

CITY OF CROSSVILLE, TENNESSEE
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2024

I. INTRODUCTORY SECTION

CITY OF CROSSVILLE, TENNESSEE
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June 30, 2024

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CITY OF CROSSVILLE, TENNESSEE
Mayor and Officials
June 30, 2024

Mayor – R.J. Crawford

Mayor Pro Tem – Rob Harrison

Councilmember – Art Gent

Councilmember – Scot Shanks

Councilmember – Mike Turner

City Manager – Valerie Hale

Finance Director – Nathan Clouse

II. FINANCIAL SECTION

Waycaster, CPA LLC

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Councilmen
City of Crossville, Tennessee

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Crossville, Tennessee as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Crossville, Tennessee's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Crossville, Tennessee as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Capital Projects Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Crossville, Tennessee's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Crossville, Tennessee's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal and state awards and notes to the schedule of expenditures of federal and state awards, as listed in the table of contents, 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. The nonmajor governmental fund financial statements and financial schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of

federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section, Financial Schedules, and continuing Disclosures but does not include the basic financial statements, schedule of expenditures of federal and state awards, and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2024, on our consideration of the City of Crossville, Tennessee's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Crossville, 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 City of Crossville, Tennessee's internal control over financial reporting and compliance.

Waycaster CPA, LLC
Chickamauga, Georgia
December 30, 2024

**CITY OF CROSSVILLE, TENNESSEE
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

As management of the City of Crossville, Tennessee (the “City”) we offer readers of the City’s financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2024. The analysis focuses on significant financial position, budget changes and variances from the budget, and specific issues related to funds and the economic factors affecting the City.

Financial Highlights:

- The assets and deferred outflows of the City of Crossville exceeded its liabilities and deferred inflows at the close of the most recent year by \$138,037,839. Of this amount, \$40,862,549 (unrestricted net assets) may be used to meet the government’s ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, fund balance for the General Fund was \$27,364,991.
- As of the close of the current fiscal year, the City’s business-type activities reported an ending net position of \$63,798,056.
- The City paid down \$1,402,432 of its long-term debt.

Overview of the Financial Statements:

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

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

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

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

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Crossville include general government, public

CITY OF CROSSVILLE, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

works, public safety, state street aid, and public welfare. The business-type activities of the City include water and sewer services.

Fund Financial statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Crossville, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

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

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

The City maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Capital Projects Fund, which are considered to be major funds. Data for the other two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements later in this report. The City adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for the major governmental funds to demonstrate compliance with this budget, as well as for the nonmajor funds.

Proprietary Funds – The City maintains two proprietary funds.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for its Water and Sewer operations, as well as the operation of the Catoosa Water System.

Enterprise Funds- The City uses enterprise funds to account for its water and sewer services.

CITY OF CROSSVILLE, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

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

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

Financial Analysis of the Financial Statements

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Crossville, assets exceeded liabilities by \$138,037,839 at the close of this fiscal year, compared to \$131,771,706 in the prior year.

The largest portion of the City's net position (69%), reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment and infrastructure) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Crossville, Tennessee's net position (0.94%) represents the resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

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

Significant Budget Variances

Revenues exceeded budget expectations by over \$500,000.

All departments were under budget for the fiscal year.

CITY OF CROSSVILLE, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

Currently Known Economic Conditions

In the upcoming 2024-2025 budget, General Fund revenues are budgeted to approximate from the 2023-2024 budget year primarily due to increases in the local economy producing higher property taxes and utility user charges and increases in state shared revenues. The City's budget has benefited by an expanding commercial and retail base producing increased local sales tax receipts. All of these factors were considered in preparing the City's budget for the 2024-2025 fiscal year.

City of Crossville, Tennessee Net Position

Current assets	\$ 35,674,420	\$ 31,325,083	\$ 19,513,772	\$ 20,681,798
Capital assets, net	52,906,509	49,865,909	79,542,506	75,804,715
Total Assets	88,580,929	81,190,992	99,056,278	96,486,513
Deferred outflows	3,129,266	2,503,851	788,174	627,519
Total Deferred Outflows	3,129,266	2,503,851	788,174	627,519
Current and other liabilities	2,814,799	625,087	2,950,963	555,549
Long-term liabilities	9,511,726	9,716,267	30,298,337	31,655,759
Total Liabilities	12,326,525	10,341,354	33,249,300	32,211,308
Deferred inflows of resources	5,143,887	4,115,991	2,797,096	2,728,516
Deferred Inflows of Resources	5,143,887	4,115,991	2,797,096	2,728,516
Net Investment in Capital Assets	46,576,383	44,730,111	49,291,918	53,268,252
Restricted	1,296,989	1,576,379	-	-
Unrestricted	26,366,411	22,931,008	14,506,138	9,265,956
Total Net Position	\$ 74,239,783	\$ 69,237,498	\$ 63,798,056	\$ 62,534,208

Changes in net position. Governmental activities increased the City's net position by \$5,088,716.
Business-type activities net position increased by \$1,227,181.

**CITY OF CROSSVILLE, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

City of Crossville, Tennessee Changes in Net Position

	Governmental Activities		Business-Type Activities	
	2024	2023	2024	2023
Program Revenues				
Charges for services	\$ 384,805	\$ 1,129,226	12,493,773	12,310,015
Grants and contributions	2,569,554	1,055,947	685,166	874,528
General Revenues				
Taxes	20,831,407	21,325,940		
Other revenues	2,130,995	868,743	51,189	(150,376)
Investment earnings	1,302,803	782,875	967,165	676,496
Total Revenues	27,219,564	25,162,731	14,197,293	13,710,663
Expenses				
General government	4,917,773	4,151,778	-	-
Public safety	9,220,863	7,907,875	-	-
Public works	4,837,035	3,872,000	-	-
Cemetaries	117,600	80,122	-	-
Municipal airport	494,736	505,720	-	-
Parks and recreation	2,022,037	1,861,078	-	-
Tourism and development	418,564	523,188	-	-
Interest on long-term debt	102,240	132,837	-	-
Water and Sewer	-	-	12,970,112	10,536,126
Total Expenses	22,130,848	19,034,598	12,970,112	10,536,126
Change in net position	5,088,716	6,128,133	1,227,181	3,174,537
Net position, beginning, restated	69,151,067	63,109,365	62,570,875	59,359,671
Net position, ending	\$ 74,239,783	\$ 69,237,498	\$ 63,798,056	62,534,208

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

- Investment earnings increased by \$519,928.
- Public safety expenses increased by \$1,312,988.

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

- Expenditures of the water and sewer fund increased by \$2,433,986.

Business-type Activities

Business-type activities accounted for revenue of \$14,197,293.

CITY OF CROSSVILLE, TENNESSEE
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2024

Financial Analysis of the Government’s Funds

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

Governmental Funds

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

As of the end of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$28,661,980, an increase of \$1,870,324 in comparison with the prior year. Approximately \$27,153,460 (94.7%) of this balance is unassigned. This amount is available for spending at the government’s discretion. The remainder of the fund balance is nonspendable and restricted.

The general fund is the chief operation fund of the City of Crossville, Tennessee. Due to the compliance of GASB 54, the general fund recognizes “unassigned” fund balance instead of “unreserved” fund balance. At the end of this fiscal year, this amount is \$27,153,460. As a measure of the general fund’s liquidity, it may be useful to compare unassigned fund balance to total general fund expenditures. Unassigned fund balance represents approximately 116% of total general fund expenditures.

Proprietary funds

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

Unrestricted Net Assets at the end of the year for the Water and Sewer Fund amounted to \$14,506,138.

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

Capital Assets

The City of Crossville’s investment in capital assets from its governmental and business-type activities at June 30, 2024 amounts to \$132,449,015 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvement, machinery and equipment, park facilities, roads, highways, and bridges.

CITY OF CROSSVILLE, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

City of Crossville, Tennessee Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 11,809,700	\$ 11,809,700	\$ 574,816	\$ 574,816	\$ 12,384,516	\$ 12,384,516
Buildings and improvements	10,508,576	10,508,576	130,001,768	128,756,622	140,510,344	139,265,198
Furniture, machinery, and equipment	14,195,278	13,770,982	6,616,116	5,859,473	20,811,394	19,630,455
Construction in progress	10,009,192	5,662,858	14,322,523	9,175,609	24,331,715	14,838,467
Infrastructure and Improvements	45,232,701	44,266,878	-	-	45,232,701	44,266,878
Accumulated Depreciation	(38,848,938)	(36,452,865)	(71,972,717)	(68,502,611)	(110,821,655)	(104,955,476)
Total capital Assets	<u>\$ 52,906,509</u>	<u>\$ 49,566,129</u>	<u>\$ 79,542,506</u>	<u>\$ 75,863,909</u>	<u>\$ 132,449,015</u>	<u>\$ 125,430,038</u>

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

Long-term Debt

At the end of the current year, the City of Crossville had debt outstanding of \$36,580,714. Of this amount, \$1,421,317 is due in the next fiscal year.

City of Crossville, Tennessee Outstanding Debt

	Governmental	Business-Type	Total
	Activities	Activities	
Principal due in the next fiscal year	\$532,100	\$889,217	\$1,421,317

The City of Crossville has a combined total debt in the amount of \$36,580,714 outstanding during the current fiscal year, a decrease of \$858,846 from the prior year.

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

Requests for Information

This financial report is designed to provide a general overview of the City of Crossville, Tennessee's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to City of Crossville, Nathan Clouse – Finance Director, 392 N Main St, Crossville, TN 38555.

CITY OF CROSSVILLE, TENNESSEE
Government-Wide Statement of Net Position
June 30, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets			
Cash	\$ 5,276,315	\$ 355,667	\$ 5,631,982
Investments	22,175,610	15,987,880	38,163,490
Property taxes receivable - net	4,030,790	-	4,030,790
Accounts receivable - net	443,595	1,999,017	2,442,612
Due from other governments	2,639,848	-	2,639,848
Grants receivable	-	609,645	609,645
Lease receivable- due within one year	24,000	-	24,000
Interest receivable	193,151	-	193,151
Inventory	211,531	519,566	731,097
Restricted cash	-	41,997	41,997
Total Current Assets	34,994,840	19,513,772	54,508,612
Non-current Assets			
Lease receivable-due more than one year	679,580	-	679,580
Capital assets			
Land	11,809,700	574,816	12,384,516
Construction in process	10,009,192	14,322,521	24,331,713
Other capital assets - net of accumulated depreciation	31,087,617	64,645,169	95,732,786
Total capital assets	52,906,509	79,542,506	132,449,015
Total Non-current Assets	53,586,089	79,542,506	133,128,595
TOTAL ASSETS	\$ 88,580,929	\$ 99,056,278	\$ 187,637,207
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to Pension	\$ 2,060,386	\$ 515,097	\$ 2,575,483
Deferred outflows related to OPEB	1,068,880	273,077	1,341,957
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 3,129,266	\$ 788,174	\$ 3,917,440
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 1,987,170	\$ 1,936,828	\$ 3,923,998
Accrued liabilities	295,529	124,918	420,447
Bonds payable - due within one year	532,100	889,217	1,421,317
Total current liabilities	2,814,799	2,950,963	5,765,762
Non-current Liabilities			
Landfill postclosure care	69,489	-	69,489
Net Pension Liability	1,175,719	293,929	1,469,648
Total OPEB Liability	2,035,931	520,138	2,556,069
Bonds payable - due more than one year, net of premium	5,798,026	29,361,371	35,159,397
Compensated absences	432,561	122,899	555,460
Total non-current liabilities	9,511,726	30,298,337	39,810,063
TOTAL LIABILITIES	\$ 12,326,525	\$ 33,249,300	\$ 45,575,825
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to property taxes	\$ 3,863,291	\$ -	\$ 3,863,291
Deferred inflows related to leases	698,951	-	698,951
Deferred inflows related to revenue	-	2,648,498	2,648,498
Deferred inflows related to OPEB	581,645	148,598	730,243
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 5,143,887	\$ 2,797,096	\$ 7,940,983
NET POSITION			
Net investment in capital assets	\$ 46,576,383	\$ 49,291,918	\$ 95,868,301
Restricted for:			
Streets and roads	760,130	-	760,130
Drug control and investigation	179,743	-	179,743
Economic development - Hotel/motel tax	357,116	-	357,116
Unrestricted	26,366,411	14,506,138	40,872,549
TOTAL NET POSITION	\$ 74,239,783	\$ 63,798,056	\$ 138,037,839

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

CITY OF CROSSVILLE, TENNESSEE
Government-Wide Statement of Activities
Year Ended June 30, 2024

Functions/Programs					Net (Expense) Revenue and Changes in Net Position		
	Expenses	Program Revenues			Primary Government		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental activities:							
General government	\$ 4,917,774	\$ 110,834	\$ -	\$ 226,115	\$ (4,580,825)	\$ -	\$ (4,580,825)
Public safety	9,220,863	9,298	382,017	45,700	(8,783,848)	-	(8,783,848)
Public works	4,837,035	-	424,391	-	(4,412,644)	-	(4,412,644)
Cemetaries	117,600	-	-	-	(117,600)	-	(117,600)
Municipal airport	494,736	-	-	1,491,331	996,595	-	996,595
Parks and recreation	2,022,037	264,673	-	-	(1,757,364)	-	(1,757,364)
Toursim development	418,564	-	-	-	(418,564)	-	(418,564)
Interest on long-term debt	102,240	-	-	-	(102,240)	-	(102,240)
Total governmental activities	<u>22,130,848</u>	<u>384,805</u>	<u>806,408</u>	<u>1,763,146</u>	<u>(19,176,489)</u>	<u>-</u>	<u>(19,176,489)</u>
Business-type activities:							
Water and Sewer	12,970,112	12,493,773	-	685,166		208,827	208,827
Total Primary Government	<u>35,100,960</u>	<u>12,878,578</u>	<u>806,408</u>	<u>2,448,312</u>	<u>(19,176,489)</u>	<u>208,827</u>	<u>(18,967,662)</u>
General revenues:							
Unrestricted:							
Property tax					3,799,864	-	3,799,864
Minimum business tax					1,080,687	-	1,080,687
Local sales tax					12,574,999	-	12,574,999
Alcoholic beverage tax					766,241	-	766,241
Other state taxes					2,609,616	-	2,609,616
Investment income					1,302,803	967,165	2,269,968
Insurance recoveries					377,153	-	377,153
Gain on sale of assets					166,144	-	166,144
Other					1,587,698	51,189	1,638,887
Total general revenues					<u>24,265,205</u>	<u>1,018,354</u>	<u>25,283,559</u>
Change in net position					5,088,716	1,227,181	6,315,897
Net position - beginning					69,237,498	62,534,208	131,771,706
Restatement - due to accounting error					(86,431)	36,667	(49,764)
Net position - beginning, as restated					<u>69,151,067</u>	<u>62,570,875</u>	<u>131,721,942</u>
Net position - end					<u>\$ 74,239,783</u>	<u>\$ 63,798,056</u>	<u>\$ 138,037,839</u>

