

**CITY OF PLAINVIEW, TENNESSEE**

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2022

**CITY OF PLAINVIEW, TENNESSEE**  
**ANNUAL FINANCIAL REPORT**  
For the Fiscal Year Ended June 30, 2022

**TABLE OF CONTENTS**

	<u>Page</u>
<b>SECTION ONE – INTRODUCTORY SECTION:</b>	
List of Principal Officials .....	1
<b>SECTION TWO – FINANCIAL SECTION:</b>	
<b>Independent Auditor’s Report</b> .....	3 - 5
<b>Management’s Discussion and Analysis (required supplementary information)</b> .....	6 – 10
<b>Basic Financial Statements:</b>	
<b>Government-wide Financial Statements:</b>	
Statement of Net Position .....	12
Statement of Activities .....	13
<b>Fund Financial Statements:</b>	
Balance Sheet – General Fund.....	15
Reconciliation of the Balance Sheet to the Statement of Net Position .....	16
Statement of Revenues, Expenditures and Changes in Fund Balance – General Fund .....	17
Reconciliation of Statement of Revenues, Expenditures and Changes In Fund Balance to the Statement of Activities .....	18
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund.....	20 –23
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Drug Fund.....	24
<b>Notes to Financial Statements</b> .....	26 – 34
<b>Supplemental Information:</b>	
<b>Capital Assets Used in the Operation of Governmental Activities</b>	
Schedule of Changes by Function and Activity .....	37
<b>Miscellaneous Schedules</b>	
Schedule of Insurance and Bonding .....	39
Schedule of Salaries of Principal Officers.....	40
<b>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</b> .....	42 – 43
Schedule of Findings and Responses .....	44

**CITY OF PLAINVIEW, TENNESSEE**

SECTION ONE

INTRODUCTORY SECTION

June 30, 2022

**CITY OF PLAINVIEW, TENNESSEE**  
**LIST OF PRINCIPAL OFFICIALS**  
For the Year Ended June 30, 2022

**Mayor**

Gary Chandler

**Vice-Mayor**

Richard Phillips

**Aldermen**

Josh Collins

Gordon Bright

Rebecca Lock

**Other Officials**

City Recorder

Mary Ann Brantley

**CITY OF PLAINVIEW, TENNESSEE**

SECTION TWO

FINANCIAL SECTION

June 30, 2022



# Warren Jackson

CERTIFIED PUBLIC ACCOUNTANTS, PLLC

DOUGLAS E. WARREN  
CPA, CFF, CFE, FCPA, CGMA

R. CARTER RUNYAN, CPA

STACY N. EDWARDS, CPA

CAYCE J. ROUNTREE, CPA

ROBERT S. TALLENT, CPA

JUSTIN HICKS, CPA

DENISE S. DAVIS, CPA

DERRICK NELSON, EA

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor, Members of  
the Board of Aldermen  
City of Plainview  
Plainview, Tennessee

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, and each major fund of the City of Plainview, Tennessee as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Plainview, Tennessee's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the City of Plainview, Tennessee, as of June 30, 2022, and the respective changes in financial position, and the respective budgetary comparisons for the General Fund and the Drug Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

#### *Responsibilities of Management for the Financial Statements*

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

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

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

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

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

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

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

### ***Required Supplementary Information***

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

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, capital assets used in the operation of governmental funds, and miscellaneous schedules, as listed in the Table of Contents, 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 November 28, 2022, on our consideration of the City of Plainview, Tennessee’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Plainview, Tennessee’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Plainview, Tennessee’s internal control over financial reporting and compliance.

*Warren Jackson CPAs PLLC*

Sweetwater, Tennessee  
November 28, 2022

**CITY OF PLAINVIEW, TENNESSEE**  
P. O. Box 37  
Luttrell, Tennessee 37779-0037  
Telephone (865) 992-5841  
Fax (865) 992-4344

**MANAGEMENT’S DISCUSSION AND ANALYSIS**

The management of the City of Plainview, Tennessee presents this management’s discussion and analysis (MD&A) of the City’s financial condition and results of operations for the fiscal year ended June 30, 2022. This information should be read in conjunction with the City’s accompanying financial statements. This MD&A also presents an overview of the City, known as the primary government. The government-wide financial statements include only the primary government which is the total reporting entity.

**FINANCIAL HIGHLIGHTS**

- ◆ The assets of the City exceeded its liabilities at year end 2022 by \$893,386.
- ◆ The total assets of the City increased by \$235,285 (27.58%) during the year ended June 30, 2022.
- ◆ At June 30, 2022, the City’s governmental fund reported combined ending fund balances of \$600,490, an increase of \$44,909. As of June 30, 2022, \$470,461 was unassigned and available for ongoing operations.
- ◆ At June 30, 2022, the unassigned General Fund Balance was \$470,461 (98%) of General Fund expenditures. This demonstrates the City’s fiscal discipline and will meet unexpected emergencies and other uncertainties the City may face during the course of everyday operations.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the City’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. Over time, increases or decreases in net position may serve as a useful indicator of whether or not the financial position of the City is improving or deteriorating.

The **statement of activities** presents information showing how the City’s net position changed during the current 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 periods, such as revenues pertaining to uncollected taxes and expenses pertaining to earned but unused vacation leave.

Both of the government-wide 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. The governmental activities of the City include public safety, public works, health and welfare, community development, and general government.

### **Fund Financial Statements**

The fund financial statements are designed to report information about groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### **Governmental funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. All of the City's basic services are reported in governmental funds. These statements, however, focus on near term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in determining what financial resources are available in the near future to finance the City's programs.

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 individual governmental funds organized according to their type (general fund). 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.

The City adopted an annual appropriated budget for the general fund.

### **Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

### **Internal Control and Compliance Section**

This includes the auditor's reports on the City's internal controls and compliance and a schedule of findings and responses.

