



CITY OF CLARKSVILLE, TENNESSEE
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023



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June 30, 2023

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Introductory Section





ANNUAL COMPREHENSIVE FINANCIAL REPORT
LETTER OF TRANSMITTAL

December 19, 2023

The Honorable Mayor, City Council and
Citizens of the City of Clarksville, Tennessee:

As a general purpose local government, the City of Clarksville, Tennessee (the "City") hereby submits the Annual Comprehensive Financial Report ("ACFR") for the fiscal year ended June 30, 2023 as required by our charter and state law. This report is published to provide the Mayor, City Council, City staff, citizens, bondholders, and other interested parties with detailed information concerning the financial activities and fiscal condition of the City government. Although the financial statements have been audited by a licensed, certified public accounting firm under U.S. Generally Accepted Auditing Standards ("GAAS"), responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City of Clarksville.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Clarksville has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with U.S. Generally Accepted Accounting Principles ("GAAP"). Since the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Mauldin & Jenkins, a firm of licensed certified public accountants, has audited the City of Clarksville's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Clarksville for the fiscal year ended June 30, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unmodified opinion that the City of Clarksville's financial statements for the fiscal year ended June 30, 2023, and are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Clarksville's MD&A can be found immediately following the report of the independent auditor.

Profile of the Government

Founded along the Cumberland River in the gently rolling hills of middle Tennessee, the City's roots began with dark fired tobacco and agriculture with its ease of transportation along the river in 1785. The City of Clarksville was incorporated under State of Tennessee Private Acts of 1807. The City is located within Montgomery County and holds the honor of being the only incorporated City within the County's border; the only such municipality in the state of Tennessee. Clarksville once stood as a

port city for the tobacco industry, but in recent years has transitioned to an eclectic and diverse town full of art, restaurants and parks. Clarksville encompasses 100.19 square miles and is within 50 miles of Nashville. Official results of the 2020 U.S. Census show a population of 166,722, a 25.4% growth since the 2010 Census. The US Census estimates our 2022 population at 176,974 an additional 6% growth since the 2020 census was conducted. This is the second year the City of Clarksville has led all Tennessee cities in growth. "Clarksville is a great place to live, work and play and along with that, it is an affordable community that also embraces and encourages diversity. People from all over the nation have discovered our appeal based on these many factors. I'm proud of our showing in the census estimates, which is largely based on how we are now being viewed globally" says Mayor Pitts. The City is known for being a growing city with a well-preserved small-town feel. Our downtown features antebellum-style architecture offering well-preserved houses and commercial buildings, including the Montgomery County Historic Courthouse constructed in the 1800s, iconic City Hall, headquarters for F&M Bank, and the main campus of Austin Peay State University.

The City's Charter was amended under Chapter 24 of the 2015 Private Acts of the General Assembly of the State of Tennessee and operates under a Mayor-Council form of government. The City Mayor is elected at large and is a member of the City Council. The Council is additionally composed of 12 members being elected to staggered terms with one-half of the Council elected every two years. One Council member is elected of each of the 12 Wards within the geographic boundaries of the City, and must reside within the Ward they represent. The Mayor and Council are elected on a non-partisan basis for four-year terms, not to exceed three consecutive terms of office. The Mayor shall be the executive head of the City government, responsible for the efficient and orderly administration of the City's affairs. The Mayor and City Council enact local laws, establish policies, and adopt an annual budget.

The City is empowered to levy a property tax on both real and personal property located within its boundaries. Corporate limits may be extended at the request of the property owner or by a referendum of the people in the affected areas that might want to petition to come into the City. The City has had two such request this past year that increased the City's size by 210.5 acres.

The City provides a full range of municipal services including but not limited to, fire and police protection; streets and infrastructure maintenance and improvements, recreation and cultural activities; community development; general administrative services for the government as a whole and a municipal court system. It also operates natural gas utility, water quality program and wastewater system for residents and other communities outside the City limits. The Department of Electricity provides electric, telephone, internet, and video through the use of fiber-to-the-home services within the City limits. Additionally, the City provides public transportation and parking facilities.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests for budget appropriations annually. The Mayor along with the Chief Financial Officer use these requests as the starting point for developing a budget for City Council's approval. In the months leading up to the end of the fiscal year, councilmembers and residents have multiple opportunities to comment and ask questions at public committee meetings and council workshops prior to presentation for a vote and final passage. Two readings are required for approving the budget. The budget is legally enacted through passage of an ordinance with an operative date of July 1. Revisions increasing the total expenditures of a general fund department must be approved by the City Council by ordinance. General government budgets are prepared by fund, function and department. Our enterprise funds level of budgetary control is at the fund level, only requiring an amendment if the funds budgeted expenses would be exceeded. Budgetary comparison schedules are provided for each individual governmental fund for which an appropriated annual budget has been adopted.

Factors Affecting Financial Condition

The information presented in the financial statements may be best understood when it is considered from the broader perspective of the specific economic environment within which the City of Clarksville operates.

The City of Clarksville has been nationally recognized for its diverse economic base and continues to enjoy substantial stability. The City has been through economic downturns unscathed, a worldwide pandemic, 100 year flood, tornadoes, etc. and continues to grow and prosper. A few years ago, the City of Clarksville was rated "the best place to live in America" by Money Magazine. One of the goals cited for this ranking was to find places where affordability goes hand in hand with a high quality of life. As Money Magazine said, Clarksville is a "charming city to thrive and save at the same time." We still believe this is true today and believe our continued growth supports that. Additionally, Montgomery County consistently ranks among the best places to raise your family. This is the third year in a row our school system has ranked in third in the State.

While the pandemic provided the country and the world with uncertainties beyond comprehension, with many businesses focusing on remote working arrangements, many Americans began relocating to new cities and towns and/or more spacious homes. The performance of Clarksville's real estate market prior to and throughout the pandemic has been enviable on a national scale. The housing market skyrocketed. Houses began selling overnight with multiple offers and never seen before appraisal gaps well above asking prices. Fortune Magazine names Clarksville as one of the best cities to invest in real estate during the pandemic. Factors considered by Fortune were home affordability, employment in high risk industries (hospitality, tourism, etc.), populations between the age of 25-34, percentage of second homes, the housing market and monthly change in home inventory. Fortune wrote "the coronavirus disruption created a new normal for real estate virtually overnight". By May of 2021, the housing inventory offered for sale had depleted to under 120 houses in the Clarksville market. Builders find the demand challenging. Permit issuances, building exceptions and zoning changes to convert large parcels to single-family homes had exceeded all expectations. Most recently, as the housing market begins to stabilize and inflation rises, the multi family home has become more desirable, duplexes, apartment complexes and the like have been sprouting, as evidenced by the 38% decrease in single family building permits issued. Infill with minimal land use has risen tremendously in this past year.

Diversity in the industries within Clarksville has proven our ability to sustain during and after natural disasters, economic downturns and now a pandemic. The City has a blend of commercial, industrial, service, agricultural, and retail industries within the City limits. The City is also the home of the 101st Airborne Division, Fort Campbell with approximately three-quarters of its land mass within the City limits. Diversity across industries is why the City has economically fared virtually unscathed by the post pandemic financial difficulties felt nationwide. Over the past five years, home values have climbed an average of 30%. It is no wonder; Clarksville is one of the fastest growing cities in the United States and the fastest growing city in the State of Tennessee for the second year in a row. We are projected to be the fourth largest City in the State by 2024 surpassing Chattanooga who has held that position for decades.

Local Economy: Clarksville is well positioned for continued growth and enjoys strategic advantages related to its location, strong transportation system, educated employment base, and competitive cost of doing business. Unemployment at the height of the pandemic (spring 2020) Montgomery County had reached over 15%. For 2023 the City's unemployment rate has somewhat normalized at 4.0% compared to the overall state of Tennessee unemployment rate of 3.3%. Clarksville is quite diverse in its workforce and occupation availability. One of our greatest strengths is our well-trained and well-educated workforce making us highly attractive in business recruitment. Our top three employment sectors are retail trade, healthcare and manufacturing. In total, these three sectors comprise 49% of the workforce. The jobs market rose 3.9% this past year and is projected to increase over 30% in the next 5 years. The types of jobs available in Clarksville shifted slightly to have 55.5% in white collar positions, 25.4% in blue collar and 19.1% in services. Over 30% of our residents are educated with at least a bachelor's degree. Over 60% of our residents work within our great City with only 15% of residents commuting to other cities for work. Clarksville has a large variety of occupations including agricultural, food service, construction, arts, and educational services, just to name a few. Over the past several years, the City has been fiscally strategizing for continued anticipated growth.

With our highly-educated workforce, Clarksville has long been attracting large companies. A recent study shows that the area's economic growth is also attracting talent from across the nation: Clarksville-Montgomery County ranked 4th in the nation for talent attraction by the annual Lightcast Economic Development Talent Attraction Scorecard. The study gauges how counties develop their workforce talent pools by analyzing metrics like migration numbers, job growth, and educational attainment. There were only three mega cities nationwide that outranked Clarksville.

Clarksville offers a diverse, growing economy, with employment opportunities in a wide variety of industries. Beyond private companies, the presence of Austin Peay State University, a prominent institute of higher education, and Fort Campbell, the largest military installation in the United States, create a measure of stability in the local job, housing, and business market. This, combined with a lower cost of living, makes Clarksville the best choice to live, work and play.

Tourism is also on the rise with spending in Montgomery County showing an increase of 9.1% over the prior year. Tourism brings just under \$100.0 million in labor income to our county. Tourism spending on lodging increased 17.3% over the prior year. Visitor spending produces state and local tax collections; reducing the burden on residents to support the infrastructure, education, health and safety services. Last year visitors in Montgomery County generated \$486 in tax savings per household as per the State of Tennessee Department of Tourist Development.

The Clarksville area is served by four exits off Interstate 24, two US highways, seven State highways, an active railway in operation by RJ Corman, a growing regional airport, City bus service, commuter bus service to nearby Nashville, and the Cumberland and the Red Rivers. While Fort Campbell continues to assist with the economic stability, there is an assortment of other business activities located within the City's healthy business and labor climate. The downtown area is historic and attractive as the City continues its revitalization efforts. Our downtown businesses transitioned to a new way of doing business during the pandemic in order to stay viable and present. Now that businesses are back in full swing, we can clearly see the revitalization progress in our downtown area has not slowed. The County's project to construct a multi-purpose event center, sponsored by and named for F&M Bank, opened July 2023. The City continues with our project to revitalize the iconic Roxy Regional Theater with a new downtown performing arts center. The City purchased the Roxy building and has contracted with an architect to design the new performing arts center while preserving the historic building, construction is slated to begin in the 2nd quarter of fiscal year 2025.

Quality education is also the centerpiece of a successful community. Austin Peay State University (APSU) maintains training partnerships to provide industry-specific education to students, allowing flexibility so programs can be tailored to current job market needs. This approach to education and training provides support to current and attracts new industries, including highly technical jobs, to this area. Austin Peay State University is a four-year public and doctoral level university with its main campus located within the downtown area. The university is heavily involved in the community and economic development efforts and is one of the largest non-government employers, as well as the State's fastest growing university. The Clarksville Montgomery County School System (CMCSS) continues their approach of offering "Academies" for college and career paths, enhancing technical skills, so graduates are prepared and ready to work or attend college. In 2023 a local radio station (Q108) boasts our school system as ranking as the 3rd best school system in the State. CMCSS is committed to providing quality education to students. CMCSS has been leading the state in safety and consistently does better than the state average in test scores. Clarksville is a treasure trove of family friendly activities and amenities from parks and recreational facilities to museums and cultural events. Families will find no shortage of things to do in this vibrant community. Our close proximity to Nashville further enhances the array of family outings and entertainment options available. No wonder we have been recognized as an exceptional place to raise a family.

Fort Campbell Army Base is the most extensive army base in the country, the second largest military installation in the United States. The base is home to the 101st Airborne Division, the only air assault division globally. The base supports the fourth largest military population in the army with an estimated population of over 235,000, including activity duty members, civilian employees and family members. Approximately 400 soldiers separate from the Army each month, many of which are highly educated with advanced degrees seeking employment within our City. Home of the 101st Airborne Division, Fort Campbell is the only military installation with an Air Assault division in the world since 1956.

Clarksville is a groundbreaker in technology, leading the way for Fiber-to-the-Home (FTTH) in the State. We entered the Broadband industry in 2008 providing video, internet and telephone services throughout the City. Clarksville is one of the true Gig service providers in the nation that offers Gig services to residential and commercial customers; additionally in 2016, we began offering 10 Gig services to commercial customers. The Fiber-to-the-Home network is available to individuals, schools, and businesses in a service area covering the entire City limits including urban, suburban, and rural areas serving a diverse population of nearly 170,000 people. Our Broadband division continues to provide the latest technology to retain a competitive edge. In 2023 the broadband division transitioned from airwave based content delivery to streaming through the fiber network. The airwave satellite dish was dismantled in 2023. The broadband division served 27,476 customers in 2023 a 2% increase over 2022, The system is integrated with Smart Grid, a technology that allows remote monitoring of substantially all metered customers. The availability of high-speed internet continues to attract highly technical businesses.

Through the Industrial Development Board (IDB), the City actively seeks company expansions and new businesses coming to Clarksville. Through the City's department of electricity, CDE Lightband's gigabyte service makes us extremely attractive to the technology industry and businesses focusing on state-of-the-art facilities. Cumberland Electric Membership Corporation announced the installation of fiber for all areas outside of the City limits. CEMC launched Cumberland Connect with approximately 75% of Montgomery County now has fiber service available. While this will not have a direct impact on the City, fiber availability in our industrial parks will only enhance the attractiveness as a destination to relocate. Clarksville is continuing to see business growth with powerhouse businesses also taking note. Previously, Google, LG Electronics, Hankook Tires and Amazon have committed to and opened large facilities in Clarksville. Most recently Dongwha Electrolyte announced a \$70 million investment providing nearly 70 new jobs.

Not only are we attracting new companies to Clarksville, our existing companies are expanding as well. Expansions are underway with Kewpie, Ferrari Stampi and Hankook totaling an additional \$678.4 million investment and 485 jobs. Part of what makes us so attractive to industries is our business-friendly environment, with the State of Tennessee ranked at #7 as the best state for business by Forbes Magazine. Additionally, Site Selection Magazine has ranked the state #5 for the best business climate. Attributes that make us so attractive are being a right to work state with no personal income tax on wages or salaries. We also have the lowest state debt per capita in the country.

The city's manufacturing trade has been experiencing an increase over the past several years, including a rise in foreign direct investment from global manufacturers to include AtlasBX, Hankook Tire, LG and now Dongwha. The City has 53 manufacturing facilities from the oldest smokeless tobacco manufacturer, American Snuff, LLC established in 1907 to our newest being LG Chem.

Clarksville has been able to recruit and attract major businesses to locate or relocate due to multiple factors including one of the lowest overall tax burdens in the United States. Combine that with a diverse, well-educated workforce, lower cost of living, affordable homes and great schools and it is hard to beat ... Clarksville is the best place to live in the US.

The City actively seeks opportunities to partner with private entities to bring additional businesses and services to the City. As the City continues to grow, so does the need for expanded infrastructure; the City has sought and secured many road improvements with State and Federal grants as well as through partnerships with the State to improve and enhance the roadways. Most recently, our partnership with the State on the widening of Highway 374, also known as Warfield Boulevard, was completed to alleviate traffic congestion. In 2021 in coordination with the State, the bridge on Dunbar Cave Road at Swan Lake was redone to enhance safety. The State and City have also committed to partner on the expansion of Trenton Road, which is another highly traveled and congested road within our City.

Partnering with our IDB, utilizing our Payment in Lieu of Taxes (PiLOT) and Tax Increment Financing ("TIF") programs has brought quite a bit of revitalization to our community.

The IDB has created two (2) new TIF Districts within our City limits to help revitalize and expand two areas in our City. One along the Cumberland River where prime property owned by the City is severely underutilized. The other is located where the Frosty Morn Meat Packing plant, established in 1948, was located. At the time of opening, it was located on the outskirts of the City, today this property is central to Clarksville. The facility has stood abandoned, since its closure in 1977, with the iconic smokestack looming over the Red River. The City acquired the property several years ago through tax sale as the property was anticipated to be a brownfield cleanup site. A private developer is working toward creating a mixed use development to include a public ballfield and low to moderate income housing.

Clarksville's cost of living is among the lowest in the United States with an index of 90% with a housing cost of living 22% below the national average. Low cost of living, abundant job opportunities, quality education and affordable housing prices all are part of the draw. Median home values are well below the national values with a median household income that has grown and is slightly higher than the average for the State of Tennessee; making Clarksville an ideal City to start and raise a family. Due to the proximity to Nashville, we continue to see growth on the southeast side of our City enabling easier commutes to Nashville. Our close proximity to Nashville also provides businesses with access to larger markets. The area offers an array of city, suburban and rural living environments attracting a diverse group of citizens.

The City continues to see steady growth as evidenced by continued overall growth in taxable values. For tax year 2022, the properties within the City limits showed growth of 5.5% in appraised values. Commercial appraised values increased 6.5% and residential values increased nearly 3.9%. Throughout the fiscal year, local and state sales tax collections have been reflective of growing consumer confidence with the local option sales tax growth in excess of 4.8% in 2023. As we are recovering from the impacts of the pandemic, the economic indicators continue to be setting the road for a stable outlook and continued growth for our City.

Financial Planning and Policies

Financial Health - The fiscal health of the City remains strong. Through sound financial management practices, the City has maintained a healthy financial position. We have a history of strong fiscal discipline, healthy reserves, a constant review of operations, being ever vigilant to seek new efficiencies and cost reduction measures. The latest General Obligation bonds

issued in March of 2022 Fitch Ratings provided a bond rating of AA+, outlook stable. This was an uprating citing economic diversification rooted in rapid population and tax base growth while having manageable fixed carrying costs and strong levels of reserved and demonstrated willingness to raise revenues to support manageable growth in expenditures to support the city's ability to maintain strong gap closing capacity through economic cycles. Moody's as well maintained the City's rating of Aa2 on the 2022 debt issuance citing a solid financial position and healthy reserve and liquidity levels.

Financial Planning - The City's budget process begins with a short-term and long-term capital improvement planning process. Forward-looking projects are brought to the table by City departments for consideration and discussion. While the City's budget focuses on annual appropriations, capital needs are focused on the long-term. A five-year Capital Improvement Plan is created with input from all City departments and is coordinated with the Regional Planning Commission and Montgomery County. The Chief Financial Officer and Mayor review for reasonableness and potential funding sources. The final product is presented by the Regional Planning Commission, a related entity, and provided to City Council for acceptance. Our annual capital project budget begins with the first year of the five-year Capital Improvement Plan.

Clarksville Gas and Water Department (CGW) has been assessing the demand on our water treatment plants and the need to add another facility. In 2021, a rate study was performed to ensure financial stability for the new plant. The plant will take several years to design and construct, with an estimated price in excess of \$240 million. In 2022, CGW went to market to issue the debt to fund this new water treatment plant. Construction of the new water treatment plant is currently underway.

The City is also in the process of creating an entity-wide Strategic Plan. The budget process will be transformed to support the Strategic Plan's vision, goals and objectives with funding focused on budgeted outcomes. Progress is being made toward identifying quantifiable information to assess performance in meeting the City's goal of efficient and effective management of resources in providing quality services to the citizens of Clarksville.

Relevant Financial Policies - Annually, the City Council approved, Debt Management and Investment Policies are reviewed. The Debt Management policy is intended to guide current and future decisions related to debt issued by the City. A review in 2017 recommended improvements to the City's Debt Management Policy. The updated policy was presented and adopted by the City Council and submitted to the State Comptroller's Office. The Investment Policy is intended to guide investment of excess tax and ratepayer dollars focused on low risk and high safety. In fiscal year 2023 we have started the process of updating our investment policy with plans to bring it to the City Council in fiscal year 2024.

Major Accomplishments For the Year

In this year, the City continued to move forward with our capital plans to support growth. The Mayor's Transportation 2020+ plan has seen quite a bit of movement with capital projects moving forward to improve intersections, widen streets, add sidewalks and add an additional main artery through Clarksville, which will alleviate traffic. The plan is a strategic document designed to guide transportation decisions within the fiscal reality of the City's budget and provide a strategy for road growth and expansion. The plan prioritizes transportation projects into three tiers with a combined estimated cost of \$462 million. These projects are tiered based on need, their ability to solve the City's most pressing traffic and mobility difficulties, and the best allocation of City resources to equitably implement transportation priorities throughout the city. The City's Blueway and Greenway system encompasses nearly 11 miles. Last year the City secured funding for the next phase in this project with the addition of a pedestrian bridge to span the Red River and connect the Greenway at the North side of town to the Red River Trail at the South end of town. With this piece of the project in place, trail goers can conceivably go from Tiny Town Road (North Clarksville) to the Upland Trail (Downtown), overlooking Valleybrook Park without operating in vehicle traffic.

While work continues to construct a multi-million dollar Athletic Complex, we sold 140+ acres of the land, which is not suitable for playing fields, to Silicon Ranch, a solar farm. This is a win-win for the City, Silicon Ranch paid approximately \$3.4 million for the land and provide power to our department of electricity at half the cost of our current purchase agreement with Tennessee Valley Authority (TVA). Clarksville is once again leading the way in innovation with a 6.7 megawatt solar farm project. CDE Lightband, Silicon Ranch and TVA teamed up for this massive project with ground breaking in May 2023. The new solar farm is projected to go online in January 2024. In anticipation of the increased use of solar power, our electric utility is leading the way in the Tennessee Valley territory by implementing a buy-back program for citizens who choose to install solar power at their homes. Our electric utility will purchase excess power from the homeowner. The Athletic Complex is planned to have up to 15 fields for various activities such as soccer and lacrosse. The athletic leagues in our City have far exceeded our capacity at our current complex located at Heritage Park. Clarksville is nationally recognized as a destination for those seeking outdoor activities

that bring dollars to the local economy and helps keep Clarksville in the forefront. Additionally, due diligence work has been completed to construct a new recreation center in the north Clarksville area. In FY23 the City Council approved funding the purchase of property for this much needed complex in north Clarksville. We anticipate the property purchase to move forward in FY24.

In 2022 we received City Council approval to construct a new downtown parking garage and renovate the current Cumberland parking garage. This will be an investment of approximately \$26 million to support the additional growth downtown. We broke ground on the new parking garage in 2023 with anticipated completion in the summer of 2024. The garage plans include an enclosed bridge to connect the garage to Franklin Street, which is the hub of our downtown and conveniently located at the entrance of the new performing arts center and one block from the newly opened F&M Bank Arena. We have contracted with an architect to move the design of a new performing arts center forward. In 2021 The City purchased the Roxy Regional Theater at 100 Franklin Street with a lease back provision until such time as the City was ready to move forward with construction of the performing arts center. Roxy Productions plans to vacate the property at the end of the current theatrical season to temporarily relocate until the new performing arts center is completed. Roxy Productions will be the resident company in the performing arts center while also providing a professional venue for all forms of art from art galleries to local dance company performances.

With our public safety always a top priority, FY23's budget included funding to construct a new administration and training facility for our Fire Department as well as a new fire station 6. In an effort to improve our services and response time remodeling of fire station 1 and expansion of fire station 3 with the intention of making it into a district facility is also budgeted. For our police department the continued expansion and renovation of our Vista Lane offices. Additionally, funding was provided to begin a public safety complex, which will include Fire, Police and EMS (County emergency medical services) in one area. This new complex is to be located at Outlaw Field where the Regional Airport is located. The construction will also include a fueling center for all City vehicles and salt shed area.

We have made significant investments in our public safety with both sophisticated crime-fighting technology and building stronger relationships within our great community. Our officers have the right tools to help them predict trends and investigate crimes. By fostering closer and more collaborative relationships with our citizens, our social media outreach has worked for our citizens to participate in keeping our streets safe.

Our Police Department has maintained the Commission on Accreditation for Law Enforcement Agencies (CALEA) advanced accreditation since 2010. The Police Department will receive its fifth award in July 2024. CALEA's program seals are the "Marks of Professional Excellence" for today's public safety agencies and reflect the gold standard benchmark associated with CALEA. The benefits of participation in CALEA are increased community advocacy, staunch support from government officials, more robust defense against civil lawsuits, reduced risk/liability exposure, and greater accountability within the agency. Additionally, since 2014, our police department has received accreditation from the Tennessee Association of Chief of Police through its Tennessee Law Enforcement Accreditation Program. Our police department should receive its third award in 2024. This program focuses on the continued improvement of law enforcement and emergency communications services by establishing professional standards of accountability, management, and operations.

Our Fire Department has maintained an Insurance Services Office (ISO) 2 rating since 2015. There is only a handful of fire departments in the State with a higher rating of ISO 1. This rating is very important to our citizens as the rating affects their home insurance premium. An ISO class 2 household typically saves 45 cents per dollar for property insurance. This rating is also of great benefit when looking at economic development; businesses will find the better rating beneficial to reducing their overhead costs.

Major Challenges

As with most cities, there is always the possibility of potential revenue shortfalls from both the local economy and state shared revenues. To mitigate that risk, we carefully monitor revenues and collections to remain well positioned for the year. While the pandemic has left the City's finances virtually unscathed, the increased costs of supply chain is a reality across all industries. The inflation rate is reminiscent of the 1980's with rates nearing ten percent (10%) mid 2022. The inflation rate is finally starting to stabilize with monthly rates hovering around three percent (3%). The impact to our citizens and employees has been staggering. Interestingly enough with high inflation and the cost of basic necessities rising we have seen limited entry to the workforce. In an attempt to remain competitive, the City conducted a pay study which was implemented in 2022. Based on the consultant's recommendation we implemented at 4.5% general wage increase in FY23. Our goal is to provide living wages to

all our employees as well as help offset rising costs. The employee and labor pool is something we have not seen and are making adjustments as quickly as possible with little to no improvement in recruiting and retention. All departments are being as creative as possible to hire and retain employees. Without fully staffed departments, the City will struggle to provide the services the citizens demand and are willing to pay for. This continues to be unprecedented times with no history to provide trending. While the overall economy is showing signs of stress during the pandemic the City's strength in economy continues to shine. The City continues to experience growth and stability. The pandemic and significant weather events continue to affect the overall economy of the US and have caused near catastrophic damage throughout the United States. Through pandemics and natural disasters, our utilities and general government are well positioned to handle these types of events in both recovery efforts and financial strength.

Clarksville has been and continues to be recognized nationally as a city that has fared well through the deep recession. The City's diverse economic structure including agriculture, various industrial and commercial industries, as well as the presence of Fort Campbell, all contribute to the stability. The demands of continued growth and the lack of new revenue streams to support the growth will continue to be a challenge. The growth we are experiencing not only necessitates additional and improved infrastructure but also additional services. Over the past few years, we have completed construction of four new public safety facilities (two fire, two police) and our needs continue to grow. The census 2020 was completed showing growth in excess of 24% within the City limits. We continue to see growth year over year, the most recent census numbers show Clarksville as the fastest growing City in Tennessee for the second year in a row. The city is quickly closing in to be the fourth largest City in the State. This trend has a drastic impact on our financial needs to provide public safety to support our growth. The City has been increasing our public safety staffing in an attempt to stay with the standards of 2.2 officers per 1,000 citizens, our growth has outpaced expectations. Hiring difficulties continue to hinder our staffing needs.

Awards and Acknowledgements

The Government Finance Officers Association ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Clarksville for its annual comprehensive financial report ("ACFR") for the fiscal year ended June 30, 2022. This marks the ninth consecutive year receiving this award. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. In order to receive this prestigious award, the government is required to publish an easily readable and efficiently organized ACFR. This report satisfies both GAAP and applicable legal requirements. The Certificate of Achievement is valid for a period of one year. We believe that our current ACFR continues to meet the Certificate of Achievement Program requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the professional and dedicated services of the entire staff of the Finance Department and the City's independent public accountants, Mauldin & Jenkins. We would like to express our appreciation to members of various City departments who assisted in and contributed to the preparation of this report. Further appreciation is extended to the Mayor and the City Council for their interest and support in planning and conducting the financial affairs of the City in a responsible and progressive manner.

Sincerely,



Laurie Matta, MBA, CMFO
Chief Financial Officer
City of Clarksville



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Clarksville
Tennessee**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO



CITY OF CLARKSVILLE
SCHEDULE OF OFFICIALS
JUNE 30, 2023

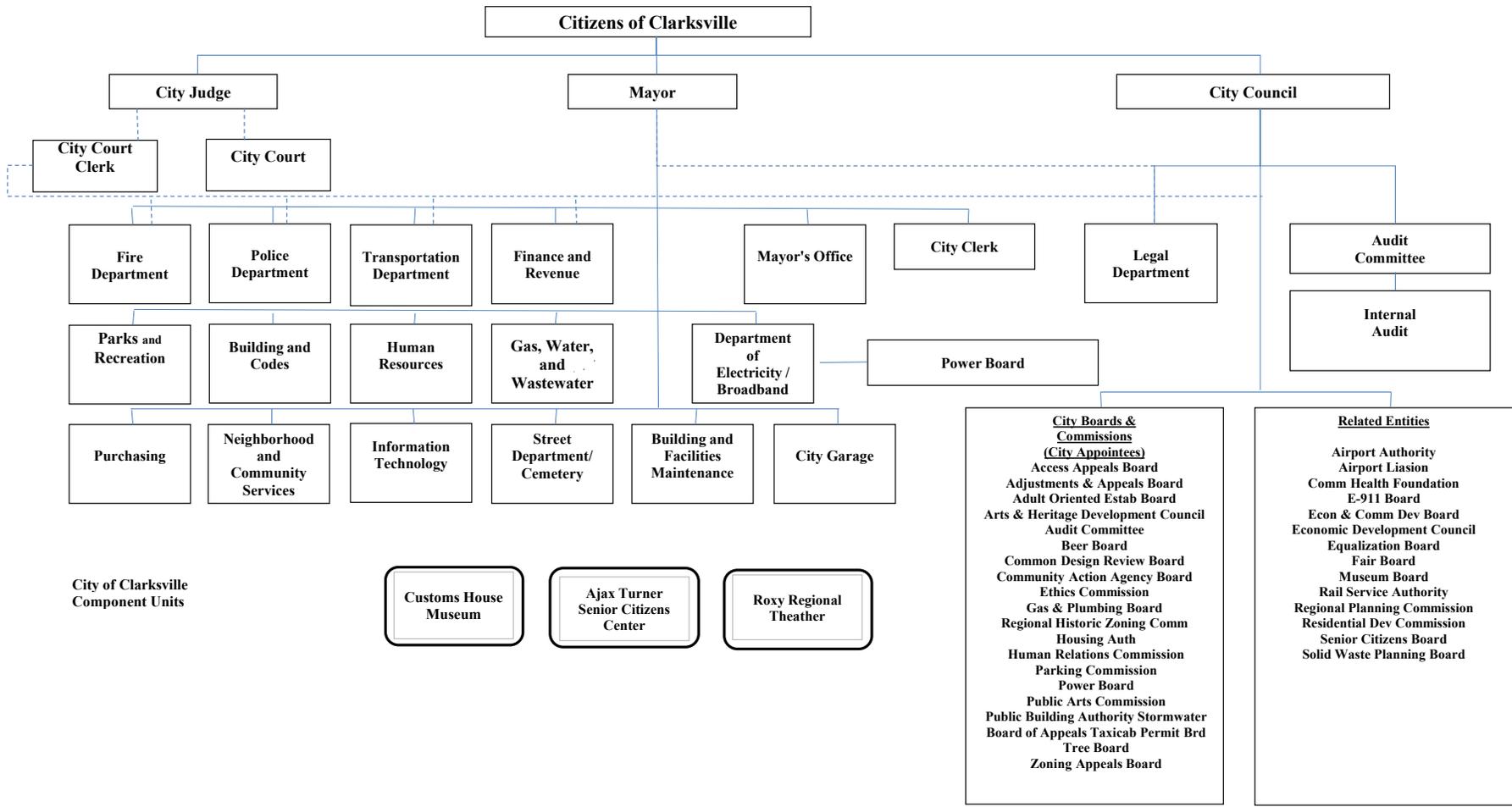
Mayor, Joe Pitts	Term expires: December 31, 2026
City Attorney, Lance Baker	Appointed by the City Council
City Clerk, Lisa Canfield	Appointed by the City Council
Chief Financial Officer, Laurie Matta, CMFO	Appointed by the City Council
Director of Internal Audit, Stephanie Fox	Approved by the City Council

Ward	Council Member	Term Expires
1	Brian Zacharias	December 31, 2026
2	Deanna McLaughlin	December 31, 2026
3	Dajuan Little	December 31, 2024
4	Wallace Redd	December 31, 2024
5	Ambar Marquis	December 31, 2026
6	Wanda Smith	December 31, 2026
7	Travis Holleman	December 31, 2026
8	Wanda Allen	December 31, 2024
9	Karen Reynolds	December 31, 2024
10	Stacey Streetman	December 31, 2026
11	Joe Shakeenab	December 31, 2026
12	Keri Lovato	December 31, 2024



CITY OF CLARKSVILLE
AUDIT COMMITTEE MEMBERS
JUNE 30, 2023

Member	Term Expires
Councilperson Karen Reynolds	Coterminous
Marcia Demorest	December 31, 2023
Elizabeth Rankin	December 31, 2024
Dr. Jennifer Thayer	December 31, 2024
Dr. Brandon Di Paolo Harrison	December 31, 2023



Financial Section





INDEPENDENT AUDITOR'S REPORT

**The Honorable Mayor and Members
of the City Council of the
City of Clarksville, Tennessee**

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Clarksville, Tennessee** (the "City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Clarksville, Tennessee as of June 30, 2023, 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 Clarksville-Montgomery County Museum, Ajax Turner Senior Citizen's Center, Inc., or the Roxy Regional Theater, which represent 100% of the assets, net position, and revenues of the aggregately discretely presented component units as of June 30, 2023. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregately discretely presented component units is 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 on *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Change in Accounting Principle

As described in Note U to the financial statements, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, as of July 1, 2022. This standard significantly changed the accounting for the City's subscription-based information technology arrangements. Our opinions are not modified with respect to this matter.

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 *Governmental 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 5 through 24), the schedule of changes in the net pension liability and related ratios – pension plan, the schedule of employer contributions – pension plan, notes to required supplementary information – pension plan, the schedule of changes in the total OPEB liability and related ratios – general government plan, the schedule of changes in the total OPEB liability and related ratios – electric and broadband departments, and the modified approach for street network infrastructure capital assets, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules, the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the schedule of long-term debt, principal, and interest requirements by fiscal year, the schedule of changes in long-term debt by individual issue, the schedule of changes in lease obligations, the schedule of leases, principal, and interest requirements by fiscal year, and the schedule of changes in property tax receivables, as listed in the table of contents (collectively the "supplementary information"), 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 supplementary information is 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, the schedules of Gas Rates and Customers, Water Rates and Customers, Wastewater Rates and Customers, Electric Rates, Broadband Rates, and Electric and Broadband Customers and Other Data and statistical sections 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 December 19, 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 the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Chattanooga, Tennessee
December 19, 2023

CITY OF CLARKSVILLE, TENNESSEE

MANAGEMENTS DISCUSSION AND ANALYSIS (UNAUDITED)

As management of the City of Clarksville, Tennessee (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2023. Management's Discussion and Analysis ("MD&A") focuses on current year activities and resulting changes. Readers are encouraged to consider the information presented here in conjunction with our letter of transmittal and the City's financial statements and notes to the financial statements, contained in the financial section of this report.

FINANCIAL HIGHLIGHTS

- Net Position - The net position of the City increased from \$1.2 billion in 2022 to \$1.3 billion in 2023 with the most significant changes occurring as follows:
 - The City's governmental activities net position increased 3.7%, from \$492.6 million in 2022 to \$510.6 million in 2023. While there are various increases and decreases the most significant increase is in deferred outflows of resources with an increase of 35.0% from \$34.0 million in 2022 to \$45.9 million in 2023 with the majority due to pensions. Likewise a reduction of 26.4% from \$90.1 million to \$66.3 million, in deferred inflows was also noted, the majority of the reduction is also due to pensions. Fiscal year 2022 was the first time we recognized a pension asset, which is no longer the case in fiscal year 2023. Our negative unrestricted net position of (\$6.9 million) was created in previous years from implementations of both GASB pronouncements for pension and OPEB accounting. The minimal decrease in our negative net position of 33.7% is due to the annual market adjustments in pension calculations.
 - The net position of the City's business-type activities increased 9.1%, from \$748.8 million in 2022 to \$816.7 million in 2023, with significant changes highlighted as follows:
 - The net position of the Gas Department has increased 4.3% from \$71.4 million in 2022 to \$74.5 million in 2023. Most of this is due to normal operations; however, the restructuring of rates, that took place a few years ago, has brought the revenues in line with expenses, with both revenue and expenses increasing by nearly 1%. Weather conditions have a significant impact on revenue since heating accounts for a significant amount of consumption. Degree days are used to determine gas usage for heating. A degree day measures how much the average daily temperature varies from 65 degrees.
 - The net position of the Electric Department increased 3.7% from \$217.4 in 2022 to \$225.5 million in 2023. The majority of this increase is due to normal operations including normal system infrastructure growth and replacement of assets required to recover from a massive wind event in March of 2023.
 - The net position of the Water & Wastewater Department increased 12.6%, from \$430.5 million in 2022 to \$484.7 million in 2023, mainly attributed to normal operations including a \$9.0 million unrealized gain on investments and contributed capital for the wastewater division of nearly \$6.6 million.
 - The Broadband Division net position increased \$3.2 million or 21.5% from a net position of \$15.1 million in 2022 to \$18.3 million in 2023. The Broadband Division has stabilized with several years of positive income and the interdivisional loan from the electric division was paid in full 17 years early. The majority of the increase in net position is due to deployment of XGS PON technology. This technology will enable the division to expand service offerings to our customers.

CITY OF CLARKSVILLE, TENNESSEE

- Natural Gas Acquisition Corporation (NGAC) was created as a single purpose entity, to provide natural gas to members (City of Clarksville and Humphreys County) for distribution. The 2006 prepaid gas contract came to the end of the 15 year term during fiscal year 2022. After the final debt payment was made all remaining assets were disbursed to member agencies through normal rebates. For fiscal year 2023 NGAC had no operations to report.
- **Fund Balance** – The total fund balance of the governmental funds decreased 5.6%, from \$190.0 million in 2022 to \$184.0 million in 2023. This decrease is mainly due to declassification of the pandemic relief fund as a major fund. A more detailed look at the governmental funds follows:
 - For the general fund total assets increased 2.5% as compared to the previous year with \$118.3 million in 2022 and \$121.3 million in 2023. Cash and cash equivalents had a significant decrease from of 53.7% from \$27.2 million in 2022 to \$12.6 million in 2023. A significant part of this decrease is due to normal operations including increased wages and inflationary costs related to operating expenses. Additionally, a \$10.9 million increase in due from other funds of 275.7% compared the prior year of \$4.0 million in 2022 to \$14.9 million in 2023. A further analysis of operations will show strong revenues to support the increased expenditures.
 - During fiscal year 2022 the size of our Pandemic Relief fund, with the City receiving nearly \$27.3 million, the fund qualified as a major fund. However, for fiscal year 2023 it no longer qualifies as a major governmental fund and is blended in with “other governmental funds” for this reporting year.
 - The capital projects fund balance decreased due to a \$51.2 million debt issuance in the prior fiscal year to fund previously approved capital projects. In fiscal year 2023 we utilized in excess of \$9.6 million of fund balance investing in those capital projects.
 - The general fund unassigned fund balance increased 7.5% from \$33.4 million in 2022 to \$35.9 million in 2023. Additionally \$14.6 million of unassigned fund balance has been assigned to the fiscal year 2024 budgeted appropriations. Although \$14.6 million is assigned for 2024’s budget the probability of these funds being used is minimal. Every year the City budgets to use a portion of fund balance for one-time capital outlay expenditures, in the past 20 years only a small portion of its budgeted use has occurred and that was during the nationwide financial crisis in 2011 and the pandemic in 2020.
 - The unassigned fund balance for the General Fund of \$35.9 million is 23.0% of the ensuing fiscal years general fund budgeted operating expenditures and transfers out, well above the City’s Fund Balance Policy minimum requirement of 20%. The unassigned fund balance compared to actual expenditures is 26.5%. Including all classifications of the fund balance is \$51.8 or 38.3% of budgeted expenditures and transfers out.
- **Capital Assets** – The primary government of the City had \$1.557 billion (net of depreciation) invested in a broad range of capital assets at fiscal year-end 2023. These capital assets include police and fire equipment, buildings, park facilities, roads, bridges, utility plant, and infrastructure. Capital assets increased 8.3% as compared to \$1.437 billion at the end of 2022.
 - For the governmental activities, the most significant increases were in infrastructure, acquisitions, and construction in progress. A \$12.6 million increase to infrastructure and acquisition a significant portion of which is due to contributed capital consisting of new roadways and rights of way (\$7.0 million), sidewalks, streetlights and drainage systems (\$3.9 million) and construction in

CITY OF CLARKSVILLE, TENNESSEE

progress increased by nearly \$19.7 million mainly attributable to the street projects that are part of the Mayor's Transportation 2020+ program and a new parking garage being constructed downtown.

- For the City's business type activities the most significant increases were in construction work in progress as we continue to improve and expand our services. As is common with utilities, significant increases in their utility plant, net of depreciation expense we see an increase of \$31.3 million. This is necessary to continually improve and maintain the infrastructure that provides the services the ratepayers are paying for.
 - The Electric division had net capital assets of \$230.7 million, an increase of 7.5% from 2022. This increase is mainly attributed to \$5 million extra spending to repair our capital assets due to extensive damage to the distribution system caused by a wind event in 2023 as well as the dramatic increase in costs for materials and supplies with some transformers costing up to 5 times the cost a year earlier.
 - The Broadband division had net capital assets of \$6.7 million with a 58.7% increase due to continuing construction and deployment of the XGS PON technology overlay.
 - Water and Wastewater departments had a net increase of nearly \$77.5 million mainly due to an increase in building plant and equipment of \$40.9 million and construction work in progress of \$110.6 million mainly due to construction of a new water treatment plant.
 - The Gas department had a net decrease of (\$291,316) mainly due to normal growth and depreciation.

For more detailed information on the City's capital assets, please see Note D in the Notes to the Financial Statements on page 58.

- **Debt** – The City's long term debt was \$606.8 million (including premiums) at fiscal year-end 2023, a net decrease of \$1.4 million. The City's governmental activities total debt is \$132.8 million a net decrease of \$8.3 million. This decrease is due to normal annual debt service payments. Total debt for our business type activities is \$474.0 million which is an increase of \$6.8 million, which is comprised of a new debt issuance for our electric department to fund system wide improvements of \$30.2 million (including the premium) as well as normal debt service payments for both major utilities totaling \$22.5 million. The enterprise funds debt is secured by the revenue generated by the assets of that fund. For detailed information, see Note E in the Notes to the Financial Statements on page 65. Also see Note F in the Notes to the Financial Statements on page 71, related to defeasance.
- **Component Units** – The City has three *discretely presented component units*, the Clarksville Montgomery County Museum (the "Museum"), the Ajax Turner Senior Citizens Center (the "Senior Center") and Roxy Productions, Inc. (the "Roxy"). The agreement with Natural Gas Acquisition Corporation (NGAC) expired September 30, 2022 and the City did not extend this relationship, therefore NGAC is no longer reported with the City. The Museum is considered a discretely presented component unit as the City appoints the majority of its Board members and provides a majority of its financial support to include the use of the City owned iconic Customs House. There is a financial benefit/burden relationship as the City funds any deficits of the Museum. The Senior Center likewise is considered a component unit of the City with half the board members appointed by the City. The facility utilized to provide the services is owned, maintained and improved by the City with an annual rent of \$1. The majority of funding for the Senior Center comes from the City. This crucial service to our older residents would not be possible without the funding and the facility provided by the City. The City has committed to funding the deficits of this program. Recently, Roxy Productions, Inc. (Roxy) became a component unit of the City. The Roxy is much like the Senior Center in that the City appoints half

CITY OF CLARKSVILLE, TENNESSEE

of the board members and provides a portion of the Roxy's funding. In 2021, the City purchased the facility housing the Roxy with the intent of refurbishing the historic facility as well as expanding the size and offering a full performing arts center for use of the many non-profits and arts in the City. Roxy Productions has been contracted by the City to manage and operate the new performing arts center on behalf of the City. The Roxy pays the City an annual rent of \$1.

The City also has related organizations and joint ventures, such as The Public Building Authority, the Industrial Development Board of Montgomery County, Clarksville Montgomery County Regional Airport Authority and the Clarksville Montgomery County Regional Planning Commission. Under United States of America generally accepted accounting principles, these entities do not meet the requirements to be reported as component units.

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. Government-wide statements are provided on a full accrual basis. Activities reported herein are considered either as those of the primary government or those of component units and those activities are delineated as:

<u>Primary Government</u>	<u>Component Units</u>
Governmental Activities	Clarksville-Montgomery County Museum
Business-Type Activities	Ajax Turner Senior Citizens Center Roxy Productions, Inc.

The Statement of Net Position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over periods of time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the 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 result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Clarksville include general government, public safety, highways and streets, community development, and parks and recreation. The *government-wide financial statements* can be found on pages 25 through 26 of this report.

CITY OF CLARKSVILLE, TENNESSEE

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Clarksville can be divided into two categories: governmental funds and proprietary 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, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City maintained sixteen (16) individual governmental funds during 2023. The General Fund, the Debt Service Fund, and the Capital Projects Funds are the only funds considered to be major funds and are presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the governmental funds. Data from the other non-major governmental funds is combined into a single, aggregated presentation in the form of combining statements found on pages 103 and 104.

The City of Clarksville, Tennessee adopts an annual appropriation budget for its general fund and special revenue funds. A budgetary comparison has been provided for the general fund on page 31 and for the special revenue funds on pages 106 and 107 to demonstrate compliance with this budget.

The *basic governmental fund financial statements* can be found on pages 27 through 31 of this report.

Proprietary Funds: The City of Clarksville maintains five major and two non-major proprietary funds. An enterprise fund is used to report the same functions presented in the business-type activities in the government-wide financial statements. The City uses the enterprise funds to account for its electric and broadband operations, and for its gas, water, and wastewater operations. The City has three (3) internal service funds – dental, health, and self-insurance, are to account for the revenues and expenses of services funded through employee and City contributions.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the electric, broadband, gas, water, and wastewater funds, which are considered to be major funds. The *basic proprietary fund financial statements* can be found on pages 36 through 41 of this report. The City's two non-major proprietary funds are Parking Commission and the Transit System, details found on page 108.

Fiduciary Funds: The City of Clarksville has no fiduciary funds. A fiduciary fund is used to account for resources held for the benefit of parties outside the government (i.e. account for a pension plan). The City's pension plans are administered externally. The fiduciary fund is 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 these fiduciary funds is much like that used in proprietary funds.

CITY OF CLARKSVILLE, TENNESSEE

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 44 through 95 of this report.

FINANCIAL ANALYSIS OF THE FINANCIAL STATEMENTS

Government-wide Financial Analysis

Over time, net position may serve as a useful indicator of a government’s financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows of resources by \$1.3 billion as of June 30, 2023.

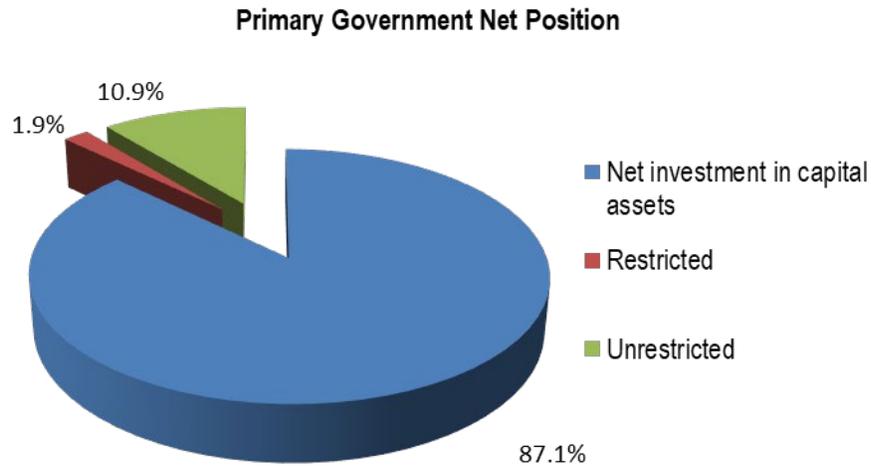
A condensed version of the Statement of Net Position follows:

City of Clarksville Net Position (in millions)						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Assets	\$ 163.0	\$ 183.6	\$ 405.6	\$ 432.5	\$ 568.6	\$ 616.1
Capital Assets	606.1	581.1	951.4	856.2	1,557.5	1,437.3
Total Assets	\$ 769.1	\$ 764.7	\$ 1,357.0	\$ 1,288.7	\$ 2,126.1	\$ 2,053.4
Total Deferred Outflow of Resources	45.9	34.0	21.6	15.8	67.5	49.8
Liabilities	\$ 17.2	\$ 18.1	\$ 46.6	\$ 50.1	\$ 63.8	\$ 68.2
Long Term Liabilities	220.9	197.9	507.4	488.2	728.3	686.1
Total Liabilities	\$ 238.1	\$ 216.0	\$ 554.0	\$ 538.3	\$ 792.1	\$ 754.3
Total Deferred Inflows of Resources	66.3	90.1	7.9	17.3	74.2	107.4
Net Position	\$ 510.6	\$ 492.6	\$ 816.7	\$ 748.9	\$ 1,327.3	\$ 1,241.5
Net investment in capital assets	\$ 510.7	\$ 482.2	\$ 645.9	\$ 603.4	\$ 1,156.6	\$ 1,085.6
Restricted	6.8	20.8	19.0	21.9	25.8	42.7
Unrestricted	(6.9)	(10.4)	151.8	123.6	144.9	113.2
Total Net Position	\$ 510.6	\$ 492.6	\$ 816.7	\$ 748.9	\$ 1,327.3	\$ 1,241.5

The largest portion of the City’s net position, \$1,156.6 million or 87.2%, reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire those assets. 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. A portion of the City’s net position, \$25.8 million or 1.9% represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$144.9 or 10.9% may be used to meet the government’s ongoing obligations to citizens and creditors.

CITY OF CLARKSVILLE, TENNESSEE

A graphical representation of the primary government's net position follows:



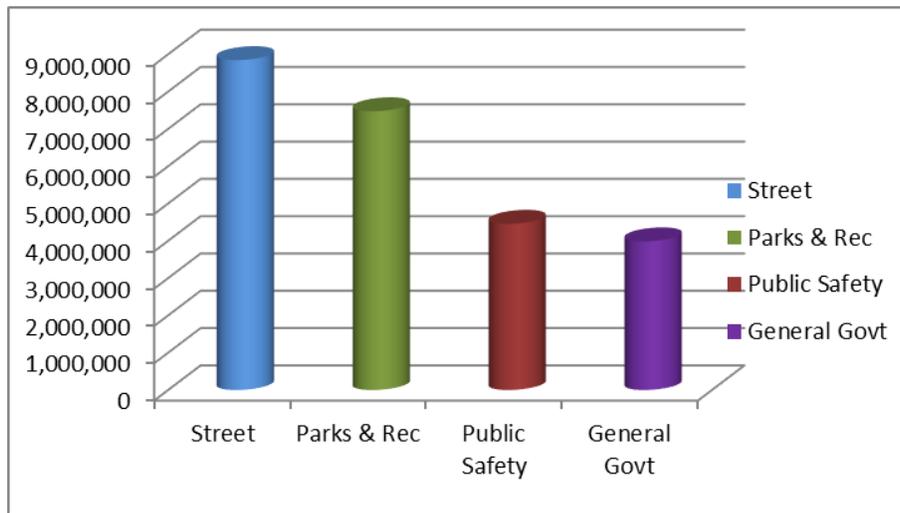
Governmental Activities

The City's net position for governmental activities increased by \$17.9 million mainly attributed to investment in capital assets. In 2018 the City implemented GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which required a restatement of net position and continues to impact the governmental activities as a negative unrestricted net position. In 2022 for the first time since implementation of GASB 68 *Accounting and Financial Reporting for Pensions*, the City recognized a pension asset due to market performance. In 2023 the pension asset has now become a large pension liability. From a pension asset of \$3.3 million to a liability of \$33.3 million. This change of \$36.6 million has caused our negative unrestricted net position of \$6.9 million. General government's investment in capital assets increased \$24.9 million. While some assets and liabilities fluctuate annually due to timing, the continued steady growth in net capital assets reflects the City's continued growth and investment in infrastructure. During this fiscal year, the City had expenditures of \$24.8 million for various approved capital projects in the capital projects fund. The most significant investment is 35.7% on street projects, which includes major roadway expansions and improvements, sidewalks, and drainage overflow projects. Another 18.0% was invested in our public safety departments with 30.2% invested in our Parks and Recreation assets with significant headway made on the Exit 8 Athletic Complex.