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

CITY OF CROSSVILLE, TENNESSEE
Balance Sheet
Governmental Funds
June 30, 2024

	General Fund	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash	\$ 5,062,724	\$ 29,560	\$ 184,031	\$ 5,276,315
Investments	20,531,214	-	1,644,396	22,175,610
Property taxes receivable - net	4,030,790	-	-	4,030,790
Other accounts receivable - net	443,595	-	-	443,595
Due from other governments	2,564,382	-	75,466	2,639,848
Lease receivable-due within one year	24,000	-	-	24,000
Lease receivable-due more than one year	679,580	-	-	679,580
Interest receivable	193,151	-	-	193,151
Inventory	211,531	-	-	211,531
Total Assets	<u>\$ 33,740,967</u>	<u>\$ 29,560</u>	<u>\$ 1,903,893</u>	<u>\$ 35,674,420</u>
LIABILITIES				
Accounts payable	\$ 1,350,706	\$ 29,560	\$ 606,904	\$ 1,987,170
Accrued liabilities	295,529	-	-	295,529
Total Liabilities	<u>\$ 1,646,235</u>	<u>\$ 29,560</u>	<u>\$ 606,904</u>	<u>\$ 2,282,699</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to property taxes	\$ 4,030,790	-	\$ -	\$ 4,030,790
Deferred inflows related to leases	698,951	-	-	698,951
Total Deferred Inflows of Resources	<u>\$ 4,729,741</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,729,741</u>
FUND BALANCES				
Nonspendable	\$ 211,531	\$ -	\$ -	\$ 211,531
Restricted	-	-	1,296,989	1,296,989
Unassigned	27,153,460	-	-	27,153,460
Total Fund Balances	<u>\$ 27,364,991</u>	<u>\$ -</u>	<u>\$ 1,296,989</u>	<u>\$ 28,661,980</u>

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

CITY OF CROSSVILLE, TENNESSEE
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2024

Total fund balances per governmental funds balance sheet	\$ 28,661,980
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds balance sheet.	52,906,509
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet.	(6,832,176)
Some Property tax will not be collected for several months after the Town's fiscal year end, they are not considered "available" revenues in the governmental funds.	167,499
Pension and OPEB liabilities, including deferred inflows and deferred outflows, are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet.	<u>(664,029)</u>
Net position of governmental activities	<u><u>\$ 74,239,783</u></u>

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

CITY OF CROSSVILLE, TENNESSEE
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2024

	General Fund	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 18,627,281	\$ -	\$ -	\$ 18,627,281
Licenses and permits	405,851	-	-	405,851
Intergovernmental revenue	4,328,565	-	637,498	4,966,063
Charges for services	384,805	-	-	384,805
Fines and forfeitures	92,395	-	7,014	99,409
Other revenue	1,934,583	-	90,776	2,025,359
Total Revenues	<u>25,773,480</u>	<u>-</u>	<u>735,288</u>	<u>26,508,768</u>
EXPENDITURES				
Current Expenditures				
General government	4,468,791	-	-	4,468,791
Public safety	9,921,927	-	33,189	9,955,116
Public works	3,518,940	-	853,260	4,372,200
Cemetaries	109,456	-	-	109,456
Municipal airport	2,573,906	-	-	2,573,906
Parks and recreation	2,048,772	-	-	2,048,772
Tourism development	255,210	-	163,354	418,564
Capital outlay	-	715,783	-	715,783
Debt service	519,153	-	-	519,153
Total Expenditures	<u>23,416,155</u>	<u>715,783</u>	<u>1,049,803</u>	<u>25,181,741</u>
Excess (deficiency) of revenues over (under) expenditures	2,357,325	(715,783)	(314,515)	1,327,027
OTHER FINANCING SOURCES (USES)				
Proceeds for sale of capital assets	166,144	-	-	166,144
Insurance recoveries	377,153	-	-	377,153
Transfer in (out)	(715,783)	715,783	-	-
	<u>(172,486)</u>	<u>715,783</u>	<u>-</u>	<u>543,297</u>
Excess (deficiency) of revenues and other sources (uses) over (under) expenditures	2,184,839	-	(314,515)	1,870,324
Fund Balances - beginning	25,150,977	-	1,576,379	26,727,356
Restatement	29,175	-	35,125	64,300
Fund Balances - beginning, restated	<u>25,180,152</u>	<u>-</u>	<u>1,611,504</u>	<u>26,791,656</u>
Fund Balances - end	<u>\$ 27,364,991</u>	<u>\$ -</u>	<u>\$ 1,296,989</u>	<u>\$ 28,661,980</u>

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

CITY OF CROSSVILLE, 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 for total governmental funds	\$ 1,870,324
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	143,647
Governmental funds report capital outlay as expenditures, however, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeds capital outlay in the current period.	3,389,751
Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	562,557
Accrued leave reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.	11,926
Pension and OPEB expense for the prior year is not reported in the governmental funds, but is reported in the Statement of Activities. Current year pension contributions are reported as an expense in the governmental funds but are not report in the Statement of Activities.	<u>(889,489)</u>
Change in net position of governmental activities	<u><u>\$ 5,088,716</u></u>

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

CITY OF CROSSVILLE, TENNESSEE

General Fund

**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2024**

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Taxes				
Property taxes	3,440,000	3,440,000	3,602,684	162,684
Penalties and interest	35,000	35,000	29,681	(5,319)
In lieu of tax - Water and Sewer fund	220,000	220,000	220,000	-
In lieu of tax - Others	235,382	235,382	230,203	(5,179)
Cable TV Franchise tax	170,000	170,000	158,144	(11,856)
Local sales tax	12,400,000	12,400,000	12,574,999	174,999
Wholesale liquor tax	475,000	475,000	388,358	(86,642)
Wholesale beer tax	775,000	775,000	766,241	(8,759)
Total Taxes	17,750,382	17,750,382	17,970,310	219,928
Licenses and Permits				
Beer license	12,000	12,000	11,150	(850)
Liquor license	18,000	18,000	16,800	(1,200)
Building and related permits	229,750	229,750	375,801	146,051
Total Licenses and Permits	259,750	259,750	403,751	144,001
Intergovernmental Revenue				
State shared revenue				
Business tax	975,000	975,000	1,188,956	213,956
Mixed drink tax	160,000	160,000	138,079	(21,921)
State sales tax	1,260,000	1,260,000	1,482,484	222,484
State beer tax	6,000	6,000	5,306	(694)
TVA in lieu of tax	140,000	140,000	147,931	7,931
Streets and transportation funds	22,000	22,000	22,094	94
Sports betting tax	20,000	20,000	22,943	2,943
State income tax	-	-	511	511
Other state share tax	28,000	28,000	24,715	(3,285)
Federal and State grants	4,822,017	4,873,017	2,282,546	(2,590,471)
Total Intergovernmental Revenue	7,433,017	7,484,017	5,315,565	(2,168,452)
Charges For Services				
Concessions	30,000	30,000	56,554	26,554
Gift Shop sales	28,000	28,000	19,933	(8,067)
Ticket sales	60,000	60,000	96,854	36,854
Parks and recreation fees	32,000	32,000	65,337	33,337
Police special services	6,750	6,750	9,298	2,548
Total Charges For Services	156,750	156,750	247,976	91,226

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

CITY OF CROSSVILLE, TENNESSEE

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Continued)
Year Ended June 30, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES (Continued)				
Court fines and forfeitures	66,000	66,000	87,114	21,114
Other Revenue				
Donations	15,000	15,000	34,320	19,320
Interest earnings	575,000	575,000	1,218,528	643,528
City property rent	179,800	179,800	195,643	15,843
Miscellaneous	352,750	352,750	300,271	(52,479)
Total Other Revenue	1,122,550	1,122,550	1,748,762	626,212
Total Revenues	26,788,449	26,839,449	25,773,478	(1,065,971)
EXPENDITURES				
Current Expenditures				
General government				
City Court				
Personnel expenditures	29,000	29,000	28,125	875
Contractual services	100	100	25	75
Total City Court	29,100	29,100	28,150	950
Legislative Board				
Personnel expenditures	87,461	92,021	92,363	(342)
Contractual services	7,400	3,714	3,714	-
Supplies	1,200	326	326	-
Total Legislative Board	96,061	96,061	96,403	(342)
Central Staff				
Personnel expenditures	976,700	984,361	984,251	110
Contractual services	66,450	57,591	54,135	3,456
Supplies	21,300	22,498	21,445	1,053
Total Central Staff	1,064,450	1,064,450	1,059,831	4,619
Information Technology				
Personnel expenditures	231,900	232,100	218,796	13,304
Contractual services	38,350	38,150	15,634	22,516
Supplies	6,600	6,600	1,361	5,239
Capital outlay	50,000	50,000	-	50,000
Total Information Technology	326,850	326,850	235,791	91,059
Engineering				
Personnel expenditures	532,100	530,150	494,850	35,300
Contractual services	14,100	15,610	12,333	3,277
Supplies	11,700	12,140	10,807	1,333
Fixed charges	7,500	7,500	6,810	690
Total Engineering	565,400	565,400	524,800	40,600

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

CITY OF CROSSVILLE, TENNESSEE

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Continued)
Year Ended June 30, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance
EXPENDITURES (Continued)				
Current Expenditures				
General government				
Stormwater				
Personnel expenditures	174,300	174,565	165,523	9,042
Contractual services	15,700	15,735	11,635	4,100
Supplies	4,950	5,430	4,277	1,153
Fixed charges	12,000	11,220	10,270	950
Total Stormwater	206,950	206,950	191,705	15,245
Planning and Zoning				
Personnel expenditures	2,150	2,015	1,913	102
Supplies	500	635	635	-
Total Planning and Zoning	2,650	2,650	2,548	102
City Hall Building				
Contractual services	154,000	178,600	163,453	15,147
Supplies	7,300	7,300	5,594	1,706
Capital outlay	235,000	210,400	171,152	39,248
Total City Hall Building	396,300	396,300	340,199	56,101
Maintenance				
Personnel expenditures	965,700	979,560	937,767	41,793
Contractual services	71,050	59,910	43,802	16,108
Supplies	86,500	108,635	104,444	4,191
Fixed charges	55,000	55,145	55,142	3
Capital outlay	25,000	-	-	-
Total Maintenance	1,203,250	1,203,250	1,141,155	62,095
Administration				
Personnel expenditures	132,000	122,104	121,174	930
Contractual services	235,070	157,221	130,191	27,030
Supplies	4,600	8,330	8,324	6
Fixed charges	250,350	324,450	324,391	59
Contributions and grants	255,000	269,915	264,128	5,787
Total Administration	877,020	882,020	848,208	33,812
Total General government	4,671,970	4,676,970	4,372,387	152,473

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

CITY OF CROSSVILLE, TENNESSEE

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Continued)
Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance
	Original	Final		
EXPENDITURES (Continued)				
Current Expenditures				
Public safety				
Police				
Personnel expenditures	4,484,500	4,488,805	4,058,399	430,406
Contractual services	578,500	593,015	562,473	30,542
Supplies	243,100	403,650	388,272	15,378
Fixed charges	73,000	73,260	73,260	-
Contributions and grants	59,000	69,200	55,366	13,834
Capital outlay	820,000	630,170	311,065	319,105
Total Police	6,258,100	6,258,100	5,448,835	809,265
Public safety				
Fire				
Personnel expenditures	2,802,845	2,862,500	2,617,034	245,466
Contractual services	513,900	893,175	826,521	66,654
Supplies	297,200	286,840	246,642	40,198
Fixed charges	31,000	33,825	33,527	298
Contributions and grants	42,000	42,000	42,000	-
Capital outlay	800,000	733,605	707,367	26,238
Total Fire	4,486,945	4,851,945	4,473,091	378,854
Total Public safety	10,745,045	11,110,045	9,921,926	1,188,119
Codes				
Personnel expenditures	346,400	346,400	338,192	8,208
Contractual services	48,700	48,700	33,446	15,254
Supplies	13,100	13,100	9,107	3,993
Fixed charges	22,000	22,000	12,708	9,292
Total Codes	430,200	430,200	393,453	36,747
Highways and Steets				
Personnel expenditures	1,140,300	1,123,751	1,035,429	88,322
Contractual services	94,000	105,444	96,679	8,765
Supplies	125,000	119,360	92,966	26,394
Building materials	805,000	811,620	783,413	28,207
Fixed charges	93,000	91,125	90,736	389
Capital outlay	400,000	504,063	500,528	3,535
Total Highways and Streets	2,657,300	2,755,363	2,599,751	155,612
Waste Collection				
Contractual services	370,000	425,000	424,588	412
Supplies	10,000	10,000	-	10,000
Total Waste Collection	380,000	435,000	424,588	10,412

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

CITY OF CROSSVILLE, TENNESSEE

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Continued)
Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance
	Original	Final		
EXPENDITURES (Continued)				
Current Expenditures				
Landfill				
Contractual services	20,000	20,000	13,544	6,456
Total Landfill	20,000	20,000	13,544	6,456
Cemetaries				
Personnel expenditures	118,650	107,575	63,070	44,505
Contractual services	9,700	19,785	17,479	2,306
Supplies	5,900	6,890	4,308	2,582
Capital outlay	25,000	25,000	25,599	(599)
Total Cemetaries	159,250	159,250	110,456	48,794
Parks and Recreation				
Personnel expenditures	727,650	722,354	624,546	97,808
Contractual services	319,600	345,736	306,888	38,848
Supplies	62,600	67,140	56,951	10,189
Fixed charges	17,500	17,500	15,947	1,553
Capital outlay	556,000	530,620	240,285	290,335
Total Parks and Recreation	1,683,350	1,683,350	1,244,617	438,733
Meadow Lake Park				
Personnel expenditures	192,400	192,510	178,234	14,276
Contractual services	35,700	35,700	24,853	10,847
Supplies	23,500	24,595	20,113	4,482
Fixed charges	7,000	7,220	7,217	3
Capital outlay	154,142	152,717	139,777	12,940
Total Meadow Lake Park	412,742	412,742	370,194	42,548
Palace Theatre				
Personnel expenditures	215,900	215,900	199,634	16,266
Contractual services	116,000	120,730	113,826	6,904
Supplies	29,900	48,374	46,869	1,505
Capital outlay	166,000	142,796	11,580	131,216
Total Palace Theatre	527,800	527,800	371,909	155,891
Depot				
Personnel expenditures	38,100	38,116	21,013	17,103
Contractual services	24,500	25,104	17,280	7,824
Supplies	29,500	28,880	17,922	10,958
Total Depot	92,100	92,100	56,215	35,885

