



CITY OF EAGLEVILLE, TENNESSEE

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2023

Matlock Clements

Certified Public Accountants

INTRODUCTORY SECTION

CITY OF EAGLEVILLE, TENNESSEE

TABLE OF CONTENTS

Introductory Section

Table of Contents	2-3
Directory of Officials	4

Financial Section

Independent Auditor's Report	7-9
Management's Discussion and Analysis	10-16

Basic Financial Statements:

Government - Wide Financial Statements:

Statement of Net Position	18
Statement of Activities	19

Fund Financial Statements:

Balance Sheet - Governmental Funds	20
Reconciliation of Balance Sheet to Statement of Net Position of Governmental Activities	21
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds to the Statement of Activities	23
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Major Funds - General Fund	24-29
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Major Funds - Capital Projects Fund	30

Proprietary Fund Financial Statements:

Statement of Net Position-Sewer Fund	31
Statement of Revenues, Expenditures, and Changes in Net Position-Sewer Fund	32
Statement of Cash Flow-Water Fund	33
Notes to Financial Statements	34-54

Required Supplementary Information:

Schedule of Changes in the City of Eagleville, Tennessee's Total Pension Liability (Asset) and Related Ratios	56-57
Schedule of Contributions Based on Participation in the Employee Pension	58

Other Supplementary Information

Description of Nonmajor Governmental Funds	60
Combining Balance Sheet - Nonmajor Governmental Funds	61
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	62
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - State Street Aid Fund	63
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Drug Fund	64

CITY OF EAGLEVILLE, TENNESSEE

TABLE OF CONTENTS

Financial Schedules

Schedule of Expenditures of Federal Awards	66
Notes to the Schedule of Expenditures of Federal Awards	67
Schedule of Property Taxes Receivable	68
Schedule of Changes in Property Taxes Receivable and Delinquent Amounts	69
Schedule of Debt Service Requirements	70
Schedule of Debt Service Requirements - Sewer Fund	71
Schedule of Changes in Long-Term Debt by Individual Issue	72
Schedule of Utility Rates and Customers	73

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 <i>Government Auditing Standards</i>	76-77
Schedule of Findings and Responses	78
Summary Schedule of Prior Year Findings	79

CITY OF EAGLEVILLE, TENNESSEE
Directory of Officials
For the Year Ended June 30, 2023

OFFICIALS

Chad Leeman	Mayor
William Tollett	Vice Mayor
Jason Blair	Councilman
Ryan Edwards	Councilman
Brandon Emamalie	Councilman
Craig Campbell	Councilman
Christopher Hendrix	Councilman
Hellyn Riggins, CMFO	City Manager

FINANCIAL SECTION

THIS PAGE IS INTENTIONALLY LEFT BLANK

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Board of Councilman
City of Eagleville, Tennessee

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Eagleville, Tennessee, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Eagleville, Tennessee's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Eagleville, Tennessee, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, and Capital Projects Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

Eric Clements, CPA, CFE • Andy Matlock, CPA

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other supplementary information on pages 10-16 and 56-58 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Eagleville, Tennessee's basic financial statements. The accompanying supplementary information, as listed in the table of contents, including the accompanying combining and individual nonmajor fund financial statements and the schedule of federal awards and state financial assistance, is presented for purposes of additional analysis and is 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 themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information section 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 and financial 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 of Eagleville, Tennessee's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Eagleville, Tennessee's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Eagleville, Tennessee's internal control over financial reporting and compliance.



Matlock Clements, P.C.
Murfreesboro, Tennessee
December 19, 2023

**CITY OF EAGLEVILLE, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

As management of the City of Eagleville (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. The analysis focuses on significant financial position, budget changes and variances from the budget, and specific issues related to funds and the economic factors affecting the City.

Financial Highlights:

- The assets of the City of Eagleville exceeded its liabilities at the close of the most recent year by \$7,171,195. Of this amount, \$3,480,343 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, fund balance for the General Fund was \$2,154,463 or 173% of total general fund expenditures.
- As of the close of the current fiscal year, the Town's business-type activities reported an ending net position of \$2,298,805.
- The City was able to provide better fire protection to its citizens and surrounding areas by providing a full-time, fully staffed fire department.
- The City has broken ground on construction of a new public safety building, of which they were awarded a special allocation from the State of Tennessee totaling \$100,000.
- The City created a new Capital Projects Fund in the current year to track not only the construction of the aforementioned public safety building, but as well as to aid in the long-term planning of capital outlay needs with respect to budgeting and funding these needs.

Overview of the Financial Statements:

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

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

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

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

**CITY OF EAGLEVILLE, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Both 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 Eagleville include general government, public safety, public works, and public welfare and recreation. The business-type activities of the City includes sewer services.

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

Because the focus of the 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 be better to understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for both funds.

The City adopts an annual appropriated budget for its General Fund, Capital Projects Fund, Special Revenue Funds, and Enterprise Fund. The City's Charter necessitates re-appropriations of the budget only when the entire fund expenditures are expected to exceed budgeted amounts. A budgetary comparison statement has been provided for the General Fund and Special Revenue Funds to demonstrate compliance with the appropriation.

Proprietary Funds – The Town maintains one type of proprietary fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for water and gas operations.

**CITY OF EAGLEVILLE, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Enterprise Funds- The Town uses an enterprise funds to account for sewer services.

Enterprise funds are used to report the functions presented as business-type activities in the government-wide financial statements.

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.

Financial Analysis of the Financial Statements

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Eagleville, assets exceeded liabilities by \$7,171,195 at the close of this fiscal year, compared to \$6,479,885 in the prior year.

The largest portion of the City's net position (49%), reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment and infrastructure) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Eagleville, Tennessee's net position (2.4%) represents the resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Eagleville, Tennessee is able to report positive balances in all categories of net position, both for the government as a whole, as well as for its' business-type activities.

Budgetary Variations

-The City exceeded expectations of local sales tax receipts by \$139,544.

-The City exceeded expectations of business tax receipts by \$34,564.

- The City was underbudget in the salaries line item in every department as follows: General Government (\$114,341), Police (\$52,567), Fire (\$6,889), and Parks (\$12,534).

**CITY OF EAGLEVILLE, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Currently Known Items

Subsequent to year-end, the City paid off their \$722,200 Public Safety capital outlay loan. Additionally, the City created a new fund to ensure better budgetary and fiduciary compliance – the Debt Service Fund. Finally, the City is still making draws and constructing the new public safety building started during fiscal year 2023.

City of Eagleville, Tennessee Net Position

	Governmental Activities		Business-Type Activities	
	2023	2022	2023	2022
Current assets	\$ 4,022,984	\$ 2,732,488	\$ 581,345	\$ 446,522
Capital assets, net	3,548,525	2,929,141	3,284,796	3,308,293
Total Assets	7,571,509	5,661,629	3,866,141	3,754,815
Deferred outflows	48,644	35,902	-	-
Total Deferred Outflows	48,644	35,902	-	-
Current and other liabilities	2,263,644	877,764	40,942	83,332
Long-term liabilities	181,734	136,909	1,526,394	1,558,708
Total Liabilities	2,445,378	1,014,673	1,567,336	1,642,040
Deferred inflows of resources	302,385	315,748	-	-
Deferred Inflows of Resources	302,385	315,748	-	-
Net Investment in Capital Assets	1,792,327	2,014,936	1,726,088	1,718,074
Restricted	172,437	190,100	-	-
Unrestricted	2,907,626	2,162,074	572,717	394,701
Total Net Position	\$ 4,872,390	\$ 4,367,110	\$ 2,298,805	\$ 2,112,775

Changes in net position. Governmental activities increased the City's net position by \$505,280. Business-type activities net position increased by \$186,030.

**CITY OF EAGLEVILLE, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

City of Eagleville, Tennessee Changes in Net Position

	Governmental Activities		Business-Type Activities	
	2023	2022	2023	2022
Program Revenues				
Charges for services	\$ -	\$ -	219,629	204,571
Grants and contributions	196,495	27,811	156,867	216,446
General Revenues				
Taxes	1,524,747	1,702,782	-	-
Other revenues			-	-
Miscellaneous	204,993	375,049	1,682	166
Transfers			-	-
Total Revenues	<u>1,926,235</u>	<u>2,105,642</u>	<u>378,178</u>	<u>421,183</u>
Expenses				
General government	404,412	538,738	-	-
Public safety	766,897	385,239	-	-
Public works	22,760	31,853	-	-
Public welfare and recreation	146,552	227,225	-	-
Interest on long-term debt	80,334	113,619	-	-
Sewer		-	192,148	169,077
Total Expenses	<u>1,420,955</u>	<u>1,296,674</u>	<u>192,148</u>	<u>169,077</u>
Change in net position	505,280	808,968	186,030	252,106
Net position, beginning, restated	4,367,110	3,558,142	2,112,775	1,860,669
Net position, ending	\$ 4,872,390	\$ 4,367,110	\$ 2,298,805	2,112,775

Significant variances in Governmental Activities revenues and expenditures from that of the prior year were as follows:

- The overall expenditures increased by \$124,281. A large portion of this is due to staffing a full-time fire department to protect the citizens of the City.

Significant variances in Business-Type Activities revenues and expenditures from that of the prior year were as follows:

- The charges for services increased by \$15,058 due to growth experienced in the area.