CITY OF CLARKSVILLE, TENNESSEE

The graph below represents the breakdown by functional area for the total capital expenses for 2023.

General Government Capital Expenses FY 2023



Business-Type Activities

The business-type entities net position increased by \$67.9 million as compared to the 2022 net position. Capital assets increased by 5.3% or \$68.2 million with various increases and decreases; most notably is the significant increase in building, plant and equipment and construction work in progress as our departments continue the construction of a new water treatment plant and improve our electric infrastructure. It is quite typical for municipal utilities to have significant investment in the assets as the infrastructure is critical to provide services to the customers.

Total liabilities increased by \$15.7 million with various increases and decreases but primarily due to the new debt issuance for the electric division and a large increase in the pension liability. Our gas, water and sewer departments had a large swing in pension from an asset of \$1.3 million to a pension liability of \$13.6 million. The electric department issued new debt to make improvements to the electric plant to keep up with demand and growth in our City. With the exception of debt service reserves, our policies require utilization of restricted resources prior to use of unrestricted resources. Unrestricted net position increased by \$28.2 million primarily attributed to normal operations across all major enterprise funds. There were various increases and decreases in operating revenue totaling \$31.6 million which is mainly attributed to customer usage and capital grants and contributions. Charges for services increased by \$14.4 million reflecting the increased usage and growth in our customer base. As is typical with our enterprise funds, as services experience more demand the cost to provide the service increases as well. A perfect example is the gas department with both revenues and expenses rising in tandem at 0.9%. Weather has a large impact on usage for electric, water, and gas utilities. The Gas department had 3,336 heating degree days for 2023, a decrease of 4.7% over the prior year which coincides with the decrease in the cost of purchased gas, which is a direct pass thru of the commodity to the ratepayer. The broadband divisions operating revenues increased 5.9% attributed to the continued growth in subscribers. Operating expenses increased by 14.1% for the broadband division, this is mainly due to substantial (9.8%) increases in video programming costs. Subscriber count for the broadband division grew by 2.0% during 2023. Business-type activities continue to expand as evidenced by continued increases in capital assets and a steady growth in customer base with an average of 2.8% across all business type funds, as compared to 2022 as well as steady growth averaging 2.7% over the past ten years.

CITY OF CLARKSVILLE, TENNESSEE

While its useful to analyze the City's ending net position, the following condensed Change in Net Position depicts how the City got there. Further analysis by governmental and business-type activities follows.

Primary Government Change in Net Position

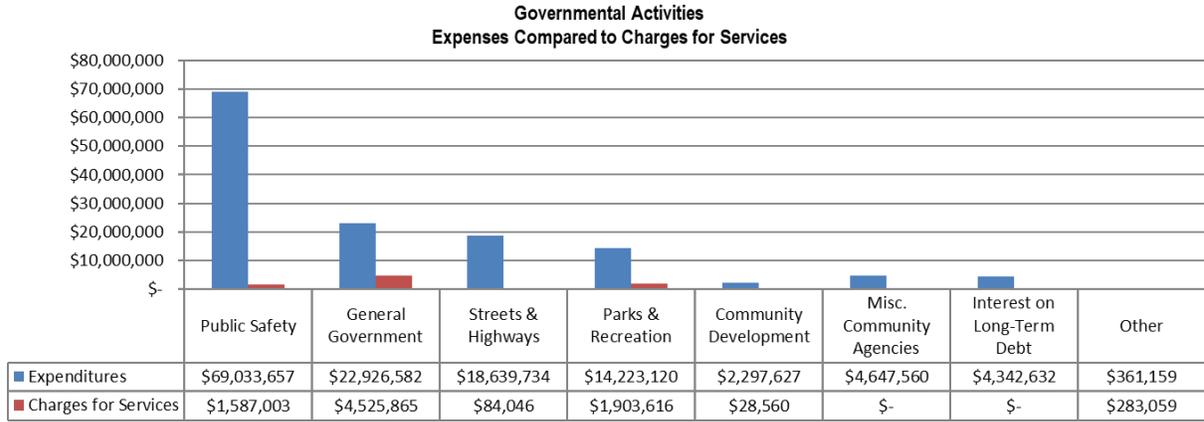
(in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Program Revenues						
Charges for services	\$ 8.4	\$ 8.3	\$ 363.6	\$ 349.2	\$ 372.0	\$ 357.5
Operating grants and contributions	6.6	33.6	4.5	5.2	11.1	38.8
Capital grants and contributions	14.6	38.5	38.3	26.1	52.9	64.6
General Revenues						
Property taxes	45.2	43.0	-	-	45.2	43.0
Other taxes/state shared taxes	63.9	60.7	-	-	63.9	60.7
Other revenues	8.6	3.0	6.1	0.4	14.7	3.4
Total Revenues	147.3	187.1	412.5	380.9	559.8	568.0
Expenses						
General government	22.9	20.2	-	-	22.9	20.2
Public safety	69.0	39.8	-	-	69.0	39.8
Highways and streets	18.7	31.0	-	-	18.7	31.0
Parks & Recreation	14.2	9.3	-	-	14.2	9.3
Other	11.7	8.9	-	-	11.7	8.9
Electric	-	-	195.4	178.3	195.4	178.3
Broadband	-	-	26.5	23.2	26.5	23.2
Gas	-	-	36.6	36.0	36.6	36.0
Water and Sewer	-	-	68.9	71.6	68.9	71.6
Natural Gas Acquisition Corporation	-	-	-	5.5	-	5.5
Parking Commission	-	-	0.4	0.2	0.4	0.2
Transit	-	-	9.6	8.3	9.6	8.3
Total Expenses	136.5	109.2	337.4	323.1	473.9	432.3
Excess of revenues over expenses	10.8	77.9	75.1	57.8	85.9	135.7
Transfers(net)	7.2	8.2	(7.2)	(8.2)	-	-
Change in net position	18.0	86.1	67.9	49.6	85.9	135.7
Beginning net position, as restated	492.6	406.5	748.8	699.2	1,241.4	1,105.7
Ending net position	\$ 510.6	\$ 492.6	\$ 816.7	\$ 748.8	\$ 1,327.3	\$ 1,241.4

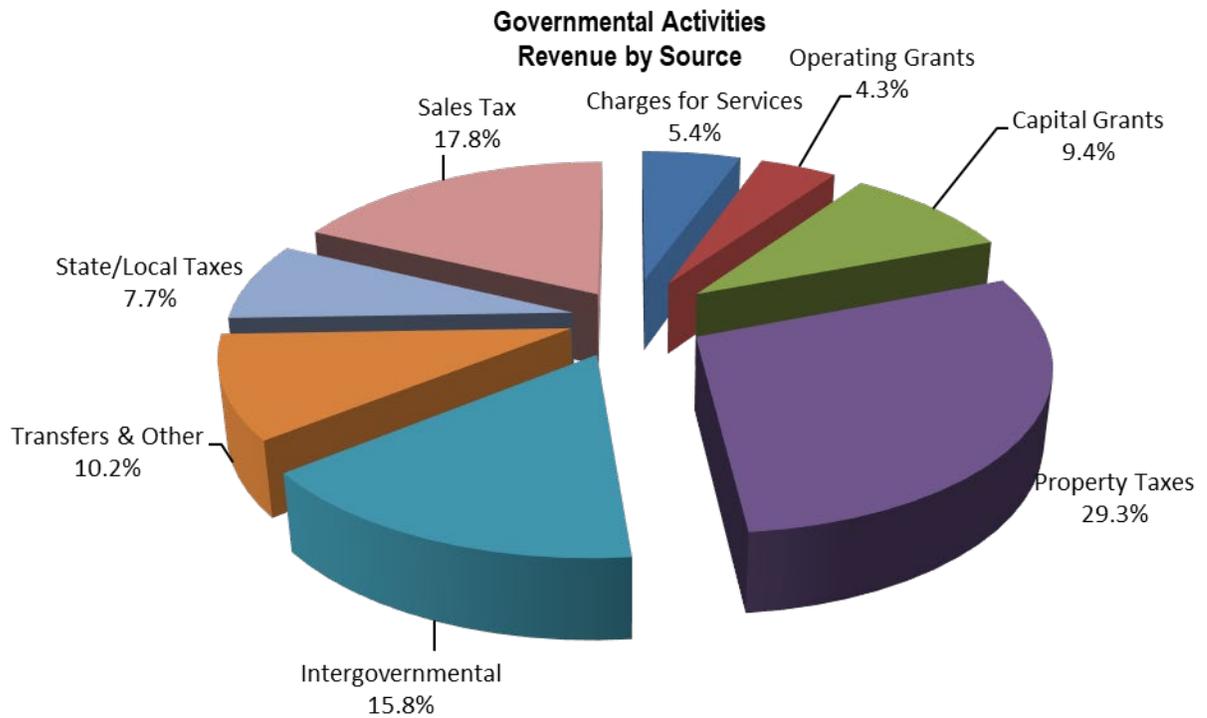
Governmental Activities

General government activities such as police protection, fire suppression, street maintenance and recreational activities are normally funded through taxes, as is the case in Clarksville; other revenue sources for these activities typically come in the form of grants from other agencies and limited user fees. The chart below reflects this reality with the majority of revenues from various grants, supplemented by a small amount of user fees from Parks & Recreation and Community Development's loan repayment program as compared to the expenditures to provide the service.

CITY OF CLARKSVILLE, TENNESSEE



The graph below displays, by source, the various types of the City's governmental revenues including transfers in, which total \$154.4 million for 2023. This is a decrease of 21.0% over the prior year due to decreased operating and capital grants, 80.4% and 62.2% respectively.



CITY OF CLARKSVILLE, TENNESSEE

Further detail related to governmental activity revenues by source follows:

	2023		2022	
	Source of Revenue	As a Percent	Source of Revenue	As a Percent
Charges for Services	\$ 8,412,149	5.4%	\$ 8,252,501	4.2%
Operating Grants	6,583,136	4.3%	33,634,803	17.2%
Capital Grants	14,565,179	9.4%	38,519,865	19.7%
Property Taxes	45,239,089	29.4%	43,027,180	22.1%
Intergovernmental	24,446,493	15.8%	22,857,122	11.7%
Transfers & Other	15,726,705	10.2%	11,170,216	5.7%
State/Local Taxes	11,890,897	7.7%	11,517,914	5.9%
Sales Tax	27,547,806	17.8%	26,354,598	13.5%
	<u>\$ 154,411,454</u>	<u>100.0%</u>	<u>\$ 195,334,199</u>	<u>100.0%</u>

Clarksville continues to prove its sustainability during the current economic challenges including the continuing recovery of the COVID19 pandemic. This is evidenced by revenue stability in all major revenue classifications with the exception of grants. Excluding grants, revenue categories growth averaged 10.4% in 2023, with the greatest increase of 66.3% in fees for services. The increase in charges for services reflect our citizens enjoying our programs and parks once again as life returns to normal. Overall governmental revenue sources decreased by \$40.9 million or 21.0% as compared to 2022 due to reduction in grant revenue as the pandemic relief funds have come to an end. One revenue stream that clearly demonstrates the strength in the local economy is sales tax with an increase of 4.5%. Sales tax is a strong indicator of consumer confidence in the economy. For budget year 2023 tax year 2022, the City tax rate was \$1.23 per \$100 of assessed values. Our property tax revenues show a 5.4% increase this is due to growth in our tax base, also a strong indicator of our economic strength.

Represented within the governmental funds analysis is the capital projects fund. The transfer into the capital projects fund consists of \$750,000 is from other sources i.e., our road improvement fund. City Council committed one quarter of a quarter percent of the local option sales tax to the Road Improvement Fund for exclusive use of road capital projects Also classified as "transfers in" includes the 20 cents of tax dollars committed to the Mayor's Transportation 2020+ projects of nearly \$5.3 million. Intergovernmental revenues of \$1.3 million are mainly from federal and state grants and investment earnings were in excess of \$1.4 million. During the fiscal year, we had total expenditures of \$24.8 million in the capital projects fund.

Business-Type Activities

Proprietary funds are intended to be self-supporting funds with revenues derived from charges for the services provided. The City's business-type activities ending net position increased 9.1% from 2022 net position of \$748.8 million to \$816.7 million in 2023. This increase is due to various elements of operating revenues; the most significant is an increase in charges for services of \$14.5 million or 4.1%. In total, the business type entities' expenses continue to increase as the services increase. For 2023 business type entity expenses grew by 41.6% or by \$14.3 million.

The electric and gas departments normally follow the typical pattern of nearly equal increases/decreases in operating revenues as expenses. This is due to the direct relationship of the cost of power/gas and usage. The cost of power/gas is passed on directly to the ratepayer, thus increased consumption equals increased charges for services and expenses. This fiscal year the electric department's revenues increased 5.9% while expenses increased 9.1%. The cost of purchase power increased 11.3%, the cost of purchased power increased by a greater margin due to timing at fiscal year end. As is typical and expected, the gas department experienced an 0.9% increase in both operating

CITY OF CLARKSVILLE, TENNESSEE

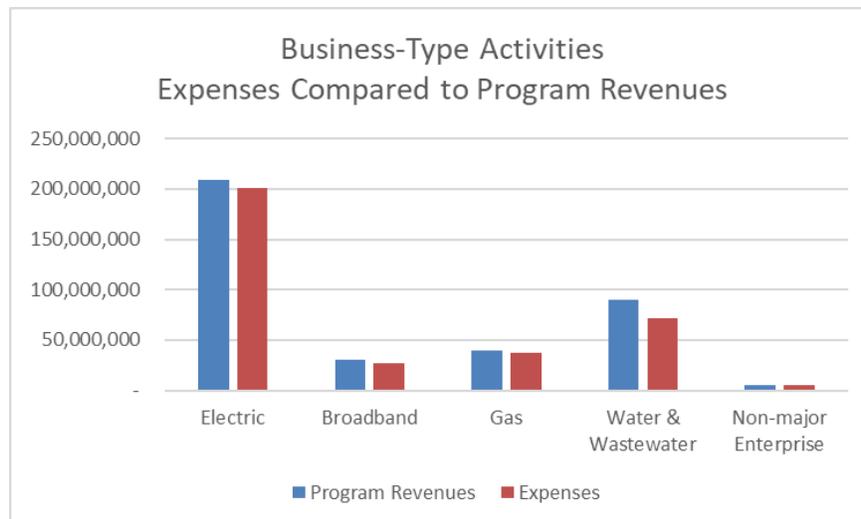
revenues operating expenses. Weather impacts related to heating degree days account for this increase in operating expenses. The water and wastewater divisions had an increase of \$5.7 million or 7.0% in operating revenues; most of this is due to normal usage. Both water and wastewater divisions had growth in revenues due to usage however both divisions had much higher growth in expenses due to increased costs for normal operating expenses. Water and wastewater divisions had increases in operating expenses of 17.1% and 15.0%, respectively.

The Broadband division's net position increased 21.5% from \$15.1 million in 2022 to \$18.3 million in 2023. This is the fifth consecutive year since inception of the broadband division that it has had a positive net position. This is due to several years of positive net income. An increase in operating revenues of 5.9% from \$27.9 million in 2022 to \$29.5 million in 2023 mainly attributed to an increase in internet subscribers. This is the eighth consecutive year the Broadband division has had a positive change in net position. Due to Broadband's improved financial operations and stability in 2021 Broadband repaid the electric division for the initial loan seventeen (17) years earlier than planned.

Our non-major enterprise funds consist of the Parking Commission and Transit department, details of these funds can be found beginning on page 108. In total, non-major enterprise funds net position increased from \$10.9 million in 2022 to \$11.0 million in 2023, a 1.3% increase. The Parking Commission's net position increased by 7.8% or \$169,351 for 2023 mainly attributed to increased revenues 35.2% due to increased rates enacted by the Parking Commission. The City and the downtown businesses are showing great signs of financial health exceeding pre-pandemic levels. The parking fund has been positioning itself for the anticipated growth due to Montgomery County's F&M Bank Arena that opened early in 2023. A new parking garage is expected to be completed in 2024 to support the arena as well as the City's planned performing arts center. Both are located in the heart of the downtown area.

The change in net position for 2023 decreased slightly for the Transit department by \$32,399, which is due to increased operating expenses of 12.9% nearly all attributed to inflationary costs. Our Transit department was provided significant grants to pay for operations and revenue generating vehicles. Over the past several years, the transit department sought and received grant funds to replace nearly all of their revenue generating fleet and expand their fleet to provide additional services. The Transit fund is subsidized by the general fund of the City. For 2023 the general fund contributions increased by \$1.4 million or 93.8%, this is directly related to the pandemic with less federal COVID19 operating and capital grants provided.

The chart below depicts the comparison of revenues versus expenses for the City's proprietary funds.



CITY OF CLARKSVILLE, TENNESSEE

Financial Analysis of the City's Funds

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

At the end of the current fiscal year – June 30, 2023 – the City's governmental funds reported combined ending fund balances of \$94.5 million, a 14.3% decrease totaling \$15.8 million less than the prior year. The majority of the decrease consists of previously issued debt usage in the capital projects fund. The general fund's total fund balance increased nearly \$6.1 million or 13.2% compared to the prior year of \$45.8 million. Increased property taxes due to growth in our tax base provided nearly \$2.3 million over the prior fiscal year. The City's local option sales tax continues to show confidence in our economy with 4.5% growth over the prior fiscal year from \$25.2 million to \$26.3 million. Our state shared revenues that are dependent on census count increased from \$26.7 million to \$28.3 million or 5.9%. The City's policy on fund balance is to maintain an unrestricted fund balance of 20% of operating expenditures. With our fund balance well over 32% the City felt it was appropriate to plan the utilization of fund balance in the coming year. As such, \$14.6 million is assigned to the 2024 budget for one time capital outlay expenditures. Over the past 20 years, when the City budgets use of fund balance to maintain at least 20% unrestricted fund balance with the exception of the nationwide economic downturn and the pandemic the City has never utilized fund balance but instead has increased fund balances, as was the case in 2023. The City continued its commitment to the safety of its citizens by spending in excess of \$8.8 million on streets projects and \$4.5 million on the fire and police department improvements. With these large expenditures and the anticipated expenditures related to the Mayor's Transportation 2020+ program coupled with the new parking garage, the timing was perfect to enter the bond market to issue debt. The City went to market in April of 2022 securing 3.4% total interest cost with a premium of \$7.7 million. We are still spending down those funds during budget year 2023 and well into 2024.

The General Fund is the chief operating fund of the City of Clarksville: The total fund balance was \$51.8 million of which \$35.9 million is considered unassigned and available for spending at the government's discretion, \$14.6 million is assigned for the 2024 budget and \$1.3 million was nonspendable (inventories and prepaid items). The other governmental fund balances are either restricted, committed or assigned. Specifically special revenue funds include such items as grant funds like ARPA, drug funds and capital projects. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. For 2023, the unassigned fund balance represents 25.2% of 2023 general fund final budgeted expenditures and other financing uses and total fund balance represents 33.1% of budgeted expenditures and other financing uses for the ensuing fiscal year. The City's policy is to maintain unassigned fund balance equal to or greater than 20% of the budgeted expenditures.

The Governmental Fund's revenue decreased \$40.9 million for 2023 over 2022. This decrease is due exclusively to operating and capital grants. During fiscal year 2022 we received in excess of \$72 million in operating and capital grants across all governmental funds. For 2023, we received \$21.1 million in federal/state operating and capital grants and decrease of nearly 71%. All other classifications of revenue in the governmental funds saw increases over the prior year with the greatest increase in "Transfers & Other" due to sale of an asset. In 2016 the City purchased a large parcel of land for eventual construction of a regional athletic complex. In 2023, we sold a small portion of the land that was unsuitable for a recreation complex to a solar power generating company. The steep bluff provided the perfect

CITY OF CLARKSVILLE, TENNESSEE

angle for an extensive solar panel farm. Our property tax saw a stable 5.1% increase due to growth in new home appraised values. The taxable value increased from \$11.9 billion to \$13.6 billion from 2022 to 2023 or a 6% increase in our tax base. Local option sales tax rose by 4.5% while minimal compared to 2022 still signifies the continued growth in the local economy and consumer confidence. Historically, the City has been able to maintain one of the lowest property tax rates in the state due to our continued growth in our tax base and population. For 2023, our US census estimated population is 176,974 a 6.2% increase since the census numbers were released two years ago. The US Census projects the City of Clarksville will surpass Chattanooga and become the state's fourth largest City in 2024. The construction industry has taken a turn in this past year with single family housing decreasing and new builds for multi-family increasing. Due to high interest rates apartment complexes are in high demand. Rezoning cases have far surpassed any historical trends with large parcels being converted from agricultural to multi family use as well as many infill multi-family projects. Governmental funds expenditures showed growth, which coincides with growth in our community. For instance, the general fund public safety expenditures increased \$8.2 million or 11.1%. Our public safety has a growth plan to provide 2.2 officers per 1,000 residents. As our City grows so will our department expenditures. Total expenditures for the general fund rose from \$100.3 million in 2022 to \$115.0 million in 2023, a 14.7% increase.

The City maintains several individual governmental funds organized according to their type (special revenue, debt service, and capital projects). Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenue, expenditures and changes in fund balances for the General Fund, Debt Service Fund, and Capital Projects Fund, which are considered to be major funds of the City. Fiscal year 2023 was the Pandemic Relief Fund no longer rose to the level of a major fund of the City. Data from the remaining governmental funds, including the Pandemic Relief Fund, are combined into a single, aggregate presentation. Individual fund data for each of the non-major governmental funds is presented in the form of combining statements, which can be found on pages 103 to 107.

Proprietary Funds

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

Operating revenues increased by 4.5% as compared to the prior fiscal year from \$347.6 million to \$363.2 million, in 2023. This increase is mainly attributed to the electric, broadband and water and wastewater revenues, 5.9%, 5.9% and 7.0% respectively. Operating revenues of the gas department are based on consumption, which is impacted by weather. Electric had a \$11.5 million increase in operating revenues, driven by electric consumption, which is evidenced by the growth in cost of purchased power of nearly 12.0%. The broadband divisions increase is directly related to the increase in subscriber services. The water and wastewater departments enjoyed a 7.0% increase in revenues, inflationary costs for operating expenses rose 16.0% causing their net operating income to decrease by 11.3%.

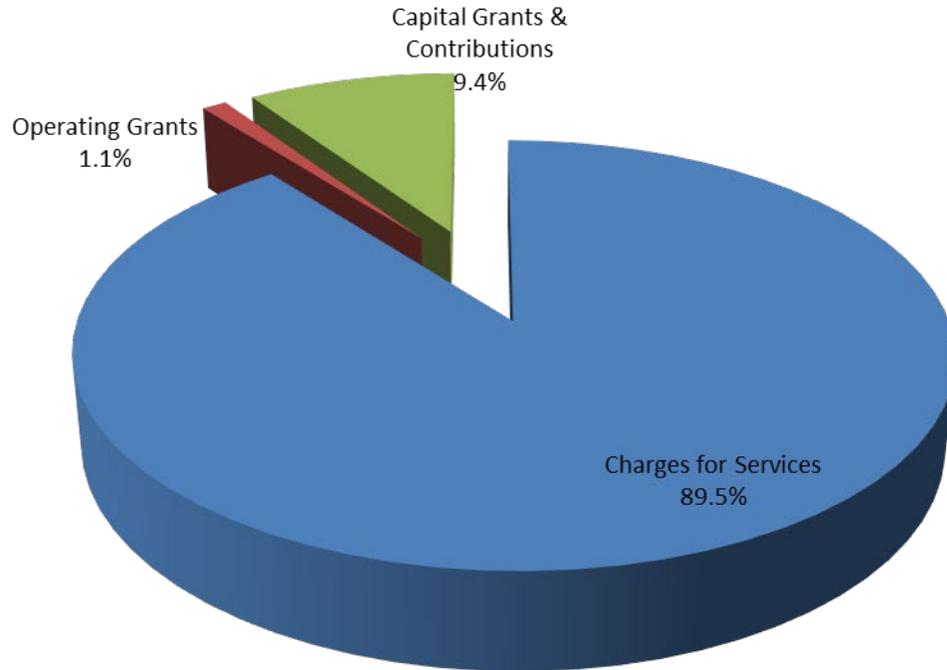
An analysis of the enterprise funds operating revenue and expense shows the revenues are keeping pace with the expenses for our major utilities; electric, broadband, gas, water and wastewater and the parking commission with positive operating income for the year. Transit shows an operating loss which is quite typical for our Transit department as the majority of funding comes through federal and state grants, categorized as non-operating revenues. NGAC is no longer presented as a blended component unit as 2022 was the last year of operation for this single purpose entity. Enterprise funds operating revenues increased by 4.5% and operating expenses increased by 8.2%. These increases are both related to weather and demand, increased subscriber service costs as well as inflationary costs for all operating expenses. Degree days increase or decrease the demand for more or less energy, which in turn typically increases

CITY OF CLARKSVILLE, TENNESSEE

or decreases the volume of purchased power and gas necessary to provide the services. All proprietary funds have experienced customer growth averaging 2.8% which in turn increases the operating expenses to provide the service. The largest growth in customer base is in the electric division, residential customers had growth of 4.3% as compared to 2022.

The following is a graph showing the revenues by source for the city's proprietary funds. There is a stark contrast from governmental funds with 89.5% of all revenues derived from charges for services.

Proprietary Funds Revenues by Source



The following table shows actual revenues, expenses, and results of operations for the current fiscal year in the City's proprietary funds (in millions):

	Operating Revenues	Operating Expenses	Operating Income (Loss)	Non-Operating Income (Expense)	Capital Contributions & other	Interfund Transfers	Change in Net Position
Electric	\$ 206.8	\$ 192.4	\$ 14.4	\$ (0.9)	\$ -	\$ (5.4)	\$ 8.1
Broadband	\$ 29.5	\$ 26.4	\$ 3.1	\$ 0.3	\$ -	\$ (0.1)	\$ 3.3
Gas	\$ 38.4	\$ 36.2	\$ 2.2	\$ 1.2	\$ 0.5	\$ (0.8)	\$ 3.1
Water & Sewer	\$ 87.0	\$ 63.2	\$ 23.8	\$ (2.5)	\$ 36.6	\$ (3.8)	\$ 54.1
Non Major Enterprise Funds	\$ 1.4	\$ 9.8	\$ (8.4)	\$ 4.5	\$ 1.1	\$ 2.9	\$ 0.1
Total	\$ 363.1	\$ 328.0	\$ 35.1	\$ 2.6	\$ 38.2	\$ (7.2)	\$ 68.7

CITY OF CLARKSVILLE, TENNESSEE

General Fund Budgetary Highlights

As the major operating fund of the City, budgetary comparison statements for the general fund can be found on page 31. Highlights of revenue and expenditures follow:

- As we were preparing the fiscal year 2023 budget with the COVID19 pandemic still looming, we prepared our budget conservatively in the new normal still facing the unknown. As such, we projected revenues conservatively with a 1.4% growth over 2022's actual revenues.
- With uncertainty still before us as well as amid inflation not seen since the 1980s, we knew we had to take care of our employees. Prior to the pandemic employee retention had been a difficult issue which was only further exacerbated by COVID19. Employee retention continues to be an issue with remote working becoming quite the norm. City services are not easily converted to remote work which limits our applicant pool. In an attempt to stay competitive the fiscal year 2023 budget included a 5% general wage increase (GWI) for all non-probationary employees. With the consumer price index (CPI) increasing 9.6% and 4.1% in the past two fiscal years, the GWI barely touched our hiring and retention efforts.
- Once again, the City of Clarksville proved its resilience. Our revenues came in much stronger than budgeted with an increase of 4.2% from the original budget of \$135.7 million to \$141.4 million. Regardless of our historical resilience, monthly a careful and meticulous analysis of revenues and expenditures is conducted. In total from the original budget, the general funds operating revenues were \$5.7 million more than the original approved budget. Nearly all classification of revenues had an increase during the current fiscal year, with the exception of grant and permit revenues. Actual revenues for 2023 were nearly \$7.6 million over the prior year for a 5.7% increase. The most notable increases were in taxes including property, sales tax and Payment in Lieu of Taxes (PiLots) with a 4.8% total increase. Additionally, our local option sales tax saw an increase over the prior fiscal year of \$1.1 million, while this increase is moderate compared to prior fiscal years it still represents growth in our economic environment. Quite noteworthy is the growth in our interest income with nearly \$1.6 million increase over the past fiscal year. This represents the upside of inflation with earning interest rates increasing in excess of 800%. With indicators of increases in property tax base and sales tax this once again, points to the sustained economic growth in this area.
- Due to unknowns of inflation and supply chain issues from the pandemic, the general fund expenditures were conservatively budgeted with a 6.3% increase over the prior year original budget. This increase takes into consideration the increased cost of operating expenditures as well as a 5.0% general wage increase for all employees. During the budget amendment process the general fund operating budgets were decreased nearly \$4.7 million a 3.2% decrease. In total the general fund expenditures were an additional \$3.0 million less than the amended budgeted appropriations. Expenditures of all departments were under the amended budget appropriations with the exception of our Highways and Streets department due to adjustments that were necessary related to the lease and subscription based GASB pronouncements. While public safety, Fire and Police, and Streets account for over 60.3% of the City's total budget the departments budgetary savings of \$1.4 million is approximately 1.6% of their amended budgets.
- There was significant budgetary savings from the Parks and Recreation department, including our golf courses, of 6.3% of the amended budget. The majority of this savings is due to unfilled positions.
- While budgetary control is typically at the fund level, City Code requires departmental budgetary control. All increases to departmental budgets of the general fund must be approved by City Council. Monitoring and compliance with budgets is reviewed at least monthly by the City's Chief Financial Officer and reported to the Finance Committee with departments being responsible for budgetary spending.

CITY OF CLARKSVILLE, TENNESSEE

- Our goal and requirement is to maintain a 20% general fund balance of the current year's budgeted expenditures. This fund balance policy has been tried and tested through multiple natural disasters including a 100-year flood, catastrophic ice storms and most recently the pandemic and the straight-line winds declared event. The past several years our unassigned fund balance has been approximately 30%. At the end of 2023, the net change in in the general fund, fund balance was an increase of \$6.1 million.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City of Clarksville's investment in capital assets from its governmental and business-type activities as of June 30, 2023 is nearly of \$1.6 billion (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery and equipment, park facilities, roads, highways and bridges.

Major capital asset events during the current fiscal year included the following:

- The City invested in multiple capital projects for Public Safety, Highway and Streets other various improvements with fiscal year expenditures of \$24.8 million and capitalization of over \$34.7 million in new general government assets, which includes contributed capital.
- The City added \$6.3 million in our street network. Our construction work in progress increased by \$19.7 million or 79.2% with extensive work being conducted on the Mayor's Transportation 2020+ plan to alleviate traffic, Whitefield Road improvement and Spring Creek Parkway projects had the most significant expenditures for the year with \$2.1 million and \$1.5 million, respectively. These very large projects will take several years to complete. These projects and more are part of the Mayor's Transportation 2020+ approved plan. As of 2023, the total amount of approved funding for street capital projects is \$125.3 million.
- Our Parks and Recreation department is another area of focus with an approved capital budget of nearly \$62.9 million. In 2022 we received the architectural and engineering plans for phase 1 of the Athletic Complex, in 2023 we continued to work toward this multi-phased project coming to fruition. The plans include seven lighted multipurpose fields, an all-access playground and walking trail, buildings for concessions, restrooms and parking areas. We continue to focus on expanding our greenways and blueways, including the a pedestrian bridge that will span the Red River and connect the North Clarksville Greenway and the Kraft Street spur (downtown). We continue to make significant investments in refurbishing neighborhood parks and upgrading our current athletic fields.
- Over the past several years, we have focused on public safety with our capital assets by building a new fire maintenance facility and police precinct that were both completed in 2022. In 2023, we budgeted to start the planning and constructing of a new fire administration complex to include administrative offices and state of the art training facilities. In total public safety has approved capital projects totaling \$16.0 million.
- The business type activities had an increase of \$130.6 million in capital assets with the most notable an increase in building and utility plant of \$62.7 million. This is quite typical of utilities as they continue to invest in the infrastructure that provides the service to the customers.
- The City's enterprise fund, specifically Water & Wastewater received contributed capital of \$36.6 million, typically from developers constructing water and wastewater systems for newly developed areas and donating the infrastructure to the City to maintain.
- The electric divisions capital assets had significant increases (\$37.0 million) and decreases (\$31.0 million) to construction in progress due to normal plant growth as well as repairs to the system due to the FEMA declared natural disaster that caused damage to the system.

CITY OF CLARKSVILLE, TENNESSEE

- The governmental funds capital assets had an increase of nearly 4.3% or \$25.0 million. The most significant increases are in infrastructure and acquisition of \$12.6 million, the majority of which is contributed capital for our network of streets and sidewalk and construction work in progress with a net increase of \$18.8 million due to continued work on our capital projects.
- Our business activities growth in capital assets shows the continued investment to maintain and improve the infrastructure/systems to serve their customers.

City of Clarksville Capital Assets

At fiscal year end, the City has a total of nearly \$1.6 billion invested in capital assets, net of depreciation. Below is a summary of the City’s capital assets by classification and fund type. Additional information on the City of Clarksville capital assets can be found in Note D, Capital Assets in the Notes to the Financial Statements section of this report beginning on page 58.

	Governmental Activities	Business-Type Activities	Total
Land and Easements	\$ 64,090,978	\$ 10,324,959	\$ 74,415,937
Buildings and Utility Plant	135,915,854	1,156,297,756	1,292,213,610
Vehicles	34,978,769	37,267,662	72,246,431
Equipment and Furniture	25,349,745	93,917,900	119,267,645
Construction in Progress	44,475,941	135,646,659	180,122,600
Infrastructure & Acquisition	444,779,045	-	444,779,045
Total Capital Assets	749,590,332	1,433,454,936	2,183,045,268
Less Accumulated Depreciation	(143,540,820)	(482,116,965)	(625,657,785)
Net Capital Assets	\$ 606,049,512	\$ 951,337,971	\$ 1,557,387,483

The City has elected to use the “Modified Approach” as defined by GASB Statement No. 34 for reporting its Street Assets. The Modified Approach requires the City to capitalize the existing streets and preserve these assets at or above an established condition level, which the City has established as a Pavement Condition Index (“PCI”) of 41. The City maintains 690 miles of pavement and rates the condition in three conditions: Good to Excellent – 91%; Fair – 7%; and Poor to Failed – 2%. City policy recognizes that some streets may be rated below the 41-PCI, and that once streets fall below this level that management may allow the street to completely fail before restoring the street to a 100-PCI and starting the process over. The City’s overall system was estimated at a Pavement Condition Index of Excellent “87” at June 30, 2023.

Long-term bonded debt

At the end of the current fiscal year, the City of Clarksville had total long-term bonded debt outstanding of \$606.8 million (including premiums in excess of \$72.5 million). Of this amount, \$123.4 million comprises debt backed by the full faith and credit (general obligation) of the City and \$410.6 million comprises bonds secured solely by specified revenue streams (i.e. revenue bonds). An overall decrease in total long-term debt (including premiums) of \$1.4 million from \$608.2 million in 2022 to \$606.8 million in 2023 is the net effect of a debt issuances for the electric department for \$30.2 million (including a \$1.6 million bond premium) and normal annual debt service retirements.

CITY OF CLARKSVILLE, TENNESSEE

More detailed information regarding the City's long-term debt can be found in Note E, Long Term Obligations in the Notes to the Financial Statements section of this report beginning on page 65.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
General Obligation Bonds	\$ 123,412,000	\$ 131,413,000		\$ -	\$ 123,412,000	\$ 131,413,000
Bond Premiums	9,265,946	9,376,156	63,256,291	67,252,029	72,522,237	76,628,185
Revenue and Tax Bonds	-	-	410,592,377	399,921,256	410,592,377	399,921,256
Lease/Subscription Liability	117,814	261,106	167,579	-	285,393	261,106
Total	\$ 132,795,760	\$ 141,050,262	\$ 474,016,247	\$ 467,173,285	\$ 606,812,007	\$ 608,223,547

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City of Clarksville considered how our city continues to emerge from the pandemic, its continued growth and our critical infrastructure needs in preparing its budget for fiscal year 2024. The proposed budget focused on meeting the needs of our current year growth, while being forward looking as we work together to minimize both the physical and fiscal risk to our citizens. For fiscal year 2024, City Council approved maintaining the current property tax rate of \$1.23 per \$100 of assessed value.

The pandemic created an unexpected trend in the housing market that has continued Clarksville's desirability as one of the best places to live for young professionals and to retire. A city like Clarksville is poised to take advantage of this trend. Named one of the best places to invest in real estate during the pandemic by Fortune magazine. Clarksville continues to see tremendous growth. We continue to be recognized as a place where millennials and young professionals thrive due to our unique balance between job opportunities, quality of life amenities and affordability. Businesses continue to seek relocation to our great city because of the diversity in our workforce as recognized by EMSI Burning Glass (EMSI). EMSI ranked Clarksville-Montgomery County in sixth place among large counties in the nation for talent attraction. This recognition is a testament to our being one of the best places to live, work and raise a family. This is further supported by our proximity to Fort Campbell. Fort Campbell retirees and active military families provide a unique specialty in workforce that only Clarksville can provide.

Fiscal year 2023's budget included significant wage increases due to a pay study commissioned in 2023. With the consumer price index continuing to rise and significant vacancies, we included a 5% general wage increase in an attempt to stay competitive in the job market in budget year 2024.

In the 2023 budget, we created a vehicle replacement fund to assist in leveling the departments operating budgets and to have the funds restricted for use that can carry over year after year. With delays in delivery and increased prices, this fund has already assisted departments in being able to fulfill their vehicle needs.

Due to the continued national accolades for the Clarksville economy and a positive growth expectation, the budget was built around maintaining a healthy but realistic fund balance, investing in our workforce and meeting the City's diverse set of priorities.

CITY OF CLARKSVILLE, TENNESSEE

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Clarksville'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:

- Department of Finance and Revenue
Attention: Chief Financial Officer
1 Public Square, Suite 300
Clarksville, TN 37040-3463

- Clarksville Department of Electricity
Attention: Chief Financial Officer
PO Box 31509
Clarksville, TN 37040-0026

- Clarksville Gas, Water & Sewer Department
Attention: Senior Finance Director
2215 Madison Street
Clarksville, TN 37040-0387

Certain information regarding state compliance of the Department of Electricity and the Gas, Water & Wastewater Departments can be found in their respective stand-alone financial reports. Please see those reports for additional information.

CITY OF CLARKSVILLE, TENNESSEE

Statement of Net Position
June 30, 2023

	Primary Government			Component Units
	Governmental Activities	Business Type Activities	Total Primary Government	
Assets				
Cash and cash equivalents	\$ 17,017,748	\$ 156,608,433	\$ 173,626,181	\$ 629,959
Investments	38,739,683	-	38,739,683	1,555,809
Receivables (net allowance for uncollectibles):				
Accounts	2,194,634	38,357,639	40,552,273	167,762
Taxes	53,888,576	-	53,888,576	-
Notes	4,234,711	-	4,234,711	-
Leases	1,045,129	-	1,045,129	-
TVA conservation program	-	193,600	193,600	-
Other	6,427,775	541,888	6,969,663	-
Inventories	385,344	19,033,531	19,418,875	40,088
Prepaid and other assets	1,716,923	1,402,276	3,119,199	61,214
Prepaid gas supplies	-	4,782,307	4,782,307	-
Restricted assets:				
Cash and cash equivalents	-	48,180,747	48,180,747	32,898
Investments	-	136,532,917	136,532,917	-
Unused bond proceeds	37,398,302	-	37,398,302	-
Capital assets not being depreciated/amortized:				
Land	26,187,466	10,324,959	36,512,425	-
Street network	305,396,918	-	305,396,918	-
Construction in progress	44,475,941	135,646,659	180,122,600	-
Capital assets net of accumulated depreciation/amortization:				
Buildings and land improvements	86,589,328	-	86,589,328	2,275,561
Utility plant in service	-	805,366,353	805,366,353	-
Equipment, furniture and fixtures	20,091,337	-	20,091,337	277,905
Infrastructure	123,308,522	-	123,308,522	-
Total Assets	769,098,337	1,356,971,309	2,126,069,646	5,041,196
Deferred Outflows of Resources				
Deferred outflows related to pensions	39,790,108	15,426,186	55,216,294	-
Deferred outflows related to OPEB	6,088,191	1,398,963	7,487,154	-
Deferred outflows related to bond refundings and defeasance	-	4,815,074	4,815,074	-
Total Deferred Outflows of Resources	45,878,299	21,640,223	67,518,522	-
Liabilities				
Accounts payable and other current liabilities	10,235,816	22,952,215	33,188,031	91,799
Accrued interest payable	954,673	6,631,135	7,585,808	-
Internal balances	1,914,876	(1,914,876)	-	-
Due to other governmental agencies	144,589	-	144,589	-
Unearned revenue	626,275	915,270	1,541,545	-
TVA advances	-	211,960	211,960	-
Customer deposits	226,888	15,117,418	15,344,306	-
Compensated absences due within one year	3,088,280	2,726,181	5,814,461	20,608
Long-term debt due within one year	7,848,679	19,639,152	27,487,831	11,443
Total OPEB liability due in more than a year	54,182,518	17,604,758	71,787,276	-
Net pension liability due in more than a year	33,252,746	13,603,210	46,855,956	-
Compensated absences due in more than a year	669,630	2,051,721	2,721,351	-
Long term debt due in more than a year	124,947,081	454,377,095	579,324,176	126,980
Other noncurrent liabilities	-	74,299	74,299	-
Total Liabilities	238,092,051	553,989,538	792,081,589	250,830
Deferred Inflows of Resources				
Property taxes	47,335,291	-	47,335,291	-
Deferred inflows related to pensions	2,758,846	855,060	3,613,906	-
Deferred inflows related to OPEB	15,546,360	6,246,647	21,793,007	-
Deferred inflows related to leases	684,266	-	684,266	-
Deferred inflows related to refunding	-	792,618	792,618	-
Total Deferred Inflows of Resources	66,324,763	7,894,325	74,219,088	-
Net Position				
Net investment in capital assets	510,652,054	645,926,915	1,156,578,969	2,458,936
Restricted for:				
Debt service	-	18,980,488	18,980,488	-
Community Development	5,593,879	-	5,593,879	-
Public safety	1,172,176	-	1,172,176	-
Non-expendable - Museum Endowment Fund	-	-	-	68,270
Other - Museum capital projects	-	-	-	32,898
Unrestricted	(6,858,287)	151,820,266	144,961,979	2,230,262
Total Net Position	\$ 510,559,822	\$ 816,727,669	\$ 1,327,287,491	\$ 4,790,366

The notes to the financial statements are an integral part of this statement.

CITY OF CLARKSVILLE, TENNESSEE

Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Primary Government:								
Governmental activities:								
General Government	\$ 22,926,582	\$ 4,525,865	\$ -	\$ -	\$ (18,400,717)	\$ -	\$ (18,400,717)	\$ -
Public Safety	69,033,657	1,587,003	370,664	1,109,045	(65,966,945)	-	(65,966,945)	-
Highways & Streets	18,639,734	84,046	6,097,265	11,833,905	(624,518)	-	(624,518)	-
Community Support	4,647,560	-	-	-	(4,647,560)	-	(4,647,560)	-
Community Development	2,297,627	28,560	-	1,622,229	(646,838)	-	(646,838)	-
Parks & Recreation	14,223,120	1,903,616	115,207	-	(12,204,297)	-	(12,204,297)	-
Drug Enforcement	361,159	283,059	-	-	(78,100)	-	(78,100)	-
Interest on Long-Term Debt	4,342,632	-	-	-	(4,342,632)	-	(4,342,632)	-
Total governmental activities	<u>136,472,071</u>	<u>8,412,149</u>	<u>6,583,136</u>	<u>14,565,179</u>	<u>(106,911,607)</u>	<u>-</u>	<u>(106,911,607)</u>	<u>-</u>
Business-type activities:								
Electric	195,433,242	206,819,194	-	-	-	11,385,952	11,385,952	-
Broadband	26,456,653	29,522,334	-	-	-	3,065,681	3,065,681	-
Gas	36,556,174	38,641,771	-	521,330	-	2,606,927	2,606,927	-
Water and Wastewater	68,941,090	87,279,567	-	36,640,356	-	54,978,833	54,978,833	-
Parking Commission	380,159	538,214	-	-	-	158,055	158,055	-
Transit	9,603,095	843,127	4,542,807	1,109,372	-	(3,107,789)	(3,107,789)	-
Total business-type activities	<u>337,370,413</u>	<u>363,644,207</u>	<u>4,542,807</u>	<u>38,271,058</u>	<u>-</u>	<u>69,087,659</u>	<u>69,087,659</u>	<u>-</u>
Total primary government	<u>\$ 473,842,484</u>	<u>\$ 372,056,356</u>	<u>\$ 11,125,943</u>	<u>\$ 52,836,237</u>	<u>\$ (106,911,607)</u>	<u>\$ 69,087,659</u>	<u>\$ (37,823,948)</u>	<u>-</u>
Discretely Presented Component Units	<u>\$ 4,329,883</u>	<u>\$ 1,244,701</u>	<u>\$ 2,081,285</u>	<u>\$ 407,408</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(596,489)</u>
General revenues:								
Property taxes					45,239,089	-	45,239,089	-
Intergovernmental revenue state shared taxes - unrestricted					24,446,493	-	24,446,493	-
Franchise/business tax					5,539,160	-	5,539,160	-
Sales tax					27,547,806	-	27,547,806	-
Beer and liquor tax					4,963,469	-	4,963,469	-
In Lieu of tax					684,692	-	684,692	-
Other tax					703,576	-	703,576	-
Other unrestricted revenue					8,501,022	-	8,501,022	-
Net investment income					-	6,107,282	6,107,282	156,133
Transfers					7,225,683	(7,225,683)	-	-
Total general revenues and transfers					<u>124,850,990</u>	<u>(1,118,401)</u>	<u>123,732,589</u>	<u>156,133</u>
Change in net position					<u>17,939,383</u>	<u>67,969,258</u>	<u>85,908,641</u>	<u>(440,356)</u>
Net position - beginning, as restated					<u>492,620,439</u>	<u>748,758,411</u>	<u>1,241,378,850</u>	<u>5,230,722</u>
Net position - ending					<u>\$ 510,559,822</u>	<u>\$ 816,727,669</u>	<u>\$ 1,327,287,491</u>	<u>\$ 4,790,366</u>

The notes to the financial statements are an integral part of this statement.

CITY OF CLARKSVILLE, TENNESSEE

Balance Sheet
Governmental Funds
June 30, 2023

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 12,596,520	\$ -	\$ -	\$ 1,359,749	\$ 13,956,269
Investments	30,000,518	-	-	8,739,165	38,739,683
Receivables (net allowance for uncollectibles):					
Accounts receivable	2,119,401	-	-	75,233	2,194,634
Taxes receivable	53,670,357	-	-	218,219	53,888,576
Notes receivable	-	-	-	4,234,711	4,234,711
Leases	1,045,129	-	-	-	1,045,129
Due from other governments	5,660,247	-	437,876	329,652	6,427,775
Due from other funds	14,923,102	313,299	2,250,000	6,853,805	24,340,206
Inventories	385,344	-	-	-	385,344
Other	919,055	-	-	425,996	1,345,051
Restricted assets:					
Cash and cash equivalents and investments	-	-	37,398,302	-	37,398,302
Total assets	<u>\$ 121,319,673</u>	<u>\$ 313,299</u>	<u>\$ 40,086,178</u>	<u>\$ 22,236,530</u>	<u>\$ 183,955,680</u>
Liabilities					
Accounts payable	\$ 2,481,891	\$ 58,799	\$ 2,226,066	\$ 403,173	\$ 5,169,929
Accrued liabilities	3,942,062	-	-	-	3,942,062
Customer deposits	226,888	-	-	-	226,888
Due to other funds	12,903,885	-	9,641,279	6,930,624	29,475,788
Due to other governmental agencies	144,589	-	-	-	144,589
Unearned revenue	355,799	-	-	270,476	626,275
Total liabilities	<u>20,055,114</u>	<u>58,799</u>	<u>11,867,345</u>	<u>7,604,273</u>	<u>39,585,531</u>
Deferred inflows of resources					
Deferred taxes	47,335,292	-	-	-	47,335,292
Unavailable revenue - taxes	1,404,967	-	-	-	1,404,967
Unavailable revenue - intergovernmental	-	-	437,876	-	437,876
Deferred inflows related to leases	684,266	-	-	-	684,266
Total deferred inflows of resources	<u>49,424,525</u>	<u>-</u>	<u>437,876</u>	<u>-</u>	<u>49,862,401</u>
Fund balances					
Nonspendable:					
Inventories	385,344	-	-	-	385,344
Prepaid items	919,055	-	-	-	919,055
Restricted:*					
Special revenue funds	-	-	-	6,766,055	6,766,055
Capital projects	-	-	27,780,957	-	27,780,957
Committed:					
Special revenue funds	-	-	-	7,866,202	7,866,202
Assigned:					
Debt service	-	254,500	-	-	254,500
Fiscal year 2024 budget	14,600,877	-	-	-	14,600,877
Unassigned	35,934,758	-	-	-	35,934,758
Total fund balances	<u>51,840,034</u>	<u>254,500</u>	<u>27,780,957</u>	<u>14,632,257</u>	<u>94,507,748</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 121,319,673</u>	<u>\$ 313,299</u>	<u>\$ 40,086,178</u>	<u>\$ 22,236,530</u>	<u>\$ 183,955,680</u>

The notes to the financial statements are an integral part of this statement.

