general fund would be ultimately responsible for the funding of deficits.

Nonspendable Fund Equity

The following amounts are considered unavailable and are presented as nonspendable elements of fund balance at June 30, 2022:

Loan Receivable, Industrial Development Board of the City of Pulaski, Tennessee

During 2018, the City loaned the Industrial Development Board of the City of Pulaski \$588,000, of which \$21,101 remains due at June 30, 2022. The Industrial Development Board is to repay the amount over a 6-year period with interest at 3.0% per annum.

City of Pulaski, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2022

Note 14. Landfill Post-Closure Costs

The City has no active solid waste landfills, with its only landfill having been closed in 1997. The City does have a demolition landfill still in operation. Post-closure care of a landfill facility is highly regulated by both federal and state requirements.

The City accounts for the landfill in the solid waste disposal enterprise fund under provisions of GASB Statement No. 18. This statement requires the recognition of future post-closure costs based on estimates of such costs. The City's engineers estimated future post-closure costs to be \$1,276,370 at June 30, 2022.

Note 15. Segment Information – PES Energize

PES Energize consists of an electric utility division and a broadband division, both of which provide service to customers located generally in the Giles County, Tennessee area. PES Energize has outstanding electric system revenue bonds and broadband telecommunications network revenue and tax bonds. Accordingly, summary financial information for the electric and broadband divisions is presented as follows:

Condensed Statement of Net Position

	Electric	Broadband
Assets and Deferred Outflows of Resources		
Current assets	\$ 21,158,586	\$ 2,843,714
Restricted assets	2,767,736	134,005
Capital assets, net of accumulated depreciation	58,459,818	455,040
Deferred outflows and other assets	<u>2,679,382</u>	<u>216,546</u>
Total assets and deferred outflows of resources	85,065,522	3,649,305
Liabilities and Deferred Inflows of Resources		
Current liabilities	7,837,240	357,964
Current liabilities, payable from restricted assets	993,590	9,150
Long-term debt	5,823,356	630,180
Deferred inflows	<u>2,774,848</u>	<u>312,433</u>
Total liabilities and deferred inflows of resources	17,429,034	1,309,727
Net Position		
Net investment in capital assets	52,617,400	(477,017)
Restricted for debt service	1,774,146	124,855
Unrestricted	<u>12,054,790</u>	<u>2,557,735</u>
Total net position	\$ 66,446,336	\$ 2,205,735

City of Pulaski, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2022

Note 15. **Segment Information – PES Energize**

Condensed Statement of Revenues, Expenses, and Changes in Net Position

	Electric	Broadband
Operating revenues	\$ 48,015,497	\$ 4,135,513
Operating expenses	<u>43,164,334</u>	<u>3,432,569</u>
Operating income	4,851,163	702,944
Nonoperating revenues (expenses)	<u>(125,624)</u>	<u>66,355</u>
Income (loss) before transfers and contributions	4,725,539	769,299
Transfers and contributions	(1,019,741)	-
Change in net position	3,705,798	769,299
Net position, beginning of year, as restated	<u>62,740,538</u>	<u>1,436,274</u>
Net position, end of year	\$ 66,446,336	\$ 2,205,573

Condensed Statement of Cash Flows

	Electric	Broadband
Cash and cash equivalents, beginning of year	\$ 14,844,776	\$ 1,970,904
Net cash provided (used) by operating activities	9,215,818	1,047,332
Net cash provided (used) by capital and related financing activities	(4,961,894)	(557,520)
Net cash provided (used) by noncapital and related financing activities	(1,019,741)	-
Net cash provided (used) by investing activities	<u>26,897</u>	<u>86,927</u>
Net change in cash and cash equivalents	<u>3,261,080</u>	<u>576,739</u>
Cash and cash equivalents, end of year	\$ 18,105,856	\$ 2,547,643

Note 16. **Change in Accounting Principle**

On July 1, 2021, the City elected to change its method of estimating unbilled revenues and related estimated costs related to the water, sewer, and gas funds. The new method of accounting is based on meter reading dates instead of billing dates and was adopted to better reflect revenues earned and costs incurred. The current year financial statements have been adjusted to apply the new method retrospectively. As of July 1, 2021, the change in accounting principle resulted in increases of \$85,717 to net position for the Natural Gas Fund and \$221,790 for the Water and Sewer Fund.

City of Pulaski, Tennessee
Notes to Financial Statements
For the Year Ended June 30, 2022

Note 17. Subsequent Events

On November 1, 2022, the Town, as a non-entitlement unit of local government, received \$1,127,066, passed through the State, from the US Treasury. This amount represents the second half of the Town's total \$2,254,132 allocation from the Coronavirus State and Local Fiscal Recovery Funds, a part of the American Rescue Plan Act of 2021.

An investigative report by the State of Tennessee Comptroller of the Treasury for the period of January 2019 through February 2020 revealed the following misappropriation at PES Energize: the former Customer Service Representative's misappropriated at least \$37,846 from the PES Energize. The employee perpetrated her misappropriation by collecting cash payments from PES customers, entering their payments into the accounting system, reversing those same payments in the accounting system, withholding cash from deposits, and taking the cash from her cash drawer for her personal use. This cash was retained for her personal use. The following deficiencies were noted: 1) management failed to act on a reported cash drawer shortage, 2) management failed to segregate incompatible duties, 3) management failed to reconcile and count backup cash drawers, 4) management failed to monitor reversed and void payment reports for unexplained payment reversals, 5) management failed to act on a discrepancy in deposits, and 6) management failed to adequately document a cash count of the employees cash drawer. For further details, see the investigative report released August 9, 2022. The report can be accessed at the state of Tennessee website, <http://www.comptroller.tn.gov/ia>.

PES Energize plans to start an 8,200,000 million dollar project in the next fiscal year that will be funded from current cash resources in the Electric Department. The System was also awarded a \$23,161,639 Tennessee Emergency Broadband Fund – American Rescue Plan. The grant will be 70% cost share. The System will be responsible for \$9,926,416 in the upcoming years.

Required Supplementary Information (Unaudited)

City of Pulaski, Tennessee
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
City Defined Benefit Pension Plan
For the Years Ended June 30,

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service cost	\$ 179,474	\$ 195,721	\$ 246,434	\$ 208,363	\$ 224,534	\$ 235,156	\$ 248,875	\$ 251,463	\$ 271,592
Interest	1,419,307	1,384,246	1,303,336	1,159,646	1,106,130	1,098,326	1,055,312	1,024,454	972,094
Changes in benefit terms	-	-	-	1,091,062	-	-	-	-	-
Differences between expected and actual experience	718,352	(169,554)	(2,595,240)	406,187	284,711	(453,189)	19,861	(190,539)	91,623
Changes in assumptions	(450,152)	(611,186)	4,742,089	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(1,096,009)	(1,010,582)	(927,446)	(861,254)	(803,297)	(704,870)	(685,165)	(590,899)	(539,162)
Net change in total pension liability	770,972	(211,355)	2,769,173	2,004,004	812,078	175,423	638,883	494,479	796,147
Total pension liability, beginning of year	21,386,346	21,597,701	18,828,528	16,824,524	16,012,446	15,837,023	15,198,140	14,703,661	13,907,514
Total pension liability, end of year (a)	22,157,318	21,386,346	21,597,701	18,828,528	16,824,524	16,012,446	15,837,023	15,198,140	14,703,661
Plan Fiduciary Net Position									
Contributions, employer	231,937	249,252	267,682	276,885	291,315	363,810	372,843	407,890	487,155
Net investment income	(2,883,970)	5,216,222	626,164	1,044,458	1,370,094	1,917,408	373,553	568,253	2,251,086
Benefit payments, including refunds of employee contributions	(1,096,009)	(1,010,582)	(927,446)	(861,254)	(803,297)	(704,870)	(685,165)	(597,399)	(539,162)
Administrative expenses	(58,387)	(47,954)	(48,933)	(47,083)	(35,624)	(32,516)	(32,472)	(31,765)	(27,422)
Other	-	-	-	-	(7,201)	-	(32,472)	(31,765)	(27,422)
Net change in plan fiduciary net position	(3,806,429)	4,406,938	(82,533)	413,006	815,287	1,543,832	(3,713)	315,214	2,144,235
Plan fiduciary net position, beginning of year	23,354,717	18,947,779	19,030,312	18,617,306	17,802,019	16,258,187	16,229,428	15,882,449	13,710,792
Plan fiduciary net position, end of year (b)	19,548,288	23,354,717	18,947,779	19,030,312	18,617,306	17,802,019	16,225,715	16,197,663	15,855,027
Net pension liability (asset), end of year (a)-(b)	\$ 2,609,030	\$ (1,968,371)	\$ 2,649,922	\$ (201,784)	\$ (1,792,782)	\$ (1,789,573)	\$ (388,692)	\$ (999,523)	\$ (1,151,366)
Plan fiduciary net position as a percentage of total pension liability	88.22%	109.20%	87.73%	101.07%	110.66%	111.18%	102.45%	106.58%	107.83%
Covered-employee payroll	\$ 2,479,125	\$ 2,707,538	\$ 2,718,004	\$ 2,553,188	\$ 2,662,122	\$ 2,940,142	\$ 2,960,711	\$ 3,144,336	\$ 3,184,486
Net pension liability (asset) as a percentage of covered-employee payroll	105.24%	-72.70%	97.50%	-7.90%	-67.34%	-60.87%	-13.13%	-31.79%	-36.16%