Business-type Activities

Business-type activities accounted for revenue of \$378,178

**CITY OF EAGLEVILLE, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$3,075,944, an increase of \$716,325 in comparison with the prior year. Approximately \$2,140,372 (70%) of this balance is unassigned. This amount is available for spending at the government's discretion. The remainder of the fund balance is nonspendable, assigned, and restricted.

The general fund is the chief operation fund of the City of Eagleville, Tennessee. Due to the compliance of GASB 54, the general fund recognizes "unassigned" fund balance instead of "unreserved" fund balance. At the end of this fiscal year, this amount is \$2,140,372. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total general fund expenditures. Unassigned fund balance represents approximately 172% of total general fund expenditures.

Proprietary funds

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

Unrestricted Net Assets at the end of the year for the Sewer Fund amounted to \$572,717.

Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Eagleville, Tennessee's business-type activities.

Capital Assets

The City of Eagleville's investment in capital assets from its governmental and business-type activities at June 30, 2023 amounts to \$3,518,415 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvement, machinery and equipment, public safety facilities, park facilities, roads, highways, and bridges.

**CITY OF EAGLEVILLE, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

City of Eagleville, Tennessee Capital Assets

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Utility plant in service	\$ -	\$ -	\$ 3,802,455	\$ 3,578,392	\$ 3,802,455	\$ 3,578,392
Land	1,433,385	1,433,385	72,385	72,385	1,505,770	1,505,770
Buildings and improvements	1,571,750	1,569,650		-	1,571,750	1,569,650
Furniture, machinery, and equipment	1,157,519	1,099,168		-	1,157,519	1,099,168
Construction in progress	940,011	195,323	-	167,279	940,011	362,602
Accumulated Depreciation	(1,554,139)	(1,368,385)	(590,044)	(509,763)	(2,144,183)	(1,878,148)
Total capital Assets	<u>\$ 3,548,526</u>	<u>\$ 2,929,141</u>	<u>\$ 3,284,796</u>	<u>\$ 3,308,293</u>	<u>\$ 13,070,756</u>	<u>\$ 6,237,434</u>

Additional information on the City of Eagleville’s capital assets can be found in the notes to the financial statements section of this report.

Long-term Debt

At the end of the current year, the City of Eagleville had debt outstanding of \$3,314,906. Of this amount, \$1,690,286 is due in the next fiscal year.

City of Eagleville, Tennessee Outstanding Debt

	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>	
Principal due in the next fiscal year	\$1,657,972	\$32,314	\$1,690,286

The City of Eagleville has a combined total debt in the amount of \$3,314,906 outstanding during the current fiscal year, an increase from the prior year of \$810,482.

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

Requests for Information

This financial report is designed to provide a general overview of the City of Eagleville, Tennessee’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to City of Eagleville – Hellyn Riggins, CMFO, 108 South Main St, PO Box 68, Eagleville, TN 37060.

BASIC FINANCIAL STATEMENTS

CITY OF EAGLEVILLE, TENNESSEE
Government-Wide Statement of Net Position
June 30, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets			
Cash	\$ 2,623,465	\$ 582,148	\$ 3,205,613
Investments	200,000	-	200,000
Property taxes receivable - net	202,112	-	202,112
Accounts receivable - net	-	20,060	20,060
Due from other governments	112,943	-	112,943
Internal balances	20,863	(20,863)	-
Lease receivable	112,620	-	112,620
Loan receivable	736,890	-	736,890
Prepaid expense	14,091	-	14,091
Total Current Assets	<u>4,022,984</u>	<u>581,345</u>	<u>4,604,329</u>
Non-current Assets			
Capital assets			
Land	2,373,396	72,385	2,445,781
Other capital assets - net of accumulated depreciation	1,175,129	3,212,411	4,387,540
Total capital assets	<u>3,548,525</u>	<u>3,284,796</u>	<u>6,833,321</u>
TOTAL ASSETS	<u>\$ 7,571,509</u>	<u>\$ 3,866,141</u>	<u>\$ 11,437,650</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to Pension	<u>\$ 48,644</u>	<u>\$ -</u>	<u>\$ 48,644</u>
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 582,270	\$ 8,628	\$ 590,898
Accrued liabilities	23,402	-	23,402
Bonds payable - due within one year	1,657,972	32,314	1,690,286
Total current liabilities	<u>2,263,644</u>	<u>40,942</u>	<u>2,304,586</u>
Non-current Liabilities			
Accrued leave	33,320	-	33,320
Retainage payable	34,700	-	34,700
Bonds payable	98,226	1,526,394	1,624,620
Net Pension liability	15,488	-	15,488
Total non-current liabilities	<u>181,734</u>	<u>1,526,394</u>	<u>1,708,128</u>
TOTAL LIABILITIES	<u>\$ 2,445,378</u>	<u>\$ 1,567,336</u>	<u>\$ 4,012,714</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	\$ 197,829	\$ -	\$ 197,829
Deferred revenue - leases	104,556	-	104,556
Deferred inflows related to Pension	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 302,385</u>	<u>\$ -</u>	<u>\$ 302,385</u>
NET POSITION			
Net investment in capital assets	\$ 1,792,327	\$ 1,726,088	\$ 3,518,415
Restricted for:			
State Street Aid	172,437	-	172,437
Unrestricted	<u>2,907,626</u>	<u>572,717</u>	<u>3,480,343</u>
TOTAL NET POSITION	<u>\$ 4,872,390</u>	<u>\$ 2,298,805</u>	<u>\$ 7,171,195</u>

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

CITY OF EAGLEVILLE, TENNESSEE
Balance Sheet
Governmental Funds
June 30, 2023

	General Fund	Capital Projects Fund	Aggregate Remaining Funds	Total Governmental Funds
ASSETS				
Cash	\$ 2,030,001	\$ 428,338	\$ 165,126	\$ 2,623,465
Investment	200,000	-	-	200,000
Property taxes receivable - net	202,112	-	-	202,112
Due from other governments	110,454	-	2,489	112,943
Due from other funds	20,863	178,514	6,479	205,856
Lease receivable	112,620	-	-	112,620
Loan receivable	-	736,890	-	736,890
Prepaid expense	14,091	-	-	14,091
Total Assets	\$ 2,690,141	\$ 1,343,742	\$ 174,094	\$ 4,207,977
LIABILITIES				
Accounts payable	\$ 20,615	\$ 559,998	\$ 1,657	\$ 582,270
Retainage payable	-	34,700	-	34,700
Accrued liabilities	23,402	-	-	23,402
Due to other funds	184,993	-	-	184,993
Total Liabilities	\$ 229,010	\$ 594,698	\$ 1,657	\$ 825,365
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue - property taxes	\$ 202,112	\$ -	\$ -	\$ 202,112
Deferred revenue - leases	104,556	-	-	104,556
Total Deferred Inflows of Resources	\$ 306,668	\$ -	\$ -	\$ 306,668
FUND BALANCES				
Nonspendable	\$ 14,091	\$ -	\$ -	\$ 14,091
Restricted	-	-	172,437	172,437
Assigned	-	749,044	-	749,044
Unassigned	2,140,372	-	-	2,140,372
Total Fund Balances	\$ 2,154,463	\$ 749,044	\$ 172,437	\$ 3,075,944

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

CITY OF EAGLEVILLE, TENNESSEE
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2023

Total fund balances per governmental funds balance sheet	\$ 3,075,944
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds balance sheet.	3,548,525
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet.	(1,789,518)
Some property tax will not be collected for several months after the Town's fiscal year end and are not considered available revenue in the governmental funds.	4,283
Pension liabilities, including deferred inflows and deferred outflows, are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet.	<u>33,156</u>
Net position of governmental activities	<u><u>\$ 4,872,390</u></u>

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

CITY OF EAGLEVILLE, TENNESSEE
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2023

	General Fund	Capital Projects Fund	Aggregate Remaining Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 1,337,303	\$ -	\$ -	\$ 1,337,303
Licenses and permits	37,291	-	-	37,291
Intergovernmental revenue	378,969	-	28,333	407,302
Fines and forfeitures	74,412	-	-	74,412
Other revenue	92,696	234	-	92,930
Total Revenues	<u>1,920,671</u>	<u>234</u>	<u>28,333</u>	<u>1,949,238</u>
EXPENDITURES				
Current Expenditures				
General government	481,344	-	-	481,344
Public safety	657,204	-	-	657,204
Public works	-	-	22,760	22,760
Public welfare and recreation	103,829	-	-	103,829
Debt service	-	31,675	-	31,675
Capital Outlay	-	794,696	60,806	855,502
Total Expenditures	<u>1,242,377</u>	<u>826,371</u>	<u>83,566</u>	<u>2,152,314</u>
Excess (deficiency) of revenues over (under) expenditures	678,294	(826,137)	(55,233)	(203,076)
OTHER FINANCING SOURCES (USES)				
Debt Proceeds	-	919,401	-	919,401
Transfer in (out)	(695,780)	655,780	40,000	-
Total Other Financing Sources (Uses)	(695,780)	1,575,181	40,000	919,401
Excess (deficiency) of revenues and other sources (uses) over (under) expenditures	(17,486)	749,044	(15,233)	716,325
Fund Balances - beginning	<u>2,317,299</u>	<u>-</u>	<u>190,100</u>	<u>2,507,399</u>
Priod Period Adj. (Note 24)	(145,350)	-	(2,430)	(147,780)
Fund Balances - beginning (restated)	<u>2,171,949</u>	<u>-</u>	<u>187,670</u>	<u>2,359,619</u>
Fund Balances - end	<u>\$ 2,154,463</u>	<u>\$ 749,044</u>	<u>\$ 172,437</u>	<u>\$ 3,075,944</u>