### **Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets exceeded its liabilities by \$893,386 for 2022. By far, the largest portion of the City's net position reflects its investment in capital assets (e.g. land, buildings, water facilities, machinery and equipment). The City uses these capital assets to provide services; consequently, these assets are not available for future spending. At year-end 2022 and 2021, the City's statement of net position consisted of the following:

**GOVERNMENT-WIDE STATEMENTS FINANCIAL ANALYSIS**

	<u>Net Position</u>	
	<u>June 30, 2022</u>	<u>June 30, 2021</u>
	<u>Governmental Activities</u>	
<b><u>Assets</u></b>		
Current assets	\$ 795,379	\$ 575,557
Capital assets, net	<u>292,896</u>	<u>277,433</u>
Total Assets	<u><u>1,088,275</u></u>	<u><u>852,990</u></u>
<b><u>Liabilities</u></b>		
Current liabilities	<u>194,889</u>	<u>26,876</u>
	<u>Net Position</u>	
Investment in capital assets	292,896	277,433
Unrestricted	470,461	467,474
Restricted	<u>130,029</u>	<u>81,207</u>
Total Net Position	<u><u>\$ 893,386</u></u>	<u><u>\$ 826,114</u></u>
Total Revenues	525,967	534,117
Total Expenses	<u>465,596</u>	<u>354,394</u>
Change in Net Position	<u><u>\$ 60,371</u></u>	<u><u>\$ 179,723</u></u>

A portion of the City's net position represents resources that are subject to external restrictions on how they may be used. The unrestricted net position may be used to meet the obligations to employees and creditors and to help fund next year's budget. The City's net position decreased by \$8,150 during 2022 over the year ended 2021. The City's main source of revenue is from local option sales tax, local and state-shared taxes which consist of tax revenue shared by the State of Tennessee. This decrease is explained in the governmental activities discussion below.

	<u>Changes in Net Position</u>	
	<u>June 30, 2022</u>	<u>June 30, 2021</u>
	<u>Governmental Activities</u>	
<b><u>Revenues</u></b>		
Program Revenues:		
Fees, fines and charges for services	\$ 31,645	\$ 18,952
Operating grants and contributions	122,842	82,844
Capital grants and contributions	-	81,159
General Revenues:		
Local taxes	339,640	319,130
State and federal	27,408	29,533
Interest	334	320
Miscellaneous	<u>4,098</u>	<u>2,179</u>
Total Revenues	<u><u>525,967</u></u>	<u><u>534,117</u></u>

	<b>Changes in Net Position</b>	
	<b>June 30, 2022</b>	<b>June 30, 2021</b>
<b><u>Expenditures</u></b>	<b><u>Governmental Activities</u></b>	
General government	130,008	134,253
Public Safety	126,222	129,933
Public Works and Streets	197,944	81,073
Parks and Recreation	<u>11,422</u>	<u>9,135</u>
Total expenses	<u>465,596</u>	<u>354,394</u>
Change in Net Position	60,371	179,723
Net Position at Beginning of Year	<u>833,015</u>	<u>646,391</u>
Net Position at End of Year	<u>\$ 893,386</u>	<u>\$ 826,114</u>

The decrease in revenues during the year ending June 30, 2022 is related to the American Rescue Plan Act Grant (ARPA). Unspent ARPA funds in the amount of \$186,876 was reclassified to unearned revenue. The increase in expenses during the year ending June 30, 2022 is related to street paving projects.

### **CAPITAL ASSET AND DEBT ADMINISTRATION**

#### **Capital Assets**

The City's capital assets for its governmental activities as of June 30, 2022 amount to \$292,896 (net of accumulated depreciation). Capital assets include land, buildings, improvements, and machinery and equipment. The table below reflects the capital assets at the end of the fiscal years:

	<b>Capital Assets, Net of Depreciation</b>	
	<b>June 30, 2022</b>	<b>June 30, 2021</b>
<b><u>Expenditures</u></b>	<b><u>Governmental Activities</u></b>	
General Government:		
Land	\$ 18,000	\$ 18,000
Equipment and furnishings	323,410	323,410
Structures and improvements	<u>382,398</u>	<u>334,548</u>
Total Capital Assets	<u>723,808</u>	<u>675,958</u>
Less: Accumulated depreciation	<u>(430,912)</u>	<u>(398,525)</u>
Net Capital Assets	<u>\$ 292,896</u>	<u>\$ 277,433</u>

For government-wide financial statement presentation, all depreciable capital assets are depreciated from acquisition date to the end of the current fiscal year. Fund financial statements record capital asset purchases as expenditures. Please refer to the Notes to the Financial Statements for further information regarding capital assets.

## FUND STATEMENTS FINANCIAL ANALYSIS

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's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the City include the General Fund.

The General Fund's fund balance increased by \$44,909 during 2022.

### **General Fund Budgetary Highlights**

There was no change between the total original budget and final amended budget expenditures for the General Fund.

### **Economic Factors and Next Year's Budget**

The City Council approved the budget for the year ending June 30, 2022. The estimated revenue and appropriations did not vary significantly from the budget for the year ended June 30, 2021.

### **Debt Administration**

At the end of the current fiscal year, the City had no outstanding debt.

## OTHER MATTERS

The fiscal 2022 budget will provide the services that the citizens of Plainview have grown accustomed to receiving. This level of service is directly attributable to the City's well-trained and dedicated workforce coupled with the support of a progressive City Mayor and Aldermen.

## REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, city commissioners, customers, investors, and creditors with a general overview of the City's finances. If you have any questions about this report or need additional information, contact:

Mary Ann Brantley, Recorder  
City of Plainview, Tennessee  
1037 Tazewell Pike  
Plainview, TN 37779  
Telephone: 865-992-5841

**CITY OF PLAINVIEW, TENNESSEE**

Government-wide Financial Statements

June 30, 2022

**CITY OF PLAINVIEW, TENNESSEE**  
**STATEMENT OF NET POSITION**  
June 30, 2022

**ASSETS**

Current Assets:	
Cash and cash equivalents.....	\$ 729,799
Accounts receivable .....	<u>65,580</u>
Total Current Assets.....	<u>795,379</u>
Non-Current Assets:	
Capital Assets.....	274,896
Non-depreciable capital assets .....	<u>18,000</u>
Total Non-Current Assets.....	<u>292,896</u>
<b>DEFERRED OUTFLOW OF RESOURCES .....</b>	<b><u>-</u></b>
Total Assets .....	<u>1,088,275</u>

**LIABILITIES**

Current Liabilities:	
Accounts Payable .....	8,013
Unearned Revenue (ARPA).....	<u>186,876</u>
Total Current Liabilities.....	<u>194,889</u>

**DEFERRED INFLOWS OF RESOURCES .....** -

**NET POSITION:**

Investment in capital assets.....	292,896
Restricted for:	
Drug Fund .....	4,146
State Street Aid .....	125,883
Unrestricted.....	<u>470,461</u>
<b>Total Net Position .....</b>	<b><u>\$ 893,386</u></b>

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

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

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Revenues</u> <u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position 2022</u>
<u>Function/Programs:</u>					
<u>Governmental Activities:</u>					
General Government	\$ 130,008	\$ 14,349	\$ 45,166	\$ -	\$ (70,493)
Public Safety	126,222	17,296	1,600	-	(107,326)
Public Works and Street	197,944	-	76,076	-	(121,868)
Parks and Recreation	<u>11,422</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,422)</u>
	<u>\$ 465,596</u>	<u>\$ 31,645</u>	<u>\$ 122,842</u>	<u>\$ -</u>	<u>(311,109)</u>
 <u>General Revenue:</u>					
Sales taxes					339,640
Income Tax					123
In lieu payments					24,202
Other Taxes					3,083
Interest earned					334
Miscellaneous					<u>4,098</u>
Total General Revenues					<u>371,480</u>
 Change in Net Position					 60,371
Net Position – Beginning					<u>833,015</u>
Net Position - Ending					<u>\$ 893,386</u>

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

**CITY OF PLAINVIEW, TENNESSEE**

**FUND FINANCIAL STATEMENTS**

June 30, 2022

**CITY OF PLAINVIEW, TENNESSEE**  
**GOVERNMENTAL FUND – GENERAL FUND**  
**BALANCE SHEET**  
June 30, 2022

<u><b>ASSETS</b></u>	<u><b>General Fund</b></u>	<u><b>Drug Fund</b></u>	<u><b>Total Governmental Funds</b></u>
Cash.....	\$ 725,653	\$ 4,146	\$ 729,799
Accounts receivable .....	<u>65,580</u>	<u>-</u>	<u>65,580</u>
<b>Total Assets .....</b>	<u><b>\$ 791,233</b></u>	<u><b>\$ 4,146</b></u>	<u><b>\$ 795,379</b></u>
 <u><b>LIABILITIES AND FUND BALANCE</b></u>			
Liabilities			
Accounts Payable/Other Payables.....	8,013	-	8,013
Unearned Revenue (ARPA).....	<u>186,876</u>	<u>-</u>	<u>186,876</u>
Total Liabilities.....	<u>194,889</u>	<u>-</u>	<u>194,889</u>
Fund Balance:			
Restricted for:			
Drug Fund.....	-	4,146	4,146
State Street Aid.....	125,883	-	125,883
Unassigned.....	<u>470,461</u>	<u>-</u>	<u>470,461</u>
Total Fund Balance.....	<u>596,344</u>	<u>4,146</u>	<u>600,490</u>
<b>Total Liabilities and Fund Balance .....</b>	<u><b>\$ 791,233</b></u>	<u><b>\$ 4,146</b></u>	<u><b>\$ 795,379</b></u>

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

**CITY OF PLAINVIEW, TENNESSEE**  
**RECONCILIATION OF THE BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
June 30, 2022

Fund balance – general fund.....	\$ 600,490
Amounts reported for the governmental activities in the statement of net position are different because:	
Capital assets, used in governmental activities are financial resources and, therefore, are not reported in the funds .....	<u>292,896</u>
Net position of governmental activities .....	<u>\$ 893,386</u>

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

**CITY OF PLAINVIEW, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**  
**GOVERNMENT FUND – GENERAL FUND**  
For the Fiscal Year Ended June 30, 2022

	<b><u>General</u></b> <b><u>Fund</u></b>	<b><u>Drug</u></b> <b><u>Fund</u></b>	<b><u>Total</u></b> <b><u>Governmental</u></b> <b><u>Funds</u></b>
Revenues:			
Taxes.....	\$ 130,298	\$ -	\$ 130,298
Intergovernmental Revenue.....	357,992	-	357,992
Fines and Forfeits .....	17,296	-	17,296
Miscellaneous .....	20,047	-	20,047
Interest .....	<u>332</u>	<u>2</u>	<u>334</u>
Total Revenues .....	<u>525,965</u>	<u>2</u>	<u>525,967</u>
Expenditures:			
General government.....	169,762	-	169,762
Public Safety .....	122,616	-	122,616
Highways and Streets .....	183,141	-	183,141
Parks and Recreation .....	<u>5,539</u>	<u>-</u>	<u>5,539</u>
Total Expenditures.....	<u>481,058</u>	<u>-</u>	<u>481,058</u>
Net Change in Fund Balance .....	44,907	2	44,909
Fund Balance – Beginning of year .....	<u>544,537</u>	<u>4,144</u>	<u>548,681</u>
Prior Period Adjustment Note 6.....	<u>6,900</u>	<u>-</u>	<u>6,900</u>
Fund Balance – Beginning of year, as restated..	<u>551,437</u>	<u>4,144</u>	<u>555,581</u>
Fund Balance – End of year.....	<u>\$ 596,344</u>	<u>\$ 4,146</u>	<u>\$ 600,490</u>

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

**CITY OF PLAINVIEW, TENNESSEE**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES**  
For the Year Ended June 30, 2022