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

CITY OF CROSSVILLE, TENNESSEE

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Continued)
Year Ended June 30, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance
EXPENDITURES (Continued)				
Current Expenditures				
Tree Board				
Personnel expenditures	1,065	1,110	1,110	-
Contractual services	-	650	638	12
Supplies	6,000	5,305	4,087	1,218
Total Tree Board	7,065	7,065	5,835	1,230
Outside Agencies				
Grants and contributions	126,674	156,674	146,630	10,044
Total Outside Agencies	126,674	156,674	146,630	10,044
Marketing/Promotion				
Grants and contributions	111,900	111,900	108,580	3,320
Total Marketing/Promotion	111,900	111,900	108,580	3,320
Public Works				
Personnel expenditures	64,550	64,550	61,109	3,441
Contractual services	28,900	28,811	23,051	5,760
Supplies	5,700	5,789	3,446	2,343
Total Public Works	99,150	99,150	87,606	11,544
Municipal Airport				
Personnel expenditures	1,200	1,200	735	465
Contractual services	139,850	146,966	128,260	18,706
Supplies	4,000	12,085	11,939	146
Fixed charges	4,200	4,200	3,588	612
Capital outlay	3,020,000	3,004,799	2,429,383	575,416
Total Municipal Airport	3,169,250	3,169,250	2,573,905	595,345
Debt service				
Principal	395,000	403,930	403,924	6
Fees	2,000	1,993	1,090	903
Interest	125,098	116,175	113,140	3,035
Total Debt service	522,098	522,098	518,154	3,944
Total Expenditures	23,815,863	24,368,926	23,416,153	1,344,536

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

CITY OF CROSSVILLE, TENNESSEE

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Continued)
Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance
	Original	Final		
Other Sources and Uses				
Proceeds for sale of capital assets	40,000	40,000	166,144	126,144
Insurance recoveries	-	-	377,153	
Transfer (out)	(4,435,899)	(4,435,899)	(715,783)	(3,720,116)
Net change in fund balances	(1,423,313)	(1,925,376)	2,184,839	4,110,215
Fund Balances - beginning	25,150,977	25,150,977	25,150,977	-
Restatement- due to accounting error	-	-	29,175	(29,175)
Fund Balances - end	<u>\$ 23,727,664</u>	<u>\$ 23,225,601</u>	<u>\$ 27,364,991</u>	<u>\$ 4,139,390</u>

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

CITY OF CROSSVILLE, TENNESSEE
Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Other Revenue				
Operating revenues	-	-	-	-
Total Other Revenue	-	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES				
Capital Outlay	4,435,899	4,661,899	715,783	3,946,116
Total Capital Outlay	4,435,899	4,661,899	715,783	3,946,116
Total Expenditures	4,435,899	4,661,899	715,783	3,946,116
Other Sources and Uses				
Transfer in	4,435,899	4,209,899	715,783	(3,494,116)
Net change in fund balances	-	(452,000)	-	(452,000)
Fund Balances - beginning	-	-	-	-
Fund Balances - end	\$ -	\$ (452,000)	\$ -	\$ (452,000)

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

CITY OF CROSSVILLE, TENNESSEE
Statement of Net Position
Proprietary Funds
June 30, 2024

	Catoosa Water	Crossville Water/Sewer	Total
ASSETS			
Current Assets			
Cash	\$ 174,792	\$ 180,875	\$ 355,667
Investments	3,941,488	12,046,392	15,987,880
Accounts receivable - net	514,828	1,484,189	1,999,017
Grants receivable	-	609,645	609,645
Inventory	78,040	441,526	519,566
Restricted cash	-	41,997	41,997
Total Current Assets	<u>4,709,148</u>	<u>14,804,624</u>	<u>19,513,772</u>
Non-current Assets			
Capital assets			
Land	128,968	445,848.00	574,816
Construction in process	4,537,789	9,784,732	14,322,521
Other capital assets - net of accumulated depreciation	11,296,080	53,349,089	64,645,169
Total capital assets	<u>15,962,837</u>	<u>63,579,669</u>	<u>\$ 79,542,506</u>
Total Assets	<u><u>\$ 20,671,985</u></u>	<u><u>\$ 78,384,293</u></u>	<u><u>\$ 99,056,278</u></u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pension	\$ 103,022	\$ 412,075	\$ 515,097
Deferred outflows related to OPEB	<u>98,314</u>	<u>174,763</u>	<u>273,077</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 201,336</u></u>	<u><u>\$ 586,838</u></u>	<u><u>\$ 788,174</u></u>
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 179,670	\$ 1,668,620	\$ 1,848,290
Accrued liabilities	15,318	54,342	69,660
Accrued interest	11,902	43,356	55,258
Retainage payable	-	88,538	88,538
Notes and bonds payable - current portion	161,153	728,064	889,217
Total Current Liabilities	<u>368,043</u>	<u>2,582,920</u>	<u>2,950,963</u>
Non-current Liabilities			
Net pension liability	58,787	235,142	293,929
Net OPEB liability	187,262	332,876	520,138
Compensated absences	30,559	92,340	122,899
Notes and bonds payable - long-term - net	6,468,443	22,892,928	29,361,371
Total Non-current Liabilities	<u>6,745,051</u>	<u>23,553,286</u>	<u>30,298,337</u>
Total Liabilities	<u><u>\$ 7,113,094</u></u>	<u><u>\$ 26,136,206</u></u>	<u><u>\$ 33,249,300</u></u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to OPEB	\$ 53,499	\$ 95,099	\$ 148,598
Deferred revenue	<u>-</u>	<u>2,648,498</u>	<u>2,648,498</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u><u>\$ 53,499</u></u>	<u><u>\$ 2,743,597</u></u>	<u><u>\$ 2,797,096</u></u>
NET POSITION			
Net investment in capital assets	\$ 9,333,241	\$ 39,958,677	\$ 49,291,918
Unrestricted	<u>4,373,487</u>	<u>10,132,651</u>	<u>14,506,138</u>
Total Net Position	<u><u>\$ 13,706,728</u></u>	<u><u>\$ 50,091,328</u></u>	<u><u>\$ 63,798,056</u></u>

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

CITY OF CROSSVILLE, TENNESSEE
Statement of Revenues, Expenditures, and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2024

	Catoosa Water	Crossville Water/Sewer	Total
OPERATING REVENUES			
Metered water sales	2,414,712	5,669,146	8,083,858
Sewer service charges	-	3,643,708	3,643,708
Tap and connection fees	169,112	229,000	398,112
Penalties	27,647	66,473	94,120
Other revenues	29,242	244,733	273,975
Total Operating Revenues	<u>2,640,713</u>	<u>9,853,060</u>	<u>12,493,773</u>
OPERATING EXPENSES			
Transmission and distribution	1,616,429	3,120,557	4,736,986
Sewer treatment and disposal	-	2,379,323	2,379,323
Customer accounting and collections	273,009	500,124	773,133
Administration and general	149,263	627,063	776,326
Depreciation	565,579	3,058,700	3,624,279
Total Operating Expenses	<u>2,604,280</u>	<u>9,685,766</u>	<u>12,290,046</u>
Operating income (loss)	36,433	167,294	203,727
NON-OPERATING REVENUES (EXPENSES)			
Interest earnings	229,164	738,001	967,165
Interest expense	(147,343)	(532,722)	(680,065)
Other Non-operating Revenues	1,560	49,628	51,188
Total Non-operating Revenues (Expenses)	<u>83,381</u>	<u>254,907</u>	<u>338,288</u>
Capital contributions - Capacity fee	-	9,000	9,000
Grant revenue	-	676,166	676,166
Changes in net position	119,814	1,107,367	1,227,181
Net Position - beginning	13,586,914	48,947,294	62,534,208
Restatement-due to accounting error	-	36,667	36,667
Net Position - end	<u>\$ 13,706,728</u>	<u>\$ 50,091,328</u>	<u>\$ 63,798,056</u>

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

CITY OF CROSSVILLE, TENNESSEE
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2024

	Catoosa Water	Crossville Water/Sewer	Total
Cash Flows from Operating Activities			
Receipts from customers	\$ 2,679,039	\$ 9,074,525	\$ 11,753,564
Payments to suppliers	(1,484,018)	(3,433,025)	(4,917,043)
Payments to employees	(474,673)	(1,567,265)	(2,041,938)
Net cash provided (used) by operating activities	<u>720,348</u>	<u>4,074,235</u>	<u>4,794,583</u>
Cash Flows from Noncapital related Financing Activities			
Nonoperating other receipts	1,560	49,628	51,188
Net cash provided (used) by capital and related financing activities	<u>1,560</u>	<u>49,628</u>	<u>51,188</u>
Cash Flows from Capital and Related Financing Activities			
Loan principal payments	(135,781)	(723,065)	(858,846)
Loan interest payments	(147,343)	(532,722)	(680,065)
Grant revenue	-	676,166	676,166
Capital contributions	-	9,000	9,000
Purchase of capital assets	(1,388,186)	(5,914,890)	(7,303,076)
Net cash provided (used) by capital and related financing activities	<u>(1,671,310)</u>	<u>(6,485,511)</u>	<u>(8,156,821)</u>
Cash Flows from Investing Activities			
Interest earned	229,164	738,001	967,165
Net cash provided (used) by capital and related financing activities	<u>229,164</u>	<u>738,001</u>	<u>967,165</u>
Net increase (decrease) in cash	(720,238)	(1,673,275)	(2,395,073)
Cash and cash equivalents - beginning	<u>4,836,518</u>	<u>13,942,539</u>	<u>18,779,057</u>
Cash and cash equivalents - ending	<u>\$ 4,116,280</u>	<u>\$ 12,269,264</u>	<u>\$ 16,383,984</u>
Classified as:			
Cash - Restricted and Unrestricted	\$ 174,792	\$ 222,872	\$ 397,664
Investment in LGIP	3,941,488	12,046,392	15,987,880
	<u>4,116,280</u>	<u>12,269,264</u>	<u>16,385,544</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	\$ 36,433	\$ 167,293	203,726
Adjustments to reconcile operating income to net cash provided (used) by operating activities			
Depreciation	565,579	3,058,700	3,624,279
(Increase) decrease in accounts receivable - net	(38,342)	(778,535)	(816,877)
(Increase) decrease in deferred outflows related to OPEB and pensions	64,224	(96,431)	(32,207)
(Increase) decrease in inventory	23,966	(72,592)	(48,626)
Increase (decrease) in accounts payable	35,126	1,746,029	1,781,155
Increase (decrease) in compensated absences	4,637	9,886	14,523
Increase (decrease) in deferred inflows related to OPEB and pensions	28,725	39,885	68,610
Total adjustments	<u>683,915</u>	<u>3,906,942</u>	<u>4,590,857</u>
Net cash provided (used) by operating activities	<u>720,348</u>	<u>4,074,235</u>	<u>\$ 4,794,583</u>
Schedule of Capital and Related Financing Activities that did not result in cash paymanets			
Purchase of capital assets on account - net pf prior year's amounts	\$ -	\$ 1,095,637	

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

CITY OF CROSSVILLE, TENNESSEE
Notes to Financial Statements
June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Crossville, Tennessee (the “City”) was incorporated under Chapter 362 of the Acts of Tennessee for the year 1901. Executive and administrative authority resides with the Mayor, who is elected at-large, and the City Council, composed of five members, including the mayor.

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

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

A. Reporting Entity

In evaluating how to define the reporting entity, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP and GASB issued Statement No. 14, *The Financial Reporting Entity*. This statement requires that the financial statements present the City of Crossville, Tennessee (the primary government) and any component units. Component units generally are legally separate entities for which a primary government is financially accountable. Financial accountability ordinarily involves meeting one of the following criteria: the primary government is accountable for the potential component unit (i.e., the primary government appoints the voting majority of its board and the primary government is able to impose its will upon the potential component unit); or there is a possibility that the potential component unit may provide specific financial benefits or impose specific financial burdens on the primary government. Based on the above criteria, the City had no component units at June 30, 2024.

B. Basic Financial Statements

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

Government-wide Statements

The Statement of Net Position and Statement of Activities display information about the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis, and (b) are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basic Financial Statements (continued)

The Statement of Activities presents both a gross and net cost comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. The net cost (by function or business-type activity) is normally covered by general revenue (property or sales taxes, intergovernmental revenues, interest income, etc.).

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

Fund Financial Statements

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

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

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

General Fund

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

Capital Projects Fund

This fund accounts for the acquisition or construction of capital projects, other than those financed by enterprise funds. Revenues are derived primarily from the sale of general obligation bonds and notes, loans, intergovernmental revenues, and earnings on investments.

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

Water and Sewer Fund

This fund is used to account for the provision of water services to residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing, billing and collection.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basic Financial Statements (continued)

Catoosa Water Fund

This fund was originally a separate utility district which was acquired by the City and provides water service to citizens within and without the City. It functions as an operation separate from the City's Water and Sewer fund in every respect with the exception of a common governing body.

Additionally, the City reports the following nonmajor governmental funds:

Special Revenue Funds

These types of funds are used to account for the proceeds of specific revenue sources (other than major capital projects) or committed sources requiring separate accounting because of legal or regulatory provisions or administrative action. The special revenue funds include the State Street Aid fund, Drug Enforcement fund, and Economic Development Hotel/Motel tax fund.

Generally, the effect of interfund activity has been removed from the government-wide financial statements, with the exception of interfund services provided and used which are not eliminated in the process of consolidation. Net interfund activities and balances between governmental activities and business-type activities are shown in the government-wide financial statements.

C. Measurement Focus - Basis of Accounting

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus – Basis of Accounting (continued)

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

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

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

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

D. Budgets and Budgetary Accounting

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

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

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

E. Cash and Cash Equivalents

Cash consists of cash-on-hand and cash-on-deposit with financial institutions. For purposes of reporting cash on the Statement of Cash Flows, the City considers unrestricted highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Cash is reported on the Statement of Net Position as "Cash". At June 30, 2024, the City had \$33,205,488 of cash equivalents held in the local government investment pool.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Investments

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

G. Property Taxes

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

Property taxes are recognized on the modified accrual basis on the governmental fund financial statements. Proper allowances are made for estimated uncollectible accounts and delinquent accounts when necessary. The tax rate for the 2024 levy is \$0.6059 per \$100 of assessed valuation.

Lien date	January 1, 2024
Levy date	January 1, 2024
Tax bills mailed	October 1, 2022
Payment due date	February 28, 2023
Delinquency date	March 1 1, 2023

H. Interfund Transactions

Interfund Receivables and Payables

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

Transactions between Funds

Transactions between funds that would be treated as revenues, expenditures, or expenses if they involved organizations external to the governmental unit are accounted for as revenues, expenditures, or expenses in the funds involved. Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund which are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditures or expense in the fund that is reimbursed.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Interfund transactions (continued)

All other legally authorized transfers are not eliminated but treated as transfers and are included as other financing sources or uses in the governmental funds and reported after non-operating revenues or expenses in the enterprise funds.