Notes to Schedule

GASB 68 requires this data to be presented as a 10-year schedule; however, the information is not required to be presented retroactively prior to the implementation date of GASB 68.

Changes in assumptions

2022 - The mortality table was updated from the RP-2014 Blue Collar Mortality Table adjusted to 2006 projected generationally with scale MP-2018 to the PubG-2010 Mortality Table projected generationally with scale MP-2020 for males and females.

2021 - Due to the GASB 68 standards, the discount rate was changed from 6.50% to 6.75%.

2020 - Due to the GASB 68 standards, the discount rate was changed from 7.00% to 6.50%.

The assumed rates of retirement by age were updated.

The mortality table was updated from the RP-2000 Blue Collar Mortality Table to the RP-2014 Blue Collar Mortality Table adjusted to 2006 projected generationally with scale MP-2018.

City of Pulaski, Tennessee
Schedules of Contributions and Investment Returns
City Defined Benefit Pension Plan
For the Years Ended June 30,

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Service cost	\$ 179,474	\$ 195,721	\$ 246,434	\$ 208,363	\$ 224,534	\$ 235,156	\$ 248,875	\$ 251,463	\$ 271,592
30-year level dollar amortization of NPL	-	-	(14,509)	(50,398)	(60,474)	8,206	11,352	58,721	185,176
Actuarially-determined contribution	179,474	195,721	231,925	157,965	164,060	243,362	260,227	310,184	456,768
Contributions in relation to the actuarially-determined contribution	(231,937)	(249,252)	(267,682)	(276,885)	(291,315)	(363,810)	(372,843)	(407,890)	(487,155)
Contribution deficiency (excess)	\$ (52,463)	\$ (53,531)	\$ (35,757)	\$ (118,920)	\$ (127,255)	\$ (120,448)	\$ (112,616)	\$ (97,706)	\$ (30,387)
Covered-employee payroll	\$ 2,479,125	\$ 2,707,538	\$ 2,718,004	\$ 2,553,188	\$ 2,662,122	\$ 2,896,039	\$ 2,971,911	\$ 3,144,336	\$ 3,184,486
Contributions as a percentage of covered-employee payroll	9.36%	9.21%	9.85%	10.84%	10.94%	12.56%	12.55%	12.97%	15.30%
Discount rate	6.75%	6.75%	6.50%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Money-weighted rate of return	(12.60)%	27.79%	3.08%	5.71%	7.82%	1.19%	2.33%	3.60%	16.47%

Notes to Schedules

GASB 68 requires this data to be presented as part of a 10-year schedule; however, the information in this schedule is not required to be presented retroactively prior to the implementation date of GASB 68.

Notes to City Defined Benefit Pension Plan Required Supplementary Information

Valuation Date: Actuarially Determined Contribution was calculated as of July 1, 2022.
Actuarial Cost Method: Individual Entry Age Normal
Asset-Valuation Method: Market Value of Assets as of the Measurement Date, June 30, 2022.

Actuarial Assumptions:

Investment Rate of Return: 6.01%, net of pension plan investment expense, including inflation
Municipal Bond Rate: 4.09% as of June 30, 2022 (source: S&P Municipal Bond 20-Year High Grade Index - SAPIHG)
Single Equivalent Discount Rate: 6.75% per annum
Inflation: 2.75% as of June 30, 2022 and for future periods
Salary Increases: 4.00%, including inflation
Cost of Living Adjustment: 3.00% annually
Healthy Mortality: PubG-2010 Mortality Table projected generationally with scale MP-2020 for males and females
Disabled Mortality: PubG-2010 Mortality Table for Disabled Annuitants projected generationally with scale MP2020 for males and females

City of Pulaski, Tennessee
Schedules of Changes in Net Pension Liability (Asset) and Related Ratios
PES Energize Defined Benefit Pension Plan
For the Years Ended June 30,

	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service cost	\$ 152,695	\$ 199,934	\$ 184,153	\$ 179,952	\$ 195,442	\$ 191,944	\$ 222,187	\$ 229,718
Interest	1,190,780	1,117,879	1,090,785	990,049	972,881	929,638	892,701	874,572
Differences between expected and actual experience	405,020	(393,521)	(140,863)	242,126	(107,468)	286,574	192,372	(159,569)
Changes in assumptions	-	959,158	-	850,488	-	-	-	-
Benefit payments, including refunds of employee contributions	(829,337)	(761,342)	(847,783)	(804,018)	(795,489)	(792,018)	(698,921)	(653,720)
Net change in total pension liability	919,158	1,122,108	286,292	1,458,597	265,366	616,138	608,339	291,001
Total pension liability, beginning of year	17,266,105	16,143,997	15,857,705	14,399,108	14,133,742	13,517,604	12,909,265	12,618,264
Total pension liability, end of year (a)	18,185,263	17,266,105	16,143,997	15,857,705	14,399,108	14,133,742	13,517,604	12,909,265
Plan Fiduciary Net Position								
Contributions, employer	840,000	840,000	720,000	720,000	720,000	700,000	648,000	648,000
Net investment income	3,959,818	558,414	766,150	1,029,280	1,365,856	278,504	426,629	1,608,611
Benefit payments, including refunds of employee contributions	(829,337)	(761,342)	(847,783)	(804,018)	(795,489)	(792,018)	(698,921)	(653,720)
Administrative expenses	(38,945)	(93,587)	(36,079)	(27,028)	(24,496)	(24,171)	(23,467)	(20,175)
Net change in plan fiduciary net position	3,931,536	543,485	602,288	918,234	1,265,871	162,315	352,241	1,582,716
Plan fiduciary net position, beginning of year	15,577,884	15,034,399	14,432,111	13,513,877	12,248,006	12,085,691	11,733,450	10,150,734
Plan fiduciary net position, end of year (b)	19,509,420	15,577,884	15,034,399	14,432,111	13,513,877	12,248,006	12,085,691	11,733,450
Net pension liability, end of year (a)-(b)	\$ (1,324,157)	\$ 1,688,221	\$ 1,109,598	\$ 1,425,594	\$ 885,231	\$ 1,885,736	\$ 1,431,913	\$ 1,175,815
Plan fiduciary net position as a percentage of total pension liability	107.28%	90.22%	93.13%	91.01%	93.85%	86.66%	89.41%	90.89%
Covered-employee payroll	\$ 2,526,716	\$ 2,575,734	\$ 2,646,418	\$ 2,681,470	\$ 2,862,672	\$ 2,955,030	\$ 2,894,615	\$ 3,150,560
Net pension liability as a percentage of covered-employee payroll	(52.41)%	65.54%	41.93%	53.16%	30.92%	63.81%	49.47%	37.32%

Notes to Schedules

GASB 68 requires this data to be presented as a 10-year schedule; however, the information is not required to be presented retroactively prior to the implementation date of GASB 68.