Net change in fund balances – total governmental fund .....	\$	44,909
<p>Amounts reported for the governmental activities in the statement of activities are different because:</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. This is the amount by which capital outlay (\$47,850) exceeded depreciation (\$32,388)		<u>15,462</u>
Changes in net position of governmental activities.....	\$	<u>60,371</u>

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

**CITY OF PLAINVIEW, TENNESSEE**

GENERAL FUND

June 30, 2022

**CITY OF PLAINVIEW, TENNESSEE**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE – BUDGET AND ACTUAL**  
For the Fiscal Year Ended June 30, 2022

	<u>Budget</u>		<u>Actual</u>	Variance – Favorable <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
<b>Taxes:</b>				
Local sales tax.....	\$ 88,000	\$ 88,000	\$ 103,954	\$ 15,954
Franchise fee.....	2,800	2,800	2,142	(658)
Payments in lieu of taxes.....	<u>25,000</u>	<u>25,000</u>	<u>24,202</u>	<u>(798)</u>
<b>Total Taxes.....</b>	<b><u>115,800</u></b>	<b><u>115,800</u></b>	<b><u>130,298</u></b>	<b><u>14,498</u></b>
<b>Intergovernmental Revenue:</b>				
American Rescue Plan Act Grant	-	-	2,750	2,750
State grant – High visibility.....	5,000	5,000	3,828	(1,172)
Direct appropriations grant.....	77,000	115,588	38,588	(77,000)
State sales tax.....	204,000	204,000	235,686	31,686
State income tax.....	950	950	123	(827)
State beer tax.....	1,000	1,000	941	(59)
State city street and transportation funds.....	4,200	4,200	3,691	(509)
State gasoline and motor fuel tax – State Street Aid.....	<u>76,000</u>	<u>76,000</u>	<u>72,385</u>	<u>(3,615)</u>
<b>Total Intergovernmental     Revenue.....</b>	<b><u>368,150</u></b>	<b><u>406,738</u></b>	<b><u>357,992</u></b>	<b><u>(48,746)</u></b>
<b>Fines, Forfeits, and Penalties:</b>				
Police court fines.....	<u>15,000</u>	<u>15,000</u>	<u>17,296</u>	<u>2,296</u>
<b>Other Revenue:</b>				
Interest earned.....	460	460	332	(128)
Rent.....	3,700	3,700	5,200	1,500
Building and related permits.....	800	800	9,149	8,349
Police salary supplements.....	1,600	1,600	1,600	-
Other revenue.....	<u>500</u>	<u>500</u>	<u>4,098</u>	<u>3,598</u>
<b>Total Other Revenue.....</b>	<b><u>7,060</u></b>	<b><u>7,060</u></b>	<b><u>20,379</u></b>	<b><u>13,319</u></b>
<b>TOTAL REVENUES.....</b>	<b><u>\$ 506,010</u></b>	<b><u>\$ 544,598</u></b>	<b><u>\$ 525,965</u></b>	<b><u>\$ (18,633)</u></b>

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

**CITY OF PLAINVIEW, TENNESSEE**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (Continued)**  
For the Fiscal Year Ended June 30, 2022

	<u>Budget</u>			Variance –
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Favorable (Unfavorable)
<b>EXPENDITURES:</b>				
<b>GENERAL GOVERNMENT:</b>				
General:				
Wages.....	\$ 53,000	\$ 53,000	\$ 51,336	\$ 1,664
Employee Education/Training .....	700	700	385	315
Public information.....	700	700	799	(99)
Dues .....	1,200	1,200	1,040	160
Telephone.....	2,400	2,400	2,431	(31)
Attorney fee .....	1,500	1,500	-	1,500
Audit fee .....	5,000	5,000	4,300	700
Data Processing Service.....	1,000	1,000	741	259
Repairs and maintenance .....	1,500	1,500	-	1,500
Travel.....	500	500	-	500
Office supplies and equipment.....	3,500	3,500	3,085	415
Equipment.....	400	400	-	400
Total General Government .....	<u>71,400</u>	<u>71,400</u>	<u>64,117</u>	<u>7,283</u>
Public Buildings and Grounds:				
Maintenance salary .....	6,800	6,800	6,745	55
Electric .....	4,000	4,000	3,623	377
Water and gas.....	4,850	4,850	4,289	561
Repairs and maintenance .....	25,000	63,588	32,207	31,381
Operating supplies.....	<u>1,500</u>	<u>1,500</u>	<u>2,186</u>	<u>(686)</u>
Total Public Buildings and Grounds.....	<u>42,150</u>	<u>80,738</u>	<u>49,050</u>	<u>31,688</u>
Other General Government:				
Payroll taxes – OASI.....	12,000	12,000	12,269	(269)
ETDD.....	600	600	510	90
Public relations.....	6,500	6,500	4,299	2,201
UC Schools Special Projects.....	2,000	2,000	500	1,500
TN State planning .....	7,425	7,425	7,425	-
Other services.....	300	300	114	186
City insurance .....	19,000	19,000	17,978	1,022
Humane Society .....	1,000	1,000	1,000	-
Educational Incentives .....	1,000	1,000	1,000	-
Volunteer Fire Department .....	10,000	10,000	10,000	-
Donations .....	1,500	1,500	1,500	-
Other General Government.....	<u>61,325</u>	<u>61,325</u>	<u>56,595</u>	<u>4,730</u>
<b>TOTAL GENERAL GOVERNMENT .....</b>	<u>174,875</u>	<u>213,463</u>	<u>169,762</u>	<u>43,701</u>

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

**CITY OF PLAINVIEW, TENNESSEE**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (Continued)**  
For the Fiscal Year Ended June 30, 2022