I. Prepayment of Expenditures

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

J. Inventories

Inventories, principally materials, supplies and replacement parts, are valued at cost, using the first in, first out (FIFO) method. The costs are recorded as expenditures at the time individual inventory items are consumed (consumption method).

K. Restricted Assets

Certain resources can be classified as restricted assets on the Statement of Net Position because their use is limited. See note 21 for detail on restricted assets.

L. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., primary roads, secondary roads, drainage), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Infrastructure assets including streets, sidewalks, curbs, and guttering with an initial cost of \$10,000 or more are capitalized. Infrastructure assets including traffic signals, street lighting, and drainage systems with an initial cost of \$20,000 or more are capitalized. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extended assets' lives are not capitalized.

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

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

Buildings and other improvements	40 years
Machinery and equipment	3-7 years
Plant and infrastructure	20-40 years

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. Deferred Outflows/Inflows of Resources

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

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

N. Compensated Absences

The City's policies permit employees to accumulate earned but unused vacation leave up to a maximum of 240 hours, except fire department employees may accumulate up to a maximum of 318 hours. Any unused, earned vacation leave in excess of the maximum is rolled over to accrued sick leave. In addition, contingent to annual budget approval, employees may be eligible to convert a maximum of 80 hours (96 for fire department employees) of accumulated vacation leave to cash each year provided the employee has a remaining balance of at least 60 hours (72 for fire department employees) after converting. Employees are paid their unused vacation hours upon termination. Also, all employees may accumulate sick leave without limitation. At retirement, employees are not paid for unused sick leave, but unused sick leave is credited to service time for retirement purposes for TCRS employees only. Any employee who ceases employment, other than due to retirement, forfeits all unused, earned sick leave.

The liability for compensated absences is recorded as long-term debt in the government-wide statements for governmental activities and for business-type activities. In the fund financial statements, governmental funds report only the compensated absences liability payable from expendable available financial resources.

O. Leases

The City records its leases under GASB Statement No. 87, *Leases*, which establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use ("ROU") an underlying asset. The City determines whether an arrangement is or contains a lease at lease inception. On the commencement date, leases are recorded as ROU assets and lease liabilities in the statements of net position. ROU assets represent the City's right to use leased assets over the term of the lease. Lease liabilities represent the City's contractual obligation to make lease payments over the lease term.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Leases (continued)

The lease liability is measured as the present value of the lease payments over the lease term using either the rate implicit in the lease, if it is not determinable, or the City's incremental borrowing rate if the implicit rate is not determinable. ROU assets are calculated as the present value of the remaining lease payments plus unamortized initial direct costs and prepayments of rent, less any unamortized lease payments plus unamortized initial direct costs and prepayments of rent, less and unamortized lease incentives received. Lease terms may include renewal or extension options to the extent they are reasonably certain to be exercised. Lease expense, an outflow of resources, is recognized on a straight-line basis over the lease term. The City has elected not to recognize ROU asset and lease liability for leases with an initial term of 12 months or less but includes the expense associated with short-term leases in lease expense in the statement of revenues, expenses, and changes in net position.

ROU assets are assessed for impairment in accordance with the City's capital asset policy. Management reassesses lease classification and remeasures ROU assets and lease liabilities when a lease is modified, and that modification is not accounted for as a separate new lease or upon certain other events that require reassessment in accordance with GASB No. 87. The City's leases are described further in Note 8.

P. Long-term Obligations

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

Bond Premiums and Discounts – In the governmental funds, bond discounts and premiums are treated as period costs in the year of issue. In proprietary funds, bond discount and premiums are deferred and amortized over the term of the bonds using the straight-line method, which does not differ significantly from the effective interest method. Bond premiums are presented as an increase of the face amount of bonds payable. At the government-wide level, any bond premiums and discounts in the governmental funds are adjusted and reported in the same manner as the proprietary funds.

Deferred Gains/Losses from Advanced Refundings of Debt – In the proprietary funds (and for governmental activities in the government-wide financial statements), the difference between the new debt and the net carrying value of the old debt on refunded debt transactions is deferred. The deferred gain/loss is amortized using the effective interest rate method over the life of the new debt.

Q. 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 City of Crossville's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from the City'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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. Pensions (continued)

the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value. The City opted out of the TCRS plan as of June 30, 2013.

R. Other Postemployment Benefits (OPEB)

For economic resources accounting, a liability should be recognized for the total OPEB liability. For current resources accounting liability should be recognized to extent that the liability will be paid with expendable available financial resources. This usually means to the extent that benefit payments have matured (are due and payable). OPEB expenditures should be recognized equal to the total of amounts paid by the employer as benefits came due and the change between the beginning and ending balances of amounts normally expected to be liquidated with expendable available financial resources (to the extent benefits are due and payable). Changes in the total OPEB liability should be recognized in the OPEB expense in the current period except as noted below:

- One-year portion of difference between actual and expected experience with regard to economic or demographic factors in the net OPEB liability amortized over closed period equal to average remaining useful life of all OPEB eligible as of start measurement period.
- One-year portion of amounts related to changes of assumptions about future economic or demographic factors or of other inputs amortized over closed period equal to average remaining useful life of all OPEB eligible as of start of measurement period.
- Cost incurred by the employer related to administration of OPEB using same measurement period as other changes to total OPEB liability.

S. Net Position

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

T. Fund Balance

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

Nonspendable: The City cannot spend these amounts because they are nonspendable form or because they are legally or contractually required to be maintain intact.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

T. Fund Balance (continued)

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

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

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

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

U. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

V. Events Occurring after Reporting Date

The City has evaluated events and transactions that occurred between June 30, 2024, and December 30, 2024, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk is the risk that in the event of a bank failure the City's deposits may not be returned to it. The City does not have a deposit or investment policy for custodial credit risk, however, the State of Tennessee requires its governmental entities to either meet the deposit and collateralization regulations under TCA Title 9, Chapter 4, Parts 1 and 4, or as provided in the collateral pool. As of June 30, 2024, the carrying amount of the City's deposits was \$10,572,789, and the bank balance was \$11,126,671. None of the City's bank balance was exposed to custodial credit risk as uninsured or uncollateralized due to the fact that all of its deposits and investments are in a financial institution that is a participant in the State of Tennessee collateral pool or are fully collateralized.

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

Cash	\$ 5,631,982
Investments	38,163,490
Gross Total	43,795,472
Less: Investment in LGIP	(33,205,488)
Petty Cash	(17,195)
Net Total	<u>\$ 10,572,789</u>

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

Investments

The City's investments are carried at fair value, and consist of investments in the State of Tennessee's Local Government Investment Pool (LGIP) and CDs. The LGIP is considered a 2a-7 like account (SEC designation) and is only required to be reported at amortized cost. The LGIP is an unrated investment pool. Because the fund is valued at a constant dollar, the City's position in the pool is equal to its account balance (fair value) as of June 30, 2024.

NOTE 3 – PROPERTY TAXES RECEIVABLE – NET

Property taxes receivable as of June 30, 2024 consists of the following:

<u>Year of Levy</u>	
2024	3,863,291
2023	136,798
2022	37,810
2021	26,749
2020	22,731
2019	13,324
2018	7,556
2017	3,955
2016	5,050
2015	2,796
2014	2,657
	<hr/>
	4,122,717
Less: Allowance for uncollectibles	(91,927)
	<hr/>
Property taxes receivable-net	4,030,790

NOTE 4 – ACCOUNTS RECEIVABLE – NET

Accounts receivable – net at June 30, 2024 consists of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Customer accounts	\$ -	\$ 2,007,075	\$ 2,007,075
Wholesale beer tax	69,054	-	69,054
Franchise tax	34,346	-	34,346
Other	340,195	-	340,195
Gross total	<hr/> 443,595	<hr/> 2,007,075	<hr/> 2,450,670
Less: Allowance for uncollectible accounts	<hr/> -	<hr/> (8,058)	<hr/> (8,058)
Net total	<hr/> 443,595	<hr/> 1,999,017	<hr/> 2,442,612

Business-type activities reported a combined bad debt expense of \$36,396.

NOTE 5 – DUE FROM OTHER GOVERNMENTS

Due from other governments at June 30, 2024 consists of the following:

State street aid	\$	74,599
Mixed drink tax		24,907
State sales tax		259,882
Local sales tax		2,207,155
Business tax		29,632
Telecommunications tax		4,049
Income tax		511
Sportsbetting tax		5,330
Occupancy tax		867
Petroleum special		3,676
Grant income		29,240
Total	\$	<u>2,639,848</u>

NOTE 6 – PREPAID EXPENSE

At June 30, 2024 the City did not have any prepaid expense.

NOTE 7 – CAPITAL ASSETS

	Balance as of July 1, 2023	Additions	Deletions	Balance as of June 30, 2024
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 11,809,700	\$ -	\$ -	\$ 11,809,700
Construction in process	5,662,858	4,397,014	50,680	10,009,192
Total capital assets not being depreciated	<u>17,472,558</u>	<u>4,397,014</u>	<u>50,680</u>	<u>21,818,892</u>
Capital assets being depreciated:				
Building and other improvements	10,508,576	-	-	10,508,576
Other improvements	19,435,658	321,410	-	19,757,068
Infrastructure	24,831,220	644,413	-	25,475,633
Machinery and equipment	13,770,982	531,585	107,289	14,195,278
Total capital assets being depreciated	<u>68,546,436</u>	<u>1,497,408</u>	<u>107,289</u>	<u>69,936,555</u>
Less accumulated depreciation	<u>(36,452,865)</u>	<u>(2,504,671)</u>	<u>108,598</u>	<u>(38,848,938)</u>
Total capital assets being depreciated-net	<u>32,093,571</u>	<u>(1,007,263)</u>	<u>215,887</u>	<u>31,087,617</u>
Governmental activities capital assets-net	<u>49,566,129</u>	<u>3,389,751</u>	<u>266,567</u>	<u>52,906,509</u>

NOTE 7 – CAPITAL ASSETS(Continued)

Depreciation expense was charged to functions of government as follows:

General government	\$ 134,480
Public safety	549,662
Public works	1,076,058
Cemetaries	8,144
Municipal airport	350,214
Parks and recreation	386,113
Total	<u>\$ 2,504,671</u>

	Balance as of July 1, 2023	Additions	Deletions	Balance as of June 30, 2024
<u>Business-Type activities:</u>				
Capital assets not being depreciated:				
Land	\$ 574,816	\$ -	\$ -	\$ 574,816
Construction in process	9,175,609	6,242,551	1,095,637	14,322,523
Total capital assets not being depreciated	<u>9,750,425</u>	<u>6,242,551</u>	<u>1,095,637</u>	<u>14,897,339</u>
Capital assets being depreciated:				
Buildings and plant	128,756,622	1,252,576	7,430	130,001,768
Machinery and equipment	5,859,473	903,586	146,943	6,616,116
Total capital assets being depreciated	<u>134,616,095</u>	<u>2,156,162</u>	<u>154,373</u>	<u>136,617,884</u>
Less accumulated depreciation	<u>(68,502,611)</u>	<u>(3,624,479)</u>	<u>154,373</u>	<u>(71,972,717)</u>
Total capital assets being depreciated-net	<u>66,113,484</u>	<u>(1,468,317)</u>	<u>308,746</u>	<u>64,645,167</u>
Business-Type activities capital assets-net	<u>75,863,909</u>	<u>4,774,234</u>	<u>1,404,383</u>	<u>79,542,506</u>
 Catoosa Water Fund	 \$ 565,579			
Crossville Water/Sewer Fund	3,058,700			
Total	<u>\$ 3,624,279</u>			

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

NOTE 8 – LEASES

The City entered into a lease agreement as the lessor for airport hangers on May 3, 2024. The City is leasing the hangers to the Whisper Aero, Inc. The agreement was signed as a fixed term for April 1, 2024 and will be in effect until March 31, 2044 for a total of 20 years, with a 10 year renewal option to March 31, 2054. Whisper Aero, Inc. will pay the City annual rent of \$24,000 payable in equal installments at the beginning of each calendar month starting April 1, 2024. The rent will increase annually equal to the CPI or 5%, whichever is lower.

A lease receivable is recognized at the present value of lease payments expected to be received during the lease term. Future lease payments were discounted using a rate of 3.00%. As of June 30, 2024 the value of the lease receivable is \$703,580.

A deferred revenue was recognized for leases in the amount of \$698,951 at June 30, 2024. Lease revenue recognized during the fiscal year was \$2,245 and interest earned was \$1,755.

NOTE 9 – DEFERRED OUTFLOWS RELATED TO PENSIONS

Deferred outflows related to pensions at June 30, 2024 consists of:

Beginning Balance	\$	2,774,899
Differences between expected and actual experience		1,175,999
Differences between projected and actual investment		9,200
Prior year employer contributions		(614,212)
Current Year employer contributions		305,684
Amortization of deferral		(2,133,554)
Netting investment earnings		1,057,467
Total	\$	<u>2,575,483</u>

NOTE 10 – DEFERRED OUTFLOWS RELATED TO OPEB

Deferred outflows related to OPEB at June 30, 2024 consists of:

Differences between expected and actual experience		1,140,578
Changes in assumptions		201,379
Total	\$	<u>1,341,957</u>

NOTE 11 – NET PENSION LIABILITY

Net pension liability at June 30, 2024 consists of:

Beginning balance	\$	459,040
Service cost		390,744
Interest expense		2,244,799
Plan administrative expense		11,847
Employer contributions		(614,212)
Employee contributions		-
Differences between expected and actual experience		1,175,999
Net investment income		(2,198,569)
Changes in assumptions		-
Total	\$	<u>1,469,648</u>

NOTE 12 – TOTAL OPEB LIABILITY

Total OPEB liability at June 30, 2024 consists of:

Beginning balance	\$	2,003,476
Service cost		74,816
Interest expense		69,434
Differences between expected and actual experience		1,218,322
Changes in assumptions		(576,211)
Benefit payments		(233,768)
Total	\$	<u>2,556,069</u>

NOTE 13 – LONG-TERM DEBT

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

Governmental Debt

The City has outstanding debt related to governmental activities totaling \$6,244,346. The City has outstanding debt related to business-type activities totaling \$30,082,403.

General obligation bonds and other loans are direct obligations and pledge the full faith and credit of the government. Business-type bonds and loans are issued pledging the revenue of the

Crossville Water and Sewer system and the full faith and credit of the government. The City's direct borrowings related to governmental and business-type activities require the same pledge of the full faith and credit; however, none of the direct borrowings contain any provision for acceleration of payments of principal or are secured by collateral. All bonds and other loans included in long-term debt as of June 30, 2024 will generally be retired from governmental or enterprise fund cash.

The City has financed purchases of various vehicles that are included in both governmental and business-type activities. The agreement is a joint agreement with varying maturity dates.

