

TOWN OF OAKLAND, TENNESSEE

ANNUAL FINANCIAL REPORT

JUNE 30, 2024

TOWN OF OAKLAND, TENNESSEE

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TOWN OF OAKLAND, TENNESSEE
ROSTER OF PUBLICLY ELECTED AND MANAGEMENT OFFICIALS
JUNE 30, 2024

PUBLICLY ELECTED OFFICIALS

Michael Brown	Mayor
Adrian Wiggins	Vice-Mayor
Frank Cates	Alderman
Jeff Fisher	Alderman
Debbie Hummel	Alderman
Ken Sutton	Alderman

MANAGEMENT OFFICIALS

Harvey Ellis	Town Manager
Karrean Y. Bullard	Town Recorder/CMFOA
Laura Hodges – terminated 6/6/2024	Financial Director
Lori Rice – beginning 8/12/2024	Financial Director
Christopher H. Earl	Police Chief
Stephen J. Walls	Fire Chief
Steven D. Mullins	Public Works Director
Eric J. Armstrong	Water Director
Alan B. Coker	Wastewater Director
Edward P. Courton	Planning Director
Joe McDonald	Building Codes
Chase Weston	Parks and Recreation Director
Tom Minor	Town Attorney
Mark McDaniel	Town Judge
Nick Pierotti	Town Prosecutor



INDEPENDENT AUDITOR'S REPORT

To the Mayor and Board of Aldermen
Town of Oakland, Tennessee

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Oakland Tennessee (the Town) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of Oakland Tennessee's basic financial statements as listed in the table of contents.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Disclaimer
Business-type Activities	Disclaimer
General Fund	Disclaimer
Solid Waste Fund	Disclaimer
Water Fund	Disclaimer
Sewer Fund	Disclaimer
Aggregate Remaining Fund Information	Disclaimer

Disclaimer of Opinion on the Governmental Activities, Business-type Activities, General Fund, Solid Waste Fund, Water Fund, Sewer Fund, and Aggregate Remaining Fund Information

We do not express an opinion on the financial statements of the Governmental Activities, Business-type Activities, General Fund, Solid Waste Fund, Water Fund, Sewer Fund, and Aggregate Remaining Fund Information of the Town of Oakland Tennessee. Because of the significance of the matter described in the Basis for Disclaimer of Opinion on the Governmental Activities, Business-type Activities, General Fund, Solid Waste Fund, Water Fund, Sewer Fund and Aggregate Remaining Fund Information sections of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the Governmental Activities, Business-type Activities, General Fund, Solid Waste Fund, Water Fund, Sewer Fund and Aggregate Remaining Fund Information.

Basis for Disclaimer of Opinions on the Governmental Activities, Business-type Activities, General Fund, Solid Waste Fund, Water Fund, Sewer Fund and Aggregate Remaining Fund Information

The Town did not reconcile some cash accounts, and did not provide adequate supporting documentation for adjustments made to these cash accounts. Therefore, the accounting and related records for the Governmental Activities, the Business-Type Activities, and each major fund were not sufficient to allow us to express an opinion on these financial statements.

Management has not properly accounted for all its capital assets for the governmental activities, business-type activities, water fund and sewer fund. Accounting principles generally accepted in the United States of America require that assets be accounted for and recorded properly. The amount by which this departure would affect the assets, net position and expenses of the governmental activities, business-type activities, water fund and sewer fund have not been determined.

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 Town of Oakland 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

Auditor's Responsibilities for the Audit of the Governmental Activities, Business-type Activities, General Fund, Solid Waste Fund, Water Fund, Sewer Fund and Aggregate Remaining Fund Information

Our responsibility is to conduct an audit of the Town of Oakland Tennessee's financial statements in accordance with generally accepted auditing standards and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion on the Governmental Activities, Business-type Activities, General Fund, Solid Waste Fund, Water Fund, Sewer Fund and Aggregate Remaining Fund Information of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the Governmental Activities, Business-type Activities, General Fund, Solid Waste Fund, Water Fund, Sewer Fund and Aggregate Remaining Fund Information. We are required to be independent of the Town of Oakland Tennessee and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information on pages 5 – 12 and 53 – 55 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

The supplementary information on pages 56 – 66 and the schedule of expenditures of federal awards on page 67, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. However, we were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the above-mentioned supplementary information on pages 56 – 66 and on the schedule of expenditures of federal awards on page 67. Accordingly, we do not express an opinion on the information listed in this paragraph.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2025, on our consideration of the Town of Oakland 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 Town of Oakland 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 the Town of Oakland Tennessee's internal control over financial reporting and compliance.



Lewisburg, Tennessee
December 5, 2025

TOWN OF OAKLAND, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024

As management of the Town of Oakland, Tennessee (the "Town" or the "Town of Oakland"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town of Oakland for the fiscal year ended June 30, 2024. This analysis focuses on significant financial position, budget changes and variances from the budget, and specific issues related to funds. Please consider the information presented here in conjunction with the Town's financial statements.

Financial Highlights

- The assets of the Town of Oakland exceeded its liabilities at the close of the most recent fiscal year by \$94,487,355 (net position). Of this amount, \$28,631,431 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Town's total net position increased by \$10,257,204. Net position increased by \$6,153,837 within the business-type activities and increased by \$4,103,367 within the governmental activities. There were restatements on net positions within the business-type activities with an increase of \$15,503,035 and within the governmental activities an increase of \$18,179,168.
- As of the close of the current fiscal year, the Town of Oakland's governmental funds reported combined ending fund balances of \$11,501,075. Approximately 88% of this total amount is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$8,586,092 (114%) of general fund operating expenditures.
- The Town of Oakland's total long-term debt increased by \$7,238,551 during the current fiscal year. Long-term liabilities related to compensated absences increased by \$27,229.

Overview of the Financial Statements

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

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

The government-wide financial statements are:

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

- **Statement of Activities** – presents information showing how the Town’s net position changed during the most recent fiscal year. All current year revenues and expenses are taken into account regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected tax and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town 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 Town of Oakland include general government, public safety, public works, and health, welfare, and recreation. The business-type activities of the Town of Oakland include the water and sewer operations.

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

Fund financial statements: A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Oakland, 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 Town of Oakland can be divided into two categories: governmental funds and proprietary funds.

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

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

The Town maintains a general fund and four special revenue funds as governmental funds. Information is presented separately in the governmental fund financial statements for the General Fund and the Solid Waste fund since these are considered major funds. Data for the other funds is combined into a single column with individual fund data for each of these non-major governmental funds provided in the supplementary information section of this report.

The basic governmental funds financial statements can be found on pages 15 – 18 of this report.

Proprietary funds – Services for which the Town charges customers a fee, are generally reported in proprietary funds. Proprietary funds, like governmental-wide statements, provide both long-term and short-term financial information. The Town maintains one type of proprietary fund: enterprise fund.

Enterprise funds are the same as business-type activities in the government-wide financial statements but provide more detail and additional information, such as cash flows. The Water and Sewer Fund is the Town’s sole enterprise fund.

The basic proprietary fund financial statements can be found on pages 25 – 27 of this report.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28 – 52 of this report.

Required Supplementary Information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information regarding the Town’s annual pension cost. This information follows the notes to the financial statements.

Combining and Individual Fund Statement and Schedules: The Non-major Governmental Fund, Schedule of Revenues, Expenditures and Changes in Fund Balance referred to earlier is presented immediately following the required supplementary information.

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

Net Position: Net position may serve over time as a useful indicator of a government’s financial position. In the case of the Town of Oakland, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$50,547,948 as of June 30, 2024, an increase of \$4,971,996, or 11%, from last year.

The largest portion of the Town of Oakland’s net position (68%) reflects its investments in capital assets (e.g., land, infrastructure, buildings, machinery, and equipment) less any related debt used to acquire those assets that are still outstanding. The Town of Oakland uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Oakland’s investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 14,105,560	\$ 12,671,328	\$ 20,147,940	\$ 12,793,804	\$ 34,253,500	\$ 25,465,132
Capital Assets	39,806,276	18,907,689	38,624,553	18,163,582	78,430,829	37,071,271
Total Assets	53,911,836	31,579,017	58,772,493	30,957,386	112,684,329	62,536,403
Deferred outflows of resources	649,389	621,998	216,464	2,007,332	865,853	2,629,330
Long-term liabilities outstanding	5,135,078	4,773,335	9,133,660	2,229,624	14,268,738	7,002,959
Other liabilities	433,036	751,178	2,053,770	2,779,840	2,486,806	3,531,018
Total Liabilities	5,568,114	5,524,513	11,187,430	5,009,464	16,755,544	10,533,977
Deferred inflows of resources	2,277,374	2,243,300	29,909	40,508	2,307,283	2,283,808
Net position:						
Net Investment in Capital Assets	34,896,281	14,333,136	29,531,029	159,973,166	64,427,310	174,306,302
Restricted	1,428,614	2,007,660	-	4,718	1,428,614	2,012,378
Unrestricted	10,390,842	8,092,406	18,240,589	10,136,862	28,631,431	18,229,268
Total Net position	\$ 46,715,737	\$ 24,433,202	\$ 47,771,618	\$ 170,114,746	\$ 94,487,355	\$ 194,547,948

At the end of the current fiscal year, the Town of Oakland is able to report a positive balance in both of the governmental and business-type activity categories of net position.

Governmental activities. Governmental activities increased the Town's net position by \$4,103,367, which represents an increase of \$1,041,017 from the prior year's change in net position, primarily due to an increase in capital grants and contributions and an increase in public work expenses.

Business-type activities. Business-type activities increased the Town's net position by \$6,153,837 which represents an increase of \$4,244,191 from the prior year's change in net position, primarily due to capital contributions. There also was a restatement to net position for capital assets that increased net position by \$15,503,035.

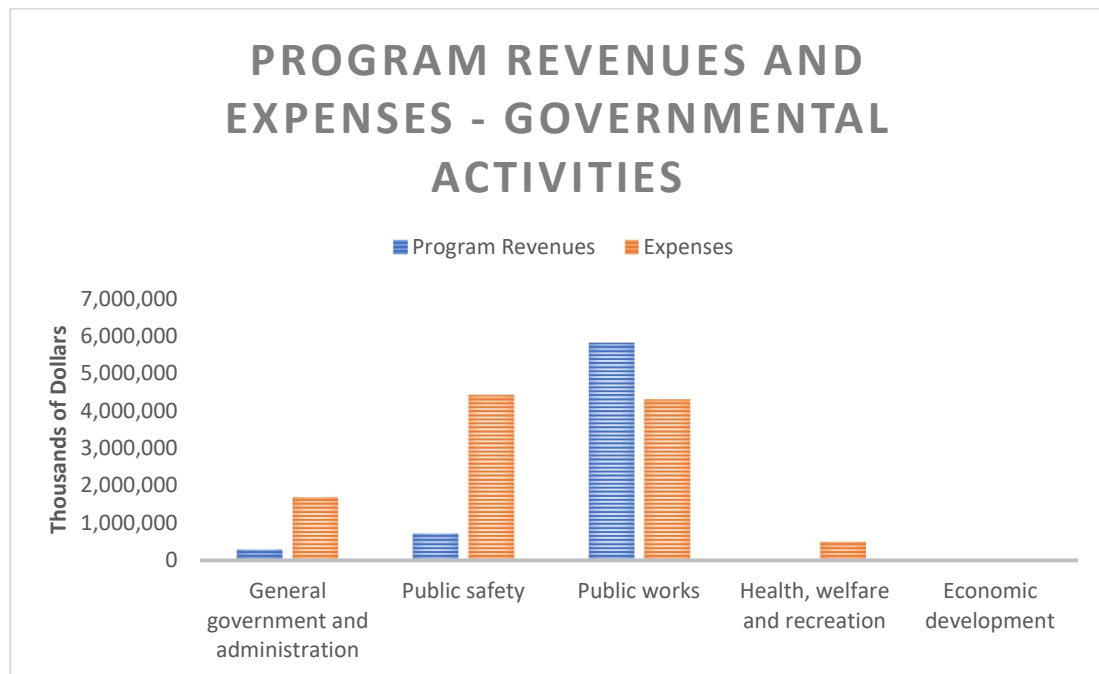
	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues:						
Fees, fines, and charges for services	\$ 2,159,786	\$ 1,821,755	\$ 4,071,978	\$ 3,063,353	\$ 6,231,764	\$ 4,885,108
Operating grants and contributions	370,973	371,280	-	-	370,973	371,280
Capital grants and contributions	4,377,525	1,596,638	5,529,065	1,595,423	9,906,590	3,192,061
General Revenues:						
Local taxes	2,300,915	1,482,033	-	-	2,300,915	1,482,033
Intergovernmental	5,496,840	5,247,801	-	-	5,496,840	5,247,801
Interest on investments	441,650	149,625	661,628	184,780	1,103,278	334,405
Other	9,336	17,947	-	292	9,336	18,239
Total Revenues	15,157,025	10,687,079	10,262,671	4,843,848	25,419,696	15,530,927
Expenses						
General government and admin	1,710,339	1,490,886	-	-	1,710,339	1,490,886
Public safety	4,431,963	3,815,015	-	-	4,431,963	3,815,015
Public works	4,312,691	1,958,105	-	-	4,312,691	1,958,105
Health, welfare, and recreation	522,398	289,271	-	-	522,398	289,271
Bond issue costs	-	-	150,672	-	150,672	-
Interest on long-term debt	113,912	71,452	246,967	37,106	360,879	108,558
Water and Sewer	-	-	3,711,195	2,897,096	3,711,195	2,897,096
Total Expenses	11,091,303	7,624,729	4,108,834	2,934,202	15,200,137	10,558,931
Sale of capital assets	37,645	-	-	-	37,645	-
Change in net position	4,103,367	3,062,350	6,153,837	1,909,646	10,257,204	4,971,996
Net position at beginning of year, as previously stated	24,433,202	21,370,852	26,114,746	24,205,100	50,547,948	45,575,952
Restatements	18,179,168	-	15,503,035	-	33,682,203	-
Net position at beginning of year, as restated	42,612,370	21,370,852	41,617,781	24,205,100	84,230,151	45,575,952
Net position at end of year	<u>\$ 46,715,737</u>	<u>\$ 24,433,202</u>	<u>\$ 47,771,618</u>	<u>\$ 26,114,746</u>	<u>\$ 94,487,355</u>	<u>\$ 50,547,948</u>

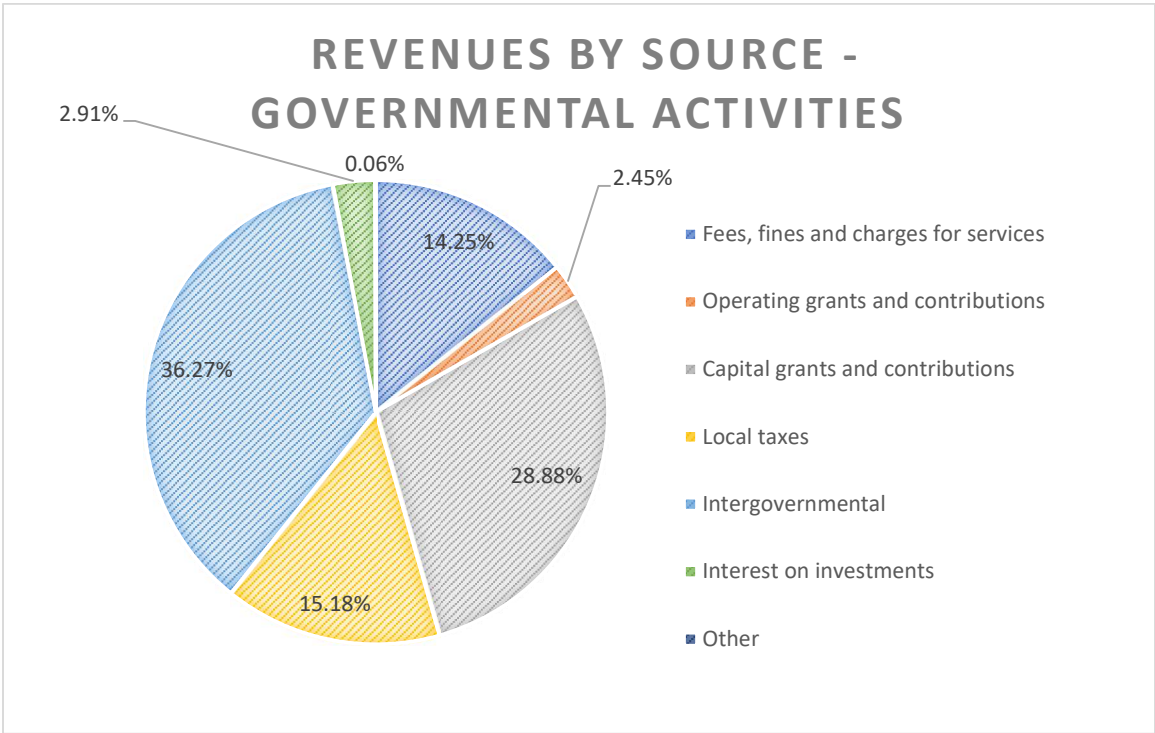
Governmental Activities: Current fiscal year revenues for the Town’s governmental activities were \$15,157,025 compared to \$10,687,079 last year. Expenses for the same period were \$11,091,303 compared to \$7,624,729 last year.