	Budget		Actual	Variance – Favorable (Unfavorable)
	Original	Final		
EXPENDITURES (Continued):				
PUBLIC SAFETY:				
Police Department:				
Police wages .....	89,000	89,000	74,959	14,041
Policy salary supplement .....	1,600	1,600	1,600	-
Officer training .....	700	700	811	(111)
Litigation Fees to State .....	3,500	3,500	1,621	1,879
Operating supplies .....	2,500	2,500	14,748	(12,248)
Gas and oil .....	8,500	8,500	6,507	1,993
Vehicle parts and repair .....	2,500	2,500	2,485	15
Machinery and equipment .....	12,500	12,500	8,243	4,257
Total Policy Department.....	<u>120,800</u>	<u>120,800</u>	<u>110,974</u>	<u>9,826</u>
Codes Enforcement:				
Contract Labor .....	9,600	9,600	9,550	50
Operating supplies .....	200	200	668	(468)
Permit fees .....	1,000	1,000	1,424	(424)
Total Codes Enforcement .....	<u>10,800</u>	<u>10,800</u>	<u>11,642</u>	<u>(842)</u>
TOTAL PUBLIC SAFETY .....	<u>131,600</u>	<u>131,600</u>	<u>122,616</u>	<u>8,984</u>
HIGHWAYS AND STREETS:				
General City Streets:				
Wages .....	40,000	40,000	25,740	14,260
Gas and oil .....	3,000	3,000	2,830	170
Operating supplies .....	1,200	1,200	2,030	(830)
Repair and maintenance.....	20,000	27,990	5,006	22,984
Professional Services.....	3,000	3,000	-	3,000
Street Paving.....	106,800	106,800	75,340	31,460
Machinery and Equipment.....	60,000	60,000	44,823	15,177
Total General City Streets .....	<u>234,000</u>	<u>241,990</u>	<u>155,769</u>	<u>86,221</u>
State Street Aid:				
Street lighting .....	20,000	20,000	14,615	5,385
Operating supplies .....	500	500	-	500
Street improvement and paving .....	45,000	45,000	4,202	40,798
Gas and oil .....	850	850	-	850
Street Signs .....	700	700	1,608	(908)
Vehicle parts and repair .....	1,000	1,000	-	1,000
Other equipment parts and repair.....	4,000	4,000	-	4,000
Professional services.....	5,000	5,000	3,198	1,802
Total State Street Aid .....	<u>77,050</u>	<u>77,050</u>	<u>23,623</u>	<u>53,427</u>
TOTAL HIGHWAYS AND STREETS....	<u>311,050</u>	<u>319,040</u>	<u>179,392</u>	<u>139,648</u>

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

**CITY OF PLAINVIEW, TENNESSEE**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (Continued)**  
For the Fiscal Year Ended June 30, 2022

	<u>Budget</u>		<u>Actual</u>	Variance – Favorable <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES (Continued):				
Sanitation.....	<u>1,000</u>	<u>1,000</u>	<u>999</u>	<u>(1)</u>
PARKS AND RECREATION:				
Recreation:				
Operating supplies .....	1,000	1,000	227	773
Repair and maintenance.....	2,000	2,000	1,508	492
City owned Parks and Recreation Facility.....	<u>3,500</u>	<u>3,000</u>	<u>3,804</u>	<u>(804)</u>
Total Recreation.....	<u>6,500</u>	<u>6,000</u>	<u>5,539</u>	<u>461</u>
ARPA Sewer Luttrell .....	<u>-</u>	<u>-</u>	<u>2,750</u>	<u>(2,750)</u>
TOTAL EXPENDITURES.....	<u>625,025</u>	<u>671,103</u>	<u>481,058</u>	<u>190,045</u>
Net Change in Fund Balance .....	(119,015)	(126,505)	44,907	171,412
Fund Balance, Beginning of Year.....	<u>544,537</u>	<u>544,537</u>	<u>544,537</u>	<u>-</u>
Prior Period Adjustment, Note 6 .....	<u>-</u>	<u>-</u>	<u>6,900</u>	<u>6,900</u>
Fund Balance, Beginning of Year.....	<u>544,537</u>	<u>544,537</u>	<u>551,437</u>	<u>-</u>
Fund Balance, End of Year .....	<u>\$ 425,522</u>	<u>\$ 418,032</u>	<u>\$ 596,344</u>	<u>\$ 178,312</u>

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

**CITY OF PLAINVIEW, TENNESSEE**  
**DRUG FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE – BUDGET AND ACTUAL**  
For the Fiscal Year Ended June 30, 2022

	<u>Budget</u>			<b>Variance – Favorable (Unfavorable)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>REVENUES:</b>				
Other:				
Fines and Forfeits .....	\$ -	\$ -	\$ -	\$ -
Interest earned .....	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
Total Revenues.....	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
<b>EXPENDITURES:</b>				
Miscellaneous .....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	2	2
Fund Balance, Beginning of Year .....	<u>4,144</u>	<u>4,144</u>	<u>4,144</u>	<u>-</u>
Fund Balance, End of Year .....	<u>\$ 4,144</u>	<u>\$ 4,144</u>	<u>\$ 4,146</u>	<u>\$ 2</u>

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

**CITY OF PLAINVIEW, TENNESSEE**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2022

**CITY OF PLAINVIEW, TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2022

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The City of Plainview, Tennessee, was incorporated under Section 6-1-01, Tennessee Code Annotated and is a charter city in which citizens elect the mayor at large and 4 council members. It operates under a city council manager form of government and provides the following services as provided by its charter: Public Safety – Police, Highway and Streets, Sanitation, Public Improvements, Planning and Zoning and General Administrative Services.

(A) **FINANCIAL REPORTING ENTITY:**

The accompanying financial statements present the City of Plainview (primary government) and all funds, organizations, agencies, and offices that are a part of the primary government. The criteria for determining a primary government consist of the following:

- (1) A separately elected governing body
- (2) Separate legal standing – corporate power with the capacity to have a name; the right to sue and be sued in its own name without recourse to a state or local governmental unit; and, the right to buy, sell, lease, or mortgage property in its own name.
- (3) Fiscal independence of other state and local governments by determining its budget, levying taxes, setting rates or charges, and issuing bonded debt without approval by another government.

Based on applying the criteria set forth in the Governmental Accounting Standards Board (GASB) Statement 14 – “The Financial Reporting Entity”, as amended by GASB 39, there are no potential component units for inclusion in the primary government. The financial reporting entity includes all funds, agencies, offices and departments which are a part of the primary government.