Debt outstanding as of June 30, 2024 consisted of the following:

	Original Borrowing	Interest Rate	Final Maturity	Balance as of June 30, 2024
Governmental Activities:				
General Obligation Bonds:				
General Obligation Refunding Bonds, Series 2020A1	\$ 4,065,000	2.000-4.000%	6/1/2037	\$ 3,790,000
General Obligation Refunding Bonds, Series 2020A2	1,235,000	2.000-3.000%	6/1/2037	980,000
General Obligation Refunding Bonds, Series 2020B	2,185,000	0.427-1.693%	6/1/2038	1,110,000
Total General Obligation Bonds:				<u>5,880,000</u>
Financed purchase - Fleet Management	505,967.00	0%	Various	364,346
Total Governmental Activities:				<u>\$ 6,244,346</u>
Business-type Activities:				
Revenue & Refunding Improvement Bonds:				
Water/Sewer Revenue Bonds, Series 2020C	\$ 30,755,000	2.000-4.000%	6/1/2050	\$28,215,000
Water/Sewer Revenue Bonds, Series 2020D	1,440,000	0.419-1.509%	6/1/2027	620,000
Total Revenue & Refunding Improvement Bonds:				<u>28,835,000</u>
Financed purchase - Fleet Management	147,577.00	0%	Various	110,158
Direct Borrowings:				
Rural Development Loan 91-22	\$ 890,000	1.75%	5/20/2061	841,258
Rural Development Loan 91-24	308,462	1.50%	2/11/2062	295,987
Total Direct Borrowings:				<u>1,137,245</u>
Total Business-type Activities:				<u>\$30,082,403</u>

The above schedule does not include bond premiums of \$85,780 related to governmental activities and \$168,184 of business-type activities.

NOTE 13 – LONG-TERM DEBT(Continued)

Annual debt service requirements to maturity for bonds and notes payable are as follows:

Year Ending	Governmental			Business-Type			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 532,100	\$ 118,318	\$ 650,418	\$ 889,217	\$ 663,093	\$ 1,552,310	\$ 1,421,317	\$ 781,411	\$ 2,202,728
2026	520,476	110,934	631,410	892,250	636,154	1,528,404	1,412,726	747,088	2,159,814
2027	504,023	104,016	608,039	909,387	607,888	1,517,275	1,413,410	711,904	2,125,314
2028	452,747	96,476	549,223	925,708	584,603	1,510,311	1,378,455	681,079	2,059,534
2029	430,000	88,300	518,300	943,829	556,347	1,500,176	1,373,829	644,647	2,018,476
2030-2034	2,305,000	290,100	2,595,100	4,993,822	2,413,182	7,407,004	7,298,822	2,703,282	10,002,104
2035-2039	1,500,000	60,100	1,560,100	6,195,642	2,079,478	8,275,120	7,695,642	2,139,578	9,835,220
2040-2044	-	-	-	6,063,049	1,289,803	7,352,852	6,063,049	1,289,803	7,352,852
2045-2049	-	-	-	6,726,010	618,550	7,344,560	6,726,010	618,550	7,344,560
2050-2054	-	-	-	1,469,201	39,341	1,508,542	1,469,201	39,341	1,508,542
2055-2059	-	-	-	47,642	3,838	51,480	47,642	3,838	51,480
2060-2062	-	-	-	26,646	548	27,194	26,646	548	27,194
	<u>\$6,244,346</u>	<u>\$868,244</u>	<u>\$7,112,590</u>	<u>\$30,082,403</u>	<u>\$9,492,825</u>	<u>\$39,575,228</u>	<u>\$36,326,749</u>	<u>\$10,361,069</u>	<u>\$46,687,818</u>

A summary of long-term liability activity, including debt, for the year ended June 30, 2024 is as follows:

	Balance as of July 1, 2023	Additions	Retirements	Balance as of June 30, 2024	Amount due within one year
Governmental Activities:					
General obligation bonds	\$ 6,275,000	\$ -	\$ (395,000)	\$ 5,880,000	\$ 400,000
Plus: bond premium	95,798	-	(10,018)	85,780	-
Total bonds payable	6,370,798	-	(405,018)	5,965,780	400,000
Direct borrowings	496,446	-	(132,100)	364,346	132,100
Compensated absences	420,635	11,926	-	432,561	-
Total OPEB liability	1,595,786	440,145	-	2,035,931	-
Total Governmental Activities	<u>\$ 8,883,665</u>	<u>\$ 452,071</u>	<u>\$ (537,118)</u>	<u>\$ 8,798,618</u>	<u>\$ 532,100</u>
Business-type Activities:					
Revenue & Refunding Bonds	\$ 29,625,000	\$ -	\$ (790,000)	\$ 28,835,000	\$ 820,000
Plus: bond premium	174,652	-	(6,468)	168,184	-
Total bonds payable	29,799,652	-	(796,468)	29,003,184	820,000
Direct borrowings	1,316,249	-	(68,846)	1,247,403	69,217
Compensated absences	108,376	14,523.00	-	122,899	-
Total OPEB liability	407,690	112,448	-	520,138	-
Total Governmental Activities	<u>\$ 31,631,967</u>	<u>\$ 126,971</u>	<u>\$ (865,314)</u>	<u>\$ 30,893,624</u>	<u>\$ 889,217</u>

NOTE 14 – DEFERRED REVENUE PROPERTY TAX

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

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Property taxes	\$ 3,863,291	\$ 167,499	\$ 4,030,790

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

NOTE 15 – DEFERRED INFLOWS RELATED TO PENSIONS

The City of Crossville has no deferred inflows related to pensions at June 30, 2024.

NOTE 16 – DEFERRED INFLOWS RELATED TO OPEB

Deferred inflows related to OPEB at June 30, 2024 consists of:

Differences between expected and actual experience	-
Differences between projected and actual investment	-
Amortization of deferral	-
Changes of assumptions	730,243
Total	<u>\$ 730,243</u>

NOTE 17 – TRANSFERS

The General Fund transferred \$715,783 to the Capital Projects Fund to aid in funding capital outlay.

NOTE 18 – DEFERRED COMPENSATION PLAN

Beginning on July 1, 2013, the City began offering its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years, subject to maximum deferral limitations provided in the plan. The deferred compensation is not available to its employees until termination, retirement, death, or unforeseeable emergency. The plan assets are held in trust for the exclusive benefit of participating employees under the Small Business Job Protection Act of 1996. In addition, the City has little administrative involvement and does not perform the investing function of the plan. As a result, the assets and liabilities with the plan are excluded from the City's balance sheet. The City does not contribute to the plan.

The City maintains a money purchase pension plan (the "ICMA Plan"), which is administered through the ICMA Retirement Corporation, which is mandatory for all eligible employees. In order to be eligible to participate in the Plan, employees must be at least 18 years of age and have attained at least six months of service with the City. Employees are eligible to contribute up to 100% of their salary subject to the Internal Revenue Code limits. Vesting in the Plan is 0% for one year, 25% for two years, 50% for three years, 75% for four years, and 100% for five years or more of service with the City. Contributions are forfeitures are allocated to plan participants based on the proportion of their salary to the total salaries of all eligible Plan participants. Employer and employee contributions to this Plan are mandatory. The City contributes 5% of employee salary and will match up to an additional 3% contribution to each employee's plan account. Employer and employee contributions to this Plan are mandatory for 5% each. The Plan assets are the property of the employees and are not included in these statements. Contributions for the year totaled \$599,889.

NOTE 19 – PENSION PLAN

General Information About the Pension Plan

Plan description

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

Benefits provided

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

NOTE 19 – PENSION PLAN (Continued)

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.

General Information About the Pension Plan (continued)

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 the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Employees covered by benefit terms

At the measurement date of June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	122
Inactive employees entitled to but not yet receiving benefits	94
Active employees	<u>77</u>
Total Employees	<u><u>293</u></u>

Contributions

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees are noncontributory. The City of Crossville 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, the employer contributions for the City of Crossville were \$305,684 based on a rate of 13.00% percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the City of Crossville’s state shared taxes if required employer contributions are not remitted. The employer’s ADC and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension liabilities (assets)

The City of Crossville’s net pension liability (asset) was measured as of June 30, 2023, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

NOTE 19 – PENSION PLAN (Continued)**Actuarial assumptions**

The total pension liability as of June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

General Information About the Pension Plan (continued)**Actuarial assumptions (continued)**

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

Changes of assumptions

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

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
U.S. equity	4.88%	31.00%
Developed market international equity	5.37%	14.00%
Emerging market international equity	6.09%	4.00%
Private equity and strategic lending	6.57%	20.00%
U.S. fixed income	1.20%	20.00%
Real estate	4.38%	10.00%
Short-term securities	0.00%	1.00%
		100.00%

NOTE 19 – PENSION PLAN (Continued)

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

General Information About the Pension Plan (continued)

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

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balance at June 30, 2022	\$ 33,591,823	\$ 33,132,783	\$ 459,040
Changes for the year:			-
Service cost	390,744	-	390,744
Interest	2,244,799	-	2,244,799
		-	-
Changes of benefit terms	-	-	-
Differences between expected and actual experience	1,175,999	-	1,175,999
Changes in assumptions	-	-	-
Contributions-employer	-	614,212	(614,212)
Contributions-employees	-	-	-
Net investment income	-	2,198,569	(2,198,569)
Benefit payments, including refunds of employee contributions	(1,452,562)	(1,452,562)	-
Administrative expense	-	(11,847)	11,847
Other changes	-	-	-
Net changes	2,358,980	1,348,372	1,010,608
Balance at June 30, 2023	\$ 35,950,803	\$ 34,481,155	\$ 1,469,648

NOTE 19 – PENSION PLAN (Continued)

General Information About the Pension Plan (continued)

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

The following presents the net pension liability (asset) of the City of Crossville was 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:

	<u>1% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
City of Crossville Tennessee's net pension liability (asset)	\$ 6,423,620	\$ 1,469,648	\$ (2,635,333)

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

Pension expense (Negative pension expense)

For the fiscal year ended June 30, 2024, the City of Crossville, Tennessee recognized pension expense (negative pension expense) of \$1,389,673.

Deferred outflows of resources and deferred inflows of resources

For the fiscal year ended June, 30, 2024, the City of Crossville, Tennessee reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources

	<u>Deferred outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,463,279	\$ -
Net difference btween projected and actual earnings on pension plan investments	250,166	-
Changes in assumptions	556,354	-
Contributions subsequent to the measurement date of June 30, 2023	305,684	(not applicable)
Total	<u>\$ 2,575,483</u>	<u>\$ -</u>

:The amounts 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.

NOTE 19 – PENSION PLAN (Continued)

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

Deferred outflows of resources and deferred inflows of resources (continued)

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

Year ended June 30:

2025	\$	1,075,778
2026		158,983
2027		1,033,200
2028		1,840
2029		-
Thereafter		-

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

Payable to the pension plan

At June 30, 2024, the City of Crossville reported a payable of \$0 for outstanding amount of contributions to the pension plan required at the year ended June 30, 2024.

NOTE 20 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Local Government OPEB Plan:

General Information About the OPEB Plan

Plan description

The City currently pays for Other Postemployment Benefits on a pay-as-you-go basis. The City provides postemployment medical benefits to all employees and their families who retire with at least 30 years of service and are not less than age 55 or with at least 20 years of service and are not less than age 60, until they are eligible for Medicare benefits. All active employees who retire directly from the City and meet eligibility criteria may participate.

Benefits provided

The City offers health insurance coverage to eligible pre-65 retirees participants of local governments. Insurance coverage is the only postemployment benefit provided to retirees. The City pays the full single coverage contribution rate for these benefits and approximately 55% of the contribution rate for family coverage. Other benefits such as dental and life coverage are available to retirees but are not deemed subsidized by the City. The OPEB plan is funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

NOTE 20 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Employees covered by benefit terms

In the June 30, 2024 actuarial valuation, the following employees and retirees of the City were covered by the benefit terms of the OPEB plan:

	<u>Employees Only</u>	<u>Employees & Dependents</u>
Active	90	89
Retired	7	6
	<u>97</u>	<u>95</u>

This table reflects eligible active employees and retirees as of June 30, 2024 based on the data provided. Excluded are plan participants who were 65 or older on June 30, 2024 or hired after that date.

The City establishes the required payments to the OPEB by employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. For the fiscal year ended June 30, 2024, the City paid \$233,768 to the plan for OPEB benefits as they came due.

Total OPEB Liability

Actuarial assumptions

The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs from the last full valuation performed as of June 30, 2023, applied to all periods included in the measurement, unless otherwise specified:

Inflation	4.21% (1.74% real rate of return plus 2.50% inflation)
Salary increases	3.50%
Healthcare cost tend rates	4.50%
Retiree's share of benefit-related costs	No contribution paid by the retiree for single medical coverage and approximately 45% contribution for additional family medical coverage. Monthly contribution for retiree for Network P is \$455.39 for Family, \$269.45 for retiree and spouse, and \$209.28 for retiree and children.
Mortality	RPH-2014 Total Table with Projection MP-2021

Discount rate

The discount rate used to measure the total OPEB liability was selected by reviewing the recent published Bond Buyer GO-20 bond index. This is one of the indices acceptable under GASB 75. This index is published weekly and has trended up in recent months. The Actuarial Report selected 4.21% as the discount rate for this valuation.

NOTE 20 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Changes in the Total OPEB Liability

	Total OPEB Liability (a)
Total OPEB liability-beginning balance	2,003,476
Changes for the year:	
Service cost	74,816
Interest	69,434
Changes of benefit terms	-
Difference between expected and actual experience	1,218,322
Change in assumptions	(576,211)
Benefit payments	(233,768)
Net Changes	552,593
Total OPEB liability-ending balance	2,556,069

Changes in assumptions

Changes in assumptions are amortized over the average remaining service of active employees and inactive participants.

Sensitivity of total OPEB liability to changes in the discount rate

The following presents the total OPEB liability related to the City's OPEB plan, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentagepoint increase (5.21%) or 1-percentage-point decrease (3.21%) than the current discount rate.

	1% Decrease (3.21%)	Discount Rate (4.21%)	1% Increase (5.21%)
City of Crossville's Total OPEB liability	\$ 2,753,716	\$ 2,556,069	\$ 2,374,725

Changes in the Total OPEB Liability (continued)

Sensitivity of total OPEB liability to changes in the healthcare cost trend rate

The following presents the total OPEB liability related to the City's OPEB Plan, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate.

	1% Decrease 3.50%	Healthcare Cost Trend Rates 4.50%	1% Increase 5.50%
City of Crossville's Total OPEB liability	\$ 2,326,562	\$ 2,556,069	\$ 2,827,864

NOTE 20 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

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

OPEB expense

For the fiscal year ended June 30, 2024, the City of Crossville, Tennessee recognized OPEB expense of \$261,763.