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

CITY OF EAGLEVILLE, TENNESSEE
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2023

Net change in fund balances for total governmental funds	\$ 716,325
Governmental funds report capital outlay as expenditures, however, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeds capital outlay in the current period.	(187,458)
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in governmental funds.	806,843
Repayment of bond principal is an expenditure in the governmental funds, but reduces long term liabilities for governmental activities. Likewise, proceeds from debt issuance are presented as revenues in the governmental funds, but increases in long-term liabilities for governmental activities. Bond costs are presented as expenses in the governmental funds; however, they are presented as amortizable assets for governmental activities. Such amounts are as follows:	
Principal Paid	77,408
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues received in the current year that were accrued in the statement of activities in prior years are reported as revenues in the funds.	(919,401)
Accrued leave reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds.	2,081
Revenues in the Statement of Activities that do not provide financial resources are not reported as revenues in the funds.	(23,003)
Pension expense for the prior year is not reported in the governmental funds, but is reported in the Statement of Activities. Current year Pension contributions are reported as an expense in the governmental funds but are not reported in the Statement of Activities.	<u>32,485</u>
Change in net position of governmental activities	<u><u>\$ 505,280</u></u>

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

CITY OF EAGLEVILLE, TENNESSEE
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Taxes				
Property taxes	153,500	153,500	186,599	33,099
Penalties and interest	300	300	1,302	1,002
Local sales tax	960,000	960,000	1,099,544	139,544
Wholesale beer tax	40,000	40,000	49,858	9,858
Total Taxes	<u>1,153,800</u>	<u>1,153,800</u>	<u>1,337,303</u>	<u>183,503</u>
Licenses and Permits				
Business license	60	60	85	25
Beer license	400	400	500	100
Building permits	9,000	9,000	36,706	27,706
Total Licenses and Permits	<u>9,460</u>	<u>9,460</u>	<u>37,291</u>	<u>27,831</u>
Intergovernmental Revenue				
State shared revenue				
Business tax	36,000	36,000	70,564	34,564
Mixed drink tax	12,000	12,000	28,402	16,402
State sales tax	75,000	75,000	96,487	21,487
State Beer tax	200	200	371	171
TVA in lieu of tax	7,500	7,500	9,775	2,275
Streets and transportation funds	1,900	1,900	2,238	338
Sports betting tax	500	500	1,326	826
Excise tax	-	-	1,644	1,644
Privilege tax	-	-	-	-
State income tax	1,750	1,750	-	(1,750)
Federal and State grants	230,400	117,400	168,162	50,762
Total Intergovernmental Revenue	<u>365,250</u>	<u>252,250</u>	<u>378,969</u>	<u>126,719</u>
Fines and Forfeitures				
Court fines and forfeitures	74,500	74,500	74,412	(88)

(Continued)

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

CITY OF EAGLEVILLE, TENNESSEE

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Continued)
Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES (Continued)				
Other Revenue				
Donations	1,200	1,200	5,000	3,800
Credit card fees	1,600	1,600	1,536	(64)
City property rent	47,500	47,500	55,497	7,997
Proceeds for sale of capital assets	500	500	-	(500)
Proceeds from Loan	4,519,445	19,445	-	(19,445)
Miscellaneous	24,600	24,600	30,663	6,063
Total Other Revenue	4,594,845	94,845	92,696	(2,149)
Total Revenues	6,197,855	1,584,855	1,920,671	335,816
EXPENDITURES				
Current Expenditures				
General government				
Salaries and payroll taxes	265,517	265,517	151,176	114,341
Health insurance	25,776	25,776	14,264	11,512
Retirement	17,713	17,713	10,200	7,513
Unemployment insurance	879	879	5,783	(4,904)
Accounting/audit services	11,900	11,900	35,161	(23,261)
Advertising	2,000	2,000	3,261	(1,261)
Bank fees	3,300	3,300	2,913	387
Beautification	1,000	1,000	286	714
Capital outlay	12,000	12,000	16,640	(4,640)
Debt service	30,346	30,346	30,374	(28)
Donations - pass thru	9,000	9,000	14,165	(5,165)
Economic Development	7,500	7,500	7,000	500
Facility and grounds	3,000	3,000	6,441	(3,441)
Insurance	19,850	19,850	19,777	73
Janitorial	2,600	2,600	2,828	(228)
Judge fees	1,500	1,500	1,500	-

(Continued)

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

CITY OF EAGLEVILLE, TENNESSEE

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Continued)
Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		
EXPENDITURES (Continued)				
Current Expenditures				
General government				
Legal services/professional fees	69,600	69,600	50,491	19,109
Library funds	45,377	45,377	45,377	-
Meetings	2,000	2,000	70	1,930
Miscellaneous	2,700	2,700	1,997	703
Office supplies	6,400	6,400	6,024	376
Property taxes	3,000	3,000	2,689	311
Re-appraisal Fees	12,000	12,000	10,922	1,078
Repairs and maintenance	4,000	4,000	6,711	(2,711)
Storage fees	900	900	905	(5)
Subscription and dues	2,500	2,500	2,201	299
Tap Grant	102,136	-	8,500	(8,500)
Technology	750	750	382	368
Travel	2,200	2,200	83	2,117
Utilities	19,150	19,150	21,908	(2,758)
Vehicle Expense	4,500	4,500	1,315	3,185
Capital Outlay	4,788,057	-	-	-
Total General government	5,479,151	588,958	481,344	107,614
Public safety				
Police				
Salaries and payroll taxes	223,256	223,256	170,689	52,567
Health insurance	25,776	25,776	18,639	7,137
Retirement	14,946	14,946	10,785	4,161
Unemployment insurance	16,678	16,678	5,328	11,350
Capital outlay	60,000	60,000	21	59,979
Communications	4,271	4,271	-	4,271
Gas, oil, and fuel	16,800	16,800	9,475	7,325
Insurance	10,100	10,100	10,798	(698)
Miscellaneous	1,000	1,000	323	677
New hire cost	11,800	11,800	561	11,239
Repair and maintenance	27,200	27,200	14,989	12,211
Subscription and dues	3,800	3,800	2,475	1,325
Supplies	4,600	4,600	4,670	(70)

(Continued)

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

CITY OF EAGLEVILLE, TENNESSEE

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Continued)
Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		
EXPENDITURES (Continued)				
Current Expenditures				
Public safety				
Police				
TSHO Grant	5,000	5,000	-	5,000
Training	2,000	2,000	92	1,908
Travel	2,000	2,000	-	2,000
Uniforms	2,000	2,000	1,939	61
Utilities	1,840	1,840	2,097	(257)
Total Police	<u>433,067</u>	<u>433,067</u>	<u>252,881</u>	<u>180,186</u>
Fire				
Salaries and payroll taxes	216,797	216,797	209,908	6,889
Health insurance	19,332	19,332	18,309	1,023
Retirement	14,513	14,513	13,651	862
Unemployment insurance	13,895	13,895	4,603	9,292
Advertising	3,500	3,500	-	3,500
Capital outlay	53,000	53,000	-	53,000
Communications	12,100	12,100	-	12,100
Debt service	49,348	49,348	45,269	4,079
Donation	800	800	299	501
Fire calls	600	600	-	600
Gas, oil, and fuel	7,000	7,000	10,866	(3,866)
Incentive program	20,604	20,604	15,869	4,735
Insurance	8,230	8,230	10,526	(2,296)
New hire cost	2,200	2,200	-	2,200
Repair and maintenance	69,100	69,100	49,726	19,374
Rutherford Co Emergency coordinator	750	750	727	23
Storage fees	2,760	2,760	2,755	5
Subscription and dues	1,000	1,000	225	775
Supplies	2,000	2,000	1,513	487
Technology	5,000	5,000	-	5,000

(Continued)

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

CITY OF EAGLEVILLE, TENNESSEE

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Continued)
Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		
EXPENDITURES (Continued)				
Current Expenditures				
Public safety				
Fire				
Training	5,500	5,500	378	5,122
Travel	2,000	2,000	574	1,426
Uniforms	15,500	15,500	13,960	1,540
Utilities	5,371	5,371	5,165	206
Total Fire	<u>530,900</u>	<u>530,900</u>	<u>404,323</u>	<u>126,577</u>
Total Public safety	963,967	963,967	657,204	306,763
Parks and Recreation				
Salaries and payroll taxes	55,470	55,470	42,936	12,534
Health insurance	6,444	6,444	6,779	(335)
Retirement	2,992	2,992	3,049	(57)
Unemployment insurance	1,820	1,820	2,016	(196)
Capital outlay	20,000	20,000	2,100	17,900
Concession stand supplies	2,000	2,000	4,040	(2,040)
Debt service	-	-	-	-
Insurance	1,826	1,826	1,532	294
Miscellaneous	1,500	1,500	945	555
Recreation events	21,500	21,500	21,041	459
Repairs and maintenance	10,500	10,500	10,630	(130)
Supplies	2,100	2,100	2,651	(551)
Utilities	5,700	5,700	6,110	(410)
Total Parks and Recreation	<u>131,852</u>	<u>131,852</u>	<u>103,829</u>	<u>28,023</u>
Total Expenditures	<u>6,574,970</u>	<u>1,684,777</u>	<u>1,242,377</u>	<u>442,400</u>