(B) **BASIC FINANCIAL STATEMENTS – GASB NO. 34:**

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. Both the government-wide and fund financial statements categorize activities as governmental activities. *Governmental activities* are normally supported by taxes and intergovernmental revenues. All activities are reported in the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets as well as long-term obligations. The government-wide financial statements focus more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

The government-wide Statement of Activities demonstrates the degree to which the direct expenses, including depreciation, on the various departments of the City are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific department. Depreciation expense on assets shared by multiple departments is not allocated to the various departments. Program revenues include revenues from fines and forfeitures, licenses and permit fees, special assessment taxes, certain intergovernmental grants, other entities’ participation and charges for services. Taxes and other items not properly included among program revenues are reported as general revenues.

**CITY OF PLAINVIEW, TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2022

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

(B) BASIC FINANCIAL STATEMENTS – GASB NO. 34 (Continued):

The fund financial statements emphasize each major fund in the governmental category. There are no non-major funds.

(C) BASIS OF PRESENTATION:

The City uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid in the City’s financial management by segregating transactions related to certain functions or activities.

The following fund categories are used by the City:

GOVERNMENTAL FUNDS: All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Sales taxes are considered “measurable” (susceptible to accrual) when in the hands of intermediary collecting agencies and are recognized as revenues at that time. All other intergovernmental revenues are recorded as revenue when received. Expenditures are recognized when the related fund liability is incurred.

GENERAL FUND: The General Fund is established to account for resources devoted to financing the general services that the City performs for its citizens. General tax revenues and other sources of revenue used to finance the fundamental operations of the City are included in this fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is always considered a major fund in the basic financial statements.

DRUG FUND: The Drug Fund is used to account for the proceeds of drug related revenue sources that are legally restricted to expenditures for specific purposes.

(D) MEASUREMENT FOCUS AND BASIS OF ACCOUNTING:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to 1) demonstrate legal and covenant compliance, 2) demonstrate the source and use of liquid resources, and 3) demonstrate how the City’s actual experience conforms to the biennial budget.

**CITY OF PLAINVIEW, TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2022

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

(D) **MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued):**

Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” is defined as collectible within the current period or within 60 days of the end of the current fiscal period. Expenditures, other than interest on long-term debt, are recorded when the related fund liability is incurred, if measurable. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenues susceptible to accrual include local sales tax, state-shared sales tax, highway user tax, vehicle license tax, franchise fees, special assessments and interest earned on investments. Licenses and permits, charges for services, fines and forfeitures and miscellaneous revenues are generally recorded as revenues when received in cash because they are not measurable until actually received. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for a specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to the purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Since the governmental fund financial statements are presented on a basis different than the governmental activities column of the government-wide financial statements, a reconciliation is provided immediately following each fund statement. These reconciliations briefly explain the adjustments necessary to transform the fund financial statements into the governmental activities column of the government-wide financial statements.

Amounts reported as program revenue include 1) charges to customers or users who purchase, use or directly benefit from goods or services provided by a particular department 2) operating grants and contributions that are restricted. Taxes, investment income and other revenues not identifiable with a particular department, are included as general revenues. The general revenues support the net costs of the departments not covered by the program revenues.

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.

(E) **GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NO. 34:**

The City utilizes the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Government*. This statement affects the manner in which the City records transactions and presents financial information. State and local governments have traditionally used a financial reporting model substantially different from the one used to prepare private-sector financial reports.

CITY OF PLAINVIEW, TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

(E) **GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NO. 34 (Continued):**

GASB Statement No. 34 establishes requirements and a reporting model for the annual financial reports of state and local governments. The statement was developed to make annual reports of state and local governments easier to understand and more useful to the people who use governmental financial information to make decisions.

***Management’s Discussion and Analysis*** – GASB Statement No. 34 requires that financial statements be accompanied by a narrative introduction and analytical overview of the City’s financial activities in the form of “management’s discussion and analysis” (MD&A). This analysis is similar to the analysis provided in annual reports of private-sector organizations.

***Government-Wide Financial Statements*** – The reporting model includes financial statements prepared using full accrual accounting for all of the City’s activities. This approach includes not just current assets and liabilities but also capital and other long-term assets as well as long-term liabilities. Accrual accounting also reports all of the revenues and costs of providing services each year, not just those received or paid in the current year or soon thereafter.

***Statement of Net Position*** – The statement of net position is designed to display the financial position of the primary government (government activities). The City now reports all capital assets in the government-wide statement of net position and reports depreciation expense – the cost of “using up” capital assets – in the statement of activities. The net position of the City is broken down into three categories – 1) investment in capital assets, 2) restricted; and 3) unrestricted.

***Statement of Activities*** – The government-wide statement of activities reports expenses and revenues in a format that focuses on the cost of each of the City’s functions. The expense of individual functions is compared to the revenue generated directly by the function.

Accordingly, the City has recorded capital and certain other long-term assets and liabilities in the statement of net position, and has reported all revenues and the cost of providing services under the accrual basis of accounting in the statement of activities.

(F) **BUDGETS AND BUDGETARY ACCOUNTING:**

**Budget Policy and Practice**

As set forth in the City Charter, the City Council adopts an annual budget. The budget is presented to the City Council for review, and public hearings are held to address priorities and allocation of resources. In June, the City adopts the annual fiscal budgets for City operating funds. Once approved, the City Council may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations.

**CITY OF PLAINVIEW, TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2022

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

(F) BUDGETS AND BUDGETARY ACCOUNTING (Continued):

Basis of Budgeting

Each fund’s appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department and class. This constitutes the legal level of control. Expenditures may not exceed appropriations at this level. Budget revisions at this level are subject to final review of the City Council. Revisions to the budget are made at year-end. Revenues are budgeted in the year receipt is expected, and expenditures are budgeted in the year that the applicable expenditures are expected to be used.