*See Note P for details on restrictions

CITY OF CLARKSVILLE, TENNESSEE

**Reconciliation of the Balance Sheet of
Governmental Funds to the Statement of Net Position
June 30, 2023**

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

Total fund balances of governmental funds		\$ 94,507,748
Capital assets used in governmental activities are not financial resources, and therefore are not reported in the governmental funds.		606,049,512
Receivables not available to pay for current expenditures are unavailable in the governmental funds.		1,842,845
Internal service funds are used by management to charge the costs of certain activities, including dental, health and risk management, to other funds. The assets and liabilities of the internal service funds are included as governmental activities in the statement of net position.		5,530,231
Long-term liabilities, including notes payable, bonds payable, accrued annual leave, net pension liability and OPEB liability, are not due and payable in the current period, and therefore are not reported in the funds.		
Long-term debt	(132,795,760)	
Net pension liability	(33,252,746)	
OPEB liability	(54,182,518)	
Compensated absences	<u>(3,757,910)</u>	
		(223,988,934)
Accrued interest payable is not due and payable from current resources, and therefore is recorded in government-wide but not in the governmental funds.		(954,673)
Deferred inflows and outflows of resources related to pensions		37,031,262
Deferred inflows and outflows of resources related to OPEB		<u>(9,458,169)</u>
Net position of governmental activities		<u><u>\$ 510,559,822</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF CLARKSVILLE, TENNESSEE

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2023

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes:					
Property	\$ 45,168,813	\$ -	\$ -	\$ -	\$ 45,168,813
Sales	26,285,259	-	-	1,262,547	27,547,806
Franchise	1,110,987	-	-	-	1,110,987
Wholesale beer and liquor	4,963,469	-	-	-	4,963,469
Business tax	4,428,173	-	-	-	4,428,173
Other taxes	703,576	-	-	-	703,576
State shared revenues	30,543,758	-	-	-	30,543,758
Licenses and permits	3,374,385	-	-	-	3,374,385
Fines and forfeitures	526,556	-	-	632,326	1,158,882
Contributions	-	-	-	86,521	86,521
Intergovernmental	1,146,335	-	1,338,586	1,984,289	4,469,210
Charges for services:					
Program income	-	-	-	485,252	485,252
Fees for services	3,424,260	-	-	-	3,424,260
Payment in lieu of taxes	684,692	-	-	-	684,692
Miscellaneous	6,519,023	13,293	1,503,571	354,925	8,390,812
Total revenues	<u>128,879,286</u>	<u>13,293</u>	<u>2,842,157</u>	<u>4,805,860</u>	<u>136,540,596</u>
Expenditures					
Current:					
General government	16,028,657	-	-	432,501	16,461,158
Public safety	64,062,996	-	-	559,500	64,622,496
Highway and streets	16,300,768	-	-	-	16,300,768
Recreation	9,576,663	-	-	490,413	10,067,076
Neighborhood & community services	-	-	-	2,297,627	2,297,627
Drug enforcement	-	-	-	146,569	146,569
Other appropriations	2,267,397	-	-	-	2,267,397
Misc. community agencies	2,878,999	-	-	-	2,878,999
Other	1,216,470	-	-	552,091	1,768,561
Debt service:					
Principal	120,542	8,001,000	-	2,298	8,123,840
Interest and other charges	8,185	4,049,603	-	366	4,058,154
Capital outlay	2,567,235	-	24,753,881	3,293,366	30,614,482
Total expenditures	<u>115,027,912</u>	<u>12,050,603</u>	<u>24,753,881</u>	<u>7,774,731</u>	<u>159,607,127</u>
Excess (deficiency) of revenues over (under) expenditures	<u>13,851,374</u>	<u>(12,037,310)</u>	<u>(21,911,724)</u>	<u>(2,968,871)</u>	<u>(23,066,531)</u>
Other financing sources (uses)					
Issuance of lease payable	8,163	-	-	-	8,163
Transfers in	12,532,673	11,991,803	6,017,035	155,147	30,696,658
Transfers out	(20,333,980)	-	-	(3,136,995)	(23,470,975)
Total other financing sources (uses)	<u>(7,793,144)</u>	<u>11,991,803</u>	<u>6,017,035</u>	<u>(2,981,848)</u>	<u>7,233,846</u>
Net change in fund balances	6,058,230	(45,507)	(15,894,689)	(5,950,719)	(15,832,685)
Fund balance - beginning	<u>45,781,804</u>	<u>300,007</u>	<u>43,675,646</u>	<u>20,582,976</u>	<u>110,340,433</u>
Fund balance - ending	<u>\$ 51,840,034</u>	<u>\$ 254,500</u>	<u>\$ 27,780,957</u>	<u>\$ 14,632,257</u>	<u>\$ 94,507,748</u>

The notes to the financial statements are an integral part of this statement.

CITY OF CLARKSVILLE, TENNESSEE

**Reconciliation of the Statement of Revenue, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year Ended June 30, 2023**

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

Net change in fund balances - total governmental funds	\$	(15,832,685)
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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/amortization expense. Specifically these items are as follows:

Capital assets purchased		28,020,759
Depreciation/amortization expense		(11,829,603)
Net carrying value of disposals and adjustments of capital assets		(2,109,150)
Contributions of infrastructure assets		10,897,785

Revenues in the statement of activities that do not provide for current financial resources are not reported as revenues in the funds		(332,189)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Specifically, these items are as follows:

Issuance of lease payable		(8,163)
Payments on debt principal		8,123,840
Remeasurement of lease payable		28,615

Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities for:

Amortization of bond premiums		110,210
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Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the governmental funds for:

Compensated absences		(454,102)
Accrued interest		(284,478)
OPEB expense net		2,595,752
Pension expense net		505,769

Internal service funds are used by management to charge the costs of certain activities to individual funds. Employee health insurance and risk management are also included.		(1,492,977)
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Change in net position of governmental activities	\$	<u>17,939,383</u>
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The notes to the financial statements are an integral part of this statement.

CITY OF CLARKSVILLE, TENNESSEE

Budgetary Comparison Statement - General Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original Budget	Final Budget		
REVENUES				
Taxes:				
Property	\$ 44,847,098	\$ 44,361,697	\$ 45,168,813	\$ 807,116
Sales	25,027,582	26,800,000	26,285,259	(514,741)
Beer and liquor	5,157,599	4,978,766	4,963,469	(15,297)
Business	3,723,509	4,007,310	4,428,173	420,863
Franchise fee	1,607,524	1,239,881	1,110,987	(128,894)
Hotel and motel	500,000	555,181	597,085	41,904
Litigation	11,034	13,535	14,027	492
Payments in lieu of taxes	582,947	582,018	684,692	102,674
Weed bills/demolition	120,000	85,000	92,464	7,464
Total taxes	<u>81,577,293</u>	<u>82,623,388</u>	<u>83,344,969</u>	<u>721,581</u>
Intergovernmental:				
Sales tax	18,506,142	19,523,581	19,835,336	311,755
Income tax	50,000	23,888	359	(23,529)
Beer tax	78,359	76,128	76,128	-
Liquor tax	1,200,000	1,320,231	1,342,728	22,497
TVA replacement taxes	1,750,581	2,004,589	2,004,589	-
Excise tax	400,000	423,073	423,074	1
Sports Betting	250,083	250,083	271,918	21,835
Telecommunication tax	65,100	74,467	70,761	(3,706)
Training-Public Safety	463,200	421,600	421,600	-
Grants	2,902,651	4,662,086	1,146,335	(3,515,751)
State street aid:				
Gas and motor fuel	3,301,096	3,012,383	2,970,824	(41,559)
1989 gas tax	660,219	468,717	464,931	(3,786)
\$.03 per gallon gas tax	1,200,398	864,338	858,491	(5,847)
Petroleum special	305,101	305,347	305,436	89
2017 Gasoline Tax	840,279	1,479,883	1,497,583	17,700
Total intergovernmental revenue	<u>31,973,209</u>	<u>34,910,394</u>	<u>31,690,093</u>	<u>(3,220,301)</u>
Licenses and permits:				
Building and codes enforcement permits	2,600,000	2,123,330	1,958,472	(164,858)
Plumbing permits	700,000	500,000	474,555	(25,445)
Electrical permits	490,000	450,000	509,580	59,580
Fireworks permits	25,000	28,000	23,600	(4,400)
Other permits	480,175	377,925	408,178	30,253
Total licenses and permits	<u>4,295,175</u>	<u>3,479,255</u>	<u>3,374,385</u>	<u>(104,870)</u>
Fines and forfeitures	615,893	625,000	526,556	(98,444)
Charges for services	3,102,937	3,360,949	3,424,260	63,311
Miscellaneous revenues:				
Interest	20,100	1,468,869	1,669,458	200,589
Sales of general capital assets	100,000	3,500,000	3,407,270	(92,730)
Other	1,185,000	1,397,342	1,442,295	44,953
Total miscellaneous revenues	<u>1,305,100</u>	<u>6,366,211</u>	<u>6,519,023</u>	<u>152,812</u>
TOTAL REVENUES	<u>122,869,607</u>	<u>131,365,197</u>	<u>128,879,286</u>	<u>(2,485,911)</u>

The notes to the financial statements are an integral part of this statement.

CITY OF CLARKSVILLE, TENNESSEE

Budgetary Comparison Statement - General Fund - Continued
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original Budget	Final Budget		
EXPENDITURES				
General Government:				
Mayor's Office				
Personnel	669,014	635,336	628,203	7,133
Operations	165,914	139,346	107,677	31,669
Lease payments	-	-	1,601	(1,601)
Capital Outlay	44,123	59,123	51,662	7,461
Total Mayor's Office	<u>879,051</u>	<u>833,805</u>	<u>789,143</u>	<u>44,662</u>
City Court				
Personnel	431,304	426,808	426,271	537
Operations	58,316	60,538	55,648	4,890
Lease payments	-	-	1,442	(1,442)
Total City Court	<u>489,620</u>	<u>487,346</u>	<u>483,361</u>	<u>3,985</u>
Building Codes				
Personnel	2,344,216	2,324,244	2,318,098	6,146
Operations	287,350	275,322	236,594	38,728
Lease payments	-	-	2,608	(2,608)
Capital Outlay	78,000	78,000	69,904	8,096
Total Building Codes	<u>2,709,566</u>	<u>2,677,566</u>	<u>2,627,204</u>	<u>50,362</u>
Finance and Revenue				
Personnel	1,939,266	1,792,059	1,749,192	42,867
Operations	193,012	190,000	175,181	14,819
Lease payments	-	-	3,771	(3,771)
Capital Outlay	-	2,280	2,078	202
Total Finance and Revenue	<u>2,132,278</u>	<u>1,984,339</u>	<u>1,930,222</u>	<u>54,117</u>
Building Maintenance				
Personnel	1,006,669	986,311	968,487	17,824
Operations	174,981	159,683	144,040	15,643
Capital Outlay	114,954	80,995	38,688	42,307
Total Building Maintenance	<u>1,296,604</u>	<u>1,226,989</u>	<u>1,151,215</u>	<u>75,774</u>
Legal				
Personnel	782,267	644,894	600,519	44,375
Operations	183,530	279,658	153,160	126,498
Lease payments	-	-	1,601	(1,601)
Capital Outlay	3,000	9,577	7,983	1,594
Total Legal	<u>968,797</u>	<u>934,129</u>	<u>763,263</u>	<u>170,866</u>
Garage				
Personnel	1,296,629	1,137,153	1,125,813	11,340
Operations	210,248	221,812	212,749	9,063
Lease payments	-	-	1,303	(1,303)
Capital Outlay	6,995	-	-	-
Total Garage	<u>1,513,872</u>	<u>1,358,965</u>	<u>1,339,865</u>	<u>19,100</u>
Human Resources and Security				
Personnel	2,080,881	1,968,962	1,879,136	89,826
Operations	450,717	491,567	455,091	36,476
Lease payments	-	-	2,852	(2,852)
Capital Outlay	2,000	2,000	1,213	787
Total Human Resources	<u>2,533,598</u>	<u>2,462,529</u>	<u>2,338,292</u>	<u>124,237</u>

The notes to the financial statements are an integral part of this statement.

CITY OF CLARKSVILLE, TENNESSEE

Budgetary Comparison Statement - General Fund - Continued
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original Budget	Final Budget		
Information Systems				
Personnel	1,239,573	1,240,972	1,234,652	6,320
Operations	1,418,024	1,422,470	1,390,660	31,810
Total Information Systems	2,657,597	2,663,442	2,625,312	38,130
Internal Audit				
Personnel	325,999	328,137	327,932	205
Operations	106,444	103,627	75,129	28,498
Capital Outlay	-	800	763	37
Total Internal Audit	432,443	432,564	403,824	28,740
Municipal Properties				
Personnel	204,164	178,283	178,195	88
Operations	605,471	605,471	577,497	27,974
Lease payments	-	-	1,601	(1,601)
Total Municipal Properties	809,635	783,754	757,293	26,461
Legislative				
Personnel	392,184	389,167	387,649	1,518
Operations	276,729	269,230	262,290	6,940
Lease payments	-	-	1,601	(1,601)
Total Legislative	668,913	658,397	651,540	6,857
Purchasing				
Personnel	319,640	331,052	330,628	424
Operations	29,386	30,974	28,167	2,807
Lease payments	-	-	1,580	(1,580)
Total Purchasing	349,026	362,026	360,375	1,651
Public Safety:				
Fire Rescue				
Personnel	23,063,849	22,887,755	22,641,348	246,407
Operations	2,329,788	2,335,063	1,985,411	349,652
Lease payments	-	-	8,247	(8,247)
Capital Outlay	1,845,718	528,991	531,390	(2,399)
Total Fire Rescue	27,239,355	25,751,809	25,166,396	585,413
Police Department				
Personnel	32,796,411	31,521,140	31,016,719	504,421
Operations	5,938,696	5,875,413	5,648,933	226,480
Capital Outlay	1,836,877	468,698	450,386	18,312
Total Police Department	40,571,984	37,865,251	37,116,038	749,213

The notes to the financial statements are an integral part of this statement.

CITY OF CLARKSVILLE, TENNESSEE

Budgetary Comparison Statement - General Fund - Continued
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original Budget	Final Budget		
Dispatch				
Personnel	2,571,058	2,736,806	2,708,799	28,007
Operations	67,720	67,720	61,786	5,934
Capital Outlay	8,839	8,791	8,791	-
Total Dispatch	<u>2,647,617</u>	<u>2,813,317</u>	<u>2,779,376</u>	<u>33,941</u>
Highways and Streets				
Personnel	7,461,709	6,907,529	6,895,541	11,988
Operations	9,393,510	9,508,992	9,405,227	103,765
Lease payments	-	-	6,382	(6,382)
Capital Outlay	1,512,127	629,037	746,912	(117,875)
Total Highways and Streets	<u>18,367,346</u>	<u>17,045,558</u>	<u>17,054,062</u>	<u>(8,504)</u>
Recreation:				
Parks and Recreation				
Personnel	6,137,844	5,793,572	5,713,772	79,800
Operations	2,530,321	2,735,643	2,437,631	298,012
Lease payments	-	-	4,002	(4,002)
Capital Outlay	760,573	850,327	629,281	221,046
Total Parks and Recreation	<u>9,428,738</u>	<u>9,379,542</u>	<u>8,784,686</u>	<u>594,856</u>
Golf Course- Mason Rudolph				
Personnel	320,906	279,696	235,203	44,493
Operations	172,470	119,573	107,599	11,974
Capital Outlay	14,092	14,093	14,092	1
Total Golf Course - MR	<u>507,468</u>	<u>413,362</u>	<u>356,894</u>	<u>56,468</u>
Golf Course - Swan Lake				
Personnel	769,221	712,584	670,645	41,939
Operations	439,257	508,245	411,813	96,432
Lease payments	-	-	90,135	(90,135)
Capital Outlay	14,092	14,093	14,092	1
Total Golf Course - Swan Lake	<u>1,222,570</u>	<u>1,234,922</u>	<u>1,186,685</u>	<u>48,237</u>
Other Appropriations:				
Other Retirement Benefits	2,282,528	2,282,528	2,176,872	105,656
State Unemployment Insurance	20,000	10,000	4,350	5,650
HRC General Supplies	75,000	30,000	1,738	28,262
BOZA General Supplies	5,100	5,100	4,250	850
Tree Board	56,000	6,500	839	5,661
Regional Transit Authority	51,301	51,301	51,301	-
Pennyrile Area Development District	25,000	25,000	25,000	-
Transit Alliance	2,500	2,500	2,500	-
Montgomery County Rail Authority	730	730	547	183
Total Other Appropriations	<u>2,518,159</u>	<u>2,413,659</u>	<u>2,267,397</u>	<u>146,262</u>

The notes to the financial statements are an integral part of this statement.

CITY OF CLARKSVILLE, TENNESSEE

Budgetary Comparison Statement - General Fund - Continued
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original Budget	Final Budget		
Miscellaneous Community Agencies:				
Regional Planning Commission	461,283	461,350	453,079	8,271
County's Share of Taxes	600,000	650,000	676,928	(26,928)
Regional Airport	1,953,680	540,543	520,174	20,369
GIS (APSU, Mont. Co., City of Clarksville)	110,000	110,000	110,000	-
E911	62,000	62,000	62,000	-
Arts & Culture Commission	71,000	46,000	46,000	-
Wings of Liberty	1,000,000	1,000,000	1,000,000	-
Crime Stoppers	10,818	10,818	10,818	-
Total Community Agencies	<u>4,268,781</u>	<u>2,880,711</u>	<u>2,878,999</u>	<u>1,712</u>
Component Units:				
Museum	1,013,340	1,013,340	1,013,340	-
Roxy Regional Theater	185,085	185,085	185,085	-
Senior Citizens Center	-	21,604	18,045	3,559
Total Component Units	<u>1,198,425</u>	<u>1,220,029</u>	<u>1,216,470</u>	<u>3,559</u>
TOTAL EXPENDITURES	<u>125,411,443</u>	<u>117,884,011</u>	<u>115,027,912</u>	<u>2,856,099</u>
OTHER FINANCING SOURCES (USES):				
Issuance of lease payable	-	-	8,163	8,163
Transfers in from other funds:				
Payment in lieu of tax-CDE	5,643,435	5,643,435	5,460,743	(182,692)
Payment in lieu of tax-GWS	4,684,935	4,684,935	4,684,935	-
Parking Authority	487,555	-	-	-
Other City Funds	2,007,380	2,268,593	2,386,995	118,402
Total financing sources	<u>12,823,305</u>	<u>12,596,963</u>	<u>12,540,836</u>	<u>(56,127)</u>
Transfers out to other funds:				
Debt Service	(11,992,085)	(11,992,085)	(11,991,803)	282
Transit System	(3,194,473)	(2,934,473)	(2,919,995)	14,478
Other Transfers	(263,625)	(263,625)	(155,147)	108,478
Capital Projects	(5,267,035)	(5,267,035)	(5,267,035)	-
Total financing uses	<u>(20,717,218)</u>	<u>(20,457,218)</u>	<u>(20,333,980)</u>	<u>123,238</u>
NET CHANGE IN FUND BALANCE	(10,435,749)	5,620,931	6,058,230	437,299
FUND BALANCE-BEGINNING OF YEAR	45,781,804	45,781,804	45,781,804	-
FUND BALANCE-END OF YEAR	<u>\$ 35,346,055</u>	<u>\$ 51,402,735</u>	<u>\$ 51,840,034</u>	<u>\$ 437,299</u>

The notes to the financial statements are an integral part of this statement.

CITY OF CLARKSVILLE, TENNESSEE

Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-Type Activities/Enterprise Funds					Total	Governmental	
	Department of Electricity		Gas Department	Water and Wastewater Department	Non-Major Enterprise Funds		Internal Service Funds	Activities
	Electric Division	Broadband Division						
Assets								
Current assets:								
Cash and cash equivalents	\$ 25,850,540	\$ 7,345,653	\$ 32,848,531	\$ 87,974,694	\$ 1,081,122	\$ 155,100,540	\$ 4,569,372	
Accounts receivable (net)	20,214,273	4,316,949	2,066,764	11,730,803	28,850	38,357,639	-	
Due from other funds	926,281	-	-	48,972	1,085,377	2,060,630	5,093,044	
Inventory	8,311,370	5,095,195	2,023,263	3,435,026	168,677	19,033,531	-	
TVA prepayments	4,782,307	-	-	-	-	4,782,307	-	
Grants receivable	-	-	-	-	380,680	380,680	-	
Prepaid expenses and other	525,912	341,199	46,733	212,896	92,375	1,219,115	555,033	
Total current assets	<u>60,610,683</u>	<u>17,098,996</u>	<u>36,985,291</u>	<u>103,402,391</u>	<u>2,837,081</u>	<u>220,934,442</u>	<u>10,217,449</u>	
Noncurrent assets:								
Restricted assets:								
Cash and cash equivalents	37,751,756	-	272,413	10,156,578	-	48,180,747	-	
Investments	-	-	-	136,532,917	-	136,532,917	-	
Total restricted assets	<u>37,751,756</u>	<u>-</u>	<u>272,413</u>	<u>146,689,495</u>	<u>-</u>	<u>184,713,664</u>	<u>-</u>	
Capital assets								
Land	2,765,695	-	983,500	6,420,946	154,818	10,324,959	-	
Building, plant and equipment	340,278,606	13,069,388	84,271,365	821,976,268	27,887,691	1,287,483,318	-	
Construction in progress	21,882,223	2,085,556	1,036,234	110,642,646	-	135,646,659	-	
Less accumulated depreciation/amortization	<u>(134,263,894)</u>	<u>(8,474,561)</u>	<u>(37,579,689)</u>	<u>(284,521,542)</u>	<u>(17,277,279)</u>	<u>(482,116,965)</u>	<u>-</u>	
Total capital assets (net of accumulated depreciation/amortization)	<u>230,662,630</u>	<u>6,680,383</u>	<u>48,711,410</u>	<u>654,518,318</u>	<u>10,765,230</u>	<u>951,337,971</u>	<u>-</u>	

The notes to the financial statements are an integral part of this statement.

CITY OF CLARKSVILLE, TENNESSEE

Statement of Net Position
Proprietary Funds - Continued
June 30, 2023

	Business-Type Activities/Enterprise Funds					Total	Governmental	
	Department of Electricity		Gas Department	Water and Wastewater Department	Non-Major Enterprise Funds		Internal Service Funds	Activities
	Electric Division	Broadband Division						
Other assets:								
Receivables:								
TVA residential energy services program	193,600	-	-	-	-	193,600	-	
Other	161,208	-	-	-	-	161,208	-	
Total other assets	354,808	-	-	-	-	354,808	-	
Total noncurrent assets	268,769,194	6,680,383	48,983,823	801,207,813	10,765,230	1,136,406,443	-	
Total assets	329,379,877	23,779,379	85,969,114	904,610,204	13,602,311	1,357,340,885	10,217,449	
Deferred outflows of resources:								
Deferred outflows related to pensions	-	-	2,863,781	9,784,156	2,778,249	15,426,186	-	
Deferred outflows related to bond refundings and debt defeasance	2,152,182	-	66,791	2,596,101	-	4,815,074	-	
Deferred outflows related to other post employment benefits	346,389	29,030	266,987	663,051	93,506	1,398,963	-	
Total deferred outflows of resources	2,498,571	29,030	3,197,559	13,043,308	2,871,755	21,640,223	-	
Liabilities								
Current liabilities:								
Accounts payable	3,119,682	3,321,688	1,293,036	10,550,618	91,446	18,376,470	225,325	
Accrued liabilities	331,457	-	171,097	571,318	288,594	1,362,466	1,452,027	
Interest payable	1,318,020	-	50,591	5,262,524	-	6,631,135	-	
Due to other funds	48,229	926,281	146,281	480,164	131,117	1,732,072	286,020	
Unearned revenue	-	886,668	-	-	28,602	915,270	-	
Current portion of bonds payable	4,155,000	-	446,850	12,608,150	-	17,210,000	-	
Current portion of notes payable	-	-	-	2,261,573	-	2,261,573	-	
Subscription liability	-	-	-	-	167,579	167,579	-	
Compensated absences	1,280,888	-	281,238	930,722	233,333	2,726,181	-	
Other	2,659,753	-	-	-	-	2,659,753	-	
Total current liabilities	12,913,029	5,134,637	2,389,093	32,665,069	940,671	54,042,499	1,963,372	

The notes to the financial statements are an integral part of this statement.

CITY OF CLARKSVILLE, TENNESSEE

Statement of Net Position
Proprietary Funds - Continued
June 30, 2023

	Business-Type Activities/Enterprise Funds					Total	Governmental	
	Department of Electricity		Gas Department	Water and Wastewater Department	Non-Major Enterprise Funds		Internal Service Funds	Activities
	Electric Division	Broadband Division						
Noncurrent liabilities:								
Compensated absences	1,697,921	-	93,897	259,903	-	2,051,721	-	
Total OPEB liability	1,330,890	185,815	3,557,641	11,191,892	1,338,520	17,604,758	-	
Net pension liability	-	-	2,544,126	8,692,048	2,367,036	13,603,210	-	
Customer deposits	8,127,493	2,966	2,045,636	4,941,323	-	15,117,418	-	
Advances - TVA residential energy services program	211,960	-	-	-	-	211,960	-	
Bonds payable, less current portion	81,480,203	-	2,730,287	347,490,801	-	431,701,291	-	
Notes payable, less current portion	-	-	-	22,675,804	-	22,675,804	-	
Other	74,299	-	-	-	-	74,299	-	
Total noncurrent liabilities	92,922,766	188,781	10,971,587	395,251,771	3,705,556	503,040,461	-	
Total liabilities	105,835,795	5,323,418	13,360,680	427,916,840	4,646,227	557,082,960	1,963,372	
Deferred inflows of resources								
Deferred inflows related to pensions	-	-	163,822	559,700	131,538	855,060	-	
Deferred inflows related to OPEB	549,032	164,260	1,148,673	3,720,630	664,052	6,246,647	-	
Deferred inflows related to refunding	-	-	2,546	790,072	-	792,618	-	
Total deferred inflows of resources	549,032	164,260	1,315,041	5,070,402	795,590	7,894,325	-	
Net Position								
Net investment in capital assets	175,061,848	6,680,383	45,598,518	407,820,936	10,765,230	645,926,915	-	
Restricted:								
Debt service	8,551,497	-	272,413	10,156,578	-	18,980,488	-	
Unrestricted	41,880,276	11,640,348	28,620,021	66,688,756	267,019	149,096,420	8,254,077	
Total net position	<u>\$ 225,493,621</u>	<u>\$ 18,320,731</u>	<u>\$ 74,490,952</u>	<u>\$ 484,666,270</u>	<u>\$ 11,032,249</u>	814,003,823	<u>\$ 8,254,077</u>	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						2,723,846		
Net position of business-type activities						<u>\$ 816,727,669</u>		

The notes to the financial statements are an integral part of this statement.

CITY OF CLARKSVILLE, TENNESSEE

Statement of Revenues, Expenses and Changes in Net Position
 Proprietary Funds
 For the Year Ended June 30, 2023

	Business-Type Activities/Enterprise Funds					Total	Governmental
	Department of Electricity		Gas Department	Water and Wastewater Department	Non-Major Enterprise Funds		Activities
	Electric Division	Broadband Division				Internal Service Funds	
Operating Revenues							
Sales	\$ 206,819,194	\$ 29,522,334	\$ 37,647,247	\$ 78,413,827	\$ -	\$ 352,402,602	\$ -
Fees	-	-	-	-	1,025,326	1,025,326	-
Other income	-	-	800,577	8,578,907	-	9,379,484	-
Rental income	-	-	-	-	162,332	162,332	-
Advertising	-	-	-	-	145,273	145,273	-
Internal charges for services	-	-	-	-	-	-	23,514,423
Miscellaneous	-	-	-	-	48,410	48,410	-
Total operating revenues	<u>206,819,194</u>	<u>29,522,334</u>	<u>38,447,824</u>	<u>86,992,734</u>	<u>1,381,341</u>	<u>363,163,427</u>	<u>23,514,423</u>
Operating Expenses							
Purchased power, gas and services	148,213,418	12,762,557	24,794,836	-	-	185,770,811	-
Plant operations	-	-	-	6,456,691	-	6,456,691	-
Distribution	6,174,919	-	5,011,230	8,228,255	-	19,414,404	-
Sewer pumping/discharge collection	-	-	-	8,665,608	-	8,665,608	-
Treatment plant expense	-	-	-	6,235,941	-	6,235,941	-
Sales and customer services	5,133,464	1,068,178	1,441,083	6,819,630	-	14,462,355	-
Administrative and general	6,732,684	1,932,449	1,594,538	3,611,296	1,164,448	15,035,415	4,079,155
Operation and maintenance	9,765,866	7,624,293	-	-	6,590,215	23,980,374	-
Engineering	-	-	713,207	2,908,489	-	3,621,696	-
Taxes and tax equivalents	2,394,234	337,312	-	-	-	2,731,546	-
Fort Campbell operations	-	-	511,025	-	-	511,025	-
Claims	-	-	-	-	-	-	21,219,930
Depreciation and loss on abandonment	13,974,190	1,592,494	1,950,620	19,705,417	2,080,217	39,302,938	-
Other	-	1,139,370	202,218	530,152	-	1,871,740	617,915
Total operating expenses	<u>192,388,775</u>	<u>26,456,653</u>	<u>36,218,757</u>	<u>63,161,479</u>	<u>9,834,880</u>	<u>328,060,544</u>	<u>25,917,000</u>
Operating income (loss)	<u>14,430,419</u>	<u>3,065,681</u>	<u>2,229,067</u>	<u>23,831,255</u>	<u>(8,453,539)</u>	<u>35,102,883</u>	<u>(2,402,577)</u>

The notes to the financial statements are an integral part of this statement.

CITY OF CLARKSVILLE, TENNESSEE

Statement of Revenues, Expenses and Changes in Net Position
 Proprietary Funds - Continued
 For the Year Ended June 30, 2023

	Business-Type Activities/Enterprise Funds					Governmental	
	Department of Electricity		Gas Department	Water and Wastewater Department	Non-Major Enterprise Funds	Total	Activities
	Electric Division	Broadband Division					Internal Service Funds
Nonoperating Revenues (Expenses)							
Interest and investment earnings	2,085,893	268,551	1,081,657	2,638,190	32,991	6,107,282	173,900
Interest expense	(2,768,058)	-	(136,868)	(13,843,826)	(14,674)	(16,763,426)	-
Grants	-	-	-	-	4,542,807	4,542,807	-
Amortization income	-	-	83,236	4,858,958	-	4,942,194	-
Gain (loss) on investments	-	-	-	3,606,356	-	3,606,356	-
Bond issuance costs	(196,424)	-	-	-	-	(196,424)	-
Other income	(79,985)	-	110,711	286,833	-	317,559	350
Total nonoperating revenues (expenses)	<u>(958,574)</u>	<u>268,551</u>	<u>1,138,736</u>	<u>(2,453,489)</u>	<u>4,561,124</u>	<u>2,556,348</u>	<u>174,250</u>
Income (loss) before contributions and transfers	13,471,845	3,334,232	3,367,803	21,377,766	(3,892,415)	37,659,231	(2,228,327)
Grants and Capital Contributions	-	-	521,330	36,640,356	1,109,372	38,271,058	-
Transfers Out	(5,372,216)	(88,527)	(811,043)	(3,873,892)	-	(10,145,678)	-
Transfers In	-	-	-	-	2,919,995	2,919,995	-
Change in net position	<u>8,099,629</u>	<u>3,245,705</u>	<u>3,078,090</u>	<u>54,144,230</u>	<u>136,952</u>	<u>68,704,606</u>	<u>(2,228,327)</u>
Net Position							
Beginning of Year, as restated	217,393,992	15,075,026	71,412,862	430,522,040	10,895,297		10,482,404
Net Position End of Year	<u>\$ 225,493,621</u>	<u>\$ 18,320,731</u>	<u>\$ 74,490,952</u>	<u>\$ 484,666,270</u>	<u>\$ 11,032,249</u>		<u>\$ 8,254,077</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						<u>(735,348)</u>	
Change in net position of business-type activities						<u>\$ 67,969,258</u>	

The notes to the financial statements are an integral part of this statement.

CITY OF CLARKSVILLE, TENNESSEE

Statement of Cash Flows
 Proprietary Funds
 For the Year Ended June 30, 2023

	Business-Type Activities/Enterprise Funds					Governmental	
	Department of Electricity		Gas Department	Water and Wastewater Department	Non-Major Enterprise Funds	Total	Activities
	Electric Division	Broadband Division					Internal Service Funds
Cash Flows From							
Operating Activities							
Receipts from customers	\$ 203,140,245	\$ 28,438,332	\$ 39,607,404	\$ 86,755,020	\$ 1,065,715	\$ 359,006,716	\$ -
Receipts from internal services provided	-	-	-	-	-	-	27,048,354
Payments to suppliers	(163,680,058)	(22,896,441)	(29,465,091)	(23,146,302)	(1,875,241)	(241,063,133)	(21,457,882)
Payments to employees	(17,340,348)	(5,711,731)	(6,453,738)	(22,404,113)	(6,480,690)	(58,390,620)	-
Internal activity with other funds	94,941	(94,941)	(202,218)	(530,152)	-	(732,370)	-
Other receipts	2,799,778	830,646	-	-	-	3,630,424	-
Other payments	-	-	-	-	-	-	(4,696,641)
Net cash provided by (used in) operating activities	<u>25,014,558</u>	<u>565,865</u>	<u>3,486,357</u>	<u>40,674,453</u>	<u>(7,290,216)</u>	<u>62,451,017</u>	<u>893,831</u>
Cash Flows From							
Noncapital Financing Activities							
Grants	-	-	-	-	4,702,423	4,702,423	-
Donations	(79,985)	-	-	-	-	(79,985)	-
Rental receipts	-	-	4,528	73,035	-	77,563	-
Transfers in	-	-	-	-	2,919,995	2,919,995	-
Transfers to other funds	(5,372,216)	(88,527)	(811,043)	(3,873,892)	-	(10,145,678)	-
Net cash provided by (used in) noncapital financing activities	<u>(5,452,201)</u>	<u>(88,527)</u>	<u>(806,515)</u>	<u>(3,800,857)</u>	<u>7,622,418</u>	<u>(2,525,682)</u>	<u>-</u>

The notes to the financial statements are an integral part of this statement.

CITY OF CLARKSVILLE, TENNESSEE

Statement of Cash Flows
 Proprietary Funds - Continued
 For the Year Ended June 30, 2023

	Business-Type Activities/Enterprise Funds					Governmental	
	Department of Electricity		Gas Department	Water and Wastewater Department	Non-Major Enterprise Funds	Total	Activities
	Electric Division	Broadband Division					Internal Service Funds
Cash Flows from Capital and Related Financing Activities							
Acquisition and construction of capital assets	(30,156,101)	(4,063,882)	(1,432,964)	(65,991,319)	(1,241,703)	(102,885,969)	-
Capital grant collections	-	-	-	-	1,109,372	1,109,372	-
Principal repayments on long-term liabilities	(3,320,000)	-	(393,675)	(14,245,204)	(14,674)	(17,973,553)	-
Interest paid	(2,751,712)	-	(140,065)	(13,935,799)	(51,246)	(16,878,822)	-
Proceeds from sale of assets	-	-	220,999	454,600	-	675,599	-
Issuance of bonds	28,630,000	-	-	-	-	28,630,000	-
Premium on bonds	1,570,215	-	-	-	-	1,570,215	-
Issuance costs paid	(196,424)	-	-	-	-	(196,424)	-
Contributed capital - cash	-	-	135,184	5,267	-	140,451	-
Net cash provided by (used in) capital and related financing activities	(6,224,022)	(4,063,882)	(1,610,521)	(93,712,455)	(198,251)	(105,809,131)	-
Cash Flows from Investing Activities							
Interest and investment earnings received	2,085,893	268,551	1,081,657	2,638,190	32,991	6,107,282	173,900
Proceeds from sale and maturities of investments	-	-	-	32,384,943	-	32,384,943	-
Net cash provided by (used in) investing activities	2,085,893	268,551	1,081,657	35,023,133	32,991	38,492,225	173,900
Net increase (decrease) in cash and cash equivalents	15,424,228	(3,317,993)	2,150,978	(21,815,726)	166,942	(7,391,571)	1,067,731
Cash and Cash Equivalents- Beginning of Year	48,178,068	10,663,646	30,969,966	119,946,998	914,180	210,672,858	3,501,641
Cash and Cash Equivalents- End of Year	<u>\$ 63,602,296</u>	<u>\$ 7,345,653</u>	<u>\$ 33,120,944</u>	<u>\$ 98,131,272</u>	<u>\$ 1,081,122</u>	<u>\$ 203,281,287</u>	<u>\$ 4,569,372</u>

The notes to the financial statements are an integral part of this statement.

CITY OF CLARKSVILLE, TENNESSEE

Statement of Cash Flows
Proprietary Funds - Continued
For the Year Ended June 30, 2023

	Business-Type Activities/Enterprise Funds					Total	Governmental	
	Department of Electricity		Gas Department	Water and Wastewater Department	Non-Major Enterprise Funds		Internal Service Funds	Activities
	Electric Division	Broadband Division						
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:								
Operating income (loss)	\$ 14,430,419	\$ 3,065,681	\$ 2,229,067	\$ 23,831,255	\$ (8,453,539)	\$ 35,102,883	\$ (2,402,227)	
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Depreciation and loss on abandonment	13,974,190	1,592,494	1,950,620	19,705,417	2,080,217	39,302,938	-	
(Increase) decrease in:								
Accounts receivable	3,551,124	138,785	993,011	(876,648)	5,249	3,811,521	-	
Due from other funds	-	-	-	-	(179,289)	(179,289)	-	
Inventory	(1,580,831)	(3,755,109)	(319,835)	(1,691,714)	6,116	(7,341,373)	-	
Prepaid expenses	(4,638,312)	(156,304)	(35,170)	(160,218)	(11,860)	(5,001,864)	-	
Receivable-TVA Residential Energy Services Program	286,003	-	-	-	-	286,003	-	
Increase (decrease) in:								
Accounts payable	(813,842)	(125,984)	(1,116,630)	266,334	2,220	(1,787,902)	(88,881)	
Accrued liabilities	(281,936)	-	(109,760)	(331,168)	(2,909)	(725,773)	(149,071)	
Customer deposits	484,673	2,963	166,569	638,934	-	1,293,139	-	
Compensated absences	-	-	47,780	202,926	11,804	262,510	-	
Net pension liability and related amounts	-	-	6,463	(51,945)	(17,392)	(62,874)	-	
OPEB liability and related amounts	295,182	27,695	(325,758)	(858,720)	(670,893)	(1,532,494)	-	
Due to other funds	-	-	-	-	(244)	(244)	3,580,147	
Interdivisional temporary advances	94,941	(94,941)	-	-	-	-	-	
Unearned revenue	-	(57,792)	-	-	-	(57,792)	-	
Advances- TVA Residential Energy Services Program	(315,193)	-	-	-	-	(315,193)	-	
Deferred inflows of resources	-	(83,214)	-	-	-	(83,214)	-	
Deferred outflows of resources	-	11,591	-	-	-	11,591	-	
Other	(471,860)	-	-	-	(59,696)	(531,556)	(46,137)	
Total adjustments	<u>10,584,139</u>	<u>(2,499,816)</u>	<u>1,257,290</u>	<u>16,843,198</u>	<u>1,163,323</u>	<u>27,348,134</u>	<u>3,296,058</u>	
Net cash provided (used) by operating activities	\$ 25,014,558	\$ 565,865	\$ 3,486,357	\$ 40,674,453	\$ (7,290,216)	\$ 62,451,017	\$ 893,831	
Reconciliation of cash and cash equivalents from statement of cash flows to statement of net position:								
Cash and cash equivalents	\$ 25,850,540	\$ 7,345,653	\$ 32,848,531	\$ 87,974,694	\$ 1,081,122	\$ 155,100,540	\$ 4,569,372	
Restricted cash and cash equivalents	37,751,756	-	272,413	10,156,578	-	48,180,747	-	
Cash and cash equivalents, June 30, 2023	<u>\$ 63,602,296</u>	<u>\$ 7,345,653</u>	<u>\$ 33,120,944</u>	<u>\$ 98,131,272</u>	<u>\$ 1,081,122</u>	<u>\$ 203,281,287</u>	<u>\$ 4,569,372</u>	
Noncash Capital and Related Financing Activities:								
Amortization of bond premiums	\$ 637,302							
Amortization of deferred amount on bond refunding	222,839							
Capital assets contributed by developers				\$ 34,636,609				
	<u>\$ 860,141</u>			<u>\$ 34,636,609</u>				

The notes to the financial statements are an integral part of this statement.

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Clarksville, located in Montgomery County, Tennessee, was founded in 1785 and is organized under Chapter 24 of the 2015 Private Acts of the General Assembly of the State of Tennessee. The City operates under a Mayor and City Council form of government.

The financial statements of the City of Clarksville, Tennessee (the "City") have been prepared in accordance with accounting principles generally accepted in the United States of America as applicable to governmental units, as promulgated by the Governmental Accounting Standards Board ("GASB").

For the year ended June 30, 2023 the City implemented the provisions of GASB Statement No. 96, Subscription Based Information Technology Arrangements (SBITA), which (1) defines a subscription-based information technology arrangement (SBITA); (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. As a result, the City's financial statements have been modified to reflect the implementation of this new standard.

The following is a summary of the more significant of these accounting policies:

1. Reporting Entity

Accounting principles generally accepted in the United States of America require that the financial statements present the accounts and operations of the government and its component units. Discretely presented component units are reported in a separate column in the basic financial statements to emphasize that they are legally separate from the government.

As of June 30, 2023, the City had three discretely presented component units: The Clarksville-Montgomery County Museum (the "Museum"), the Ajax Turner Senior Citizens Center (the "Senior Citizens Center") and Roxy Productions, Inc. (the "Roxy"). The City has determined, based on GASB Statement No. 61, that the component units are non-major.

The Museum, a non-profit corporation, was established in November 1982 to collect and interpret significant historic, political, social, intellectual and technological achievements of Clarksville and Montgomery County and further the understanding of the historical developments of Clarksville and Montgomery County from their beginning to the present. The City is responsible for appointing the majority of the Museum's board of directors and is obligated to provide funding support of deficits and a financial burden exists for the facility.

The Senior Citizen's Center is a nonprofit corporation located in Clarksville, Tennessee, whose purpose is to enrich the lives of citizens ages 50 and older in the Clarksville-Montgomery County area. To accomplish this purpose, the Senior Citizen's Center conducts lectures, educational programs, social events, craft programs, dances, and other services for the elderly. The main program services offered by the Senior Citizen's Center are the Adult Day Care and various dances held throughout the year. The Senior Citizen's Center's board of directors consists of 12 members: six appointed by the Montgomery County Mayor, and confirmed by the County Commissioner, and six appointed by the City Mayor, and confirmed by the City Council. The City is obligated to fund deficits of the Senior Citizen's Center and has a financial burden for the facility that houses the Senior Citizen's Center.

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

Roxy Productions, Inc. (the "Roxy") is a nonprofit organization established August 12, 1985. Its objective is to produce live plays and other entertainment for the social and educational benefit of Clarksville, Tennessee and the surrounding areas. The Roxy's operations are controlled by a board of directors. During the year ending June 30, 2021, the Roxy became a component unit of the City of Clarksville, Tennessee (the City), which is the principal reporting entity and primary government. The City purchased the current Roxy facility and entered into a contract with Roxy Productions, Inc. to manage and operate a "to be constructed" new performing arts center to further promote downtown economic recovery and support the arts in Clarksville. The City is responsible for appointing the majority of the Roxy's board of directors and a financial burden exists for the facility.

Complete financial statements for the component units may be obtained at each entity's administrative offices as follows:

Clarksville-Montgomery County Museum
200 2nd Street
Clarksville, Tennessee 37040

Ajax Turner Senior Citizen's Center, Inc.
953 Clark Street
Clarksville, Tennessee 37040

Roxy Regional Theater
100 Franklin Street
Clarksville, Tennessee 37040

Complete financial statements of two of the City's major enterprise funds can be obtained from their respective administrative offices in the following locations:

Clarksville Department of Electricity
2021 Wilma Rudolph Blvd.
Clarksville, Tennessee 37043

Clarksville Gas, Water and Wastewater Department
2215 Madison Street
Clarksville, Tennessee 37043

2. Related Organizations and Joint Ventures

The following entities are considered related organizations of the City, but are not a part of the City's reporting entity:

The *Public Building Authority* (the "Authority") exists under the provisions of the Tennessee Public Building Authority Act of 1971. The Authority's primary purpose is the issuance of bonds, the proceeds of which are used to make loans to municipalities throughout the State of Tennessee. The loans to the municipalities serve as the sole payment source and security for the bonds issued by the Authority. The Authority works in connection with the Tennessee Municipal Bond Fund to administer the loan program. The Authority has no taxing authority nor does it have the power to pledge the general credit or taxing power of the City or any political subdivisions. The City Council is responsible for appointing the seven-member Board, but the City's accountability does not extend beyond making these appointments.

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

The *Industrial Development Board (IDB) of Montgomery County* provides inducements to industry to locate or remain in Montgomery County. The governing body of the Industrial Development Board of Montgomery County is appointed by Montgomery County's Board of Commissioners. County appropriations provide the majority of its funding. The City has delegated the authority to commit City ad valorem taxes through the use of PILOTs. The IDB further has the ability to create Tax Increment Financing (TIF) Districts with the City's approval. A TIF advisory committee has been created of which one appointment is at the City's choosing.

The *Montgomery County Emergency Communications District* provides a simplified means of securing emergency services through a uniform emergency number for the residents of Montgomery County. The governing body of the Montgomery County Emergency Communications District is appointed by Montgomery County's Board of County Commissioners. Before the issuance of debt instruments, the District must obtain the approval of the County Commission. The City is financially responsible for its portion of expense associated with the use of the Communications District's services.

Montgomery County and the City of Clarksville jointly created the Clarksville Montgomery County Public Library, the Clarksville Montgomery County Regional Planning Commission and the Clarksville-Montgomery County Regional Airport Authority. The County and City jointly appoint the Board of the Planning Commission. The County has certain additional legislative oversight. Each entity is responsible for funding a portion of any deficits from operations for the Planning Commission. Montgomery County appoints the board members and has control over budgeting and financing of the Public Library, the City has no financial responsibility or accountability for the Library. The Airport Authority's board is appointed jointly by both entities and the County has primary budgetary control with funding provided by both the City and the County. Complete financial statements for these joint ventures can be obtained from their respective administrative offices.

The Electric Department and Pennyriple Rural Electric Cooperative Corporation (the "Cooperative") constructed jointly-owned electric facilities. Under the terms of the joint venture, the Electric Department owns 54% of the facilities and the Cooperative owns 46%. The amount of the Electric Department's plant covered by this agreement was \$1,222,563 at June 30, 2023. This amount is included in electric plant. The Electric Department's ongoing financial responsibility for the joint venture is the maintenance of its share of the electric facilities. All transactions related to the Electric Department's portion of these facilities are recorded in the financial statements.

Clarksville CBID Management Corporation of 1999 d/b/a/ Two Rivers Company ("TRC"), formerly known as the Downtown District Partnership, was created as per City Code Sec. 12.901 through the Tennessee Nonprofit Corporation Act authorizing a district management corporation for the purpose of administering the activities, improvements and provision of services for and within the district. TRC is governed by a Board of Directors with certain appointments by the City and County. Effective July 2, 2019 City code was amended to remove TRC and designate the Clarksville Montgomery County Economic Development Council as the CBID Management Corporation. As of July 2, 2019 the non-profit organization, TRC, is no longer a related entity to the City of Clarksville. The City has no requirement to fund the CBID, however the CBID must seek City Council approval for their annual budget and approval of any assessment requested within the district.

3. Basis of Presentation

Government - Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the primary government and its component units. The City had no fiduciary funds as of or for the year ended June 30, 2023. The effect of significant 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.

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

The Statement of Net Position presents the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in three categories:

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding debt that is attributable to the acquisition, construction and improvement of those assets. Debt that was issued for capital purposes is not a part of the calculation of net investment in capital assets, until the proceeds have been used to acquire capital assets.

Restricted net position results from restriction placed on net position by external sources such as creditors, grantors and contributors, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of net position which does not meet the definition of the two preceding categories.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. The City follows generally accepted accounting principles in eliminating internal activity from the statement of activities in the government-wide statements. No direct expenses are eliminated from the functional categories. Internal Service Funds are used to provide self-insurance for health, dental and liability areas and the change in net position of these accounts, (\$2,228,327) was treated as an increase of expense in the statement of activities.

Fund Financial Statements

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are combined and reported in a single column.

The City reports the following major governmental funds:

The *General Fund* is the primary operating fund of the City and accounts for all financial resources of the general government, except those required to be accounted for in other funds. Most essential services such as police and fire protection, general administration and community services are reported in the General Fund.

The *Capital Projects Fund* accounts for the accumulation and expenditures of funds set aside for certain large capital projects.

The *Debt Service Fund* accounts for the accumulation of resources for and the payment of interest and principal on general long-term debt.

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

The City reports the following non-major governmental funds:

Special Revenue Funds are funds used to account for the proceeds of specific revenue sources that are legally restricted or administratively committed to expenditures for specified purposes and include the Neighborhood & Community Service Funds, the Drug Fund, the Police Special Funds, the Parks Special Funds, and other small Special Revenue Funds.

The City reports the following major proprietary funds:

The *Gas Department* operates a natural gas distribution system serving the citizens of the City and certain surrounding portions of Montgomery County as well as portions of Cheatham and Robertson Counties in Tennessee and portions of Christian and Todd Counties in Kentucky.

The *Water and Wastewater Department* operates a water and wastewater distribution and collection system serving the citizens of the City and certain surrounding portions of Montgomery County.

The *Department of Electricity* ("CDE") operates an electric distribution system serving the citizens of the City. It purchases power from the Tennessee Valley Authority ("TVA") and operates under the direction of an Electric Power Board appointed by the Mayor and approved by City Council. The Broadband Division was added to the *Department of Electricity* operations in 2007 and began operating in February 2008. It operates as a separate division and fund.

The City reports the following non-major proprietary funds:

The *Parking Commission* regulates parking in the City and collects fees and fines in the downtown business district.

The *Transit System* operates a public transportation system for the citizens of the City.

Additionally, the City reports the following other fund types:

The *Internal Service Funds* account for operations that provide services to other departments or agencies of the government, or to other governments on a cost reimbursement basis.

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

4. 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, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow. Property taxes are recognized as revenues in the year for which the City has legal authority to levy. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenue available if they are collected within 60 days (maximum) of the end of the current fiscal period and up to one year grant revenues. 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, OPEB, pension liability, and claims and judgments, are recorded only when the payment is due.

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

5. Budgetary Information

Annual budgets are adopted on a basis consistent state requirements for governmental funds, with the financial statements for governmental funds are prepared on the modified accrual basis, recognizing both U.S. GAAP and State requirements. The accompanying Budgeting Comparison Statement - General Fund is presented using the same basis of accounting as the basic financial statements.

The City Mayor is responsible for overseeing the preparation of the budget and presenting it for approval by the City Council no later than June 30th of each fiscal year. The preliminary budget as submitted is compiled based on historical revenue and expense trends as well as taking into account the current economy and future economic projections. The budget must be approved by ordinance which requires two readings before the City Council. The departments have authority to approve transfers of funds between line items in departmental operating budgets. Transfers between funds require approval of the City Council, as does increasing any departmental budget total.

Budgetary accounting is employed as a formal management control for all funds of the City. Proprietary funds budgets are adopted with less detail since their revenues can fluctuate due to customer demand, but any increase in the total appropriations as originally approved must be formally approved by City Council. The City's policy is to not allow expenditures to exceed budgetary amounts at either the fund or departmental level without obtaining additional appropriation approval from City Council. Budgets are estimates. Any amendments or adjustments that are estimated for the current year are approved in the same ordinance under which the next year's budget is approved.

6. Operating and Non-operating Revenues and Expenses of Proprietary Funds

In the proprietary fund financial statements, operating revenues are those that flow directly from the operations of the activity such as charges to customers for the purchase of goods and services. Operating expenses are those that are incurred to provide those goods and services. Non-operating revenues and expenses are items related to financing and investing activities.

7. Program Revenues and Recognition of Revenues

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

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

8. Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

9. Cash and Cash Equivalents

Cash and cash equivalents are stated at cost and consist of highly-liquid investments purchased with original maturities of three months or less.

10. Deposits and Investments

Investments of the governmental and proprietary fund types consist primarily of U.S. Treasury securities, other U.S. agency notes and private debt obligations and are stated at fair value using primarily quoted market prices, where available. The City has adopted an official investment policy. The primary objectives of investment activities in order of priority are safety of principal, liquidity to meet obligations as they become due and a reasonable yield on City investments. Investment types permitted are consistent with Government Finance Officers Association (GFOA) Policy Statement on State and Local Laws Concerning Investment Practices, and included but are not limited to: (1) U.S. government securities and obligations guaranteed by the U.S. government, (2) deposit amounts at state and federally chartered banks and savings and loan associations, and (3) the Local Government Investment Pool of the State of Tennessee. Investments are reported at fair value and further described in Note B.

11. Internal Balances

Any residual receivable or payable balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

12. Receivables

Accounts receivable are presented net of any allowance for uncollectible accounts.

13. Restricted Assets

Restricted assets represent cash, cash equivalents, and investments required to be set aside for the retirement of bonds, interest payable, construction of plant assets, or capital improvements. It is the City's policy to use restricted assets before unrestricted assets unless legal requirements disallow. The City's Gas, Water and Wastewater Department's policy is to utilize unrestricted assets first, this is due to the bond covenants and the restrictions on debt service funds.

14. Inventories and Prepaid Items

Proprietary fund inventories are stated at average cost and are determined by the moving average inventory method. A perpetual inventory is maintained by these departments, with a physical inventory taken annually. Items held for resale in the general fund are assigned to inventory when purchased and cost of goods sold is determined after a year-end inventory, with items remaining in inventory valued based on average cost.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

15. Capital Assets

The City's assets are capitalized at historical costs or estimated historical costs. Contributions of capital assets, donated works of art, and capital assets received in service concession arrangements, if any, are reported at acquisition value. The City has set the capitalization policy threshold for infrastructure and other capital assets at the following levels:

Infrastructure:	
Sidewalks	\$ 30,000
Drainage Systems	\$ 100,000
Traffic Systems	\$ 50,000
Bridges	\$ 500,000
Electric and Broadband Divisions	\$ 2,500
Other Capital Assets	\$ 5,000

Depreciation/amortization is computed using the straight-line method over the following estimated useful lives:

Other Capital Assets:	
Land Improvements	20 - 50 years
Main Lines	50 years
Machinery and Equipment	10 - 20 years
Buildings	40 - 50 years
Motor Vehicles	5 - 8 years
Computers	5 years

Intangible right-to-use lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset.