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

CITY OF EAGLEVILLE, TENNESSEE

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Continued)
Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		
Other Sources and Uses				
Transfer out	40,000	695,780	695,780	-
Net change in fund balances	(417,115)	(795,702)	(17,486)	(106,584)
Fund Balances - beginning	2,317,299	2,317,299	2,317,299	-
Priod Period Adj. (Note 24)	-	-	(145,350)	-
Fund Balances - beginning (restated)	2,317,299	2,317,299	2,171,949	-
Fund Balances - end	<u>\$ 1,900,184</u>	<u>\$ 1,521,597</u>	<u>\$ 2,154,463</u>	<u>\$ (106,584)</u>

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

CITY OF EAGLEVILLE, TENNESSEE
Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Interest	-	-	234	234
Total Revenues	-	-	234	234
EXPENDITURES				
Current Expenditures				
Debt Service	-	67,000	31,675	35,325
Capital Outlay	-	1,063,825	794,696	269,129
Total Expenditures	-	1,130,825	826,371	304,454
Other Sources and Uses				
Debt Proceeds	-	1,030,425	919,401	(111,024)
Transfer In	-	655,780	655,780	-
Total Other Sources and Uses	-	1,686,205	1,575,181	(111,024)
Net change in fund balances	-	555,380	749,044	(415,244)
Fund Balances - beginning	-	-	-	-
Fund Balances - end	\$ -	\$ 555,380	\$ 749,044	\$ (415,244)

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

CITY OF EAGLEVILLE, TENNESSEE
Statement of Net Position
Sewer Fund
June 30, 2023

ASSETS

Current Assets

Cash	\$ 582,148
Accounts receivable - net	20,060
Total Current Assets	<u>602,208</u>

Non-current Assets

Capital assets	
Land	\$ 72,385
Other capital assets - net of accumulated depreciation	3,212,411
Total capital assets	<u>3,284,796</u>

Total Assets	<u><u>\$ 3,887,004</u></u>
---------------------	----------------------------

LIABILITIES

Current Liabilities

Accounts payable	\$ 8,628
Due to other funds	20,863
Bonds payable - current portion	32,314
Total Current Liabilities	<u>61,805</u>

Non-current Liabilities

Bonds payable	<u>1,526,394</u>
---------------	------------------

Total Liabilities	<u><u>\$ 1,588,199</u></u>
--------------------------	----------------------------

NET POSITION

Net investment in capital assets	\$ 1,726,088
Unrestricted	572,717

Total Net Position	<u><u>\$ 2,298,805</u></u>
---------------------------	----------------------------

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

CITY OF EAGLEVILLE, TENNESSEE
Statement of Revenues, Expenditures, and Changes in Net Position
Sewer Fund
Year Ended June 30, 2023

OPERATING REVENUES

Sewer charges	217,128
Penalties	2,501
Total Operating Revenues	<u>219,629</u>

OPERATING EXPENSES

Bad debt	155
Depreciation	80,281
Professional services	10,406
Insurance	5,852
Permits	1,842
Repairs and maintenance	53,891
Total Operating Expenses	<u>152,427</u>

Operating income (loss)	67,202
-------------------------	--------

NON-OPERATING REVENUES (EXPENSES)

Interest earnings	1,682
Interest expense	(39,721)
Total Non-operating Revenues (Expenses)	<u>(38,039)</u>

Capital contributions - Capacity fee	46,000
Grant revenue	<u>110,867</u>

Changes in net position	186,030
-------------------------	---------

Net Position - beginning	<u>2,112,775</u>
---------------------------------	------------------

Net Position - end	<u><u>\$ 2,298,805</u></u>
---------------------------	----------------------------

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

CITY OF EAGLEVILLE, TENNESSEE
Statement of Cash Flow
Sewer Fund
Year Ended June 30, 2023

Cash Flows from Operating Activities	
Receipts from customers	\$ 217,603
Payments to suppliers	(94,475)
Net cash provided (used) by operating activities	<u>123,128</u>
 Cash Flows from Capital and Related Financing Activities	
Loan principal payments	(31,511)
Loan interest payments	(39,721)
Grant revenue	110,867
Capital contributions	46,000
Purchase of capital assets	(56,785)
Net cash provided (used) by capital and related financing activities	<u>28,850</u>
 Cash Flows from Investing Activities	
Interest earned	<u>1,682</u>
Net increase (decrease) in cash	153,660
Cash - beginning	<u>428,488</u>
Cash - end	<u>\$ 582,148</u>
 Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating income (loss)	<u>\$ 67,202</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation	80,281
(Increase) decrease in accounts receivable - net	(2,026)
Increase (decrease) in accounts payable	(4,303)
Increase (decrease) in due to other funds	(18,026)
Total adjustments	<u>55,926</u>
Net cash provided (used) by operating activities	<u>\$ 123,128</u>

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

CITY OF EAGLEVILLE, TENNESSEE
Notes to Financial Statements
June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Eagleville, Tennessee operates under a Mayor and City Council within the following departments: general government, public safety, public works, public welfare and recreation.

The financial statements of the City of Eagleville, Tennessee have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

A. Reporting Entity

In evaluating how to define the reporting entity, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP and GASB issued Statement No. 14, *The Financial Reporting Entity*. This statement requires that the financial statements present the City of Eagleville, Tennessee (the primary government) and any component units. Component units generally are legally separate entities for which a primary government is financially accountable. Financial accountability ordinarily involves meeting one of the following criteria: the primary government is accountable for the potential component unit (i.e., the primary government appoints the voting majority of its board and the primary government is able to impose its will upon the potential component unit); or there is a possibility that the potential component unit may provide specific financial benefits or impose specific financial burdens on the primary government.

Based on the foregoing criteria, there are no entities, which meet the above criteria for inclusion in the City of Eagleville, Tennessee's financial statements.

B. Basic Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. Both the government-wide and fund financial statements categorize activities as either governmental activities or business-type activities.

Government-wide Statements

The Statement of Net Position and Statement of Activities display information about the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. In the government-wide Statement of Net Position, both the governmental and

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Basic Financial Statements (continued)

Government-wide Statements (continued)

business-type activities columns (a) are presented on a consolidated basis for column, and (b) are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The Statement of Activities presents both a gross and net cost comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. The net cost (by function or business-type activity) is normally covered by general revenue (property or sales taxes, intergovernmental revenues, interest income, etc.).

This government-wide focus is designed to view the City as a complete City and the change in aggregate financial position resulting from the activities of the fiscal period.

Fund Financial Statements

The fund financial statements provide information about the City's funds, including its governmental funds and enterprise funds. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The City reports the following **major governmental funds**:

General Fund

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

Capital Projects Fund

This fund is used to account for funds set aside for current and future construction and acquisition of capital assets.

The City reports the following **major enterprise funds**:

Sewer Fund

This fund is used to account for the provision of sewer services to the City.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Measurement Focus - 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 related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Government 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. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, gasoline taxes, wholesale beer taxes, income taxes, mixed drink taxes, and in-lieu of taxes are susceptible to accrual. Licenses and permits, fines and forfeitures, gross receipts taxes and excise taxes are recorded as revenue when received in cash because they are generally not measurable until actually received. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the governmental activities column in the government-wide financial statements, a reconciliation is presented on the page following each statement which briefly explains the adjustments necessary to transform the fund-based financial statements into the governmental activities' column of the government-wide presentation.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operation. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Budgets and Budgetary Accounting

Formal budgets are adopted for the General Fund, Capital Projects Fund and Special Revenue Funds on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgets for Enterprise Funds are adopted by the Councilmen for a management tool. Therefore, no adjustments are necessary to convert to the actual GAAP data from the budgetary basis.

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

Formal budgets are adopted and approved by Council vote on an annual basis for all funds. These budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). The City Council approves, by ordinance, total budget appropriations by department only. The City Manager is authorized to transfer budget amounts between line items within each department; however, any revisions that alter the total appropriations of any fund must be approved by the City Council. The budget amounts shown in the financial statements are the final authorized amounts as amended during the year.

E. Cash and Cash Equivalents

Cash consists of cash-on-hand and cash-on-deposit with financial institutions. For purposes of reporting cash on the Statement of Cash Flows, the City considers unrestricted highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Cash is reported on the Statement of Net Position as "Cash". At June 30, 2023, the City had no cash equivalents.

F. Investments

All investments are reported at fair value, which is based on quoted market prices. The City is authorized by State Statutes to invest in the following: Bonds, notes or treasury bills of the United States. Nonconvertible debt securities of the Federal Home Loan Bank, the Federal National Mortgage Association, the Federal Farm Credit Bank and the Student Loan Marketing Association. Any obligation guaranteed by the United States or any of its agencies. Certificates-of-deposit at state and federal chartered banks and savings and loan associations. The Local Government Investment Pool created by Title 9.

G. Property Taxes

Property taxes are secured by a statutory lien effective as of the original levy date of January 1st on property values assessed by the county for that calendar year. The billings are mailed October 1st and are considered due upon receipt by the taxpayer; however, the actual due date is based on a period ending approximately 60 days after the calendar year end. On this date, March 1st, the bill becomes delinquent and penalties and interest may be assessed.

Property taxes are recognized on the modified accrual basis on the governmental fund financial statements. Proper allowances are made for estimated uncollectible accounts and delinquent accounts when necessary. The tax rate for the 2023 levy is \$0.4051 per \$100 of assessed valuation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

G. Property Taxes (continued)

Property taxes for the 2023 levy are considered to be owed to the City as of the lien date on January 1, 2023. Therefore, the entire 2023 levy was recorded as a receivable and deferred revenue as of June 30, 2023.