Deferred outflows of resources and deferred inflows of resources

For the fiscal year ended June 30, 2024, the City of Crossville, Tennessee reported deferred outflows of resources and deferred inflows of resources related to OPEB benefits from the following sources:

	<u>Deferred outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,140,578	\$ -
Changes in assumptions	201,379	730,243
Employer payments subsequent to the measurement date	-	-
Total	<u>\$ 1,341,957</u>	<u>\$ 730,243</u>

The amounts shown above for "Employer payments subsequent to the measurement date" will be recognized as a reduction to total OPEB liability in the following measurement period.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

Deferred outflows of resources and deferred inflows of resources (continued)

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

Year ended June 30:

2025	\$ 117,966
2026	117,996
2027	113,155
2028	49,236
2029	49,236
Thereafter	166,155

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

NOTE 21 – NET POSITION RESTRICTIONS

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

State street aid funds in the amount of 760,130 are legally restricted for state street aid expenditures.

Drug funds in the amount of \$179,743 are legally restricted for drug control expenditures.

Economic development funds in the amount of \$357,116 are legally restricted for tourism and economic development expenditures.

NOTE 22 – FUND BALANCES

Fund balances are as follows:

Nonspendable:

Inventory balances of \$211,531 are nonspendable due to form.

Restricted:

State street aid funds in the amount of 760,130 are legally restricted for state street aid expenditures. Drug funds in the amount of \$179,743 are legally restricted for drug control expenditures. Economic development funds in the amount of \$357,116 are legally restricted for tourism and economic development expenditures.

Unassigned:

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

NOTE 23 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the Government-wide Statement of Net Position. One element of that reconciliation states that “Net Pension Liability and Net OPEB Liability including deferred inflows and deferred outflows, are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this (\$664,029) difference are as follows:

Deferred outflows related to pensions	\$ 2,060,386
Net pension liability	(1,175,719)
Deferred inflows related to pensions	-
Net adjustment	<u>\$ 884,667</u>
Deferred outflows related to OPEB	\$ 1,068,880
Net OPEB liability	(2,035,931)
Deferred inflows related to OPEB	(581,645)
Net adjustment	<u>\$ (1,548,696)</u>

Another element of that reconciliation states that “Capital assets used in government activities are not financial resources and, therefore, are not reported in the government al fund balance sheet.” The details of this \$52,906,509 difference are as follows:

Capital Assets	\$ 91,755,447
Accumulated depreciation	(38,848,938)
Net adjustment	<u>\$ 52,906,509</u>

Another element of that reconciliation states that “Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet.” The details of this (\$6,832,176) difference are as follows:

Bonds payable	\$ 6,330,126
Compensated absences	432,561
Landfill postclosure care	69,489
Net adjustment	<u>\$ 6,832,176</u>

NOTE 23 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

Another element of that reconciliation states that “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.” The details of this \$167,499 difference are as follows:

Deferred revenue- property tax	\$	4,030,790
Deferred revenue- property tax - Unearned		(3,863,291)
Net adjustment	\$	<u>167,499</u>

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

The Governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between net changes in fund balances for total governmental funds and changes in net position of governmental activities as reported in the Government-wide Statement of Activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures, however, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expenses.” The detail of this \$3,389,751 difference is as follows:

Capital outlay	\$	5,894,422
Depreciation expense		(2,504,671)
Net adjustment	\$	<u>3,389,751</u>

Another element of that reconciliation states that “Pension and OPEB expense for the prior year is not reported in the governmental funds, but is reported in the Statement of Activities. Current year pension and OPEB contributions are reported as an expense in the governmental funds, but are not reported in the Statement of Activities.” The details of this (\$889,489) difference are as follows:

Pension expense	\$	1,111,738
Prior year contribution changes		(489,094)
Contributions		244,547
Net adjustment	\$	<u>867,192</u>
OPEB expense	\$	261,763
Prior year contribution changes		(5,697)
Contributions		(233,768)
Net adjustment	\$	<u>22,298</u>

NOTE 23 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

Another element of that reconciliation states that “Repayment of long-term debt is report as an expenditure in government funds, but the repayment reduced long-term liabilities in the Net Position.” The details of this \$562,557 difference are as follows:

Bond payments	\$	395,000
Bond premiums		10,018
Financed purchase payments		132,100
Landfill costs		13,544
Accrued interest		11,895
Net adjustment	\$	<u>562,557</u>

Another element of that reconciliation states that “Accrued leave reported in the Statement of Activities does not require the use of current financial resources and, therefore, is reported as expenditures in governmental funds.” The details of this \$11,926 difference are as follows:

Compensated absences- prior year	(420,635)
Compensated absences- current year	432,561
Net adjustment	<u>\$ 11,926</u>

Another element of that reconciliation states that “Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.” The details of this \$143,647 difference are as follows:

Deferred revenues	143,647
Net adjustment	<u>\$ 143,647</u>

NOTE 24 – WATER SALES AGREEMENTS

In May 2007, the City entered into a water sales agreement with Fall Creek Falls Utility District (“FCFUD”) as purchaser, and South Cumberland Utility District (“SCUD”) as transporter. The term of the contract is for twenty-five years beginning from the date the transporter of the water begins delivering water to the purchaser. The contract stipulates that the City will sell potable treated water up to 10,000,000 gallons per month to FCFUD.

In November 2006, the City entered into a water service contract with SCUD to provide all SCUD’s potable water needs provided that SCUD’s demands do not exceed the City’s capacity to furnish potable water to all of the City’s customers. The contract became effective January 1, 2007, and terminates on December 31, 2024, unless extended by mutual agreement by both parties. The initial contract price of the water is \$2.67 for each 1,000 gallons which is subject to a rate adjustment annually on January 1st. The parties have agreed that any rate increase to SCUD will be the same percentage rate increase as established by the City’s customers inside the City and shall become effective at the same time as the rate increase to the City’s customers inside the City.

NOTE 24 – WATER SALES AGREEMENTS(Continued)

In April 2007, the City entered into a water service contract with Grandview Utility District (“GUD”) to provide all of GUD’s potable water needs provided that GUD’s demands do not exceed the City’s capacity to furnish potable water to all of the City’s customers. The contract became effective May 1, 2007, and terminates on December 31, 2024, unless extended by mutual agreement by both parties. The initial contract price of the water is \$2.67 for each 1,000 gallons which is subject to a rate adjustment annually on January 1st. The parties have agreed that any rate increase to GUD will be the same percentage rate increase as established by the City’s customers inside the City and shall become effective at the same time as the rate increase to the City’s customers inside the City.

NOTE 25 – RISK MANAGEMENT

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

NOTE 26 – LITIGATION AND CLAIMS

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

NOTE 27 – LANDFILL POSTCLOSURE CARE COSTS

The postclosure care costs of the City landfill closed in 1993 are accounted for in the primary government governmental activities. State and federal regulations require the City to place a final cover on all landfills after closure, and the City must perform certain maintenance and monitoring functions for 30 years thereafter. The City recognizes landfill postclosure care costs based on the amount of the landfill used during the year. The estimated liability for landfill postclosure care costs of \$69,489 at June 30, 2024 is based on the use of 100 percent of the capacity of the City landfill.

Changes in the estimated liability for landfill postclosure care costs for the year ended June 30, 2024, are as follows:

Estimated liability, June 30, 2023	\$	83,033
Costs incurred		(13,544)
Estimated liability, June 30, 2024	\$	<u>69,489</u>

NOTE 27 – LANDFILL POSTCLOSURE CARE COSTS(Continued)

The estimated total current cost of the landfill postclosure care of \$69,489 is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfills were acquired at June 30, 2024. However, the actual cost of postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

NOTE 28 – PRIOR PERIOD ADJUSTMENTS

Net position was restated as follows:

<u>Government - Wide:</u>	<u>Decription of Restatement</u>	<u>Amount</u>
Government activities	Beginning Net Position, as previously reported	\$ 69,237,498
	To correct postclosure care liability	35,392
	To correct fixed assets	(299,781)
	To correct accounts receivable	64,310
	To correct property tax deferrals	(223,776)
	To remove leased assets	843,391
	Record long-term debt	(505,967)
	Beginning Net Position, as restated	<u>69,151,067</u>

Fund balances were restated as follows:

<u>Fund Statements:</u>	<u>Decription of Restatement</u>	<u>Amount</u>
General fund	Beginning Fund Balance, as previously reported	\$ 25,150,977
	Write off accounts receivable	(91,708)
	Accrue additional receivables	193,689
	Property tax deferrals	(72,806)
	Beginning Fund Balance, as restated	<u>25,180,152</u>

NOTE 28 – PRIOR PERIOD ADJUSTMENTS (Continued)

State Street Aid	Beginning Fund Balance, as previously reported	\$ 1,094,947
	Accrue additional receivables	34,750
	Beginning Fund Balance, as restated	<u>1,129,697</u>
Economic Development Hotel/Motel Tax	Beginning Fund Balance, as previously reported	\$ 289,457
	Accrue additional receivables	375
	Beginning Fund Balance, as restated	<u>289,832</u>

Business-Type:

Water and Sewer Fund	Beginning Net Position, as previously reported	\$ 62,534,208
	Record long-term debt	36,667
	Beginning Net Position, as restated	<u>62,570,875</u>

NOTE 29 – DISCRETELY PRESENTED COMPONENT UNITS

During the fiscal year, the City established the Tourism Development Authority and the Sports Authority of the City of Crossville, Tennessee. The purpose is to increase tourism and recreational activities in the City. Neither entity had activity for the fiscal year ending June 30, 2024, however, in the future they will be presented as component units of the City.

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

CITY OF CROSSVILLE, TENNESSEE
Schedule of Changes in Total OPEB Liability and Related Ratios
June 30, 2024

Local Government OPEB Plan

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Total OPEB Liability							
Service cost	47,916	47,262	47,262	101,190	101,190	74,816	74,816
Interest	68,111	66,581	66,528	50,246	50,251	71,040	69,434
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	-	-	-	-	114,864	-	1,218,322
Changes of assumptions	-	-	545,030	-	(358,251)	-	(576,211)
Benefit payments	<u>(140,299)</u>	<u>(122,961)</u>	<u>(153,797)</u>	<u>(153,797)</u>	<u>(148,689)</u>	<u>(148,689)</u>	<u>(233,768)</u>
Net change in total OPEB liability	(24,272)	(9,118)	505,023	(2,361)	(240,635)	(2,833)	552,593
Total OPEB liability- beginning	<u>1,777,672</u>	<u>1,753,400</u>	<u>1,744,282</u>	<u>2,249,305</u>	<u>2,246,944</u>	<u>2,006,309</u>	<u>2,003,476</u>
Total OPEB liability- ending (a)	<u>1,753,400</u>	<u>1,744,282</u>	<u>2,249,305</u>	<u>2,246,944</u>	<u>2,006,309</u>	<u>2,003,476</u>	<u>2,556,069</u>
Covered-employee payroll	6,289,366	6,862,926	7,106,644	7,106,644	7,323,183	7,323,183	7,857,138
Total OPEB liability as a percentage of covered-employee payroll	27.88%	25.42%	31.65%	31.62%	27.40%	27.36%	32.53%

Notes to Schedule:

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

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

This schedule is intended to display ten years of information. Additional, years will be displayed as they become available.

CITY OF CROSSVILLE, TENNESSEE
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on
Participation in the Public Employee Pension Plan of TCRS
June 30, 2024

Total Pension Liability (Asset)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Service cost	\$ 483,925	\$ 465,416	\$ 409,474	\$ 411,762	\$ 435,924	\$ 393,800	\$ 390,788	\$ 368,403	\$ 401,138	\$ 390,744
Interest	1,419,255	1,525,912	1,658,850	1,704,397	1,775,746	1,854,313	1,934,234	1,975,216	2,123,928	2,244,799
Change in benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between actual and expected experience	292,564	777,668	(437,343)	101,542	48,442	52,253	(504,140)	940,241	692,439	1,175,999
Change of assumptions	-	-	-	579,067	-	-	-	2,225,413	-	-
Benefit payments, including refunds of employee contributions	(658,561)	(851,717)	(1,029,393)	(1,022,547)	(1,083,793)	(1,184,815)	(1,205,176)	(1,261,279)	(1,380,277)	(1,452,562)
Net change in total pension liability (asset)	1,537,183	1,917,279	601,588	1,774,221	1,176,319	1,115,551	615,706	4,247,994	1,837,228	2,358,980
Total pension liability (asset), beginning	18,768,754	20,305,937	22,223,216	22,824,804	24,599,025	25,775,344	26,890,895	27,506,601	31,754,595	33,591,823
Total pension liability (asset), ending (a)	<u>\$ 20,305,937</u>	<u>\$ 22,223,216</u>	<u>\$ 22,824,804</u>	<u>\$ 24,599,025</u>	<u>\$ 25,775,344</u>	<u>\$ 26,890,895</u>	<u>\$ 27,506,601</u>	<u>\$ 31,754,595</u>	<u>\$ 33,591,823</u>	<u>\$ 35,950,803</u>
Plan Fiduciary Net Position										
Contributions - employer	845,936	735,344	668,277	914,088	857,245	820,335	736,671	745,110	598,747	614,212
Contributions- employee	1,581	239	-	-	-	-	-	-	-	-
Net investment income	3,001,114	651,137	571,479	2,478,568	2,006,600	1,926,685	1,357,928	7,283,644	(1,333,662)	2,198,569
Benefit payments, including refunds of employee contributions	(658,561)	(851,717)	(1,029,393)	(1,022,547)	(1,083,793)	(1,184,815)	(1,205,176)	(1,261,279)	(1,380,277)	(1,452,562)
Administrative expense	(6,446)	(6,937)	(9,093)	(9,784)	(10,356)	(9,093)	(8,251)	(7,901)	(8,217)	(11,847)
Net change in plan fiduciary net position	3,183,624	528,066	201,270	2,360,325	1,769,696	1,553,112	881,172	6,759,574	(2,123,409)	1,348,372
Plan fiduciary net position, beginning	18,019,353	21,202,977	21,731,043	21,932,313	24,292,638	26,062,334	27,615,446	28,496,618	35,256,192	33,132,783
plan fiduciary net position, ending (b)	<u>\$ 21,202,977</u>	<u>\$ 21,731,043</u>	<u>\$ 21,932,313</u>	<u>\$ 24,292,638</u>	<u>\$ 26,062,334</u>	<u>\$ 27,615,446</u>	<u>\$ 28,496,618</u>	<u>\$ 35,256,192</u>	<u>\$ 33,132,783</u>	<u>\$ 34,481,155</u>
Net pension liability (asset), ending (a-b)	<u>\$ (897,040)</u>	<u>\$ 492,173</u>	<u>\$ 892,491</u>	<u>\$ 306,387</u>	<u>\$ (286,990)</u>	<u>\$ (724,551)</u>	<u>\$ (990,017)</u>	<u>\$ (3,501,597)</u>	<u>\$ 459,040</u>	<u>\$ 1,469,648</u>
Plan fiduciary net position as a percentage of total pension liability	104.42%	97.79%	96.09%	98.75%	101.11%	102.69%	103.60%	111.03%	98.63%	95.91%
Covered employee payroll	\$ 5,915,632	\$ 5,387,134	\$ 4,895,799	\$ 5,078,268	\$ 4,762,469	\$ 4,557,416	\$ 4,464,675	\$ 4,686,227	\$ 4,605,747	4724710
Net pension liability (asset) as a percentage of covered employee payroll	-15.16%	9.14%	18.23%	6.03%	-6.03%	-15.90%	-22.17%	-74.72%	9.97%	31.11%

Notes to Schedule:

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

*GASB 68 requires a 10-year schedule for this data to be presented starting with the *implementation of GASB 68*. The schedule is not required to be presented retroactively prior years' data, if needed.