Intangible right-to-use subscription assets are amortized over the shorter of the subscription terms or the useful life of the underlying Information Technology assets.

The City defines Infrastructure as the basic physical assets that allow the City to function. The assets include the Street Network, Sidewalks, Drainage Systems, Traffic Signals and Lighting Systems, and Bridges. The City elected to use the Modified Approach as defined by GASB Statement No. 34 for Infrastructure reporting of its streets, concrete, and asphalt pavements. The Modified Approach requires the City to capitalize existing infrastructure and preserve those existing assets at or above an established condition level. Infrastructure under the Modified Approach is not depreciated nor are amounts capitalized in connection with improvements unless they expand capacity.

For all other Infrastructure Systems, the City has elected to use the basic approach as defined by GASB Statement No. 34 for Infrastructure Reporting. The City commissioned an appraisal of City-owned infrastructure and property as of June 30, 2001, and annually complete an internal update each year. This appraisal determined the original cost, which is defined as the actual cost to acquire new property in accordance with market prices at the time of first construction/acquisition. Original costs were developed in one of three ways: 1) historical records; 2) standard unit costs appropriate for construction/acquisition date; 3) present cost indexed by a reciprocal factor of the price increase from the construction/acquisition date to the current date. The accumulated depreciation (defined as the total depreciation from the date of construction/acquisition to the current date on a straight-line, unrecovered cost method) was computed using industry accepted life expectancies for each infrastructure system. The book value was then computed by deducting the accumulated depreciation from the original cost.

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

16. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation days and sick leave benefits. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service with the City. However, it is the City's policy to apply the accumulated sick leave toward years for retirement. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. City employees with the exception of the Department of Electricity (as detailed below) earn 12 sick days each year and 12 or more days of vacation annually. Unused vacation days in excess of 240 hours are rolled into sick leave on the employee's anniversary. Fire Department shift personnel earn 144 hours of sick leave and 144 or more hours of vacation leave annually. Unused vacation hours in excess of 360 are rolled into sick leave on the employee's anniversary.

Department of Electricity compensated absences:

The Department of Electricity's annual vacation policy and sick leave policy were updated effective January 24, 2023. Both apply to active full-time employees. Annual vacation leave granted is earned based upon the employee's years of service with the Department. Leave accrual is awarded in the following manner: 1-4 years: 96 hours; 5-9 years: 112 hours; 10-14 years: 144 hours; 15-19 years: 160 hours; 20+ years: 192 hours. New employees (hired within the last 12 months) are awarded annual vacation leave first and is paid at the employee's base hourly rate. The earned benefit date is the anniversary date of the employee.

Carry-over is allowed from year to year with a maximum carry-over of 200 hours. Any amount held above 200 hours is removed at anniversary date and paid out at a rate of \$0.50 on the \$1.00 in the 4th quarter. At the time of termination or retirement, all accumulated vacation leave shall be paid to the employee.

Sick leave is accrued at a rate of 1 8-hour day per calendar month and begins on first of the month following hire date. Sick leave is paid at the employee's hourly rate.

Carry-over of sick leave is allowed until a maximum of 720 hours is reached, except for employees grandfathered in with a banked sick total as of July 1, 2012. Any time earned per year beyond the 720-hour maximum will be paid out at a rate of \$.50 on the \$1.00 each year in the 4th quarter. Those employees with a sick bank from the previous sick leave policy shall combine their current accrued sick hours with their previous banked hours to have one combined sick leave accrual. If the banked days total is above the 720-hour maximum, the \$.50 on the \$1.00 payout made each year will only be on the hours earned for that year (maximum of 96 hours), not on the previously banked total. At the time of termination, all sick leave is forfeited. Exceptions apply if the reason is for retirement or death, then sick leave is paid out to the employee or to their estate at the time of their death.

17. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until that time.

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

The City has the following types of deferred outflows of resources: the deferred amounts on refundings of debt issuances for CDE, defeased debt for Gas and Wastewater, implementation of GASB Statement No. 68 related to reporting of the Tennessee Consolidated Retirement System ("TCRS") pension plan, and implementation of GASB Statement No. 75 related to reporting of other postemployment benefits. Deferred outflows of resources related to pension may result from actuarial losses related to the differences between expected and actual experience for the pension plan's adopted economic and demographic assumptions, differences between expected and actual investment earnings, as well as employer contributions made subsequent to the measurement date. See Note G. Deferred outflows of resources related to other postemployment benefits result from employer contributions made subsequent to the measurement date.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then.

The City has the following types of deferred inflows of resources: the unavailable revenue reported in the governmental funds balance sheet, which arises under a modified accrual basis of accounting, represents amounts that are deferred and recognized as an inflow of resources in the periods that the amounts become available. These amounts relate to unavailable property taxes not within the collection period. Deferred inflows of resources related to leases arise from the recognition of a lease receivable that relate to future periods. The deferred inflows of resources reported in the statement of net position, arises from imposed nonexchange revenues (property taxes) which are assessed prior to the end of the fiscal year, but levied in the subsequent year. TCRS pension 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. See Note G. OPEB related deferred inflows of resources are related to actuarial differences between expected and actual experience. See Note I.

18. Property Tax

The City levies property taxes annually based upon assessed valuations provided by the Montgomery County Tax Assessor. The various types of property are assessed at a percentage of estimated actual value on January 1 of each year. Taxes levied by the City against real property are payable October 1 through February 28, and taxes on real estate are considered to be a lien on such realty as of January 1 of the year the assessment is made. Total property tax, including delinquent taxes from prior years, collected during the fiscal year was \$45,168,813 and included \$44,293,211 collected from current year levy, which was approximately 98 percent.

The property tax levy is without legal limit. The rate, as permitted by the Tennessee state law and City charter, is set annually by the Mayor and City Council and collected by the Finance and Revenue Department. The property tax rate for the year ended June 30, 2023 (2022 levy), was \$1.23 per \$100 of assessed value.

19. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective-interest method. Bonds payable are reported net of the applicable bond premium or discount.

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

20. Fund Balances

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Based on the requirements of GASB No. 54, the fund balances for June 30, 2023 are reported as: nonspendable - \$1,304,399 restricted - \$44,164,357, committed - \$7,866,202 assigned - \$14,855,377, and unassigned - \$26,317,413. Fund balances for governmental funds can consist of the following:

Nonspendable Fund Balance - includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash (for example: inventories, prepaid amounts, and long-term notes receivable).

Restricted Fund Balance - includes amounts that are (a) externally restricted by creditors, grantors, contributors, or laws or regulations of other governments, or (b) restricted by law through constitutional provisions or enabling legislation. Restrictions may be effectively changed or lifted only with the consent of resource providers.

Committed Fund Balance - includes amounts that can only be used for the specific purposes determined by a formal action of the City's highest level of decision-making authority, City Council. Commitments may be changed or lifted only by the City taking the same formal action that imposed that constraint originally. City's fund balance policy requires a Resolution passed by the City Council to commit funds.

Assigned Fund Balance - includes amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by the (a) City Council, or (b) a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance - is a residual classification for the general fund and includes all spendable amounts not contained in other classifications. It is also used for any negative fund balances in other funds.

The City's policy is to expend any available restricted, committed or assigned resources, in that order, prior to expending unassigned resources.

The City's policy is to maintain a minimum unassigned fund balance for the General Fund not less than twenty percent (20%) of the estimated budgeted expenditures and transfers out for the ensuing fiscal year beginning July 1.

21. Leases and subscription-based information technology arrangements

Leases - As lessee, the City recognizes lease liabilities with an initial, individual value of \$5,000 or more. The City uses its estimated incremental borrowing rate to measure lease liabilities unless it can readily determine the interest rate implicit in the lease. The City's estimated incremental borrowing rate is 7.5% as of June 30, 2023, as stated by our banking partner, Legends Bank.

As lessor, the City recognizes lease receivables with an initial, individual value of \$5,000 or more. If there is no stated rate in the lease contract, the City uses its own estimated incremental borrowing rate as the discount rate to measure lease receivable. The lessor's estimated incremental borrowing rate is calculated as described above.

CITY OF CLARKSVILLE, TENNESSEE

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YEAR ENDED JUNE 30, 2023

Subscription-based information technology arrangements - The City recognizes subscription liabilities with an initial, individual value of \$5,000 or more. The City uses its own estimated incremental borrowing rate to measure subscription liabilities unless it can readily determine the interest rate implicit in the arrangement. The City's estimated incremental borrowing rate is calculated as described above.

22. Postemployment Benefits

The City participates in the Political Subdivision Pension Plan administered by TCRS. Postemployment pension benefits are accounted for under GASB Statement No. 68, Accounting and Financial Reporting for Pensions, An Amendment of GASB Statement No. 27, which establishes standards for the measurement, recognition, and display of pension expense and related liabilities, assets, note disclosures, and required supplementary information. See additional information regarding the City's pension benefits in Note G.

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

Postemployment healthcare benefits other than pension benefits 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 display of postemployment healthcare benefits expense and related liabilities, assets, note disclosures, and, if applicable, required supplementary information. See additional information regarding the City's other postemployment benefits in Note I.

23. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets, deferred outflows or resources, liabilities, deferred inflows or resources, and disclosures, and the reported amounts of revenue and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

24. Other Significant Accounting Policies

Other significant accounting policies are described throughout the notes section of this audit report or disclosed in the financial statements themselves.

B. DEPOSITS AND INVESTMENTS

Investment in debt and equity securities with readily determinable fair values are carried at fair value based on quoted prices in the active markets. At year end, the City had the following investments with the noted weighted average maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (in years)</u>
Tennessee LGIP	\$ 77,068,342	0.1
US Treasuries/Government Agencies	96,348,016	0.7
	<u>\$ 173,416,358</u>	

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2023:

Level 1 inputs, valued using quoted market prices:
U.S. agency securities \$96,348,016

The City also invests in the Tennessee Local Government Investment Pool ("LGIP"). The LGIP is similar to a SEC 2a-7 account (SEC designation). The City's amounts included in the LGIP are reported at the fair value of its position in the LGIP, which approximates the value of the shares at amortized cost.

The City's nonparticipating interest earning contracts, Certificates of deposit (CDs) are recorded at cost.

Risk and Uncertainties of Investments - Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the City's investment account balances and the amounts reported in the related financial statements at June 30, 2023.

Custodial credit risk: Investment types permitted are consistent with State laws and the GFOA Policy Statement on State and Local Laws Concerning Investment Practices and included but are not limited to:

U.S. Treasury obligations, U.S. government agency obligations, certificates of deposit and local government investment pools which are state-administered. State statutes require that all deposits with financial institutions must be collateralized by securities whose fair value is equal to 105% of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance, by the Tennessee Bank Collateral Pool, by collateral held by the City's agent in the City's name or by the Federal Reserve Banks acting as third-party agents. As of June 30, 2023, all bank deposits were fully collateralized and insured.

Interest rate risks: Investments held for longer periods are subject to increased risk for adverse interest rate changes. City policy provides, that to the extent practicable, investments should be matched with anticipated cash flow requirements and that a portion of the portfolio should be continuously invested in readily available funds such as a local government investment pool. At June 30, 2023, a summary of weighted-average maturities is presented above.

Credit risk: Credit risk is the risk of loss due to the failure of the security issuer or backers and the City's investment policy minimizes this risk by limiting the types of securities to be purchased, pre-qualifying financial institutions, broker/dealers, etc. that the City does business with and by requiring the diversifying of the portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

Concentration of credit risk: Although the investment policy does not place a specific percentage limit on any type of investment, it requires diversification, competitive biddings, and investment officials to operate under the prudent-person rule. At June 30, 2023, there are no investments which subject the City to concentration of credit risk.

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

C. RECEIVABLES

Receivables as of the year end, including the applicable allowances for uncollectible accounts, are detailed in the table that follows:

Receivables:	General Fund	Capital Projects Fund	Other Governmental Funds	Electric & Broadband Department	Gas, Water & Wastewater Department	Non-Major Enterprise Funds	Total
Accounts Receivable	\$ 2,040,966	\$ -	\$ 75,233	\$ 24,641,742	\$ 14,017,981	\$ 28,850	\$ 40,804,772
Taxes	54,886,739	-	218,219	-	-	-	55,104,958
Other Governments	5,660,247	437,876	329,652	-	-	380,680	6,808,455
Leases	1,045,129	-	-	-	-	-	1,045,129
Notes*	-	-	4,535,707	-	-	-	4,535,707
TVA	-	-	-	193,600	-	-	193,600
Other - Weed bills	78,435	-	-	-	-	-	78,435
Gross Receivables	63,711,516	437,876	5,158,811	24,835,342	14,017,981	409,530	108,571,056
Less: Allowance for uncollectible	(1,216,382)	-	(300,996)	(110,520)	(220,414)	-	(1,848,312)
Net total receivables	<u>\$ 62,495,134</u>	<u>\$ 437,876</u>	<u>\$ 4,857,815</u>	<u>\$ 24,724,822</u>	<u>\$ 13,797,567</u>	<u>\$ 409,530</u>	<u>\$ 106,722,744</u>

*Consists of a number of notes collectible over several years; included in notes receivable and other in the accompanying statement of net position.

The City leases buildings and building space to third parties under the provisions of various lease agreements. At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the City is reasonable certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable if certain changes occur that are expected to significantly affect the amount of the lease receivable.

The City, as the lessor, has entered into several lease agreements involving buildings. The City has a lease receivable of \$1,045,129 and a deferred inflow of resources of \$684,266 as of June 30, 2023. The deferred inflows related to leases will be recognized as a revenue using the straight-line method over the life of each lease term. A reduction of the lease receivable of \$84,843 and interest revenue of \$49,116 was recognized during the year ended June 30, 2023. The portion of deferred inflows amortized during 2023 was \$70,628.

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

Lease	Contract Date	Maturity Date
Liberty Park Development	12/20/2011	11/20/2038
US Bank	6/1/2000	5/1/2030
Cumberland River	1/1/2012	10/31/2034

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of deferred inflows of resources reported in the governmental funds were as follows:

	Deferred Inflows
Delinquent property taxes receivable, net of allowance	\$1,404,967
2023 tax levy due October 2023	47,335,292
Grants receivable	437,876
Lease receivable	684,266
Total	\$49,862,401

D. CAPITAL ASSETS

Infrastructure Assets

The City has elected to use the “Modified Approach” as defined by GASB Statement No. 34 for reporting its Street Assets. The Modified Approach requires the City to capitalize the existing streets and preserve these assets at or above an established condition level, which the City has established as a Pavement Condition Index (“PCI”) of 41. The City maintains 690 miles of pavement and rates the condition in three conditions: Good to Excellent – 91%; Fair – 7%; and Poor to Failed – 2%. City policy recognizes that streets will always be rated below the 41-PCI, and that once streets fall below this level that management may allow the street to completely fail before restoring the street to a 100-PCI and starting the process over. The City’s overall system was estimated at a Pavement Condition Index of “87” at June 30, 2023.

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

Infrastructure and other capital asset activity for governmental activities for the year ended June 30, 2023 is as follows:

	Balance July 1, 2022	Increases	Transfers & Decreases	Balance June 30, 2023
Governmental Activities:				
Infrastructure-Modified Approach Street Network	\$ 299,084,678	\$ 6,312,240	\$ -	\$ 305,396,918
Basic Approach:				
Bridges	4,141,958	-	-	4,141,958
Drainage systems	51,605,902	2,103,113	-	53,709,015
Sidewalks	63,953,371	4,016,888	-	67,970,259
Boat docks	1,144,992	-	-	1,144,992
Traffic signals/lighting	12,261,403	154,500	-	12,415,903
Total Infrastructure	<u>432,192,304</u>	<u>12,586,741</u>	<u>-</u>	<u>444,779,045</u>
Less Accumulated Depreciation:				
Bridges	(1,248,057)	(84,035)	-	(1,332,092)
Drainage systems	(15,291,816)	(795,838)	-	(16,087,654)
Sidewalks	(23,275,914)	(3,072,102)	-	(26,348,016)
Boat docks	(507,479)	(48,749)	-	(556,228)
Traffic signals/lighting	(9,221,876)	(431,251)	-	(9,653,127)
Total Accumulated Depreciation	<u>(49,545,142)</u>	<u>(4,431,975)</u>	<u>-</u>	<u>(53,977,117)</u>
Net Infrastructure	<u>382,647,162</u>	<u>8,154,766</u>	<u>-</u>	<u>390,801,928</u>
Capital Assets not depreciated:				
Land	27,720,312	297,000	(1,829,846)	26,187,466
Easements	37,209,752	693,760	-	37,903,512
Construction in progress	24,817,089	21,973,090	(2,314,238)	44,475,941
Total Capital Assets not depreciated	<u>89,747,153</u>	<u>22,963,850</u>	<u>(4,144,084)</u>	<u>108,566,919</u>
Capital Assets being depreciated/amortized:				
Land improvements	37,381,775	47,000	-	37,428,775
Machinery and equipment	24,808,776	925,536	(846,291)	24,888,021
Buildings	98,957,664	-	(470,585)	98,487,079
Vehicles	31,120,809	4,689,644	(1,006,563)	34,803,890
Right-to-use equipment	506,351	8,683	(53,310)	461,724
Right-to-use vehicles	174,879	-	-	174,879
Total Capital Assets depreciated/amortized	<u>192,950,254</u>	<u>5,670,863</u>	<u>(2,376,749)</u>	<u>196,244,368</u>
Less Accumulated Depreciation/Amortization:				
Land improvements	(12,160,813)	(1,131,736)	-	(13,292,549)
Machinery and equipment	(15,938,717)	(1,651,795)	865,923	(16,724,589)
Buildings	(34,216,473)	(2,041,949)	224,446	(36,033,976)
Vehicles	(21,496,647)	(2,446,142)	992,722	(22,950,067)
Right-to-use equipment	(322,298)	(91,031)	25,682	(387,647)
Right-to-use vehicles	(139,900)	(34,975)	-	(174,875)
Total Accumulated Depreciation/Amortization	<u>(84,274,848)</u>	<u>(7,397,628)</u>	<u>2,108,773</u>	<u>(89,563,703)</u>
Net Capital Assets depreciated/amortized	<u>108,675,406</u>	<u>(1,726,765)</u>	<u>(267,976)</u>	<u>106,680,665</u>
Net Governmental Activities Capital Assets	<u>198,422,559</u>	<u>21,237,085</u>	<u>(4,412,060)</u>	<u>215,247,584</u>
Net Governmental Activities Capital Assets and Infrastructure	<u>\$ 581,069,721</u>	<u>\$ 29,391,851</u>	<u>\$ (4,412,060)</u>	<u>\$ 606,049,512</u>

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

Depreciation/Amortization expense related to governmental activities was charged to the following functions:

General Government	\$ 1,046,352
Highways & Streets	5,070,377
Public Safety	3,398,673
Culture and Recreation	2,314,201
	<u>\$ 11,829,603</u>

Capital asset activity for business-type activities for the year ended June 30, 2023 is as follows:

	Restated Balance July 1, 2022	Increases	Transfers & Decreases	Balance June 30, 2023
<u>Business-Type Activities</u>				
Parking Commission				
Capital Assets being depreciated:				
Buildings	\$ 2,251,054	\$ -	\$ -	\$ 2,251,054
Land Improvements	990,791	-	-	990,791
Furniture and equipment	388,924	-	-	388,924
Motor Vehicles	34,335	-	-	34,335
Total Capital Assets depreciated	<u>3,665,104</u>	<u>-</u>	<u>-</u>	<u>3,665,104</u>
Less Accumulated Depreciation				
Buildings	(1,638,271)	(56,277)	-	(1,694,548)
Land Improvements	(256,772)	(1,268)	-	(258,040)
Furniture and equipment	(289,115)	(23,300)	-	(312,415)
Motor Vehicles	(32,264)	(2,072)	-	(34,336)
Total Accumulated Depreciation	<u>(2,216,422)</u>	<u>(82,917)</u>	<u>-</u>	<u>(2,299,339)</u>
Net Parking Commission Capital Assets	<u>\$ 1,448,682</u>	<u>\$ (82,917)</u>	<u>\$ -</u>	<u>\$ 1,365,765</u>
Transit System				
Capital Assets not depreciated				
Land	\$ 154,818	\$ -	\$ -	\$ 154,818
Total Capital Assets not depreciated	<u>154,818</u>	<u>-</u>	<u>-</u>	<u>154,818</u>
Capital Assets being depreciated/amortized:				
Buildings	5,088,989	77,390	(10,983)	5,155,396
Revenue vehicles	12,773,775	1,065,358	(5,920)	13,833,213
Revenue vehicles - ARRA	1,471,077	5,920	(376,997)	1,100,000
Other vehicles	1,462,859	20,260	(20,260)	1,462,859
Furniture and equipment	2,336,010	222,829	(168,485)	2,390,354
Right-to-use subscription assets	280,765	-	-	280,765
Total Capital Assets depreciated/amortized	<u>23,413,475</u>	<u>1,391,757</u>	<u>(582,645)</u>	<u>24,222,587</u>
Less Accumulated Depreciation/Amortization:				
Buildings	(2,786,653)	(281,438)	-	(3,068,091)
Revenue vehicles	(6,474,924)	(1,313,000)	11,840	(7,776,084)
Revenue vehicles - ARRA	(1,471,077)	(32,914)	403,991	(1,100,000)
Other vehicles	(1,198,355)	(105,240)	-	(1,303,595)
Furniture and equipment	(1,407,351)	(208,555)	16,760	(1,599,146)
Right-to-use subscription assets	(74,871)	(56,153)	-	(131,024)
Total Accumulated Depreciation/Amortization	<u>(13,413,231)</u>	<u>(1,997,300)</u>	<u>432,591</u>	<u>(14,977,940)</u>
Net Capital Assets depreciated/amortized	<u>10,000,244</u>	<u>(605,543)</u>	<u>(150,054)</u>	<u>9,244,647</u>
Net Transit Capital Assets	<u>\$ 10,155,062</u>	<u>\$ (605,543)</u>	<u>\$ (150,054)</u>	<u>\$ 9,399,465</u>

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

Beginning balances within the Transit capital assets were adjusted to include right-to-use subscription assets as a result of the implementation of GASB Statement No. 96. The related liability is included in Note E.

	Balance July 1, 2022	Increases	Transfers & Decreases	Balance June 30, 2023
CDE Lightband Electric Division				
Capital Assets not depreciated				
Land and land rights	\$ 1,997,718	\$ 767,977	\$ -	\$ 2,765,695
Construction in progress	15,878,838	37,022,468	(31,019,083)	21,882,223
Total Capital Assets not depreciated	<u>17,876,556</u>	<u>37,790,445</u>	<u>(31,019,083)</u>	<u>24,647,918</u>
Capital Assets being depreciated:				
Station equipment	46,668,301	57,468	-	46,725,769
Electric transmission system	119,076,936	15,070,574	(1,932,371)	132,215,139
Transportation equipment	5,764,284	927,782	(21,225)	6,670,841
Furniture and equipment	5,617,183	148,086	(93,530)	5,671,739
Communication equipment	117,891,681	7,789,904	(1,560,517)	124,121,068
Poles and fixtures	1,598,790	2,598	-	1,601,388
Overhead conductors and devices	560,373	-	-	560,373
Structures and improvements	22,692,787	19,502	-	22,712,289
Total Capital Assets depreciated	<u>319,870,335</u>	<u>24,015,914</u>	<u>(3,607,643)</u>	<u>340,278,606</u>
Less Accumulated Depreciation				
Station equipment	(17,128,992)	(1,400,255)	-	(18,529,247)
Electric transmission system	(38,670,768)	(4,528,829)	1,779,096	(41,420,501)
Transportation equipment	(3,682,838)	(456,285)	27,276	(4,111,847)
Furniture and equipment	(3,130,697)	(614,194)	97,286	(3,647,605)
Communication equipment	(54,730,421)	(6,744,038)	1,569,910	(59,904,549)
Poles and fixtures	(1,108,039)	(46,564)	-	(1,154,603)
Overhead conductors and devices	(559,902)	-	-	(559,902)
Structures and improvements	(4,254,515)	(681,125)	-	(4,935,640)
Total Accumulated Depreciation	<u>(123,266,172)</u>	<u>(14,471,290)</u>	<u>3,473,568</u>	<u>(134,263,894)</u>
Net Capital Assets depreciated	<u>196,604,163</u>	<u>9,544,624</u>	<u>(134,075)</u>	<u>206,014,712</u>
Net CDE Lightband Electric Division Capital Assets	<u>\$ 214,480,719</u>	<u>\$ 47,335,069</u>	<u>\$ (31,153,158)</u>	<u>\$ 230,662,630</u>

The estimated costs to complete Electric Division work in progress are approximately \$20,000,000 as of June 30, 2023.

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

	Balance July 1, 2022	Increases	Transfers & Decreases	Balance June 30, 2023
CDE Lightband Broadband Division				
Capital Assets not depreciated				
Construction in progress	\$ 373,065	\$ 4,136,077	\$ (2,423,586)	\$ 2,085,556
Total Capital Assets not depreciated	<u>373,065</u>	<u>4,136,077</u>	<u>(2,423,586)</u>	<u>2,085,556</u>
Capital Assets being depreciated:				
Station equipment	4,329,000	2,293,064	(285,108)	6,336,956
Electric transmission system	4,822,850	14,602	-	4,837,452
Transportation equipment	631,942	130,376	-	762,318
Furniture and equipment	120,398	6,157	-	126,555
Communication equipment	118,049	-	-	118,049
Poles and fixtures	831,390	-	-	831,390
Overhead conductors and devices	56,668	-	-	56,668
Total Capital Assets depreciated	<u>10,910,297</u>	<u>2,444,199</u>	<u>(285,108)</u>	<u>13,069,388</u>
Less Accumulated Depreciation				
Station equipment	(2,199,330)	(1,206,721)	285,108	(3,120,943)
Electric transmission system	(3,825,553)	(275,036)	-	(4,100,589)
Transportation equipment	(64,223)	(91,619)	-	(155,842)
Furniture and equipment	(350,267)	(7,842)	-	(358,109)
Communication equipment	(86,002)	(5,902)	-	(91,904)
Poles and fixtures	(494,828)	(98,089)	-	(592,917)
Overhead conductors and devices	(54,164)	(93)	-	(54,257)
Total Accumulated Depreciation	<u>(7,074,367)</u>	<u>(1,685,302)</u>	<u>285,108</u>	<u>(8,474,561)</u>
Net Capital Assets depreciated	<u>3,835,930</u>	<u>758,897</u>	<u>-</u>	<u>4,594,827</u>
Net CDE Lightband Broadband Division Capital Assets	<u>\$ 4,208,995</u>	<u>\$ 4,894,974</u>	<u>\$ (2,423,586)</u>	<u>\$ 6,680,383</u>
Gas				
Capital Assets not depreciated				
Land and land rights	\$ 1,006,179	\$ 47,593	\$ (70,272)	\$ 983,500
Construction in progress	1,583,686	1,774,121	(2,321,573)	1,036,234
Total Capital Assets not depreciated	<u>2,589,865</u>	<u>1,821,714</u>	<u>(2,391,845)</u>	<u>2,019,734</u>
Capital Assets being depreciated:				
Building and infrastructure	71,871,248	2,001,171	(96,029)	73,776,390
Land improvements	6,609	36,081	-	42,690
Furniture and equipment	7,397,578	216,464	(5,415)	7,608,627
Transportation equipment	2,823,395	20,263	-	2,843,658
Total Capital Assets depreciated	<u>82,098,830</u>	<u>2,273,979</u>	<u>(101,444)</u>	<u>84,271,365</u>
Less Accumulated Depreciation/Amortization:				
Building & infrastructure	(27,060,027)	(1,485,990)	52,026	(28,493,991)
Land improvements	(1,102)	(1,635)	-	(2,737)
Furniture & equipment	(6,566,989)	(248,037)	4,874	(6,810,152)
Transportation equipment	(2,057,851)	(214,958)	-	(2,272,809)
Total Accumulated Depreciation	<u>(35,685,969)</u>	<u>(1,950,620)</u>	<u>56,900</u>	<u>(37,579,689)</u>
Net Capital Assets depreciated	<u>46,412,861</u>	<u>323,359</u>	<u>(44,544)</u>	<u>46,691,676</u>
Net Gas Capital Assets	<u>\$ 49,002,726</u>	<u>\$ 2,145,073</u>	<u>\$ (2,436,389)</u>	<u>\$ 48,711,410</u>

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

	<u>Balance</u> <u>July 1, 2022</u>	<u>Increases</u>	<u>Transfers &</u> <u>Decreases</u>	<u>Balance</u> <u>June 30, 2023</u>
Water and Wastewater				
Capital Assets not depreciated				
Land and land rights	\$ 6,427,860	\$ 133,630	\$ (140,544)	\$ 6,420,946
Construction in progress	54,648,538	97,396,554	(41,402,446)	110,642,646
Total Capital Assets not depreciated	<u>61,076,398</u>	<u>97,530,184</u>	<u>(41,542,990)</u>	<u>117,063,592</u>
Capital Assets being depreciated:				
Buildings and infrastructure	690,258,112	39,331,923	(192,654)	729,397,381
Land improvements	4,495,351	72,162	-	4,567,513
Furniture and equipment	77,232,072	275,558	(56,694)	77,450,936
Transportation equipment	9,097,485	1,589,175	(126,222)	10,560,438
Total Capital Assets depreciated	<u>781,083,020</u>	<u>41,268,818</u>	<u>(375,570)</u>	<u>821,976,268</u>
Less Accumulated Depreciation				
Buildings and infrastructure	(201,176,406)	(14,913,570)	106,103	(215,983,873)
Land improvements	(558,558)	(93,066)	-	(651,624)
Furniture and equipment	(57,349,472)	(3,791,929)	42,986	(61,098,415)
Transportation equipment	(6,007,000)	(906,852)	126,222	(6,787,630)
Total Accumulated Depreciation	<u>(265,091,436)</u>	<u>(19,705,417)</u>	<u>275,311</u>	<u>(284,521,542)</u>
Net Capital Assets depreciated	<u>515,991,584</u>	<u>21,563,401</u>	<u>(100,259)</u>	<u>537,454,726</u>
Net Water and Wastewater Capital Assets	<u>\$ 577,067,982</u>	<u>\$ 119,093,585</u>	<u>\$ (41,643,249)</u>	<u>\$ 654,518,318</u>

Depreciation expense related to business-type activities was charged to the following functions:

Parking Commission	\$ 82,917
Transit System	1,997,300
Electric & Broadband	16,156,592
Gas	1,950,620
Water & Wastewater	19,705,417
Total	<u>\$ 39,892,846</u>

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

Capital asset activity for the discretely presented component units for the year ended June 30, 2023 is as follows:

	<u>Balance July 1, 2022</u>	<u>Increases</u>	<u>Transfers & Decreases</u>	<u>Balance June 30, 2023</u>
Clarksville-Montgomery County Museum				
Capital Assets being depreciated/amortized:				
Leasehold improvements	\$ 5,491,795	\$ 48,627	\$ -	\$ 5,540,422
Furniture and equipment	269,748	17,567	-	287,315
Vehicles	14,564	-	-	14,564
Right to use: equipment	-	15,133	-	15,133
Total Capital Assets depreciated/amortized	<u>5,776,107</u>	<u>81,327</u>	<u>-</u>	<u>5,857,434</u>
Less Accumulated Depreciation/Amortization	<u>(3,282,482)</u>	<u>(258,210)</u>	<u>-</u>	<u>(3,540,692)</u>
Net Clarksville-Montgomery County Museum Capital Assets	<u>\$ 2,493,625</u>	<u>\$ (176,883)</u>	<u>\$ -</u>	<u>\$ 2,316,742</u>
Ajax Turner Senior Citizen's Center				
Capital Assets being depreciated:				
Leasehold improvements	\$ 307,327	\$ 22,514	\$ -	\$ 329,841
Furniture and equipment	343,567	33,585	(55,821)	321,331
Vehicles	39,801	-	-	39,801
Total Capital Assets depreciated	<u>690,695</u>	<u>56,099</u>	<u>(55,821)</u>	<u>690,973</u>
Less Accumulated Depreciation	<u>(600,970)</u>	<u>(13,765)</u>	<u>39,728</u>	<u>(575,007)</u>
Net Ajax Turner Senior Citizen's Center Capital Assets	<u>\$ 89,725</u>	<u>\$ 42,334</u>	<u>\$ (16,093)</u>	<u>\$ 115,966</u>
Roxy Productions, Inc				
Capital Assets being depreciated:				
Costumes	\$ 120,704	\$ -	\$ -	\$ 120,704
Furniture and equipment	40,725	3,500	-	44,225
Total Capital Assets depreciated	<u>161,429</u>	<u>3,500</u>	<u>-</u>	<u>164,929</u>
Less Accumulated Depreciation	<u>(33,623)</u>	<u>(10,548)</u>	<u>-</u>	<u>(44,171)</u>
Net Roxy Productions, Inc Capital Assets	<u>\$ 127,806</u>	<u>\$ (7,048)</u>	<u>\$ -</u>	<u>\$ 120,758</u>
Net Component Units Capital Assets	<u>\$ 2,711,156</u>	<u>\$ (141,597)</u>	<u>\$ (16,093)</u>	<u>\$ 2,553,466</u>

Depreciation expense related to component unit activities was charged to the following functions:

Clarksville-Montgomery County Museum	\$ 258,210
Ajax Turner Senior Citizen's Center	13,765
Roxy Productions, Inc	10,548
	<u>\$ 282,523</u>

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

E. LONG-TERM OBLIGATIONS

Governmental long-term debt activity for the year ended June 30, 2023 consists of the following:

	Balance				Balance June 30, 2023	Amounts Due
	July 1, 2022	Additions	Reductions	Remeasurements		in Year Ending June 30, 2024
Bonds payable	\$111,237,000	\$ -	\$ (6,825,000)	\$ -	\$104,412,000	\$ 6,553,000
Notes payable	20,176,000	-	(1,176,000)	-	19,000,000	1,211,000
Bond premiums	9,376,156	-	(110,210)	-	9,265,946	-
Lease payable	261,106	8,163	(122,840)	(28,615)	117,814	84,679
Subtotal	141,050,262	8,163	(8,234,050)	(28,615)	132,795,760	7,848,679
Accrued compensated absences	3,303,808	3,103,532	(2,649,430)	-	3,757,910	3,088,280
Total governmental activities	<u>\$144,354,070</u>	<u>\$ 3,111,695</u>	<u>\$ (10,883,480)</u>	<u>\$ (28,615)</u>	<u>\$136,553,670</u>	<u>\$ 10,936,959</u>

Compensated absences will primarily be liquidated through the General Fund.



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CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

Governmental long-term debt at June 30, 2023 consists of the following obligations:

Bonds Payable:

\$21,753,000 2009 General Obligation Refunding Bonds due in increasing annual installments through June 1, 2027, at an interest rate of 3.76%.	\$	2,990,000
\$13,025,000 2012 General Obligation Public Improvement Bonds due in annual installments through January 15, 2033, at varying rates of interest from 2% to 3%.		3,635,000
\$7,950,000 2014 General Obligation Public Improvement Bonds due in annual installments through June 1, 2034 at varying rates of interest from 3% to 4%.		4,970,000
\$16,850,000 General Obligation Public Improvement Bonds Series 2016A due in annual installments through June 30, 2036 at varying rates of interest from 2% to 5%.		13,005,000
\$1,240,000 General Obligation Taxable Qualified Energy Conservation Bonds Series 2016B due in annual installments through June 30, 2026 at varying rates of interest from 1% to 2.95%.		375,000
\$42,619,000 General Obligation Refunding Bonds, Series 2020A due in annual installments through June 30, 2034 at a 1.71% rate of interest.		34,167,000
\$4,430,000 Taxable General Obligation Refunding Bonds, Series 2020B due in annual installments through June 30, 2028 at a 1.72% rate of interest.		2,795,000
\$42,525,000 General Obligation Public Improvement Bonds Series 2022 due in annual installments through February 28, 2045 at a 5% rate of interest.		<u>42,475,000</u>
Total bonds payable	\$	<u>104,412,000</u>

Notes Payable:

\$18,000,000 2018 Tennessee Municipal Bond Pooled Loan Program; loan agreement provides for repayment of loan in annual installments through May 25, 2040, with interest payable monthly at an adjustable rate.	\$	15,906,000
\$4,835,000 2018 Land Capital Outlay Note; loan agreement, due in increasing annual installments through January 1, 2029, at an interest rate of 3.44%.		<u>3,094,000</u>
Total notes payable	\$	<u>19,000,000</u>
Bond premiums		<u>9,265,946</u>
Total bonds, notes payable and premiums		132,677,946
Add: Accrued compensated absences		3,757,910
Leases payable		117,814
Less: Current portion of long-term debt		(7,848,679)
Current portion of accrued compensated absences		<u>(3,088,280)</u>
Total governmental activities long-term debt and accrued compensated absences	\$	<u>125,616,711</u>

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

The City's general fund has general obligation bonds including premiums and notes totaling \$132,677,946 and are collateralized by the full faith and credit of the City and its ability to raise taxes to repay the debt. The City has eight outstanding revenue bonds with interest rates ranging from 1.0% to 5.0%. The City also has one note with TMBF with variable interest rates based on SIFMA plus a letter of credit fee of 0.15% and one capital outlay note for the purchase of land with an interest rate of 3.44%. The principal payments made during FY2023 were \$8,001,000.

Additionally, the City has authorization from City Council to issue \$140,833,190 of debt as needed to fund capital projects approved from fiscal years 2018 to 2024 budgets.

Lease payable - The City has acquired equipment under the provisions of various noncancelable lease agreements at a total purchase price of \$117,814. The following schedule details debt service requirements for maturity for the financed purchases at June 30, 2023.

Year ending June 30	Governmental activities	
	Principal	Interest
2024	\$ 84,679	\$ 2,515
2025	20,967	2,715
2026	10,632	1,880
2027	1,536	185
Total	<u>\$ 117,814</u>	<u>\$ 7,295</u>

The total amount of lease assets and the related accumulated amortization are as follows:

Total intangible right-to-use assets	\$ 636,603
Less: accumulated amortization	<u>(562,522)</u>
Carrying value	<u>\$ 74,081</u>

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

Business-type activities long-term liability activity for the year ended June 30, 2023, consists of the following:

	Restated Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Amounts Due in Year Ending June 30, 2024
<u>Department of Electricity</u>					
Bonds and notes payable	\$ 53,140,000	\$ 28,630,000	\$ (3,320,000)	\$ 78,450,000	\$ 4,155,000
Premiums on bonds	6,252,290	1,570,215	(637,302)	7,185,203	-
Accrued compensated absences	2,739,341	1,114,902	(875,434)	2,978,809	1,280,888
Customer deposits	7,642,823	3,307,473	(2,819,837)	8,130,459	-
TVA advances	527,153	47,762	(362,955)	211,960	-
Other	71,901	448,784	(446,386)	74,299	-
Total Department of Electricity	<u>70,373,508</u>	<u>35,119,136</u>	<u>(8,461,914)</u>	<u>97,030,730</u>	<u>5,435,888</u>
<u>Gas, Water, and Wastewater Department</u>					
Bonds and notes payable	346,781,256	-	(14,638,879)	332,142,377	15,316,573
Premiums on bonds	60,999,739	-	(4,928,651)	56,071,088	-
Accrued compensated absences	1,315,054	1,266,665	(1,015,959)	1,565,760	1,211,960
Customer deposits	6,181,456	2,830,927	(2,025,424)	6,986,959	-
Total Gas, Water and Wastewater	<u>415,277,505</u>	<u>4,097,592</u>	<u>(22,608,913)</u>	<u>396,766,184</u>	<u>16,528,533</u>
<u>Clarksville Transit</u>					
Accrued compensated absences	221,529	11,804	-	233,333	233,333
Subscription Liability	218,825	-	(51,246)	167,579	167,579
Total Transit	<u>440,354</u>	<u>11,804</u>	<u>(51,246)</u>	<u>400,912</u>	<u>400,912</u>
Total business-type activities	<u>\$ 486,091,367</u>	<u>\$ 39,228,532</u>	<u>\$ (31,122,073)</u>	<u>\$ 494,197,826</u>	<u>\$ 22,365,333</u>
<u>Component Units</u>					
	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Amounts Due in Year Ending June 30, 2024
Museum					
Accrued Compensated Absences	\$ 17,436	\$ 3,172	\$ -	\$ 20,608	\$ 20,608
Lease Liability	-	15,133	(2,710)	12,423	2,887
Roxy Productions - Notes payable	135,334	-	(9,334)	126,000	8,556
	<u>\$ 152,770</u>	<u>\$ 18,305</u>	<u>\$ (12,044)</u>	<u>\$ 159,031</u>	<u>\$ 32,051</u>

Beginning balances were restated for the recognition of Subscription Liability for the implementation of GASB Statement No. 96. Similarly, Note C reflects the increase in right-to-use assets.

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

Business-type activity long-term debt at June 30, 2023, consists of the following obligations:

Bonds Payable:

Series 2014 (\$3,215,000) Electric System Revenue Refunding in annual installments of \$365,000 through September 2023 at 3.00% interest.	\$ 365,000
Series 2015 (\$38,545,000) Electric System Revenue Refunding in annual installments of \$2,465,000 to \$3,465,000 through September 2031 at 2.00% to 5.00% interest.	26,450,000
Series 2016 (\$89,445,000) Water, Wastewater and Gas Revenue Refunding bonds due in annual installments of \$2,890,000 to \$3,870,000 through February 2029 at 4.00% to 5.00% interest.	20,625,000
Series 2017 (\$51,350,001) Water, Wastewater and Gas Revenue Refunding bonds due in annual installments of \$1,375,000 to \$9,345,000 through February 2038 at 4.00% to 5.00% interest.	41,015,000
Series 2017 (\$24,845,000) Electric System Revenue Refunding bonds due in annual installments of \$590,000 to \$5,430,000 through September 2034 at 3.00% to 5.00% interest.	23,005,000
Series 2021 Water, Wastewater and Gas Revenue Refunding bonds due in annual installments of \$1,045,000 to \$6,500,000 to February 2041 at .225% to 2.669% interest.	57,870,000
Series 2021 Water, Wastewater and Gas Revenue Refunding bonds due in annual installments of \$3,960,000 to \$11,540,000 to February 2051 at 4.00% to 5.00% interest.	187,695,000
Series 2022 Electric System Revenue Bonds due in annual installments of \$735,000 to \$2,135,000 to September 2042 at 4.00% to 5.00% interest.	<u>28,630,000</u>
Total bonds payable	<u>\$ 385,655,000</u>

Notes Payable:

Series 2005 (\$49,181,269) Tennessee Municipal Bond Fund Loan due in annual installments of \$1,722,001 to \$3,341,373 through May 2032, at a variable rate of interest	\$ 24,937,377
Total notes payable	<u>24,937,377</u>
Total bonds and notes payable	410,592,377

Add: Accrued compensated absences	4,777,902
Customer deposits	15,117,418
TVA advances	211,960
Bond premiums	63,256,291
Subscription liability	167,579
Other	<u>74,299</u>
Less: Current portion of long-term debt and accrued compensated absences	<u>(22,365,333)</u>
Total business activity long-term liabilities	<u><u>\$ 471,832,493</u></u>

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

Electric system revenue bonds, including premiums, total \$85,635,203 and are collateralized by a subordinate interest in substantially all the net revenues of the Electric Division. The Electric division has four outstanding revenue bonds with interest rates ranging from 2.0% to 5.0%. The Electric division has no unused lines of credit.

The Gas, Water and Wastewater division's revenue bonds, including premiums, total \$388,213,465 and are collateralized by the operating revenues of the systems. Bond covenants require the establishment of a debt service fund from which to pay interest and principal maturities as they become due. The division has four outstanding revenue bonds with interest rates ranging from .225% to 5.00%. The division also has a note with the Tennessee Municipal Bond Fund (TMBF) with variable interest rates and a letter of credit fee of 0.15%. The outstanding principal payments are \$24,937,377 of which is collateralized by the revenues of the system and the full faith and credit of the City. Total outstanding debt of the divisions is \$332,142,377 with no unused lines of credit.

The annual debt service requirements for bonds and notes payable outstanding as of June 30, 2023, are as follows:

Year Ended June 30	Governmental Activity Debt Principal	Business Type Activity Debt Principal	Direct Borrowings Bonds Payable	Direct Placement	Total Debt Principal	Total Interest
2024	\$ 7,764,000	\$ 17,210,000	\$ 2,261,573	\$ -	\$ 27,235,573	\$ 21,236,050
2025	7,989,000	18,060,000	2,374,651	-	28,423,651	20,157,443
2026	8,214,000	14,630,000	2,493,384	-	25,337,384	19,061,374
2027	8,465,000	15,240,000	2,618,053	-	26,323,053	18,038,813
2028	8,374,000	15,870,000	2,748,956	-	26,992,956	16,987,883
2029-33	39,159,000	89,695,000	12,440,760	-	141,294,760	69,106,305
2034-38	21,659,000	75,205,000	-	-	96,864,000	45,547,171
2039-43	15,523,000	59,190,000	-	-	74,713,000	27,965,471
2044-48	6,265,000	47,250,000	-	-	53,515,000	13,237,100
2049-51	-	33,305,000	-	-	33,305,000	2,699,200
*	\$ 123,412,000	\$ 385,655,000	\$ 24,937,377	\$ -	\$ 534,004,377	\$ 254,036,810

*The governmental activity total debt includes \$3,000 that was a discrepancy in the bond documents and was reallocated across the \$4.8 million land note.

The City is not subject to requirements relating to its debt, including any state or other law that limits the amount of net bonded debt that it may have outstanding. The City's full faith and credit is pledged for the repayment of all General Obligation Bond principal and interest.

The City is subject to requirements relating to its debt, including various bond indentures which contain significant limitations, restrictions, annual debt service requirements, maintenance of and flow of monies through various restricted accounts, and minimum amounts to be maintained in various reserve funds as well as federal arbitrage and certain state regulations. The City is in compliance with all such significant limitations, restrictions and regulations. Substantially all revenue bonds of the proprietary funds are payable from restricted assets.

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

F. DEFEASED DEBT

Wastewater and Gas Revenue Refunding Bonds, Series 2017, were issued on December 21, 2017, with interest rates ranging from 4.0% to 5.0% to refund \$30,630,000 Revenue Refunding Bonds, Series 2011 and refund \$28,700,000 Revenue Refunding Bonds, Series 2013. On December 7, 2018, the debt maturities of 2023, 2024 and 2025 for the Series 2011 Water, Wastewater and Gas Revenue Bonds were defeased for a total principal amount of \$9,740,000. On February 2, 2021, the debt maturity of 2022 for the Series 2011 Water, Wastewater and Gas Revenue Bonds were defeased for a total principal amount of \$1,390,000. Also, on February 1, 2021 the outstanding balance of the Series 2011 Water, Wastewater and Gas Revenue Bonds were called and paid in full for a total principal amount of \$40,370,000. On August 4, 2021, Water, Wastewater and Gas Revenue Refunding Bonds, Series 2021B were issued to refund \$10,505,000 Revenue Refunding Bonds, Series 2013 and \$45,685,000 Revenue Refunding Bonds, Series 2016. Sufficient proceeds were deposited with an escrow agent to provide for all future debt service payments on the refunded bond. As a result, the refunded bonds are considered defeased and the liability for those bonds has been removed from the financial statements at the time of refunding. At June 30, 2023, bonds outstanding of \$45,685,000 were considered defeased.

G. PENSION PLAN

General Information:

Plan Description - Employees of the City, with the exception of the employees of the Department of Electricity, are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <https://treasury.tn.gov/retirement/boards-and-governance/reporting-and-investment-policies>.

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

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

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

Employees covered by benefit terms - At the measurement date of June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	712
Inactive employees entitled to but not yet receiving benefits	624
Active employees	<u>1,280</u>
	<u>2,616</u>

In 2006 the City adopted an early retirement package for Public Safety employees with mandatory retirement at age 62. Due to the change some public safety employees are being covered under the previous plan and the new plan, therefore are accounted for in both "active employees" and "inactive employees entitled to but not yet receiving benefits".

Contributions - Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. The City makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ending June 30, 2023, the actuarially determined contribution ("ADC") employer contributions for the City was \$12,419,807 based on a rate of 18.03% of covered payroll for sworn personnel and 14.53% of covered payroll for all other employees. By law, employer contributions are required to be paid. The TCRS may intercept the City's state shared taxes if required employer contributions are not remitted. The employer's ADC and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability:

The City's net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions - The total pension liability as of June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	Graded salary ranges from 8.72% to 3.44% based on age, including inflation, averaging 4.0%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.125%

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

The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016 through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

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

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

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

Changes in the Net Pension Liability:

	Total Pension Liability (a)	Plan Fuduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance at 6/30/21	\$ 255,191,117	\$ 259,737,077	\$ (4,545,960)
<u>Changes for the year:</u>			
Service cost	5,328,789	-	5,328,789
Interest	17,222,241	-	17,222,241
Differences between expected and actual experience	30,835,711	-	30,835,711
Employer contributions	-	12,049,455	(12,049,455)
Employee contributions	-	19,683	(19,683)
Net investment income	-	(9,959,371)	9,959,371
Benefit payments	(10,751,188)	(10,751,188)	-
Administrative expense	-	(124,942)	124,942
Net changes	<u>42,635,553</u>	<u>(8,766,363)</u>	<u>51,401,916</u>
Balance at 6/30/22	<u>\$ 297,826,670</u>	<u>\$ 250,970,714</u>	<u>\$ 46,855,956</u>

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

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net pension liability (asset)	\$ 90,381,632	\$ 46,855,956	\$ 11,151,897

Pension Expense (Negative Pension Expense) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

Pension expense - For the year ended June 30, 2023, the City recognized pension expense of \$11,851,164.

Deferred outflows of resources and deferred 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 29,940,954	\$ 3,613,906
Net difference between projected and actual earnings on pension plan investments	740,774	-
Change in Assumptions	12,114,759	-
Contributions subsequent to the measurement date of June 30, 2022	12,419,807	-
Total	<u>\$ 55,216,294</u>	<u>\$ 3,613,906</u>

The amount shown above for “Contributions subsequent to the measurement date of June 30, 2022,” will be recognized as a reduction to total pension liability in the following measurement period.

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

<u>Year Ended June 30:</u>	Total
2024	\$ 7,400,120
2025	6,548,042
2026	4,551,785
2027	11,872,430
2028	4,405,102
Thereafter	4,405,102

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

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

Allocation of Pension Related Activity to Funds of the Primary Government:

The Pension related activity has been allocated to the individual funds of the Primary Government by use of an allocation ratio of the 2023 pension contributions by fund. This ratio dictates that 72.04% of the pension related activity belongs to the General Government, 22.96% is attributed to the Gas, Water and Wastewater Funds, and the remaining 5.00% is the Transit Fund.

A summary of the Pension related activity by fund follows:

	<u>General Government</u>	<u>Gas, Water & Wastewater</u>	<u>Transit</u>
Net Pension Liability (Asset)	\$ 33,252,746	\$ 11,236,174	\$ 2,367,036
Deferred Inflows	2,758,846	723,522	131,538
Deferred Outflows	39,790,108	12,647,937	2,778,249

Payable to the Pension Plan:

At June 30, 2023, the City did not have a payable for any outstanding amount of contributions to the pension plan required at the year ended June 30, 2023.

Prior to April 1, 1993, the City of Clarksville was the administrator of a single-employer public employee retirement system ("PERS") established and administered by the City to provide pension benefits for its employees, excluding employees of the Department of Electricity. Current retirees and former employees vested in the City's PERS were not eligible to join TCRS. Annuities were purchased for these individuals from Plan assets, effective September 1, 1993. As of June 30, 2020 there are no longer any retirees covered on the PERS plan.

Component Units - Employees of the Museum, the Senior Citizen's Center and Roxy Productions are not considered employees of the City and do not participate in the TCRS plan or the City PERS.

H. DEFERRED COMPENSATION PLAN

City General - The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees except those of the Department of Electricity, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The Plan's investments that were managed by Nationwide are held in trust by Public Employee Benefit Services Corporation ("PEBSCO"). Beginning in February 2019, the plan administrator changed to Empower and those investments are held in trust by Great-West Trust Company, LLC. Employees had the option to transfer funds to Empower or remain with Nationwide. The Nationwide plan is closed to any further contributions.