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

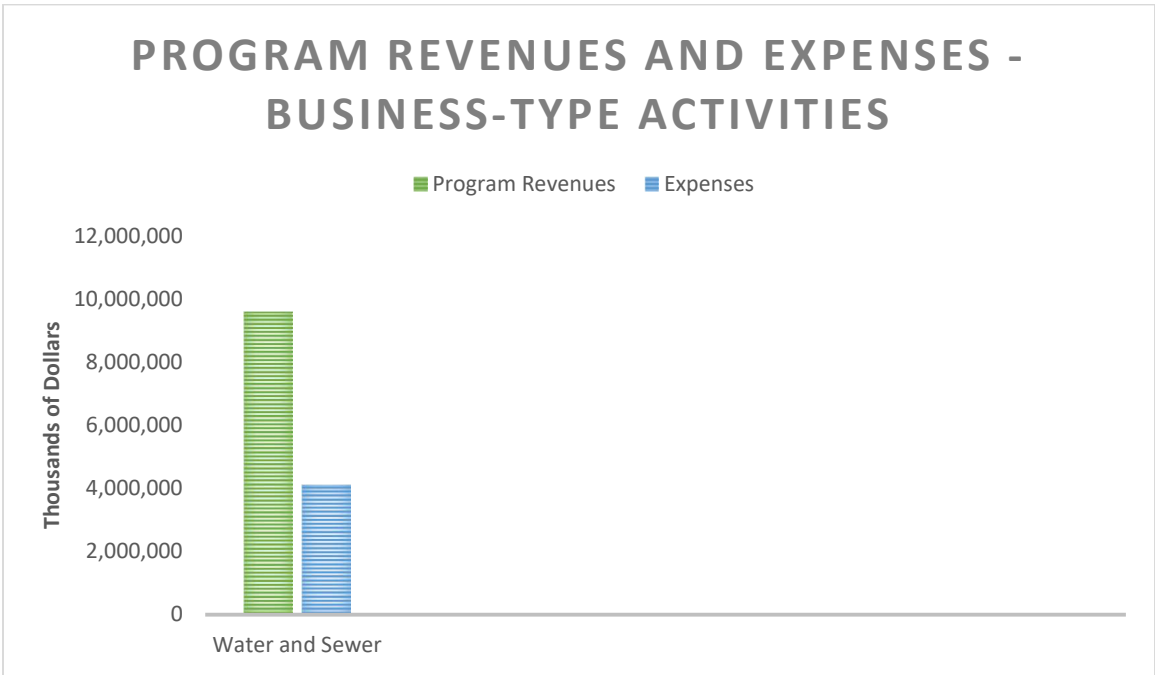
- Capital grants and contributions show an increase of \$2,780,887. These are primarily made up of contributed infrastructure.

Expenses in governmental activities increased by \$3,466,54. The largest increases were in public works and primarily had to do with an increase in depreciation due to the recording of contributed capital items from both the current and prior years.

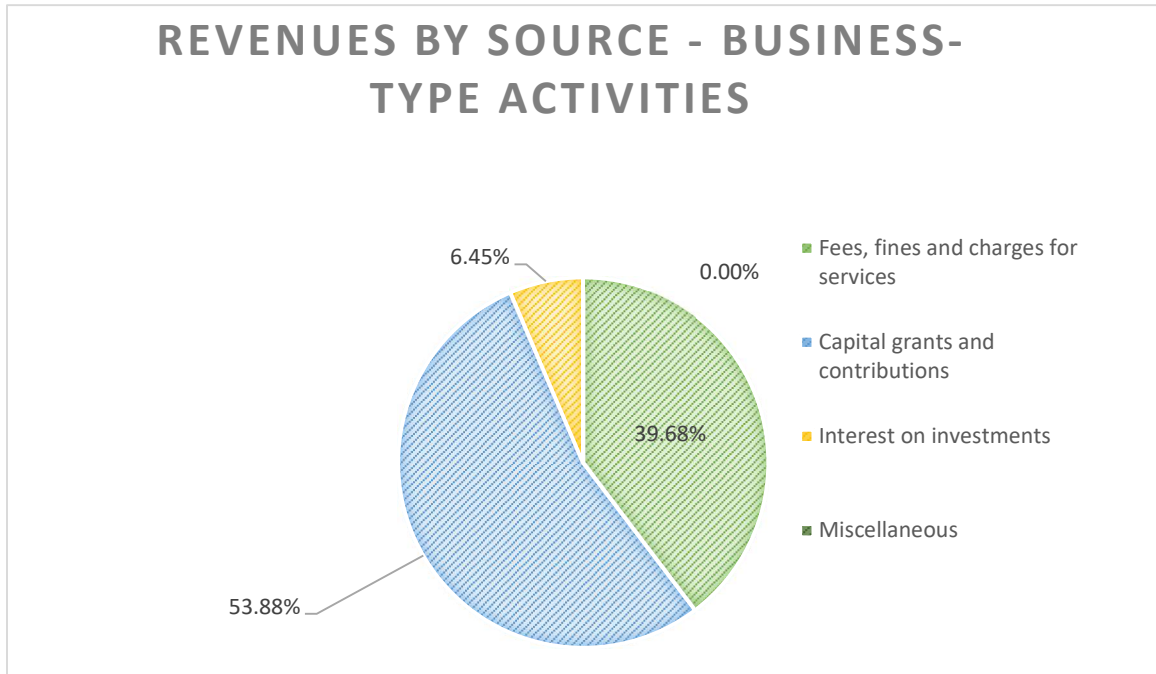




Business-type activities: Business-type activities increased the Town’s net position by \$6,153,837. Charges for services increased from prior year by \$1,008,625 and capital contributions increased by \$3,933,642. Expenses were \$1,174,632 more than the previous year.



REVENUES BY SOURCE - BUSINESS-TYPE ACTIVITIES



Financial Analysis of the Government's Funds

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

Governmental funds: The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements.

At the end of the current fiscal year, the Town's governmental funds reported combined ending fund balance of \$11,501,075 an increase of \$1,714,117, in comparison with the prior year.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$8,586,092 while total fund balance was also \$10,072,461.

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

The Water Fund had a decrease in net position of \$6,072,204 (for the year compared to an increase of \$1,909,646 in the prior year for the combined Water and Sewer Fund). The Sewer Fund had an increase in net position of \$12,226,041 in the current year. This is the first year for the Sewer Fund to be a separate fund. Factors affecting this amount include:

- The current year included a residual equity transfer out of the Water Fund to the Sewer Fund of \$9,098,861.
- Depreciation in the prior year for the Water and Sewer Fund combined was \$707,026 compared to the current year of \$642,294 for the Water Fund and \$757,518 for the Sewer Fund.
- Capital contributions on the Water and Sewer Fund for the prior year was \$1,595,423 compared to the current year of \$1,893,787 for the Water Fund and \$3,635,278 for the Sewer Fund

General Fund Budgetary Highlights

The Town exceeded budgeted appropriations in the Solid Waste Fund. The Town did make some budgeted amendments throughout the year.

Capital Asset and Debt Administration

Capital assets: At the end of the current fiscal year, the Town had \$78,430,829 (net of accumulated depreciation) invested in capital assets for its governmental and business-type activities. This investment in capital assets includes land, buildings, improvements, equipment, vehicles, construction in progress and other infrastructure. The total increase in the Town's investment in capital assets for the current fiscal year was \$10,884,523. Depreciation expense for the year was \$3,207,169. Additional information on capital assets is in Note 3.C.

Debt: At the end of the current fiscal year, the Town had total debt outstanding of \$14,003,519. Of the total outstanding debt 35% belongs to the General Fund and 65% to the Water and Sewer Funds. Additional information on debt is in Note 3.E.

Economic Factors and Next Year's Budgets and Rates

Factors considered in preparing the Town's budget for the 2025 fiscal year are discussed fully in the budget document and include:

- The Town uses conservative revenue forecasts for budgeting purposes. The primary source of funds remains property taxes, intergovernmental taxes, and water/sewer charges. The potential impact of economic conditions in the area has been taken into consideration in projecting resources.
- Property tax revenues were projected to remain relatively the same as the prior year. The property tax rate for FY2025 is set at \$0.6342 per hundred of assessed valuation.
- Sales tax and other state shared revenue are projected to increase as economic growth improves. While inflationary trends in the region compare favorably to national indices, the Town has proposed slight FY2025 increases in sales tax revenues from FY2024 levels.
- The Town is continuing to monitor operations of its Water and Sewer Funds to determine if increased user fees or cost containment measures should be initiated in the near term.
- The Town adopted an amended General Fund operating budget appropriations of \$11,737,490 for FY2025 which is a \$109,960 decrease from the FY2024 General Fund budget of \$11,847,450. There is no scheduled use of unassigned fund balance in FY2025. The unassigned fund balance in the General Fund was \$10,072,461 as of June 30, 2024.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town at P.O. Box 56, Oakland, Tennessee.

Yvonne Bullard
Town Recorder

TOWN OF OAKLAND, TENNESSEE
GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 8,886,413	\$ 12,291,567	\$ 21,177,980
Investments	-	2,831,734	2,831,734
Receivables:			
Property taxes	2,256,147	-	2,256,147
Accounts receivable, net of allowance	435,516	643,638	1,079,154
Grants receivable	711	-	711
Accrued interest receivable	9,383	70,817	80,200
Due from other governments	940,753	-	940,753
Internal balances	(29,910)	29,910	-
Restricted cash and cash equivalents	1,606,547	102,201	1,708,748
Restricted investments		4,126,266	4,126,266
Inventory	-	51,807	51,807
Capital assets not being depreciated:			
Land	2,087,304	101,637	2,188,941
Construction in progress	6,236,215	5,307,808	11,544,023
Capital assets (net of accumulated depreciation):			
Property, plant, and equipment	31,482,757	33,215,108	64,697,865
TOTAL ASSETS	53,911,836	58,772,493	112,684,329
DEFERRED OUTFLOWS OF RESOURCES			
Pension changes in experience	240,056	80,019	320,075
Pension changes in investment earnings	43,304	14,434	57,738
Pension changes in assumptions	186,116	62,039	248,155
Pension contributions subsequent to measurement date	179,913	59,972	239,885
TOTAL DEFERRED OUTFLOWS OF RESOURCES	649,389	216,464	865,853
LIABILITIES			
Accounts payable	220,581	1,393,661	1,614,242
Retainage payable	-	173,714	173,714
Accrued expenses	60,926	52,822	113,748
Accrued interest	47,391	210,973	258,364
Customer deposits	52,550	189,350	241,900
Unearned revenue	14,281	16,249	30,530
Net pension liability	37,307	17,001	54,308
Noncurrent liabilities:			
Compensated absences	225,083	40,136	265,219
Due within one year	375,000	471,032	846,032
Due in more than one year	4,534,995	8,622,492	13,157,487
TOTAL LIABILITIES	5,568,114	11,187,430	16,755,544
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues - property taxes	2,187,648	-	2,187,648
Pension changes in experience	89,726	29,909	119,635
TOTAL DEFERRED INFLOWS OF RESOURCES	2,277,374	29,909	2,307,283
NET POSITION			
Net investment in capital assets	34,896,281	29,531,029	64,427,310
Restricted for:			
State Street Aid fund	290,143	-	290,143
Drug fund	244,122	-	244,122
Solid waste	769,829	-	769,829
Fire fund	124,520	-	124,520
Unrestricted	10,390,842	18,240,589	28,631,431
TOTAL NET POSITION	\$ 46,715,737	\$ 47,771,618	\$ 94,487,355

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

**TOWN OF OAKLAND, TENNESSEE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

Program Activities	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		Total
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities							
General government	\$ 1,710,339	\$ 267,903	\$ 34,800	\$ -	\$ (1,407,636)	\$ -	\$ (1,407,636)
Public Safety	4,431,963	712,466	23,657	-	(3,695,840)	-	(3,695,840)
Public works	4,312,691	1,144,754	312,516	4,377,525	1,522,104	-	1,522,104
Health, welfare and recreation	522,398	34,663	-	-	(487,735)	-	(487,735)
Debt service - interest	113,912	-	-	-	(113,912)	-	(113,912)
Total governmental activities	11,091,303	2,159,786	370,973	4,377,525	(4,183,019)	-	(4,183,019)
Business-type activities							
Water fund	1,923,058	2,623,106	-	1,893,787	-	2,593,835	2,593,835
Sewer fund	2,035,104	1,448,872	-	3,635,278	-	3,049,046	3,049,046
Total business-type activities	3,958,162	4,071,978	-	5,529,065	-	5,642,881	5,642,881
Total Government	\$ 15,049,465	\$ 6,231,764	\$ 370,973	\$ 9,906,590	(4,183,019)	5,642,881	1,459,862
General Revenues							
Taxes:							
Property					2,300,915	-	2,300,915
Sales					5,457,651	-	5,457,651
Public service taxes					39,189	-	39,189
Investment earnings					441,650	661,628	1,103,278
Insurance recoveries					1,220	-	1,220
Bond issue costs					-	(150,672)	(150,672)
Sale of capital assets					37,645	-	37,645
Miscellaneous					8,116	-	8,116
Total general revenues					8,286,386	510,956	8,797,342
Change in net position					4,103,367	6,153,837	10,257,204
Net position at beginning of year, as previously reported					24,433,202	26,114,746	50,547,948
Restatements					18,179,168	15,503,035	33,682,203
Net position at beginning of year, as restated					42,612,370	41,617,781	84,230,151
Net position at end of year					\$ 46,715,737	\$ 47,771,618	\$ 94,487,355

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

**TOWN OF OAKLAND, TENNESSEE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024**

	<u>General</u>	<u>Solid Waste Fund</u>	<u>Non-major Governmental Funds</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 7,617,211	\$ 684,393	\$ 584,809	\$ 8,886,413
Receivables				
Property taxes	2,256,147	-	-	2,256,147
Charges receivable	-	245,014	-	245,014
Court fees receivable	710,414	-	-	710,414
Less: allowance for doubtful accounts	(497,290)	(22,622)	-	(519,912)
Grants receivable	711	-	-	711
Accrued interest receivable	9,383	-	-	9,383
Due from other governments	886,128	-	54,625	940,753
Due from other funds	-	-	56,942	56,942
Restricted cash and cash equivalents	1,606,547	-	-	1,606,547
Total assets	<u>\$ 12,589,251</u>	<u>\$ 906,785</u>	<u>\$ 696,376</u>	<u>\$ 14,192,412</u>
LIABILITIES				
Accounts payable	\$ 73,287	\$ 123,984	\$ 23,310	\$ 220,581
Accrued expenses	60,926	-	-	60,926
Due to other funds	73,880	12,972	-	86,852
Deposits	52,550	-	-	52,550
Unearned revenue	-	-	14,281	14,281
Total liabilities	<u>260,643</u>	<u>136,956</u>	<u>37,591</u>	<u>435,190</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - property taxes	2,256,147	-	-	2,256,147
	<u>2,256,147</u>	<u>-</u>	<u>-</u>	<u>2,256,147</u>
FUND BALANCE				
<i>Nonspendable</i>				
Prepays	-	-	-	-
<i>Restricted</i>				
State street aid	-	-	290,143	290,143
Drug fund	-	-	244,122	244,122
Fire	-	-	124,520	124,520
Solid waste fund	-	769,829	-	769,829
<i>Assigned</i>				
Park development	1,486,369	-	-	1,486,369
<i>Unassigned</i>				
General fund	8,586,092	-	-	8,586,092
Total fund balances	<u>10,072,461</u>	<u>769,829</u>	<u>658,785</u>	<u>11,501,075</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 12,589,251</u>	<u>\$ 906,785</u>	<u>\$ 696,376</u>	<u>\$ 14,192,412</u>

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

TOWN OF OAKLAND, TENNESSEE
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET
POSITION
JUNE 30, 2024

Total fund balance - total governmental funds \$ 11,501,075

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

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet. 39,806,276

Compensated absences are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet. (225,083)

Net pension asset, deferred outflows of resources, and deferred inflows of resources related to pensions are applicable to future periods and, therefore, are not reported at the fund level. 522,356

Long-term liabilities, including bonds payable and accrued interest, are not due and payable in the current period and, therefore, are not reported in the funds. (4,957,386)

Some property tax will not be collected for several months after the City's fiscal year end, they are not considered "available" revenues in the governmental funds. 68,499