City of Pulaski, Tennessee
Schedules of Contributions and Investment Returns
PES Energize Defined Benefit Pension Plan
For the Years Ended June 30,

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially-determined contribution	\$ 130,907	\$ 152,695	\$ 600,449	\$ 551,540	\$ 449,625	\$ 521,791	\$ 435,728	\$ 489,938	\$ 467,172
Contributions in relation to the actuarially-determined contribution	(400,000)	(840,000)	(840,000)	(720,000)	(720,000)	(720,000)	(700,000)	(648,000)	(648,000)
Contribution deficiency (excess)	\$ (269,093)	\$ (687,305)	\$ (239,551)	\$ (168,460)	\$ (270,375)	\$ (198,209)	\$ (264,272)	\$ (158,062)	\$ (180,828)
Covered-employee payroll	\$ 2,124,703	\$ 2,526,716	\$ 2,575,734	\$ 2,646,418	\$ 2,681,470	\$ 2,862,672	\$ 2,955,030	\$ 2,894,615	\$ 3,150,560
Contributions as a percentage of covered-employee payroll	18.83%	33.24%	32.61%	27.21%	26.85%	25.15%	23.69%	22.39%	20.57%
Annual-money weighted rate of return, net of investment expense	(12.44)%	25.46%	3.65%	5.08%	7.44%	10.99%	2.11%	3.44%	15.87%

Notes to Schedules

GASB 68 requires this data to be presented as part of a 10-year schedule; however, the information in this schedule is not required to be presented retroactively prior to the implementation date of GASB 68.

Notes to PES Energize Defined Benefit Pension Plan Required Supplementary Information

Actuarially determined contribution rates for 2021 were calculated based on the July 1, 2021 actuarial valuation.

Actuarial Assumptions:

Actuarial cost method:	Individual Entry-Age Normal
Asset valuation:	Market value of assets as of measurement date, June 30, 2021.
Investment Rate of Return:	6.40% net of pension plan investment expense, including inflation.
Single Equivalent Discount Rate:	2.18% as of June 30, 2021(source S&P Municipal Bond 20 Year High Grade Index - SAPIHG)
Municipal Bond Rate:	7.00% per annum
Inflation:	2.75% as of June 30, 2020 and future periods
Salary Increases:	3.00%, including inflation
Cost of Living Adjustment	3.00% annually
Healthy Mortality:	RP-2014 Blue Collar Mortality Table adjusted to 2006 projected generationally with scale MP-2018.
Disabled Mortality:	RP-2014 Blue Collar Mortality Table adjusted to 2006 projected generationally with scale MP-2018.
Changes in Assumptions:	None

City of Pulaski, Tennessee
Schedules of Changes in the Total OPEB Liability and Related Ratios
Local Government Plan
For the Years Ended June 30,

	2022	2021
Total OPEB Liability		
Service cost	\$ 48,567	\$ -
Interest	5,959	-
Changes of benefit terms	3,195	235,700
Differences between expected and actual experience	12,604	-
Changes in assumptions	(33,573)	-
Benefit payments and refunds	<u>(29,431)</u>	<u>-</u>
Net change in total OPEB liability	7,321	235,700
Total OPEB liability, beginning of year	<u>235,700</u>	<u>-</u>
Total OPEB liability, end of year	\$ 243,021	\$ 235,700
Covered-employee payroll	\$ 2,479,125	\$ 2,707,538
Total OPEB liability as a percentage of covered-employee payroll	9.80%	8.71%

Notes to Schedules

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

There are no assets accumulating in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, related to this OPEB plan.

The amounts reported for each fiscal year were determined as of the prior fiscal year-end.

City of Pulaski, Tennessee
Schedules of Changes in the Total OPEB Liability and Related Ratios
Local Government Plan
Notes to the Schedules

Actuarial assumptions:

Actuarial method Entry Age Normal Cost Method

Normal Cost Determined for each active employee as the Actuarial Present Value of benefits allocated to the valuation year. The benefit attributed to the valuation year is that incremental portion of the total projected benefit earned during the year in accordance with the plan provisions. This allocation is based on each individual's service between date of hire and date the individual becomes fully eligible for benefits.

Asset valuation method Market value of assets as of measurement date, June 30, 2022

Discount Rate 2.16% based on Bond Buyer GO 20-Bond Municipal Bond Index as of the Measurement Date.

Mortality Rates Pre-retirement tables are PUB-2010 Headcount-Weighted Employee mortality for General Employees projected generationally with MP-2020 from 2010.
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.
Disabled: Reflects those used by TCRS and are taken from the gender distinct table published in the IRS Revenue Ruling 96-7 for disabled lives with a 10% load, projected generationally from 2018 with MP-2020.

Dates Valuation July 1, 2021
Measurement June 30, 2021
Census Data July 1, 2021
Fiscal Year End June 30, 2022

Inflation Long-term price inflation is assumed to be 2.25% per year.

Data Assumptions In cases of a discrepancy between expected service and service reported for this valuation, imputed service was used.

Salary Increases Assumed salary increases are the same as used by TCRS: 8.72% at age 20 graded to 3.44% at age 70 (with 4.00% weighted average).

Health Care Claims The sample per capita claims cost assumptions shown below by age, benefit, and plan represent the true underlying baseline experience estimated for Local Government Employee Group Plan's sponsored postretirement benefits and costs. These rates are used in the expense calculation for the period July 1, 2021–June 30, 2022 and disclosures as of June 30, 2022.

Age	Medical/Rx/Admin
55	\$ 9,610
60	\$ 11,870
65	\$ 6,301
70	\$ 7,448
75	\$ 8,330
80	\$ 8,765
85	\$ 9,080
90+	\$ 9,252

City of Pulaski, Tennessee
Schedules of Changes in the Total OPEB Liability and Related Ratios
Local Government Plan
Notes to the Schedules

Actuarial assumptions:

Health Care Cost	Year	Pre-65	Post-65
Trend Rates	2022	7.36%	7.32%
	2023	6.77%	6.83%
	2024	6.07%	6.30%
	2025	5.71%	5.88%
	2026	5.36%	5.46%
	2027	5.01%	5.04%
	2028	4.66%	4.62%
	2029	4.50%	4.52%
	2030	4.50%	4.50%
	2031	4.50%	4.50%
	2032+	4.50%	4.50%

Demographic Assumptions Unless noted otherwise, demographic assumptions employed in this Actuarial Valuation were the same as those employed for Group I employees in the Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These demographic assumptions were developed by TCRS from an Actuarial Experience Study (undertaken on behalf of TCRS) and are considered appropriate for use in this OPEB Actuarial Valuation. These include assumed rates of future salary increases, termination, mortality, disability, and retirement.

Future Participation Active employees currently declining coverage are assumed not to opt into the plan in the future. Covered employees are assumed to remain covered until retirement.

Decrement Timing Decrements of all types are assumed to occur at the middle of the year.

Eligibility Testing Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.

Decrement Relativity Decrement rates are treated as absolute rates of decrement.

Method Changes There have been no method changes since the prior year.

Assumption Changes The financial accounting valuation reflects the following assumption changes:
* The discount rate decreased from 2.21% to 2.16%.
* The assumed long-term price inflation increased from 2.10% to 2.25%.
* The medical and drug trend rate assumptions were updated to reflect more recent experience as of the measurement date.
* A change in expected per capita health claims to reflect more recent information as of the measurement date.
* Coverage acceptance rates for certain employers were updated to reflect more recent subsidy amounts and recent plan experience.
* A change in mortality, retirement, and withdrawal rates to match those provided by TCRS.

City of Pulaski, Tennessee
Schedules of Changes in the Total OPEB Liability and Related Ratios
PES Energize OPEB Plan
For the Years Ended June 30,

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	\$ 45,357	\$ 51,118	\$ 49,894	\$ 47,997	\$ 37,664
Interest	38,968	35,844	34,806	41,001	30,919
Changes of benefit terms	-	452,973	-	-	-
Differences between expected and actual experience	(310,367)	(157,382)	-	83,117	(184,144)
Changes in assumptions	-	208,672	-	(326,355)	-
Benefit payments and refunds	(46,814)	(49,812)	(52,834)	(55,462)	(55,462)
Net change in total OPEB liability	(272,856)	541,413	31,866	(209,702)	(171,023)
Restatement for changes in assumptions		-	-	524,302	-
Total OPEB liability, beginning of year	1,709,823	1,168,410	1,136,544	821,944	992,967
Total OPEB liability, end of year	\$ 1,436,967	\$ 1,709,823	\$ 1,168,410	\$ 1,136,544	\$ 821,944
Covered-employee payroll	\$ 3,632,549	\$ 3,632,549	\$ 2,646,418	\$ 2,681,470	\$ 2,862,672
Total OPEB liability as a percentage of covered-employee payroll	39.56%	47.07%	44.15%	42.39%	28.71%

Notes to Schedules

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

Valuation Date

Actuarially-determined contribution rates for fiscal year 2022 were calculated based on the results of the July 1, 2020 actuarial valuation.