Department of Electricity - The Electric Division ("CDE") maintains a defined contribution pension plan (the "Clarksville Department of Electricity 401(K) Retirement Plan" or the "401K"), which is administered by John Hancock USA, for all eligible employees. In order to be eligible to participate in the 401K, employees must be at least 21 years old and have attained at least 12 months service with CDE and worked a minimum of 1,000 hours. Employees are eligible to contribute up to 100% of their base salary subject to the Internal Revenue Code limits. Vesting in the 401K is full and immediate. Contributions and forfeitures are allocated to plan participants based on the proportion of their salary to the total salaries of all eligible plan participants. Employer contributions to this 401K are discretionary. In addition, any forfeitures would be used to offset employer contributions; and for the plan year ended December 31, 2022, there were \$3,596 in forfeitures applied.

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

CDE established a progress sharing plan as part of its 401K. Employees are divided into two groups, based upon date of hire, to determine the contribution by CDE for each employee. Those hired on or after January 1, 1998 receive 7% contribution. Those hired prior to January 1, 1998, are in an Age Based Pool program with a guaranteed minimum contribution of 7%. On January 22, 2019, those employees hired on or after July 1, 2009 had their Progress Sharing Contribution changed from 3% to 5%. This change reduced the number of groups from three to two. Effective January 1, 2022, 3% of the contribution will be designated as the safe harbor non-elective contribution.

The following is selected information relating to the 401K for the year ended June 30, 2023:

Contributions for the year ended June 30, 2023:

Employer contributions	\$	379,260
Employer progress sharing contributions		1,216,935
Employee contributions		675,001
Total	\$	2,271,196

The 401K is audited on a calendar year basis and the fair value of the plan assets as of December 31, 2022, is as follows:

Market value of plan assets	\$	19,583,572
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The plan assets are the property of the employees and are not included in these statements.

I. OTHER POSTEMPLOYMENT BENEFITS

	Total OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
City of Clarksville's Retired Employees' Benefit Plan	\$ 70,270,571	\$ 7,111,735	\$ 21,079,715	\$ (1,619,625)
Department of Electricity Medical Insurance Coverage Plan	1,516,705	375,419	713,292	(111,255)
Total OPEB Plans	\$ 71,787,276	\$ 7,487,154	\$ 21,793,007	\$ (1,730,880)

The City accounts for its other postemployment benefit plans in accordance with the provisions of GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, effective for fiscal years beginning after June 15, 2017. GASB No. 75 establishes standards which require the accrual of other postemployment benefit obligations over the working careers of plan members rather than when benefits are paid. The provisions of this statement were applied retrospectively with respect to City's postemployment benefit plans. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

Plan Description - The City of Clarksville's Retired Employees' Benefit Plan ("Plan") is a single-employer defined benefit healthcare, dental, and life insurance plan administered by the City of Clarksville. The Plan was provided for in Section 1.5-701 through Section 1.5-708 of the Official Code of the City of Clarksville. The Plan provides medical, dental, and life insurance benefits to eligible retirees of the general government, the Gas, Water and Wastewater Department and the Transit System. Postemployment benefits provided for the retirees of the Department of Electricity are provided by a separate plan. This City plan allowed retirees to obtain medical and dental insurance at the City group rates for their spouses. Employees hired prior to July 1, 1997 must have attained the age of 55 and accrued at least 5 years of service (including any unused sick leave) or have at least 20 years of service (including any unused sick leave) to be eligible for benefits provided by the Plan. Employees hired after July 1, 1997 but before July 1, 2006 must have attained the age of 55 and accrued at least 10 years of service (including any unused sick leave) to be eligible. Employees hired on or after July 1, 2006 are eligible for a flat dollar stipend up to \$800 per month, based on years of service with no provision for future increases. The stipend can be used toward the cost of individual health coverage. These retirees are not eligible to remain on the City's group health plan. Those with 20 years or more of service receive the full \$800 per month benefit. The benefit decreases 5% per year of service until reaching \$400 per month for those with 10 years of service. Anyone with less than 10 years of service does not receive the benefit. Spouses of retirees are not provided any coverage. The Plan has a total of 1,751 participants of which 426 are retired participants and 1,325 are active participants, which includes 279 active participants and 439 retired participants that remain in the group coverage (hired prior to 7/1/2006). The Plan does not issue a publicly available financial report that includes financial statements and required supplementary information.

Funding Policy - The contribution requirements of the general government, the Gas, Water, and Wastewater Departments, and the Transit System are determined by an annual actuarial study performed as of July 1, 2023, with a measurement date of June 30, 2022 and a reporting date of June 30, 2023. The level of actual funding is determined by the Clarksville City Council during the budget process. The City Council approved funding the estimated cost of insurance for current premiums. The City will continue to pay current premiums on a pay-as-you-go basis, however the Gas Department and the Water and Wastewater Department have established a fund to accumulate assets to cover projected benefit payments. The balance at June 30, 2023 is \$16,986,595. Funds approved in fiscal year 2023 were sufficient to pay the current cost of premiums for other postemployment benefits for eligible retirees in fiscal year 2023. For fiscal year 2023, the general government, the Gas, Water, and Wastewater Departments and the Clarksville Transit System paid a total of \$2,831,499 for current premiums for retiree insurance coverage.

Changes in Plan Provisions, Actuarial Assumptions, and Actuarial Methods – The following changes were made to the actuarial assumptions and methods effective July 1, 2023.

1. The discount rate for Statement No. 75 is 4.13%, based on the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2023, compared to the prior year Statement No. 75 discount rate of 4.09%.
2. The assumed trend rate is 6.25% grading uniformly to 5.20% over 2 years, and following the Getzen model thereafter until reaching an ultimate rate of 3.94% in 2075, which is comparable to the prior Statement No. 75 assumed trend rates.

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

Actuarial Methods and Assumptions – The total OPEB Liability as of the June 30, 2023 valuation was determined using the entry age normal actuarial cost method and the following additional actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.0 percent
Health care cost trend rates	6.25 percent graded uniformly to 5.20 percent over 2 years and following the Getzen model thereafter to an ultimate rate of 3.94% in the year 2075.
Dental cost trend rates	4.0 percent
Salary increases	2.0 percent
Discount rate	4.13 percent based on the S&P 500 High Grade 20 Year Rate index as of June 30, 2023.
Amortization period	Experience gains or losses are amortized over the average working lifetime of all participants which for the current period is various years. Plan amendments are recognized immediately. Investment gains and losses are amortized over a 5 year period. Changes in actuarial assumptions are amortized over the average working lifetime of all participants.
Mortality rates	TCRS Local Government Mortality Rates with Improvement Scale MP-2021.

Total OPEB Liability – The following chart shows the changes in Total OPEB liability over the year.

Changes in Total OPEB Liability

	Total OPEB Liability
Balance at 6/30/2022	\$ 74,184,417
Changes for the year	
Service cost	1,701,384
Interest	2,987,922
Difference between expected and actual experience	(4,244,089)
Change in assumptions	(1,527,564)
Benefit payments	(2,831,499)
Net changes	(3,913,846)
Balance at 6/30/2023	\$ 70,270,571

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

Sensitivity of Total OPEB Liability to Changes in the Healthcare Cost Trend Rate – The following represents the total OPEB liability calculated using the stated healthcare cost trend assumption, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage-point lower or 1 percentage-point higher than the assumed trend rate.

	1% Decrease 5.25% to 4.75% over 2 years and following the Getzen model	Current 6.25% to 5.75% over 2 years and following the Getzen model	1% Increase 7.25% to 6.75% over 2 years and following the Getzen model
Total OPEB Liability	\$ 63,503,064	\$ 70,270,571	\$ 78,451,093

Sensitivity of Total OPEB Liability to Changes in the 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 percentage-point lower or 1 percentage-point higher than the current rate.

	1% Decrease 3.13%	Current Rate 4.13%	1% Increase 5.13%
Total OPEB Liability	\$ 78,470,124	\$ 70,270,571	\$ 63,415,662

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – The City’s annual other post-employment benefit (OPEB) expense is an accounting item designed to recognize, in the current periods’ Statement of Revenue, Expenses and Changes in Net Position, certain changes to the Total OPEB Liability. Additionally, changes to the Total OPEB Liability not fully recognized in a given year’s OPEB, expense will be tracked as deferred inflows and deferred outflows and be recognized incrementally in the OPEB expense over time. For the year ended June 30, 2023, the City recognized OPEB expense of (\$1,619,625). At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

Schedule of Deferred Inflows and Outflows

	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience losses(gains)	\$ -	\$ 7,025,812
Changes of assumptions	4,280,236	14,053,903
Post-measurement benefit payments	2,831,499	-
Total	<u>\$ 7,111,735</u>	<u>\$ 21,079,715</u>

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

The amount shown above for “Post-measurement benefit payments” will be recognized as a reduction to the total OPEB liability in the following measurement period. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expenses as follows:

Year Ending June 30,		
2024	\$	(4,316,715)
2025		(4,143,283)
2026		(4,143,285)
2027		(2,915,002)
2028		(771,209)
Thereafter		(509,985)

OPEB Related Activity to Funds of the Primary Government – The summary of OPEB related activity by fund follows:

	General Government	Gas, Water & Wastewater	Transit
Total OPEB Liability	\$ 54,185,218	\$ 14,749,533	\$ 1,338,520
Deferred Inflows	15,546,360	4,869,303	664,052
Deferred Outflows	6,088,191	930,038	93,506

The Department of Electricity - The Department of Electricity, under authority of the Electric Power Board, maintains a single-employer defined benefit plan (the “CDE Plan”) for medical insurance. The provisions of the CDE plan can be amended by the Electric Power Board at any time. There are no accumulated assets in a trust. The CDE plan is funded on a pay-as-you-go basis when benefits are due and payable. The CDE plan does not issue separate financial reports. The CDE plan provides a medical insurance coverage plan for substantially all retiring employees with thirty years of service until they reach age 65. Prior to March 1, 2011, retirement could begin at age 55. On March 1, 2011, the Plan was amended so that retirement could begin at age 60. Ten employees were grandfathered under the prior age and service limit. On March 1, 2013, the Plan was again amended so that retirement could begin at either age 55 and 30 years of service, or age 60 and 15 years of service. As of July 1, 2023, 193 active employees and 10 retired employees were covered for medical insurance.

Benefits Provided – Two high deductible medical plans options are offered to retirees with a health reimbursement arrangement (“HRA”). Retirees and eligible dependents can opt to remain on the group medical plan under either option until the retiree reaches Medicare eligibility.

Contributions – Retirees electing Plan 1 are not required to contribute towards the cost of coverage. Retirees electing Plan 2 are required to contribute the cost difference between monthly premiums of Plan 1 and Plan 2. Dependents of retirees are required to contribute the same allocated portion as an active employee.

Total OPEB Liability

The Divisions’ total OPEB liability of June 30, 2023 totaled \$1,516,705 and was measured as of June 30, 2023. The total OPEB liability was determined by an actuarial valuation as of July 1, 2023.

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

Actuarial Assumptions – The total OPEB liability as of the July 1, 2023 actuarial valuation was determined by using the Entry Age Normal actuarial evaluation method with the following actuarial assumptions and inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	Not applicable
Salary Increases	Not applicable
Discount Rate	4.13%
Healthcare cost trend rates	6.25% grading uniformly to 5.20% over 2 years and following the Getzen model thereafter to an ultimate rate of 3.94% in the year 2075

The discount rate was based on the S&P Municipal Bond 20-Year High Grade index as of June 30, 2023 of 4.13%. The mortality rates are based on the State of Tennessee local government mortality rates with Improvement Scale MP-2021. Retirement rates were updated based on a 2017-2021 experience study. The aging of claims was adopted beginning June 30, 2021. Claims were adjusted for age based on the factors described in the Dale Yamamoto study released by the Society of Actuaries in June 2013.

Experience gains or losses were amortized over the average working lifetime of all participants which for the current period is 5 years. Plan amendments are recognized immediately. Investment gains or losses are amortized over a 5 year period. Changes in actuarial assumptions are amortized over the average working lifetime of all participants.

Changes in the Total OPEB Liability for the CDE Plan

	<u>Total OPEB Liability</u>
Balance at 6/30/2022	\$ 1,193,828
Changes for the year	
Service cost	69,818
Interest	46,910
Difference between expected and actual experience	349,268
Change in assumptions	(26,427)
Benefit payments	(116,692)
Net changes	<u>322,877</u>
Balance at 6/30/2023	<u>\$ 1,516,705</u>

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

Sensitivity of the Total OPEB Liability to Changes in Discount Rate – The following presents the total OPEB liability of CDE Lightband, as well as what CDE Lightband's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.13%) or 1 percentage point higher (5.13%) than the current discount rate:

	1% Decrease 3.13%	Current Rate 4.13%	1% Increase 5.13%
Total OPEB Liability \$	\$ 1,618,635	\$ 1,516,705	\$ 1,425,125

Sensitivity of the Total OPEB Liability to Changes in Healthcare Cost Trend Rates – The following presents the total OPEB liability of CDE Lightband, as well as what CDE Lightband's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (5.25% decreasing to 4.20% over 2 years and following the Getzen model thereafter) or 1 percentage point higher (7.25% decreasing to 6.20% over 2 years and following the Getzen model thereafter) than the current healthcare cost trend rates:

	1% Decrease 5.25% to 4.20% over 2 years and following the Getzen model thereafter	Current 6.25% to 5.20% over 2 years and following the Getzen model thereafter	1% Increase 7.25% to 6.20% over 2 years and following the Getzen model thereafter
Total OPEB Liability \$	\$ 1,398,844	\$ 1,516,705	\$ 1,658,041

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

For the year ended June 30, 2023, CDE Lightband recognized OPEB expense of (\$111,255). At June 30, 2023, CDE Lightband reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 375,419	\$ 226,447
Change of assumptions or other inputs	-	486,845
	<u>\$ 375,419</u>	<u>\$ 713,292</u>

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

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

Year Ending June 30,	
2024	\$ (227,980)
2025	(236,059)
2026	64,071
2027	64,077
2028	(496)
Thereafter	(1,486)

J. SELF-INSURANCE AND RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; cybercrimes and natural disasters.

The City, with the exception of the Department of Electricity, is self-insured for worker's compensation and automobile liability claims. The City chose not to participate in the Worker's Compensation program as allowed by state statute and has implemented an "on-the-job" injury program. The City must pay all medical and related expenses of injured employees in accordance with the City of Clarksville On-the-Job Injury Program.

The City is subject to the Tennessee Governmental Tort Liability Act (TCA 29-20-101), which sets the maximum liability at \$700,000 per occurrence and \$300,000 per individual. The City is a reimbursable entity for unemployment purposes and thus pays all claims as they occur.

The City is also self-insured on its general liability claims and maintains reinsurance for claims in excess of \$500,000 and up to \$6,000,000 for a single occurrence and up to \$18,000,000 annual aggregate.

On January 1, 2014, the City became self-insured for the health insurance coverage for City employees, dependents and retirees. The City is self-insured for employee health claims up to \$125,000 per claimant. Commercial insurance is purchased for claims in excess of this limit. The commercial insurance includes a laser liability clause for individuals with a known condition that is likely to exceed the per claimant limit of other employees.

Premiums are collected through contributions from employee paychecks and department budgets. These premiums for the medical, pharmacy, vision, on-site health clinic and dental insurance plans are determined prior to each renewal period by estimating the costs of claims and administration of the plan based on a number of factors including the demographics of the group, previous claims history, plan design changes and any new benefits.

Premium payments to insurance carriers, as well as third party administrator costs are made directly from the health and dental insurance funds.

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

The policy of the City is to recognize as an expense claims actually filed plus claims estimated by the City to have been incurred but not yet reported based on historical data. At June 30, 2023, the amount of these estimated insurance liabilities for general liability was \$509,213 and \$942,814 for health insurance. Changes in the reported liability are as follows for the last two fiscal years:

Fiscal Year 2023

	Balance Beginning of Fiscal Year	Claims and Changes in Estimates	Claim Payments	Balance at End of Fiscal Year
Risk Management	\$ 496,635	\$ 502,992	\$ 490,414	\$ 509,213
Health Insurance	1,104,463	11,599,298	11,760,947	942,814

Fiscal Year 2022

	Balance Beginning of Fiscal Year	Claims and Changes in Estimates	Claim Payments	Balance at End of Fiscal Year
Risk Management	\$ 670,568	\$ 266,759	\$ 440,692	\$ 496,635
Health Insurance	575,412	11,242,712	10,713,661	1,104,463

The Department of Electricity's exposure to property and general liability is handled through the purchase of commercial insurance. Insurance coverage has been adequate to cover settlements for the past four fiscal years. The Department of Electricity carries only liability insurance on its trucks. Management believes additional insurance is not cost effective. The Department of Electricity participates in the Distributors' Self-Insurance Fund for workers compensation insurance coverage. Participants in this plan remain liable for any underfunding. The Department of Electricity is a reimbursable entity for unemployment purposes and thus pays all claims as they occur.

K. CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the City to significant concentration of credit risk consist principally of cash and accounts receivable. The City places its cash with federally insured financial institutions and limits the amount of credit exposure to any one institution by requiring collateral, as described in Note B. With respect to accounts and other receivables, credit risk is dispersed across a large number of customers who are geographically concentrated in the Clarksville, Tennessee service area. The City obtains an initial credit evaluation for new customers, a security deposit or third-party guarantee where appropriate.

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

L. INTER-FUND TRANSACTIONS

Inter-fund receivable and payable balances at June 30, 2023, are as follows:

	General Fund	Capital Projects	Debt Service	Non-Major Governmental	Electric Division	Water and Wastewater	Non-Major Proprietary	Internal Service
Interfund Receivable	\$ 14,923,102	\$ 2,250,000	\$ 313,299	\$ 6,853,805	\$ 926,281	\$ 48,972	\$ 1,085,377	\$ 5,093,044
Interfund Payable:								
Major Funds:								
General	\$ -	\$ -	\$ 313,299	\$ 6,853,805	\$ -	\$ 48,972	\$ 1,085,377	\$ 4,602,432
Capital Projects	9,641,279	-	-	-	-	-	-	-
Electric	48,229	-	-	-	-	-	-	-
Broadband	-	-	-	-	926,281	-	-	-
Gas	52,764	-	-	-	-	-	-	93,517
Water and Wastewater	174,638	-	-	-	-	-	-	305,526
Non-Major Funds:								
Governmental	4,680,624	2,250,000	-	-	-	-	-	-
Proprietary	39,548	-	-	-	-	-	-	91,569
Internal Service	286,020	-	-	-	-	-	-	-
	<u>\$ 14,923,102</u>	<u>\$ 2,250,000</u>	<u>\$ 313,299</u>	<u>\$ 6,853,805</u>	<u>\$ 926,281</u>	<u>\$ 48,972</u>	<u>\$ 1,085,377</u>	<u>\$ 5,093,044</u>

Interfund transactions were used to account for reimbursements of insurance premiums, capital projects, operating expenses, repayment of principal and interest on debt and to fund operating deficits.

M. INTERDIVISIONAL ALLOCATIONS

The Electric Division formed the Broadband Division on April 1, 2007, to provide video, internet and telephone services to existing electric customers. Also in April 2007, the Electric Division began installing a fiber network that allowed the Electric Division to remotely perform electric related functions. During the 2008 fiscal year, the Broadband Division began “renting” a portion of the fiber network on a per connection basis to provide the broadband services listed above to existing electric customers. The “rent” cost allocated to the Broadband Division was based upon an allocation formula applied to the costs of the fiber infrastructure. Fiber infrastructure costs, for the purpose of this allocation, included depreciation, taxes, interest, and a pole attachment fee. This allocation methodology has evolved, along with the development of the Broadband project, over previous years.

For fiscal year ended June 30, 2023, allocated infrastructure costs were as follows:

	Unit Costs	June 30, 2023 Annual Broadband Units	June 30, 2023 Allocated Costs
Depreciation	\$ 6.65	408,531	\$ 2,716,731
Interest	2.25	408,531	919,195
Taxes	0.79	408,531	322,739
Pole Attachment	0.64	408,531	261,460
Totals	<u>\$ 10.33</u>		<u>\$ 4,220,125</u>

During the 2008 fiscal year, the Broadband Division began “renting” an office building from the Electric Division for Broadband operations. During the 2023 fiscal year, approximately 71% of the depreciation, property tax and insurance costs associated with this building were allocated to the Broadband Division. During the 2014 fiscal year, the Electric Division allocated certain costs as “rent” to the Broadband Division for the office building on Wilma Rudolph Boulevard. During the 2023 fiscal year, approximately 34% of the depreciation, property tax and insurance costs associated with this building were allocated to the Broadband Division. Costs allocated from the Electric Division to the Broadband Division, for these buildings, were \$96,564 for the year ending June 30, 2023.

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

At June 30, 2023, the Electric Division owed the Broadband Division \$2,606,605. This amount represents payments for broadband services the Electric Division had collected on behalf of the Broadband Division. This amount is typically remitted to the Broadband Division the month after they are collected by the Electric Division.

N. INTERDIVISIONAL RECEIVABLE/PAYABLE BETWEEN THE DEPARTMENT OF ELECTRICITY - ELECTRIC AND BROADBAND DIVISIONS

Changes in the interdivisional payable/receivable account for the year ended June 30, 2023, were as follows:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Loan</u> <u>Draws</u>	<u>Loan</u> <u>Repayment</u>	Changes in Current <u>Receivable/</u> <u>Payable</u>	<u>Balance</u> <u>June 30, 2023</u>
Interdivisional					
Receivable/Payable	<u>\$ 819,211</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 107,070</u>	<u>\$ 926,281</u>

As of June 30, 2023, the interdivisional payable represents current allocated monthly expenses incurred by the Broadband Division from the Electric Division.

O. TRANSFERS

Transfers were used primarily to account for payments-in-lieu-of-taxes, payments of principal and interest, and funding of operational deficiencies. Transfers among individual funds of the City for the fiscal year ended June 30, 2023, were as follows:

	Transfer to:					
	<u>Amount</u>	<u>General Fund</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Non-Major</u> <u>Enterprise</u>	<u>Non-Major</u> <u>Governmental</u>
<u>Transfer from:</u>						
General Fund	\$ 20,333,980	\$ -	\$ 5,267,035	\$ 11,991,803	\$ 2,919,995	\$ 155,147
Electric	5,372,216	5,372,216	-	-	-	-
Broadband	88,527	88,527	-	-	-	-
Gas	811,043	811,043	-	-	-	-
Water & Wastewater	3,873,892	3,873,892	-	-	-	-
Non-Major Enterprise	-	-	-	-	-	-
Non-Major Governmental	3,136,995	2,386,995	750,000	-	-	-
	<u>\$ 33,616,653</u>	<u>\$ 12,532,673</u>	<u>\$ 6,017,035</u>	<u>\$ 11,991,803</u>	<u>\$ 2,919,995</u>	<u>\$ 155,147</u>

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

P. FUND BALANCE CLASSIFICATION DETAILS

The balance sheet for governmental funds has various classifications for fund balance; details follows:

Restricted		
Special Revenue		
Neighborhood & Community Services	\$	5,593,879
Drug Fund		925,754
Police		246,422
Capital Projects		27,780,957
Total Restricted	\$	<u>34,547,012</u>
Committed		
Parks - Leagues & Dues paying programs	\$	518,892
Special Revenue		7,347,310
Total Committed	\$	<u>7,866,202</u>

Q. COMMITMENTS AND CONTINGENCIES

Litigation

The City is a party to various lawsuits, many of which occur in the normal course of governmental operations. The ultimate outcome of the actions is not determinable; however, the City officials and legal counsel believe that the ultimate outcome, either singularly or in the aggregate, will not have a material adverse effect on the City's financial statements. See Note J for discussion of reserve amounts established for litigation and claims.

Commitments

The Clarksville general government has contractual commitments for various construction projects totaling approximately \$37.9 million at June 30, 2023. The Gas Department and the Water and Wastewater Department have construction commitments totaling \$209.6 million at June 30, 2023. CDE Lightband has approximately \$20.0 million of commitments to complete current on-going capital projects.

Effective January 31, 2004, the Gas Department entered into an easement agreement with the U.S. Department of the Army that expires on January 30, 2053. Pursuant to this contract, the Gas Department will manage the construction, operation, maintenance, repair or replacement of the natural gas utility system at Fort Campbell Army post. The Gas Department will be compensated for these services on a cost-plus basis.

On February 23, 2012 the City of Clarksville Wastewater Department received a Consent Order from the Commissioner of the Tennessee Department of Environment and Conservation (TDEC), which superseded and effectively closed the previous 2004 Commissioner's Order. The 2012 Consent Order was a result of effluent violations to our TDEC National Pollutant Discharge Elimination System (NPDES) permit during the period between September 2010 and November 2011, at which time the City was recovering from catastrophic damage to its Wastewater Treatment Plant (WWTP) caused by the May 2010 flood. In order to comply with the TDEC Order, the Department was required to develop and submit several assessment and evaluation reports including

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

the following documents: a comprehensive corrective action plan to bring the WWTP back into compliance; a series of annual reports from 2013 to 2018 describing the Department's Management, Operation and Maintenance (MOM) program; a series of annual Sanitary Sewer Overflow Evaluation Reports (SSOER) from 2012 to 2018; a Long Term Control Plan (LTCP) to bring the combined sewer overflow (CSO) area into compliance with federal CSO policy; and a series of annual Comprehensive Assessment of the Collection System (CACS) reports from 2016 to 2020 which evaluate areas of the collection system that experience wet weather overflows due to excessive inflow and infiltration during storm events and identify capital improvements to correct these issues. In addition to these reports, the Department was required to complete construction and rehabilitation of the flood-damaged WWTP by 2016 and to complete construction and rehabilitation of corrective actions specifically identified in the Commissioner's Order by 2017. All reporting requirements have been fulfilled. WWTP construction and rehabilitation is complete and the plant is in compliance with its NPDES permit. All projects were completed by the required deadline. Projects identified in the CACS reports are to be completed within 10 years of TDEC's approval of the Department's CACS, which has not yet officially occurred. The project identified in the LTCP is currently under construction with an expected completion in early 2021. Although we have no further reporting requirements, the Department intends to notify TDEC as LTCP and CACS projects are completed. To date the Department has spent approximately \$165.6 million and estimates an additional \$55.6 million to comply with this Consent Order.

On August 2, 2019, City Council approved a gas supply agreement with the Tennessee Energy Acquisition Corporation (TEAC). The supply of gas will begin following the expiration of the supply agreement with NGAC on October 1, 2021 and conclude on September 30, 2049. Under the agreement TEAC will supply approximately 50% of the gas department's demand at a discount from index of no less than \$0.35 per MMBtu during the initial rate period which ends September 30, 2025. Thereafter, the discount resets every 5 years and would be no less than \$0.20 per MMBtu.

The Federal Energy Regulatory Commission ("FERC") regulates the rates charged to the Clarksville Gas Department for the transportation and storage of natural gas. FERC has retroactively adjusted charges in the past and may do so in the future. No estimate of any future adjustments can be made. However, the Department has been able to pass through to customers past adjustments approved by the FERC. Management believes any future rate adjustments will be recovered through amounts charged to affected customers.

Bi-County Solid Waste Post-Closure Costs

In 1974, the City, along with Montgomery and Stewart Counties, entered into a 20 year Bi-County solid waste agreement for the joint and cooperative operation and maintenance of a solid waste and collection disposal system. The agreement provided for the City to be responsible for a 45% share of costs and expenses relating to the system, including any applicable post-closure costs. Upon expiration of the agreement on June 30, 1994, the City chose not to participate in the renewal agreement entered into by the other two parties. The City contends that all funds necessary to cover its share of landfill costs applicable to the original 20-year joint agreement, including all applicable post-closure costs, have been paid, and no additional liability should be provided. In the event the actual costs of the landfill post-closure operations exceed amounts previously estimated and paid, the City may be liable for its applicable share of the excess. Such costs will not be known until the landfill is ultimately closed, and no estimate can be reasonably made at June 30, 2023. Accordingly, no provision has been recorded in the accompanying financial statements.

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

R. UTILITIES

CDE - During October 2010, CDE Lightband (Electric Division) implemented a new accounting policy concerning revenue recognition. Historically, CDE Lightband (Electric Division) has recognized revenue and power costs when those revenues/costs have been billed. In October 2010, the Electric Division began recognizing all revenue earned and power costs incurred through the date of each financial statement issued.

This accounting change was implemented in conjunction with anticipated rate and billing changes being implemented by the Tennessee Valley Authority ("TVA"). Since 1992, TVA has used an "End-Use" wholesale rate schedule to bill CDE for wholesale power purchases. Under this rate structure, TVA billed CDE based upon CDE's sales of power to retail customers. Traditionally, TVA has billed CDE on or about the 19th of each month for the thirty day period ending on that day.

In April 2011, TVA implemented a new wholesale rate structure and billing schedule that resulted in TVA billing CDE on a calendar month basis. The new wholesale rate structure applies to metered wholesale energy sales from TVA to CDE. This decoupling of wholesale and retail power consumption is expected to create significant fluctuations in margins between power sales revenue and power costs, when compared to the relative consistency CDE has experienced since 1992. Substantially all power is purchased from TVA.

TVA Residential Energy Services Program – This program provides loans to consumers within the CDE service area for the purchase of qualified electric heating and cooling systems. The program is managed by Regions Bank and the loans are backed by TVA. CDE functions as a conduit for the servicing of these loans. Loan principal and interest payments are included in monthly utility bills. The loan payments are remitted to Regions Bank. Differences in the receivable/payable balances at June 30, 2023 are timing differences.

S. TAX ABATEMENTS

The City of Clarksville currently offers three types of tax abatement programs: (4) Housing Authority PILOTS; (4) Commercial and Industrial Development PILOTS; and (5) Tax Increment Financing. Pursuant to Tennessee Code Annotated ("TCA") 7-53-305, Industrial Development Board ("IDB") of Clarksville Montgomery County and the Health and Education Board ("HEB") are allowed to own property within the city. The city may delegate the authority to the IDB and the HEB to negotiate and accept payments in lieu of ad valorem taxes from the corporation's lessees, provided that such payments are deemed to be in the furtherance of the corporation's public purpose. As per TCA 305(b)(1)(A) the Clarksville City Council by Resolution 66-1995-96 delegated such authority to the IDB. Every PILOT has to be for business operations, which are defined as a project under TCA 7-53-101(13). The IDB is allowed by state law to be exempt from taxation and to lease property as a method of security so that PILOT payments may be accepted by cities and counties.

Community Development

Housing Authority – The City of Clarksville has the authority to negotiate and accept PILOTs from contractors for low income and affordable housing projects upon findings by the City that such payments are deemed to be in the furtherance of the City's public purpose. Projects must qualify under HUD guidelines to be eligible for a PILOT. The PILOT effectively reduces the property taxes for a period of up to 20 years to assist with the projects affordability with limited/restricted revenue generating capacity.

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

During the fiscal year ended June 30, 2023, there were four (4) PILOT agreements in force with tax abatements totaling \$167,008. None of these agreements include a provision for the recapture of abated taxes in the event the recipient does not fulfill the commitment made in return for the tax abatement.

Grier South Central Village – On December 7, 2017 City Council approved Ordinance 24-2017-18 to approve a PILOT agreement between Clarksville Housing Authority and Grier South Central Village. In effect for 15 years ending in tax year 2032. Real and personal property taxes have been abated based on a fixed dollar rate with an annual adjustment factor published by the Department of Housing and Urban Development. Total tax abatement of \$23,333.

Concord Gardens – Clarksville Housing Authority signed an agreement with the City of Clarksville for 15 years beginning January 1, 2015. Approved by City Council Ordinance 50-2014-15 on April 20, 2015. The recipient committed to provide multi-family residential facilities for low and moderate income citizens. Total tax abatement of \$14,426.

Clarksville Housing Authority – April 3, 1958 the City entered into an agreement with the Clarksville Housing Authority to abate taxes for “low-rent housing” projects. The Clarksville Housing Authority manages multiple properties throughout the City. The PILOT is paid as 10% of total rent collected (less utilities). For FY 2023 an estimated \$129,102 was abated.

McAulife Apartments – March 18, 2005 the City entered into an agreement with Buffalo Valley, Inc to abate real and personal taxes and special assessments levied or imposed by any taxing body as long as the owner maintains a qualified not-for-profit corporation. The PILOT is paid as 10% of total rent collected (less utilities). For FY 2023 an estimated \$147 was abated.

Economic Development

The City utilizes two programs to promote economic development and growth, in particular, commercial and industrial projects that involve a significant capital investment and the generation of new jobs with wages in excess of the annual average wage in the City of Clarksville.

Commercial and Industrial Development

This program offers tax abatements for a specified period in exchange for benefits received by the City due to an increase in real and personal property investments, as well as the creation of jobs. Application is made to the Economic Development Council with approval by the IDB to negotiate and accept payments in lieu of ad valorem taxes in furtherance of the IDB's public purposes of economic welfare to maintain and increase employment opportunities and household income as set forth in TCA Section 7-53-102. As such, the Board acts as a conduit organization for property tax abatements through PILOT agreements. To be eligible for a tax reduction, you must either relocate into the City or expand business within the city. Qualified businesses will be eligible for abatement of all or a portion of real and/or personal property taxes dependent on the dollar amount of the investment and the number and average wage of jobs created. There are no provisions for recapturing abated taxes if certain terms of the agreement are not met. Some PILOTs may include commitments made by the City such as roadway improvements, water and wastewater improvements, or public safety, among others.

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

During the fiscal year ended June 30, 2023, there were four (4) PILOT agreements in force with tax abatements totaling \$119,458. Each of the tax abatement agreements are described below with the terms in effect for the fiscal year reported. None of these agreements include a provision for the recapture of abated taxes in the event the recipient does not fulfill the commitment made in return for the tax abatement.

Shiloh Die Cast Midwest LLC – The abatement commenced on April 12, 2017 to induce the company to acquire and improve a manufacturing facility located within the City. Additionally, it would induce the company to equip the facility, develop trade and commerce which will contribute to the general welfare, alleviate conditions of unemployment and induce the company to locate their operations in Clarksville. This project was said to bring 195 direct and indirect jobs and provide direct and indirect income of \$7,321,600. A PILOT for real and personal property taxes to abate 100% on the increased value for the first year was entered into. The base value was not abated. The agreement is for ten (10) years with increasing PILOT payments with 100% of expansion value to be paid in 2026. For the fiscal year ended June 30, 2023 the abated taxes were \$8,458.

Clarksville Commons LLC - The abatement commenced on September 23, 2019 to induce the company to acquire, improve and operate a retail shopping center facility located within the City. Additionally, it would contribute to the general welfare, will alleviate conditions of unemployment and has induced or will induce the Company to acquire, improve and operate the facility, thereby increasing employment opportunities in the City and the County. This project was said to bring 224 direct and 190 indirect jobs and provide direct and indirect income of \$16,387,840. A PILOT for real and personal property taxes to abate 100% for the first two years with increased percentage of applicable ad valorem taxes for years 3 through 7. The agreement is for eight (8) years with increasing PILOT payments with 100% of the value to be paid in 2027. For the fiscal year ended June 30, 2023 the abated taxes were \$9,138.

Montgomery Commons - Greenway - The abatement commenced on September 19, 2019 to encourage acquisition of land and construction of a multifamily housing facility for low and moderate income citizens. The total project cost is estimated to be \$9.5 million (including real and personal property). This project was said to bring 82 direct and 122.5 indirect jobs and provide direct and indirect income of \$8,806,013. A PILOT for real and personal property taxes at a fixed rate of \$39,000 annually apportioned to the City and County based on the current year property tax rates. The agreement is for ten (10) years from the completion date of the project. For the fiscal year ended June 30, 2023 the abated taxes were \$41,053.

Trane Expansion - The abatement commenced on December 31, 2018 to induce the company to further invest in equipping and operating a certain manufacturing facility, this lease will develop trade and commerce in and adjacent to the City and the County, and will contribute to the general welfare and alleviate conditions of unemployment. This project was said to bring 56 direct and indirect jobs and provide direct and indirect income of \$2,263,200. A PILOT for real and personal property taxes to abate 100% on the increased value for the first year was entered into. The base value was not abated. The agreement is for ten (10) years with increasing PILOT payments with 100% of expansion value to be paid in 2026. For the fiscal year ended June 30, 2023 the abated taxes were \$60,809.

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

Tax Increment Financing (TIF)

The City of Clarksville has adopted the Tax Increment Financing Program established by the Industrial Development Board (IDB) of Clarksville Montgomery County. TIF is an economic development tool that allocates all or a portion of the new, additional taxes generated by a development over a limited period of time to pay for a public project such as common area, destination theatrical venue related to that area. Tax increment is the difference in tax revenues generated by the property in the development area after a project has been completed compared with the tax revenues generated by a property before the development plan was adopted. The difference in tax revenues pays toward the cost of improvements to the public project.

The TIF program is primarily for the economic development projects that provide improvements in blighted and under-utilized areas in the City of Clarksville designated by City Council and Montgomery County Commission. As of June 30, 2023 the City through the IDB has entered into three (3) Tax Increment Financing (TIF) Agreement with the tax abatements totaling \$56,249.

The City entered into a TIF agreement with Montgomery County related to the downtown area on August 4, 2016. The agreement was entered into to spur the economic development in the downtown area. The project within the plan area is a Civic Plaza (commonly referred to as Downtown Commons) created, maintained and programmed by Montgomery County. The TIF is to be instrumental in supporting the Civic Plaza project. The committed TIF funds are available net of the portion of the property tax committed to debt service and 10% committed to a City designated capital project within the plan area. The City Council has identified the Clarksville Performing Arts and Conference Center as the City’s project. There is no provision to recapture tax dollars should the project not provide an increment, however no TIF would be provided if the tax base does not increase. The tax base year is 2015, the plan did not anticipate any increment until at least tax year 2019. For the fiscal year ended June 30, 2023 the total abatement taxes were \$42,662. Projects approved within the plan area are below:

Project Name	Description	Approval Date	Years	TIF Not to Exceed	2023 Abatement
608 Main	Apartments	12/13/17	20	\$1,500,941	\$29,238
Strawberry Alley, LLC	Restaurant	9/19/2018	20	\$678,914	\$13,424

The City approved Resolution 23-2018-2019 authorizing an economic impact plan with Montgomery County related to a property outside of TIF district but in the downtown area on October 4, 2018. The developer agreement was entered into on August 14, 2019. The project plan was approved to further spur economic development in the downtown area as well as to restore the oldest building downtown. The tax base year is 2017 for a term of twenty (20) years or TIF reimbursement total of \$799,000, whichever occurs first. The TIF begins with tax year 2021 until 2040. Tax abatement for the fiscal year ended June 30, 2023 is \$13,587.

Below is a summary of all tax abatements:

	Number of New Abatements During the Fiscal Year	Number of Abatements as of End of the Fiscal Year	Number of Future Abatements Approved by the IDB	Amounts of Abatements During the Fiscal Year
Community Development	1	4	0	\$167,008
Economic Development				
Commercial and Industrial	0	4	0	\$119,458
TIF	0	3	3	\$56,249

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

T. SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 19, 2023, the date the financial statements were available for issuance, and has determined the following subsequent events requiring disclosure.

On December 9, 2023 an EF-3 tornado ripped through Clarksville, creating substantial damage to our community. A state of emergency was declared by the City Mayor. At the time of this report, the City is unable to estimate the cost of recovery and the involvement of the Federal Emergency Management Agency (FEMA). Although there was no damage to City facilities, there has been extensive damage to City infrastructure, such as power lines, emergency vehicle, etc.

On December 11, 2023 Gas, Water and Wastewater issued \$35,000,000 in Water, Sewer and Gas Revenue Bonds, Series 2023 to finance the acquisition, construction and equipping of improvements to the System. These bonds are due in annual installments of \$1,250,000 to \$2,870,000 between February 2026 and February 2043 and have an interest rate of 5%. These bonds are collateralized by a senior pledge of the net revenues of the System.

U. RESTATEMENTS

During the fiscal year 2023, the implementation of GASB issued Statement No. 96 required the restatement of several opening balances of Subscription Based Information Technology Arrangements (SBITA) capital assets, accumulated depreciation and payables of the City.

Below is the effect of the restatements:

	<u>Clarksville Transit System</u>	<u>Non-major Enterprise</u>
Fund balance, as previously reported	\$ 8,742,371	\$ 10,908,228
Recognition of SBITAs	(12,931)	(12,931)
Fund balance, as restated	<u>\$ 8,729,440</u>	<u>\$ 10,895,297</u>
	<u>Business-Type Activities</u>	
Net position, as previously reported	\$ 748,771,342	
Recognition of SBITAs	(12,931)	
Net position, as restated	<u>\$ 748,758,411</u>	
	<u>Pandemic Relief</u>	<u>Non-major Governmental</u>
Fund balance, as previously reported	\$ 10,198,323	\$ 10,384,653
Pandemic Relief reported as a non-major fund	(10,198,323)	10,198,323
Fund balance, as restated	<u>\$ -</u>	<u>\$ 20,582,976</u>

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

V. BUDGETED APPROPRIATIONS

Each year as the City prepares a proposed budget for the coming fiscal year, the current fiscal year budget is also amended. Expenditures are forecasted based on anticipated services incurred through June 30th. During this process it was forecasted that several vehicles would not arrive by June 30th. Therefore, the current fiscal year's budgeted expenditures were reduced by the cost of these vehicles. By June 30th, some of these vehicles arrived earlier than anticipated. A decision was made to appropriately report expenditures in the proper year. Additionally, the implementation of GASB Statement No.87 Leases in FY2022 changed the treatment of lease payments. Previously budgeted expenditures were estimated based on the amount of the annual lease payments. The new treatment is to remove the lease payments and record amortization expense based on the value and the life of the lease. In the case of Highways & Streets the amortization amount was more than the estimated annual lease payments. Both of these reasons caused the City to exceed budgeted appropriations for Highways & Streets by \$8,504.

W. ACCOUNTING PRONOUNCEMENTS

The GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs), which is effective for reporting periods beginning after June 15, 2022, fiscal year 2023 for the City. This Statement will improve consistency and comparability between financial reports by (1) establishing a definition for SBITAs and (2) providing uniform guidance for accounting and financial reporting of assets, liabilities and implementation costs, and (3) requiring note disclosures detailing essential information about the arrangements. The City implemented GASB 96 for this reporting period.

The GASB issued Statement No. 91, Conduit Debt Obligations, which is effective for reporting periods beginning after December 15, 2021, fiscal year 2023 for the City. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The City implemented GASB 91 for this reporting period.

The GASB issued Statement No. 94, Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs), which is effective for reporting periods beginning after June 15, 2022, fiscal year 2023 for the City. This Statement will (1) establish the definitions of PPPs and APAs and (2) provide uniform guidance on accounting and financial reporting for transactions that meet those definitions, and (3) establish related note disclosures. The City implemented GASB 94 for this reporting period.

The following are recent accounting pronouncements which, to the extent applicable, pose consideration for the City. Management is currently in the process of determining the impact of these Statements to the City's financial statements. All pronouncement implementation dates have been extended by the GASB as noted below.

The GASB issued Statement No. 100, Accounting Changes and Error Corrections, which is effective for reporting periods beginning after June 15, 2023, fiscal year 2024 for the City. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. Additionally, it requires note disclosures of descriptive information about accounting changes and error corrections. Information of the effect of the changes should be presented in required supplementary information (RSI) and supplementary information (SI).

CITY OF CLARKSVILLE, TENNESSEE

Notes to the Financials

YEAR ENDED JUNE 30, 2023

The GASB issued Statement No. 101, Compensated Absences, which is effective for reporting periods beginning after December 15, 2023, fiscal year 2025 for the City. This Statement intends to update the recognition and measurement guidance for compensated absences and amend certain previously required disclosures. This Statement requires that a liability for specific types of compensated absences not be recognized until the leave is used and establishes guidance for measuring a liability for leave that has not been used. In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

CITY OF CLARKSVILLE, TENNESSEE

REQUIRED SUPPLEMENTARY INFORMATION

This section contains required supplementary information which provides additional financial and other information as required by the Governmental Accounting Standards Board. This section contains the following:

- Schedule of Changes in Net Pension Liability and Related Ratios – Pension Plan
- Schedule of Employer Contributions – Pension Plan
- Notes to Required Supplementary Information – Pension Plan
- Schedule of Changes in the Total OPEB Liability and Related Ratios – General Government Plan
- Schedule of Changes in the Total OPEB Liability and Related Ratios – Electric and Broadband
Department
- Modified Approach for Street Infrastructure Capital Assets

CITY OF CLARKSVILLE, TENNESSEE
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023
(Unaudited - See Accompanying Auditor's Report)

A. SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS – PENSION PLAN

	2023 Financial Statement Date 2022 Measurement Date	2022 Financial Statement Date 2021 Measurement Date	2021 Financial Statement Date 2020 Measurement Date	2020 Financial Statement Date 2019 Measurement Date	2019 Financial Statement Date 2018 Measurement Date	2018 Financial Statement Date 2017 Measurement Date	2017 Financial Statement Date 2016 Measurement Date	2016 Financial Statement Date 2015 Measurement Date	2015 Financial Statement Date 2014 Measurement Date
TOTAL PENSION LIABILITY									
Service cost	\$ 5,328,789	\$ 4,639,821	\$ 4,416,296	\$ 4,299,510	\$ 4,191,610	\$ 3,911,228	\$ 3,774,496	\$ 3,584,424	\$ 3,634,505
Interest	17,222,241	16,797,056	15,859,406	15,001,827	13,819,024	13,059,363	12,357,633	11,641,720	11,514,610
Difference between expected and actual experience	30,835,711	(5,420,858)	2,121,988	1,231,717	6,200,699	1,870,056	(388,891)	151,823	(7,761,672)
Change of assumptions	-	17,186,612	-	-	-	4,599,131	-	-	-
Benefit payments	(10,751,188)	(10,110,449)	(9,265,778)	(8,376,559)	(7,632,839)	(6,842,717)	(6,204,407)	(5,840,669)	(5,444,459)
Net change in total pension liability	42,635,553	23,092,182	13,131,912	12,156,495	16,578,494	16,597,061	9,538,831	9,537,298	1,942,984
Total pension liability beginning	255,191,117	232,098,935	218,967,023	206,810,528	190,232,034	173,634,973	164,096,142	154,558,844	152,615,860
Total pension liability ending (a)	<u>\$ 297,826,670</u>	<u>\$ 255,191,117</u>	<u>\$ 232,098,935</u>	<u>\$ 218,967,023</u>	<u>\$ 206,810,528</u>	<u>\$ 190,232,034</u>	<u>\$ 173,634,973</u>	<u>\$ 164,096,142</u>	<u>\$ 154,558,844</u>
PLAN FIDUCIARY NET POSITION									
Contributions - employer	\$ 12,049,455	\$ 9,172,870	\$ 9,312,949	\$ 8,548,151	\$ 8,342,546	\$ 8,050,260	\$ 7,844,108	\$ 7,587,370	\$ 7,241,024
Contributions - employee	19,683	-	-	-	-	-	-	-	-
Net investment income	(9,959,371)	53,371,097	9,803,135	13,696,226	14,072,642	17,169,506	3,880,649	4,322,937	19,710,982
Benefit payments, including refunds of member contributions	(10,751,188)	(10,110,449)	(9,265,778)	(8,376,559)	(7,632,839)	(6,842,717)	(6,204,407)	(5,840,669)	(5,444,459)
Administration expenses	(124,942)	(109,796)	(107,300)	(106,633)	(112,434)	(98,447)	(86,760)	(57,140)	(45,293)
Other	-	-	-	-	-	-	13,249	-	-
Net change in plan fiduciary net position	(8,766,363)	52,323,722	9,743,006	13,761,185	14,669,915	18,278,602	5,446,839	6,012,498	21,462,254
Plan fiduciary net position - beginning	259,737,077	207,413,355	197,670,349	183,909,164	169,239,249	150,960,647	145,513,808	139,501,310	118,039,056
Plan fiduciary net position - ending (b)	<u>\$ 250,970,714</u>	<u>\$ 259,737,077</u>	<u>\$ 207,413,355</u>	<u>\$ 197,670,349</u>	<u>\$ 183,909,164</u>	<u>\$ 169,239,249</u>	<u>\$ 150,960,647</u>	<u>\$ 145,513,808</u>	<u>\$ 139,501,310</u>
Net pension liability (asset) (a) - (b)	<u>\$ 46,855,956</u>	<u>\$ (4,545,960)</u>	<u>\$ 24,685,580</u>	<u>\$ 21,296,674</u>	<u>\$ 22,901,364</u>	<u>\$ 20,992,785</u>	<u>\$ 22,674,326</u>	<u>\$ 18,582,334</u>	<u>\$ 15,057,534</u>
Plan fiduciary net position as a percentage of total pension liability (asset)	84.27%	101.78%	89.36%	90.27%	88.93%	88.96%	86.94%	88.68%	90.26%
Covered payroll	\$ 74,760,574	\$ 57,125,481	\$ 55,581,567	\$ 55,585,231	\$ 54,183,197	\$ 51,346,720	\$ 51,016,044	\$ 48,836,361	\$ 46,918,937
Net pension liability (asset) as a percentage of covered payroll	62.67%	-7.96%	44.41%	38.31%	42.27%	40.88%	44.45%	38.05%	32.09%

This schedule is intended to present information for 10 years. Additional years will be displayed as they become available.

CITY OF CLARKSVILLE, TENNESSEE
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023
(Unaudited - See Accompanying Auditor's Report)

B. SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION PLAN

Fiscal Year Ended	Actuarially Determined Contribution	Contribution in Relation to the Actuarially Determined Contributions	Contribution (Excess) Deficiency	Covered Payroll	Contribution as a Percent of Covered Payroll
June 30, 2023	\$ 12,419,807	\$ 12,419,807	\$ -	\$ 75,115,558	16.53%
June 30, 2022	\$ 12,049,455	\$ 12,049,455	\$ -	\$ 74,760,574	16.12%
June 30, 2021	\$ 9,161,904	\$ 9,161,904	\$ -	\$ 57,125,481	16.04%
June 30, 2020	\$ 9,312,706	\$ 9,312,706	\$ -	\$ 55,581,567	16.76%
June 30, 2019	\$ 8,516,190	\$ 8,516,190	\$ -	\$ 55,585,231	15.32%
June 30, 2018	\$ 8,342,546	\$ 8,342,546	\$ -	\$ 54,183,197	15.40%
June 30, 2017	\$ 7,999,819	\$ 7,999,819	\$ -	\$ 51,346,720	15.58%
June 30, 2016	\$ 7,844,108	\$ 7,844,108	\$ -	\$ 51,016,044	15.38%
June 30, 2015	\$ 7,587,370	\$ 7,587,370	\$ -	\$ 48,836,361	15.54%
June 30, 2014	\$ 7,241,024	\$ 7,241,024	\$ -	\$ 46,918,937	15.43%

This schedule is intended to present information for 10 years. Additional years will be displayed as they become available.

C. NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION PLAN

Methods and Assumptions Used in Calculations of Actuarially Determined Contributions:

The actuarially determined contribution rates for the fiscal year ended June 30, 2023 were calculated as the result of an actuarial valuation performed on June 30, 2021. The following assumptions were used to determine contribution rates as reported in the Schedule of Employer Contributions:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	Various

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Asset valuation	10-year smoothed within a 20 percent corridor to market value
Inflation	2.25%
Salary increases	Graded salary ranges from 8.72% to 3.44% based on age, including inflation, averaging 4.00%
Investment rate of return	6.75%, net of investment expense, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including an adjustment for some anticipated improvement.
Cost of living adjustments	2.125%, if provided

D. SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

	2023 Financial Statement Date 2022 Measurement Date	2022 Financial Statement Date 2021 Measurement Date	2021 Financial Statement Date 2020 Measurement Date	2020 Financial Statement Date 2019 Measurement Date	2019 Financial Statement Date 2018 Measurement Date	2018 Financial Statement Date 2017 Measurement Date
TOTAL OPEB LIABILITY						
Service cost	\$ 1,701,384	\$ 1,634,532	\$ 1,503,689	\$ 1,462,874	\$ 1,393,213	\$ 1,752,968
Interest	2,987,922	2,027,975	2,434,335	2,385,835	2,583,490	3,287,103
Change in benefit terms	-	-	1,594,662	-	-	-
Difference between expected and actual experience	(4,244,089)	(1,072,241)	(5,163,904)	-	(27,298,883)	-
Change of assumptions	(1,527,564)	(19,783,261)	7,612,297	-	19,105,547	-
Benefit payments, including refunds of employee contributions	(2,831,499)	(2,352,137)	(2,337,729)	(2,750,895)	(1,937,305)	(2,023,900)
Net change in total OPEB liability	(3,913,846)	(19,545,132)	5,643,350	1,097,814	(6,153,938)	3,016,171
Total OPEB liability beginning	\$ 74,184,417	\$ 93,729,549	\$ 88,086,199	\$ 86,988,385	\$ 93,142,323	\$ 90,126,152
Total OPEB liability ending	\$ 70,270,571	\$ 74,184,417	\$ 93,729,549	\$ 88,086,199	\$ 86,988,385	\$ 93,142,323
Covered-employee payroll	\$ 74,589,976	\$ 64,151,658	\$ 62,893,782	\$ 56,548,246	\$ 55,439,457	\$ 51,993,922
Total OPEB liability as a percentage of covered-employee payroll	94.21%	115.64%	149.03%	155.77%	156.91%	179.14%

This schedule is intended to present information for 10 years. Additional years will be displayed as they become available.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

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E. SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

Electric and Broadband Department

	Fiscal Year Ending June 30, 2023	Fiscal Year Ending June 30, 2022	Fiscal Year Ending June 30, 2021	Fiscal Year Ending June 30, 2020	Fiscal Year Ending June 30, 2019	Fiscal Year Ending June 30, 2018
TOTAL OPEB LIABILITY						
Service cost	\$ 69,818	\$ 67,075	\$ 141,554	\$ 137,712	\$ 131,154	\$ 153,465
Interest	46,910	30,126	61,604	57,237	52,477	55,054
Change in benefit terms	-	-	341,599	-	-	-
Difference between expected and actual experience	349,268	(32,134)	(498,840)	-	534,757	(6,942)
Change of assumptions	(26,427)	(186,083)	(729,031)	-	(486,309)	-
Benefit payments, including refunds of employee contributions	(116,692)	(68,521)	(59,095)	(51,197)	(43,505)	(34,930)
Net change in total OPEB liability	322,877	(189,537)	(742,209)	143,752	188,574	166,647
Total OPEB liability beginning	\$ 1,193,828	\$ 1,383,365	\$ 2,125,574	\$ 1,981,822	\$ 1,793,248	\$ 1,626,601
Total OPEB liability ending	\$ 1,516,705	\$ 1,193,828	\$ 1,383,365	\$ 2,125,574	\$ 1,981,822	\$ 1,793,248
Covered-employee payroll	\$ 16,526,272	\$ 12,902,140	\$ 12,649,157	\$ 11,562,841	\$ 11,336,119	\$ 10,856,577
Total OPEB liability as a percentage of covered-employee payroll	9.18%	9.25%	10.94%	18.38%	17.48%	16.52%

*This schedule is intended to present information for 10 years. Additional years will be displayed as they become available.
No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.*

F. MODIFIED APPROACH FOR STREET NETWORK INFRASTRUCTURE CAPITAL ASSETS:

In accordance with GASB Statement No. 34, the City is required to account for and report Infrastructure Capital Assets. The City defines Infrastructure as the basic physical assets including the Street Network, Sidewalks, Traffic Signals Lighting Systems, Bridges, and Drainage Systems.

The City has elected to use the "Modified Approach" as defined by GASB Statement No. 34 for reporting its street network. Under the Modified Approach, eligible Infrastructure Assets are not required to be depreciated under the following requirements:

1. The City manages the eligible infrastructure assets using an asset management system characterized by (1) utilization of an up-to-date inventory; (2) performance of condition assessments and summarization of the results using a measurement scale; and (3) estimation of the annual amount to maintain and preserve at the established condition assessment level.
2. The City documents that the eligible infrastructure assets are being preserved approximately at or above the established and disclosed condition assessment level.

The City of Clarksville Street Department uses an automated pavement management system called Micro Paver that was originally developed by the U.S. Army Corps of Engineers. The computer database encompasses a complete network inventory of all streets and a Pavement Condition Index (PCI) rating for each individual street. The rating process requires the department to physically measure the quantity and severity of nineteen different pavement distresses in each sample. The PCI is a numerical score from 1 to 100, with 100 being a perfect score. The average PCI of all the rated segments is the reported condition level.

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Prior to using Micro Paver, the Street Department rated each street of the network under a different system using a scale of 1 to 5. Transitioning from the old scale to Micro Paver required the department to reassess each street in the network. One-third of the Street Network was assessed each year starting in 2002 and was completed in 2006. The following table details the condition levels under both the old pavement management system and the new system.

<u>Old System</u>	<u>Condition Level</u>	<u>New System</u>
-	Excellent	86 – 100
5	Very Good	71 – 85
4	Good	56 – 70
3	Fair	41 – 55
2	Poor	26 – 40
1	Very Poor	11 – 25
0	Failed	0 – 10

Established Condition Level

The City of Clarksville intends to maintain roadways so that the reported condition level each year does not fall below “Fair” or a PCI of 41.

Assessed Conditions

The following table presents the average PCI of all rated segments.

<u>For the Period Ended</u>	<u>Maintenance Rating</u>	<u>Total Miles</u>
June 30, 2023	Excellent (PCI 87)	690
June 30, 2022	Very Good (PCI 75)	672
June 30, 2021	Very Good (PCI 74)	665
June 30, 2020	Good (PCI 67)	656
June 30, 2019	Good (PCI 67)	646
June 30, 2018	Good (PCI 66)	643
June 30, 2017	Good (PCI 63.6)	638 **
June 30, 2016	Good (PCI 61)	648
June 30, 2015	Good (PCI 59)	640
June 30, 2014	Good (PCI 60)	634

**Corrected Street Database - FY2017

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The following table illustrates the condition of the entire network.

<u>Maintenace Rating</u>	<u>FY2023</u>	<u>FY2022</u>	<u>FY2021</u>	<u>FY2020</u>	<u>FY2019</u>	<u>FY2018</u>	<u>FY2017 **</u>	<u>FY2016</u>	<u>FY2015</u>	<u>FY2014</u>
Good to Excellent	91%	88%	83%	74%	72%	72%	67%	62%	58%	59%
Fair	7%	10%	14%	21%	23%	23%	26%	29%	34%	32%
Poor to Failed	2%	2%	3%	5%	5%	5%	7%	9%	8%	9%

The following table details the actual funding and projected funding by fiscal year to maintain the road network at the present condition:

<u>Fiscal Year</u>	<u>Budgeted Estimate</u>	<u>Actual Expenditure</u>
2023	\$ 5,993,200	\$ 6,785,485
2022	5,944,000	6,403,707
2021	5,369,000	6,038,549
2020	5,196,584	3,445,578
2019	4,816,584	5,386,520
2018	4,651,000	4,608,404
2017	4,401,000	5,074,149
2016	4,220,000	4,420,943
2015	3,870,000	3,989,717
2014	3,720,000	3,906,230

Supplementary Information



CITY OF CLARKSVILLE, TENNESSEE
BUDGETARY COMPARISON SCHEDULES AND
NON-MAJOR GOVERNMENTAL FUNDS

Budgetary Comparison Schedules:

This section contains original and final budget information as well as comparison of the actual amounts to the final budget for the following funds:

Capital Projects Fund
Debt Service Fund

Non-Major Governmental Funds:

This section contains combining financial statements for the City's non-major governmental funds, which are all special revenue funds. Special revenue funds are used to account for specific revenues that are to be expended for particular purposes.

This section also contains budgetary comparisons detailing the original and final budgets, actual amounts, and the variance from actual to final budget for the following funds:

Neighborhood and Community Services
Drug Fund
Police Special Revenue
Parks Special Revenue
Other Special Revenue

CITY OF CLARKSVILLE, TENNESSEE

Budgetary Comparison Schedule
 Capital Projects and Debt Service Funds
 For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<u>Debt Service</u>				
<u>Revenue</u>				
Interest	\$ 12,731	\$ 14,000	\$ 13,293	\$ (707)
<u>Other Financing Sources</u>				
Transfers In	11,992,085	11,992,865	11,991,803	(1,062)
Total revenue and other financing sources	<u>12,004,816</u>	<u>12,006,865</u>	<u>12,005,096</u>	<u>(1,769)</u>
<u>Expenditures</u>				
Principal retirement	8,001,000	8,001,000	8,001,000	-
Interest and other charges	3,991,085	4,091,085	4,045,763	45,322
Other	3,240	3,240	3,840	(600)
Total expenditures	<u>11,995,325</u>	<u>12,095,325</u>	<u>12,050,603</u>	<u>44,722</u>
Net Change in Fund Balance	<u>\$ 9,491</u>	<u>\$ (88,460)</u>	<u>(45,507)</u>	<u>\$ 42,953</u>
Fund Balance, Beginning of Year			300,007	
Fund Balance, End of Year			<u>\$ 254,500</u>	
<u>Capital Projects</u>				
<u>Revenue</u>				
Interest	\$ 1,200	\$ 1,281,054	\$ 1,448,571	\$ 167,517
Federal and state grants	9,548,000	570,000	1,338,586	768,586
Other	-	55,000	55,000	-
<u>Other Financing Sources</u>				
Bond proceeds	124,332,700	-	-	-
Transfers in	6,017,035	6,017,035	6,017,035	-
Total revenue and other financing sources	<u>139,898,935</u>	<u>7,923,089</u>	<u>8,859,192</u>	<u>936,103</u>
<u>Expenditures</u>				
Capital outlay	148,563,200	37,883,322	24,753,881	13,129,441
Debt service - issuance costs	250,000	-	-	-
Total expenditures	<u>148,813,200</u>	<u>37,883,322</u>	<u>24,753,881</u>	<u>13,129,441</u>
Net Change in Fund Balance	<u>\$ (8,914,265)</u>	<u>\$ (29,960,233)</u>	<u>(15,894,689)</u>	<u>\$ 14,065,544</u>
Fund Balance, Beginning of Year			43,675,646	
Fund Balance, End of Year			<u>\$ 27,780,957</u>	

CITY OF CLARKSVILLE, TENNESSEE

Combining Balance Sheet
 Non-Major Governmental Funds
 June 30, 2023

	<u>Special Revenue Funds</u>					
	<u>Neighborhood & Community Services</u>	<u>Drug Fund</u>	<u>Police Special Fund</u>	<u>Parks Special Fund</u>	<u>Other Special Revenue Funds</u>	<u>Total</u>
Assets						
Cash and cash equivalents	\$ 1,142,807	\$ 216,942	\$ -	\$ -	\$ -	\$ 1,359,749
Investments	-	-	-	-	8,739,165	8,739,165
Notes receivable, net	4,234,711	-	-	-	-	4,234,711
Accounts receivable	44,183	-	-	50	31,000	75,233
Taxes receivable	-	-	-	-	218,219	218,219
Grants receivable	144,033	-	185,619	-	-	329,652
Due from other funds	9,949	914,707	120,531	531,120	5,277,498	6,853,805
Other	425,996	-	-	-	-	425,996
Total assets	<u>\$ 6,001,679</u>	<u>\$ 1,131,649</u>	<u>\$ 306,150</u>	<u>\$ 531,170</u>	<u>\$ 14,265,882</u>	<u>\$ 22,236,530</u>
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ 236,848	\$ 3,066	\$ 12,010	\$ 12,278	\$ 138,971	\$ 403,173
Due to other funds	151,023	-	-	-	6,779,601	6,930,624
Unearned revenues	19,929	202,829	47,718	-	-	270,476
Total liabilities	<u>407,800</u>	<u>205,895</u>	<u>59,728</u>	<u>12,278</u>	<u>6,918,572</u>	<u>7,604,273</u>
Fund Balances						
Restricted	5,593,879	925,754	246,422	-	-	6,766,055
Committed	-	-	-	518,892	7,347,310	7,866,202
Total fund balances	<u>5,593,879</u>	<u>925,754</u>	<u>246,422</u>	<u>518,892</u>	<u>7,347,310</u>	<u>14,632,257</u>
Total liabilities and fund balances	<u>\$ 6,001,679</u>	<u>\$ 1,131,649</u>	<u>\$ 306,150</u>	<u>\$ 531,170</u>	<u>\$ 14,265,882</u>	<u>\$ 22,236,530</u>

CITY OF CLARKSVILLE, TENNESSEE

Combining Statement of Revenue, Expenditures and Changes in Fund Balances
 Non-Major Governmental Funds
 For the Year Ended June 30, 2023

		<u>Special Revenue Funds</u>					
		<u>Neighborhood & Community Services</u>	<u>Drug Fund</u>	<u>Police Special Fund</u>	<u>Parks Special Fund</u>	<u>Other Special Revenue Funds</u>	<u>Total</u>
Revenues							
Local taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,262,547	\$ 1,262,547	
Program income	28,560	-	-	456,692	-	485,252	
Interest	5,211	-	2,274	-	346,852	354,337	
Federal and state grants	1,622,229	-	360,560	1,500	-	1,984,289	
Fines and forfeitures	-	283,059	81,356	-	267,911	632,326	
Contributions	-	-	10,104	76,417	-	86,521	
Miscellaneous	588	-	-	-	-	588	
Total revenues	<u>1,656,588</u>	<u>283,059</u>	<u>454,294</u>	<u>534,609</u>	<u>1,877,310</u>	<u>4,805,860</u>	
Expenditures							
General government	-	-	-	-	432,501	432,501	
Recreation	-	-	-	445,961	44,452	490,413	
Drug enforcement	-	146,569	-	-	-	146,569	
Neighborhood & community services	2,297,627	-	-	-	-	2,297,627	
Public safety	-	-	309,285	-	250,215	559,500	
Lease payments	2,664	-	-	-	-	2,664	
Capital outlay	19	214,590	126,545	-	2,952,212	3,293,366	
Other	-	-	-	-	552,091	552,091	
Total expenditures	<u>2,300,310</u>	<u>361,159</u>	<u>435,830</u>	<u>445,961</u>	<u>4,231,471</u>	<u>7,774,731</u>	
Excess (deficiency) of revenue over (under) expenditures	(643,722)	(78,100)	18,464	88,648	(2,354,161)	(2,968,871)	
Other Financing Sources(Uses)							
Transfers in	155,147	-	-	-	-	155,147	
Transfers out	-	-	-	-	(3,136,995)	(3,136,995)	
Total other financing sources (uses)	<u>155,147</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,136,995)</u>	<u>(2,981,848)</u>	
Net change in fund balances	(488,575)	(78,100)	18,464	88,648	(5,491,156)	(5,950,719)	
Fund Balance - Beginning	<u>6,082,454</u>	<u>1,003,854</u>	<u>227,958</u>	<u>430,244</u>	<u>12,838,466</u>	<u>20,582,976</u>	
Fund Balance - Ending	<u>\$ 5,593,879</u>	<u>\$ 925,754</u>	<u>\$ 246,422</u>	<u>\$ 518,892</u>	<u>\$ 7,347,310</u>	<u>\$ 14,632,257</u>	

CITY OF CLARKSVILLE, TENNESSEE

Non-Major Governmental Funds
 Schedules of Revenues, Expenditures, and Changes in Fund Balances
 Budget and Actual
 For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<u>Neighborhood & Community Services</u>				
<u>Revenue</u>				
Program income	\$ 265,000	\$ 265,000	\$ 28,560	\$ (236,440)
Interest	-	-	5,211	5,211
Federal and state grants	10,835,446	10,921,027	1,622,229	(9,298,798)
Other	-	-	588	588
<u>Other Financing Sources</u>				
Transfers In	263,625	263,625	155,147	(108,478)
Total revenue and other financing sources	<u>11,364,071</u>	<u>11,449,652</u>	<u>1,811,735</u>	<u>(9,637,917)</u>
<u>Expenditures</u>				
Neighborhood & community services	5,128,962	5,128,962	2,297,627	2,831,335
Lease payments	-	-	2,664	(2,664)
Capital outlay	-	-	19	(19)
Total expenditures	<u>5,128,962</u>	<u>5,128,962</u>	<u>2,300,310</u>	<u>2,828,652</u>
Net Change in Fund Balance	<u>\$ 6,235,109</u>	<u>\$ 6,320,690</u>	<u>(488,575)</u>	<u>\$ (6,809,265)</u>
Fund Balance, Beginning of Year			6,082,454	
Fund Balance, End of Year			<u>\$ 5,593,879</u>	
<u>Drug Fund</u>				
<u>Revenue</u>				
Fines and forfeitures	\$ 426,439	\$ 310,434	\$ 283,059	\$ (27,375)
Total revenue	<u>426,439</u>	<u>310,434</u>	<u>283,059</u>	<u>(27,375)</u>
<u>Expenditures</u>				
Drug enforcement	272,806	216,522	146,569	69,953
Capital outlay	218,592	223,608	214,590	9,018
Total expenditures	<u>491,398</u>	<u>440,130</u>	<u>361,159</u>	<u>78,971</u>
Net Change in Fund Balance	<u>\$ (64,959)</u>	<u>\$ (129,696)</u>	<u>(78,100)</u>	<u>\$ 51,596</u>
Fund Balance, Beginning of Year			1,003,854	
Fund Balance, End of Year			<u>\$ 925,754</u>	

CITY OF CLARKSVILLE, TENNESSEE

Non-Major Governmental Funds
 Schedules of Revenues, Expenditures, and Changes in Fund Balances
 Budget and Actual
 For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<u>Police Special Fund</u>				
<u>Revenue</u>				
Interest	\$ -	\$ -	\$ 2,274	\$ 2,274
Federal and state grants	200,418	465,933	360,560	(105,373)
Fines and forfeitures	64,670	86,300	81,356	(4,944)
Contributions	16,000	10,044	10,104	60
Total revenue	<u>281,088</u>	<u>562,277</u>	<u>454,294</u>	<u>(107,983)</u>
<u>Expenditures</u>				
Public safety	439,026	405,333	309,285	96,048
Capital outlay	61,374	126,545	126,545	-
Total expenditures	<u>500,400</u>	<u>531,878</u>	<u>435,830</u>	<u>96,048</u>
Net Change in Fund Balance	<u>\$ (219,312)</u>	<u>\$ 30,399</u>	18,464	<u>\$ (11,935)</u>
Fund Balance, Beginning of Year			227,958	
Fund Balance, End of Year			<u>\$ 246,422</u>	
<u>Parks Special Fund</u>				
<u>Revenue</u>				
Program income	\$ 493,490	\$ 493,490	\$ 456,692	\$ (36,798)
Federal and state grants	1,500	1,500	1,500	-
Contributions	93,800	93,800	76,417	(17,383)
Total revenues	<u>588,790</u>	<u>588,790</u>	<u>534,609</u>	<u>(54,181)</u>
<u>Expenditures</u>				
Recreation	651,383	520,029	445,961	74,068
Total expenditures	<u>651,383</u>	<u>520,029</u>	<u>445,961</u>	<u>74,068</u>
Net Change in Fund Balance	<u>\$ (62,593)</u>	<u>\$ 68,761</u>	88,648	<u>\$ 19,887</u>
Fund Balance, Beginning of Year			430,244	
Fund Balance, End of Year			<u>\$ 518,892</u>	

CITY OF CLARKSVILLE, TENNESSEE

Non-Major Governmental Funds
Schedules of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<u>Other Special Revenue Fund</u>				
<u>Revenue</u>				
State sales tax	\$ 900,000	\$ 1,200,000	\$ 1,262,547	\$ 62,547
Interest	4,000	325,094	346,852	21,758
Fines and forfeitures	236,115	296,363	267,911	(28,452)
Total revenue	<u>1,140,115</u>	<u>1,821,457</u>	<u>1,877,310</u>	<u>55,853</u>
<u>Expenditures</u>				
General government	-	432,503	432,501	2
Public safety	258,396	263,722	250,215	13,507
Recreation	457,500	118,000	44,452	73,548
Capital investments	2,335,061	4,431,064	2,952,212	1,478,852
Other	2,498,642	552,091	552,091	-
<u>Other Financing Uses</u>				
Transfer out	<u>7,237,915</u>	<u>4,429,776</u>	<u>3,136,995</u>	<u>1,292,781</u>
Total expenditures and other financing uses	<u>12,787,514</u>	<u>10,227,156</u>	<u>7,368,466</u>	<u>2,858,690</u>
Net Change in Fund Balance	<u>\$ (11,647,399)</u>	<u>\$ (8,405,699)</u>	<u>(5,491,156)</u>	<u>\$ 2,914,543</u>
Fund Balance, Beginning of Year			12,838,466	
Fund Balance, End of Year			<u>\$ 7,347,310</u>	

CITY OF CLARKSVILLE, TENNESSEE

NON-MAJOR ENTERPRISE FUNDS

Non-Major Enterprise Funds:

This section contains combining financial statements for the City's non-major enterprise funds. Enterprise funds are used to account for operations where it is the intent that costs of providing services to the general public on a continuing basis be financed or recovered through user charges and space rentals; or the City has decided that periodic determination of net income is appropriate for accountability purposes. The City's non-major enterprise funds are as follows:

Parking Authority
Clarksville Transit System

CITY OF CLARKSVILLE, TENNESSEE

Combining Statement of Net Position
Non-Major Proprietary Funds
June 30, 2023

		<u>Business-Type Activities / Enterprise Funds</u>		
		Clarksville		
		<u>Parking Commission</u>	<u>Transit System</u>	<u>Total</u>
Assets				
Current assets:				
	Cash and cash equivalents	\$ 314,098	\$ 767,024	\$ 1,081,122
	Accounts receivable	5,663	23,187	28,850
	Due from other funds	681,822	403,555	1,085,377
	Inventory	-	168,677	168,677
	Grants receivable	-	380,680	380,680
	Prepaid items	-	92,375	92,375
	Total current assets	<u>1,001,583</u>	<u>1,835,498</u>	<u>2,837,081</u>
Noncurrent assets:				
Capital assets - at cost:				
	Assets not depreciated	-	154,818	154,818
	Property, plant and equipment	3,665,104	24,222,587	27,887,691
	Less accumulated depreciation	<u>(2,299,339)</u>	<u>(14,977,940)</u>	<u>(17,277,279)</u>
	Net capital assets	<u>1,365,765</u>	<u>9,399,465</u>	<u>10,765,230</u>
	Total noncurrent assets	<u>1,365,765</u>	<u>9,399,465</u>	<u>10,765,230</u>
	Total assets	<u>2,367,348</u>	<u>11,234,963</u>	<u>13,602,311</u>
Deferred outflows of resources:				
	Deferred outflows of resources related to pensions	-	2,778,249	2,778,249
	Deferred outflows of resources related to OPEB	-	93,506	93,506
	Total deferred outflows of resources	<u>-</u>	<u>2,871,755</u>	<u>2,871,755</u>
Liabilities				
Current liabilities:				
	Accounts payable	22,862	68,584	91,446
	Accrued liabilities	-	288,594	288,594
	Due to other funds	143	130,974	131,117
	Accrued compensated absences	-	233,333	233,333
	Unearned revenue	9,135	19,467	28,602
	Subscription liability	-	167,579	167,579
	Total current liabilities	<u>32,140</u>	<u>908,531</u>	<u>940,671</u>
Noncurrent liabilities:				
	Net pension liability	-	2,367,036	2,367,036
	Total OPEB liability	-	1,338,520	1,338,520
	Total noncurrent liabilities	<u>-</u>	<u>3,705,556</u>	<u>3,705,556</u>
	Total liabilities	<u>32,140</u>	<u>4,614,087</u>	<u>4,646,227</u>
Deferred inflows of resources				
	Deferred inflows of resources related to pensions	-	131,538	131,538
	Deferred inflows of resources related to OPEB	-	664,052	664,052
	Total deferred Inflows of resources	<u>-</u>	<u>795,590</u>	<u>795,590</u>
Net Position				
	Investment in capital assets	1,365,765	9,399,465	10,765,230
	Unrestricted	969,443	(702,424)	267,019
	Total net position	<u>\$ 2,335,208</u>	<u>\$ 8,697,041</u>	<u>\$ 11,032,249</u>

CITY OF CLARKSVILLE, TENNESSEE

Combining Statement of Revenues, Expenses and
Changes in Fund Net Position
Non-Major Proprietary Funds
For the Year Ended June 30, 2023

	<u>Business-Type Activities / Enterprise Funds</u>		
	<u>Parking Commission</u>	<u>Clarksville Transit System</u>	<u>Total</u>
Operating Revenues			
Fees	\$ 374,333	\$ 650,993	\$ 1,025,326
Advertising	-	145,273	145,273
Rental income	162,332	-	162,332
Miscellaneous	1,549	46,861	48,410
Total operating revenues	<u>538,214</u>	<u>843,127</u>	<u>1,381,341</u>
Operating Expenses			
Administrative and general	201,355	963,093	1,164,448
Operation and maintenance	95,887	6,494,328	6,590,215
Depreciation and amortization	82,917	1,997,300	2,080,217
Total operating expenses	<u>380,159</u>	<u>9,454,721</u>	<u>9,834,880</u>
Operating income (loss)	<u>158,055</u>	<u>(8,611,594)</u>	<u>(8,453,539)</u>
Nonoperating Revenues			
Interest income	11,296	21,695	32,991
Grants	-	4,542,807	4,542,807
Interest expense	-	(14,674)	(14,674)
Total nonoperating revenues	<u>11,296</u>	<u>4,549,828</u>	<u>4,561,124</u>
Income (Loss) Before Capital Contributions and Transfers	169,351	(4,061,766)	(3,892,415)
Capital Contributions	-	1,109,372	1,109,372
Transfers			
Transfers in	-	2,919,995	2,919,995
Changes in Net Position	169,351	(32,399)	136,952
Net Position - Beginning of Year, as restated	<u>2,165,857</u>	<u>8,729,440</u>	<u>10,895,297</u>
Net Position - End of Year	<u>\$ 2,335,208</u>	<u>\$ 8,697,041</u>	<u>\$ 11,032,249</u>

CITY OF CLARKSVILLE, TENNESSEE

Combining Statement of Cash Flows
 Non-Major Proprietary Funds
 For the Year Ended June 30, 2023

	<u>Business-Type Activities / Enterprise Funds</u>		
	<u>Parking Commission</u>	<u>Clarksville Transit System</u>	<u>Total</u>
Cash Flows From Operating Activities			
Receipts from customers	\$ 278,956	\$ 786,759	\$ 1,065,715
Payments to suppliers	(278,955)	(1,596,286)	(1,875,241)
Payments to or on behalf of employees	-	(6,480,690)	(6,480,690)
	<u>1</u>	<u>(7,290,217)</u>	<u>(7,290,216)</u>
Net cash provided by (used in) operating activities			
Cash Flows From Noncapital Financing Activities			
Grant collections	-	4,702,423	4,702,423
Operating transfers in	-	2,919,995	2,919,995
	<u>-</u>	<u>7,622,418</u>	<u>7,622,418</u>
Net cash provided by noncapital financing activities			
Cash Flows From Capital and Related Financial Activities			
Acquisition and construction of capital assets	-	(1,241,703)	(1,241,703)
Capital grant and other collections	-	1,109,372	1,109,372
Interest paid	-	(51,246)	(51,246)
Repayment of SBITA principal	-	(14,674)	(14,674)
	<u>-</u>	<u>(198,251)</u>	<u>(198,251)</u>
Net cash used in capital and related financing activities			
Cash Flows From Investing Activities			
Interest received	11,296	21,695	32,991
	<u>11,296</u>	<u>21,695</u>	<u>32,991</u>
Net cash provided by investing activities			
Net change in cash and cash equivalents	11,297	155,645	166,942
Cash and Cash Equivalents - Beginning of Year	<u>302,801</u>	<u>611,379</u>	<u>914,180</u>
Cash and Cash Equivalents - End of Year	<u>\$ 314,098</u>	<u>\$ 767,024</u>	<u>\$ 1,081,122</u>

CITY OF CLARKSVILLE, TENNESSEE

Combining Statement of Cash Flows-Continued
 Non-Major Proprietary Funds
 For the Year Ended June 30, 2023

	<u>Business-Type Activities / Enterprise Funds</u>		
	<u>Parking Commission</u>	<u>Clarksville Transit System</u>	<u>Total</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities			
Operating income (loss)	\$ 158,055	\$ (8,611,594)	\$ (8,453,539)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	82,917	1,997,300	2,080,217
(Increase) decrease in:			
Accounts receivable	1,629	3,620	5,249
Due from other funds	(261,179)	81,890	(179,289)
Inventory	-	6,116	6,116
Prepaid items	-	(11,860)	(11,860)
Increase (decrease) in:			
Accounts payable	18,144	(15,924)	2,220
Accrued compensated absences	-	11,804	11,804
Due to other funds	143	(387)	(244)
Accrued liabilities	-	(2,909)	(2,909)
Pension liability and related amounts	-	(17,392)	(17,392)
OPEB liability and related accounts	-	(670,893)	(670,893)
Other	292	(59,988)	(59,696)
	<u>(158,054)</u>	<u>1,321,377</u>	<u>1,163,323</u>
Total adjustments			
Net cash provided by (used in) operating activities	<u>\$ 1</u>	<u>\$ (7,290,217)</u>	<u>\$ (7,290,216)</u>

CITY OF CLARKSVILLE, TENNESSEE

INTERNAL SERVICE FUNDS

Internal Service Funds:

This section contains combining financial statements for the City's internal service funds. Internal service funds are used for financing of goods and services provided by one department or agency to other departments or agencies of the government and to other governmental units, on a cost reimbursement basis. The City's internal service funds relate to self-insurance are as follows:

- Dental Fund
- Health Insurance Fund
- Self-Insurance Fund

CITY OF CLARKSVILLE, TENNESSEE

Combining Statement of Net Position
Internal Service Funds
June 30, 2023

	Dental Fund	Health Insurance Fund	Self-Insurance Fund	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Assets				
Current assets:				
Cash and cash equivalents	\$ 832,475	\$ 3,120,637	\$ 616,260	\$ 4,569,372
Due from other funds	111,782	459,859	4,521,403	5,093,044
Other assets	-	555,033	-	555,033
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 944,257</u>	<u>\$ 4,135,529</u>	<u>\$ 5,137,663</u>	<u>\$ 10,217,449</u>
Liabilities				
Current liabilities:				
Accounts payable	\$ 43,208	\$ 133,908	\$ 48,209	\$ 225,325
Due to other funds	-	286,020	-	286,020
Accrued liabilities	-	942,814	509,213	1,452,027
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>43,208</u>	<u>1,362,742</u>	<u>557,422</u>	<u>1,963,372</u>
Net Position				
Unrestricted	<u>\$ 901,049</u>	<u>\$ 2,772,787</u>	<u>\$ 4,580,241</u>	<u>\$ 8,254,077</u>

CITY OF CLARKSVILLE, TENNESSEE

Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2023

	Dental Fund	Health Insurance fund	Self-Insurance Fund	Total
Operating Revenues				
Insurance premiums	\$ 1,330,470	\$ 20,876,953	\$ 1,307,000	\$ 23,514,423
Miscellaneous revenue	-	-	350	350
Total operating revenues	<u>1,330,470</u>	<u>20,876,953</u>	<u>1,307,350</u>	<u>23,514,773</u>
Operating Expenses				
Administrative and general	77,542	3,937,755	63,858	4,079,155
Other	209	617,706	-	617,915
Claims	1,186,659	19,189,731	843,540	21,219,930
Total operating expenses	<u>1,264,410</u>	<u>23,745,192</u>	<u>907,398</u>	<u>25,917,000</u>
Operating income (loss)	<u>66,060</u>	<u>(2,868,239)</u>	<u>399,952</u>	<u>(2,402,227)</u>
Non-Operating Revenues				
Interest and dividend income	<u>24,336</u>	<u>127,401</u>	<u>22,163</u>	<u>173,900</u>
Total non-operating revenues	<u>24,336</u>	<u>127,401</u>	<u>22,163</u>	<u>173,900</u>
Changes in Net Position	90,396	(2,740,838)	422,115	(2,228,327)
Net Position - Beginning of Year	<u>810,653</u>	<u>5,513,625</u>	<u>4,158,126</u>	<u>10,482,404</u>
Net Position - End of Year	<u>\$ 901,049</u>	<u>\$ 2,772,787</u>	<u>\$ 4,580,241</u>	<u>\$ 8,254,077</u>

CITY OF CLARKSVILLE, TENNESSEE

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2023

	Dental Fund	Health Insurance Fund	Self-Insurance Fund	Total
Cash Flows from Operating Activities				
Receipts from interfund services provided	\$ 1,732,593	\$ 24,368,911	\$ 946,850	\$ 27,048,354
Claims paid	(1,172,010)	(19,402,880)	(882,992)	(21,457,882)
Other payments	(77,322)	(4,555,461)	(63,858)	(4,696,641)
	<u>483,261</u>	<u>410,570</u>	<u>-</u>	<u>893,831</u>
Cash Flows from Investing Activities				
Interest received	<u>24,336</u>	<u>127,401</u>	<u>22,163</u>	<u>173,900</u>
	<u>24,336</u>	<u>127,401</u>	<u>22,163</u>	<u>173,900</u>
	<u>507,597</u>	<u>537,971</u>	<u>22,163</u>	<u>1,067,731</u>
Cash - Beginning of Year	<u>324,878</u>	<u>2,582,666</u>	<u>594,097</u>	<u>3,501,641</u>
Cash - End of Year	<u>\$ 832,475</u>	<u>\$ 3,120,637</u>	<u>\$ 616,260</u>	<u>\$ 4,569,372</u>
Reconciliation of Operating Income (loss) to Net Cash Provided by (used in) Operating Activities				
Operating income (loss)	\$ 66,060	\$ (2,868,239)	\$ 399,952	\$ (2,402,227)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
(Increase) decrease in:				
Due from other funds of the primary government	402,123	3,252,504	(360,500)	3,294,127
Other assets	429	(46,566)	-	(46,137)
Increase (decrease) in:				
Accounts payable	14,649	(51,500)	(52,030)	(88,881)
Accrued liabilities	-	(161,649)	12,578	(149,071)
Due to other funds of the primary government	-	286,020	-	286,020
	<u>417,201</u>	<u>3,278,809</u>	<u>(399,952)</u>	<u>3,296,058</u>
	<u>\$ 483,261</u>	<u>\$ 410,570</u>	<u>\$ -</u>	<u>\$ 893,831</u>

CITY OF CLARKSVILLE, TENNESSEE

NON-MAJOR COMPONENT UNITS

Non-Major Component Units:

This section contains combining financial statements of the City's non-major component units. The City has three non-major discretely presented component units, which are as follows:

Clarksville - Montgomery County Museum
Ajax Turner Senior Citizen's Center
Roxy Productions, Inc

CITY OF CLARKSVILLE, TENNESSEE

Combining - Statement of Net Position
Component Units
June 30, 2023

	Component Units			Total
	Clarksville- Montgomery Co. Museum	Ajax Turner Senior Citizen's Center	Roxy Productions	
Assets				
Current assets:				
Cash and cash equivalents	\$ 324,803	\$ 266,643	\$ 38,513	\$ 629,959
Investments	1,555,809	-	-	1,555,809
Accounts receivable	131,865	35,897	-	167,762
Inventory	10,830	-	29,258	40,088
Prepaid and other items	38,971	4,426	17,817	61,214
Total current assets	<u>2,062,278</u>	<u>306,966</u>	<u>85,588</u>	<u>2,454,832</u>
Restricted assets:				
Cash and cash equivalents	32,898	-	-	32,898
Total restricted assets	<u>32,898</u>	<u>-</u>	<u>-</u>	<u>32,898</u>
Property and equipment				
Leasehold Improvements	5,540,422	329,481	-	5,869,903
Furniture and equipment	301,879	361,492	164,929	828,300
Right to use: Machinery & Equipment	15,133	-	-	15,133
Less: Accumulated depreciation	(3,540,692)	(575,007)	(44,171)	(4,159,870)
Net property and equipment	<u>2,316,742</u>	<u>115,966</u>	<u>120,758</u>	<u>2,553,466</u>
Total assets	<u>\$ 4,411,918</u>	<u>\$ 422,932</u>	<u>\$ 206,346</u>	<u>\$ 5,041,196</u>
Liabilities				
Current liabilities:				
Accounts payable	\$ 28,957	\$ 12,944	\$ 1,701	\$ 43,602
Accrued liabilities	29,609	13,280	5,308	48,197
Accrued compensated absences	20,608	-	-	20,608
Current portion of lease liability	2,887	-	-	2,887
Current portion of notes payable	-	-	8,556	8,556
Total current liabilities	<u>82,061</u>	<u>26,224</u>	<u>15,565</u>	<u>123,850</u>
Noncurrent liabilities:				
Lease liability	9,536	-	-	9,536
Notes payable	-	-	117,444	117,444
Total liabilities	<u>91,597</u>	<u>26,224</u>	<u>133,009</u>	<u>250,830</u>
Net Position				
Net investment in capital assets	2,316,742	115,966	26,228	2,458,936
Restricted:				
Expendable	32,898	-	-	32,898
Nonexpendable - Endowment Fund	68,270	-	-	68,270
Unrestricted	<u>1,902,411</u>	<u>280,742</u>	<u>47,109</u>	<u>2,230,262</u>
Total net position	<u>\$ 4,320,321</u>	<u>\$ 396,708</u>	<u>\$ 73,337</u>	<u>\$ 4,790,366</u>

CITY OF CLARKSVILLE, TENNESSEE

Combining Statement of Activities
Component Units
For the Year Ended June 30, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Revenue and</u>
					<u>Changes in</u>
					<u>Net Position</u>
					<u>Primary</u>
					<u>Government</u>
					<u>Component</u>
					<u>Units</u>
Clarksville-Montgomery County Museum	\$ 2,188,034	\$ 534,671	\$ 1,106,058	\$ 330,644	\$ (216,661)
Ajax Turner Senior Citizen's Center	975,898	264,858	681,968	-	(29,072)
Roxy Productions Inc.	1,165,951	445,172	293,259	76,764	(350,756)
Discretely Presented Component Units	\$ 4,329,883	\$ 1,244,701	\$ 2,081,285	\$ 407,408	\$ (596,489)
General revenues:					
Net investment income of Museum					156,133
Total general revenues					156,133
Change in net position					(440,356)
Net position - beginning					5,230,722
Net position - ending					\$ 4,790,366

CITY OF CLARKSVILLE, TENNESSEE

SUPPLEMENTAL SCHEDULES

This section contains supplemental schedules which are intended to provide additional financial information or demonstrate compliance with federal, state or other legal requirements. This section contains the following schedules:

- Schedule of Long-Term Debt, Principal and Interest Requirements by Fiscal Year
- Schedule of Changes in Long-Term Debt by Individual Issue
- Schedule of Changes in Lease Obligations
- Schedule of Leases, Principal, and Interest Requirements by Fiscal Year
- Schedule of Uncollected Delinquent Taxes
- Gas Rates and Customers
- Water Rates and Customers
- Wastewater Rates and Customers
- Electric Rates
- Broadband Rates
- Electric and Broadband Customers and Other Data

CITY OF CLARKSVILLE, TENNESSEE
Schedule of Long-Term Debt, Principal and Interest Requirements by
Fiscal Year June 30, 2023

Year Ending June 30,	Governmental Activities							
	GO 2009		GO 2012		GO 2014		GO 2016A	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 1,128,000	\$ 114,298	\$ 320,000	\$ 109,050	\$ 385,000	\$ 155,975	\$ 790,000	\$ 465,450
2025	1,184,000	70,984	325,000	99,450	400,000	144,425	830,000	425,950
2026	299,000	25,847	335,000	89,700	410,000	132,425	870,000	384,450
2027	379,000	14,448	345,000	79,650	425,000	120,125	915,000	340,950
2028	-	-	355,000	69,300	435,000	107,375	940,000	313,500
2029	-	-	370,000	58,650	450,000	94,325	970,000	285,300
2030	-	-	380,000	47,550	465,000	80,825	1,000,000	256,200
2031	-	-	390,000	36,150	475,000	66,294	1,025,000	226,200
2032	-	-	400,000	24,450	490,000	50,856	1,060,000	192,887
2033	-	-	415,000	12,450	510,000	34,931	1,095,000	158,438
2034	-	-	-	-	525,000	17,719	1,130,000	122,850
2035	-	-	-	-	-	-	1,170,000	83,300
2036	-	-	-	-	-	-	1,210,000	42,350
2037	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-	-
2041	-	-	-	-	-	-	-	-
2042	-	-	-	-	-	-	-	-
2043	-	-	-	-	-	-	-	-
2044	-	-	-	-	-	-	-	-
2045	-	-	-	-	-	-	-	-
2046	-	-	-	-	-	-	-	-
2047	-	-	-	-	-	-	-	-
2048	-	-	-	-	-	-	-	-
2049	-	-	-	-	-	-	-	-
2050	-	-	-	-	-	-	-	-
2051	-	-	-	-	-	-	-	-
	<u>\$ 2,990,000</u>	<u>\$ 225,577</u>	<u>\$ 3,635,000</u>	<u>\$ 626,400</u>	<u>\$ 4,970,000</u>	<u>\$ 1,005,275</u>	<u>\$ 13,005,000</u>	<u>\$ 3,297,825</u>

(continued)

CITY OF CLARKSVILLE, TENNESSEE
Schedule of Long-Term Debt, Principal and Interest Requirements by
Fiscal Year June 30, 2023

Year Ending June 30,	Governmental Activities									
	2016B GO QECB		2022 GO		TMBF 2018		2020A Refunding (fkaTBMF)		2020B Taxable GO Refi	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 125,000	\$ 10,500	\$ 290,000	\$ 2,123,750	\$ 738,000	\$ 477,180	\$ 2,975,000	\$ 618,422	\$ 540,000	\$ 48,074
2025	125,000	7,187	265,000	2,109,250	760,000	455,040	3,061,000	564,575	550,000	38,786
2026	125,000	3,688	1,225,000	2,096,000	781,000	432,240	3,103,000	509,171	560,000	29,326
2027	-	-	1,310,000	2,034,750	804,000	408,810	3,198,000	453,007	565,000	19,694
2028	-	-	1,400,000	1,969,250	827,000	384,690	3,295,000	395,123	580,000	9,976
2029	-	-	1,470,000	1,899,250	851,000	359,880	3,397,000	335,483	-	-
2030	-	-	1,545,000	1,825,750	876,000	334,350	3,450,000	273,998	-	-
2031	-	-	1,620,000	1,748,500	901,000	308,070	3,560,000	211,553	-	-
2032	-	-	1,700,000	1,667,500	927,000	281,040	3,118,000	147,117	-	-
2033	-	-	1,785,000	1,582,500	953,000	253,230	2,951,000	90,681	-	-
2034	-	-	1,875,000	1,493,250	981,000	224,640	2,059,000	37,268	-	-
2035	-	-	1,970,000	1,399,500	1,009,000	195,210	-	-	-	-
2036	-	-	2,070,000	1,301,000	1,038,000	164,940	-	-	-	-
2037	-	-	2,175,000	1,197,500	1,068,000	133,800	-	-	-	-
2038	-	-	2,280,000	1,088,750	1,099,000	101,760	-	-	-	-
2039	-	-	2,395,000	974,750	1,130,000	68,790	-	-	-	-
2040	-	-	2,515,000	855,000	1,163,000	34,890	-	-	-	-
2041	-	-	2,640,000	729,250	-	-	-	-	-	-
2042	-	-	2,770,000	597,250	-	-	-	-	-	-
2043	-	-	2,910,000	458,750	-	-	-	-	-	-
2044	-	-	3,055,000	313,250	-	-	-	-	-	-
2045	-	-	3,210,000	160,500	-	-	-	-	-	-
2046	-	-	-	-	-	-	-	-	-	-
2047	-	-	-	-	-	-	-	-	-	-
2048	-	-	-	-	-	-	-	-	-	-
2049	-	-	-	-	-	-	-	-	-	-
2050	-	-	-	-	-	-	-	-	-	-
2051	-	-	-	-	-	-	-	-	-	-
	<u>\$ 375,000</u>	<u>\$ 21,375</u>	<u>\$ 42,475,000</u>	<u>\$ 29,625,250</u>	<u>\$ 15,906,000</u>	<u>\$ 4,618,560</u>	<u>\$ 34,167,000</u>	<u>\$ 3,636,398</u>	<u>\$ 2,795,000</u>	<u>\$ 145,856</u>

(continued)

CITY OF CLARKSVILLE, TENNESSEE
Schedule of Long-Term Debt, Principal and Interest Requirements by
Fiscal Year June 30, 2023

Year Ending June 30,	Governmental Activities				Business Type Activities					
	2018 CO LAND NOTE		Total Governmental Activities		CDE		CDE		CDE	
	Principal	Interest	Principal	Interest	Series 2017		Series 2014		Series 2015	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 473,000	\$ 106,434	\$ 7,764,000	\$ 4,229,133	\$ 590,000	\$ 952,200	\$ 365,000	\$ 5,475	\$ 2,465,000	\$ 1,236,050
2025	489,000	90,162	7,989,000	4,005,809	985,000	928,575	-	-	2,570,000	1,130,000
2026	506,000	73,341	8,214,000	3,776,188	1,020,000	888,300	-	-	2,700,000	1,003,250
2027	524,000	55,934	8,465,000	3,527,368	1,070,000	836,050	-	-	2,840,000	864,750
2028	542,000	37,909	8,374,000	3,287,123	1,130,000	781,050	-	-	2,980,000	719,250
2029	560,000	19,264	8,068,000	3,052,152	1,190,000	723,050	-	-	3,135,000	566,375
2030	-	-	7,716,000	2,818,673	1,250,000	662,050	-	-	3,295,000	405,625
2031	-	-	7,971,000	2,596,767	1,305,000	604,700	-	-	3,465,000	236,625
2032	-	-	7,695,000	2,363,850	2,000,000	538,600	-	-	3,000,000	75,000
2033	-	-	7,709,000	2,132,230	5,220,000	394,200	-	-	-	-
2034	-	-	6,570,000	1,895,727	5,430,000	181,200	-	-	-	-
2035	-	-	4,149,000	1,678,010	1,815,000	36,300	-	-	-	-
2036	-	-	4,318,000	1,508,290	-	-	-	-	-	-
2037	-	-	3,243,000	1,331,300	-	-	-	-	-	-
2038	-	-	3,379,000	1,190,510	-	-	-	-	-	-
2039	-	-	3,525,000	1,043,540	-	-	-	-	-	-
2040	-	-	3,678,000	889,890	-	-	-	-	-	-
2041	-	-	2,640,000	729,250	-	-	-	-	-	-
2042	-	-	2,770,000	597,250	-	-	-	-	-	-
2043	-	-	2,910,000	458,750	-	-	-	-	-	-
2044	-	-	3,055,000	313,250	-	-	-	-	-	-
2045	-	-	3,210,000	160,500	-	-	-	-	-	-
2046	-	-	-	-	-	-	-	-	-	-
2047	-	-	-	-	-	-	-	-	-	-
2048	-	-	-	-	-	-	-	-	-	-
2049	-	-	-	-	-	-	-	-	-	-
2050	-	-	-	-	-	-	-	-	-	-
2051	-	-	-	-	-	-	-	-	-	-
	<u>\$ 3,094,000</u>	<u>\$ 383,044</u>	<u>\$ 123,412,000</u>	<u>\$ 43,585,560</u>	<u>\$ 23,005,000</u>	<u>\$ 7,526,275</u>	<u>\$ 365,000</u>	<u>\$ 5,475</u>	<u>\$ 26,450,000</u>	<u>\$ 6,236,925</u>

(continued)

CITY OF CLARKSVILLE, TENNESSEE
Schedule of Long-Term Debt, Principal and Interest Requirements by
Fiscal Year June 30, 2023

Year Ending June 30,	Business Type Activities							
	CDE		GWS		GWS		GWS	
	Series 2022		Series 2017		Series 2016		TMBF 2005	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 735,000	\$ 1,332,488	\$ 8,980,000	\$ 1,949,750	\$ 3,030,000	\$ 1,031,250	\$ 2,261,573	\$ 729,226
2025	925,000	1,290,988	9,345,000	1,500,750	3,185,000	879,750	2,374,651	657,760
2026	970,000	1,243,613	1,575,000	1,033,500	3,345,000	720,500	2,493,384	641,516
2027	1,020,000	1,193,863	1,655,000	954,750	3,510,000	553,250	2,618,053	562,726
2028	1,070,000	1,141,613	1,735,000	872,000	3,685,000	377,750	2,748,956	479,995
2029	1,125,000	1,086,738	1,820,000	785,250	3,870,000	193,500	2,886,403	393,128
2030	1,180,000	1,029,113	-	694,250	-	-	3,030,724	301,918
2031	1,240,000	968,613	-	694,250	-	-	3,182,260	206,147
2032	1,300,000	905,113	1,375,000	694,250	-	-	3,341,373	105,587
2033	1,365,000	838,488	2,160,000	625,500	-	-	-	-
2034	1,435,000	768,488	2,270,000	517,500	-	-	-	-
2035	1,505,000	694,988	2,380,000	404,000	-	-	-	-
2036	1,585,000	617,738	2,475,000	308,800	-	-	-	-
2037	1,660,000	544,913	2,575,000	209,800	-	-	-	-
2038	1,730,000	477,113	2,670,000	106,800	-	-	-	-
2039	1,800,000	405,388	-	-	-	-	-	-
2040	1,870,000	329,694	-	-	-	-	-	-
2041	1,950,000	249,688	-	-	-	-	-	-
2042	2,030,000	157,500	-	-	-	-	-	-
2043	2,135,000	53,375	-	-	-	-	-	-
2044	-	-	-	-	-	-	-	-
2045	-	-	-	-	-	-	-	-
2046	-	-	-	-	-	-	-	-
2047	-	-	-	-	-	-	-	-
2048	-	-	-	-	-	-	-	-
2049	-	-	-	-	-	-	-	-
2050	-	-	-	-	-	-	-	-
2051	-	-	-	-	-	-	-	-
	<u>\$ 28,630,000</u>	<u>\$ 15,329,515</u>	<u>\$ 41,015,000</u>	<u>\$ 11,351,150</u>	<u>\$ 20,625,000</u>	<u>\$ 3,756,000</u>	<u>\$ 24,937,377</u>	<u>\$ 4,078,003</u>

(continued)

CITY OF CLARKSVILLE, TENNESSEE
Schedule of Long-Term Debt, Principal and Interest Requirements by
Fiscal Year June 30, 2023

Year Ending June 30,	Business Type Activities		Total Business-Type Activities		Grand Total	
	GWS					
	Series 2021		Principal	Interest	Principal	Interest
2024	\$ 1,045,000	\$ 9,770,477	\$ 19,471,573	\$ 17,006,916	\$ 27,235,573	\$ 21,236,049
2025	1,050,000	9,763,810	20,434,651	16,151,633	28,423,651	20,157,443
2026	5,020,000	9,754,507	17,123,384	15,285,186	25,337,384	19,061,374
2027	5,145,000	9,546,056	17,858,053	14,511,445	26,323,053	18,038,813
2028	5,270,000	9,329,102	18,618,956	13,700,760	26,992,956	16,987,883
2029	5,400,000	9,105,378	19,426,403	12,853,419	27,494,403	15,905,571
2030	11,505,000	8,873,495	20,260,724	11,966,451	27,976,724	14,785,124
2031	11,760,000	8,514,629	20,952,260	11,224,964	28,923,260	13,821,731
2032	10,645,000	8,139,894	21,661,373	10,458,444	29,356,373	12,822,294
2033	11,090,000	7,781,167	19,835,000	9,639,355	27,544,000	11,771,586
2034	8,820,000	7,330,497	17,955,000	8,797,685	24,525,000	10,693,412
2035	9,160,000	6,991,894	14,860,000	8,127,182	19,009,000	9,805,192
2036	9,515,000	6,634,874	13,575,000	7,561,412	17,893,000	9,069,702
2037	9,890,000	6,258,683	14,125,000	7,013,396	17,368,000	8,344,696
2038	10,290,000	5,859,746	14,690,000	6,443,659	18,069,000	7,634,169
2039	10,710,000	5,439,283	12,510,000	5,844,671	16,035,000	6,888,211
2040	11,150,000	4,998,285	13,020,000	5,327,979	16,698,000	6,217,869
2041	11,545,000	4,606,628	13,495,000	4,856,316	16,135,000	5,585,566
2042	7,805,000	4,198,600	9,835,000	4,356,100	12,605,000	4,953,350
2043	8,195,000	3,808,350	10,330,000	3,861,725	13,240,000	4,320,475
2044	8,605,000	3,398,600	8,605,000	3,398,600	11,660,000	3,711,850
2045	9,035,000	2,968,350	9,035,000	2,968,350	12,245,000	3,128,850
2046	9,485,000	2,516,600	9,485,000	2,516,600	9,485,000	2,516,600
2047	9,865,000	2,137,200	9,865,000	2,137,200	9,865,000	2,137,200
2048	10,260,000	1,742,600	10,260,000	1,742,600	10,260,000	1,742,600
2049	10,670,000	1,332,200	10,670,000	1,332,200	10,670,000	1,332,200
2050	11,095,000	905,400	11,095,000	905,400	11,095,000	905,400
2051	11,540,000	461,600	11,540,000	461,600	11,540,000	461,600
	<u>\$ 245,565,000</u>	<u>\$ 162,167,905</u>	<u>\$ 410,592,377</u>	<u>\$ 210,451,248</u>	<u>\$ 534,004,377</u>	<u>\$ 254,036,808</u>