Net position of governmental activities \$ 46,715,737

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

TOWN OF OAKLAND, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	General	Solid Waste Fund	Non-major Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 5,279,181	\$ -	\$ -	\$ 5,279,181
Intergovernmental revenues	2,555,099	-	312,516	2,867,615
Licenses and permits	281,866	-	-	281,866
Charges of services	20,700	1,144,754	-	1,165,454
Fines, fees, forfeits, and penalties	574,653	-	137,813	712,466
Other revenues	376,047	25,300	40,140	441,487
Total Revenues	<u>9,087,546</u>	<u>1,170,054</u>	<u>490,469</u>	<u>10,748,069</u>
Expenditures				
Current				
General government	1,627,162	-	-	1,627,162
Public safety	3,679,930	-	7,595	3,687,525
Public works	1,252,076	1,085,674	454,421	2,792,171
Health, welfare, and recreation	285,805	-	-	285,805
Debt service	312,152	-	167,158	479,310
Capital outlay	407,391	-	498,895	906,286
Total Expenditures	<u>7,564,516</u>	<u>1,085,674</u>	<u>1,128,069</u>	<u>9,778,259</u>
Excess (deficiency) of revenues over expenditures	<u>1,523,030</u>	<u>84,380</u>	<u>(637,600)</u>	<u>969,810</u>
Other financing sources (uses)				
Note proceeds	705,442	-	-	705,442
Insurance recoveries	1,220	-	-	1,220
Sale of capital assets	35,620	-	2,025	37,645
Total other financing sources (uses)	<u>742,282</u>	<u>-</u>	<u>2,025</u>	<u>744,307</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	2,265,312	84,380	(635,575)	1,714,117
Fund Balance at Beginning of Year	<u>7,807,149</u>	<u>685,449</u>	<u>1,294,360</u>	<u>9,786,958</u>
Fund Balance at End of Year	<u>\$ 10,072,461</u>	<u>\$ 769,829</u>	<u>\$ 658,785</u>	<u>\$ 11,501,075</u>

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

TOWN OF OAKLAND, 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, 2024

Net change in fund balances - total governmental funds	\$ 1,714,117
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets is allocated over their useful lives as depreciation expense. This is the amount recorded in the current period.	
	906,286
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditure in governmental funds.	
	(1,807,357)
Capital outlay expenditures on fund statements that the Town does not have added to the fixed asset system as of June 30, 2024	
	(757,036)
Net effect of various transactions involving capital assets (i.e., sales, trade-ins, and contributed assets)	
	4,377,525
Debt proceeds are recorded as revenue in the governmental funds but not in the government wide financials.	
	(705,442)
Increase in compensated absences is not reported for governmental funds, but is reported for government-wide statement of activities.	
	(26,301)
Some expenses reported on the statement of activities do not require the use of current resources and, therefore, are not reported as expenditures in the government funds.	
	5,970
Some expenses reported on the statement of activities do not require the use of current resources and, therefore, are not reported as expenditures in the government funds - accrued interest	
	(4,606)
Debt payments are expenditures that are reported on the governmental funds but are not recorded on the government wide financials as expenses.	
	370,000
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
	30,211
Change in net position of governmental activities	<u>\$ 4,103,367</u>

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

TOWN OF OAKLAND, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2024

Revenues	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Taxes				
Property	\$ 2,192,279	\$ 2,192,279	\$ 2,106,469	\$ (85,810)
Natural gas tax	47,500	47,500	54,724	7,224
Interest and penalty - real estate tax	8,000	8,000	8,279	279
Local sales tax	2,717,020	2,717,020	2,745,048	28,028
Wholesale liquor tax	81,500	81,500	90,948	9,448
Wholesale beer tax	275,820	275,820	234,524	(41,296)
Beer privilege tax	8,460	15,460	10,150	(5,310)
Franchise tax	100,580	89,030	29,039	(59,991)
Total taxes	<u>5,431,159</u>	<u>5,426,609</u>	<u>5,279,181</u>	<u>(147,428)</u>
Intergovernmental				
State revenues				
Sales tax	1,072,320	1,072,320	1,097,463	25,143
Local option sales tax	200,000	200,000	-	(200,000)
Local sales tax - parks	1,166,900	1,166,900	1,211,975	45,075
Telecommunication tax	600	600	676	76
TVA in lieu of taxes	107,230	107,230	109,511	2,281
Streets and transportation	16,350	16,350	16,356	6
Corporate excise tax	18,000	18,000	21,973	3,973
Mixed drink tax	10,560	10,560	16,120	5,560
Beer tax	4,110	4,110	3,928	(182)
Sports betting tax	8,936	8,936	16,985	8,049
Police salary supplement	24,600	24,600	11,200	(13,400)
Fire salary supplement	-	-	10,400	10,400
Transportation modernization tax	-	-	1,655	1,655
Other local grants	42,500	42,500	34,800	(7,700)
State and federal grant funds	-	500	2,057	1,557
Total intergovernmental revenues	<u>2,672,106</u>	<u>2,672,606</u>	<u>2,555,099</u>	<u>(117,507)</u>
Licenses and permits				
Inspection fees	132,600	132,600	79,513	(53,087)
Park development fees	52,000	52,000	14,000	(38,000)
Business permits	-	-	250	250
Building permits	62,300	62,300	66,908	4,608
Plumbing permits	30,000	30,000	36,878	6,878
Excavation permits	3,000	3,000	8,955	5,955
Mechanical permits	22,500	22,500	36,641	14,141
Planning fees	18,000	18,000	16,341	(1,659)
Fence permits	-	4,000	3,100	(900)
Sign permits	2,200	2,200	2,108	(92)
Firework permits	4,000	4,000	13,897	9,897
Solicitation permits	2,400	2,400	3,275	875
Total licenses and permits	<u>329,000</u>	<u>333,000</u>	<u>281,866</u>	<u>(51,134)</u>
City court fines and vehicle fees	<u>474,800</u>	<u>474,800</u>	<u>574,653</u>	<u>99,853</u>
Charges for services				
Recreation revenue and fees	56,800	56,800	20,663	(36,137)
Duplication charges	-	50	37	(13)
Total charges for services	<u>56,800</u>	<u>56,850</u>	<u>20,700</u>	<u>(36,150)</u>
Miscellaneous				
Administrative services	36,000	36,000	-	(36,000)
Interest income	98,000	98,000	367,931	269,931
Contributions	-	-	100	100
Miscellaneous revenues	12,000	12,000	8,016	(3,984)
Total miscellaneous	<u>146,000</u>	<u>146,000</u>	<u>376,047</u>	<u>230,047</u>
Total revenues	<u>9,109,865</u>	<u>9,109,865</u>	<u>9,087,546</u>	<u>(22,319)</u>

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

TOWN OF OAKLAND, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
GENERAL FUND
YEAR ENDED JUNE 30, 2024

Expenditures	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
General government				
Legislative				
Salaries	514,525	514,525	484,600	29,925
Payroll taxes	35,980	35,980	37,069	(1,089)
Employee health insurance	106,410	106,410	94,729	11,681
Disability insurance	565	565	502	63
Retirement	27,705	27,705	27,736	(31)
Unemployment insurance	1,200	1,200	498	702
Employee education and training	4,000	4,000	5,489	(1,489)
Other personnel services	3,000	3,000	(586)	3,586
Printing, duplicating, etc...	-	-	266	(266)
Dues and memberships	9,200	14,000	17,858	(3,858)
Publications and subscriptions	4,200	4,200	6,221	(2,021)
Legal and accounting	32,000	32,000	16,670	15,330
Other professional services	95,650	505,150	247,043	258,107
Insurance	16,300	16,300	15,243	1,057
Fuel expense	1,400	1,400	3,425	(2,025)
Household and janitorial supplies	1,200	1,200	321	879
Office supplies	14,000	14,000	3,608	10,392
Operating supplies	-	-	2,881	(2,881)
Postage and box rental	6,000	6,000	3,780	2,220
Accounting and auditing	64,000	64,000	47,421	16,579
Public relations	-	7,500	425	7,075
Repairs and maintenance	7,600	17,600	5,025	12,575
Small items of equipment	12,000	12,000	2,736	9,264
Travel	8,500	8,500	11,591	(3,091)
Uniforms	1,200	1,200	615	585
Utilities and telephone	19,900	19,900	29,187	(9,287)
Machinery equipment and rental	3,000	3,000	-	3,000
Bank service charges	-	-	7,455	(7,455)
Annual maintenance fee	36,080	36,080	18,039	18,041
Penalties for late filing	-	-	5,445	(5,445)
Miscellaneous	3,000	5,400	2,003	3,397
Capital outlay	8,400	61,400	-	61,400
Total legislative	<u>1,037,015</u>	<u>1,524,215</u>	<u>1,097,295</u>	<u>426,920</u>
Building and codes				
Salaries	151,910	192,910	174,203	18,707
Payroll taxes	13,960	13,960	12,319	1,641
Employee insurance	58,900	58,900	47,630	11,270
Disability insurance	160	160	199	(39)
Unemployment insurance	450	450	285	165
Employee training and education	3,000	3,000	580	2,420
Other personnel services	-	-	155	(155)
Retirement	9,020	9,020	8,180	840
Contracted janitorial services	8,600	8,600	10,022	(1,422)
Dues and memberships	800	800	572	228
Fuel expense	7,500	6,300	5,390	910
Insurance	11,525	11,525	12,298	(773)
Janitorial supplies	1,800	1,800	218	1,582
Office supplies	1,800	3,800	2,518	1,282
Operating supplies	1,000	1,000	502	498
Postage and box rental	600	1,600	857	743
Professional services	6,400	4,400	1,840	2,560
Publications and subscriptions	1,200	2,200	1,542	658
Rent	18,000	20,200	19,370	830
Repairs and maintenance - buildings	2,000	2,000	-	2,000
Repairs and maintenance - vehicles	1,200	3,200	2,174	1,026
Repairs and maintenance - office equipment	1,200	1,200	249	951
Utilities and telephone	9,000	14,000	8,746	5,254
Small items of equipment	600	4,600	3,657	943
Travel	1,500	1,500	97	1,403
Uniforms and clothing	600	3,600	2,799	801
Capital outlay	2,000	-	-	2,000
Total building inspector	<u>314,725</u>	<u>370,725</u>	<u>316,402</u>	<u>54,323</u>
Planning				
Salaries	80,890	80,890	69,751	11,139
Payroll taxes	6,150	6,150	5,876	274
Employee insurance	8,100	8,100	7,949	151
Disability insurance	300	300	75	225
Unemployment insurance	265	265	70	195
Employee training and education	1,200	1,200	-	1,200
Retirement	4,825	4,825	4,734	91
Memberships	2,400	2,400	961	1,439
Legal	10,000	10,000	10,768	(768)
Architectural and engineering services	54,000	54,000	93,692	(39,692)
Other services	2,850	2,850	2,795	55
Publication of legal notices	3,600	3,600	2,037	1,563
Public relations	1,200	1,200	-	1,200
Repairs and maintenance	1,200	1,200	-	1,200
Office supplies	3,600	3,600	541	3,059
Operating supplies	600	600	32	568
Fuel expense	3,600	3,600	2,798	802
Small items of equipment	600	600	220	380
Uniforms	200	200	168	32
Utilities and telephone	600	600	2,904	(2,304)
Travel	1,500	1,500	-	1,500
Capital outlay	41,500	41,500	30,898	10,602
Total planning	<u>229,180</u>	<u>229,180</u>	<u>236,269</u>	<u>(7,089)</u>
Government buildings				
Contracted services	96,000	-	4,300	(4,300)
Public relations	7,500	-	-	7,500
Other publicity, subscriptions and dues	4,800	-	-	4,800
Repairs and maintenance - buildings	10,000	-	-	10,000
Architecture and engineering services	409,500	-	3,407	(3,407)
Employee training	-	-	387	(387)
Other grants and contributions	2,400	-	-	2,400
Capital outlay	98,000	-	-	98,000
	<u>628,200</u>	<u>-</u>	<u>8,094</u>	<u>(8,094)</u>
Total general government	<u>2,209,120</u>	<u>2,124,120</u>	<u>1,658,060</u>	<u>466,060</u>

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

TOWN OF OAKLAND, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
GENERAL FUND
YEAR ENDED JUNE 30, 2024

Expenditures(continued)	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Public safety				
Police department				
Salaries	1,596,990	1,562,060	1,207,375	354,685
Payroll taxes	112,995	112,995	89,814	23,181
Employee insurance	329,950	329,950	265,483	64,467
Disability insurance	1,720	1,720	1,515	205
Unemployment insurance	2,700	2,700	1,917	783
Retirement	88,620	88,620	73,893	14,727
Employee education and training	12,000	12,000	10,862	1,138
City court contractual services	-	34,930	33,750	1,180
Contractual services	85,550	85,550	74,161	11,389
Dispatch services	2,500	2,500	2,067	433
Dues and memberships	3,600	3,600	400	3,200
Firearm supplies	8,500	8,500	3,870	4,630
Fuel expense	100,800	100,800	94,666	6,134
Insurance	137,650	137,650	164,193	(26,543)
Janitorial supplies	1,200	1,200	666	534
Legal fee	14,000	14,000	588	13,412
Medical expense	3,600	3,600	2,795	805
Oil and tires	8,000	8,000	6,940	1,060
Office supplies	6,000	6,000	3,240	2,760
Operating supplies	7,000	7,000	7,104	(104)
Other contractual services	77,500	62,624	40,500	22,124
Postage and box rental	1,200	1,200	1,404	(204)
Printing and duplication	600	600	150	450
Publicity, dues, and subscriptions	1,200	1,200	291	909
Public relations	600	600	35	565
Publication of legal notices	600	600	315	285
Repairs and maintenance - vehicles	30,000	30,000	27,785	2,215
Repairs and maintenance - building	10,000	10,000	8,550	1,450
Repairs and maintenance - office equipment	100	100	-	100
Repairs and maintenance - grounds	8,000	8,000	-	8,000
Safety supplies	300	300	-	300
Miscellaneous	-	-	677	(677)
Fees and charges	36,000	36,000	33,010	2,990
Towing expense	1,000	1,000	1,864	(864)
Travel	-	-	490	(490)
Uniforms	12,000	12,000	9,484	2,516
Utilities and telephone	27,800	27,800	29,217	(1,417)
Capital outlay	45,700	60,576	62,673	(2,097)
Total police department	<u>2,775,975</u>	<u>2,775,975</u>	<u>2,261,744</u>	<u>514,231</u>
Fire department				
Salaries	1,235,545	1,108,545	953,068	155,477
Payroll taxes	89,745	89,745	73,824	15,921
Employee insurance	193,610	193,610	184,353	9,257
Disability insurance	1,800	1,800	1,158	642
Retirement	70,390	70,390	59,166	11,224
Unemployment insurance	3,360	3,360	1,339	2,021
Employee education and training	6,500	6,500	1,585	4,915
Volunteer fireman	6,200	6,200	5,231	969
Dues and memberships	6,000	6,000	2,522	3,478
Fuel expense	18,000	18,000	10,010	7,990
Insurance	29,385	29,385	43,648	(14,263)
Janitorial supplies	2,600	2,600	1,696	904
Medical expense	1,800	1,800	708	1,092
Chemicals, lab and medical supplies	5,200	5,200	4,092	1,108
Office supplies	1,200	1,200	513	687
Consumable Tools	1,200	1,200	270	930
Operating supplies	2,400	2,400	2,461	(61)
Other contractual services	5,000	13,000	20,143	(7,143)
Professional services	1,000	1,000	253	747
Publications and subscriptions	1,200	1,200	1,680	(480)
Publications of legal notices	750	750	430	320
Publicity, subscriptions and dues	1,200	1,200	-	1,200
Public relations	3,000	3,000	1,904	1,096
Repairs and maintenance - buildings	3,000	26,000	24,549	1,451
Repairs and maintenance - vehicles	20,000	20,000	11,445	8,555
Repairs and maintenance - equipment	6,500	6,500	3,630	2,870
Other repair and maintenance service	2,000	2,000	1,994	6
Safety supplies	600	600	-	600
Travel and education	4,000	4,000	3,082	918
Small items of equipment	36,000	23,086	19,423	3,663
Miscellaneous	-	-	25	(25)
Uniforms	20,000	20,000	24,939	(4,939)
Utilities and telephone	19,400	19,400	21,023	(1,623)
Warning sirens	-	-	695	(695)
Capital outlay	32,500	116,414	89,216	27,198
Total fire department	<u>1,831,085</u>	<u>1,806,085</u>	<u>1,570,075</u>	<u>236,010</u>
Total public safety	<u>4,607,060</u>	<u>4,582,060</u>	<u>3,831,819</u>	<u>750,241</u>