Actuarial assumptions:

Actuarial cost method	Individual entry age normal
Asset valuation method	Market value of assets as of measurement date, June 30, 2022
Investment rate of return	N/A
Municipal bond rate	4.09% as of June 30, 2022 (source: S&P Municipal Bond 20-Year High Grade Index)
Single equivalent discount rate	4.09%, net of OPEB plan investment expense, including inflation
Inflation	2.50% as of June 30, 2022 and for future periods
Salary increases	3.00% per year
Cost-of-living adjustment	Not applicable
Pre-retirement mortality	RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP 2016 for males and females, set forward 1 year.
Post-retirement mortality	RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP 2016 for males and females, set forward 1 year.
Disabled mortality	RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP 2016 for males and females, set forward 1 year.

Combining and Individual Nonmajor Fund Statements and Schedules

City of Pulaski, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	State Street Aid	Drug	Solid Waste Collection	Total
Assets				
Cash and cash equivalents	\$ 494,568	\$ 74,658	\$ 66,759	\$ 635,985
Due from other funds	-	-	5,996	5,996
Accounts receivable, net of allowance for doubtful accounts	51,580	-	40,994	92,574
Total assets	<u>\$ 546,148</u>	<u>\$ 74,658</u>	<u>\$ 113,749</u>	<u>\$ 734,555</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ -	\$ 6,601	\$ 6,601
Due to other funds	-	-	-	-
Accrued costs	-	-	2,300	2,300
Total liabilities	<u>-</u>	<u>-</u>	<u>8,901</u>	<u>8,901</u>
Fund balances				
Restricted for				
Roads and streets	546,148	-	-	546,148
Public safety	-	74,658	-	74,658
Solid waste collection	-	-	104,848	104,848
Total fund balances	<u>546,148</u>	<u>74,658</u>	<u>104,848</u>	<u>725,654</u>
Total liabilities and fund balances	<u>\$ 546,148</u>	<u>\$ 74,658</u>	<u>\$ 113,749</u>	<u>\$ 734,555</u>

City of Pulaski, Tennessee
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	State Street Aid	Drug	Solid Waste Collection	Total
Revenues				
Intergovernmental				
Gasoline tax, State of Tennessee	\$ 295,795	\$ -	\$ -	\$ 295,795
Charges for services				
Garbage fees	-	-	611,897	611,897
Fines and confiscated assets	-	33,344	-	33,344
Miscellaneous				
Other revenues	-	-	10,739	10,739
Interest income	56	28	26	110
Total revenues	<u>295,851</u>	<u>33,372</u>	<u>622,662</u>	<u>951,885</u>
Expenditures				
Highways and streets				
Salaries	215,000	-	-	215,000
Sanitation				
Salaries	-	-	181,937	181,937
Employee benefits	-	-	89,733	89,733
Supplies	-	-	83,769	83,769
Repairs and maintenance	-	-	43,792	43,792
Insurance	-	-	16,847	16,847
Waste disposal fees	-	-	224,329	224,329
Other operating expenses	-	-	20,410	20,410
Capital outlay	-	58,162	-	58,162
Total expenditures	<u>215,000</u>	<u>58,162</u>	<u>660,817</u>	<u>933,979</u>
Net change in fund balances	80,851	(24,790)	(38,155)	17,906
Fund balances, beginning of year	465,297	99,448	143,003	707,748
Fund balances, end of year	<u>\$ 546,148</u>	<u>\$ 74,658</u>	<u>\$ 104,848</u>	<u>\$ 725,654</u>

City of Pulaski, Tennessee
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
State Street Aid
June 30, 2022

	Original budget	Final budget	Actual	Variance from final budget + / (-)
Revenues				
Intergovernmental				
Gasoline and motor fuel city tax	\$ 215,000	\$ 215,000	\$ 151,202	\$ (63,798)
Gas 1989 tax	-	-	23,592	23,592
Gas 3 cent tax	-	-	44,428	44,428
Gas 2017 tax	-	-	76,573	76,573
Interest income	<u>200</u>	<u>200</u>	<u>56</u>	<u>(144)</u>
Total revenues	215,200	215,200	295,851	80,651
Expenditures				
Current				
Salary allocation	215,000	215,000	215,000	-
Net change in fund balance	200	200	80,851	80,651
Fund balance, beginning of year	<u>465,297</u>	<u>465,297</u>	<u>465,297</u>	<u>-</u>
Fund balance, end of year	\$ 465,497	\$ 465,497	\$ 546,148	\$ 80,651

City of Pulaski, Tennessee
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Drug
June 30, 2022

	Original budget	Final budget	Actual	Variance from final budget + / (-)
Revenues				
Fines and fees				
Drug fines, confiscated property	\$ 55,000	\$ 55,000	\$ 33,344	\$ (21,656)
Interest income	<u>50</u>	<u>50</u>	<u>29</u>	<u>(21)</u>
Total revenues	55,050	55,050	33,373	(21,677)
Expenditures				
Current				
Salary allocation	16,000	16,000	-	16,000
Capital outlay	<u>60,000</u>	<u>60,000</u>	<u>58,162</u>	<u>1,838</u>
Total expenditures	76,000	76,000	58,162	17,838
Net change in fund balance	(20,950)	(20,950)	(24,789)	(3,839)
Fund balance, beginning of year	<u>99,448</u>	<u>99,448</u>	<u>99,448</u>	<u>-</u>
Fund balance, end of year	\$ 78,498	\$ 78,498	\$ 74,659	\$ (3,839)

City of Pulaski, Tennessee
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Solid Waste Collection
June 30, 2022

	Original budget	Final budget	Actual	Variance from final budget + / (-)
Revenues				
Charges for services				
Garbage fees	\$ 681,000	\$ 681,000	\$ 611,897	\$ (69,103)
Miscellaneous				
Sale of assets	-	-	-	-
Interest income	50	50	27	(23)
Other revenues	10,000	10,000	10,739	739
Total revenues	<u>691,050</u>	<u>691,050</u>	<u>622,663</u>	<u>(68,387)</u>
Expenditures				
Current				
Sanitation				
Salaries	186,600	186,600	181,937	4,663
Employee benefits	92,550	92,550	89,733	2,817
Solid waste disposal fee	220,000	220,000	224,329	(4,329)
Supplies	96,800	96,800	83,769	13,031
Repairs and maintenance	35,000	35,000	43,792	(8,792)
Insurance	17,050	17,050	16,847	203
Other operating expenses	17,000	17,000	20,410	(3,410)
Total current	<u>665,000</u>	<u>665,000</u>	<u>660,817</u>	<u>4,183</u>
Net change in fund balance	26,050	26,050	(38,154)	(64,204)
Fund balance, beginning of year	<u>143,003</u>	<u>143,003</u>	<u>143,003</u>	<u>-</u>
Fund balance, end of year	\$ 169,053	\$ 169,053	\$ 104,849	\$ (64,204)

City of Pulaski, Tennessee
Schedule of Changes in Capital Assets - Governmental Activities
For the Year Ended June 30, 2022

	Balance June 30, 2021	Transfers/ additions	Transfers/ disposals	Balance June 30, 2022
Land	\$ 1,698,194	\$ 751,000	\$ -	\$ 2,449,194
Construction in progress	1,593,469	1,684,758	(2,614,058)	664,169
Buildings and structures	8,157,819	-	-	8,157,819
Equipment	6,689,690	416,683	-	7,106,373
Infrastructure	11,779,751	2,698,481	-	14,478,232
Total capital assets	\$ 29,918,923	\$ 5,550,922	\$ (2,614,058)	\$ 32,855,787

City of Pulaski, Tennessee

Schedule of Changes in Capital Assets by Function and Activity - Governmental Activities
For the Year Ended June 30, 2022