H. Interfund Transactions

Interfund Receivables and Payables

Short-term advances between funds are not eliminated but accounted for in the appropriate interfund receivable and payable accounts classified as due to other funds and due from other funds in the fund financial statements, and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Transactions between Funds

Transactions between funds that would be treated as revenues, expenditures, or expenses if they involved organizations external to the governmental unit are accounted for as revenues, expenditures, or expenses in the funds involved. Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund which are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditures or expense in the fund that is reimbursed. All other legally authorized transfers are not eliminated but treated as transfers and are included as other financing sources or uses in the governmental funds and reported after non-operating revenues or expenses in the enterprise funds.

I. Prepayment of Expenditures

Governmental fund expenditures for insurance and similar services extending over more than one accounting period are allocated between the accounting periods to which they relate.

J. Inventories

Supplies and materials are recorded as expenditures/expenses at the time items are purchased and are not inventoried at year-end due to lack of materiality. At June 30, 2023, the City has no inventory balances.

K. Restricted Assets

Certain resources can be classified as restricted assets on the Statement of Net Position because their use is limited. At year-end, there were no restricted assets to be reported.

L. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., primary roads, secondary roads, drainage), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extended assets' lives are not capitalized.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

L. Capital Assets (continued)

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	20 – 40 years
Infrastructure	10 – 25 years
Equipment	3 – 20 years

Capital assets of the proprietary funds are accounted for in the proprietary fund and are stated at cost or estimated fair value when original cost is not available. Major additions are capitalized while maintenance and repairs, including the cost of minor items of property, are expensed as incurred. Upon disposal of such assets, the accounts are relieved of the related costs and accumulated depreciation, and resulting gains or losses are reflected in income. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets. The estimated useful lives are as follows:

Utility Plant in Service	30 – 50 years
--------------------------	---------------

Donated capital assets are valued at their estimated fair value on the date donated.

M. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. Currently, the City has one type of item that qualifies for reporting in this category: deferred outflows related to Pensions.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Currently, the City has two types of items that qualify for reporting in this category: deferred revenue - property taxes, and deferred inflows related to leases.

N. Compensated Absences

City employees are granted annual leave in varying amounts. In the event of termination, an employee is paid for accumulated annual leave. Government-wide proprietary funds accrue vacation benefits in the period they are earned. A liability for these amounts is reported in governmental funds only if they have matured.

O. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the Statement of Net Position.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

P. Net Position

Net position is the residual of all elements presented in the Statement of Financial Position (i.e., assets + deferred outflows - liabilities - deferred inflows). Net investment in capital assets represent capital assets reduced by accumulated depreciation and by any outstanding debt related to the acquisition, construction or improvement of those assets. Restricted net position represents restricted assets reduced by any related outstanding debt.

Q. Fund Balance

Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* established standards for fund balance classifications for state and local governments and requires that resources be classified for accounting reporting purposes into the following fund balances:

Nonspendable: The City cannot spend these amounts due to/from.

Restricted: The State or other sources can restrict funds to specific purposes by externally imposing restrictions or imposing by law through constitutional provisions or enabling legislation.

Committed: The City Council has the authority to commit funds for a specific purpose. Any funds set aside as committed fund balance requires, at a minimum, the passage of a resolution by a simple majority vote. An ordinance may also be used.

Assigned: The City Council has the authority to set aside funds for the intended use of a specific purpose. Any funds set aside as assigned fund balance requires a simple majority vote and must be recorded in the minutes.

Unassigned: Amounts not classified as nonspendable, restricted, committed, or assigned.

When both restricted and unrestricted funds are available for expenditure, restricted funds should be spent first unless legal requirements disallow it. When restricted, committed, assigned and unassigned funds are available for use, restricted funds should be spent first, committed funds second, assigned funds third and unassigned funds last.

R. 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 and disclosures. Accordingly, actual results could differ from those estimates.

S. Events Occurring after Reporting Date

The City has evaluated events and transactions that occurred between June 30, 2023, and December 19, 2023, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk is the risk that in the event of a bank failure the City's deposits may not be returned to it. The City does not have a deposit or investment policy for custodial credit risk, however, the State of Tennessee requires its governmental entities to either meet the deposit and collateralization regulations under TCA Title 9, Chapter 4, Parts 1 and 4, or as provided in the collateral pool. As of June 30, 2023, the carrying amount of the City's deposits was \$3,405,363, and the bank balance was \$3,420,662. None of the City's bank balance was exposed to custodial credit risk as uninsured or uncollateralized due to the fact that all of its deposits and investments are in a financial institution that is a participant in the State of Tennessee collateral pool or are fully collateralized.

The carrying amount of the City's deposits is classified as follows on the Statement of Net Position:

Cash	\$3,205,613
Investments	<u>200,000</u>
	3,405,613
Less: petty cash	<u>(250)</u>
Total	<u>\$3,405,363</u>

Investments

The City does not have any derivative instruments as defined by GASB statement No. 53.

NOTE 3 – PROPERTY TAXES RECEIVABLE – NET

Property taxes receivable as of June 30, 2023 consists of the following:

<u>Year of Levy</u>	
2023	\$197,829
2022	6,878
2021	328
2020	80
2019	180
2018	241
2017	15
2016	<u>57</u>
	205,608
Less: allowance for doubtful accounts	<u>(3,496)</u>
Total	<u>\$202,112</u>

NOTE 4 – ACCOUNTS RECEIVABLE – NET

Accounts receivable – net at June 30, 2023 consists of the following:

Sewer usage fees \$20,060

NOTE 5 – DUE FROM OTHER GOVERNMENTS

Due from other governments at June 30, 2023 consists of the following:

	<u>General</u>	<u>State Street Aid</u>	<u>Total</u>
State of Tennessee – shared revenue	\$ 11,425	\$ 2,489	\$ 13,914
Rutherford County – shared revenue	<u>99,029</u>	<u>-</u>	<u>99,029</u>
	<u>\$110,454</u>	<u>\$ 2,489</u>	<u>\$112,943</u>

NOTE 6 – INTERNAL BALANCES

Internal balances at June 30, 2023 consists of the following:

Due from Sewer to General - \$20,863
Due from General to State Street Aid - \$6,479
Due from General to Capital Projects Fund - \$178,514

NOTE 7 – LEASE RECEIVABLE

A lease receivable is recognized at the present value of lease payments expected to be received during the lease term. Future lease payments were discounted using a rate of 9.1%. As of June 30, 2023 the value of the lease receivable is \$112,620.

NOTE 8 – PREPAID EXPENSE

At June 30, 2023 the City had \$14,091 of storage fees and software prepaid expense in the general fund.

NOTE 9 – CAPITAL ASSETS

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 1,433,385	\$ -	\$ -	\$ 1,433,385
Construction in progress	195,323	744,688	-	940,011
Total not depreciated	<u>1,628,708</u>	<u>744,688</u>	<u>-</u>	<u>2,373,396</u>
Capital assets being depreciated:				
Buildings	608,086	-	-	608,086
Improvements	961,564	2,100	-	963,664
Vehicles and equipment	1,093,431	-	-	1,093,431
Furniture and fixtures	5,737	60,055	(1,704)	64,088
Total capital assets being depreciated	<u>2,668,818</u>	<u>62,155</u>	<u>(1,704)</u>	<u>2,729,269</u>
Less accumulated depreciation:				
Buildings	264,022	17,804	-	281,826
Improvements	413,431	50,129	-	463,560
Vehicles and equipment	685,195	119,525	(1,704)	803,016
Furniture and fixtures	5,737	-	-	5,737
Total accumulated depreciation	<u>1,368,385</u>	<u>187,458</u>	<u>(1,704)</u>	<u>1,554,139</u>
Total capital assets being depreciated - net	<u>1,300,433</u>	<u>(125,304)</u>	<u>-</u>	<u>1,175,129</u>
Governmental activities capital assets - net	<u>2,929,141</u>	<u>619,384</u>	<u>-</u>	<u>3,548,525</u>
Business-type Activities:				
Capital assets not being depreciated:				
Land	\$ 72,385	\$ -	\$ -	\$ 72,385
Construction in progress	167,279	56,785	(224,064)	-
	<u>239,664</u>	<u>56,785</u>	<u>(224,064)</u>	<u>72,385</u>
Capital assets being depreciated:				
Utility Plant	3,578,392	224,063	-	3,802,455
Less accumulated depreciation:	<u>(509,763)</u>	<u>(80,281)</u>	<u>-</u>	<u>(590,044)</u>
	<u>3,068,629</u>	<u>143,782</u>	<u>-</u>	<u>3,212,411</u>
Business-type activities capital assets - net	<u>3,308,293</u>	<u>200,567</u>	<u>(224,064)</u>	<u>3,284,796</u>

NOTE 9 – CAPITAL ASSETS (continued)

Depreciation expense was charged to functions of government as follows:

General government	\$ 35,043
Public safety	109,693
Parks and recreation	<u>42,722</u>
	\$187,458
Sewer	<u>\$ 80,281</u>
Total	\$267,739

The City did not acquire any intangible assets that would require reporting under GASB Statement No. 51.