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

TOWN OF OAKLAND, TENNESSEE
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
 GENERAL FUND
 YEAR ENDED JUNE 30, 2024

Expenditures(continued)	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Public works				
Highways and streets				
Salaries	435,105	237,577	216,868	20,709
Payroll taxes	37,800	37,800	16,926	20,874
Employee insurance	87,780	87,780	44,937	42,843
Disability insurance	600	600	305	295
Unemployment insurance	905	905	556	349
Retirement	25,160	25,160	13,437	11,723
Employee education and training	1,200	1,200	-	1,200
Contractual services	600	600	509	91
Consultant services	5,000	5,000	750	4,250
Engineering services	12,000	42,000	42,718	(718)
Fuel and oil	18,000	18,000	20,370	(2,370)
Chemicals, laboratory, and medical supplies	1,800	1,800	449	1,351
Household and janitorial supplies	240	240	63	177
Insurance	35,700	35,700	46,327	(10,627)
Landfill services	1,200	6,200	6,698	(498)
Legal fees	1,400	1,400	388	1,012
Machinery and equipment rental	600	600	-	600
Medical expense	600	600	310	290
Memberships, fees, etc...	250	250	-	250
Agriculture and horticulture supplies	1,200	1,200	1,290	(90)
Office supplies	400	400	40	360
Operating supplies	6,000	6,000	1,013	4,987
Other supplies	1,000	1,000	503	497
Other professional services	3,600	3,600	-	3,600
Miscellaneous	-	-	444	(444)
Publicity, subscriptions, and dues	300	300	-	300
Public relations	1,000	1,000	-	1,000
Publication of legal notices	1,000	1,000	-	1,000
Repairs and maintenance - buildings	4,000	4,000	3,579	421
Repairs and maintenance - vehicles	4,000	4,000	1,761	2,239
Repairs and maintenance - equipment	3,600	3,600	636	2,964
Repairs and maintenance - streets	24,000	596,000	799,355	(203,355)
Repairs and maintenance - services	24,000	24,000	11,649	12,351
Other building and maintenance materials	4,000	4,000	203	3,797
Small items of equipment	6,000	4,000	1,218	2,782
State fees and charges	500	500	500	-
Safety supplies	400	400	-	400
Sign parts	-	-	2,656	(2,656)
Tires and tubes	-	-	3,286	(3,286)
Travel	750	750	-	750
Uniforms	3,800	6,800	4,357	2,443
Utilities and telephone	4,450	16,450	7,975	8,475
Debt service	390,570	-	-	-
Capital outlay	527,650	215,178	24,366	190,812
Total highways and streets	<u>1,678,160</u>	<u>1,397,590</u>	<u>1,276,442</u>	<u>121,148</u>
Total public works	<u>1,678,160</u>	<u>1,397,590</u>	<u>1,276,442</u>	<u>121,148</u>
Health, welfare, and recreation				
Parks				
Salaries	123,505	123,505	116,315	7,190
Payroll taxes	9,400	9,400	8,671	729
Employee insurance	30,155	30,155	30,983	(828)
Disability insurance	150	150	150	-
Retirement	6,235	6,235	6,164	71
Unemployment insurance	360	360	274	86
Employee education and training	750	750	485	265
Contractual services	9,000	9,000	11,200	(2,200)
Dues and memberships	600	600	710	(110)
Athletic equipment	30,000	30,000	5,957	24,043
Fuel and oil	2,600	2,600	1,825	775
Agriculture and horticulture supplies	600	600	-	600
Household and janitorial supplies	1,200	1,200	1,196	4
Insurance	11,650	11,650	17,281	(5,631)
Legal fees	1,200	1,200	1,116	84
Office supplies	5,000	5,000	214	4,786
Operating supplies	2,100	2,100	2,185	(85)
Professional services	-	-	1,050	(1,050)
Architectural and engineering services	40,000	40,000	2,569	37,431
Medical expenses	-	-	30	(30)
Public relations	34,000	34,000	33,500	500
Publications and subscriptions	6,000	6,000	1,119	4,881
Publications of legal notices	1,600	1,600	2,627	(1,027)
Recreation supplies	4,000	4,000	2,584	1,416
Repairs and maintenance - buildings	4,800	4,800	2,352	2,448
Repairs and maintenance - vehicles	1,000	1,000	780	220
Repairs and maintenance - grounds	30,000	30,000	10,341	19,659
Repairs and maintenance - equipment	2,100	2,100	883	1,217
Repairs and maintenance - other	1,200	1,200	307	893
Repair and maintenance supplies	-	-	395	(395)
Building materials	500	500	-	500
Senior adult programs	4,800	6,800	8,384	(1,584)
Sign parts and supplies	1,500	1,500	294	1,206
Small items of equipment	1,200	4,700	1,019	3,681
Travel	2,000	2,000	-	2,000
Uniforms	600	600	567	33
Utilities and telephone	15,000	15,000	12,278	2,722
Debt service	-	390,570	312,152	78,418
Capital outlay	2,058,800	2,053,300	200,238	1,853,062
Total parks	<u>2,443,605</u>	<u>2,834,175</u>	<u>798,195</u>	<u>2,035,980</u>
Total health, welfare, and recreation	<u>2,443,605</u>	<u>2,834,175</u>	<u>798,195</u>	<u>2,035,980</u>

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

TOWN OF OAKLAND, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
GENERAL FUND
YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Expenditures(continued)				
Economic development				
Development expenses	-	-	-	-
Total economic development	-	-	-	-
Total expenditures	10,937,945	10,937,945	7,564,516	3,373,429
Revenues Over (Under) Expenditures	(1,828,080)	(1,828,080)	1,523,030	3,351,110
Other financing sources and (uses)				
Note proceeds	-	1,763,505	705,442	(1,058,063)
Insurance recoveries	-	-	1,220	1,220
Sale of capital assets	600	600	35,620	35,020
Operating transfer in	200,000	200,000	-	(200,000)
Operating transfer out	-	(909,505)	-	909,505
Total other financing sources and (uses)	200,600	1,054,600	742,282	(312,318)
Net Change In Fund Balance	\$ (1,627,480)	\$ (773,480)	2,265,312	\$ 3,038,792
Fund Balance at Beginning of Year			7,807,149	
Fund Balance at End of Year			\$ 10,072,461	

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

TOWN OF OAKLAND, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SOLID WASTE FUND
YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues				
Charges for services				
Disposal charges	\$ 718,320	\$ 1,126,764	\$ 1,129,750	\$ 2,986
Forfeited discounts	-	-	15,004	15,004
Other revenues				
Interest income	1,800	1,800	25,300	23,500
Total revenue	720,120	1,128,564	1,170,054	41,490
 Expenditures				
Public works				
Contractual services	649,970	1,026,080	1,085,077	(58,997)
Public relations	2,400	2,400	-	2,400
Professional fees	600	600	597	3
Postage	6,000	6,000	-	6,000
Office supplies	250	250	-	250
Bank charges	250	250	-	250
Capital outlay	225,000	-	-	-
Total expenditures	884,470	1,035,580	1,085,674	(50,094)
Excess (deficiency) of revenues over (under) expenditures	\$ (164,350)	\$ 92,984	84,380	\$ (8,604)
Fund Balance at Beginning of Year			685,449	
Fund Balance at End of Year			\$ 769,829	

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

**TOWN OF OAKLAND, TENNESSEE
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2024**

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS		
	WATER FUND	SEWER FUND	TOTALS
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 10,219,456	\$ 2,072,111	\$ 12,291,567
Investments	-	2,831,734	2,831,734
Accounts receivable, net of allowance	418,952	224,686	643,638
Interest receivable	-	70,817	70,817
Inventory	45,336	6,471	51,807
Due from other funds	20,547	9,363	29,910
Total current assets	<u>10,704,291</u>	<u>5,215,182</u>	<u>15,919,473</u>
RESTRICTED ASSETS			
Cash and cash equivalents	-	102,201	102,201
Investments	-	4,126,266	4,126,266
Total restricted assets	<u>-</u>	<u>4,228,467</u>	<u>4,228,467</u>
NON-CURRENT ASSETS			
Capital assets			
Land	101,637	-	101,637
Construction in process	-	5,307,808	5,307,808
Property, plant, and equipment	36,804,042	18,244,930	55,048,972
Less: accumulated depreciation	(11,375,474)	(10,458,390)	(21,833,864)
Total capital assets	<u>25,530,205</u>	<u>13,094,348</u>	<u>38,624,553</u>
Total non-current assets	<u>25,530,205</u>	<u>13,094,348</u>	<u>38,624,553</u>
TOTAL ASSETS	<u>36,234,496</u>	<u>22,537,997</u>	<u>58,772,493</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension changes in experience	51,212	28,807	80,019
Pension changes in investment earnings	9,238	5,196	14,434
Pension changes in assumptions	39,705	22,334	62,039
Pension contributions submitted after measurement date	38,382	21,590	59,972
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>138,537</u>	<u>77,927</u>	<u>216,464</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	12,819	1,380,842	1,393,661
Retainage payable	-	173,714	173,714
Accrued expenses	43,125	9,697	52,822
Accrued interest payable	-	210,973	210,973
Unearned revenue	16,249	-	16,249
Deposits	189,350	-	189,350
Net pension liability	10,881	6,120	17,001
Current portion of note payable	36,312	434,720	471,032
Total current liabilities	<u>308,736</u>	<u>2,216,066</u>	<u>2,524,802</u>
Non-current liabilities			
Compensated absences	27,338	12,798	40,136
Note payable	472,240	8,150,252	8,622,492
Total non-current liabilities	<u>499,578</u>	<u>8,163,050</u>	<u>8,662,628</u>
TOTAL LIABILITIES	<u>808,314</u>	<u>10,379,116</u>	<u>11,187,430</u>
DEFERRED INFLOWS OF RESOURCES			
Pension changes in experience	19,142	10,767	29,909
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>19,142</u>	<u>10,767</u>	<u>29,909</u>
NET POSITION			
Net investment in capital assets	25,021,653	4,509,376	29,531,029
Unrestricted	10,523,924	7,716,665	18,240,589
TOTAL NET POSITION	<u>\$ 35,545,577</u>	<u>\$ 12,226,041</u>	<u>\$ 47,771,618</u>

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

**TOWN OF OAKLAND, TENNESSEE
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 YEAR ENDED JUNE 30, 2024**

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS		
	WATER FUND	SEWER FUND	TOTALS
OPERATING REVENUES			
Water sales	\$ 2,317,443	\$ -	\$ 2,317,443
Sewer charges	-	1,334,202	1,334,202
Charges for services	266,320	88,600	354,920
Penalties	37,121	26,070	63,191
Miscellaneous	2,222	-	2,222
TOTAL OPERATING REVENUES	<u>2,623,106</u>	<u>1,448,872</u>	<u>4,071,978</u>
OPERATING EXPENSES			
Personnel services	607,829	478,442	1,086,271
Postage	48,000	2,818	50,818
Contracted services	88,830	87,038	175,868
Dues and subscriptions	947	652	1,599
Fees and permits	31,555	5,540	37,095
Supplies	141,045	166,945	307,990
Telephone	24,185	12,257	36,442
Utilities	131,386	129,697	261,083
Repairs and maintenance	90,071	87,116	177,187
Professional services	63,742	21,862	85,604
Travel	2,754	1,680	4,434
Insurance	44,376	39,643	84,019
Miscellaneous	128	2,845	2,973
Depreciation	642,294	757,518	1,399,812
TOTAL OPERATING EXPENSES	<u>1,917,142</u>	<u>1,794,053</u>	<u>3,711,195</u>
OPERATING INCOME	<u>705,964</u>	<u>(345,181)</u>	<u>360,783</u>
NONOPERATING REVENUES (EXPENSES)			
Interest income	432,822	228,806	661,628
Debt service fees	-	(150,672)	(150,672)
Interest expense	(5,916)	(241,051)	(246,967)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>426,906</u>	<u>(162,917.00)</u>	<u>263,989</u>
NET INCOME BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	<u>1,132,870</u>	<u>(508,098.00)</u>	<u>624,772</u>
TRANSFERS AND CAPITAL CONTRIBUTIONS			
Transfer In/(out) - residual equity transfer	(9,098,861)	9,098,861	-
Capital contributions	1,893,787	3,635,278	5,529,065
TOTAL TRANSFERS AND CAPITAL CONTRIBUTIONS	<u>(7,205,074)</u>	<u>12,734,139</u>	<u>5,529,065</u>
CHANGE IN NET POSITION	<u>(6,072,204)</u>	<u>12,226,041</u>	<u>6,153,837</u>
NET POSITION - BEGINNING OF YEAR, as previously reported	26,114,746	-	26,114,746
RESTATEMENTS	15,503,035	-	15,503,035
NET POSITION - BEGINNING OF YEAR, as restated	<u>41,617,781</u>	<u>-</u>	<u>41,617,781</u>
NET POSITION - END OF YEAR	<u>\$ 35,545,577</u>	<u>\$ 12,226,041</u>	<u>\$ 47,771,618</u>

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

**TOWN OF OAKLAND, TENNESSEE
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024**

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS		
	WATER FUND	SEWER FUND	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 2,450,623	1,344,646	3,795,269
Cash received from other funds	-	-	-
Other operating cash receipts	2,222	-	2,222
Cash payments to suppliers for goods and services	(694,942)	(516,711)	(1,211,653)
Cash payments for personnel services	(618,427)	(464,928)	(1,083,355)
Cash payments to other funds	(419,668)	(9,363)	(429,031)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>719,808</u>	<u>353,644</u>	<u>1,073,452</u>
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES			
Cash equity transfer to sewer fund from water fund	(3,637,425)	3,637,425	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition/disposals of capital assets	(283,718)	(2,219,608)	(2,503,326)
Gain on sale of assets	-	-	-
Grant proceeds	-	-	-
Capital contributions	286,425	444,600	731,025
Debt service fees	-	(150,672)	(150,672)
Bond proceeds	-	7,108,000	7,108,000
Payments on long-term debt	(35,904)	(168,988)	(204,892)
Interest paid on long-term debt	(5,916)	(30,078)	(35,994)
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(39,113)</u>	<u>4,983,254</u>	<u>4,944,141</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase/maturity of investments	-	(6,958,000)	(6,958,000)
Interest earned	432,822	157,989	590,811
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	<u>432,822</u>	<u>(6,800,011)</u>	<u>(6,367,189)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,523,908)	2,174,312	(349,596)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	12,743,364	-	12,743,364
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 10,219,456</u>	<u>\$ 2,174,312</u>	<u>\$ 12,393,768</u>
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Income (loss) from operating activities	\$ 705,964	\$ (345,181)	\$ 360,783
Adjustments to reconcile income from operations to net cash			
Depreciation	642,294	757,518	1,399,812
Employer contributions in excess of pension expense	(9,609)	(7,103)	(16,712)
Changes in Assets and Liabilities:			
(Increase) decrease in accounts receivable	(150,645)	(104,226)	(254,871)
(Increase) decrease in net pension assets	-	1,699	1,699
(Increase) decrease in due from other funds	(18,654)	(9,363)	(28,017)
(Increase) decrease in inventories	(5,436)	9,587	4,151
(Increase) decrease in prepaid expenses	118	-	118
Increase (decrease) in accounts payable	(20,638)	22,100	1,462
Increase (decrease) in pension liability	10,881	6,120	17,001
Increase (decrease) in due to other funds	(401,014)	-	(401,014)
Increase (decrease) in compensated absences	(11,870)	12,798	928
Increase (decrease) in unearned revenue	(9,816)	-	(9,816)
Increase (decrease) in customer deposits	(9,800)	-	(9,800)
Increase (decrease) in accrued liabilities	(1,967)	9,695	7,728
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>\$ 719,808</u>	<u>\$ 353,644</u>	<u>\$ 1,073,452</u>
NONCASH TRANSACTIONS			
Capital asset additions/disposals	\$ 1,891,080	\$ 4,466,668	\$ 6,357,748
Less amount booked as payables in current year	-	(1,532,456)	(1,532,456)
Less assets contributed by local developer	(1,607,362)	(714,604)	(2,321,966)
Total cash paid for capital asset additions	<u>\$ 283,718</u>	<u>\$ 2,219,608</u>	<u>\$ 2,503,326</u>
Capital contributions	\$ 1,893,787	\$ 3,635,278	\$ 5,529,065
Less earned ARPA funds received in prior year	-	(2,476,074)	(2,476,074)
Less assets contributed by local developer	(1,607,362)	(714,604.00)	(2,321,966)
Total cash received for capital contributions	<u>\$ 286,425</u>	<u>\$ 444,600</u>	<u>\$ 731,025</u>

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

TOWN OF OAKLAND, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.A. REPORTING ENTITY AND INTRODUCTION

The Town of Oakland, Tennessee (the “Town”) was incorporated in 1919. The Town operates under a Mayor and Alderman form of government and provides the following services as authorized by its charter: public health and safety, public works, water and sewage, and general administrative services.

The Town complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent sections of this Note.

The Town’s financial reporting entity comprises the following:

Primary Government	Town of Oakland
Blended Component Units	None

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

Blended Component Units

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the Town Board or the component unit provides services entirely to the Town. These component units’ funds are blended into those of the Town’s by appropriate activity type to compose the primary government presentation. Currently, the Town has no blended component units.

Discretely Presented Component Units

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending. Currently, the Town has no discretely presented component units which are required to be included in these financial statements.