	Balance June 30, 2021	Transfers/ additions	Transfers/ disposals	Balance June 30, 2022
Land	\$ 1,698,194	\$ 751,000	\$ -	\$ 2,449,194
Construction in progress	1,593,469	1,684,758	(2,614,058)	664,169
Buildings and structures				
General	1,207,210	-	-	1,207,210
Parks	2,655,041	-	-	2,655,041
Fire	289,563	-	-	289,563
Street	217,770	-	-	217,770
Airport	3,788,235	-	-	3,788,235
Total building and structures	<u>8,157,819</u>	<u>-</u>	<u>-</u>	<u>8,157,819</u>
Equipment and vehicles				
Equipment				
Parks	543,052	-	-	543,052
Police	479,482	58,162	-	537,644
Fire	281,891	250,316	-	532,207
Street	595,923	34,207	-	630,130
Airport	261,733	15,836	-	277,569
Building	2,900	-	-	2,900
Recorder's office	78,467	-	-	78,467
Solid waste collection	743,425	-	-	743,425
Total equipment	<u>2,986,873</u>	<u>358,521</u>	<u>-</u>	<u>3,345,394</u>
Vehicles				
Parks	48,265	-	-	48,265
Police	907,975	58,162	-	966,137
Fire	1,142,388	-	-	1,142,388
Street	1,577,617	-	-	1,577,617
Airport	2,585	-	-	2,585
Recorder's office	23,987	-	-	23,987
Total vehicles	<u>3,702,817</u>	<u>58,162</u>	<u>-</u>	<u>3,760,979</u>
Total equipment and vehicles	<u>6,689,690</u>	<u>416,683</u>	<u>-</u>	<u>7,106,373</u>
Infrastructure (primarily streets)	11,779,751	2,698,481	-	14,478,232
Total capital assets	<u>\$ 29,918,923</u>	<u>\$ 5,550,922</u>	<u>\$ (2,614,058)</u>	<u>\$ 32,855,787</u>

City of Pulaski, Tennessee
Schedule of Changes in Property Taxes Receivable
For the Year Ended June 30, 2022

Tax Year	Balance June 30, 2021	Tax Levy	Adjustments	Collections	Balance June 30, 2022
2021	\$ -	\$ 1,132,584	\$ 49,966	\$ (1,081,529)	\$ 101,021
2020	83,735	-	8,039	(88,224)	3,550
2019	3,699	-	-	(3,118)	581
2018	440	-	-	(325)	115
2017	236	-	-	(117)	119
2016	105	-	-	-	105
2015	229	-	-	-	229
2014	193	-	-	-	193
2013	189	-	-	-	189
2012	107	-	-	-	107
2011	85	-	-	-	85
2010	115	-	-	(115)	-
	<u>\$ 89,133</u>	<u>\$ 1,132,584</u>	<u>\$ 58,005</u>	<u>\$ (1,173,428)</u>	<u>106,294</u>
					1,132,584
					<u>1,238,878</u>
					(4,100)
					<u>\$ 1,234,778</u>

All uncollected, delinquent taxes have been filed with the clerk and master.

City of Pulaski, Tennessee
Schedule of Debt Service Requirements
Water and Sewer
June 30, 2022

Year Ended June 30,	Public Building Authority of City of Clarksville, TN Adjustable Rate Pooled Financing Revenue Bonds, Series 2005*				Capital Outlay Note Series 2019		Public Building Authority of City of Clarksville, TN Revenue Bonds, Series 2021**		Total	
	Principal		Interest		Principal	Interest	Principal	Interest	Principal	Interest
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 432,000	\$ 106,335	\$ 162,916	\$ 32,350	\$ 89,105	\$ -	\$ -	\$ 684,021	\$ 138,685	
2024	451,000	86,895	167,358	27,908	-	-	618,358	114,803		
2025	472,000	66,600	172,071	23,195	-	-	644,071	89,795		
2026	493,000	45,360	176,841	18,425	-	-	669,841	63,785		
2027	515,000	23,176	181,744	13,522	-	-	696,744	36,698		
2028	-	-	186,761	8,505	-	-	186,761	8,505		
2029	-	-	191,959	3,307	-	-	191,959	3,307		
2030	-	-	15,966	306	-	-	15,966	306		
Total	\$ 2,363,000	\$ 328,366	\$ 1,255,616	\$ 127,518	\$ 89,105	\$ -	\$ 3,707,721	\$ 455,884		

* Interest is calculated at budgeted rate of 4.5% of total amount of scheduled debt, not on actual amount outstanding.

** \$11,910,895 of loan proceeds have not been drawn down on as of June 30, 2022.

City of Pulaski, Tennessee
Schedule of Debt Service Requirements
PES Energize
June 30, 2022

Year Ended June 30,	Electric System Revenue and Tax Bonds, Electric Series 2015		Electric System Revenue and Tax Bonds, Telecom Series 2015		Electric System Revenue Refunding Bonds, Series 2020		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 366,891	\$ 17,157	\$ 313,293	\$ 14,650	\$ 400,000	\$ 165,600	\$ 1,080,184	\$ 197,407
2024	373,550	10,498	318,979	8,964	395,000	144,600	1,087,529	164,062
2025	351,073	3,718	299,785	3,175	440,000	125,850	1,090,858	132,743
2026	-	-	-	-	445,000	102,850	445,000	102,850
2027	-	-	-	-	475,000	80,600	475,000	80,600
2028	-	-	-	-	490,000	61,600	490,000	61,600
2029	-	-	-	-	510,000	42,000	510,000	42,000
2030	-	-	-	-	535,000	21,600	535,000	21,600
2031	-	-	-	-	545,000	10,900	545,000	10,900
Total	\$ 1,091,514	\$ 31,373	\$ 932,057	\$ 26,789	\$ 4,235,000	\$ 755,600	\$ 6,258,571	\$ 813,762

City of Pulaski, Tennessee
Schedule of Changes in Long-term Debt by Individual Issue
For the Year Ended June 30, 2022

Description of indebtedness	Original amount of issue	Interest rate	Date of issue	Final maturity date	Outstanding July 1, 2021	Issued during period	Paid and/or matured during period	Refunded during period	Outstanding June 30, 2022
Business-type Activities									
<i>Notes from direct borrowings and direct placements</i>									
Payable through water and sewer fund									
City of Clarksville Pooled Loan Fund									
Loan, Series 2005	\$ 7,000,000	Variable Rate	6/1/2007	5/25/2027	\$ 2,776,000	\$ -	\$ 413,000	\$ -	\$ 2,363,000
Capital Outlay Note, Series 2017	\$ 1,995,000	2.70%	7/13/2017	7/13/2029	1,413,553	-	157,937	-	1,255,616
City of Clarksville, Series 2021	\$ 12,000,000	2.35%	2/25/2021	6/1/2041	<u>52,000</u>	<u>220,105</u>	<u>183,000</u>	<u>-</u>	<u>89,105</u>
Total notes payable through water and sewer fund					4,241,553	220,105	753,937	-	3,707,721
<i>General obligation bonds</i>									
Payable through PES Energize fund									
Electric Revenue Refunding Bonds, Series 2020	\$ 4,985,000	2.00%	10/29/2020	6/1/2031	4,605,000	-	370,000	-	4,235,000
Electric Revenue Refunding Bonds, Series 2014	\$ 8,115,000	2.69%	10/29/2014	6/1/2031	-	-	-	-	-
Electric and Broadband Revenue and Tax Refunding Bonds, Series 2015	\$ 6,268,500	1.80%	11/19/2015	6/1/2025	<u>2,692,632</u>	<u>-</u>	<u>669,061</u>	<u>-</u>	<u>2,023,571</u>
Total bonds payable through PES Energize fund					7,297,632	-	1,039,061	-	6,258,571
Total bonds and notes payable through business-type activities					\$ 11,539,185	\$ 220,105	\$ 1,792,998	\$ -	\$ 9,966,292

City of Pulaski, Tennessee
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2022