CITY OF CLARKSVILLE, TENNESSEE
Schedule Of Changes In Long-Term Debt By Individual Issue
June 30, 2023

Description of Indebtedness	Original amount of issue	Interest rate	Date of Issue	Last maturity date	Outstanding 07/01/2022	Issued during period	Paid and/or matured during period	Refunded during period	Outstanding 6/30/23
Governmental Activities									
Bonds Payable									
Payable through Governmental Funds									
General Obligation Public Improvement Bonds, Servies 2022	\$ 42,525,000	5.00%	April 20, 2022	February 1, 2045	\$ 42,525,000	\$ -	\$ 50,000	\$ -	\$ 42,475,000
General Obligation Improvement Refunding Bonds, Servies 2020A	42,619,000	1.71%	June 17, 2020	June 30, 2034	37,110,000	-	2,943,000	-	34,167,000
General Obligation Improvement Refunding Bonds, Servies 2020B	4,430,000	1.81%	June 17, 2020	June 30, 2028	3,325,000	-	530,000	-	2,795,000
General Obligation Public Improvement Bonds, Servies 2016A	16,850,000	2.0%-5.0%	March 23,2016	June 30, 2036	13,755,000	-	750,000	-	13,005,000
General Obligation Public Improvement Bonds, Servies 2016B	1,240,000	1.0%-2.95%	March 23,2016	June 30, 2026	500,000	-	125,000	-	375,000
General Obligation Public Improvement Bonds, Series 2014	7,950,000	3.0%-4.0%	August 1, 2013	June 1, 2034	5,345,000	-	375,000	-	4,970,000
General Obligation Public Improvement Bonds, Series 2012	13,025,000	2.0%-3.0%	August 2, 2012	January 15, 2033	3,945,000	-	310,000	-	3,635,000
General Obligation Refunding Bonds, Series 2009	21,753,000	3.76%	April 27,2009	June 1, 2027	4,732,000	-	1,742,000	-	2,990,000
Total Bonds Payable - Governmental Activities	107,867,000				111,237,000	-	6,825,000	-	104,412,000
Notes Payable									
Payable Through Governmental Funds									
General Obligation Capital Outlay Note, Series 2018	4,835,000	3.44%	August 20, 2018	January 1, 2029	3,552,000	-	458,000	-	3,094,000
Variable Rate Local Government Loan Program Bond, Series, 2018	18,000,000	3.0%	October 26, 2018	May 24, 2040	16,624,000	-	718,000	-	15,906,000
Total Notes Payable - Governmental Activities	22,835,000				20,176,000	-	1,176,000	-	19,000,000
Total Governmental Activities	\$ 130,702,000				\$ 131,413,000	\$ -	\$ 8,001,000	\$ -	\$ 123,412,000

(continued)

CITY OF CLARKSVILLE, TENNESSEE
Schedule Of Changes In Long-Term Debt By Individual Issue
June 30, 2023

Description of Indebtedness	Original amount of issue	Interest rate	Date of Issue	Last maturity date	Outstanding 07/01/2022	Issued during period	Paid and/or matured during period	Refunded during period	Outstanding 6/30/23
Business Type Activities									
Bonds Payable									
Payable through Water, Wastewater and Gas funds (jointly issued)									
Water, Wastewater, and Gas Revenue Refunding Bonds, Series 2016	\$ 89,445,000	4.0%-5.0%	June 29, 2016	February 1, 2041	\$ 23,515,000	\$ -	\$ 2,890,000	\$ -	\$ 20,625,000
Water, Wastewater, and Gas Revenue Refunding Bonds, Series 2017	51,350,000	4.0%-5.0%	December 21, 2017	February 1, 2038	48,260,000	-	7,245,000	-	41,015,000
Water, Wastewater, and Gas Revenue Bonds, Series 2021	187,695,000	2.25%-2.669%	August 4, 2021	February 1, 2051	187,695,000	-	-	-	187,695,000
Water, Wastewater, and Gas Revenue Refunding Bonds, Series 2021	62,290,000	4.0%-5.0%	August 4, 2021	February 1, 2041	60,220,000	-	2,350,000	-	57,870,000
Payable through Water, Wastewater and Gas funds (jointly issued)	390,780,000				319,690,000	-	12,485,000	-	307,205,000
Payable through Electric fund									
Electric Revenue Refunding Bonds, Series 2014	3,215,000	4.5%	January 29, 2014	September 1, 2024	720,000	-	355,000	-	365,000
Electric Revenue Refunding Bonds, Series 2015	38,545,000	5.0%	January 28, 2015	September 1, 2032	28,845,000	-	2,395,000	-	26,450,000
Electric Revenue Refunding Bonds, Series 2017	24,845,000	3.00%	November 7, 2017	September 1, 2035	23,575,000	-	570,000	-	23,005,000
Electric Revenue Refunding Bonds, Series 2022	28,630,000	4.0%-5.0%	November 3, 2022	September 1, 2042	-	28,630,000	-	-	28,630,000
Payable through Electric fund	95,235,000				53,140,000	28,630,000	3,320,000	-	78,450,000
Total Bonds Payable	486,015,000				372,830,000	28,630,000	15,805,000	-	385,655,000
Notes Payable									
Payable through Water, Wastewater and Gas funds (jointly issued)									
Tennessee Municipal Bond Pooled Loan Program, Series 2005	49,181,269	Variable	December 27, 2007	May 1, 2032	27,091,256	-	2,153,879	-	24,937,377
Total Business Type Activities	\$ 535,196,269				\$ 399,921,256	\$ 28,630,000	\$ 17,958,879	\$ -	\$ 410,592,377
TOTAL PRIMARY GOVERNMENT	\$ 665,898,269				\$ 531,334,256	\$ 28,630,000	\$ 25,959,879	\$ -	\$ 534,004,377

CITY OF CLARKSVILLE, TENNESSEE
Schedule of Changes in Lease Obligations
June 30, 2023

Description of Indebtedness	Original amount of issue	Interest rate	Date of Issue	Maturity date	Outstanding 7/1/2021	Issued during period	Paid and/or matured during period	Remeasurements	Outstanding 6/30/22
Governmental Activities									
Lease Payable									
Payable through Governmental Funds									
Club Car rental	\$ 174,875	5.00%	10/9/2018	10/8/2022	\$ 36,520	\$ -	\$ 36,520	\$ -	\$ -
John Deere equipment rental	271,431	3.75%	7/01/2018	8/01/2023	92,265	-	47,815	-	44,450
Ricoh copier - Street	20,115	4.50%	9/01/2018	8/01/2023	5,106	-	4,360	-	746
Ricoh copier - Street	20,828	4.50%	9/01/2018	8/01/2023	5,286	-	-	5,286	-
Street Canon 1	4,375	4.50%	1/25/23	1/1/27	-	4,375	829	-	3,546
Street Canon 2	3,788	4.50%	1/27/23	1/1/27	-	3,788	718	-	3,070
Ricoh copier - HR	12,748	4.50%	6/01/2019	5/01/2024	5,227	-	2,671	-	2,556
Ricoh copier - Fire	28,942	4.50%	8/01/2019	7/01/2024	12,853	-	6,019	-	6,834
Ricoh copier - Fire	7,655	4.50%	8/01/2019	7/01/2024	3,399	-	1,648	(119)	1,870
Ricoh copier - Court	6,447	4.50%	9/01/2019	8/01/2024	2,972	-	1,336	-	1,636
Ricoh copier - Finance	7,974	4.50%	9/01/2019	8/01/2024	3,676	-	1,652	-	2,024
Ricoh copier - Finance	8,880	4.50%	9/01/2019	8/01/2024	4,094	-	1,840	-	2,254
Ricoh copier - Purchasing	7,152	4.50%	9/01/2019	8/01/2024	3,298	-	-	3,298	-
Ricoh copier - Purchasing	7,064	4.50%	9/01/2019	8/01/2024	3,256	-	1,464	-	1,792
Ricoh copier - Mayor	28,626	4.50%	9/01/2020	8/01/2025	18,868	-	5,671	-	13,197
Ricoh copier - Building & Codes	11,659	4.50%	9/01/2020	8/01/2025	7,685	-	2,310	-	5,375
Ricoh copier - Garage	5,823	4.50%	9/01/2020	8/01/2025	3,838	-	1,153	-	2,685
Ricoh copier - Neighborhood & Community Services	11,908	4.50%	4/01/2021	3/01/2026	9,177	-	2,298	-	6,879
Ricoh copier - Neighborhood & Community Services	11,908	4.50%	4/01/2021	3/01/2026	9,177	-	-	9,177	-
Ricoh copier - Parks	11,736	4.50%	7/01/2021	6/01/2026	9,595	-	2,240	-	7,355
Ricoh copier - Parks	6,155	4.50%	7/01/2021	6/01/2026	5,032	-	1,174	-	3,858
Ricoh copier - Parks	13,422	4.50%	7/01/2021	6/01/2026	10,973	-	-	10,973	-
Ricoh copier - Swan Lake GC	5,882	4.50%	7/01/2021	6/01/2026	4,809	-	1,122	-	3,687
Total Leases Payable - Governmental Activities	\$ 689,393				\$ 257,106	\$ 8,163	\$ 122,840	\$ 28,615	\$ 113,814

CITY OF CLARKSVILLE, TENNESSEE
 Schedule of Leases, Principal and Interest Requirements by
 Fiscal Year
 June 30, 2023

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2024	\$ 84,679	\$ 2,515
2025	20,967	2,715
2026	10,632	1,880
2027	1,536	185
	<u>\$ 117,814</u>	<u>\$ 7,295</u>

CITY OF CLARKSVILLE, TENNESSEE
Schedule Of Changes In Property Tax Receivable
June 30, 2022

Tax Year	Property Tax Receivable Balance June 30, 2022	Property Tax Levied	Anticipated Current Year Levy	Abatements and Adjustments	Collections	Net Receivable Balance June 30, 2023
2023	\$ -	\$ -	\$ 47,335,292	\$ -	\$ -	47,335,292
2022	45,472,490	39,065	-	-	(44,358,213)	1,153,342
2021	1,189,352	4,484	-	(26,344)	(511,448)	656,044
2020	362,605	-	-	3,273	(121,066)	244,812
2019	219,726	-	-	(30)	(32,293)	187,403
2018	143,344	-	-	-	(7,147)	136,197
2017	79,646	-	-	(85)	(1,750)	77,811
2016	50,819	-	-	(74)	(549)	50,196
2015	43,788	-	-	-	(331)	43,457
2014	35,455	-	-	-	(77)	35,378
2013	36,708	-	-	-	-	36,708
2012	48,658	-	-	(48,453)	(205)	-
2011	57,616	-	-	(57,510)	(106)	-
Totals	\$ 47,740,207	\$ 43,549	\$ 47,335,292	\$ (129,223)	\$ (45,033,185)	\$ 49,956,640

NOTES: All uncollected taxes for years prior to 2020 have been turned over to the Clerk and Master for collection.

CITY OF CLARKSVILLE, TENNESSEE
 GAS, WATER AND WASTEWATER DEPARTMENTS
 OTHER SUPPLEMENTARY INFORMATION (UNAUDITED)
 JUNE 30, 2023

1. GAS RATES

Listed below are the gas rates per 100 cubic feet effective July 1, 2023

<i>Residential</i>		
	Within the City of Clarksville	Outside the City of Clarksville
Monthly Meter Charge	\$ 12.0500	\$ 17.6000
Usage Charge (per 100 cf)	0.0880	0.1100
Commodity Charge (per 100 cf)	0.3502	0.3502
Minimum Bill	12.05	17.60
Connection Charge	175.00	175.00
<i>General Commercial and Industrial</i>		
	Within the City of Clarksville	Outside the City of Clarksville
Monthly Meter Charge	\$ 37.4100	\$ 44.8900
Usage Charge (per 100 cf)	0.1440	0.1730
Commodity Charge (per 100 cf)	0.3502	0.3502
Minimum Bill	37.41	44.89
Connection Charge	175.00	175.00
<i>High Load Factor</i>		
	Within the City of Clarksville	Outside the City of Clarksville
Monthly Meter Charge	\$ 211.0000	\$ 211.0000
Usage Charge (per 100 cf)	0.0480	0.0480
Commodity Charge (per 100 cf)	0.3502	0.3502
Minimum Bill	211.00	211.00
Connection Charge	175.00	175.00
<i>All WACOG</i>		
Monthly Meter Charge	\$ 497.26	
Usage Charge (per 100 cf)	0.0330	
Commodity Charge (per 100 cf)	0.3502	
<i>All Firm Transportation</i>		
Monthly Meter Charge	\$ 497.26	
Usage Charge (per 100 cf)	0.0380	
Demand Charge (per 100 cf/mo)	0.1700	
<i>All Interruptable Transportation</i>		
Monthly Meter Charge	\$ 497.26	
Usage Charge (per 100 cf)	0.0380	
<i>Firm Government</i>		
Monthly Meter Charge	\$ 200.00	
Usage Charge (per 100 cf)	0.0380	
Commodity Charge (per 100 cf)	0.3502	

Number and Classification of Customers

Residential	25,395
General Commercial & Industrial	3,561
High Load Factor	6
WACOG	3
Firm Transportation	1
Interupible Transportation	3
Firm Government	3
	28,972

CITY OF CLARKSVILLE, TENNESSEE
 GAS, WATER AND WASTEWATER DEPARTMENTS
 OTHER SUPPLEMENTARY INFORMATION (UNAUDITED)
 JUNE 30, 2023

2. GAS SYSTEM CUSTOMER BASE AND USAGE

Fiscal Year	Total Customers	Gas Sold Mcf	Total Revenue		Total Revenue	Miles of Gas Lines
			Residential	Comm/Ind		
2023	28,972	4,807,071	\$ 10,647,631	\$ 26,368,132	\$ 37,015,763	1,031
2022	28,611	4,621,719	11,473,538	24,444,564	35,918,102	1,031
2021	28,323	4,461,944	8,522,320	15,281,975	23,804,295	1,019
2020	27,773	4,109,166	7,789,255	13,609,411	21,398,666	1,009
2019	27,238	4,248,550	9,636,891	17,238,964	26,875,855	1,000

3. TEN LARGEST GAS SYSTEM CUSTOMERS

Customer	Annual Sales	Percentage of Total Sales
1 FLORIM USA INC	\$ 6,055,919	16.4%
2 MW-MB LLC	2,630,157	7.1%
3 HANKOOK TIRE MANUFACTURING TN LP	2,412,642	6.5%
4 AUSTIN PEAY STATE UNIVERSITY	1,091,666	2.9%
5 BRIDGESTONE METALPHA USA	1,019,010	2.8%
6 CITY OF GUTHRIE GAS DEPT/KES	815,016	2.2%
7 LG ELECTRONICS USA INC	776,991	2.1%
8 CLARKSVILLE MONT CO SCHOOL	513,805	1.4%
9 TRANE COMPANY	488,618	1.3%
10 CITY OF HOPKINSVILLE SWR & WTR COMM	437,089	1.2%
Top Ten Customers	16,240,913	43.9%
Total Revenue from All Customers	\$ 37,015,763	100.0%

4. OPERATING HISTORY OF GAS SYSTEM

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating Revenue	\$ 38,447,824	\$ 38,123,724	\$ 25,063,799	\$ 23,024,185	\$ 28,308,265
Operating Expense	36,218,757	35,884,196	23,812,984	20,604,580	25,542,011
Operating Income (Loss)	2,229,067	2,239,528	1,250,815	2,419,605	2,766,254
Other Income (Expense)	1,138,736	22,180	(38,824)	239,783	400,384
Operating Income (Loss) Before Contributions and Transfers	3,367,803	2,261,708	1,211,991	2,659,388	3,166,638
Capital Contributions	521,330	166,880	560,756	2,606,876	1,756,294
Transfers to Primary Government	(811,043)	(795,580)	(685,186)	(591,685)	(676,825)
Federal Awards	-	-	-	-	-
Change in Net Position	\$ 3,078,090	\$ 1,633,008	\$ 1,087,561	\$ 4,674,579	\$ 4,246,107

CITY OF CLARKSVILLE, TENNESSEE
 GAS, WATER AND WASTEWATER DEPARTMENTS
 OTHER SUPPLEMENTARY INFORMATION (UNAUDITED)
 JUNE 30, 2023

5. WATER RATES

Residential and Commercial

Listed below are the water rates per 1,000 gallons which became effective July 1, 2023

		Within the City of Clarksville	Outside the City of Clarksville
Residential Per 1,000 gallons		\$ 4.07	\$ 7.12
Commercial Per 1,000 gallons		4.07	7.12
		Within the City of Clarksville	Outside the City of Clarksville
Meter Charge per Month	<u>Meter Size</u>		
	Up to 3/4"	\$ 8.00	\$ 8.00
	1"	14.00	14.00
	1 1/2"	27.00	27.00
	2"	43.00	43.00
	3"	80.00	80.00
	4"	132.00	132.00
	6"	264.00	264.00
	8"	422.00	422.00
	10"	607.00	607.00
	12" or Larger	1,134.00	1,134.00

Industrial

Listed below are the water rates per 1,000 gallons which became effective July 1, 2023

		Within the City of Clarksville	Outside the City of Clarksville
Per 1,000 gallons		\$ 5.38	\$ 7.47

Utility Districts

Listed below are the water rates per 1,000 gallons which became effective January 1, 2023

		All
Per 1,000 gallons		\$ 7.5032

Number and Classification of Customers

Residential	73,639
Commercial	4,793
Industrial	21
Utility Districts	3
	78,456

CITY OF CLARKSVILLE, TENNESSEE
 GAS, WATER AND WASTEWATER DEPARTMENTS
 OTHER SUPPLEMENTARY INFORMATION (UNAUDITED)
 JUNE 30, 2023

6. WATER SYSTEM CUSTOMER BASE AND USAGE

Fiscal Year	Number of Customers	Gallons into System (Thousands)	Gallons Sold (Thousands)	Total Revenue	Miles of Water Lines
2023	78,456	7,238,190	5,579,352	\$ 32,972,572	1,150
2022	76,063	6,856,913	5,117,915	27,868,674	1,131
2021	73,132	6,708,837	4,759,169	22,813,004	1,115
2020	70,613	6,392,350	4,774,467	22,225,051	1,095
2019	68,263	6,370,841	4,695,018	21,892,731	1,078

7. TEN LARGEST WATER SYSTEM CUSTOMERS

Customer	Annual Sales	Percentage of Total Sales
1 AUSTIN PEAY STATE UNIV	\$ 408,182	1.2%
2 MW-MB LLC	398,273	1.2%
3 CLARKSVILLE MONT CO SCHOOL	364,544	1.1%
4 BRIDGESTONE METALPHA USA	391,374	1.2%
5 HANKOOK TIRE MANUFACTURING TN LP	367,032	1.1%
6 CLARKSVILLE HOUSING AUTHORITY	251,771	0.8%
7 TRANE COMPANY	304,875	0.9%
8 LG ELECTRONICS USA INC	370,729	1.1%
9 MONTGOMERY CO GOVERNMENT	174,619	0.5%
10 PRECISION PRINTING	65,573	0.2%
Top Ten Customers	3,096,972	9.3%
Total Revenue from All Customers	\$ 32,972,572	100.0%

The top-ten customer table presented above and in future annual disclosures does not and will not include information for any customer which may, from time to time, otherwise be listed in the table but with respect to which the City is contractually prohibited from disclosing utility consumption information.

8. OPERATING HISTORY OF WATER SYSTEM

	2023	2022	2021	2020	2019
Operating Revenue	\$ 37,173,670	\$ 32,428,041	\$ 26,799,422	\$ 25,647,098	\$ 25,283,770
Operating Expense	29,550,559	25,204,301	22,636,488	21,893,623	19,495,919
Operating Income (Loss)	7,623,111	7,223,740	4,162,934	3,753,475	5,787,851
Other Income (Expense)	(1,357,531)	(13,102,867)	(548,167)	(295,464)	(158,227)
Operating Income (Loss) Before Contributions and Transfers	6,265,580	(5,879,127)	3,614,767	3,458,011	5,629,624
Capital Contributions	13,981,364	11,605,936	13,124,809	13,234,708	8,747,249
Transfers to Primary Government	(1,458,629)	(1,177,704)	(992,069)	(827,825)	(926,375)
Federal Awards	-	-	-	-	-
Change in Net Position	\$ 18,788,315	\$ 4,549,105	\$ 15,747,507	\$ 15,864,894	\$ 13,450,498

CITY OF CLARKSVILLE, TENNESSEE
 GAS, WATER AND WASTEWATER DEPARTMENTS
 OTHER SUPPLEMENTARY INFORMATION (UNAUDITED)
 JUNE 30, 2023

9. WASTEWATER RATES

Residential and Commercial

Listed below are the wastewater rates per 1,000 gallons which became effective July 1, 2023

	Within the City of Clarksville	Outside the City of Clarksville
Per 1,000 gallons	\$ 8.07	\$ 14.19

Minimum bill per month based on 2,000 gallons

Industrial

Listed below are the sewer rates per 1,000 gallons which became effective July 1, 2023

	Within the City of Clarksville	Outside the City of Clarksville
Per 1,000 gallons	\$ 8.07	\$ 14.19

Minimum bill per month based on 300,000 gallons

Number and Classification of Customers

Residential	66,019
Commercial	3,708
Industrial	12
	69,739

CITY OF CLARKSVILLE, TENNESSEE
GAS, WATER AND WASTEWATER DEPARTMENTS
OTHER SUPPLEMENTARY INFORMATION (UNAUDITED)
JUNE 30, 2023

10. WASTEWATER SYSTEM CUSTOMER BASE AND USAGE

Fiscal Year	Number of Customers	Treated (Thousand Gallons)	Total Revenue	Miles of Sewer Lines
2023	69,739	4,767,070	\$ 45,441,255	1,067
2022	67,434	4,893,900	42,832,948	1,041
2021	64,576	4,801,200	40,100,958	1,020
2020	62,176	4,905,600	38,667,882	990
2019	59,864	4,852,400	36,490,212	970

11. TEN LARGEST WASTEWATER SYSTEM CUSTOMERS

Customer	Annual Sales	Percentage of Total Sales
1 CLARKSVILLE MONT CO SCHOOL	\$ 634,559	1.4%
2 LG ELECTRONICS USA INC	628,123	1.4%
3 AUSTIN PEAY STATE UNIVERSITY	621,093	1.4%
4 CLARKSVILLE HOUSING AUTHORITY	534,097	1.2%
5 TRANE COMPANY	442,693	1.0%
6 MW-MB LLC	379,624	0.8%
7 FREEMAN WEBB CLARKSVILLE NINE LLC	274,785	0.6%
8 HANKOOK TIRE MANUFACTURING TN LP	255,241	0.6%
9 BRIDGESTONE METALPHA USA	253,929	0.6%
10 MONTGOMERYCO GOVERNMENT	241,420	0.5%
Top Ten Customers	4,265,564	9.4%
Total Revenue from All Customers	\$ 45,441,255	100.0%

The top-ten customer table presented above and in future annual disclosures does not and will not include information for any customer which may, from time to time, otherwise be listed in the table but with respect to which the City is contractually prohibited from disclosing utility consumption information.

12. OPERATING HISTORY OF WASTEWATER SYSTEM

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating Revenue	\$ 49,819,064	\$ 48,877,052	\$ 45,968,410	\$ 43,537,438	\$ 40,272,149
Operating Expense	33,610,920	29,225,131	28,466,962	27,333,196	26,718,986
Operating Income (Loss)	16,208,144	19,651,921	17,501,448	16,204,242	13,553,163
Other Income (Expense)	(1,095,958)	(3,767,642)	(4,917,092)	(5,391,923)	(5,641,286)
Operating Income (Loss) Before Contributions and Transfers	15,112,186	15,884,279	12,584,356	10,812,319	7,911,877
Capital Contributions	20,660,512	14,000,740	12,956,133	11,791,840	7,179,309
Transfers to Primary Government	(2,415,263)	(2,325,248)	(1,951,396)	(1,920,553)	(2,181,822)
Federal Awards	1,998,480	-	935,378	377,638	(789,343)
Change in Net Position	\$ 35,355,915	\$ 27,559,771	\$ 24,524,471	\$ 21,061,244	\$ 12,120,021

CDE LIGHTBAND
ELECTRIC DIVISION
SCHEDULE OF RATES (UNAUDITED)
JUNE 30, 2023

Residential Rates (RS)

Customer Charge: \$24.40

Energy Charge: 10.076 cents/Kilowatt hour (kWh)

General Power Rate (GSA1) (Not to exceed 50 kW or 15,000 kWh)

Customer Charge #1 0-500 kWh \$30.50

Customer Charge #2 > 500 kWh \$49.00

Energy Charge: 11.417 cents/kWh

General Power Rate (GSA2) (Greater than 50 kW up to 1,000 kW or greater than 15,000 kWh)

Customer Charge: \$175.00

Energy Charge: 0-15,000 kWh 10.273 cents/kWh

All additional kWh 7.136 cents/kWh

Demand Charge: 0-50 kW \$6.00 per kW

51-1,000 kW \$14.74 per kW

General Power Rate (GSA3) (1,001-5,000 kW)

Customer Charge: \$700.00

Energy Charge: All kWh 7.620 cents/kWh

Demand Charge: 0-1,000 kW \$14.74 per kW

1,001-5,000 kW \$14.74 per kW

General Power Rate (TDGSA) Time-of-Use (TOU)

Customer Charge: \$1,500.00

Administrative Charge: \$350.00

Energy Charge:

Summer Period:

Onpeak: 11.563 cents/kWh

Offpeak: 1st 200 hours 8.214 cents/kWh

Next 200 hours 3.966 cents/kWh

Additional hours 3.663 cents/kWh

Transition Period:

Onpeak: 8.281 cents/kWh

Offpeak: 1st 200 hours 8.281 cents/kWh

Next 200 hours 3.618 cents/kWh

Additional hours 3.315 cents/kWh

Winter Period:

Onpeak: 10.240 cents/kWh

Offpeak: 1st 200 hours 8.716 cents/kWh

Next 200 hours 4.172 cents/kWh

Additional hours 3.869 cents/kWh

Demand Charge:

Summer Period:

Onpeak: \$10.95 kW

Max kW: \$ 6.23 kW

Transition Period:

Onpeak: \$9.99 kW

Max kW: \$6.23 kW

Winter Period:

Onpeak: \$9.99 kW

Max kW: \$6.23 kW

CDE LIGHTBAND
ELECTRIC DIVISION
SCHEDULE OF RATES (UNAUDITED) – Continued
JUNE 30, 2023

General Power Rate (SGSB) Time-of-Use (TOU)

Customer Charge: \$1,500.00

Administrative Charge: \$350.00

Energy Charge:

Summer Period:

Onpeak: 8.891 cents/kWh

Offpeak: 1st 200 hours 6.400 cents/kWh

Next 200 hours 2.942 cents/kWh

Additional hours 2.601 cents/kWh

Transition Period:

Onpeak: 5.867 cents/kWh

Offpeak: 1st 200 hours 5.867 cents/kWh

Next 200 hours 2.441 cents/kWh

Additional hours 2.100 cents/kWh

Winter Period:

Onpeak: 7.754 cents/kWh

Offpeak: 1st 200 hours 6.620 cents/kWh

Next 200 hours 2.940 cents/kWh

Additional hours 2.599 cents/kWh

Demand Charge:

Summer Period:

Onpeak: \$10.87 kW

Max kW: \$ 5.21 kW

Transition Period:

Onpeak: \$9.90 kW

Max kW: \$5.21 kW

Winter Period:

Onpeak: \$9.90 kW

Max kW: \$5.21 kW

Manufacturing Service Rate (SMSB) Time-of-Use (TOU)

Customer Charge: \$1,500.00

Administrative Charge: \$350.00

Energy Charge:

Summer Period:

Onpeak: 8.139 cents/kWh

Offpeak: 1st 200 hours 5.639 cents/kWh

Next 200 hours 2.670 cents/kWh

Additional hours 2.415 cents/kWh

Transition Period:

Onpeak: 5.432 cents/kWh

Offpeak: 1st 200 hours 5.432 cents/kWh

Next 200 hours 2.153 cents/kWh

Additional hours 1.898 cents/kWh

Winter Period:

Onpeak: 6.927 cents/kWh

Offpeak: 1st 200 hours 5.790 cents/kWh

Next 200 hours 2.598 cents/kWh

Additional hours 2.343 cents/kWh

CDE LIGHTBAND
ELECTRIC DIVISION
SCHEDULE OF RATES (UNAUDITED) – Continued
JUNE 30, 2023

Demand Charge:

 Summer Period:

 Onpeak: \$10.24 kW

 Max kW: \$2.26 kW

 Transition Period:

 Onpeak: \$9.27 kW

 Max kW: \$2.26 kW

 Winter Period:

 Onpeak: \$9.27 kW

 Max kW: \$2.26 kW

Outdoor Lighting (LS)

 Customer Charge: \$3.15

 Energy Charge: 7.732 cents/kWh

Security Lights (LS) (No Customer Charge)

 Energy Charge: 7.732 cents/kWh

CDE LIGHTBAND
BROADBAND DIVISION
SCHEDULE OF RATES (UNAUDITED)
JUNE 30, 2023

SERVICE RATES

Lightband Basic	\$25.95
Lightband Plus	\$84.95 - \$95.45
Lightband Extra	\$96.95 - \$109.45
HBO	\$16.95
Cinemax	\$15.95
HBO/Cinemax Channels (all 10 screens)	\$25.95
Starz/Encore Channels (all 10 screens)	\$16.95
Showtime/TMC (all 8 screens)	\$18.95
Lightband High Speed Internet	\$44.95 – \$119.95

PACKAGES

Bronze (1 premium)	\$80.70
Silver (2 premiums)	\$90.70
Gold (4 premiums)	\$100.70
Power Pack - (Lightband Extra & Internet)	\$134.95 - \$147.45
Triple Pack - (Lightband Extra, Internet, & Phone)	\$154.95 - \$167.45
Sports Pack	\$7.99
Wireless Connectivity	\$5.95
Smartband WiFi Home w/ 250 Mbps	\$11.95
Smartband WiFi Home w/ 500 Mbps	\$9.95
Additional WiFi Pods	\$3.00 each

EQUIPMENT RENTAL RATES (MONTHLY)

Standard Digital Converter - All Others	\$7.95
Digital HD Converter	\$10.95
Digital HD/DVR Converter	\$13.95
Multi-room DVR Service	\$22.95
Remote	Included w/each digital converter

EQUIPMENT NOT RETURNED CHARGES (ONE TIME CHARGE)

Remote	\$25.00
Standard Digital Converter	\$200.00
Digital HD Converter	\$400.00
Digital HD/DVR Converter	\$500.00
Converter Cord Set	\$20.00
In-House Expansion Device	\$300.00

The above rates are based on a la carte charges. These rates may be bundled to offer customer discounts and may change in relation to market dynamics and competitive response. All above rates and any promotional rates are subject to state, local, and federal taxation and fees as required by law.

CDE LIGHTBAND
ELECTRIC DIVISION AND BROADBAND DIVISION
SCHEDULES OF STATISTICAL DATA (UNAUDITED)
JUNE 30, 2023 AND 2022

	2023	2022	Increase (Decrease)
Number of electric customers:			
Residential	73,520	70,523	2,997
Commercial	7,724	7,618	106
Industrial	749	726	23
Public lighting	439	441	(2)
Total number of electric customers	<u>82,432</u>	<u>79,308</u>	<u>3,124</u>
Security lights	<u>4,819</u>	<u>4,827</u>	<u>(8)</u>
Number of kilowatt-hours purchased:			
Purchased power	1,648,105,608	1,675,827,757	(27,722,149)
Loss	42,079,878	56,111,665	(14,031,787)
Purchased for own use	5,692,375	5,301,042	391,333
Total number of kilowatt-hours purchased	<u>1,695,877,861</u>	<u>1,737,240,464</u>	<u>(41,362,603)</u>
Percent loss	<u>2.55%</u>	<u>3.35%</u>	<u>-0.80%</u>
	2023	2022	Increase (Decrease)
Number of broadband customers:			
Residential	25,084	24,668	416
Commercial	2,392	2,280	112
Total number of broadband customers	<u>27,476</u>	<u>26,948</u>	<u>528</u>

Statistical Section



CITY OF CLARKSVILLE, TENNESSEE
STATISTICAL SECTION
(Unaudited)

This part of the City of Clarksville, Tennessee's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, the note disclosures, and the required supplementary information says about the City's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help readers understand how the City's financial performance and well-being have changed over time. These schedules include:

- Net Position by Component
- Change in Net Position
- Fund Balance for Governmental Funds
- Changes in Fund Balances of Governmental Funds

Revenue Capacity

These schedules contain information to help the reader assess the City's revenue sources, including its most significant local tax source, property tax.

- Assessed Value of Taxable Property
- Property Tax Rates - Direct and Overlapping Governments
- Principal Property Tax Payers
- Property Tax Levies and Collections

Debt Capacity

These schedules present information to help readers assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

- Ratios of Outstanding Debt by Type
- Ratios of General Bonded Debt Outstanding and Legal Debt Margin
- Direct and Overlapping Governmental Activities Debt
- Pledged Revenue Coverage

Demographic and Economic Information

These schedules offer demographic and economic indicators to help readers understand the environment within which the City's financial activities take place.

- Demographic and Economic Statistics
- Principal Employers

Operating Information

These schedules contain service and infrastructure data to help readers understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

- Full-time Equivalent City Government Employees by Function
- Operating Indicators by Function/Program
- Capital Asset Statistics by Function/Program

Sources:

Unless otherwise noted, the information in these schedules is derived from the City of Clarksville, Tennessee's annual comprehensive financial reports for the relevant years.

CITY OF CLARKSVILLE, TENNESSEE
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Governmental activities										
Net investment in capital assets	\$ 364,084,323	\$ 370,062,640	\$ 371,209,495	\$ 378,317,302	\$ 394,826,640	\$ 398,810,386	\$ 411,327,452	\$ 435,323,784	\$ 482,193,108	\$ 510,652,054
Restricted	1,108,458	1,430,660	2,415,293	2,767,574	2,562,911	1,153,577	2,146,802	8,768,331	20,785,336	6,766,055
Unrestricted	(19,485,580)	(16,992,959)	(12,105,686)	(12,389,147)	(45,735,444)	(35,796,895)	(38,223,560)	(35,111,048)	(10,358,005)	(6,858,287)
Total governmental activities net position	<u>\$ 345,707,201</u>	<u>\$ 354,500,341</u>	<u>\$ 361,519,102</u>	<u>\$ 368,695,729</u>	<u>\$ 351,654,107</u>	<u>\$ 364,167,068</u>	<u>\$ 375,250,694</u>	<u>\$ 408,981,067</u>	<u>\$ 492,620,439</u>	<u>\$ 510,559,822</u>
Business-type activities										
Net investment in capital assets	\$ 314,182,968	\$ 330,216,796	\$ 359,133,237	\$ 387,518,959	\$ 423,785,933	\$ 451,660,518	\$ 507,487,277	\$ 564,296,932	\$ 603,265,176	\$ 645,926,915
Restricted	33,142,087	35,246,977	30,481,788	30,063,814	23,698,479	21,943,721	22,345,246	20,414,104	21,864,262	18,980,488
Unrestricted	71,823,630	79,880,047	88,979,982	95,618,259	101,839,823	102,950,210	104,216,741	111,623,777	123,641,904	151,820,266
Total business-type activities net position	<u>\$ 419,148,685</u>	<u>\$ 445,343,820</u>	<u>\$ 478,595,007</u>	<u>\$ 513,201,032</u>	<u>\$ 549,324,235</u>	<u>\$ 576,554,449</u>	<u>\$ 634,049,264</u>	<u>\$ 696,334,813</u>	<u>\$ 748,771,342</u>	<u>\$ 816,727,669</u>
Primary government										
Net investment in capital assets	\$ 678,267,291	\$ 700,279,436	\$ 730,342,732	\$ 765,836,261	\$ 818,612,573	\$ 850,470,904	\$ 918,814,729	\$ 999,620,716	\$ 1,085,458,284	\$ 1,156,578,969
Restricted	34,250,545	36,677,637	32,897,081	32,831,388	26,261,390	23,097,298	24,492,048	29,182,435	42,649,598	25,746,543
Unrestricted	52,338,050	62,887,088	76,874,296	83,229,112	56,104,379	67,153,315	65,993,181	76,512,729	113,283,899	144,961,979
Total primary activities net position	<u>\$ 764,855,886</u>	<u>\$ 799,844,161</u>	<u>\$ 840,114,109</u>	<u>\$ 881,896,761</u>	<u>\$ 900,978,342</u>	<u>\$ 940,721,517</u>	<u>\$ 1,009,299,958</u>	<u>\$ 1,105,315,880</u>	<u>\$ 1,241,391,781</u>	<u>\$ 1,327,287,491</u>

CITY OF CLARKSVILLE, TENNESSEE
Changes in Net Position
Last Ten Fiscal Years
(Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities										
General government	\$ 13,291,718	\$ 12,404,741	\$ 13,887,017	\$ 12,556,343	\$ 12,567,635	\$ 13,582,383	\$ 13,814,986	\$ 14,758,491	\$ 20,150,917	\$ 22,926,582
Public safety	43,624,851	41,558,885	44,073,708	48,454,354	48,508,489	46,633,733	49,717,844	56,633,229	40,003,839	69,394,816
Highways and streets	13,255,323	15,196,835	18,261,445	14,446,260	16,089,650	16,363,278	16,448,323	16,945,775	31,011,115	18,639,734
Recreation	9,075,851	8,862,843	9,194,187	9,443,341	9,136,188	10,108,974	9,255,528	10,434,435	9,302,201	14,223,120
Community development	1,760,718	1,549,154	1,631,463	1,789,212	2,060,674	2,081,897	1,877,141	1,514,898	2,692,862	2,297,627
Community support	2,607,309	2,793,293	2,495,356	2,812,601	2,467,885	4,344,634	3,514,118	3,060,571	3,347,233	4,647,560
Interest on long-term debt	2,529,268	2,395,758	2,381,160	3,030,081	2,962,899	3,046,407	3,097,491	1,959,803	2,692,131	4,342,632
Total governmental activities expenses	86,145,038	84,761,509	91,924,336	92,532,192	93,793,420	96,161,306	97,725,431	105,307,202	109,200,298	136,472,071
Business-type activities										
Department of Electricity										
Electric Division	\$ 147,499,409	\$ 150,510,218	\$ 144,961,702	\$ 154,572,587	\$ 162,219,491	\$ 164,650,126	\$ 159,083,592	\$ 157,555,637	\$ 178,302,124	\$ 195,433,242
Broadband Division	16,383,312	16,323,814	15,722,240	15,994,400	16,827,227	18,057,816	19,226,634	19,722,197	23,187,799	26,456,653
Gas Department	26,743,768	25,590,118	19,475,581	24,470,504	23,722,324	25,718,070	20,763,062	23,950,272	35,955,709	36,556,174
Parking Commission	65,517	87,856	82,507	95,894	210,150	90,458	88,426	231,430	189,395	380,159
Clarksville Transit System	6,888,053	6,628,100	6,740,947	6,997,996	7,476,964	7,576,093	7,904,786	8,515,876	8,347,595	9,603,095
Water and Wastewater Department	47,524,614	45,625,980	46,841,788	51,024,412	50,104,426	53,311,939	55,857,638	56,805,156	71,583,867	68,941,090
Natural Gas Acquisition Corporation (NGAC)	31,836,802	22,534,971	41,433,584	28,457,121	25,209,997	25,092,549	27,390,354	29,345,342	5,526,592	-
Total business-type activities expenses	276,941,475	267,301,057	275,258,349	281,612,914	285,770,579	294,497,051	290,314,492	296,125,910	323,093,081	337,370,413
Total primary government expenses	\$ 363,086,513	\$ 352,062,566	\$ 367,182,685	\$ 374,145,106	\$ 379,563,999	\$ 390,658,357	\$ 388,039,923	\$ 401,433,112	\$ 432,293,379	\$ 473,842,484
Program Revenues										
Governmental activities										
Charges for services										
General government	\$ 2,214,389	\$ 1,951,033	\$ 1,934,709	\$ 2,290,729	\$ 2,415,524	\$ 2,493,674	\$ 3,043,734	\$ 4,265,527	\$ 4,684,365	\$ 4,525,865
Public safety	2,661,610	2,832,034	3,059,808	3,259,810	2,541,178	2,232,864	1,977,869	1,941,247	1,728,886	1,870,062
Highways and streets	20,587	34,182	15,427	31,468	21,193	37,149	25,476	9,198	40,622	84,046
Recreation	1,564,631	1,438,352	1,673,822	1,606,934	1,513,538	1,649,322	1,032,021	1,420,798	1,765,058	1,903,616
Community development	182,005	204,936	186,589	176,217	170,231	303,991	295,957	44,822	33,570	28,560
Other	-	147,128	-	-	-	-	-	-	-	-
Operating and capital grants and contributions	10,172,689	12,798,995	12,598,476	10,979,935	16,909,507	14,762,127	14,716,548	30,488,886	72,154,668	21,148,315
Total governmental activities program revenues	16,815,911	19,406,660	19,468,831	18,345,093	23,571,171	21,479,127	21,091,605	38,170,478	80,407,169	29,560,464

(continued)

CITY OF CLARKSVILLE, TENNESSEE

Changes in Net Position

Last Ten Fiscal Years

(Unaudited)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Business-type activities										
Charges for services										
Department of Electricity										
Electric Division	\$ 162,856,648	\$ 163,046,997	\$ 157,782,181	\$ 166,376,978	\$ 175,017,285	\$ 178,130,793	\$ 173,358,347	\$ 176,071,668	\$ 195,277,704	\$ 206,819,194
Broadband Division	15,081,851	18,316,799	19,030,215	19,930,258	20,537,601	21,825,043	23,408,909	25,223,241	27,874,850	29,522,334
Gas department	30,363,630	28,746,283	20,294,238	22,576,365	26,606,331	28,308,265	23,024,185	25,063,799	38,307,299	38,641,771
Parking Commission	419,830	378,577	346,480	358,194	484,484	434,383	424,027	463,345	398,147	538,214
Clarksville transit system	823,629	817,209	834,326	959,790	884,183	876,225	698,026	706,821	903,847	843,127
Water and wastewater department	50,992,809	53,803,023	56,102,094	61,334,778	63,881,630	65,555,919	69,184,536	72,767,832	81,731,418	87,279,567
Natural Gas Acquisition Corporation	22,451,921	22,627,434	41,368,898	28,545,280	24,758,751	24,893,586	26,348,934	28,294,722	4,673,851	-
Operating/capital grants/contributions	30,530,523	11,925,689	19,464,764	22,622,467	27,909,896	22,053,086	35,990,658	33,600,932	31,275,974	42,813,865
Total business-type activities program revenues	<u>313,520,841</u>	<u>299,662,011</u>	<u>315,223,196</u>	<u>322,704,110</u>	<u>340,080,161</u>	<u>342,077,300</u>	<u>352,437,622</u>	<u>362,192,360</u>	<u>380,443,090</u>	<u>406,458,072</u>
Total Primary Government Program Revenues	<u>\$ 330,336,752</u>	<u>\$ 319,068,671</u>	<u>\$ 334,692,027</u>	<u>\$ 341,049,203</u>	<u>\$ 363,651,332</u>	<u>\$ 363,556,427</u>	<u>\$ 373,529,227</u>	<u>\$ 400,362,838</u>	<u>\$ 460,850,259</u>	<u>\$ 436,018,536</u>
Net (Expenses)/Revenue										
Governmental activities	\$ (69,329,127)	\$ (65,354,849)	\$ (72,455,505)	\$ (74,187,099)	\$ (70,222,249)	\$ (74,682,179)	\$ (76,633,826)	\$ (67,136,724)	\$ (28,793,129)	\$ (106,911,607)
Business-type activities	<u>36,579,366</u>	<u>32,360,954</u>	<u>39,964,847</u>	<u>41,091,196</u>	<u>54,309,582</u>	<u>47,580,249</u>	<u>62,123,130</u>	<u>66,066,450</u>	<u>57,350,009</u>	<u>69,087,659</u>
Total primary government net expenses	<u>\$ (32,749,761)</u>	<u>\$ (32,993,895)</u>	<u>\$ (32,490,658)</u>	<u>\$ (33,095,903)</u>	<u>\$ (15,912,667)</u>	<u>\$ (27,101,930)</u>	<u>\$ (14,510,696)</u>	<u>\$ (1,070,274)</u>	<u>\$ 28,556,880</u>	<u>\$ (37,823,948)</u>
General Revenues & Other Changes in Net Position										
Governmental activities										
Taxes										
Property taxes	\$ 29,962,877	\$ 30,537,995	\$ 32,765,785	\$ 33,581,463	\$ 34,068,506	\$ 34,922,184	\$ 33,924,195	\$ 34,485,712	\$ 43,027,180	\$ 45,239,089
State taxes	12,651,488	13,554,513	14,281,239	14,339,494	14,776,749	15,285,487	15,678,712	17,685,133	22,857,122	24,446,493
Franchise/business taxes	3,448,594	4,230,378	4,256,451	4,116,721	4,159,398	4,290,948	4,576,954	4,814,255	5,245,764	5,539,160
Wholesale beer and liquor taxes	3,751,455	3,833,917	4,084,832	3,999,346	4,009,898	4,160,711	4,506,274	4,919,843	4,925,913	4,963,469
Sales taxes	13,792,357	14,569,147	15,895,745	16,505,603	17,460,887	18,882,779	20,220,830	23,065,358	26,354,598	27,547,806
In-lieu-of taxes	100,421	47,453	151,019	90,121	172,072	116,899	90,175	93,457	673,244	684,692
Other taxes	555,831	523,597	532,921	456,464	534,201	679,980	477,467	474,784	672,993	703,576
Investment earnings	-	-	-	-	-	-	-	-	-	-
Miscellaneous	405,227	496,760	750,063	1,026,450	1,558,165	1,872,966	1,653,350	869,213	2,982,867	8,501,022
Transfers	6,450,036	6,354,229	6,756,211	7,248,064	6,958,598	6,983,186	6,589,495	8,170,302	8,187,349	7,225,683
Prior period adjustment	(20,438,963)	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>50,679,323</u>	<u>74,147,989</u>	<u>79,474,266</u>	<u>81,363,726</u>	<u>83,698,474</u>	<u>87,195,140</u>	<u>87,717,452</u>	<u>94,578,057</u>	<u>114,927,030</u>	<u>124,850,990</u>

(continued)

CITY OF CLARKSVILLE, TENNESSEE
Changes in Net Position
Last Ten Fiscal Years
(Unaudited)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Business-type activities										
Investment earnings	\$ 9,651,264	\$ 188,410	\$ 42,551	\$ 762,893	\$ 895,155	\$ 2,755,384	\$ 1,961,180	\$ 541,006	\$ 428,522	\$ 6,107,282
Transfers	(6,450,036)	(6,354,229)	(6,756,211)	(7,248,064)	(6,958,598)	(6,983,186)	(6,589,495)	(8,170,302)	(8,187,349)	(7,225,683)
Prior period adjustment	(6,896,819)	-	-	-	-	(16,122,233)	-	-	-	-
Total business-type activities	<u>(3,695,591)</u>	<u>(6,165,819)</u>	<u>(6,713,660)</u>	<u>(6,485,171)</u>	<u>(6,063,443)</u>	<u>(20,350,035)</u>	<u>(4,628,315)</u>	<u>(7,629,296)</u>	<u>(7,758,827)</u>	<u>(1,118,401)</u>
Total primary government	<u>\$ 46,983,732</u>	<u>\$ 67,982,170</u>	<u>\$ 72,760,606</u>	<u>\$ 74,878,555</u>	<u>\$ 77,635,031</u>	<u>\$ 66,845,105</u>	<u>\$ 83,089,137</u>	<u>\$ 86,948,761</u>	<u>\$ 107,168,203</u>	<u>\$ 123,732,589</u>
Change in Net Position										
Governmental Activities	\$ 1,789,159	\$ 8,793,140	\$ 7,018,761	\$ 7,176,627	\$ 13,476,225	\$ 12,512,961	\$ 11,083,626	\$ 27,441,333	\$ 86,133,901	\$ 17,939,383
Restatement	(27,335,782)	-	-	-	(42,640,783)	(16,122,233)	-	(1,586)	350,832	-
Business-type activities	39,780,594	26,195,135	33,251,187	34,606,025	48,246,139	43,352,447	57,494,815	58,437,154	49,591,182	67,969,258
Total primary government	<u>\$ 14,233,971</u>	<u>\$ 34,988,275</u>	<u>\$ 40,269,948</u>	<u>\$ 41,782,652</u>	<u>\$ 19,081,581</u>	<u>\$ 39,743,175</u>	<u>\$ 68,578,441</u>	<u>\$ 85,876,901</u>	<u>\$ 136,075,915</u>	<u>\$ 85,908,641</u>

(1) During fiscal year 2015, the City reclassified amortization income for business-type activities.