TOWN OF OAKLAND, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

1.B. BASIS OF PRESENTATION

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities, which normally are supported by taxes and intergovernmental, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers of applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Fund Financial Statements

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

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

The funds of the financial reporting entity are described below:

**TOWN OF OAKLAND, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

Governmental Funds

General Fund

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

Special Revenue Funds

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

Proprietary Fund

Enterprise Fund

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

Major and Nonmajor Funds

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

Fund	Brief Description
Major: General	See above for description.
Solid Waste	Accounts for the solid waste collection revenue and expenditures related to disposal services.
Water Fund	Accounts for operation of the distribution of water.
Sewer Fund	Accounts for operation of the sewage facilities.
Nonmajor: Special Revenue Funds: State Street Aid Fund	Accounts for the state gas tax revenue and expenditures legally restricted to street maintenance.
Police Drug Fund	Accounts for revenues and expenditures on drug fines and enforcement costs.

TOWN OF OAKLAND, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Fire Fund

Accounts for revenues of fire fees and expenditures for construction of a new fire hall.

1.C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgements, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital lease are reported as other financing sources.

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

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

The Town does not allocate indirect costs.

**TOWN OF OAKLAND, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

1.D. BUDGETARY INFORMATION

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

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

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

- Prior to May 15, the Town Manager submits to the Board of Aldermen a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- The proposed budget is published in the local newspaper with invitations for the public to attend the budget hearings.
- Prior to July 1, the budget is legally adopted by the Town Manager and Board of Aldermen through adoption of the appropriation ordinance upon two readings.
- The Town Manager is responsible for controlling expenditures of the various agencies of the Town government within the appropriated amounts. No expenditures shall be made in excess of the appropriations.

Budgeted amounts of the revenues and expenditures presented for the General and Special Revenue Funds are shown as originally adopted and after final amendments by the Board of Commissioners. Budget appropriations lapse at year end. A comparison of the budget with statements of actual revenues and expenditures, including budget variances, of all the funds are presented as fund financial statements.

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

Cash and cash equivalents

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

**TOWN OF OAKLAND, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

Investments

Investments of the governmental type consist of certificates of deposit and are stated at cost, which approximates fair value. Certain investments of the Town are classified as restricted assets on the Statement of Net Position because they are maintained in separate accounts and/or their use is limited by Town ordinance, certain agreements, and/or contracts with third parties. Restricted balances include contractor deposits.

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to and from other funds.” Short-term interfund loans are reported as “interfund receivables and payables.” Long-term interfund loans (noncurrent portion) are reported as “advances from and to other funds.” Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. See Note 3.F. for details of interfund transactions, including receivables and payables at yearend.

Receivables

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

Inventory

Inventories consist primarily of supplies, valued at cost, which approximates market. Cost is determined using an average-cost method. All Town inventories are maintained on a consumption basis of accounting where items are purchased for inventory and charged to the budgetary accounts as the items are consumed.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid expenses are recorded as expenditures/expenses when consumed rather than when purchased.

Restricted Cash

Restricted cash on the enterprise fund consists of demand deposit accounts in local banks for retainage payable and loan proceeds for the wastewater treatment plant expansion. The restricted cash on the general fund consists of demand deposit accounts for parks.

TOWN OF OAKLAND, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of three years for property, plant and equipment. Contributed assets are recorded at estimated acquisition value at the date received.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The Town capitalized no interest expense during the current fiscal year. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Land and improvements and construction in progress are not depreciated. The other property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Buildings	20 – 50 years
Equipment	5 – 15 years
Improvements other than buildings	5 – 40 years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Town has three items that qualifies for reporting in this category: pension related items and current property taxes assessed that are receivable and measurable at year-end but are intended to finance the subsequent period.

TOWN OF OAKLAND, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Compensated Absences

Employees earn five or more days of vacation each year depending on length of service. Vacation leave is to be taken following the period in which it is earned and up to 360 hours (540 hours for fire department employees) vacation may be carried forward into the next year. Employees also earn one day of sick leave per every month of employment. Sick leave is to be taken the following month in which it is earned and up to 720 hours sick leave may be carried forward into the next year. All annual vacation leave is accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee termination or retirement.

Long-term Debt

The accounting treatment of long-term debt depends on whether the assets are used in government fund operations or proprietary fund operations and whether that are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of notes payable and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principle and interest reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

Net Position Flow Assumption

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

Net position is displayed in three components:

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

TOWN OF OAKLAND, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investments in capital assets.”

Fund Balance Policies

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

The *committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority. The Town Council is the government’s highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken to remove or revise the limitation.

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

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

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

Committed amounts are constrained to be used for specific purposes by formal action by ordinance adopted by the Town’s highest level of decision-making authority, the Mayor and Board of Aldermen. Amounts classified as committed are not subject to legal enforceability like restricted resources; however, they cannot be used for any other purpose unless the Board reviews or changes the commitment by taking the same action it employed to impose commitment.

The Board of Mayor and Aldermen also established a fire protection fee, the unspent portion of which is shown as committed fund balance for the General Fund.

TOWN OF OAKLAND, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Assigned amounts are intended to be used by the Town for specific purposes; but are neither restricted nor committed. The intent shall be expressed by the Board of Mayor and Aldermen or a designee, such as the Mayor or a committee, authorized by the Board of Mayor and Aldermen for a specific purpose in accordance with the policy established by the Board of Mayor and Aldermen. The nature of the actions necessary to remove or modify an assignment is not as rigid as required under a committed fund balance classification.

The Board of Mayor and Aldermen established a parks and recreation sales tax percentage, the unspent portion of which is shown as assigned fund balance for the General Fund.

Unassigned amounts are available for any purpose in the General Fund.

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

Pensions

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

1.F. USE OF ESTIMATES

The presentation 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.

1.G. REVENUES, EXPENDITURES AND EXPENSES

Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

TOWN OF OAKLAND, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Sales Tax

The Town presently levies a nine and one quarter percent sales tax on taxable sales within the Town. The sales tax is collected by the Tennessee Department of Revenue and remitted to the Town in the month following receipt by the Department of Revenue. The Department of Revenue receives the sales tax approximately one month after collection by vendors. The sales tax is recorded in the General Fund. Sales tax remitted to the Town in July and August has been accrued and is included under the caption "Due from Other Governments."

Property Tax

Property taxes are levied annually on the first of January. The taxes are due and payable from the following October through February in the year succeeding the tax levy. An unperfected lien attaches by statute to property on March 1 for unpaid taxes from the prior year's levy. Taxes uncollected for one year past the due date are submitted to the Chancery Court for collection. Tax liens become perfected at the time the court enters judgment. In the fund financial statements, property taxes are recorded as revenue in the period levied to the extent that they are collected within 60 days of year-end.

Operating Revenues and Expenses

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

Expenditures/Expenses

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

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

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

Proprietary Fund – by Operating and Nonoperating

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

Interfund Transfers

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

**TOWN OF OAKLAND, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

1.H. IMPACT OF RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In June 2022, the GASB issued State No. 100 – Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62, effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The primary objective of the Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

2.A. FUND ACCOUNTING REQUIREMENTS

Fund	Required By
Police Drug Fund	State Law

2.B. DEPOSITS AND INVESTMENTS LAWS AND REGULATIONS

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

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

2.C. REVENUE RESTRICTIONS

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

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

TOWN OF OAKLAND, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

2.D. FUND EQUITY RESTRICTIONS

Deficit Prohibition

Tennessee Statutes prohibit the creation of a deficit fund balance in any individual fund. The Town had no deficit fund balances at June 30, 2024.

2.E. BUDGET

The Board of Mayor and Aldermen annually approves the operating budgets for all governmental funds. The budget is adopted at the department level presented in the basic financial statements. Annual budgets are adopted on a basis consistent with Tennessee Code Annotated, which is not materially different than the modified accrual basis of accounting for governmental funds.

The preliminary budget is compiled from revenue and expenditure projections as well as requests submitted by each department. The Board of Mayor and Aldermen must pass the preliminary budget on two readings before it is adopted and becomes the approved spending plan for the Town.

Any budgetary revisions that alter the total expenditures of any fund must be approved by the Board of Mayor and Aldermen. Expenditures may not exceed appropriations at the department level. The Town's Solid Waste Fund had expenditures that exceeded appropriations for the year ended June 30, 2024.

Supplemental appropriations may be authorized by the Board of Mayor and Aldermen through the adoption of appropriate ordinances during the year.

NOTE 3. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

3.A. CASH AND INVESTMENTS

Deposits and Investments

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

As of June 30, 2024, none of the Town's deposits were not exposed to custodial credit risk due to being entirely covered by depository insurance (a combination of federal depository insurance and pledged collateral or coverage by the State's Bank Collateral Pool).

TOWN OF OAKLAND, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

3.B. ACCOUNTS RECEIVABLE

Accounts receivable of the business-type activities consists of utilities receivable. Accounts receivable of the governmental activities consists of amounts due from the various local sources and Town citations. Receivables detail at June 30, 2024, is as follows:

3.C. CAPITAL ASSETS

Capital asset activity for the year ending June 30, 2024, was as follows:

	<u>Balance 7/1/2023</u>	<u>Additions/ Adjustments</u>	<u>Retirements/ Adjustments</u>	<u>Balance 6/30/2024</u>
Government Activities:				
Capital assets not being depreciated				
Land	\$ 2,087,304	\$ -	\$ -	\$ 2,087,304
Construction in Progress	6,236,215	-	-	6,236,215
Total capital assets not being depreciated	<u>8,323,519</u>	<u>-</u>	<u>-</u>	<u>8,323,519</u>
Capital assets being depreciated				
Buildings	301,845	-	-	301,845
Equipment	5,481,843	143,015	-	5,624,858
Infrastructure	47,059,970	4,383,760	-	51,443,730
Land improvements	1,223,949	-	-	1,223,949
Total capital assets being depreciated	<u>54,067,607</u>	<u>4,526,775</u>	<u>-</u>	<u>58,594,382</u>
Less accumulated depreciation for:				
Buildings	(165,059)	(12,917)	-	(177,976)
Equipment	(3,897,975)	(297,565)	-	(4,195,540)
Infrastructure	(21,010,452)	(1,463,125)	-	(22,473,577)
Land improvements	(230,782)	(33,750)	-	(264,532)
Total accumulated depreciation	<u>(25,304,268)</u>	<u>(1,807,357)</u>	<u>-</u>	<u>(27,111,625)</u>
Total capital assets, being depreciated, net	<u>28,763,339</u>	<u>2,719,418</u>	<u>-</u>	<u>31,482,757</u>
Government activities capital assets, net	<u>\$ 37,086,858</u>	<u>\$ 2,719,418</u>	<u>\$ -</u>	<u>\$ 39,806,276</u>
Business-type Activities:				
Capital assets not being depreciated				
Land	\$ 101,637	\$ -	\$ -	\$ 101,637
Construction in Progress	1,665,402	3,687,698	45,292	5,307,808
Total capital assets not being depreciated	<u>1,767,039</u>	<u>3,687,698</u>	<u>45,292</u>	<u>5,409,445</u>
Capital assets being depreciated				
Equipment and vehicles	2,531,667	177,712	-	2,709,379
Buildings and improvements	49,801,963	2,537,630	-	52,339,593
Total capital assets being depreciated	<u>52,333,630</u>	<u>2,715,342</u>	<u>-</u>	<u>55,048,972</u>
Equipment	(1,297,727)	(146,537)	-	(1,444,264)
Buildings and improvements	(19,136,325)	(1,253,275)	-	(20,389,600)
Total accumulated depreciation	<u>(20,434,052)</u>	<u>(1,399,812)</u>	<u>-</u>	<u>(21,833,864)</u>
Total capital assets, being depreciated, net	<u>31,899,578</u>	<u>1,315,530</u>	<u>-</u>	<u>33,215,108</u>
Business-type activities capital assets, net	<u>\$ 33,666,617</u>	<u>\$ 5,003,228</u>	<u>\$ 45,292</u>	<u>\$ 38,624,553</u>

**TOWN OF OAKLAND, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

Depreciation expense was charged to governmental activities as follows:

Governmental activities:	
General government	\$ 47,681
Public safety	204,904
Public works	1,519,151
Health, welfare, and recreation	35,621
	<u>\$ 1,807,357</u>

3.D. ACCOUNTS PAYABLE

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

3.E. LONG-TERM LIABILITIES

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

As of June 30, 2024, Town’s long-term debt of the financial reporting entity consisted of the following:

Governmental Activities

<u>Type</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Current Balance</u>
Tennessee Municipal Bond Fund	2/1/2042	2.41%	\$ 4,423,995
Trustmark SSA Note Payable	9/1/2026	1.82%	<u>486,000</u>
Total General Long-term Debt			<u>\$ 4,909,995</u>

Tennessee Municipal Bond Fund - The Town entered into a loan agreement for Local Government Loan Program Bond funds for a park project. The total project has an estimated cost of \$8,000,000. The total amount of funds being borrowed is \$5,200,000. The Town had received \$4,838,995 in funding as of June 30, 2024. The Town was still drawing on this debt as of June 30, 2024. This general obligation bond is a direct obligation and pledges the full faith, credit and taxing authority of the government.

Trustmark SSA Note Payable – The Town entered into a general obligation paving capital outlay note payable for street paving costs during the year. The Town had received the entire note amount as of June 30, 2024. This capital outlay note is a direct obligation and pledges the full faith, credit and taxing authority of the government.

**TOWN OF OAKLAND, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

Business-Type Activities

The Water and Sewer Fund had the following notes payable on June 30, 2024:

Type	Maturity Date	Interest Rate	Current Balance
Water Fund			
State Revolving Loan Fund	07/2037	1.12%	\$ 508,552
Total Sewer Fund Long-Term Debt			<u>\$ 508,552</u>
Sewer Fund			
PBA Loan Agreement	8/2043	5.84%	7,000,000
PBA Loan Agreement	8/2043	5.31%	108,000
Clean Water State Revolving Loan Fund	5/2040	1.60%	821,972
Tennessee Municipal Bond Fund	Dec-28	1.97%	655,000
Total Sewer Fund Long-Term Debt			<u>\$ 8,584,972</u>

State Revolving Loan Fund 2016-369 - The Town entered into an agreement with the Tennessee Department of Environment and Conservation and the Tennessee Local Development Authority to secure a loan in the amount of \$1,010,365 for purpose of financing a wastewater facilities project. The loan included a portion that was treated as loan forgiveness by the State of Tennessee that occurred during the fiscal year 2018. The loan is secured by revenues of the Town.

PBA Loan Agreement \$7,000,000 – The Town entered into a loan agreement with the Public Building Authority of the Town of Clarksville, Tennessee to borrow funds for the Sewer Fund’s construction of waste water improvements. This agreement is considered a balloon indebtedness because it has a scheduled put option at the end of 5 years. The Board understands in full that it may be required to either pay in full or refund the outstanding debt in the event that the Bank exercises it’s Put Option on the scheduled Put Option Date. The loan is payable from any and all funds of the Town. In the event of default, the Bank may declare all loan repayments immediately due.

PBA Loan Agreement \$18,000,000 – The Town entered into a loan agreement with the Public Building Authority of the Town of Clarksville, Tennessee to borrow funds for the Sewer Fund’s construction of waste water improvements. This agreement is considered a balloon indebtedness because it has a scheduled put option at the end of 5 years. The Board understands in full that it may be required to either pay in full or refund the outstanding debt in the event that the Bank exercises it’s Put Option on the scheduled Put Option Date. The loan is payable from any and all funds of the Town. In the event of default, the Bank may declare all loan repayments immediately due.

At June 30, 2024 the Town had only drawn \$108,000 of the loan funds. They still have \$17,892,000 to draw.

**TOWN OF OAKLAND, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

Clean Water State Revolving Loan Fund 2016-179 - The Town entered into a construction loan agreement to borrow funds from U.S. Environmental Protection Agency and the State of Tennessee under a capitalization grant for clean water state revolving funds in the amount of \$1,249,850. The loan is secured by revenues of the Town.

Sewer Capital Outlay Notes - The Town entered into a loan agreement with TML Bond Fund Alternative Loan Program for capital outlay note proceeds for a wastewater treatment plant project. The Town had received the full \$900,000 in funding as of June 30, 2022. The loan is secured by revenues of the Town.

Other

The Town has no unused lines of credit.

Outstanding notes from direct borrowings through the State of Tennessee Revolving Loan Program contain a provision that in the event of default, the State of Tennessee shall withhold such sum or part of sum from any State-Shared Taxes which are otherwise apportioned to the Local Government and pay only such sums necessary to liquidate the delinquency of the Local Government to the Tennessee Local Development Authority for deposit into the fund.

The government's other outstanding note and bonds from direct borrowings and direct placements contain provisions that, upon event of default, the lender may declare all unpaid principal and interest to be immediately due and payable as well as pursue all available legal and equitable remedies.