Grantor / Pass-through Grantor	Program name	Assistance Listing number	Contract number	Expenditures
Federal Awards				
Department of Justice/ N/A - Direct Funding	Bulletproof Vest Partnership Program	16.607	N/A	\$ 1,315
Department of Transportation/ Tennessee Department of Transportation	Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs	20.106	various	225,798
Department of Transportation/ Tennessee Department of Transportation	<u>Highway Planning and Construction Cluster</u> Highway Planning and Construction (Federal-Aid Highway Program)	20.205	170092/ TAP-7(34)	<u>218,602</u>
Total federal awards				445,715
State Financial Assistance				
Tennessee Department of Finance and Administration	Governor's Local Government Support Grant	N/A	N/A	98,117
Tennessee Department of Transportation	Multimodal Access Grant	N/A	28LPLM-S3-029	<u>20,876</u>
Total federal awards and state financial assistance				\$ 564,708

Notes to Schedule

Note 1. Basis of Presentation

This schedule of expenditures of federal awards and state financial assistance summarizes the expenditures of the City under programs of the federal and state governments for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, change in net position, or cash flows of the City. Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 2. Indirect Cost Rate

The City has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

City of Pulaski, Tennessee
Combining Schedule of Net Position
PES Energize
June 30, 2022

	Electric Division	Broadband Division	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 16,528,271	\$ 2,547,643	\$ 19,075,914
Accounts receivable-customers, net of allowance for doubtful accounts	3,129,437	210,840	3,340,277
Other receivables	393,811	33,896	427,707
Inventory, materials	934,814	34,558	969,372
Due to city	151	-	151
Due from (to) division	(16,777)	16,777	-
Prepaid expenses	188,879	-	188,879
Total current assets	<u>21,158,586</u>	<u>2,843,714</u>	<u>24,002,300</u>
Restricted assets, cash and cash equivalents	2,767,736	134,005	2,901,741
Capital assets			
Capital assets not being depreciated	933,877	7,817	941,694
Capital assets, net of accumulated depreciation	<u>57,525,941</u>	<u>447,223</u>	<u>57,973,164</u>
Total capital assets	58,459,818	455,040	58,914,858
Other assets			
Unamortized debt expense	20,078	-	20,078
Other deferred charges	-	-	-
Total other assets	<u>20,078</u>	<u>-</u>	<u>20,078</u>
Total assets	<u>82,406,218</u>	<u>3,432,759</u>	<u>85,838,977</u>
Deferred Outflows of Resources			
Pension plan	2,157,256	197,857	2,355,113
OPEB plan	165,984	18,689	184,673
Loss on defeasance	<u>336,064</u>	<u>-</u>	<u>336,064</u>
Total deferred outflows of resources	2,659,304	216,546	2,875,850
Total assets and deferred outflows of resources	\$ 85,065,522	\$ 3,649,305	\$ 88,714,827

Continued

City of Pulaski, Tennessee
Combining Schedule of Net Position
PES Energize
June 30, 2022

	Electric Division	Broadband Division	Total
Liabilities			
Current liabilities			
Accounts payable	\$ 6,600,403	\$ -	\$ 6,600,403
Accrued expenses and other liabilities	<u>336,364</u>	<u>44,671</u>	<u>381,035</u>
Total current liabilities	6,936,767	44,671	6,981,438
Liabilities payable from restricted assets			
Accrued interest	4,326	-	4,326
Customer deposits	989,264	9,150	998,414
Compensated absences	8,234	-	8,234
Bonds payable, current portion	<u>892,239</u>	<u>313,293</u>	<u>1,205,532</u>
Total liabilities payable from restricted assets	1,894,063	322,443	2,216,506
Long-term liabilities			
Compensated absences	579,938	-	579,938
Retention bonus	191,845	-	191,845
Net pension liability	-	-	-
Total OPEB liability	1,291,546	145,421	1,436,967
Bonds payable, net of current portion	<u>4,950,179</u>	<u>618,764</u>	<u>5,568,943</u>
Total long-term liabilities	<u>7,013,508</u>	<u>764,185</u>	<u>7,777,693</u>
Total liabilities	15,844,338	1,131,299	16,975,637
Deferred Inflows of Resources			
Pension plan	2,198,649	247,556	2,446,205
OPEB plan	<u>576,199</u>	<u>64,877</u>	<u>641,076</u>
Total deferred inflows of resources	2,774,848	312,433	3,087,281
Net Position			
Net investment in capital assets	52,617,400	(477,017)	52,140,383
Restricted for debt service	1,774,146	124,855	1,899,001
Unrestricted	<u>12,054,790</u>	<u>2,557,735</u>	<u>14,612,525</u>
Total net position	66,446,336	2,205,573	68,651,909
Total liabilities, deferred inflows of resources, and net position	\$ 85,065,522	\$ 3,649,305	\$ 88,714,827

City of Pulaski, Tennessee
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position
PES Energize
For the Year Ended June 30, 2022

	Electric Division	Broadband Division	Total
Operating Revenues			
Services	\$ 46,749,349	\$ 4,025,575	\$ 50,774,924
Other	<u>1,266,148</u>	<u>109,938</u>	<u>1,376,086</u>
Total operating revenues	48,015,497	4,135,513	52,151,010
Operating Expenses			
Cost of sales and services	33,426,768	1,726,751	35,153,519
Distribution expense	540,160	120,869	661,029
Customer service and information expense	271,801	194,050	465,851
Customer accounts expense	317,152	92,285	409,437
Administration and general expense	2,337,034	616,199	2,953,233
Maintenance and repair expense	2,606,706	233,508	2,840,214
Depreciation and amortization	<u>3,664,713</u>	<u>448,907</u>	<u>4,113,620</u>
Total operating expenses	43,164,334	3,432,569	46,596,903
Operating income (loss)	4,851,163	702,944	5,554,107
Nonoperating revenues (expenses)			
Interest and other income	26,897	86,927	113,824
Interest and other expense	(109,868)	(19,774)	(129,642)
Amortization expense	<u>(42,653)</u>	<u>(798)</u>	<u>(43,451)</u>
Total nonoperating revenues (expenses)	(125,624)	66,355	(59,269)
Net income (loss) before transfers and contributions	4,725,539	769,299	5,494,838
Transfers			
Transfer (to) from other funds	(1,019,741)	-	(1,019,741)
Change in net position	3,705,798	769,299	4,475,097
Net position, beginning of year	<u>62,740,538</u>	<u>1,436,274</u>	<u>64,176,812</u>
Net position, end of year	\$ 66,446,336	\$ 2,205,573	\$ 68,651,909

City of Pulaski, Tennessee
Combining Schedule of Cash Flows
PES Energize
For the Year Ended June 30, 2022

	Electric Division	Broadband Division	Total
Cash flows from operations			
Cash received from customer	\$ 47,441,417	\$ 4,091,935	\$ 51,533,352
Cash paid to employees for services	(1,378,850)	(413,459)	(1,792,309)
Cash paid to suppliers for goods and services	(36,858,494)	(2,631,194)	(39,489,688)
Other	11,745	50	11,795
Net cash provided (used) by operating activities	<u>9,215,818</u>	<u>1,047,332</u>	<u>10,263,150</u>
Cash flows from noncapital financing activities			
Transfers from (to) other funds	(1,019,741)	-	(1,019,741)
Cash flows from capital and related financing activities			
Purchase of property, plant, and equipment	(4,316,043)	(229,577)	(4,545,620)
Interest paid on bonds, notes, and leases	(153,008)	(19,774)	(172,782)
Removal costs	(515,859)	-	(515,859)
Materials salvaged from retirements	879,255	-	879,255
Proceeds from long-term debt	-	-	-
Payments on long-term debt	(856,239)	(308,169)	(1,164,408)
Unamortized debt expense	(1)	-	(1)
Net cash provided (used) by capital and related financing activities	<u>(4,961,895)</u>	<u>(557,520)</u>	<u>(5,519,415)</u>
Cash flows from investing activities			
Interest income and unrealized change in value of investments	26,897	86,927	113,824
Net change in cash and restricted cash	3,261,079	576,739	3,837,818
Cash and restricted cash, beginning of year	<u>14,844,776</u>	<u>1,970,904</u>	<u>16,815,680</u>
Cash and restricted cash, end of year	\$ 18,105,855	\$ 2,547,643	\$ 20,653,498
Reconciliation of operating income to net cash provided (used) by operating activities			
Operating income (loss)	\$ 4,851,163	\$ 702,944	\$ 5,554,107
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	3,707,366	448,109	4,155,475
Change in:			
Accounts receivable	(574,080)	(43,578)	(617,658)
Inventory	(173,753)	720	(173,033)
Other assets	143,320	22,405	165,725
Change in Pension related deferred outflows and inflows of resources	2,489,046	230,712	2,719,758
Change in OPEB related deferred outflows and inflows of resources	203,428	22,904	226,332
Accounts payable	1,702,499	(4,468)	1,698,031
Accrued expenses	(192,148)	-	(192,148)
Customer deposits	11,745	50	11,795
Net pension liability	(2,707,525)	(304,853)	(3,012,378)
OPEB liability	(245,243)	(27,613)	(272,856)
Net cash provided (used) by operating activities	\$ 9,215,818	\$ 1,047,332	\$ 10,263,150