(G) CASH AND CASH EQUIVALENTS:

The City considers all highly liquid Certificates of Deposit with an original maturity of three months or less, at the date of acquisition, to be cash equivalents.

(H) CAPITAL ASSETS:

Capital assets, which include property, buildings and equipment, are stated at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset, or materially extend its life, are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. Capital assets are defined by the government as assets with an individual cost of more than \$1,500.

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives (land and construction-in-progress are not depreciated).

<u>Assets</u>	<u>Useful life (years)</u>
Buildings	10 - 50
Improvements, other than buildings	10 - 50
Mobile equipment	7
Furniture, Machinery and Equipment	5 - 7

Infrastructure assets acquired prior to July 1, 2003 have not been capitalized in accordance with provisions in GASB-34.

**CITY OF PLAINVIEW, TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2022

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

(I) FUND BALANCES:

Governmental fund equity is classified as fund balance. During the year ended June 30, 2011, the City implemented Governmental Accounting Standards Board (GASB) Statement 54, Fund Balance and Government Fund Type Definitions. Under this statement fund balances are classified into the following categories:

- a. Nonspendable fund balances comprise those amounts that are legally or contractually required to be maintained intact.
- b. Restricted fund balances comprise those amounts constrained to be used for a specific purpose by external parties, constitution provisions or enabling legislation.
- c. Committed fund balances comprise those amounts constrained by the government itself using its highest level of governing body (commission) using its highest level of authority (ordinance).

This amount can also include amounts needed to balance the next year's budget when the budget is approved by ordinance.

- d. Assigned fund balances are amounts intended to be used for a specific purpose by the governing body through action other than the highest level of authority or an official expressly authorized by the governing body.
- e. Unassigned fund balances are any amounts other than those described above and are available for any purpose.

The City has no formal policy with regard to classifying expenditures among the various classifications. Thus, the default provision under GASB Statement 54 apply expenditures first to restricted resources, then to committed resources, then to assigned resources, and finally to unassigned resources. In addition, the City has no formal policy with regard to stabilization funds.

(J) NET POSITION:

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources on the City-wide financial statements. Net position is classified in the following categories:

*Net investment in capital assets* – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

*Restricted net position* – This amount is restricted by creditors, grantors, contributors, or laws or regulations of other governments.

**CITY OF PLAINVIEW, TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2022

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

(J) NET POSITION (Continued):

*Unrestricted net position* – This amount is the net position that does not meet the definition of “net investment in capital assets” or “restricted net position”.

**NOTE 2 – CASH AND TEMPORARY INVESTMENTS:**

In order to provide a safe temporary medium for investment of idle funds, municipalities are authorized by TCA 6-56-106 to invest in the following:

- (1) Bonds, notes, or treasury bills of the United States;
- (2) Non-convertible debt securities of certain issuers;
- (3) Other obligations which are guaranteed as to principal and interest by the United States or any of its agencies;
- (4) Certificates of deposit at state and federal chartered banks and savings and loan associations;
- (5) Obligations of the United States or its agencies under a repurchase agreement if approved as an authorized investment by the State Director of Local Finance;
- (6) Money market funds whose portfolios consist of any of the forgoing investments if approved as an authorized investment by the State Director of Local Finance; and
- (7) The Local Government Investment Pool under which local monies are transferred to and invested with the State Treasurer’s cash portfolio.

Cash and investments include bank accounts amounting to \$729,799 at the balance sheet date which were insured by the Tennessee Investment Collateral Pool.

**CITY OF PLAINVIEW, TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2022

**NOTE 3 – CAPITAL ASSETS:**

Public domain (“infrastructure”) capital assets consisting of certain improvements, other than buildings, including roads, bridges, curbs and gutters, street and sidewalks, drainage, and lighting systems, have not been capitalized as assets in prior years. Any such assets will be capitalized in the future.

A summary of capital assets used in governmental activities is as follows:

	Capital Assets			Balance 6/30/22
	Balance 7/1/21	Additions	Retirements	
Governmental Activities				
Land .....	\$ 18,000	\$ -	\$ -	\$ 18,000
Building and Improvements.....	245,107	-	-	245,107
Equipment.....	321,368	47,850	-	369,218
Furnishings.....	2,042	-	-	2,042
Playground equipment .....	<u>89,441</u>	<u>-</u>	<u>-</u>	<u>89,441</u>
	675,958	47,850	-	723,808
Less: Accumulated depreciation .....	<u>(398,525)</u>	<u>(32,387)</u>	<u>-</u>	<u>(430,912)</u>
Governmental Activities Capital Assets, Net .....	<u>\$ 277,433</u>	<u>\$ 15,463</u>	<u>\$ -</u>	<u>\$ 292,896</u>

Depreciation expense of \$32,387 was charged to general government activities during the fiscal year.

**NOTE 4 – RISK FINANCING ACTIVITIES:**

It is the policy of the City to purchase commercial insurance for the risks of losses to which it is exposed. These risks include property and casualty, workmen’s compensation, and liability claims. Settled claims have not exceeded this commercial coverage in any of the past three (3) fiscal years.

**NOTE 5 – AMERICAN RESCUE PLAN ACT GRANT (ARPA):**

As of June 30, 2022, the City had unspent ARPA grant funds in the amount of \$186,876. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 33, a liability (unearned revenue) has been recorded for the unspent ARPA funds.

**CITY OF PLAINVIEW, TENNESSEE**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2022

**NOTE 6 – NET POSITION RESTRICTED FOR STATE STREET AID AND DRUG FUND:**

Current year changes in restricted net position balance are presented below:

Restricted Balance, June 30, 2021	\$ 81,207
Current year revenue	72,385
Interest income	60
Current year expenditures	<u>(23,623)</u>
Restricted Balance, June 30, 2022	<u>\$ 130,029</u>

**NOTE 7 – PRIOR PERIOD ADJUSTMENT:**

Accounts payable had been recorded in the prior year for repair and maintenance work to be performed. The repair and maintenance work was never performed and a prior period adjustment for \$6,900 was made to reverse the entry. This entry increased net assets by \$6,900.