The following is a summary of total future debt service requirements for the Town:

Year Ending June 30,	<u>Notes Payable</u> Governmental Activities		<u>Bonds Payable</u> Governmental Activities		<u>Notes Payable</u> Business-type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 160,000	\$ 7,443	\$ 215,000	\$ 115,318	\$ 363,032	\$ 471,733
2026	163,000	4,504	221,000	110,137	414,172	420,185
2027	163,000	1,511	226,000	104,811	430,336	404,283
2028	-	-	231,000	99,364	446,512	387,571
2029	-	-	237,000	93,798	463,700	370,038
2030-2034	-	-	1,274,000	380,466	1,894,076	1,589,010
2035-2039	-	-	1,435,000	219,429	2,334,528	1,068,281
2040-2044	-	-	584,995	45,958	2,639,168	395,559
Totals	\$ 486,000	\$ 13,458	\$ 4,423,995	\$ 1,169,281	\$ 8,985,524	\$ 5,106,660

Long-term liability activity for the year ended June 30, 2024, was as follows:

**TOWN OF OAKLAND, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

	<u>Balance 7/1/2023</u>	<u>Issues or Additions</u>	<u>Retirements or Refundings</u>	<u>Balance 6/30/2024</u>	<u>Due Within One Year</u>
Governmental Activities					
Notes payable	\$ 646,000	\$ -	\$ 160,000	\$ 486,000	\$ 160,000
Bonds payable	3,928,552	705,443	210,000	4,423,995	215,000
Compensated absences	198,782	26,301	-	225,083	-
Total governmental activities	<u>4,773,334</u>	<u>731,744</u>	<u>370,000</u>	<u>5,135,078</u>	<u>375,000</u>
Business-type Activities					
Notes payable	2,190,416	7,108,000	204,892	9,093,524	471,032
Compensated absences	39,208	928	-	40,136	-
Total business-type activities	<u>2,229,624</u>	<u>7,108,928</u>	<u>204,892</u>	<u>9,133,660</u>	<u>471,032</u>
Total government	<u>\$ 7,002,958</u>	<u>\$ 7,840,672</u>	<u>\$ 574,892</u>	<u>\$ 14,268,738</u>	<u>\$ 846,032</u>

Governmental-type compensated absences have been paid in prior years by the General Fund.

3.F. INTERFUND TRANSACTIONS AND BALANCES

Interfund Receivables Payables

	<u>Due To:</u>				
	<u>Fire Fund</u>	<u>Drug Fund</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Due From:					
General	\$ 55,233	\$ 1,709	\$ 7,575	\$ 9,363	\$ 73,880
Solid Waste	-	-	12,972	-	12,972
	<u>\$ 55,233</u>	<u>\$ 1,709</u>	<u>\$ 20,547</u>	<u>\$ 9,363</u>	<u>\$ 86,852</u>

At June 30, 2024, amounts to be received or paid with current available resources are reported as receivable and payable to other funds. Outstanding balances result from the time lag between the dates reimbursable expenditures occur and payments between funds are made.

Operating Transfers

There were no operating transfers during the fiscal year ending 6/30/2024.

NOTE 4. PUBLIC EMPLOYEE PENSION PLAN OF TCRS

4.A. General Information about the Pension Plan

Plan Description

Employees of the Town 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

**TOWN OF OAKLAND, TENNESSEE
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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/Reproting-and-Investment-Policies>.

Benefits Provided

Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member’s highest five consecutive year average compensation and the member’s years of service credit. Reduced benefits for early retirement are available at age 55 and vested. Members vest with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for 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.

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

Employees Covered by Benefit Term

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

Inactive employees or beneficiaries currently receiving benefits	19
Inactive employees entitled to but not yet receiving benefits	77
Active employees	74
Total Employees	170

Contributions

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute 5 percent of salary. The Town makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2024, employer contributions were \$239,885 based on a rate of 6.00 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the Town’s state shared taxes if required employer contributions are not remitted. The employer’s actuarially determined contribution (“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.

**TOWN OF OAKLAND, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

4.B. Net Pension Liability (Asset)

Pension Liabilities (Assets)

The Town's net pension liability (asset) was measured as of June 30, 2023, and the total 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 the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	Graded salary ranges from 8.72% to 3.44% based on age, including inflation, averaging 4.00%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation
Cost-of-living Adjustment	2.125%

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

The actuarial assumptions used in the June 30, 2023 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:

**TOWN OF OAKLAND, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

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%
		<u>100%</u>

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

Discount Rate. The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from the Town will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board 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 benefits payments to determine the total pension liability.

**TOWN OF OAKLAND, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

Changes in the Net Pension Liability (Asset)

	Total Pension Liability (a)	Increase(Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at 6/30/22	\$ 5,621,838	\$ 5,654,407	\$ (32,569)
Changes for the year:			
Service cost	347,084	-	347,084
Interest	398,104	-	398,104
Differences between expected and actual experience	101,074	-	101,074
Changes in assumptions	-	-	-
Contributions - employer	-	192,095	(192,095)
Contributions - employees	-	185,064	(185,064)
Net investments income	-	387,792	(387,792)
Benefit payments, including refunds of employee contributions	(142,171)	(142,171)	-
Administration expenses	-	(5,566)	5,566
Net changes	704,091	617,214	86,877
Balances at 6/03/23	\$ 6,325,929	\$ 6,271,621	\$ 54,308

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Oakland's net pension liability (asset)	\$ 1,225,954	\$ 54,308	\$ (885,460)

4.C. Pension Expense (Negative Pension Expense) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Pensions

Pension Expense. For the year ended June 30, 2024, the Town recognized pension expense (negative pension expense) of \$254,367.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**TOWN OF OAKLAND, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 320,075	\$ 119,635
Net difference between projected and actual earnings on pension plan investments	57,739	-
Changes in assumptions	248,155	-
Contributions subsequent to the measurement date of June 30, 2023	239,885	(n/a)
	<u>\$ 865,854</u>	<u>\$ 119,635</u>

The amount shown above for “contributions subsequent to the measurement date of June 30, 2023,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

Year Ended June 30:	
2025	\$ 71,998
2026	52,673
2027	234,406
2028	94,324
2029	52,949
Thereafter	-

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

Payable to the Pension Plan

At June 30, 2024, the Town reported no payable for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2024.

NOTE 5. OTHER NOTES

5.A. RISK MANAGEMENT

The Town 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. The Town considers it more economically feasible to participate in a public entity risk pool as opposed to purchasing commercial insurance for its general liability, workers’ compensation, and property and casualty insurance. As such, the Town participates in the Public Entity Partners Insurance Pool (“PEP Pool”), which is a public entity risk pool consisting of member political subdivisions of the State of Tennessee that works in many ways like a traditional insurer. Members can obtain typical insurance coverage limits and deductible options at reasonable rates according to their risk tolerance while the PEP Pool provides traditional underwriting,

TOWN OF OAKLAND, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

re-insurance, claims processing and loss control services. Unlike commercial insurance, the PEP Pool offers the opportunity to earn a pro-rata refund of the surplus premiums according to the Town's premiums paid and its favorable loss experience in recent years. Each political subdivision that has participated in the PEP Pool is subject to assessment if the funds it paid as premiums are insufficient to meet the obligations of the PEP Pool. The PEP Pool may reinsure through the Local Government Reinsurance Fund of Tennessee or a commercial insurance company. The Town has not incurred any losses in excess of commercial insurance coverage for the past three fiscal years.

5.B. COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

From time to time, lawsuits against the Town are ongoing. The ultimate outcome of the actions is not determinable; however, Town officials believe that the outcome of these proceedings, either singularly or in aggregate, will not have a material adverse effect on the accompanying general purpose financial statements.

The Town has committed to a Wastewater Treatment Plant Project with an estimated cost of \$27 million. As of June 30, 2024, the Town received \$2,476,074 in ARPA funds. A bond of \$18,000,000 has been approved with TMLF and an additional line of credit of \$7,000,000 which has been received to complete this project. The Town has recorded \$5,16,216 in total costs in construction as of June 30, 2024 with all of the \$2,476,074 in ARPA funds being spent along with \$2,700,142 of the \$7,000,000 bond proceeds.

The Town has an ongoing capital parks project with estimated costs of \$8 million. Phase two will cost approximately \$5 million. This will be paid with a \$2.5 million 2023 Public Recreation Grant from TDEC that the Town has been awarded. This is a 50/50 matching grant, and the Town will be obligated to match these funds of \$2.5 million. The local option sales tax of 0.5% for Parks and Recreation will help to meet this obligation. The Town has recorded \$5,944,277 total cost in construction as of June 30, 2024.

**TOWN OF OAKLAND, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 6. RESTATEMENTS OF BEGINNING BALANCES

4.G. PRIOR PERIOD ADJUSTMENTS

The Town has made adjustments to correct errors in previous year’s financial statements. They are listed as follows:

Government-Wide

Governmental Activities

The Town made an adjustment to record capital assets that had not been recorded in prior years. The entry increased infrastructure \$38,849,210, increased the accumulated depreciation by \$20,670,042, and increased net position by \$18,179,168.

Business-type Activities

The Town made an adjustment to record capital assets that had not been recorded in prior years. The entry increased infrastructure \$25,907,712, increased the accumulated depreciation by \$10,404,672, and increased net position by \$15,503,035.

Propriety Funds

Water Fund

The Town made an adjustment to record capital assets that had not been recorded in prior years. The entry increased infrastructure \$25,907,712, increased the accumulated depreciation by \$10,404,672, and increased net position by \$15,503,035.

	<u>Net Position/fund balance 6/30/2023 as previously reported</u>	<u>Adjustment Capital Assets Added</u>	<u>Net Position/fund balance 6/30/2023 as restated</u>
Government-wide			
Governmental activities	\$ 24,433,202	\$ 18,179,168	\$ 42,612,370
Business-type activities	26,114,746	15,503,035	41,617,781
Total government-wide	<u>\$ 50,547,948</u>	<u>\$ 33,682,203</u>	<u>\$ 84,230,151</u>
Proprietary funds			
Enterprise funds			
Major Funds:			
Water Fund	\$ 26,114,746	\$ 15,503,035	\$ 41,617,781
Total enterprise funds	<u>\$ 26,114,746</u>	<u>\$ 15,503,035</u>	<u>\$ 41,617,781</u>

TOWN OF OAKLAND TENNESSEE
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
BASED ON PARTICIPATION IN THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS
LAST FISCAL YEAR ENDING JUNE 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total pension liability									
Service cost	\$ 161,553	\$ 177,150	\$ 202,093	\$ 216,307	\$ 221,526	\$ 239,337	\$ 256,707	\$ 307,987	\$ 347,084
Interest	154,467	179,112	202,347	222,299	237,541	276,634	308,306	342,697	398,104
Differences between actual and expected experience	67,304	9,198	(58,492)	(147,841)	144,836	(24,002)	(100,927)	252,720	101,074
Change in assumptions	-	-	64,280	-	-	-	409,273	-	-
Benefit payments, including refunds of employee contributions	(39,521)	(101,114)	(60,091)	(52,320)	(119,189)	(45,801)	(99,169)	(101,135)	(142,171)
Net change in total pension liability	343,803	264,346	350,137	238,445	484,714	446,168	774,190	802,269	704,091
Total pension liability, beginning	1,917,766	2,261,569	2,525,915	2,876,052	3,114,497	3,599,211	4,045,379	4,819,569	5,621,838
Total pension liability, ending (a)	\$ 2,261,569	\$ 2,525,915	\$ 2,876,052	\$ 3,114,497	\$ 3,599,211	\$ 4,045,379	\$ 4,819,569	\$ 5,621,838	\$ 6,325,929
Plan fiduciary net position									
Contributions - employer	\$ 111,335	\$ 113,023	\$ 120,748	\$ 122,049	\$ 138,255	\$ 148,388	\$ 152,355	\$ 161,367	\$ 192,095
Contributions - employee	112,213	114,165	121,968	123,282	139,652	149,888	153,894	162,997	185,064
Net investment income	67,167	63,661	297,562	257,768	263,098	198,221	1,139,814	(220,620)	387,792
Benefit payments, including refunds of employee contributions	(39,521)	(101,114)	(60,091)	(52,320)	(119,189)	(45,801)	(99,169)	(101,135)	(142,171)
Administrative expense	(2,781)	(4,215)	(4,996)	(5,639)	(5,680)	(5,847)	(5,999)	(6,967)	(5,566)
Net change in plan fiduciary net position	248,413	185,520	475,191	445,140	416,136	444,849	1,340,895	(4,358)	617,214
Plan fiduciary net position - beginning	2,102,621	2,351,034	2,536,554	3,011,745	3,456,885	3,873,021	4,317,870	5,658,765	5,654,407
Plan fiduciary net position - ending (b)	\$ 2,351,034	\$ 2,536,554	\$ 3,011,745	\$ 3,456,885	\$ 3,873,021	\$ 4,317,870	\$ 5,658,765	\$ 5,654,407	\$ 6,271,621
Net pension liability (asset) - ending (a) - (b)	\$ (89,465)	\$ (10,639)	\$ (135,693)	\$ (342,388)	\$ (273,810)	\$ (272,491)	\$ (839,196)	\$ (32,569)	\$ 54,308
Plan fiduciary net position as a percentage of total pension liability	103.96%	100.42%	104.72%	110.99%	107.61%	106.74%	117.41%	100.58%	99.14%
Covered-employee payroll	\$ 2,249,200	\$ 2,283,297	\$ 2,439,355	\$ 2,465,632	\$ 2,793,040	\$ 2,997,743	\$ 3,077,879	\$ 3,840,286	\$ 3,701,254
Net pension liability (asset) as a percentage of covered-employee payroll	-3.98%	-0.47%	-5.56%	-13.89%	-9.80%	-9.09%	-27.27%	-0.85%	1.47%

Notes to Schedule

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

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

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

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

TOWN OF OAKLAND, TENNESSEE
SCHEDULE OF PLAN CONTRIBUTIONS BASED ON PARTICIPATION IN THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS
FISCAL YEAR ENDING JUNE 30,

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Actuarially determined contribution	\$ 111,335	\$ 113,023	\$ 93,183	\$ 98,379	\$ 111,163	\$ 110,317	\$ 113,266	\$ 217,895	\$ 192,095	\$ 239,885
Contributions in relation to the actuarially determined contribution	<u>111,335</u>	<u>113,023</u>	<u>120,748</u>	<u>122,049</u>	<u>138,255</u>	<u>148,388</u>	<u>152,355</u>	<u>161,707</u>	<u>192,095</u>	<u>239,885</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (27,565)</u>	<u>\$ (23,670)</u>	<u>\$ (27,092)</u>	<u>\$ (38,071)</u>	<u>\$ (39,089)</u>	<u>\$ 56,188</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 2,249,200	\$ 2,283,297	\$ 2,439,355	\$ 2,465,632	\$ 2,793,040	\$ 2,997,743	\$ 3,077,879	\$ 3,261,901	\$ 3,701,254	\$ 3,998,070
Contributions as a percentage to covered-employee payroll	-4.95%	-4.95%	-4.95%	-4.95%	-4.95%	-4.95%	-4.95%	-4.96%	-5.19%	-6.00%

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

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

**TOWN OF OAKLAND, TENNESSEE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024**

Valuation date: Actuarially determined contribution rates for fiscal year 2024 were calculated based on the June 30, 2022 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%
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%

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 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; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

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

**TOWN OF OAKLAND, TENNESSEE
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024**

	<u>Special Revenue Funds</u>			<u>Total Other Governmental Funds</u>
	<u>State Street Aid</u>	<u>Drug Fund</u>	<u>Fire Fund</u>	
ASSETS				
Cash and cash equivalents	\$ 237,162	\$ 256,694	\$ 90,953	\$ 584,809
Due from other funds	-	1,709	55,233	56,942
Due from other governments	54,625	-	-	54,625
TOTAL ASSETS	<u>\$ 291,787</u>	<u>\$ 258,403</u>	<u>\$ 146,186</u>	<u>\$ 696,376</u>
 LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 1,644	\$ -	\$ 21,666	\$ 23,310
Unearned revenue	-	14,281	-	14,281
TOTAL LIABILITIES	<u>1,644</u>	<u>14,281</u>	<u>21,666</u>	<u>37,591</u>
 FUND BALANCES				
<i>Nonspendable</i>				
Inventory	-	-	-	-
<i>Restricted</i>				
State street aid	290,143	-	-	290,143
Drug fund	-	244,122	-	244,122
Fire fund	-	-	124,520	124,520
TOTAL FUND BALANCES	<u>290,143</u>	<u>244,122</u>	<u>124,520</u>	<u>658,785</u>
 TOTAL LIABILITES AND FUND BALANCES	<u>\$ 291,787</u>	<u>\$ 258,403</u>	<u>\$ 146,186</u>	<u>\$ 696,376</u>