NOTE 10 – DEFERRED OUTFLOWS RELATED TO PENSIONS

Deferred outflows related to pensions at June 30, 2023 consists of:

Beginning balances	\$35,902
Actuarial experience differences	3,412
Changes in assumptions	-
Amortization of deferrals	7,177
Prior year prepaid pension	(29,756)
Current year prepaid pension	37,685
Net investment earnings	<u>(5,776)</u>
Total Deferred Outflows Related to Pensions	<u>\$48,644</u>

NOTE 11 – NET PENSION LIABILITY

Net pension liability at June 30, 2023 consists of:

Beginning balance	\$ 3,282
Service cost	29,266
Interest expense	5,759
Actuarial experience differences	3,412
Changes in assumptions	-
Contributions - Employer	(29,756)
Net investment income	2,571
Administrative expenses	<u>954</u>
Total Net Pension Liability	<u>\$ 15,488</u>

NOTE 12 – LONG-TERM DEBT**Governmental Debt**

Long-term debt, which consists of bonds payable, notes payable, and accrued leave is summarized as follows:

	Principal Balance
Capital Outlay – Public Safety	\$ 722,200
Capital Outlay – Radios	114,597
Accrued leave	<u>33,320</u>
Less: current portion of governmental long-term debt	<u>(738,571)</u>
Total governmental long-term debt	<u>\$ 131,546</u>

Business-type Debt

Sewer USDA 92-04	\$ 129,475
Sewer USDA 92-02	<u>1,429,233</u>
Less: current portion of business-type long-term debt	<u>(32,314)</u>
Total business-type debt	<u>\$ 1,526,394</u>

A summary of changes in governmental long-term debt for the year ended June 30, 2023, are as follows:

	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023	Due Within One Year
Direct Borrowings:					
TN Municipal Bond	\$ 29,165	\$ -	\$ (29,165)	\$ -	\$ -
Capital Outlay- PS	722,200	-	-	722,200	722,200
Capital Outlay- Fire	48,243	-	(48,243)	-	-
Capital Outlay- Radios	114,597	-	-	114,597	16,371
Other Debt:					
Accrued leave	<u>-</u>	<u>33,320</u>	<u>-</u>	<u>33,320</u>	<u>-</u>
Total	<u>\$ 914,205</u>	<u>\$ 33,320</u>	<u>\$ (77,408)</u>	<u>\$ 870,117</u>	<u>\$ 738,571</u>
Less: current portion of governmental long-term debt				<u>(738,571)</u>	
Total governmental long-term debt				<u>\$ 131,546</u>	

The bonds are secured by ad valorem taxes to be levied on all taxable property within the municipality. If in default and there are insufficient funds from ad valorem taxes, the principal and interest will be paid from the current funds of the City.

NOTE 13 – LONG-TERM DEBT (continued)

A summary of changes in business type long-term debt for the year ended June 30, 2023, are as follows:

	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023	Due Within One Year
Direct Borrowings:					
USDA-92-04	\$ 1,458,222	\$ -	\$ (28,989)	\$ 1,429,233	\$ 29,722
USDA-92-02	131,997	-	(2,522)	129,475	2,592
Total	<u>\$ 1,590,219</u>	<u>\$ -</u>	<u>\$ (31,511)</u>	\$ 1,558,708	<u>\$ 32,314</u>

The bonds of the business-type activities are issued pledging the revenue of the sewer system and the full faith and credit of the government.

The City does not have any unused lines of credit.

The City had temporary loans of \$919,401 in association with a new public safety center which has not been included in a debt service requirement schedule due to the terms of the loan not being determined at June 30, 2023.

Governmental fund debt service requirements to maturity, including interest of \$33,966 are as follows:

Year ended	Direct Borrowings		
	Principal	Interest	Total
June 30			
2024	\$738,571	\$33,966	\$772,537
2025	16,371	-	16,371
2026	16,371	-	16,371
2027	16,371	-	16,371
2028	16,371	-	16,371
2029	16,371	-	16,371
	<u>\$820,426</u>	<u>\$33,966</u>	<u>\$854,392</u>

Note: The above debt service schedule does not include accrued leave.

Interest paid during the year ended June 30, 2023 on governmental debt was \$42,012.

For the governmental activities, compensated absences are generally liquidated by the General Fund.

NOTE 14 – DEFERRED REVENUE PROPERTY TAX

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

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Property taxes	\$4,283	\$197,829	\$202,112

Funds that are earned, but not available, are realized as revenue under GASB 33.

NOTE 15 – DEFERRED INFLOWS RELATED TO PENSIONS

Deferred inflows related to Pensions at June 30, 2023 consists of:

Beginning balance	\$	4,664
Differences between projected and actual investment		(5,977)
Amortization of deferrals		7,177
Net investment income		<u>(5,864)</u>
Total deferred inflows related to pensions	\$	<u><u>-</u></u>

NOTE 16 – DEFERRED REVENUE LEASES

A deferred revenue was recognized for leases in the amount of \$104,556 at June 30, 2023. There was variable lease adjustments recognized of \$3,496. Lease revenue recognized during the fiscal year was \$31,367 and interest earned was \$11,543.

NOTE 17 – COMMERCIAL LEASE

The City entered into a lease agreement as the lessor for a commercial building. The City is leasing the building to Apex Bank. The agreement was renewed as a fixed term on June 10, 2021 and will be in effect until June 30, 2026 for a total of five years. The Bank will pay the City annual rent of \$39,000 payable in equal installments at the beginning of each calendar month starting July 1, 2021. The bank will also pay all real estate taxes due, as well as all water, sewer, garbage, and lawn maintenance services. There are no termination agreements.

NOTE 18 – NET POSITION RESTRICTIONS

The City can restrict net position to be maintained for specific purposes. The nature and purpose of these restrictions are explained as follows:

State street aid funds in the amount of \$172,437 are legally restricted for state street aid expenditures.

NOTE 19 – FUND BALANCES

Fund balances are as follows:

Restricted: State street aid funds in the amount of \$172,437 are legally restricted for state street aid expenditures.

Nonspendable: Prepaid expense of \$14,091 is nonspendable due to form.

Assigned: Funds in the amount of \$749,044 is assigned for the capital projects fund.

Unassigned: In accordance with generally accepted accounting principles, the general fund in the only fund at the City that reports amounts for unassigned fund balance. This classification represents fund balance that is not nonspendable and has not been committed to specific purposes within the general fund.

NOTE 20 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position:

The governmental fund balance includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the Government-wide Statement of Net Position. One element of that reconciliation states that Net Pension Liability including deferred inflows and deferred outflows, are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$33,156 difference are as follows:

Deferred outflows related to Pensions	\$48,644
Net Pension liability	(15,488)
Deferred inflows related to Pension	(<u> </u> -)
Net adjustment	<u>\$33,156</u>

Explanation of certain differences between the Governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities:

The Governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between net changes in fund balances for total governmental funds and changes in net position of governmental activities as reported in the Government-wide Statement of Activities. One element of that reconciliation explains that “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 expenses.” The detail of this (\$187,458) difference is as follows:

Depreciation expense	<u>\$187,458</u>
----------------------	------------------

NOTE 20 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

Another element of that reconciliation states that “Pension expense for the prior year is not reported in the governmental funds, but is reported in the Statement of Activities. Current year pension contributions are reported as an expense in the governmental funds, but are not reported in the Statement of Activities.” The details of this \$32,485 difference are as follows:

Pension expense	\$ (32,485)
Contributions	<u> -</u>
Net adjustment	<u>\$ (32,485)</u>

NOTE 21 – TRANSFER

During the year the general fund made a transfer to the state street aid fund in the amount of \$40,000 that was an operating transfer to aid in paying for operational expenses.

Also, during the year the general fund made a transfer to the capital projects fund in the amount of \$655,780 that was an operating transfer to aid in paying for capital projects.

NOTE 22 – 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; and natural disasters. Commercial insurance is carried for employees’ bonds and certain property destruction and employee health and accident claims. The City also participates in the Public Entity Partners Pool (PEP), formerly, the Tennessee Municipal League Risk Management Pool, a public entity risk pool currently operating a workers’ compensation common risk management and insurance program. The PEP is a cooperative risk sharing arrangement between local government agencies that works in many ways like a traditional insurer, management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the three past fiscal years.

NOTE 23 – LITIGATION AND CLAIMS

The City is not aware of any litigation or claims that would be material to the City’s financial statements.

NOTE 24 – PRIOR PERIOD ADJUSTMENT

General fund- The City made a prior period adjustment in the amount of (\$145,350). This adjustment was made to remove August revenue inadvertently included in prior year revenue.

State Street fund- The City made a prior period adjustment in the amount of (\$2,430). This adjustment was made to remove August revenue inadvertently included in prior year revenue.

NOTE 25 – PENSION PLAN

General Information About the Pension Plan

Plan description

Employees of the CITY OF EAGLEVILLE, Tennessee, are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <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 65 with 5 years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive years average compensation and the member's service credit. Reduced benefits for early retirement are available at age 60 and vested or pursuant to the rule of 80 in which the member's age and service credit total 80. Members vest with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

Employees covered by benefit terms

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

Inactive employees currently receiving benefit payments	-
Inactive employees entitled to but not yet receiving payments	3
Active employees	<u>10</u>
Total	<u>13</u>

Contributions

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees are non-contributory. EAGLEVILLE CITY OF - HYBRID WO COST CON makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2023, the employer contributions for EAGLEVILLE CITY OF - HYBRID WO COST CON were \$37,685 based on a rate of 7.22% percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept EAGLEVILLE CITY OF - HYBRID WO COST CON'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.