CITY OF CROSSVILLE, TENNESSEE
Schedule of Contributions Based on Participation in the Public
Employee Pension Plan of TCRS
June 30, 2024

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Actuarially determined contribution	\$ 845,936	\$ 735,334	\$ 668,277	\$ 692,676	\$ 872,965	\$ 819,879	\$ 709,883	\$ 745,110	\$ 488,670	\$ 614,212	\$ 305,684
Contributions in relation to the											
actuarially determined contribution	<u>845,936</u>	<u>735,334</u>	<u>668,277</u>	<u>914,088</u>	<u>872,965</u>	<u>820,335</u>	<u>736,671</u>	<u>745,110</u>	<u>598,747</u>	<u>614,212</u>	<u>305,684</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (221,412)</u>	<u>\$ -</u>	<u>\$ (456)</u>	<u>\$ (26,788)</u>	<u>\$ -</u>	<u>\$ (110,077)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 5,915,632	\$ 5,387,134	\$ 4,895,799	\$ 5,078,268	\$ 4,762,469	\$ 4,557,416	\$ 4,464,675	\$ 4,686,227	\$ 4,605,747	\$ 5,174,490	2,351,417
Contributions as a percentage of covered payroll	14.30%	13.65%	13.65%	18.00%	18.33%	18.00%	16.50%	15.90%	13.00%	11.87%	13.00%

Notes to Schedule:

GASB 68 requires a 10-year Schedule for this data to be presented starting with the implementation of GASB 68. The information in this Schedule is not required to be presented retroactively prior to the implementation date.

CITY OF CROSSVILLE, TENNESSEE
Notes to Required Supplementary Information
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 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment Rate of Return	6.75 percent, net of investment expense, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including an adjustment for some anticipated improvement
Cost of Living Adjustments	2.125 percent

Changes of assumptions. In 2021, the following assumptions were changed: decreased inflation rate from 2.50 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.22 percent; decrease salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

Economic Development Hotel/Motel Tax Fund: This fund is used to account for the hotel and motel taxes received by the City and any expenditures made to enhance and expand economic development in the City.

CITY OF CROSSVILLE, TENNESSEE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	State Street Aid Fund	Drug Fund	Economic Development Hotel/Motel Tax	Total Governmental Funds
ASSETS				
Cash	\$ 130,702	\$ 17,579	\$ 35,750	\$ 184,031
Investment	1,160,456	163,441	320,499	1,644,396
Due from other governments	74,599	-	867	75,466
Total Assets	<u>\$ 1,365,757</u>	<u>\$ 181,020</u>	<u>\$ 357,116</u>	<u>\$ 1,903,893</u>
LIABILITIES				
Accounts payable	\$ 605,627	\$ 1,277	\$ -	\$ 606,904
Total Liabilities	<u>\$ 605,627</u>	<u>\$ 1,277</u>	<u>\$ -</u>	<u>\$ 606,904</u>
FUND BALANCES				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	760,130	179,743	357,116	1,296,989
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>\$ 760,130</u>	<u>\$ 179,743</u>	<u>\$ 357,116</u>	<u>\$ 1,296,989</u>

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

CITY OF CROSSVILLE, TENNESSEE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2024

	State Street Aid	Drug Fund	Economic Development Hotel/Motel Tax	Total Governmental Funds
REVENUES				
Intergovernmental revenue	424,391	-	213,107	637,498
Fines and forfeitures	-	7,014	-	7,014
Other revenue	59,302	13,943	17,531	90,776
Total Revenues	<u>483,693</u>	<u>20,957</u>	<u>230,638</u>	<u>735,288</u>
EXPENDITURES				
Current Expenditures				
Economic development	-	-	163,354	163,354
Public safety	-	33,189	-	33,189
Public works	853,260	-	-	853,260
Total Expenditures	<u>853,260</u>	<u>33,189</u>	<u>163,354</u>	<u>1,049,803</u>
Excess (deficiency) of revenues over (under) expenditures	(369,567)	(12,232)	67,284	(314,515)
Fund Balances - beginning	1,094,947	191,975	289,457	1,576,379
Prior Period Adjustment	34,750	-	375	35,125
Fund Balances - beginning - restated	<u>1,129,697</u>	<u>191,975</u>	<u>289,832</u>	<u>1,611,504</u>
Fund Balances - end	<u>\$ 760,130</u>	<u>\$ 179,743</u>	<u>\$ 357,116</u>	<u>\$ 1,296,989</u>

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

CITY OF CROSSVILLE, TENNESSEE
State Street Aid Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Intergovernmental Revenue				
State shared revenue				
Streets and transportation funds	380,000	380,000	424,391	44,391
Total Intergovernmental Revenue	<u>380,000</u>	<u>380,000</u>	<u>424,391</u>	<u>44,391</u>
Other Revenue				
Interest earnings	30,000	30,000	59,302	29,302
Total Other Revenue	<u>30,000</u>	<u>30,000</u>	<u>59,302</u>	<u>29,302</u>
Total Revenues	<u>410,000</u>	<u>410,000</u>	<u>483,693</u>	<u>73,693</u>
EXPENDITURES				
Current Expenditures				
Public Works				
Highway and maintenance				
Street lighting	270,000	251,500	224,789	26,711
Repairs and maintenance	10,000	28,500	28,471	29
Asphalt filler	-	600,000	600,000	-
Total Public works	<u>280,000</u>	<u>880,000</u>	<u>853,260</u>	<u>26,740</u>
Total Expenditures	<u>280,000</u>	<u>880,000</u>	<u>853,260</u>	<u>26,740</u>
Net change in fund balances	130,000	(470,000)	(369,567)	(100,433)
Fund Balances - beginning	1,094,947	1,094,947	1,094,947	-
Prior Period Adjustment	-	-	34,750	-
Fund Balances - beginning	<u>1,094,947</u>	<u>1,094,947</u>	<u>1,129,697</u>	
Fund Balances - end	<u>\$ 1,224,947</u>	<u>\$ 624,947</u>	<u>\$ 760,130</u>	<u>\$ (135,183)</u>

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

CITY OF CROSSVILLE, TENNESSEE
Drug Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Fines and Forfeitures				
Court fines and forfeitures	13,000	13,000	7,014	(5,986)
Other Revenue				
Investment income	4,000	4,000	8,642	4,642
Proceeds for sale of capital assets	2,000	2,000	-	(2,000)
Miscellaneous	10,000	10,000	5,301	(4,699)
Total Other Revenue	16,000	16,000	13,943	(2,057)
Total Revenues	29,000	29,000	20,957	(8,043)
EXPENDITURES				
Current Expenditures				
Public safety				
Drug prevention and enforcement	28,000	42,000	33,189	8,811
Total Public safety	28,000	42,000	33,189	8,811
Total Expenditures	28,000	42,000	33,189	8,811
Net change in fund balances	1,000	(13,000)	(12,232)	(768)
Fund Balances - beginning	191,975	191,975	191,975	-
Fund Balances - end	\$ 192,975	\$ 178,975	\$ 179,743	\$ (768)

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

CITY OF CROSSVILLE, TENNESSEE
Economic Development - Hotel/Motel Tax
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Local Taxes				
Occupancy Tax	240,000	240,000	213,107	(26,893)
Other Revenue				
Investment income	6,000	6,000	16,331	10,331
Miscellaneous and contribution income	-	-	1,200	1,200
Total Other Revenue	6,000	6,000	17,531	11,531
Total Revenues	246,000	246,000	230,638	(15,362)
EXPENDITURES				
Current Expenditures				
Economic development	185,000	185,000	163,003	21,997
Miscellaneous	50,000	50,000	351	49,649
Total Expenditures	235,000	235,000	163,354	71,646
Net change in fund balances	11,000	11,000	67,284	(56,284)
Fund Balances - beginning	289,457	289,457	289,457	-
Prior Period Adjustment	-	-	375	-
Fund Balances - beginning, restated	289,457	289,457	289,832	
Fund Balances - end	<u>\$ 300,457</u>	<u>\$ 300,457</u>	<u>\$ 357,116</u>	<u>\$ (56,659)</u>

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

CITY OF CROSSVILLE, TENNESSEE
Schedule of Changes in Long-term Debt by Individual Issue
June 30, 2024

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Maturity Date	Outstanding Balance as of July 1, 2023	Issued During Period	Matured During Period	Outstanding Balance as of June 30, 2024
Governmental Activities:								
Bonds Payable:								
General Obligation Refunding Bonds, Series 2020A1	\$ 4,065,000	2.000-4.000%	November 16, 2020	June 1, 2037	\$ 3,850,000	\$ -	\$ (60,000)	\$ 3,790,000
General Obligation Improvement Bonds, Series 2020A2	\$ 1,235,000	2.000-3.000%	November 16, 2020	June 1, 2037	1,045,000	-	(65,000)	980,000
General Obligation Refunding Bonds, Series 2020B	\$ 2,185,000	0.427-1.693%	November 16, 2020	June 1, 2028	1,380,000	-	(270,000)	1,110,000
Total Bonds Payable:					<u>\$ 6,275,000</u>	<u>\$ -</u>	<u>\$ (395,000)</u>	<u>\$ 5,880,000</u>
Note Payable - Fleet Maintenance	\$ 505,967	0.00%	Various	Various	\$ 496,446	\$ -	\$ (132,100)	\$ 364,346
Total Governmental Activities:					<u>\$ 6,771,446</u>	<u>\$ -</u>	<u>\$ (527,100)</u>	<u>\$ 6,244,346</u>
Business-type Activities:								
Bonds Payable:								
Water & Sewer Revenue Bonds, Series 2020C	\$ 30,755,000	2.000-4.000%	November 16, 2020	June 1, 2050	\$ 28,800,000	\$ -	\$ (585,000)	\$ 28,215,000
Water & Sewer Revenue Bonds, Series 2020D	\$ 1,440,000	0.419-1.509%	November 16, 2020	June 1, 2027	825,000	-	(205,000)	620,000
Total Bonds Payable:					<u>\$ 29,625,000</u>	<u>\$ -</u>	<u>\$ (790,000)</u>	<u>\$ 28,835,000</u>
Note Payable - Fleet Maintenance	\$ 147,577	0.00%	Various	Various	\$ 157,098	\$ -	\$ (46,940)	\$ 110,158
Other Loans Payable:								
Rural Development Loan 91-22	\$ 890,000	1.75%	May 20, 2021	May 20, 2061	\$ 857,355	\$ -	\$ (16,097)	\$ 841,258
Rural Development Loan 91-24	\$ 308,462	1.50%	May 11, 2022	February 11, 2062	301,796	-	(5,809)	295,987
Total Other Loans Payable:					<u>\$ 1,159,151</u>	<u>\$ -</u>	<u>\$ (21,906)</u>	<u>\$ 1,137,245</u>
Total Business-type Activities:					<u>\$ 30,941,249</u>	<u>\$ -</u>	<u>\$ (858,846)</u>	<u>\$ 30,082,403</u>

CITY OF CROSSVILLE, TENNESSEE
Schedule of Principal and Interest Requirements
By Fiscal Year
June 30, 2024

Governmental Activities Long-Term Debt

Year Ending June 30	Series 2020A1 Bonds			Seires 2020A2 Bonds			Series 2020B Bonds			Fleet Maintenance			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 65,000	\$ 82,650	\$ 147,650	\$ 65,000	\$ 20,250	\$ 85,250	\$ 270,000	\$ 15,418	\$ 285,418	\$ 132,100	\$ -	\$ 132,100	\$ 532,100	\$ 118,318	\$ 650,418
2026	65,000	80,050	145,050	70,000	18,300	88,300	275,000	12,584	287,584	110,476	-	110,476	520,476	110,934	631,410
2027	65,000	78,100	143,100	70,000	16,900	86,900	280,000	9,016	289,016	89,023	-	89,023	504,023	104,016	608,039
2028	65,000	76,150	141,150	70,000	15,500	85,500	285,000	4,826	289,826	32,747	-	32,747	452,747	96,476	549,223
2029	360,000	74,200	434,200	70,000	14,100	84,100	-	-	-	-	-	-	430,000	88,300	518,300
2030	370,000	63,400	433,400	75,000	12,700	87,700	-	-	-	-	-	-	445,000	76,100	521,100
2031	375,000	56,000	431,000	75,000	11,200	86,200	-	-	-	-	-	-	450,000	67,200	517,200
2032	385,000	48,500	433,500	75,000	9,700	84,700	-	-	-	-	-	-	460,000	58,200	518,200
2033	390,000	40,800	430,800	80,000	8,200	88,200	-	-	-	-	-	-	470,000	49,000	519,000
2034	400,000	33,000	433,000	80,000	6,600	86,600	-	-	-	-	-	-	480,000	39,600	519,600
2035	410,000	25,000	435,000	80,000	5,000	85,000	-	-	-	-	-	-	490,000	30,000	520,000
2036	415,000	16,800	431,800	85,000	3,100	88,100	-	-	-	-	-	-	500,000	19,900	519,900
2037	425,000	8,500	433,500	85,000	1,700	86,700	-	-	-	-	-	-	510,000	10,200	520,200
Total	<u>\$ 3,790,000</u>	<u>\$ 683,150</u>	<u>\$ 4,473,150</u>	<u>\$ 980,000</u>	<u>\$ 143,250</u>	<u>\$ 1,123,250</u>	<u>\$ 1,110,000</u>	<u>\$ 41,844</u>	<u>\$ 1,151,844</u>	<u>\$ 364,346</u>	<u>\$ -</u>	<u>\$ 364,346</u>	<u>\$ 6,244,346</u>	<u>\$ 868,244</u>	<u>\$ 7,112,590</u>

CITY OF CROSSVILLE, TENNESSEE
Schedule of Principal and Interest Requirements
By Fiscal Year
June 30, 2024