CITY OF CLARKSVILLE, TENNESSEE
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Unaudited)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Fund										
Non-Spendable	\$ 601,786	\$ 669,281	\$ 526,128	\$ 378,803	\$ 466,692	\$ 544,104	\$ 567,542	\$ 663,675	\$ 749,018	\$ 1,304,399
Assigned	-	-	-	-	-	452,379	-	-	11,591,626	14,600,877
Unassigned	25,210,919	24,768,015	26,979,791	27,417,549	26,774,187	28,947,159	26,190,210	31,435,964	33,441,160	35,934,758
Total general fund	<u>\$ 25,812,705</u>	<u>\$ 25,437,296</u>	<u>\$ 27,505,919</u>	<u>\$ 27,796,352</u>	<u>\$ 27,240,879</u>	<u>\$ 29,943,642</u>	<u>\$ 26,757,752</u>	<u>\$ 32,099,639</u>	<u>\$ 45,781,804</u>	<u>\$ 51,840,034</u>
All Other Governmental Funds										
Special Revenue Funds										
Non-Spendable	\$ 4,374	\$ 272	\$ 272	\$ 592	\$ 5,072	\$ 392	\$ 1,140	\$ -	\$ -	\$ -
Restricted	1,108,458	1,430,660	2,415,293	2,767,574	2,562,911	1,153,577	1,588,009	8,768,331	17,512,589	6,766,055
Committed	885,569	844,719	381,213	1,421,669	2,267,540	2,375,817	2,654,277	2,520,399	3,070,387	7,866,202
Total Special Revenue Funds	<u>1,998,401</u>	<u>2,275,651</u>	<u>2,796,778</u>	<u>4,189,835</u>	<u>4,835,523</u>	<u>3,529,786</u>	<u>4,243,426</u>	<u>11,288,730</u>	<u>20,582,976</u>	<u>14,632,257</u>
Debt Service Fund										
Non-Spendable	-	1,125	-	-	-	-	639,469	-	-	-
Assigned	764,910	408,924	415,035	432,437	454,067	474,377	-	342,422	300,007	254,500
Unassigned	-	-	-	-	-	-	(136,564)	-	-	-
Total Debt Service Fund	<u>764,910</u>	<u>410,049</u>	<u>415,035</u>	<u>432,437</u>	<u>454,067</u>	<u>474,377</u>	<u>502,905</u>	<u>342,422</u>	<u>300,007</u>	<u>254,500</u>
Capital Projects Fund										
Restricted	6,206,723	789,450	9,973,307	4,719,741	(786,060)	2,556,107	558,793	-	42,173,650	27,780,957
Assigned	-	-	-	-	-	-	-	-	1,501,996	-
Unassigned	-	-	-	-	-	-	-	(2,129,149)	-	-
Total Capital Projects Fund	<u>6,206,723</u>	<u>789,450</u>	<u>9,973,307</u>	<u>4,719,741</u>	<u>(786,060)</u>	<u>2,556,107</u>	<u>558,793</u>	<u>(2,129,149)</u>	<u>43,675,646</u>	<u>27,780,957</u>
Total all other governmental funds	<u>\$ 8,970,034</u>	<u>\$ 3,475,150</u>	<u>\$ 13,185,120</u>	<u>\$ 9,342,013</u>	<u>\$ 4,503,530</u>	<u>\$ 6,560,270</u>	<u>\$ 5,305,124</u>	<u>\$ 9,502,003</u>	<u>\$ 64,558,629</u>	<u>\$ 42,667,714</u>
Total governmental funds	<u>\$ 34,782,739</u>	<u>\$ 28,912,446</u>	<u>\$ 40,691,039</u>	<u>\$ 37,138,365</u>	<u>\$ 31,744,409</u>	<u>\$ 36,503,912</u>	<u>\$ 32,062,876</u>	<u>\$ 41,601,642</u>	<u>\$ 110,340,433</u>	<u>\$ 94,507,748</u>

CITY OF CLARKSVILLE, TENNESSEE
Changes in Fund Balance for Governmental Funds
Last Ten Fiscal Years
(Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	\$ 51,377,678	\$ 53,571,214	\$ 57,459,907	\$ 58,827,013	\$ 60,401,542	\$ 62,825,882	\$ 63,668,287	\$ 68,135,984	\$ 80,073,230	\$ 83,922,824
State Taxes	16,362,669	17,335,075	18,206,592	18,287,247	19,492,857	20,226,733	20,666,727	22,759,666	28,891,758	30,543,758
Licenses and permits	1,848,143	1,576,198	1,550,525	1,898,055	2,012,333	2,085,831	2,626,747	3,850,433	4,240,932	3,374,385
Charges for services	2,817,885	2,936,985	3,093,639	3,081,923	2,747,895	2,823,111	1,969,197	2,118,928	2,487,979	3,909,512
Fines and forfeits	1,646,851	1,741,272	1,869,090	1,986,664	1,547,536	1,453,308	1,423,813	1,356,682	1,163,091	1,158,882
Grants	3,183,390	3,046,133	3,016,154	2,825,195	5,241,901	3,894,502	3,144,161	9,130,294	34,115,333	4,469,210
Miscellaneous / other	902,171	1,203,807	1,429,505	1,361,948	2,025,596	2,261,001	1,980,228	1,216,654	3,989,150	9,162,025
Total revenues	78,138,787	81,410,684	86,625,412	88,268,045	93,469,660	95,570,368	95,479,160	108,568,641	154,961,473	136,540,596
Expenditures										
General government	9,011,095	9,375,940	9,503,836	9,784,906	10,148,317	10,387,824	10,706,082	11,316,117	25,509,176	16,461,158
Public safety	39,638,338	40,674,406	42,397,462	44,257,512	45,433,359	45,276,809	47,876,729	54,693,227	58,454,598	64,622,496
Highways and streets	10,977,095	11,549,824	12,245,028	12,125,868	12,314,417	12,522,393	13,088,685	13,564,651	14,531,093	16,300,768
Recreation	7,853,016	7,773,018	7,482,478	7,370,349	7,710,317	8,089,290	8,063,095	8,289,228	8,242,437	10,067,076
Neighborhood and Community Services	1,760,718	1,549,154	1,631,463	1,789,212	2,060,674	2,081,897	1,877,141	1,514,898	2,672,911	2,297,627
Other	1,738,969	2,439,049	2,712,578	2,800,663	2,972,191	4,454,738	3,125,016	3,358,475	2,669,120	4,182,527
Miscellaneous agencies	2,067,520	1,697,150	1,416,069	1,599,098	1,229,941	1,515,341	2,145,144	1,660,141	3,060,633	2,878,999
Debt service:										
Principal	6,799,950	7,041,999	8,006,000	7,599,000	7,498,000	7,865,000	55,513,000	8,887,001	9,011,622	8,123,840
Interest	2,554,243	2,468,382	2,298,651	2,931,408	2,993,548	3,089,962	3,153,563	1,998,980	2,304,922	4,058,154
Capital outlay	13,643,971	9,207,343	14,103,730	8,810,767	13,461,450	10,777,988	10,439,446	19,334,751	17,149,209	30,614,482
Total expenditures	96,044,915	93,776,265	101,797,295	99,068,783	105,822,214	106,061,242	155,987,901	124,617,469	143,605,721	159,607,127
Excess (deficiency) of revenues over expenditures	(17,906,128)	(12,365,581)	(15,171,883)	(10,800,738)	(12,352,554)	(10,490,874)	(60,508,741)	(16,048,828)	11,355,752	(23,066,531)
Other financing sources (uses)										
Transfers in	16,424,633	17,067,084	18,579,605	19,739,242	21,306,750	20,846,714	21,205,071	21,159,706	30,189,291	30,696,658
Transfers out	(9,974,597)	(10,712,855)	(11,823,394)	(12,491,178)	(14,348,152)	(13,863,528)	(14,615,576)	(12,989,404)	(24,471,152)	(23,470,975)
Leases issued	-	-	-	-	-	-	-	-	37,195	8,163
Proceeds of general obligation bonds and notes	8,934,561	141,059	20,166,532	-	-	8,267,193	2,429,208	11,128,251	51,242,672	-
Proceeds of refunding bonds	2,475,000	-	2,222,513	-	-	-	47,049,000	-	-	-
Payments to refunding bond escrow agent	(2,555,000)	-	(2,194,780)	-	-	-	-	-	-	-
Total other financing sources (uses)	15,304,597	6,495,288	26,950,476	7,248,064	6,958,598	15,250,379	56,067,703	19,298,553	56,998,006	7,233,846
Net Change in fund balance	\$ (2,601,531)	\$ (5,870,293)	\$ 11,778,593	\$ (3,552,674)	\$ (5,393,956)	\$ 4,759,505	\$ (4,441,038)	\$ 3,249,725	\$ 68,353,758	\$ (15,832,685)

Debt service as a percentage of noncapital expenditures	11.4%	11.2%	11.8%	11.8%	11.4%	11.5%	40.3%	10.3%	8.9%	9.4%
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Debt service as a percentage of total expenditures	9.7%	10.1%	10.1%	10.6%	9.9%	10.3%	37.6%	8.7%	7.9%	7.6%
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CITY OF CLARKSVILLE, TENNESSEE
Assessed Value of Property Taxes and Estimated Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended June 30	Assessed Values										Total Estimated Actual Taxable Value	Total Direct Rate
	Real Property**					Personal Property**						
	Public Utility	Commercial	Industrial	Residential	Other	Public Utility	Commercial	Industrial*	Leasing*			
2014	528,550	881,122,730	29,728,283	1,341,997,982	-	160,281	89,564,429	30,727,683	747,683	-	8,223,074,216	1.24
2015	550,110	950,477,939	27,907,840	1,423,553,398	-	137,473	88,094,315	28,121,630	880,834	-	8,908,555,815	1.18
2016	-	964,258,307	26,884,360	1,466,575,189	-	207,975	93,804,472	27,239,357	-	-	9,752,624,717	1.24
2017	-	976,695,711	28,335,680	1,502,604,844	-	392,200	99,841,011	30,609,757	-	-	9,972,594,104	1.24
2018	-	996,012,768	31,000,200	1,536,494,835	-	435,982	102,331,973	28,430,700	-	-	10,232,220,770	1.24
2019	-	1,003,770,657	28,356,920	1,578,102,865	15,226,270	876,592	104,535,719	35,994,734	-	-	10,438,421,892	1.24
2020	-	1,200,641,024	37,194,651	1,829,733,994	19,179,895	-	133,133,157	28,098,044	-	-	12,037,625,367	1.0296
2021	-	1,228,658,900	36,299,874	1,882,390,116	18,095,921	-	140,690,918	24,846,698	-	-	12,349,814,751	1.0296
2022	-	1,298,359,375	36,955,600	1,956,451,654	19,294,511	-	131,474,439	29,408,939	-	-	12,907,903,698	1.23
2023	-	1,394,291,200	38,978,320	2,043,952,811	18,577,793	-	139,948,376	26,678,862	-	-	13,619,329,067	1.23

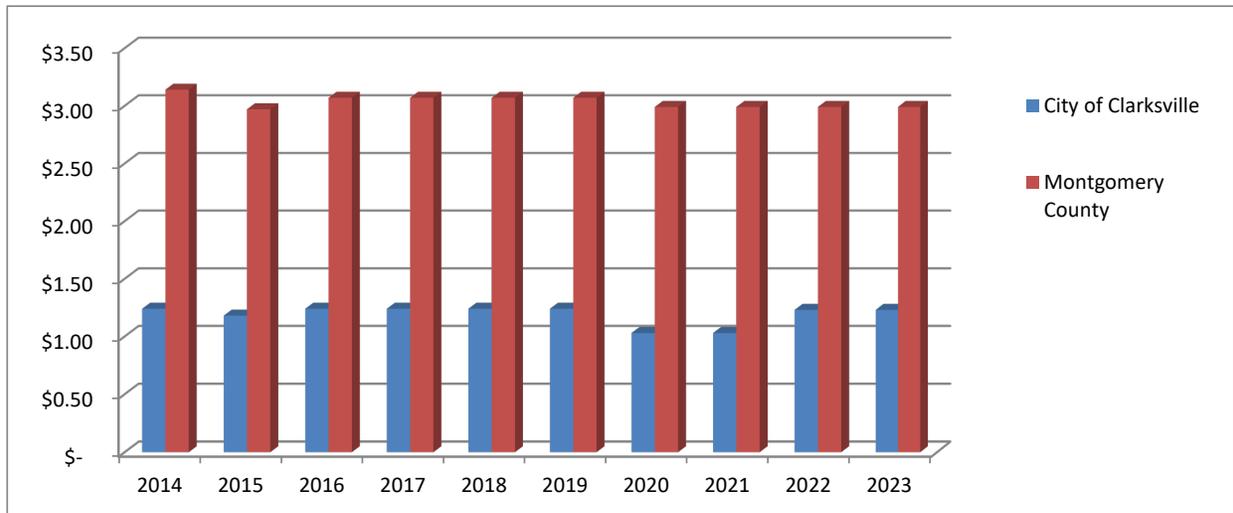
NOTE: Property is appraised by the Montgomery County Assessor's Office. The assessed value is determined by multiplying a statutorily established assessment ratio by the appraised value. To calculate the taxes, the assessed value is divided by \$100 and multiplied by the tax rate. The fiscal year listed corresponds to the preceding tax year (2023 fiscal year represents the 2022 tax levy).

*Source : Montgomery County Assessor's Office.

**All assessments are based on a percentage of the estimated actual value, whether real or personal. Public utility is assessed at 55% for both real and personal property. Commercial and industrial are both assessed at 40% for real property and 30% for personal property. Residential real property is assessed at 25% of its estimated actual value. Leasing is assessed at 30% of its estimated actual value.

CITY OF CLARKSVILLE, TENNESSEE
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Unaudited)

Fiscal Year **	Direct Rate	Overlapping Rate *
	City of Clarksville	Montgomery County
2014	\$1.24 / 100	\$3.14 / 100
2015	\$1.18 / 100	\$2.97 / 100
2016	\$ 1.24 / 100	\$3.07 / 100
2017	\$ 1.24 / 100	\$3.07 / 100
2018	\$ 1.24 / 100	\$3.07 / 100
2019	\$ 1.24 / 100	\$3.07 / 100
2020	\$1.0296 / 100	\$2.99 / 100
2021	\$1.0296 / 100	\$2.99 / 100
2022	\$1.23 / 100	\$2.99 / 100
2023	\$1.23 / 100	\$2.99 / 100



* Overlapping rates are those of local and county governments that apply to property owners within the City of Clarksville.

** The fiscal year listed corresponds to the preceding tax year levy (2023 fiscal year would represent the 2022 tax levy). This represents the period for which the taxes were levied.

CITY OF CLARKSVILLE, TENNESSEE
Principal Property Taxpayers
Current Year and Nine Years Ago
(Unaudited)

Taxpayer	Type of Business	Fiscal Year 2023*			Fiscal Year 2014		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Clarksville Health System	Health	\$ 140,925,600	1	3.85%	\$ 130,902,161	1	5.52%
Governor's Square Mall	Retail	53,327,500	2	1.46%	39,471,400	2	1.66%
Millan Holdings LLC	Real Estate	48,907,800	3	1.34%	-		
KWA/WL LLC	Residential	26,229,600	4	0.72%	-		
Trane Company #1	Manufacturer	25,753,700	5	0.70%	-		
Johnson Properties LP	Real Estate	22,889,600	6		-		
Solis LLC	Residential	21,231,900	7		-		
Tiny Town Apartments LLC	Residential	21,214,200	8	0.58%	-		
Trane Company	Manufacturer	16,917,555	9	0.46%	11,378,110	7	0.48%
Cumberland Electric Membership Corp.	Utility	13,263,210	10		9,050,037	9	0.38%
Clarksville Nine L P	Residential	-			25,650,150	3	1.08%
SC Waterford Landings	Residential	-			23,610,800	4	1.00%
Independence Place	Real Estate	-			18,974,400	5	0.80%
Campus Crest at Clarksville LLC	Residential	-			17,871,968	6	0.75%
Bellsouth Telecommunications, Inc	Utility	-			9,637,052	8	0.41%
Gateway Medical Center	Hospital	-			6,944,256	10	0.29%
Total		\$ 390,660,665		9.10%	\$ 293,490,334		12.38%

Total Assessed Value for 2023: \$ 3,662,427,362
Total Assessed Value for 2014: \$ 2,371,439,511

Total Estimated Actual Value of Taxable Property

* The fiscal year listed corresponds to the preceding tax year levy (2023 fiscal year would represent the 2022 tax levy).

CITY OF CLARKSVILLE, TENNESSEE
Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended 30-Jun	Taxes Levied for the Fiscal Year	Collected Within The Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	29,811,492	28,457,092	95.46%	1,214,327	29,671,419	99.53%
2015	30,428,958	29,004,679	95.32%	1,253,227	30,257,906	99.44%
2016	32,442,184	31,113,155	95.90%	1,202,749	32,315,904	99.61%
2017	33,231,085	32,049,318	96.44%	1,007,204	33,056,522	99.47%
2018	33,750,823	32,838,809	97.30%	812,760	33,651,569	99.71%
2019	34,765,443	33,611,681	96.68%	866,070	34,477,751	99.17%
2020	33,957,300	32,684,836	96.25%	807,834	33,492,670	98.63%
2021	34,822,372	33,791,092	97.04%	636,810	34,427,902	98.87%
2022	43,404,567	41,987,423	96.74%	512,351	42,499,774	97.92%
2023	45,541,793	44,293,211	97.26%	-	44,293,211	97.26%

Taxes are assessed as of January 1 and are due October 1 of each year. Taxes become delinquent after February 28 of the following year.

The fiscal year listed corresponds to the preceding tax year levy (2023 fiscal year would represent the 2022 tax levy). This represents the period for which the taxes were levied.

The City files delinquent property taxes with the Clerk and Master on the first business day of April each year for property taxes receivable aged over two years.

CITY OF CLARKSVILLE, TENNESSEE
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

GOVERNMENTAL ACTIVITIES

Fiscal Year	General Obligation Bonds**	Tennessee Municipal Bond Fund Loans	Capital Outlay Notes	Leases	Subtotal
2014	53,043,331	57,864,941	1,800,000	-	112,708,272
2015	48,953,429	55,583,000	1,200,000	-	105,736,429
2016	64,892,208	52,395,000	600,000	-	117,887,208
2017	60,039,826	50,086,000	-	-	110,125,826
2018	54,786,444	47,679,000	-	-	102,465,444
2019	49,270,062	48,600,193	4,835,000	-	102,705,255
2020	86,191,713	5,861,402	4,419,000	-	96,472,115
2021	78,245,331	16,311,653	3,994,000	350,553	98,901,537
2022	120,613,156	16,624,000	3,552,000	261,106	141,050,262
2023	113,677,945	-	-	117,814	113,795,759

BUSINESS-TYPE ACTIVITIES

Fiscal Year	Revenue Bonds**	Tennessee State Revolving /TML Loans	Cumberland Electric Membership/Other	Subscription	Subtotal	Primary Government	Total of Personal Income*	Percentage Per Capita*
2014	426,595,036	62,527,323	559,517	-	489,681,876	602,390,148	7.85%	4,103
2015	402,143,399	98,823,331	438,297	-	501,405,027	607,141,456	8.00%	4,136
2016	441,486,182	38,023,679	313,232	-	479,823,093	597,710,301	7.84%	3,977
2017	408,456,469	36,416,422	189,359	-	445,062,250	555,188,076	7.24%	3,624
2018	367,141,996	34,728,802	177,096	-	402,047,894	504,513,338	5.71%	3,218
2019	322,654,501	32,956,800	30,995	-	355,642,296	458,347,551	6.74%	2,898
2020	286,106,302	31,096,200	-	-	317,202,502	413,674,617	5.53%	2,481
2021	245,933,309	29,142,568	-	-	275,075,877	373,977,414	4.45%	2,113
2022	440,082,029	27,091,256	-	-	467,173,285	608,223,547	7.92%	3,558
2023	448,911,291	-	-	167,579	449,078,870	562,874,629	6.69%	3,181

*See Demographic and Economic Statistics, page 148 for personal income and population data.

**Includes premium.

CITY OF CLARKSVILLE, TENNESSEE
Ratios of General Bonded Debt Outstanding and Legal Debt Margin*
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	General Obligation Bonds****	All Other Governmental Long Term Debt	Total Governmental Long Term Debt	Per Capita**	Percentage of Actual Assessed Property Value***
2014	53,043,331	59,664,941	112,708,272	767.76	5.0%
2015	48,953,429	56,783,000	105,736,429	720.25	4.4%
2016	64,892,208	52,995,000	117,887,208	790.26	4.8%
2017	60,039,826	50,086,000	110,125,826	732.77	4.4%
2018	54,786,444	47,679,000	102,465,444	668.81	4.0%
2019	49,270,062	53,435,193	102,705,255	655.03	3.9%
2020	86,191,713	10,280,402	96,472,115	610.02	3.1%
2021	78,245,331	20,305,653	98,550,984	591.11	3.1%
2022	120,613,156	20,656,206	141,269,362	826.34	4.3%
2023	113,677,945	117,814	113,795,759	643.01	3.3%

*The City has no legal debt margin.

**See Demographic and Economic Statistics, page 148, for population data.

***Property value obtained from page 138.

****Includes premium.

CITY OF CLARKSVILLE, TENNESSEE
Direct and Overlapping Governmental Activities Debt
As of June 30, 2023
(Unaudited)

Jurisdiction	Debt Outstanding	Percentage Applicable to City*	Estimated Share of Overlapping Debt
City of Clarksville	\$ 113,795,759	100%	\$ 113,795,759
Montgomery County**	<u>\$ 456,668,713</u>	69.15%	<u>\$ 315,795,346</u>
Total	<u><u>\$ 570,464,472</u></u>		<u><u>\$ 429,591,105</u></u>

*Percentage calculated using portion of most recent Assessed Value of Property in City compared to County:

**Bonded outstanding debt for Montgomery County based on 2022 Audited Financial Statements

City of Clarksville	\$ 3,662,427,362
Montgomery County	<u>\$ 5,296,202,145</u>
	<u><u>69.15%</u></u>

CITY OF CLARKSVILLE, TENNESSEE
Pledged Revenue Coverage
Last Ten Fiscal Years
(Unaudited)

Electric Department - Electric Division

Fiscal Year	Utility Service Charges	Less:	Net	Debt Service			Coverage*
		Operating Expenses	Available Revenue	Principal	Interest	Total	
2014	162,603,188	143,877,916	18,725,272	2,255,103	3,647,978	5,903,081	3.17
2015	163,046,997	146,998,392	16,048,605	2,606,098	3,172,925	5,779,023	2.78
2016	157,782,181	142,140,765	15,641,416	2,670,103	3,082,226	5,752,329	2.72
2017	166,376,978	151,820,646	14,556,332	2,755,103	2,986,325	5,741,428	2.54
2018	175,017,285	159,484,102	15,533,183	3,000,995	2,643,925	5,644,920	2.75
2019	178,130,793	162,375,453	15,755,340	3,090,995	2,554,769	5,645,764	2.79
2020	173,358,347	156,911,216	16,447,131	3,155,000	2,456,538	5,611,538	2.93
2021	176,071,668	155,486,521	20,585,147	3,245,000	2,367,175	5,612,175	3.67
2022	195,277,704	176,320,536	18,957,168	3,330,000	2,292,675	5,622,675	3.37
2023	206,819,194	192,388,775	14,430,419	4,545,000	1,067,675	5,612,675	2.57

Electric Department - Broadband Division**

Fiscal Year	Utility Service Charges	Less:	Net	Debt Service			Coverage*
		Operating Expenses	Available Revenue	Principal	Interest	Total	
2014	15,081,851	16,273,380	(1,191,529)	250,000	96,805	346,805	-3.44
2015	18,316,799	16,230,215	2,086,584	552,889	95,430	648,319	3.22
2016	19,030,215	15,528,987	3,501,228	1,450,000	209,786	1,659,786	2.11
2017	19,930,258	15,889,719	4,040,539	1,450,000	209,786	1,659,786	2.43
2018	20,537,601	16,653,562	3,884,039	550,000	80,318	630,318	6.16
2019	21,825,043	17,816,506	4,008,537	650,000	77,018	727,018	5.51
2020	23,408,909	19,103,519	4,305,390	750,000	172,487	922,487	4.67
2021	25,223,241	19,684,022	5,539,219	-	-	-	-
2022	27,874,850	23,187,799	4,687,051	-	-	-	-
2023	29,522,334	26,456,653	3,065,681	-	-	-	-

Gas, Water and Wastewater Department

Fiscal Year	Utility Service Charges	Less:	Net	Debt Service			Coverage*
		Operating Expenses	Available Revenue	Principal	Interest	Total	
2014	80,440,594	47,578,674	32,861,920	12,078,409	7,879,453	19,957,862	1.65
2015	82,549,306	46,786,866	35,762,440	11,349,830	9,011,504	20,361,334	1.76
2016	76,396,332	42,029,052	34,367,280	11,875,721	8,862,537	20,738,258	1.66
2017	83,911,143	45,524,747	38,386,396	12,792,257	8,723,990	21,516,247	1.78
2018	90,487,961	47,130,687	43,357,274	12,247,620	9,003,550	21,251,170	2.04
2019	93,003,477	48,567,022	44,436,455	11,342,001	9,113,825	20,455,826	2.17
2020	92,208,721	49,208,649	43,000,072	12,220,601	8,293,488	20,514,089	2.10
2021	97,831,631	54,780,040	43,051,591	12,813,631	7,416,605	20,230,236	2.13
2022	119,428,817	69,180,064	50,248,753	11,886,313	13,227,659	25,113,972	2.00
2023	125,440,558	73,606,808	51,833,750	11,886,313	13,980,694	25,867,007	2.00

(Continued)

CITY OF CLARKSVILLE, TENNESSEE
Pledged Revenue Coverage
Last Ten Fiscal Years

Parking Commission

Fiscal Year	Fines and Fees	Less: Operating Expenses	Net Available Revenue	Debt Service		Total	Coverage*
				Principal	Interest		
2014	316,307	63,036	253,271	7,809	2,191	10,000	25.33
2015	378,577	85,819	292,758	8,270	1,730	10,000	29.28
2016	346,480	80,940	265,540	8,270	1,730	10,000	26.55
2017	358,194	94,824	263,370	12,275	725	13,000	20.26
2018	484,484	209,667	274,817	-	-	-	0.00
2019	434,383	90,458	343,925	-	-	-	0.00
2020	424,027	88,426	335,601	-	-	-	0.00
2021	463,345	231,430	231,915	-	-	-	0.00
2022	398,147	189,395	208,752	-	-	-	0.00
2023	538,214	380,159	158,055	-	-	-	0.00

All Enterprise Funds

Fiscal Year	Utility Service Charges/Fines and Fees	Less: Operating Expenses	Net Available Revenue	Debt Service		Total	Coverage*
				Principal	Interest		
2014	258,441,940	207,793,006	50,648,934	14,591,321	11,626,427	26,217,748	1.93
2015	264,291,679	210,101,292	54,190,387	14,517,087	12,281,589	26,798,676	2.02
2016	253,555,208	199,779,744	53,775,464	16,004,094	12,156,279	28,160,373	1.91
2017	270,576,573	213,329,936	57,246,637	17,009,635	11,920,826	28,930,461	1.98
2018	286,527,331	223,478,018	63,049,313	15,798,615	11,727,793	27,526,408	2.29
2019	293,393,696	228,849,439	64,544,257	15,082,996	11,745,612	26,828,608	2.41
2020	289,400,004	225,311,810	64,088,194	16,125,601	10,922,513	27,048,114	2.37
2021	299,589,885	230,182,013	69,407,872	16,058,631	9,783,780	25,842,411	2.69
2022	342,979,518	268,877,794	74,101,724	15,216,313	15,520,334	30,736,647	2.41
2023	362,320,300	292,832,395	69,487,905	16,431,313	15,048,369	31,479,682	2.21

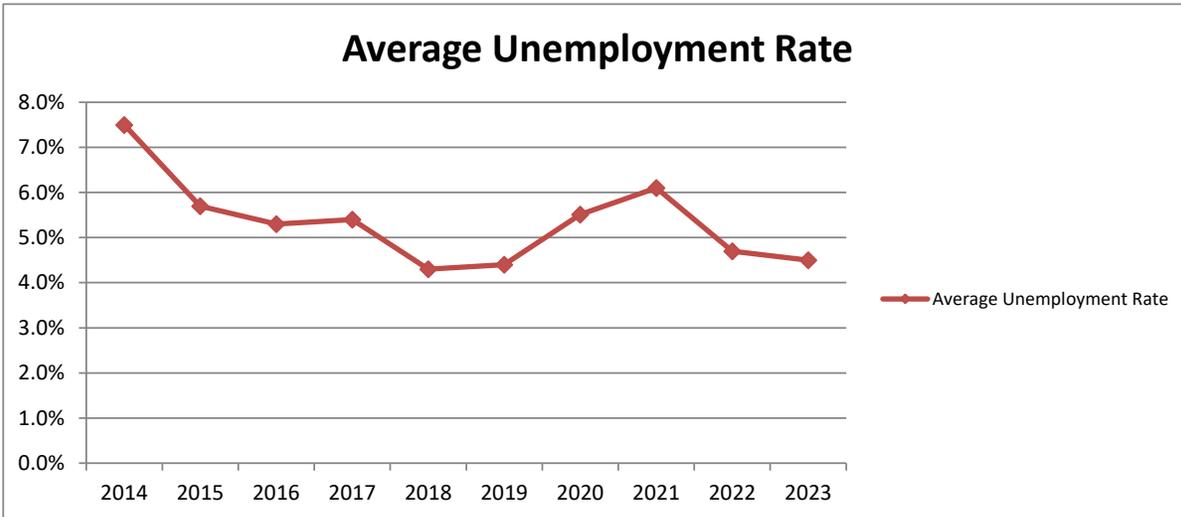
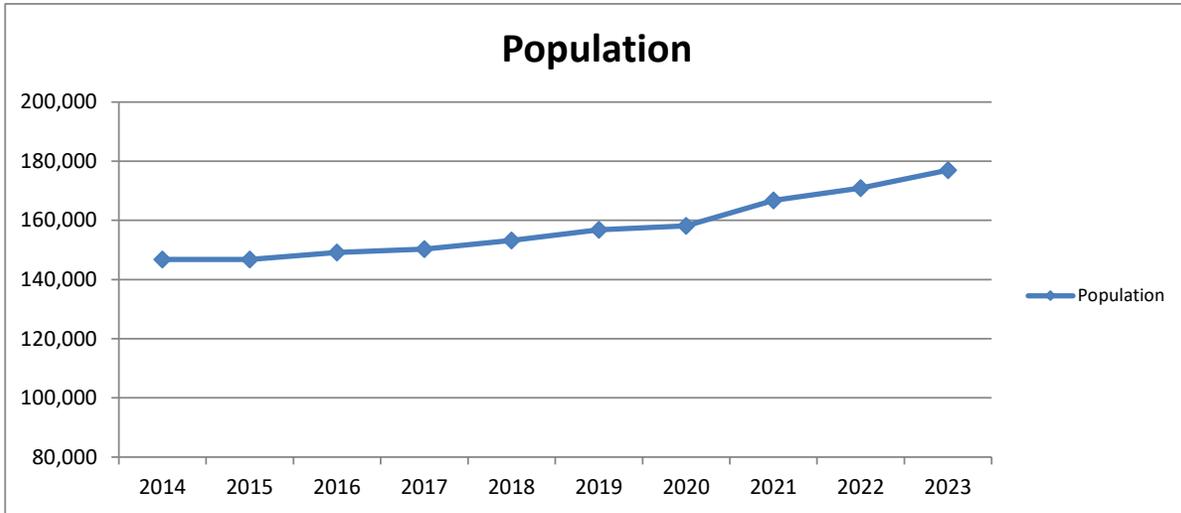
*Coverage ratio: A measure of the magnitude of resources available to pay the interest on and repay the principal of debt backed by pledged revenues. For each type of debt backed by pledged revenues, a coverage ratio is generally calculated by dividing gross pledged revenues or pledged revenues net of specific operating expenses by the sum of interest expenses and principal repayments.

**CDE Broadband Division was created during Fiscal Year 2007. The Broadband Division's debt, in the form of an interdepartmental loan due to the Electric Department, was paid off in fiscal year 2021.

Note: This schedule presents coverage information for different departments. The basis used for the calculation of coverage for these departments may be different depending on the circumstances (i.e. depreciation expense).

CITY OF CLARKSVILLE, TENNESSEE
Demographic and Economic Statistics*
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Population	Personal Income (thousands)	Per Capita Personal Income	Median Age	Public School Enrollment	Average Unemployment Rate
2014	146,802	6,120,909	41,695	28.3	32,000	7.5%
2015	146,806	5,829,373	39,708	30.0	32,449	5.7%
2016	149,176	5,923,481	39,708	29.0	32,600	5.3%
2017	150,287	5,887,644	39,176	29.0	34,857	5.4%
2018	153,205	6,076,264	39,661	29.0	34,900	4.3%
2019	156,794	6,371,011	40,633	29.4	36,000	4.4%
2020	158,146	6,804,706	43,028	29.0	36,606	5.5%
2021	166,722	7,487,152	44,908	29.6	36,483	6.1%
2022	170,957	7,677,337	44,908	30.0	37,900	4.7%
2023	176,974	8,409,628	47,519	30.0	38,900	4.0%



*The above information came from the following sources: U.S. Bureau of Economic Analysis, Clarksville-Montgomery County Office of Economic Development, United States Census Bureau, Clarksville-Montgomery County School System and the US Department of Labor: Bureau of Labor Statistics. Per Capita and Personal Income Information provided by bea.gov, and has a two year lapse to collect data.

CITY OF CLARKSVILLE, TENNESSEE
Principal Employers
Current Year and Nine Years Ago
(Unaudited)

Employer	Year 2023			Year 2014		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Department of Defense (Ft. Campbell) *	8,597	1	7.09%	5,100	1	7.14%
Clarksville-Montgomery County School System	5,100	2	4.20%	3,900	2	5.46%
Trane Company	2,017	3	1.66%	1,400	3	1.96%
Agero	1,700	4	1.40%	-		0.00%
Tennova Healthcare (formerly Gateway Medical Center)	1,250	5	1.03%	921	6	1.29%
Montgomery County	1,207	6	0.99%	900	7	1.26%
City of Clarksville	1,200	7	0.99%	1,165	5	1.63%
Austin Peay State University	1,067	8	0.88%	800	8	1.12%
Hankook Tire Manufacturing	936	9	0.77%	-		0.00%
LG Electronics USA	832	10	0.69%	-		0.00%
Wal-Mart Supercenter	-		0.00%	1,363	4	1.91%
Convergy's Corporation	-		0.00%	600	9	0.84%
Josten's Printing & Publishing	-		0.00%	500	10	0.70%
	<u>23,906</u>		<u>19.70%</u>	<u>16,649</u>		<u>23.30%</u>
Civilian Labor Force - 2023	121,331					
Civilian Labor Force - 2014	71,453					

*Noteworthy: Ft. Campbell also employees 29,740 full-time military personnel.

CITY OF CLARKSVILLE, TENNESSEE
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years
(Unaudited)

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government	135	135	127	115	121	117	122	146	152	165
Public Safety										
Police Department	345	354	361	360	365	358	369	405	402	418
Fire Department	200	200	218	235	235	235	226	248	252	267
Total Public Safety	<u>545</u>	<u>554</u>	<u>579</u>	<u>595</u>	<u>600</u>	<u>593</u>	<u>595</u>	<u>653</u>	<u>654</u>	<u>685</u>
Street Department	89	92	91	90	87	91	93	91	94	94
Recreation	115	121	115	121	128	117	115	124	119	78
Governmental Activities	<u>884</u>	<u>902</u>	<u>912</u>	<u>921</u>	<u>936</u>	<u>918</u>	<u>925</u>	<u>1,014</u>	<u>1,019</u>	<u>1,022</u>
Transit	77	79	85	87	89	89	95	96	96	96
Department of Electricity	167	184	191	193	184	193	201	199	201	209
Gas, Water & Sewer	262	262	262	262	262	264	267	283	306	319
Business-Type Activities	<u>506</u>	<u>525</u>	<u>538</u>	<u>542</u>	<u>535</u>	<u>546</u>	<u>563</u>	<u>578</u>	<u>603</u>	<u>624</u>
Total Employees of Primary Government	<u><u>1,390</u></u>	<u><u>1,427</u></u>	<u><u>1,450</u></u>	<u><u>1,462</u></u>	<u><u>1,471</u></u>	<u><u>1,464</u></u>	<u><u>1,488</u></u>	<u><u>1,592</u></u>	<u><u>1,622</u></u>	<u><u>1,646</u></u>

*Per CPD FY 21 and going forward, FTE will include all sworn and non-sworn, to include Dispatch.

CITY OF CLARKSVILLE, TENNESSEE
Operating Indicators by Function / Program
Last Ten Fiscal Years*
(Unaudited)

Function / Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
Building Permits Issued	1,184	1,494	1,616	1,556	1,586	1,639	1,995	2,486	2,002	1,235
Building Inspections Conducted	5,475	4,759	4,613	4,487	5,012	5,151	6,665	7,988	7,616	7,799
Police										
Calls for Service	149,788	151,062	155,421	157,574	161,039	157,731	134,146	130,064	119,354	125,827
TIBRS Type A Crime	12,987	12,882	14,129	15,461	15,601	14,918	14,494	13,455	11,961	13,740
TIBRS Type B Crime	2,433	2,512	2,521	3,022	2,203	1,897	1,873	1,791	1,100	2,410
Fire										
Calls for Service	10,554	11,929	11,316	13,145	13,772	14,188	14,163	14,806	16,279	18,815
Fire Calls	91	107	96	497	490	462	160	423	569	539
Inspections	1,615	1,206	1,637	1,455	2,165	2,605	2,254	2,055	1,724	2,746
Public Works										
Miles of Street	634	640	648	638	643	647	656	658	672	690
Parks & Recreation										
Acres of Parks	750	840	846	883	946	1246	1440	1344	1247	1447
Gas, Water & Sewer										
Miles of Gas Lines	1,041	1,037	1,044	985	995	1000	1009	1,019	1,031	1,031
Miles of Water Lines	1,037	1,043	1,047	1,055	1,067	1,078	1,095	1,115	1,131	1,150
Miles of Sewer Lines	915	922	932	942	958	970	990	1,020	1,041	1,067
Gas Customers	25,136	25,588	25,907	26,297	26,835	27,238	27,773	28,323	28,611	28,972
Water Customers	60,666	62,026	63,390	65,016	66,965	68,263	70,613	73,132	76,063	78,456
Sewer Customers	52,516	53,806	55,115	56,677	58,573	59,864	62,176	64,576	67,434	69,739
Electric										
# of Residential Customers	57,631	59,023	60,290	61,842	62,609	62,639	65,352	67,779	70,523	73,520
# of Commercial Customers	6,700	6,754	6,688	6,722	6,820	6,950	7,183	7,456	7,618	7,724
# of Industrial Customers	743	750	749	759	775	771	714	706	726	750
Public Lighting Customers	427	425	420	424	619	434	436	436	441	439
Transit										
# of Riders	733,752	725,810	694,217	715,043	696,387	687,534	623,297	436,734	467,329	524,479

*Sources - Clarksville Building Codes, Clarksville Police Department, Clarksville Fire Rescue, Clarksville Street Department, Clarksville Parks & Recreation, Clarksville Gas & Water, CDE Lightband and Clarksville Transit.

CITY OF CLARKSVILLE, TENNESSEE
Capital Asset Statistics by Function / Program
Last Ten Fiscal Years
(Unaudited)

Function / Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
# of Buildings	128	130	130	129	130	128	125	126	129	129
# of Vehicles	186	195	191	192	194	199	208	215	204	216
Public Safety										
Police Stations	5	5	5	5	5	5	5	6	7	7
Police Patrol Units	303	320	318	330	371	376	379	373	390	382
Fire Stations	10	10	11	12	12	12	12	12	12	12
Fire Vehicles	65	57	58	49	49	53	55	53	57	60
Public Works										
Streets (miles)	634	640	648	638	643	647	656	658	671	690
Parks & Recreation										
Acreage	750	840	846	883	946	1,246	1,440	1,344	1,247	1,447
# of Parks	27	34	34	34	34	25**	25	27	25	24
Community Centers	3	3	3	3	3	3	3	3	3	3
Pools / Field & Courts	48	58	58	58	58	65	65	76	70	62
Gas, Water, Wastewater & Electric										
Gas Line Miles	1,041	1,037	1,044	985	995	1,000	1,009	1,019	1,031	1,031
Water Line Miles	1,037	1,043	1,047	1,055	1,067	1,078	1,095	1,113	1,131	1,150
Sewer Line Miles	915	922	932	942	958	970	990	1,020	1,041	1,067
Electric Substations	12	12	12	12	12	13	13	13	13	13
Transit										
# of Vehicles	34	36	37	42	60	62	61	64	63	60

*Sources - City of Clarksville Finance & Revenue, Clarksville Police Department, Clarksville Fire Rescue, Clarksville Street Department, Clarksville Parks & Recreation, Clarksville Gas & Water, and Clarksville Transit Department.

** Prior Years, vacant parks were included in the amount, but going forward the Director wishes to report actual parks in use.

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**

**The Honorable Mayor and Members
of the City Council of the
City of Clarksville, Tennessee**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Clarksville, Tennessee (the "City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 19, 2023. Our report includes a reference to other auditors who audited the financial statement of the Clarksville-Montgomery County Museum, the Ajax Turner Senior Citizen's Center, and Roxy Productions, 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 compliance and other matters that are reported on separately by those auditors. Our report includes a reference to the change in accounting principle resulting from the implementation of Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*.

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 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.

Mauldin & Jenkins, LLC

Chattanooga, Tennessee

December 19, 2023



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

**The Honorable Mayor and Members
of the City Council of the
City of Clarksville, Tennessee**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Clarksville, Tennessee's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2023. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2023-001. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Chattanooga, Tennessee
December 19, 2023

CITY OF CLARKSVILLE, TENNESSEE

Schedule of Expenditures of Federal Awards
For the Period Ending June 30, 2023

Grantor	Federal CFDA Number	Grant / Pass-through Entity Identifying Number	Program Income	Expenditures	Passed Through to Subrecipients
US DEPARTMENT OF AGRICULTURE					
Passed through TN Department of Human Services					
2022 Summer Lunch Program	10.559	N/A	\$ -	\$ 8,513	\$ -
2023 Summer Lunch Program	10.559	N/A	-	28,777	-
			-	37,290	-
Pollinator Garden	10.902	NR224741XXXXG005	-	5,792	-
TOTAL US DEPARTMENT OF AGRICULTURE					
			-	43,082	-
US DEPARTMENT OF HOMELAND SECURITY					
Direct Program:					
2019 Staffing for Adequate Fire and Emergency Response	97.083*	EMW-2019-FF-00994	-	921,556	-
Passed through TN Department of Safety					
2023 THSO Police Traffic Services	20.600	Z23THSO52	-	86,841	-
2022 THSO Motorcycle	20.600	Z22THSO55	-	14,559	-
Total Highway and Safety Grant			-	101,400	-
2023 THSO DUI	20.607	Z23THSO50	-	87,942	-
2022 THSO DUI	20.607	Z22THSO57	-	24,449	-
Total Alcohol Open Container Requirements Grant			-	112,391	-
2023 THSO Alcohol Enforcement	20.616	Z23THSO50	-	2,992	-
TOTAL US DEPARTMENT OF HOMELAND SECURITY					
			-	1,138,339	-
US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Direct Program:					
CDBG - Entitlement Grants Cluster:					
Community Development Block Grant	14.218	B-17-MC-47-0002	-	30,723	-
Community Development Block Grant	14.218	B-18-MC-47-0002	-	73,670	-
Community Development Block Grant	14.218	B-19-MC-47-0002	-	381,718	5,845
Community Development Block Grant	14.218	B-20-MC-47-0002	-	86,579	5,135
Community Development Block Grant	14.218	B-21-MC-47-0002	-	379,153	58,713
Community Development Block Grant	14.218	B-22-MC-47-0002	-	191,019	46,872
Community Development Block Grant	14.218	B-20-MW-47-0002	-	253,044	208,374
Community Development Block Grant	14.218	Various	121,748	213,362	-
Total CDBG - Entitlement Grants Cluster			121,748	1,609,268	324,939
Passed through TN Department of Housing Development Agency:					
Emergency Solutions Grant	14.231	ESG-CV2-48	-	4,465	-
Emergency Solutions Grant	14.231	ESG-CV-20-02	-	15,131	-
Emergency Solutions Grant	14.231	ESG-21-25	-	58,561	-
Emergency Solutions Grant	14.231	ESG-22-18	-	120,943	-
Total Emergency Solutions Grant			-	199,100	-
Direct Program:					
Home Investment Partnership Program	14.239	M-17-MC-47-0206	-	17,653	17,653
Home Investment Partnership Program	14.239	M-18-MC-47-0206	-	24,849	24,849
Home Investment Partnership Program	14.239	M-19-MC-47-0206	-	7,498	7,498
Home Investment Partnership Program	14.239	M-20-MC-47-0206	-	3,902	-
Home Investment Partnership Program	14.239	M-21-MC-47-0206	-	25,333	-
Home Investment Partnership Program	14.239	M-21-MC-47-0206-ARP	-	76,085	8,740
Home Investment Partnership Program	14.239	M-22-MC-47-0206	-	50,829	-
Total Home Investment Partnership Program			-	206,149	58,740
Direct Program:					
Lead Hazard Program	14.900	TNLHB0777-22	-	137,404	-
TOTAL US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
			121,748	2,151,921	383,679

(continued)

See independent auditor's report.

CITY OF CLARKSVILLE, TENNESSEE

Schedule of Expenditures of Federal Awards
For the Period Ending June 30, 2023

Grantor	Federal CFDA Number	Grant / Pass-through Entity Identifying Number	Program Income	Expenditures	Passed Through to Subrecipients
US DEPARTMENT OF JUSTICE					
Direct Program:					
Bureau of Alcohol, Tobacco, Firearms & Explosives (ATF)	16.U01	Other Financial Assistance	-	11,461	-
COPS Hiring Program 2020	16.710	2020UMWX0194	-	370,410	-
COPS LEMHWA	16.710	15JCOPS-22-GG-04084-LEMH	-	30,363	-
Total Public Safety Partnership and Community Policing Grant			-	400,773	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2021-15PBJA-21-GG-01841-JAGX	-	66,000	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-22-GG-02323-JAGX	-	57,244	-
Total Edward Byrne Memorial Justice Assistance Grant			-	123,244	-
Equitable Sharing Program	16.922	TN0630100	2,274	36,472	-
TOTAL US DEPARTMENT OF JUSTICE			2,274	571,950	-
US DEPARTMENT OF TRANSPORTATION					
Direct Program:					
Highway Planning and Construction Cluster:					
Highway Planning and Construction - Rossvie Road	20.205	STP-M-237(14)	-	536,677	-
Highway Planning and Construction - Adaptive Signal	20.205	CM-NH-13(82) 63LPM-F0-075	-	21,658	-
Total Highway Planning and Construction Cluster			-	558,335	-
Direct Program:					
Federal Transit Cluster:					
Federal Transit Administration					
Federal Transit Formula Grants - Capital Operating Grant	20.507	TN-2018-013	-	208,669	-
Federal Transit Formula Grants - Capital Operating Grant	20.507	TN-2020-026	-	1,831,414	-
Federal Transit Formula Grants - Capital Operating Grant	20.507	TN-2022-005	-	246,785	-
Federal Transit Formula Grants - Capital Operating Grant	20.507	TN-2022-026	-	910,721	-
Total Federal Transit Formula Grants			-	3,197,589	-
Bus and Bus Facilities Formula Program - Capital Operating Grant	20.526	TN-2016-030	-	60,160	-
Bus and Bus Facilities Formula Program - Capital Operating Grant	20.526	TN-2022-010	-	549,469	-
Bus and Bus Facilities Formula Program - Capital Operating Grant	20.526	TN-2022-014	-	100,253	-
Total Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs			-	709,882	-
Total Federal Transit Cluster			-	3,907,471	-
TOTAL US DEPARTMENT OF TRANSPORTATION			-	4,465,806	-
US DEPARTMENT OF TREASURY					
Direct Program:					
Coronavirus State and Local Fiscal Recovery Funds	21.027*		-	4,824,409	-
TOTAL US DEPARTMENT OF TREASURY			-	4,824,409	-
TOTAL FEDERAL AWARDS			\$ 124,022	\$ 13,195,507	\$ 383,679

*Denotes Major Federal Program

See independent auditor's report.

CITY OF CLARKSVILLE, TENNESSEE

**Schedule of State Financial Assistance
For the Period Ending June 30, 2023**

<u>Grantor</u>	<u>Grant Number</u>	<u>Program Income</u>	<u>Expenditures</u>	<u>Passed Through to Subrecipients</u>
TN DEPARTMENT OF TRANSPORTATION				
Capital Operating Grant	TN-2016-030	\$ -	\$ 7,520	\$ -
Capital Operating Grant	TN-2018-013	-	26,085	-
Capital Operating Grant	Z-21-UROP-03	-	1,025,000	-
Capital Operating Grant	Z-21-UROP-05	-	419,546	-
Capital Operating Grant	TN-2022-010	-	68,683	-
Capital Operating Grant	TN-2022-014	-	12,530	-
Capital Operating Grant	TN-2022-026	-	113,841	-
Capital Operating Grant	TDOT-630416-S3	-	27,262	-
TOTAL TN DEPARTMENT OF TRANSPORTATION		-	1,700,467	-
TOTAL TN HOUSING DEVELOPMENT AGENCY				
House Grant	unknown	194,229	218,567	-
TN DEPARTMENT OF AGRICULTURE				
2023 TAEP Grant - Farmers Market	unknown	-	1,500	-
US DEPARTMENT OF TREASURY				
Passed through TN Department of Finance & Administration				
Governor's Local Government Support - CARES Act	unknown	-	51,217	-
Governor's Local Government Support - CARES Act	unknown	-	1,203,739	-
TOTAL US DEPARTMENT OF TREASURY		-	1,254,956	-
TOTAL STATE AWARDS		<u>\$ 194,229</u>	<u>\$ 1,920,534</u>	<u>\$ -</u>

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance (the "Schedule") includes the federal award and state financial assistance activity of the City under programs of the federal government and State of Tennessee for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, 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, changes in net position, or cash flows of the City.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The City has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

See independent auditor's report.

CITY OF CLARKSVILLE, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? ___ yes X no

Significant deficiency(ies) identified? ___ yes X none reported

Noncompliance material to financial statements noted? ___ yes X no

Federal Awards

Internal Control over major programs:

Material weakness(es) identified? ___ yes X no

Significant deficiency(ies) identified? X yes ___ none reported

Type of auditor's report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? X yes ___ no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
97.083	Staffing for Adequate Fire and Emergency Response
21.027	COVID-19: Coronavirus State and Local Fiscal Recovery Funds

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

Auditee qualified as low-risk auditee? ___ yes X no

CITY OF CLARKSVILLE, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

SECTION II
FINANCIAL STATEMENT FINDINGS

None.

CITY OF CLARKSVILLE, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

2023-001 **Reporting – U.S. Department of Housing and Urban Development - CDBG Program
(AL #14.218)**

Criteria: Internal controls should be in place to ensure that reporting requirements are met as specified in the guidance provided by both the granting agency, as well as federal codifications. 2 CFR Part 170 guidance specifies that direct recipients are required to report first-tier subawards of \$30,000 or more to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS).

Condition and Context: During our testing of reporting requirements during the 2022 fiscal year it was noted the City, as a direct recipient of U.S Department of Housing and Urban Development awards, was not timely filing subawards through the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS). During the City's fiscal year 2023, they continued to expend subawards on old HUD awards from 2019, 2020, and 2021 for which the time period for timely filing has lapsed in prior years. Additionally, the HUD award for grant year 2022 was received in September 2022 and the subawards were obligated prior to being notified of the reporting requirement in the June 30, 2022 audit report. Therefore, the time line for complying with the timely reporting was past for all federal awards 2022 and prior. During the City's fiscal year 2023, the City expended 3 subawards of \$30,000 which in total amount to \$226,630. All 3 were not reported in the FSRS, due to the obligations being made in previous fiscal years. The current fiscal year award for September 2022 was also not timely filed, though has been filed outside of the required timelines.

Cause: Per review of the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS), the City's CDBG Program was not reporting any subrecipients for the program of award B-21-MC-47-0002 and B-23-MW-47-0002. Additionally, obligations of programs award B-22-MC-47-0002 were not timely filed, though ultimately filed late under the Federal Funding Accountability and Transparency Act. This was due to oversight by the program management for the CDBG program.

Effects: The City was not in compliance with the reporting requirements.

Questioned Costs: None.

Recommendation: We recommend the City take necessary steps in the future to ensure that those responsible for the program are aware of reporting requirements and have a process in place to ensure that all reports and submissions are completed and submitted timely. We recommend that reporting responsibilities be clearly communicated and delegated to one or two individuals.

Auditee's Response: We concur with the finding. Due to changes in departmental management and responsibilities submission was not timely. We have now implemented policies and procedures to ensure grant activity is reported in accordance with the grant requirements.

CITY OF CLARKSVILLE, TENNESSEE

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

2022-001 Investigative Report – State of Tennessee Comptroller of the Treasury – Released April 21, 2022

Criteria: The Office of the Comptroller of the Treasury investigated allegations of malfeasance related to the Clarksville City Garage. The Comptroller’s Office initiated the investigation after current city officials reported missing cash deposits from scrap metal sales.

Condition: Allegations were filed against the City Garage, which pertained to missing cash deposits. The investigation was limited to selected records for the period January 1, 2019 through December 15, 2021. The results of the investigation were communicated with the Office of the District Attorney General of the 19th Judicial District.

Status: This matter was resolved in the prior year.

2022-002 Reporting – U.S. Department of Housing and Urban Development - CDBG Program (AL #14.218)

Criteria: Internal controls should be in place to ensure that reporting requirements are met as specified in the guidance provided by both the granting agency, as well as federal codifications. 2 CFR Part 170 guidance specifies that direct recipients are required to report first-tier subawards of \$30,000 or more to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS).

Condition and Context: During our testing of reporting requirements, we noted the City did not properly report all subawards to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS) for the fiscal year 2022 subawards. The City has 6 subawards of \$30,000 which in total amount to \$1,165,000. All 6 were not reported in the FSRS.

Status: Due to changes in departmental management and responsibilities submission was not timely. This matter was resolved subsequent to June 30, 2023.



MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

2023-001 Reporting – U.S. Department of Housing and Urban Development - CDBG Program (AL #14.218)

Responsible Party: Michelle Austin, Interim Director Neighborhood & Community Services

Signature: Michelle Austin

Management's Corrective Action Plan: Due to changes in departmental management and responsibilities submission was not timely. We have now implemented policies and procedures to ensure grant activity is reported in accordance with the grant requirements. This matter was resolved subsequent to June 30, 2023.

Anticipated Completion Date: November 30, 2023