City of Pulaski, Tennessee
Schedule of Operating Revenues and Expenses
PES Energize
Electric Division
For the Year Ended June 30, 2022

	Amount	Percent of revenues
Operating Revenues		
Charges for sales and services		
Residential sales	\$ 21,718,111	45.23%
Small lighting and power sales	4,390,197	9.14%
Large lighting and power sales	13,797,906	28.74%
Industrial sales	6,151,290	12.81%
Street and athletic sales	301,945	0.63%
Outdoor lighting	375,863	0.78%
Other sales	<u>14,037</u>	<u>0.03%</u>
Total charges for sales and services	46,749,349	97.36%
Other revenues		
Forfeited discounts	200,318	0.42%
Service charge revenues	157,300	0.33%
Miscellaneous service revenues	4,520	0.01%
Rent from property	795,828	1.66%
Other electric revenues	<u>108,182</u>	<u>0.23%</u>
Total other revenues	<u>1,266,148</u>	<u>2.64%</u>
Total operating revenues	48,015,497	100.00%
Operating Expenses		
Cost of sales and services		
Purchased power	33,426,768	69.62%
Distribution expenses		
Underground line expense	2,239	0.00%
Substation expense	343,209	0.71%
Street lighting and signal system	(123)	0.00%
Meter expense	83,301	0.17%
Installation expense	(5,013)	-0.01%
Rent	32,794	0.07%
Miscellaneous	<u>83,753</u>	<u>0.17%</u>
Total distribution expenses	540,160	1.12%
Customer accounts expense		
Customer records and collection expense	317,152	0.66%
Customer service and information expense		
Supervision customer service	35,590	0.07%
Customer assistance expense	150,716	0.31%
Information and advertising expense	56,624	0.12%
Demonstrating and selling	<u>25,766</u>	<u>0.05%</u>
Total customer service and information expense	268,696	0.56%

Continued

City of Pulaski, Tennessee
Schedule of Operating Revenues and Expenses
PES Energize
Electric Division
For the Year Ended June 30, 2022

	Amount	Percent of revenues
Operating Expenses		
Administrative expenses		
Salaries	795,451	1.66%
Board member compensation	13,944	0.03%
Safety coordinator	41,199	0.09%
Office supplies and expenses	251,411	0.52%
Outside services employed	589,882	1.23%
Insurance	176,915	0.37%
Duplicated charge credit	(114,978)	-0.24%
Travel expenses	93,586	0.19%
Property taxes	307,200	0.64%
Donations	1,203	0.00%
Miscellaneous	<u>181,221</u>	<u>0.38%</u>
Total administrative expenses	2,337,034	4.87%
 Maintenance expenses		
Substation expense	86,775	0.18%
Overhead lines	1,963,293	4.09%
Street lights and signal system	1,340	0.00%
Meters	138,022	0.29%
Outdoor lighting	3,317	0.01%
Maintenance, general	<u>413,959</u>	<u>0.86%</u>
Total maintenance expenses	2,606,706	5.43%
 Provision for depreciation	<u>3,664,713</u>	<u>7.63%</u>
Total operating expenses	<u>\$ 43,161,229</u>	<u>89.90%</u>

City of Pulaski, Tennessee
Schedule of Operating Revenues and Expenses
PES Energize
Broadband Division
For the Year Ended June 30, 2022

	Amount	Percent of revenues
Operating Revenues		
Charges for sales and services		
Video	\$ 1,418,309	34.29%
STB channel	52,427	1.27%
Data	1,909,758	46.18%
Other data services	182,870	4.42%
Collection and data storage	29,730	0.72%
Telephone	429,871	10.39%
Other sales	<u>2,880</u>	<u>0.07%</u>
Total charges for sales and services	4,025,845	97.34%
Other revenues		
Service channel revenues	63,676	1.54%
Duplicate MIS charges	13,143	0.32%
Advertising	5,668	0.14%
Late payment fees	<u>27,451</u>	<u>0.66%</u>
Total other revenues	<u>109,938</u>	<u>2.66%</u>
Total operating revenues	4,135,783	100.00%
Operating Expenses		
Cost of sales and services		
Internet cost of goods sold	219,727	5.31%
Telephone cost of goods sold	108,500	2.62%
Programming fees	<u>1,398,524</u>	<u>33.82%</u>
Total cost of sales and services	1,726,751	41.75%
Distribution expenses		
Sub-station expense	105,763	2.56%
Miscellaneous	<u>15,106</u>	<u>0.37%</u>
Total distribution expenses	120,869	2.92%
Customer accounts expense		
Customer records and collection expense	92,285	2.23%
Customer service and information expense		
Supervision customer service	10,589	0.26%
Customer assistance expense	167,803	4.06%
Information and advertising expense	<u>15,658</u>	<u>0.38%</u>
Total customer service and information expense	194,050	4.69%

Continued

City of Pulaski, Tennessee
Schedule of Operating Revenues and Expenses
PES Energize
Broadband Division
For the Year Ended June 30, 2022

	Amount	Percent of revenues
Operating Expenses		
Administrative expenses		
Salaries	310,585	7.51%
Board member compensation	2,856	0.07%
Office supplies and expenses	51,365	1.24%
Outside services employed	156,338	3.78%
Insurance	7,808	0.19%
Employee pension and benefits	(78,850)	-1.91%
Rent	81,556	1.97%
Property taxes	26,006	0.63%
Business taxes	10,579	0.26%
Travel	4,517	0.11%
Miscellaneous	<u>43,439</u>	<u>1.05%</u>
Total administrative expenses	616,199	14.90%
 Maintenance expenses		
Outside maintenance	186,035	4.50%
General maintenance	31,779	0.77%
Inside maintenance	<u>15,594</u>	<u>0.38%</u>
Total maintenance expenses	233,408	5.64%
 Provision for depreciation	<u>448,907</u>	<u>10.85%</u>
Total operating expenses	\$ 3,432,469	82.99%

City of Pulaski, Tennessee
 Schedule of Operating Expenses
 Water and Sewer
 For the Year Ended June 30, 2022

	Amount	Percent of total
Sewage disposal plant expense		
Utility services	\$ 143,828	50.22%
Testing	5,888	2.06%
Vehicle maintenance	4,928	1.72%
Machinery and equipment	18,025	6.29%
Building maintenance	20,358	7.11%
Sundry	26,550	9.27%
Chemical	46,190	16.13%
State fees	9,540	3.33%
Closing cost/amortization	6,663	2.33%
Miscellaneous	<u>4,452</u>	<u>1.55%</u>
Total sewage disposal plant expense	\$ 286,422	100.00%
 Pump and filtration plant expense		
Testing	\$ 550	0.19%
Building maintenance	1,423	0.48%
Chemical	243,166	82.29%
State fees	6,807	2.30%
Miscellaneous	<u>43,550</u>	<u>14.74%</u>
Total pump and filtration plant expense	\$ 295,496	100.00%

City of Pulaski, Tennessee
 Schedule of Principal Officials' Salaries and Surety Bonds (Unaudited)
 For the Year Ended June 30, 2022

Official	Title	Compensation	Bond
Patrick L. Ford	Mayor	\$ 9,600	\$ -
Jerry Bryant	Alderman	\$ 3,100	\$ -
Randy Massey	Alderman	\$ 3,100	\$ -
Ricky Keith	Alderman	\$ 3,100	\$ -
Vicky Harwell	Alderman	\$ 3,100	\$ -
Pat Miles	Alderman	\$ 3,100	\$ -
Hardin Franklin	Alderman	\$ 3,100	\$ -
Terry Harrison	City Recorder	\$ 122,000	\$ 10,000