**NOTE 8 – SUBSEQUENT EVENTS:**

The date to which events occurring after June 30, 2022, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosures is November 28, 2022, which is the date on which the financial statements were available to be issued.

**CITY OF PLAINVIEW, TENNESSEE**

**SUPPLEMENTAL INFORMATION**

June 30, 2022

**CITY OF PLAINVIEW, TENNESSEE**  
**CAPITAL ASSETS USED IN THE OPERATION OF**  
**GOVERNMENTAL ACTIVITIES**

June 30, 2022

**CITY OF PLAINVIEW, TENNESSEE**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL ACTIVITIES**  
Schedule of Changes by Function and Activity  
For the Fiscal Year Ended June 30, 2022

	<u>Capital Assets</u>			<u>ACCUMULATED DEPRECIATION</u>					<u>Net Book Value</u>
	<u>Balance 7/1/21</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 6/30/22</u>	<u>Balance 7/1/21</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 6/30/22</u>	
Non-Depreciable:									
Land	\$ 18,000	\$ -	\$ -	\$ 18,000	\$ -	\$ -	\$ -	\$ -	\$ 18,000
General Government:									
Building and Improvements	241,607	-	-	241,607	125,377	4,401	-	129,778	111,829
Equipment	8,548	-	-	8,548	8,193	69	-	8,262	286
Furnishings	<u>2,042</u>	<u>-</u>	<u>-</u>	<u>2,042</u>	<u>2,042</u>	<u>-</u>	<u>-</u>	<u>2,042</u>	<u>-</u>
Total General Government	<u>252,197</u>	<u>-</u>	<u>-</u>	<u>252,197</u>	<u>135,612</u>	<u>4,470</u>	<u>-</u>	<u>140,082</u>	<u>112,115</u>
Public Works and Streets:									
Buildings	3,500	-	-	3,500	3,500	-	-	3,500	-
Equipment	<u>157,746</u>	<u>44,225</u>	<u>-</u>	<u>201,971</u>	<u>132,527</u>	<u>7,231</u>	<u>-</u>	<u>139,758</u>	<u>62,213</u>
Total Public Works and Streets	<u>161,246</u>	<u>44,225</u>	<u>-</u>	<u>205,471</u>	<u>136,027</u>	<u>7,231</u>	<u>-</u>	<u>143,258</u>	<u>62,213</u>
Parks and Recreation:									
Playground Equipment	<u>89,441</u>	<u>-</u>	<u>-</u>	<u>89,441</u>	<u>31,814</u>	<u>5,883</u>	<u>-</u>	<u>37,697</u>	<u>51,744</u>
Public Safety:									
Police	<u>155,074</u>	<u>3,625</u>	<u>-</u>	<u>158,699</u>	<u>95,072</u>	<u>14,803</u>	<u>-</u>	<u>109,875</u>	<u>48,824</u>
<b>Total Capital Assets</b>	<b><u>\$ 675,958</u></b>	<b><u>\$ 47,850</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 723,808</u></b>	<b><u>\$ 398,525</u></b>	<b><u>\$ 32,387</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 430,912</u></b>	<b><u>\$ 292,896</u></b>

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

**CITY OF PLAINVIEW, TENNESSEE**

**MISCELLANEOUS SCHEDULES**

June 30, 2022

**CITY OF PLAINVIEW, TENNESSEE**  
**SCHEDULE OF INSURANCE AND BONDING**  
For the Fiscal Year Ended June 30, 2022

<u>Type of Coverage</u>	<u>Amount of Coverage</u>
Comprehensive General Liability – TML	
Bodily Injury	\$ 300,000
Property Damage	100,000
Errors and Omissions	700,000
Automobile	
Liability	300,000
Uninsured	300,000
Fire	
Contents of City Hall	10,000
City Hall Building	114,766
Mobile Equipment	55,664
Gazebo	4,233
Community Center	165,798
Fire Department Building	114,766
Computer Equipment	2,000
Apartment Building	59,734
Honesty Bond	
Mayor and City Recorder	150,000
Workmen’s Compensation	Statutory/\$300,000

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

**CITY OF PLAINVIEW, TENNESSEE**  
**SCHEDULE OF SALARIES OF PRINCIPAL OFFICIALS**  
For the Fiscal Year Ended June 30, 2022

<u>Name</u>	<u>Office</u>	<u>Salary</u>
Gary Chandler	Mayor	\$ 8,099
Richard Phillips	Vice-Mayor	7,100
Josh Collins	Aldersperson/ Planning Commission	5,484
Rebecca Lock	Aldersperson	3,115
Gordon Bright	Aldersperson/ Planning Commission	3,115
Peggy Bates	Planning Commission	194
Walter Stone	Planning Commission	2,372
Shirley Keaton	Planning Commission	2,372
Chelsea Simpson	Planning Commission	2,178

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

**CITY OF PLAINVIEW, TENNESSEE**

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*

June 30, 2022



# Warren Jackson

CERTIFIED PUBLIC ACCOUNTANTS, PLLC

DOUGLAS E. WARREN  
CPA, CFF, CFE, FCPA, CGMA

R. CARTER RUNYAN, CPA

STACY N. EDWARDS, CPA

CAYCE J. ROUNTREE, CPA

ROBERT S. TALLENT, CPA

JUSTIN HICKS, CPA

DENISE S. DAVIS, CPA

DERRICK NELSON, EA

## 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, Members of  
the Board of Aldermen  
City of Plainview  
Plainview, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the City of Plainview, Tennessee's as of and for the years ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Plainview, Tennessee's basic financial statements, and have issued our report thereon dated November 28, 2022.

### **Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Plainview, Tennessee's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Plainview, Tennessee's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Plainview, Tennessee'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 City of Plainview, Tennessee's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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.

*Warren Jackson CPAs PLLC*

Sweetwater, Tennessee  
November 28, 2022

**CITY OF PLAINVIEW, TENNESSEE**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
June 30, 2022

Current Year: None.

Prior Year: None.