NOTE 25 – PENSION PLAN (continued)

Pension liabilities (assets)

EAGLEVILLE CITY OF - HYBRID WO COST CON's net pension liability (asset) was measured as of June 30, 2022, and the total pension liability used to calculate net pension liability (asset) 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 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment rate of return	6.75 percent, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.125 percent

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

The actuarial assumptions used in the June 30, 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:

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

NOTE 25 – PENSION PLAN (continued)

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

Discount rate

The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from EAGLEVILLE CITY OF - HYBRID WO COST CON 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 (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance at 6/30/21	\$ 56,058	\$ 52,776	\$ 3,282
Changes for the year:			
Service cost	29,266	-	29,266
Interest	5,759	-	5,759
Differences between expected and actual experience	3,412	-	3,412
Changes of benefit terms	-	-	-
Change in assumptions	-	-	-
Contributions-employer	-	29,756	(29,756)
Contributions-employee	-	-	-
Net investment income	-	(2,571)	2,571
Benefit payments, including refunds of employee contributions	-	-	-
Administrative expense	-	(954)	954
Other changes	-	-	-
Net changes	<u>38,437</u>	<u>26,231</u>	<u>12,206</u>
Balance at 6/30/22	<u>94,495</u>	<u>79,007</u>	<u>15,488</u>

NOTE 25 – PENSION PLAN (continued)

Sensitivity of the net pension liability (asset) to changes in the discount rate

The following presents the net pension liability (asset) of EAGLEVILLE CITY OF - HYBRID WO COST CON calculated using the discount rate of 6.75 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1% Decrease (5.75%)	Discount Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability (Asset)	\$35,655	\$15,488	\$393

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

Pension expense (Negative pension expense)

For the fiscal year ended June 30, 2023, the CITY OF EAGLEVILLE, Tennessee recognized pension expense (negative pension expense) of \$32,485.

Deferred outflows of resources and deferred inflows of resources

For the fiscal year ended June, 30, 2023, the City of Eagleville, Tennessee reported deferred outflows of resources and deferred inflows of resources related to Pensions from the following sources:

	Deferred Outflows of resources	Deferred Inflows of resources
Differences between actual and expected experience	\$ 5,616	\$ -
Net difference between projected and actual earnings on pension plan investments	2,175	-
Changes of assumptions	3,168	-
Contributions subsequent to the measurement date of June 30, 2022	37,685	-
Total	<u>\$ 48,644</u>	<u>\$ -</u>

The amounts shown above for "Contributions subsequent to the measurement date of June 30, 2022" will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

NOTE 25 – PENSION PLAN (continued)

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

For the year ended June 30:

2024	1,040
2025	1,040
2026	995
2027	2,195
2028	774
Thereafter	4,906

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

Payable to the Pension Plan

At June 30, 2023, EAGLEVILLE CITY OF - HYBRID W/O COST CON reported a payable of \$0 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2023.

**REQUIRED SUPPLEMENTAL INFORMATION OTHER THAN MANAGEMENT'S
DISCUSSION AND ANALYSIS**

CITY OF EAGLEVILLE, TENNESSEE
Schedule of Changes in the City of Eagleville, Tennessee's Total Pension
Liability (Asset) and Related Ratios
June 30, 2023

Last Fiscal Year Ending June 30

Total pension liability (asset)	<u>2020</u>	<u>2021</u>	<u>2022</u>
Service cost	\$ -	\$ 22,001	\$ 29,266
Interest	-	3,339	5,759
Changes in benefit terms	24,060	-	-
Differences between actual and expected experience	-	2,914	3,412
Changes of assumptions	-	3,744	-
Benefit payments, including refunds of employee contributions	-	-	-
Net change in total pension liability (asset)	<u>24,060</u>	<u>31,998</u>	<u>38,437</u>
Total pension liability (asset) - beginning	-	24,060	56,058
Total pension liability (asset) - ending (a)	<u><u>\$ 24,060</u></u>	<u><u>\$ 56,058</u></u>	<u><u>\$ 94,495</u></u>

Plan fiduciary net position

Contributions-employer	\$ 20,532	\$ 25,098	\$ 29,756
Contributions-employee	-	-	-
Net investment income	491	8,347	(2,571)
Benefit payments, including refunds of employee contributions	-	-	-
Administrative expense	(731)	(961)	(954)
Other	-	-	-
Net change in fiduciary net position	<u>20,292</u>	<u>32,484</u>	<u>26,231</u>
Plan fiduciary net position - beginning	-	20,292	52,776
Plan fiduciary net position - ending (b)	<u><u>\$ 20,292</u></u>	<u><u>\$ 52,776</u></u>	<u><u>\$ 79,007</u></u>

Net Pension Liability (Asset) - ending (a)-(b)	\$ 3,768	\$ 3,282	\$ 15,488
Plan fiduciary net position as a percentage of total pension liability (asset)	84.34%	94.15%	83.61%
Covered payroll	\$347,994	\$425,387	\$460,614
Net pension liability (asset) as a percentage of covered payroll	1.08%	0.77%	3.36%

CITY OF EAGLEVILLE, TENNESSEE
Schedule of Changes in the City of Eagleville, Tennessee's Total Pension
Liability (Asset) and Related Ratios (continued)
June 30, 2023

Notes to Schedule:

Changes of assumptions. In 2021, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, and mortality improvements. In 2017, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, salary growth, and mortality improvement.

*GASB 68 requires a 10-year schedule for this data to be presented starting *with the implementation of GASB 68*. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from the TCRS GASB website for prior years' data, if needed.

CITY OF EAGLEVILLE, TENNESSEE
Schedule of Contributions Based on Participation
in the Public Employee Pension Plan of the TCRS
June 30, 2023

	2020	2021	2022	2023
Actuarially determined contribution	20,532	25,098	29,756	37,685
Contributions in relation to the actuarially determined contribution	20,532	25,098	29,756	37,685
Contribution deficiency (excess)	-	-	-	-
Covered payroll	347,994	425,387	460,614	521,948
Contributions as a % of covered payroll	5.90%	5.90%	6.46%	7.22%

*GASB 68 requires a 10-year schedule for this data to be presented starting *with the implementation of GASB 68*. The information in this schedule is not required to be presented retroactively prior to the implementation date. Please refer to previously supplied data from the TCRS GASB website for prior years' data, if needed.

Notes to Schedule:

Valuation date: Actuarially determined contribution rates for fiscal year 2023 were calculated based on the June 30, 2021 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	Varies by Year
Asset valuation	10-year smoothed within a 20 percent corridor to market value
Inflation	2.25 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment Rate of Return	6.75 percent, net of 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 percent

Changes of assumptions. In 2021, the following assumptions were changed: decreased inflation rate from 2.50 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; and decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent.

OTHER SUPPLEMENTARY INFORMATION

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

State Street Aid Fund: This fund is used to account for the expenditures of the City's streets that are funded by tax revenues from the gasoline and motor fuels tax received from the State of Tennessee and other general tax revenue transferred from the General Fund.

Drug Fund: This fund is used to account for investigations of violations of controlled substance laws and is funded primarily by the state statute from the receipt of fines and costs related to drug enforcement cases.

CITY OF EAGLEVILLE, TENNESSEE
Non-major Governmental Fund Balance Sheet
June 30, 2023

	Special Revenue		Total Non-major Governmental Funds
	State Street Aid Fund	Drug Fund	
ASSETS			
Cash	\$ 165,126	\$ -	\$ 165,126
Due from other governments	2,489	-	2,489
Due from other funds	6,479	-	6,479
Total Assets	\$ 174,094	\$ -	\$ 174,094
LIABILITIES			
Accounts Payable	\$ 1,657	\$ -	\$ 1,657
FUND BALANCES			
Restricted	\$ 172,437	\$ -	\$ 172,437

CITY OF EAGLEVILLE, TENNESSEE
Non-major Governmental Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2023

	Special Revenue		Total
	State Street Aid Fund	Drug Fund	Non-major Governmental Funds
REVENUES			
Intergovernmental revenue	\$ 28,333	\$ -	\$ 28,333
 EXPENDITURES			
Public Works	22,760	-	22,760
Capital Outlay	60,806	-	60,806
Total Expenditures	83,566	-	83,566
Excess (deficiency) of revenues over (under) expenditures	(55,233)	-	(55,233)
 OTHER FINANCING SOURCES (USES)			
Transfer in (out)	40,000	-	40,000
Excess (deficiency) of revenues and other sources (uses) over (under) expenditures	(15,233)	-	(15,233)
Fund balance - beginning	190,100	-	190,100
Prior period Adj. (Note 24)	(2,430)	-	(2,430)
Fund balance - restated	187,670	-	187,670
Fund balance - end	\$ 172,437	\$ -	\$ 172,437

CITY OF EAGLEVILLE, TENNESSEE
State Street Aid Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
State Gas Tax	\$ 24,000	\$ 24,000	\$ 28,333	\$ 4,333
EXPENDITURES				
State Street Aid	147,717	147,717	83,566	64,151
Excess (deficiency) of revenues over (under) expenditures	(123,717)	(123,717)	(55,233)	(59,818)
OTHER FINANCING SOURCES				
Transfer in	40,000	40,000	40,000	-
Excess (deficiency) of revenues and other sources and (uses) over (under) expenditures	(83,717)	(83,717)	(15,233)	(59,818)
Fund Balance - Beginning	190,100	190,100	190,100	-
Prior period adjustment (Note 24)	(2,430)	(2,430)	(2,430)	-
Fund Balance - Beginning (restated)	187,670	187,670	187,670	-
Fund Balance - End	\$ 106,383	\$ 106,383	\$ 172,437	\$ (59,818)