City of Pulaski, Tennessee
Schedules of Utility Statistical Data (Unaudited)
June 30, 2022

Water and Sewer Rates	Water	Sewer
Residential		
Inside corporate limits		
First 1,000 gallons, minimum	\$ 13.00	\$ 13.00
Over 1,000 gallons*	2.80	5.19
Outside corporate limits		
First 1,000 gallons, minimum	\$ 13.00	\$ 13.00
Over 1,000 gallons*	\$ 2.80	\$ 5.19
Commercial (inside corporate limits)		
First 1,000 gallons, minimum	\$ 15.00	\$ 16.00
Over 1,000 gallons*	\$ 3.07	\$ 5.19
Industrial (inside corporate limits)		
First 2,000 gallons, minimum	\$ 8.98	\$ 9.93
All over 2,000*	\$ -	\$ 5.19
Next 13,000 gallons*	\$ 3.28	\$ -
Next 5,000 gallons*	\$ 2.46	\$ -
Utility District (no minimum)		
Per gallon / thousand	\$ 2.16	\$ -
Number of customers		
Residential	3,006	
Commercial	633	
Industrial	91	
Total	3,730	

* Per thousand

Natural Gas Rates

Residential		
Flat rate	\$ 5.00	per month
Per 100 cubic feet	\$ 0.64	per Ccf.
Commercial and industrial		
Flat rate	\$ 10.00	per month
Per 100 cubic feet	\$ 0.70	per Ccf.
Large commercial and industrial		
Flat rate	\$ 100.00	per month
Per 100 cubic feet	\$ 0.68	per Ccf.
Number of customers		
Residential	3,202	
Commercial	550	
Industrial	176	
Total	3,928	

Continued

City of Pulaski, Tennessee
Schedules of Utility Statistical Data (Unaudited)
June 30, 2022

Electric Service

Residential rates, schedule RS

Customer charge for power delivery	22.42	per month
Energy charge, cents per kWh	0.11244	per kWh

Commercial rate

Demand from 0 to 50 kW, schedule GSA-1

Customer charge for power delivery	35.52	per month
Each kWh, cents per kWh, not to exceed 15,000 kWh	0.11774	per kWh

Demand from 51 to 1,000 kW, schedule GSA-2

Customer charge for power delivery	152.24	per month
Demand charge, per kW per month over 50 kW	16.74	per kW
Energy charge, first 15,000 kWh	0.12122	per kWh
Additional kWh per month	0.07261	per kWh

Industrial rate

Demand from 1,001 to 5,000 kWh, schedule GSA-3

Customer charge per delivery point per month	532.85	per month
Demand charge per kW per month		
First 1,000 kW	19.59	per kW
Excess over 1,000 kW	13.90	per kW
Energy charge, cents per kWh	0.07634	per kWh

Manufacturing (MSB-TOU)

Demand charge		
Base customer charge	1,500.00	
Onpeak	10.24	
Maximum	3.05	
Excess over contract	10.24	

Energy charge

Onpeak	0.08483	
Offpeak, first 200 hours	0.05983	
Offpeak, next 200 hours	0.03014	
Offpeak, all additional kWh	0.02759	

Demand for street outdoor lighting, schedule OL

Per kWh for all additional kWh per month	0.07952	LED Equivalent
150W HPS security	9.25	71W LED 10.01
175W MPI security	8.28	136W LED 14.47
250W HPS security	13.22	150W LED 17.27
400W MH security	18.90	194W LED 20.29
400W MVI security	16.39	218W LED 21.00
400W HPS security	18.90	
1000W MH security	43.31	

Continued

City of Pulaski, Tennessee
Schedules of Utility Statistical Data (Unaudited)
June 30, 2022

Broadband - Residential Rates

Bundles

Energize Lite 20 Digital Channels, 1 HD box included	\$ 41.95
Energize Lite -DVR 20 Digital Channels, 1 DVR box included	\$ 46.95
IPTV Basic 81 Channels, 1 HD box included	\$ 108.95
IPTV Silver 190 Channels + 2 premium packages	\$ 149.95
IPTV Plus 190 Channels, 1 HD box included	\$ 119.95
IPTV Bronze 190 Channels + 1 premium package	\$ 134.95
Digital tiers	
Family tier	Free
Sports tier	\$ 5.50
High definition basic	Free
High definition tier	\$ 5.00
Optional services	
PPV movie (standard)	Varies
PPV event	Varies

High Speed Internet

Data lite	\$ 26.95
Bronze internet	\$ 54.95
Silver internet	\$ 74.95
Gold internet	\$ 104.95
Static IP	\$ 10.95

Telephone Services

Local and nationwide long distance service (with 10 calling features)	\$ 34.95
Additional line	\$ 16.00
Miscellaneous phone charges	
Phone directory assistance	\$ 1.25
Subscriber line charge	\$ 3.50

Continued

City of Pulaski, Tennessee
Schedules of Utility Statistical Data (Unaudited)
June 30, 2022

Broadband - Residential Rates

Additional charges

Equipment

Standard digital box, primary	Included
Standard digital box, additional	\$ 6.95
Digital HD box, primary	Included
Digital HD box, secondary	\$ 6.95
Digital HD/DVR box, primary	\$ 8.00
Digital HD/DVR box, secondary	\$ 11.95
Remote control	Included
Cable card	\$ 3.95
Unreturned remote control	\$ 10.00
Unreturned cable card	\$ 50.00
Unreturned digital HD box	\$ 190.00
Unreturned digital HD/DVR box	\$ 355.00

Installation, repair, and other

Standard install, prewired 1	\$ 39.95
Standard install, unwired 1	\$ 49.95
Custom install hourly rate	\$ 39.95
Change of service, technician	\$ 29.95
Change of service, electronic	Free
Additional outlet, at initial install	\$ 14.95
Additional outlet, separate trip	\$ 34.95
Relocate outlet, at initial install	\$ 14.95
Relocate outlet, separate trip	\$ 34.95
Wall fish	\$ 64.95
Amplifier install	\$ 50.00
NSF check fee	\$ 20.00
Late fee	5.00%
Disconnect fee/non-pay fee	\$ 35.00
Inside wire maintenance (all services)	\$ 4.95

Broadband - Commercial Rates

High speed internet

Small commercial tier 50M/50M, static IP	\$ 54.95
Bronze tier, 100M/100M, static IP, custom email	\$ 84.95
Silver tier, 500M/500M, static IP, custom email	\$ 254.95
Gold tier, 1000M/1000M, static IP, custom email	\$ 504.95
Dedicated/QOS circuit	Varies

Telephone services

Primary line w/features and unlimited LD	\$ 39.95
Additional line	\$ 21.95

City of Pulaski, Tennessee
 Schedule of Tax Rates and Assessments
 10-Year Summary (Unaudited)

Tax year	Assessed value	Tax rate	Tax levy
2021	\$ 198,860,969	\$ 0.5612	\$ 1,132,584
2020	198,467,804	0.5612	1,133,302
2019	205,517,124	0.5612	1,173,425
2018	205,440,242	0.5612	1,175,092
2017	201,605,834	0.5612	1,154,590
2016	189,857,338	0.5700	1,082,208
2015	189,105,847	0.5700	1,062,146
2014	179,497,045	0.5700	1,062,146
2013	173,310,522	0.5700	987,843
2012	172,063,144	0.5700	980,740

Internal Control and Compliance Section



**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***

Honorable Mayor and Board of Aldermen
City of Pulaski, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pulaski, Tennessee (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements as listed in the table of contents, and have issued our report thereon dated March 27, 2023. Our report includes a reference to other auditors who audited the financial statements of PES Energize, an enterprise fund, as described in our report on the City’s financial statements. This report does not include the results of the other auditors’ testing of internal control over financial reporting or on compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Blankenship CPA Group, PLLC

Blankenship CPA Group, PLLC

Brentwood, Tennessee

March 27, 2023

City of Pulaski, Tennessee

Summary Schedule of Prior Year Findings and Questioned Costs For the Year Ended June 30, 2022

Financial Statement Findings

Finding Number	Finding Title	Status
N/A	There were no prior findings reported.	N/A

Federal Award Findings and Questioned Costs

Finding Number	Finding Title	Status
N/A	There were no prior findings reported.	N/A