See Independent Auditor's Report

TOWN OF OAKLAND, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	<u>Special Revenue Funds</u>			<u>Total Other Governmental Funds</u>
	<u>State Street Aid</u>	<u>Drug Fund</u>	<u>Fire Fund</u>	
Revenues:				
Intergovernmental	\$ 312,516	\$ -	\$ -	\$ 312,516
Fines, fees, and forfeitures	-	4,301	133,512	137,813
Other revenues	10,191	13,134	16,815	40,140
Total Revenues	<u>322,707</u>	<u>17,435</u>	<u>150,327</u>	<u>490,469</u>
Expenditures:				
Public safety	-	-	7,595	7,595
Public works	454,421	-	-	454,421
Debt service	167,158	-	-	167,158
Capital outlay	-	47,797	451,098	498,895
Total Expenditures	<u>621,579</u>	<u>47,797</u>	<u>458,693</u>	<u>1,128,069</u>
Revenues Over (Under) Expenditures	<u>(298,872)</u>	<u>(30,362)</u>	<u>(308,366)</u>	<u>(637,600)</u>
Other financing sources and (uses)				
Operating transfer in	-	-	-	-
Sale of capital assets	-	2,025	-	2,025
Total other financing sources and (uses)	<u>-</u>	<u>2,025</u>	<u>-</u>	<u>2,025</u>
Net Change In Fund Balance	<u>(298,872)</u>	<u>(28,337)</u>	<u>(308,366)</u>	<u>(635,575)</u>
Fund Balances at Beginning of Year	<u>589,015</u>	<u>272,459</u>	<u>432,886</u>	<u>1,294,360</u>
Fund Balances at End of Year	<u>\$ 290,143</u>	<u>\$ 244,122</u>	<u>\$ 124,520</u>	<u>\$ 658,785</u>

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TOWN OF OAKLAND, TENNESSEE
STATE STREET AID FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental				
State gas and motor fuel tax	\$ 312,760	\$ 312,760	\$ 160,332	\$ (152,428)
Gas 1989 tax	16,360	16,360	25,066	8,706
Gas 3 cent tax	46,500	46,500	46,284	(216)
Gas 2017 tax	65,670	65,670	80,834	15,164
Other revenues				
Interest income	5,200	5,200	10,191	4,991
Total Revenues	<u>446,490</u>	<u>446,490</u>	<u>322,707</u>	<u>(123,783)</u>
Expenditures:				
Street lighting	34,200	34,200	20,429	13,771
Publication of legal notices	-	-	-	-
Legal fees	-	-	-	-
Consulting services	6,000	6,000	-	6,000
Engineering services	48,000	48,000	57,950	(9,950)
Repair and maintenance - equipment	12,000	12,000	15,087	(3,087)
Repair and maintenance - streets	4,800	4,800	357,779	(352,979)
Materials and asphalt	5,400	5,400	-	5,400
Debt payments	167,330	167,330	170,334	(3,004)
Capital outlay	356,000	356,000	-	356,000
Total Expenditures	<u>633,730</u>	<u>633,730</u>	<u>621,579</u>	<u>12,151</u>
Revenues Over (Under) Expenditures	<u>(187,240)</u>	<u>(187,240)</u>	<u>(298,872)</u>	<u>(111,632)</u>
	-			
Other financing sources and (uses)				
Proceeds from new debt	793,893	824,819	-	(824,819)
Total other financing sources and (uses)	<u>793,893</u>	<u>824,819</u>	<u>-</u>	<u>(824,819)</u>
Net Change In Fund Balance	<u>\$ 606,653</u>	<u>\$ 637,579</u>	(298,872)	<u>\$ (936,451)</u>
Fund Balances at Beginning of Year			589,015	
Fund Balances at End of Year			<u>\$ 290,143</u>	

See Independent Auditor's Report

**TOWN OF OAKLAND, TENNESSEE
 DRUG FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2024**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines, fees, and forfeitures	\$ 18,000	\$ 18,000	\$ 4,301	\$ (13,699)
Other revenues				
Interest income	1,200	-	13,134	13,134
Total Revenues	<u>19,200</u>	<u>18,000</u>	<u>17,435</u>	<u>(565)</u>
Expenditures:				
Public Safety				
Other services and charges	600	600	-	600
Professional services	1,000	1,000	-	1,000
Towing	500	500	-	500
Equipment/small items	50,000	50,000	-	50,000
Capital outlay	38,000	38,000	47,797	(9,797)
Total Expenditures	<u>90,100</u>	<u>90,100</u>	<u>47,797</u>	<u>42,303</u>
Other financing sources and (uses)				
Sale of capital assets	-	-	2,025	2,025
Total other financing sources and (uses)	<u>-</u>	<u>-</u>	<u>2,025</u>	<u>2,025</u>
Revenues Over (Under) Expenditures	<u>\$ (70,900)</u>	<u>\$ (72,100)</u>	<u>\$ (28,337)</u>	<u>43,763</u>
Fund Balances at Beginning of Year			<u>272,459</u>	
Fund Balances at End of Year			<u>\$ 244,122</u>	

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**TOWN OF OAKLAND, TENNESSEE
FIRE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2024**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines, fees, and forfeitures				
Fire protection fees	\$ 112,000	\$ 112,000	\$ 133,512	\$ 21,512
Other revenues				
Interest income	5,000	5,000	16,815	11,815
Total Revenues	<u>117,000</u>	<u>117,000</u>	<u>150,327</u>	<u>33,327</u>
Expenditures:				
Engineering services	172,300	172,300	7,595	164,705
Capital outlay	426,300	426,300	451,098	(24,798)
Total Expenditures	<u>598,600</u>	<u>598,600</u>	<u>458,693</u>	<u>139,907</u>
Revenues Over (Under) Expenditures	<u>(481,600)</u>	<u>(481,600)</u>	<u>(308,366)</u>	<u>173,234</u>
Other financing sources and (uses)				
Operating transfer in	-	200,000	-	(200,000)
Total other financing sources and (uses)	<u>-</u>	<u>200,000</u>	<u>-</u>	<u>(200,000)</u>
Net Change In Fund Balance	<u>\$ (481,600)</u>	<u>\$ (281,600)</u>	(308,366)	<u>\$ (26,766)</u>
Fund Balances at Beginning of Year			<u>432,886</u>	
Fund Balances at End of Year			<u>\$ 124,520</u>	

See Independent Auditor's Report

TOWN OF OAKLAND, TENNESSEE
SCHEDULE OF LONG-TERM DEBT PRINCIPAL AND INTEREST REQUIREMENTS BY
FISCAL YEAR - WATER FUND
JUNE 30, 2024

Year Ending June 30,	Notes Payable	
	Loan Program 2016-179	
	Principal	Interest
2025	\$ 36,312	\$ 5,508
2026	36,720	5,100
2027	37,128	4,692
2028	37,548	4,272
2029	37,968	3,852
2030	38,400	3,420
2031	38,832	2,988
2032	39,264	2,556
2033	39,708	2,112
2034	40,152	1,668
2035	40,608	1,212
2036	41,064	756
2037	41,508	312
2038	3,340	36
	<u>\$ 508,552</u>	<u>\$ 38,484</u>

TOWN OF OAKLAND, TENNESSEE
SCHEDULE OF LONG-TERM DEBT PRINCIPAL AND INTEREST REQUIREMENTS BY FISCAL YEAR - SEWER FUND
JUNE 30, 2024

Year Ending June 30,	Notes Payable						Grand Total	
	PBA Loan \$7,000,000		Loan Program 2016-369		Series 2021 CON		Principal	Interest
	Principal	Interest	Principal	Interest	Principal	Interest		
2025	\$ 155,000	\$ 441,747	\$ 45,720	\$ 12,816	\$ 126,000	\$ 11,662	\$ 326,720	\$ 466,225
2026	202,000	393,850	46,452	12,084	129,000	9,151	377,452	415,085
2027	215,000	381,673	47,208	11,328	131,000	6,590	393,208	399,591
2028	228,000	368,738	47,964	10,572	133,000	3,989	408,964	383,299
2029	241,000	355,043	48,732	9,804	136,000	1,339	425,732	366,186
2030	256,000	340,530	49,524	9,012	-	-	305,524	349,542
2031	271,000	325,142	50,316	8,220	-	-	321,316	333,362
2032	287,000	308,848	51,132	7,404	-	-	338,132	316,252
2033	305,000	291,562	51,960	6,576	-	-	356,960	298,138
2034	323,000	273,224	52,788	5,748	-	-	375,788	278,972
2035	342,000	253,806	53,640	4,896	-	-	395,640	258,702
2036	363,000	233,220	54,504	4,032	-	-	417,504	237,252
2037	385,000	211,378	55,392	3,144	-	-	440,392	214,522
2038	408,000	188,223	56,280	2,256	-	-	464,280	190,479
2039	433,000	163,666	57,192	1,344	-	-	490,192	165,010
2040	459,000	137,619	53,168	426	-	-	512,168	138,045
2041	486,000	110,025	-	-	-	-	486,000	110,025
2042	515,000	80,796	-	-	-	-	515,000	80,796
2043	547,000	49,786	-	-	-	-	547,000	49,786
2044	579,000	16,907	-	-	-	-	579,000	16,907
	<u>\$ 7,000,000</u>	<u>\$ 4,925,783</u>	<u>\$ 821,972</u>	<u>\$ 109,662</u>	<u>\$ 655,000</u>	<u>\$ 32,731</u>	<u>\$ 8,476,972</u>	<u>\$ 5,068,176</u>

Note: The Town is drawing on a PBA Loan of \$18,000,000.
They had only drawn \$108,000 as of June 30, 2024.
They have \$17,892,000 left to draw on this debt.

TOWN OF OAKLAND, TENNESSEE
SCHEDULE OF LONG-TERM DEBT PRINCIPAL AND INTEREST REQUIREMENTS BY FISCAL
YEAR - GENERAL LONG-TERM DEBT
JUNE 30, 2024

Year Ending June 30,	Notes Payable		Bonds Payable		Totals	
	Streets - Paving 2022		Parks 2022		Principal	Interest
	Principal	Interest	Principal	Interest		
2025	\$ 160,000	\$ 7,443	\$ 215,000	\$ 115,318	\$ 375,000	\$ 122,761
2026	163,000	4,504	221,000	110,137	384,000	114,641
2027	163,000	1,511	226,000	104,811	389,000	106,322
2028	-	-	231,000	99,364	231,000	99,364
2029	-	-	237,000	93,798	237,000	93,798
2030	-	-	243,000	88,085	243,000	88,085
2031	-	-	249,000	82,230	249,000	82,230
2032	-	-	254,000	76,228	254,000	76,228
2033	-	-	261,000	70,107	261,000	70,107
2034	-	-	267,000	63,816	267,000	63,816
2035	-	-	273,000	57,382	273,000	57,382
2036	-	-	280,000	50,803	280,000	50,803
2037	-	-	287,000	44,054	287,000	44,054
2038	-	-	294,000	37,138	294,000	37,138
2039	-	-	301,000	30,052	301,000	30,052
2040	-	-	308,000	22,798	308,000	22,798
2041	-	-	276,995	15,376	276,995	15,376
	\$ 486,000	\$ 13,458	\$ 4,423,995	\$ 1,161,497	\$ 4,909,995	\$ 1,174,955

Note: The Town is drawing on a TN Municipal Bond, Series 2022 as of June 30, 2024. They have drawn \$4,838,995 as of June 30, 2024. They have \$361,005 left to draw on this debt.

TOWN OF OAKLAND, TENNESSEE
SCHEDULE OF LONG -TERM DEBT ISSUE BY INDIVIDUAL ISSUE
JUNE 30, 2024

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7/1/2023	Issued During Period	Paid and/or Matured During Period	Outstanding 6/30/2024
Governmental Activities								
Notes Payable								
Payable through General Fund								
Capital Outlay Note, Series 2021	\$ 800,000	1.82%	9/30/2021	9/1/2026	\$ 646,000	\$ -	\$ 160,000	\$ 486,000
TN Municipal Bond, Series 2022 (Note 1)	\$ 5,200,000	2.41%	3/5/2022	2/1/2042	3,928,552	705,443	210,000	4,423,995
Total Notes Payable through the Governmental Activities					<u>\$ 4,574,552</u>	<u>\$ 705,443</u>	<u>\$ 370,000</u>	<u>\$ 4,909,995</u>
Business-Type Activities								
Notes Payable								
Payable through Water Fund								
DGS 2016-179	\$ 1,249,850	1.12%	8/2016	7/2037	544,456	-	35,904	508,552
Payable through Sewer Fund								
PBA Loan Agreement \$7 million	\$ 7,000,000	5.84%	12/28/2023	8/2043	-	7,000,000	-	7,000,000
PBA Loan Agreement \$18 million (Note 2)	\$ 18,000,000	5.31%	8/31/2023	8/2043	-	108,000	-	108,000
SRF 2016-369	\$ 1,001,243	1.60%	6/2017	5/2040	866,960	-	44,988	821,972
TMBF Series 2021	\$ 900,000	1.97%	12/1/2021	12/2028	779,000	-	124,000	655,000
Total Notes Payable through Business-Type Activities					<u>\$ 2,190,416</u>	<u>\$ 7,108,000</u>	<u>\$ 204,892</u>	<u>\$ 9,093,524</u>

Note 1 - These bonds are still being drawn on. The Town is making payments according to the amortization schedule.

Note 2 - This loan is still being drawn on. The Town is making payments according to the amortization schedule.

TOWN OF OAKLAND, TENNESSEE

SCHEDULE OF CHANGES IN PROPERTY TAXES RECEIVABLE AND DELINQUENT AMOUNTS FILED WITH CHANCERY COURT

FOR THE YEAR ENDED JUNE 30, 2024

Levy for Year	Tax Rate	Assessed Value	Original Tax Levy	Outstanding Taxes Beginning	Taxes Levied	Releases and Adjustments	Collections	Outstanding Taxes Ending	Filed with Chancery Court
2024	0.6342	\$ 344,946,032	\$ 2,187,648	\$ -	\$ 2,187,648	\$ -	\$ -	\$ 2,187,648	\$ -
2023	0.4212	334,358,409	2,120,531	2,100,425	20,106	893	2,076,747	44,677	-
2022	0.4212	316,609,987	1,333,552	22,642	-	1,227	10,479	13,390	-
2021	0.4212	296,107,456	1,247,183	16,571	-	(96)	9,572	6,903	6,903
2020	0.522	235,406,097	1,228,838	7,144	-	(20)	7,036	88	88
2019	0.522	222,654,813	1,179,190	563	-	(13)	159	391	391
2018	0.58	214,213,941	296,138	226	-	(19)	162	45	45
2017	0.2714	206,449,818	293,726	106	-	(7)	81	18	18
2016	0.29	185,463,426	320,872	43	-	(1)	27	15	15
2015	0.29	178,766,466	284,469	33	-	(1)	17	15	15
2014	0.29	174,488,519	289,801	377	-	-	3	374	374
				<u>\$ 2,148,130</u>	<u>\$ 2,207,754</u>	<u>\$ 1,963</u>	<u>\$ 2,104,283</u>	<u>\$ 2,253,564</u>	<u>\$ 7,849</u>

**TOWN OF OAKLAND, TENNESSEE
SCHEDULE OF UTILITY RATES AND CUSTOMERS
JUNE 30, 2024**

<u>Service</u>	<u>Consumers</u>
Water	6,011
Sewer	4,830
Sanitation	4,545

Water and Sewer Rates

*Sewer rates for the Town of Oakland are 100 percent of the water charge.
(September 1, 2023 minimum gallons changed from 3,000 gal to 2,500 gal.)*

Consumers inside the corporate limits:

<u>Residential</u>	<u>July - Dec 2023</u>		<u>Jan - Jun 2024</u>	
Minimum charge (includes the first 2,500 gallons after Sept. 1 2023)	\$	11.20	\$	17.47
Over 2,500 gallons	\$	3.20	per thousand gallons	\$ 4.99

*A sewer fee adjustment will automatically be applied for usage during the months of June, July, and August each year.
The maximum residential charge will be \$18.00.*

<u>Commercial</u>				
Minimum charge (includes the first 2,500 gallons after Sept. 1 2023)	\$	16.96	\$	26.48
Over 2,500 gallons	\$	4.80	per thousand gallons	\$ 7.49

Consumers outside the corporate limits:

<u>Residential and Commercial</u>				
Minimum charge (includes the first 2,500 gallons after Sept. 1 2023)	\$	24.96	\$	24.96
Over 2,500 gallons	\$	6.08	per thousand gallons	\$ 6.08
3,001-5,000 gallons	\$	3.20	per thousand gallons	\$ 3.20

(As of Jan 1, there is no longer a different rate for over 5,000 gallons)

Sanitation Rates

1 Residential can	\$	13.52	\$	28.50
Each additional can up to 6 canx	\$	6.00 per can	\$	10.00 per can
6 Yard Dumpster	\$	78.04	\$	126.50

**TOWN OF OAKLAND, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2024**

Federal Agency/Pass-through Agency	Program Name	Federal Assistance Listings Number	Pass-through Entity Identifying Number	Expenditures
Federal Awards				
U.S. Department of Homeland Security	High Visibility Enforcement of Tennessee Traffic Safety Laws	20.607	Z23THS209	\$ 178
U.S. Department of Homeland Security	High Visibility Enforcement of Tennessee Traffic Safety Laws	20.607	Z24THS377	1,879
	<i>Total Program 20.607</i>			<u>2,057</u>
US Department of the Treasury	Coronavirus State and Local Fiscal Recovery Funds	21.027	"not provided"	2,476,074
	TOTAL FEDERAL AWARDS			<u>\$ 2,478,131</u>
State Financial Assistance				
State Law Enforcement Supplement		N/A	N/A	\$ 11,200
State Fire Grant Supplement		N/A	N/A	10,400
	TOTAL STATE AWARDS			<u>\$ 21,600</u>

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

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

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

Note 4 - At June 30, 2024, there was an outstanding balance of \$508,552 and \$821,972 on state revolving fund loans DG5 16-179 and SRF 16-369, respectively. Payments during the current fiscal year were \$35,904 and \$44,988 on DG516-179 and SRF 16-369, respectively.