CITY OF EAGLEVILLE, TENNESSEE
Drug Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fines	\$ 500	\$ 500	\$ -	\$ (500)
EXPENDITURES				
Drug Fund	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End	\$ -	\$ -	\$ -	\$ -

FINANCIAL SCHEDULES

CITY OF EAGLEVILLE, TENNESSEE
Schedule of Expenditures of Federal and State Awards
Year Ended June 30, 2023

Federal Grantor/ Pass-through Grantor/ Program Title	Assistance Listing Number	Accrued (Receivable) 7/1/2022	Grant Receipts	Grant Expenditures	Accrued (Receivable) 6/30/2023
Federal Programs					
U.S. Department of Transportation					
TN Department of Transportation	20.607	\$ -	\$ 6,562	\$ 6,562	\$ -
U.S. Department of the Treasury					
Coronavirus State and Local Fiscal Recovery Funds	21.027	-	113,196	110,867	2,329
Total Federal		-	119,758	117,429	2,329
State Programs					
Tennessee Department of Finance and Administration					
State of TN Dpt of Safety & Homeland Security	-	-	100,000	100,000	-
Total Federal and State Awards		\$ -	\$ 219,758	\$ 217,429	\$ 2,329

CITY OF EAGLEVILLE, TENNESSEE
Notes to the Schedule of Expenditures of Federal and State Awards
Year Ended June 30, 2023

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Eagleville, Tennessee and is presented on the modified accrual basis of accounting.

NOTE 2 – INDIRECT COST RATE

The City of Eagleville, Tennessee has not elected to use the 10-percent de minimis indirect cost rate or to allocate any indirect cost.

CITY OF EAGLEVILLE, TENNESSEE
Schedule of Property Taxes Receivable
Year Ended June 30, 2023

Year of Levy

2023	\$197,829
2022	6,878
2021	328
2020	80
2019	180
2018	241
2017	15
2016	<u>57</u>
Total property taxes receivable	205,608
Less allowance for uncollectibles	<u>(3,496)</u>
Property taxes receivable - net	<u><u>\$202,112</u></u>

CITY OF EAGLEVILLE, TENNESSEE
Schedule of Changes in Property Taxes Receivable and Delinquent Amounts
Year Ended June 30, 2023

Year of Levy	Tax Rate	Original Tax Levy	Taxes Receivable		Pickups (Releases)		Taxes Receivable	
			June 30, 2022	Levy	June 30, 2022	Levy	June 30, 2023	
2023	0.4051		\$ -	\$197,829	\$ -	\$ -	\$ 197,829	
2022		168,653	168,653	-	9,241	(171,016)	6,878	
2021		164,070	5,047	-	2,830	(7,549)	328	
2020		156,028	520	-	-	(440)	80	
2019		134,608	231	-	-	(51)	180	
2018		132,867	639	-	-	(398)	241	
2017		123,798	15	-	-	-	15	
2016		116,165	57	-	-	-	57	
			<u>\$ 175,162</u>	<u>\$197,829</u>	<u>\$ 12,071</u>	<u>\$ (179,454)</u>	<u>\$ 205,608</u>	

Note: All uncollected taxes for years prior to 2022 have been turned over to the Clerk and Master for collection.

CITY OF EAGLEVILLE, TENNESSEE
Schedule of Debt Service Requirements
June 30, 2023

CAPITAL OUTLAY PUBLIC SAFETY

<u>Maturing June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2024	\$722,200	\$32,526	\$ 754,726
Total	<u>\$722,200</u>	<u>\$32,526</u>	<u>\$ 754,726</u>

CAPITAL OUTLAY RADIOS

<u>Maturing June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2024	\$ 16,371	\$ -	\$ 16,371
2025	16,371	-	16,371
2026	16,371	-	16,371
2027	16,371	-	16,371
2028	16,371	-	16,371
2029	16,371	-	16,371
2030	<u>16,371</u>	<u>-</u>	<u>16,371</u>
Total	<u>\$ 114,597</u>	<u>\$ -</u>	<u>\$ 114,597</u>

CITY OF EAGLEVILLE, TENNESSEE
Schedule of Debt Service Requirements – Sewer Fund
June 30, 2023

Maturing June 30,	BOND ISSUE 92-02		BOND ISSUE 92-04		Total Principal	Total Interest
	Principal	Interest	Principal	Interest		
2024	29,722	35,390	2,592	3,528	32,314	38,918
2025	30,474	34,638	2,664	3,456	33,138	38,094
2026	31,245	33,867	2,739	3,381	33,984	37,248
2027	32,035	33,077	2,815	3,305	34,850	36,382
2028	32,845	32,267	2,893	3,227	35,738	35,494
2029	33,675	31,437	2,974	3,146	36,649	34,583
2030	34,527	30,585	3,056	3,064	37,583	33,649
2031	35,400	29,712	3,142	2,978	38,542	32,690
2032	36,295	28,817	3,229	2,891	39,524	31,708
2033	37,213	27,899	3,319	2,801	40,532	30,700
2034	38,154	26,958	3,412	2,708	41,566	29,666
2035	39,119	25,993	3,507	2,613	42,626	28,606
2036	40,108	25,004	3,604	2,516	43,712	27,520
2037	41,123	23,989	3,705	2,415	44,828	26,404
2038	42,163	22,949	3,808	2,312	45,971	25,261
2039	43,229	21,883	3,914	2,206	47,143	24,089
2040	44,322	20,790	4,023	2,097	48,345	22,887
2041	45,443	19,669	4,135	1,985	49,578	21,654
2042	46,592	18,520	4,250	1,870	50,842	20,390
2043	47,770	17,342	4,368	1,752	52,138	19,094
2044	48,978	16,134	4,490	1,630	53,468	17,764
2045	50,217	14,895	4,615	1,505	54,832	16,400
2046	51,487	13,625	4,744	1,376	56,231	15,001
2047	52,789	12,323	4,876	1,244	57,665	13,567
2048	54,124	10,988	5,012	1,108	59,136	12,096
2049	55,493	969	5,151	969	60,644	1,938
2050	56,896	8,216	5,295	825	62,191	9,041
2051	58,335	6,777	5,442	678	63,777	7,455
2052	59,810	5,302	5,594	526	65,404	5,828
2053	61,322	3,790	5,749	371	67,071	4,161
2054	62,873	2,239	5,909	211	68,782	2,450
2055	55,455	589	4,449	48	59,904	637
Total	\$ 1,429,233	\$ 636,633	\$ 129,475	\$ 64,742	\$ 1,558,708	\$ 701,375

CITY OF EAGLEVILLE, TENNESSEE
Schedule of Changes in Long-term Debt by Individual Issue
June 30, 2023

	Original	Interest	Date of	Last	Issued	Matured	Refunded	Outstanding
	Amount of	Rate	Issue	Maturity	During	During	During	Outstanding
	Issue			Date	Period	Period	Period	6/30/2023
Governmental Activities								
Notes Payable through General Fund:								
TMBF	\$ 350,000	4.00%	2011	4/1/2023	\$ 29,165	\$ -	\$ 29,165	\$ -
Public Safety	\$ 722,200	4.25%	2019	4/13/2023	722,200	-	-	722,200
Fire Truck	\$ 223,000	4.00%	2018	6/1/2023	48,243	-	48,243	-
Radios	\$ 163,710	0.00%	2020	7/1/2029	114,597	-	-	114,597
Total Notes Payable					<u>\$ 914,205</u>	<u>\$ -</u>	<u>\$ 77,408</u>	<u>\$ 836,797</u>
Business-type Activities								
Notes Payable through Sewer Fund:								
USDA 92-02	\$ 1,644,000	2.50%	2015	12/1/2027	\$ 1,458,222	\$ -	\$ 28,989	\$ 1,429,233
USDA 92-04	\$ 148,000	2.75%	2015	12/1/2027	131,997	-	2,522	129,475
Total Notes Payable					<u>\$ 1,590,219</u>	<u>\$ -</u>	<u>\$ 31,511</u>	<u>\$ 1,558,708</u>

The City had temporary loans of \$919,401 in association with a new public safety center which has not been included in a debt service requirement schedule due to the terms of the loan not being determined at June 30, 2023.

CITY OF EAGLEVILLE, TENNESSEE
Schedule of Utility Rates and Customers
June 30, 2023

SEWER SYSTEM

Number of Customers	250
Minimum bill (1' waterline or less)	\$28.00
Each 1,000 gallons and portion thereof	\$8.25 per thousand gallons

INTERNAL CONTROL AND COMPLIANCE SECTION

THIS PAGE IS INTENTIONALLY LEFT BLANK

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*

Mayor and Board of Councilman
City of Eagleville, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of The City of Eagleville, 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 of Eagleville, Tennessee's basic financial statements, and have issued our report thereon dated December 19, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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



Matlock Clements, P.C.
Murfreesboro, Tennessee
December 19, 2023

CITY OF EAGLEVILLE, TENNESSEE
Schedule of Findings and Responses
For the Year Ended June 30, 2023

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weaknesses identified?	No
• Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

II. Financial Statement Findings – Required to be reported in Accordance With Government Auditing Standards.

No matters were reported.

CITY OF EAGLEVILLE, TENNESSEE
Summary Schedule of Prior Year Findings
For the Year Ended June 30, 2023

I. Prior Year Financial Statement Findings – Required to be reported in Accordance with Government Auditing Standards.

No prior year deficiencies noted.