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

To the Mayor and Board of Aldermen
Town of Oakland, Tennessee

We were engaged to audit, 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 Town of Oakland, Tennessee (the Town), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town 's basic financial statements and have issued our report thereon dated December 5, 2025. Our report disclaims an opinion on such financial statements because the accounting and related records for the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information were not sufficient to allow us to express an opinion on these financial statements.

Report on Internal Control over Financial Reporting

In connection with our engagement to audit the financial statements of the Town, we considered the Town'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 Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the schedule of findings and questioned costs as findings 2024- 001 thru 2024 - 004 and 2024 - 009 to be material weaknesses.

Report on Compliance and Other Matters

In connection with our engagement to audit the financial statements of the City, 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2024 – 005 thru and 2024 – 008.

Town 's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on The Town 's response to the findings identified in our audit is described in the accompanying schedule of findings. The Town 's response was not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Wickburg Accounting + LLC

Lewisburg, Tennessee
December 5, 2025



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

To the Mayor and Board of Aldermen
Town of Oakland, Tennessee

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Town of Oakland, Tennessee's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Town of Oakland, Tennessee's major federal programs for the year ended June 30, 2024. Town of Oakland, Tennessee's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Town of Oakland, Tennessee complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our auditing procedures disclosed one instance of noncompliance which is required to be reported in accordance with the Uniform Guidance, and which is described in the accompanying schedule of findings and questioned costs as item 2024 – 012. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024 – 010 and 2024 – 011 to be material weaknesses.

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

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

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

Wickburg Accounting + LLC

Lewisburg, Tennessee
December 5, 2025

**TOWN OF OAKLAND, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024**

Section I – Summary of Independent Auditor’s Results

Financial Statements

- | | |
|--|---------------|
| 1. Type of auditor’s report issued: | Disclaimer |
| 2. Internal Control Over Financial Reporting: | |
| Material weaknesses identified? | Yes |
| Significant deficiencies identified? | None reported |
| 3. Noncompliance material to the financial statements noted? | Yes |

Federal Awards

- | | |
|---|---------------------------------------|
| 1. Internal Control Over Major Programs: | |
| Material weaknesses identified? | Yes |
| Significant deficiencies identified? | None reported |
| 2. Type of report auditor issued on compliance for major programs: | Unmodified |
| 3. Any audit findings disclosed that are required to be reported in Accordance with 2 CFR 200.516(a)? | Yes |
| 4. Identification of Major Federal Programs: | |
| <u>Program</u> | <u>Federal Assistance Listing No.</u> |
| Coronavirus State and Local Fiscal Recovery Funds | 21.027 |
| Dollar threshold for distinguishing Types A and B programs: | \$750,000 |
| 5. Auditee qualified as low-risk auditee? | No |

Section II – Financial Statement Findings

2024 – 001 Financial Statements Materially Misstated (Material Weakness)

Condition: There were various transactions misclassified and financial statements were materially misstated.

Criteria: Generally accepted accounting principles require the Town to have adequate internal controls over the maintenance of accounting records and employ an individual who has necessary skills, knowledge, and experience to oversee the accounting records. This requires the performing of a year-end closing process to accumulate, reconcile and summarize information for inclusion in the annual financial statements.

Cause: Oversight of Town personnel.

TOWN OF OAKLAND, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024

Effect: Financial statements were materially misstated because the Town's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. A disclaimer was issued on the Town's financial statements.

Management's Response: Management agrees. See separately issued Corrective Action Plan.

2024 – 002 Reconciliation of Subsidiary Ledgers (Material Weakness)

Condition: The Town failed to reconcile various subsidiary ledgers to the general ledger.

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

Cause: Oversight.

Effect: The monthly financial statements were materially misstated throughout the year.

Management's Response: Management agrees. See separately issued Corrective Action Plan.

2024 – 003 Bank Reconciliations (Material Weakness)

Condition: The Town failed to reconcile various bank accounts to the general ledger correctly. The accounts were not reconciled correctly each month. There were items posted to various cash accounts that were not on bank statements and there were items clearing the bank that were not posted on the general ledger. The General Fund operating checking account reconciliation was out of balance with the general ledger by \$91,509. The Town made an adjusting entry for \$12,972 to the Solid Waste checking account for it to balance. The Town made an adjustment for \$25,567 to the Water fund checking account for it to balance. And the Sewer Fund operating checking account reconciliation was out of balance with the general ledger by \$6,075.

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

Cause: Oversight.

Effect: The monthly financial statements were materially misstated throughout the year.

Management's Response: Management agrees. See separately issued Corrective Action Plan.

2024 – 004 Capital Assets (Material Weakness)

Condition: The Town did not have a complete listing and proper support for all its capital assets. There were capital expenditures made during the year on governmental funds that were not added to the capital asset schedule. Also, there were various sewer fund capital assets that were recorded on the water fund.

Criteria: Generally accepted accounting principles require that capital assets be identified separately by major classes or as non-depreciable assets and be reconciled accounting records.

Cause: Oversight.

Effect: Materially misstated government-wide, water fund and sewer fund financial statements.

Management's Response: Management agrees. See separately issued Corrective Action Plan.

2024 – 005 Expenditures Exceed Budgeted Appropriations (Noncompliance)

TOWN OF OAKLAND, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024

Condition: The expenditures exceeded budget appropriations in the Solid Waste Fund.

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

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

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

Recommendation: We recommend the Town monitoring spending and amend budget when needed.

Management’s Response: Management agrees. See separately issued Corrective Action Plan.

2024 – 006 Untimely Closing of Accounting Records (Noncompliance)

Condition: The Town did not close its accounting records until July 29, 2025.

Criteria: Section 9-2-102, Tennessee Code Annotated was amended to require all local governments to close their official accounting records and to have those records available for audit no later than two months after the close of their fiscal year.

Cause: Oversight.

Effect: Non-compliance with TCA.

Recommendation: The Town should take steps to close the accounting records within two months of the end of the fiscal year.

Management’s Response: Management agrees. See separately issued Corrective Action Plan.

2024 – 007 Noncompliance with Debt Requirements (Noncompliance)

Condition: The Town did not deposit debt proceeds into a “Loan Project Fund” bank account to be used for disbursements.

Criteria: The debt issue agreement Section 4.06 stated new debt proceeds to be put into an account designated as “Loan Project Fund” to be used for disbursements.

Cause: Oversight.

Effect: Non-compliance with debt agreement Section 4.06.

Recommendation: The Town should have deposited the debt proceeds into a “Loan Project Fund” bank account.

Management’s Response: Management agrees. See separately issued Corrective Action Plan.

TOWN OF OAKLAND, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024

2024 – 008 OLD OUTSTANDING CHECKS (Noncompliance)

Condition: The Town did not file an annual report with the State of Tennessee Department of Treasury on outstanding old checks.

Criteria: Tennessee law requires municipal governments to file annual reports with the State of Tennessee Department of Treasury by November 1 of each year for all tangible and intangible property that is presumed abandoned according to T.C.A. 66-29-101-155. Examples of unclaimed or abandoned property include meter deposits, uncashed payroll checks and outstanding vendor checks.

Cause: Oversight.

Effect: Non-compliance with Tennessee Unclaimed Property Act.

Recommendation: The Town should follow the Tennessee Unclaimed Property Act.

Management's Response: Management agrees. See separately issued Corrective Action Plan.

2024 – 009 Reporting of Earned Coronavirus State and Local Fiscal Recovery Funds (Material Weakness)

Condition: The Town did not adjust the financials to report on the proper amount of earned Coronavirus State and Local Fiscal Recovery Funds.

Criteria: Accounting standard ASC 606 requires recognizing revenue when it is earned. Grant funds received in advance are recorded in "unearned revenue" and as the funds are earned, the amounts are moved to "earned grant revenue".

Cause: The Town's procedures did not allow for the proper classification or timely reporting of information required for financial reporting. The Town's process did not allow for evidence to support internal controls in place over the preparation of the Schedule of Federal Expenditures.

Effect: Adjustments were made to the financial statements in order to fairly present the amount of Coronavirus State and Local Fiscal Recovery Funds earned in the financial statements. Further, the internal control environment is weakened.

Recommendation: We recommend the Town review its closing policies and procedures in place to ensure amounts are properly captured, reconciled, classified, and reported in a timely manner. Further, the Town should review its procedures over the preparation of the Schedule of Expenditures of Federal Awards to ensure there is a documented review and approval, or other appropriate internal controls.

Management's Response: Management agrees. See separately issued Corrective Action Plan.

**TOWN OF OAKLAND, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024**

Section III – Federal Award Findings and Questioned Costs

US Department of the Treasury

Program Name: Coronavirus State and Local Fiscal Recovery Funds

CFDA # 21.027

Grant Number: Not provided

Finding: 2024 – 010

MATERIAL WEAKNESS

The material weakness at Finding 2024 – 009 also applies to this grant.

US Department of the Treasury

Program Name: Coronavirus State and Local Fiscal Recovery Funds

CFDA # 21.027

Grant Number: Not provided

Finding: 2024 – 011

MATERIAL WEAKNESS

Reporting

Criteria: In accordance with 2 CFR 200.328 and 32 CFR section 35.4(c), the Grantee is required to submit Project and Expenditure Reports that are to include the Total Cumulative Expenditures and Total Current Period Expenditures.

Condition: The Town of Oakland reported an incorrect amount of Total Cumulative Expenditures and Total Current Period Expenditures on the March 2024 Project and Expenditure Report and the Town of Oakland, Tennessee also reported an incorrect amount of Total Current Period Expenditures on the March 2025 Project and Expenditure Report.

Questioned Costs: None.

Context: We reviewed the annual Project and Expenditure Reports for March 2024 and March 2025.

Effect: Overstatement of total cumulative expenditures and total current period expenditures on the March 2024 annual Project and Expenditure Report and overstatement of total current period expenditures on the March 2025 annual Project and Expenditure Report.

Identification of a repeat finding: N/A – not a repeat finding.

Cause: Human error in entering amounts. Also, the Town of Oakland, Tennessee, does not have any procedures in place to verify that the correct amounts are reported.

Recommendation: Checks and balances should be in place for any numeric calculations used in the reporting on the annual Project and Expenditure Reports.

**TOWN OF OAKLAND, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024**

Views of responsible officials and planned corrective actions: Management agrees. See separately issued Corrective Action Plan.

US Department of the Treasury

Program Name: Coronavirus State and Local Fiscal Recovery Funds

CFDA # 21.027

Grant Number: Not provided

Finding: 2024 – 012

NONCOMPLIANCE

Reporting

Criteria: In accordance with 2 CFR 200.512 Report Submission, the Auditee is required to submit the audit, the data collection form, and the reporting package within 30 calendar days after the auditee receives the auditor's report(s) or nine months after the end of the audit period (whichever is earlier).

Condition: The Town of Oakland did not close out their books for June 30, 2024, year until July 29, 2025; therefore, the Town was unable to meet the filing deadline.

Questioned Costs: None.

Context: Wickberg Accounting did not receive the trial balances to begin the audit until after the filing deadline of March 31, 2025.

Effect: The Town of Oakland, Tennessee was in violation of 2 CFR 200.512. They were unable to file the audit, data collection form, and the reporting package within nine months after the end of the June 30, 2024, audit period.

Identification of a repeat finding: N/A – not a repeat finding.

Cause: The Town of Oakland, Tennessee did not have any procedures in place to ensure an audit could be conducted in a timely manner to meet the filing deadline.

Recommendation: The Town should take steps to close the accounting records within two months of the end of the fiscal year and file the data collection for and the reporting package within the required timeframe.

Views of responsible officials and planned corrective actions: Management agrees. See separately issued Corrective Action Plan.

**TOWN OF OAKLAND, TENNESSEE
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Financial Statement Findings

Prior Year Finding Number	Finding Title	Status/Current Year Finding Number
2023 - 001	Financial Statements Materially Misstated (Original finding 2022 - 001)	Repeated/2024 - 001
2023 - 002	Reconciliation of Subsidiary Ledgers (original findings 2019-001 thru 2019-003 and 2019-005)	Repeated/2024 - 002
2023 - 003	Interfund Payables (Original finding 2020 - 005)	Corrected
2023 - 004	Capital Assets (Original finding 2020 - 0006)	Repeated/2024 - 004
2023 - 005	Purchase Orders (Original finding 2021 - 007)	Corrected
2023 - 006	Inadequate Controls over Building Permits and Tap Fees (Original finding 2021 - 008)	Corrected
2023 - 007	Inadequate Controls over Payroll (Original finding 2022 - 008)	Corrected
2023 - 008	Expenditures Exceed Budgeted Appropriations (Original finding 2023 - 008)	Repeated/2024 - 005

TOWN OF OAKLAND

170 DOSS CIRCLE
OAKLAND, TN 38060
901-465-8523 – Fax 901-465-1883



MANAGEMENT'S CORRECTIVE ACTION PLAN

Town of Oakland respectfully submits the following corrective action plan for the year ended June 30, 2024.

Name and address of independent public accounting firm:

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

Responsible officials for corrective action:

Harvey Ellis, Town Manager

Signed: Harvey Ellis

Audit Period:
June 30, 2024

Section II Financial Statement Findings

2024-001 Financial Statements Materially Misstated:

Corrective Action: The Town of Oakland hired Finance Director Rice August 12, 2024. Since joining the Town of Oakland, she has thoroughly reviewed prior accounting processes and procedures; and has implemented “best practice” accounting measures that include checks and balances to ensure this finding is corrected on the FY2025 audit.

Anticipated Completion Date: July 1, 2025

2024-002 Reconciliation of Subsidiary Ledgers:

Corrective Action: Finance Director Rice having come from another municipality, is experienced in, and knows the importance of reviewing and reconciling ledger accounts. Her knowledge and skills will be reflected in the FY2025 audit.

Anticipated Completion Date: July 1, 2025

2024-003 Bank Reconciliation:

Corrective Action: Finance Director Rice has implemented a daily process to make sure all entries are accounted for and correct. This change will be reflected in the FY2025 audit.

Anticipated Completion Date: July 1, 2025

2024-004 Capital Assets:

Corrective Action: Finance Director Rice will review current procedures in tracking capital assets. Based on findings, she will put in place or strengthen internal control involving the recording of capital assets throughout the year.

Anticipated Completion Date: July 1, 2025

2024-005 Expenditure Exceed Budgeted Appropriations:

Corrective Action: The Town Manager will closely review monthly financials provided by the Finance Director. All expenditures will be appropriated in the annual budget, or by amendment and budget ordinance.

Anticipated Completion Date: July 1, 2025

2024-006 Untimely Closing of Accounting Records:

Corrective Action: The audit was delayed due to the termination of the former Finance Director in June 2024; and, a replacement was not hired until August 12, 2024. Finance Director Rice has the knowledge and skills needed to ensure future, timely year-end closings.

Anticipated Completion Date: July 1, 2025

2024-007 Noncompliance with Debt Requirements:

Corrective Action: This money was held in a CD for two years. Per *Section 4.06* of the debt agreement, the Mayor and Recorder will have a bank account set up to be used for disbursements of the \$7M Wastewater Treatment Plant Expansion project.

Anticipated Completion Date: January 2026

2024-008 Old Outstanding Checks:

Corrective Action: Finance Director Rice will direct all future reporting of “Unclaimed Property” to TN Department of Treasury

Anticipated Completion Date: July 1, 2025

2024-009 Reporting of Earned Coronavirus State and Local Fiscal Recovery Funds:

Corrective Action: Finance Director Rice will review the current internal controls related to the compliance requirements of federal awards, to ensure transactions are properly recorded and that all documentation is readily available and accessible for audit and review.

Anticipated Completion Date: July 1, 2025

Section III Federal Award Findings and Questioned Cost

2024-010 Reporting of Earned Coronavirus State and Local Fiscal Recovery Funds:

Corrective Action:

See corrective action planned and anticipated completion date listed above in the 2024-009 Financial Statement Finding.

2024-011 Project and Expenditure Reports:

Corrective Action: Finance Director Rice will work closely with grant management advisor to resolve the past reporting issues. An accurate report will be filed March 2026.

Anticipated Completion Date: March 2026

2024-012 Data Collection Form:

Corrective Action: The Town of Oakland did not meet the Data Collection Form Deadline of March 31st, which is nine months after the town's year-end. The Finance Director Rice will work with the audit firm to ensure that the future audit report and data collection form are filed timely.

Anticipated Completion Date: July 1, 2025