Business-type Activities Long-Term Debt

Year Ending June 30	2020 Series C Bonds			2020 Series D Bonds			Rural Development Loan 91-22			Rural Development Loan 91-24			Fleet Maintenance			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 610,000	\$ 636,166	\$ 1,246,166	\$ 210,000	\$ 7,936	\$ 217,936	\$ 16,381	\$ 14,591	\$ 30,972	\$ 5,896	\$ 4,400	\$ 10,296	\$ 46,940	\$ -	\$ 46,940	\$ 889,217	\$ 663,093	\$ 1,552,310
2026	630,000	611,766	1,241,766	205,000	5,776	210,776	16,670	14,302	30,972	5,986	4,310	10,296	34,594	-	34,594	892,250	636,154	1,528,404
2027	660,000	586,566	1,246,566	205,000	3,094	208,094	16,964	14,008	30,972	6,076	4,220	10,296	21,347	-	21,347	909,387	607,888	1,517,275
2028	895,000	566,766	1,461,766	-	-	-	17,263	13,709	30,972	6,168	4,128	10,296	7,277	-	7,277	925,708	584,603	1,510,311
2029	920,000	539,916	1,459,916	-	-	-	17,568	12,396	29,964	6,261	4,035	10,296	-	-	-	943,829	556,347	1,500,176
2030	945,000	512,316	1,457,316	-	-	-	17,878	13,094	30,972	6,355	3,941	10,296	-	-	-	969,233	529,351	1,498,584
2031	965,000	493,416	1,458,416	-	-	-	18,193	12,779	30,972	6,451	3,845	10,296	-	-	-	989,644	510,040	1,499,684
2032	985,000	474,116	1,459,116	-	-	-	-	-	-	6,549	3,747	10,296	-	-	-	991,549	477,863	1,469,412
2033	1,005,000	454,416	1,459,416	-	-	-	-	-	-	6,648	3,648	10,296	-	-	-	1,011,648	458,064	1,469,712
2034	1,025,000	434,316	1,459,316	-	-	-	-	-	-	6,748	3,548	10,296	-	-	-	1,031,748	437,864	1,469,612
2035	1,045,000	413,816	1,458,816	-	-	-	-	-	-	6,850	3,446	10,296	-	-	-	1,051,850	417,262	1,469,112
2036	1,065,000	392,916	1,457,916	-	-	-	-	-	-	6,954	3,342	10,296	-	-	-	1,071,954	396,258	1,468,212
2037	1,090,000	371,616	1,461,616	-	-	-	-	-	-	7,059	3,237	10,296	-	-	-	1,097,059	374,853	1,471,912
2038	1,110,000	349,816	1,459,816	-	-	-	-	-	-	7,165	3,131	10,296	-	-	-	1,117,165	352,947	1,470,112
2039	1,130,000	327,616	1,457,616	-	-	-	720,341	207,519	927,860	7,273	3,023	10,296	-	-	-	1,857,614	538,158	2,395,772
2040	1,155,000	305,016	1,460,016	-	-	-	-	-	-	7,383	2,913	10,296	-	-	-	1,162,383	307,929	1,470,312
2041	1,180,000	280,760	1,460,760	-	-	-	-	-	-	7,495	2,801	10,296	-	-	-	1,187,495	283,561	1,471,056
2042	1,205,000	255,982	1,460,982	-	-	-	-	-	-	7,608	2,688	10,296	-	-	-	1,212,608	258,670	1,471,278
2043	1,230,000	230,376	1,460,376	-	-	-	-	-	-	7,723	2,573	10,296	-	-	-	1,237,723	232,949	1,470,672
2044	1,255,000	204,238	1,459,238	-	-	-	-	-	-	7,840	2,456	10,296	-	-	-	1,262,840	206,694	1,469,534
2045	1,280,000	177,568	1,457,568	-	-	-	-	-	-	7,958	2,338	10,296	-	-	-	1,287,958	179,906	1,467,864
2046	1,310,000	150,368	1,460,368	-	-	-	-	-	-	8,078	2,218	10,296	-	-	-	1,318,078	152,586	1,470,664
2047	1,335,000	122,532	1,457,532	-	-	-	-	-	-	8,200	2,096	10,296	-	-	-	1,343,200	124,628	1,467,828
2048	1,365,000	94,162	1,459,162	-	-	-	-	-	-	8,324	1,972	10,296	-	-	-	1,373,324	96,134	1,469,458
2049	1,395,000	63,450	1,458,450	-	-	-	-	-	-	8,450	1,846	10,296	-	-	-	1,403,450	65,296	1,468,746
2050	1,425,000	32,062	1,457,062	-	-	-	-	-	-	8,577	1,719	10,296	-	-	-	1,433,577	33,781	1,467,358
2051	-	-	-	-	-	-	-	-	-	8,707	1,589	10,296	-	-	-	8,707	1,589	10,296
2052	-	-	-	-	-	-	-	-	-	8,838	1,458	10,296	-	-	-	8,838	1,458	10,296
2053	-	-	-	-	-	-	-	-	-	8,972	1,324	10,296	-	-	-	8,972	1,324	10,296
2054	-	-	-	-	-	-	-	-	-	9,107	1,189	10,296	-	-	-	9,107	1,189	10,296
2055	-	-	-	-	-	-	-	-	-	9,245	1,051	10,296	-	-	-	9,245	1,051	10,296
2056	-	-	-	-	-	-	-	-	-	9,385	911	10,296	-	-	-	9,385	911	10,296
2057	-	-	-	-	-	-	-	-	-	9,526	770	10,296	-	-	-	9,526	770	10,296
2058	-	-	-	-	-	-	-	-	-	9,670	626	10,296	-	-	-	9,670	626	10,296
2059	-	-	-	-	-	-	-	-	-	9,816	480	10,296	-	-	-	9,816	480	10,296
2060	-	-	-	-	-	-	-	-	-	9,965	331	10,296	-	-	-	9,965	331	10,296
2061	-	-	-	-	-	-	-	-	-	10,115	181	10,296	-	-	-	10,115	181	10,296
2062	-	-	-	-	-	-	-	-	-	6,566	36	6,602	-	-	-	6,566	36	6,602
Total	\$ 28,215,000	\$ 9,082,054	\$ 37,297,054	\$ 620,000	\$ 16,806	\$ 636,806	\$ 841,258	\$ 302,398	\$ 1,143,656	\$ 295,987	\$ 91,567	\$ 387,554	\$ 110,158	\$ -	\$ 110,158	\$ 30,082,403	\$ 9,492,825	\$ 39,575,228

CITY OF CROSSVILLE, TENNESSEE
Schedule of Changes in Property Tax Receivable
June 30, 2024

Year of Levy	Property Taxes Receivable July 1, 2023	Property Tax Levied	Abatements and Adjustments	Collections	Property Taxes Receivable June 30, 2024
2024	-	3,863,291	-	-	3,863,291
2023	3,615,809	-	15,096	3,494,107	136,798
2022	326,467	-	-	288,657	37,810
2021	36,041	-	-	9,292	26,749
2020	25,909	-	-	3,178	22,731
2019	18,142	-	-	4,818	13,324
2018	9,298	-	-	1,742	7,556
2017	5,622	-	-	1,667	3,955
2016	6,243	-	-	1,193	5,050
2015	3,019	-	-	223	2,796
2014	2,731	-	-	74	2,657
2013	10,863	-	(10,863)	-	-
Total	4,060,144	3,863,291	4,233	3,804,951	4,122,717
Less Allowance for Uncollectable Accounts					(91,927)
Balance, End of Year, Net of Allowance					4,030,790

Notes to Schedule:

All uncollected taxes for years prior to 2023 have been turned over to the county for collections.

CITY OF CROSSVILLE, TENNESSEE
Tax Rates and Assessed Valuation- Applicable to the Last Ten Years
June 30, 2024

Year of Levy	Tax Rate Per		Property	Total
	\$100			
2024	\$ 0.6059	\$	623,236,614	\$ 3,776,191
2023	\$ 0.6059		608,988,281	3,615,809
2022	\$ 0.6059		582,205,887	3,532,335
2021	\$ 0.7500		458,531,669	3,438,943
2020	\$ 0.5900		464,138,858	2,740,741
2019	\$ 0.5900		454,527,768	2,683,981
2018	\$ 0.5900		451,656,720	2,667,035
2017	\$ 0.5900		452,066,777	2,669,456
2016	\$ 0.6300		425,928,952	2,683,354
2015	\$ 0.6300		415,156,189	2,615,491
2014	\$ 0.5300		409,292,914	2,169,252

CITY OF CROSSVILLE, TENNESSEE
Schedule of Utility Rates
June 30, 2024

Water and Sewer Customer Rates

First 2,000 gallons	Inside the City	Outside the City
Water	\$10.68 Minimum Bill	\$16.04 Minimum Bill
Sewer	\$15.08 Minimum Bill	\$22.62 Minimum Bill

All over 2,000 gallons	Inside the City	Outside the City
Water	\$5.34 per 1,000 gallons	\$8.02 per 1,000 gallons
Sewer	\$7.54 per 1,000 gallons	\$11.31 per 1,000 gallons

Utility Districts:

South Cumberland	\$3.88 per 1,000 gallons
Grandview	\$3.88 per 1,000 gallons
Catoosa	\$1.50 per 1,000 gallons

Number of Customers

	Inside the City	Outside the City	Totals
Water Customers			
Residential	4,323	7,979	12,302
Commercial	1,403	310	1,713
Industrial	30	4	34
CUD Master Meters	-	4	4
Utility District Taps	-	5	5
Total Water Customers	5,756	8,302	14,058
Total Sewer Customers	5,512	70	5,582

CITY OF CROSSVILLE, TENNESSEE
Schedule of Expenditures of Federal Adwards and State Financial Assistance
June 30, 2024

Federal Grantor/ Pass-through Grantor/ Program Title	Assistance Listing Number	Grant/Project Number	Accrued (Receivable) 7/1/2023	Grant Receipts	Grant Expenditures	Accrued (Receivable) 6/30/2024
Federal Programs						
U.S. Department of Transportation						
FAA Airports Coronavirus Response Grant Program - COVID	20.106	AERO-22-179-00	\$ 173,310	\$ -	\$ 173,310	\$ -
FAA American Rescue Plan Act (ARPA) Funding for Airports	20.106	AERO-22-268-00	(3,912)	3,912	-	-
Obstruction Clearing - Phase II	20.106	AERO-22-243-00	(12,915)	189,934	177,019	-
Precision Approach Path Indicator Project	20.106	AERO-22-242-00	-	9,797	9,797	-
Terminal Building Renovations	20.106	AERO-23-271-00	(60,428)	156,990	96,562	-
Highway Program (Northwest Connector	20.205	140210	-	28,942	28,942	-
Airport Layout Plan	20.106	AERO-20-208-00	-	2,981	2,981	-
Total U.S. Department of Transportation			<u>96,055</u>	<u>392,556</u>	<u>488,611</u>	<u>-</u>
U.S. Department of Safety and Homeland Security						
Enforcement of Tennessee Driving Under the Influence Laws	20.607	Z23THS074	(7,029)	8,251	1,222	-
Enforcement of Tennessee Driving Under the Influence Laws	20.607	Z24THS075	-	3,559	26,483	(22,924)
Total U.S. Department of Safety and Homeland Security			<u>(7,029)</u>	<u>11,810</u>	<u>27,705</u>	<u>(22,924)</u>
U.S. Federal Emergency Management Agency - to the State						
Department of Military, Tennessee Emergency Management Agency						
FEMA-4514-DR-TN	97.036	FEMA-4514-DR-TN	-	-	8,171	(8,171)
U.S. Department of Justice						
Bulletproof Vest Partnership Program	16.607	009BUBX09049954	(2,550)	2,550	-	-
U.S. Office of National Drug Control Policy						
High Intensity Drug Trafficking Area	95.001	G24AP0001A	(1,151)	7,046	6,755	(860)
U.S. Department of Environment and Conservation						
TDEC-ARP	21.027	-	-	-	609,645	(609,645)
U.S. Department of the Treasury						
Coronavirus State and Local Fiscal Recovery Funds	21.027	-	2,648,498	-	-	2,648,498
Total Federal			<u>\$ 2,733,823</u>	<u>\$ 413,962</u>	<u>\$ 1,140,887</u>	<u>\$ 2,006,898</u>

CITY OF CROSSVILLE, TENNESSEE
Schedule of Expenditures of Federal Awards and State Financial Assistance
June 30, 2024

State Programs

Tennessee Department of Transportation							
State Transportation Funds SR-1	-	18LPLM-F3-010	\$ -	\$ 14,476	\$ 14,476	\$ -	
127S Utility Relocation	-	STP-28(32)	-	37,579	37,579	-	
Hanger Whisper AERO	-	10386	-	1,200,000	1,200,000	-	
Airport Operations Counting System	-	AERO-23-168-00	(1,226)	1,226	-	-	
Aeronautics Division Grant Maintenance 22-23	-	40100-00619	(5,563)	5,563	-	-	
Airport Maintenance	-	40100-51008	(4,263)	9,232	4,969	-	
Total Tennessee Department of Transportation			<u>(11,052)</u>	<u>1,268,076</u>	<u>1,257,024</u>	<u>-</u>	
Tennessee Department of Finance and Administration							
Office of Criminal Justice Programs							
VCIF Community Crime Prevention	-	77241-VCIF	-	45,700	45,700	-	
Tennessee Department of Safety and Homeland Security							
Statewide School Resource Officer (SRO) Grant	-	34901-01482	-	300,000	300,000	-	
Tennessee Department of Commerce and Insurance							
Police In-Service	-	-	-	28,800	28,800	-	
Fire In-Service	-	-	-	17,600	17,600	-	
Total Tennessee Department of Commerce and Insurance			<u>-</u>	<u>46,400</u>	<u>46,400</u>	<u>-</u>	
Total State			<u>\$ (11,052)</u>	<u>\$ 1,660,176</u>	<u>\$ 1,649,124</u>	<u>\$ -</u>	
TOTAL FEDERAL AND STATE			<u><u>\$ 2,722,771</u></u>	<u><u>\$ 2,074,138</u></u>	<u><u>\$ 2,790,011</u></u>	<u><u>\$ 2,006,898</u></u>	

Note 1 – Basis of Presentation: The accompanying Schedule of Expenditures of Federal Awards summarizes the expenditures of the City of Crossville, Tennessee under programs of the Federal Government for the year ended June 30, 2024. The Schedule is presented using the modified accrual basis of accounting.

Note 2 – Indirect Cost Rate: The City of Crossville, Tennessee has not elected to use the 10percent de minimis indirect cost rate or to allocate any indirect cost.

SEC RULE 15C2-12 CONTINUING DISCLOSURES
ANNUAL OPERATING INFORMATION SECTION
(Unaudited)



GENERAL INFORMATION

City of Crossville (the “City”) is the county seat of Cumberland County, Tennessee (the “County”) which is situated on the Cumberland Plateau region of the State and located along U.S. Interstate 40 approximately 71 miles West of Knoxville, 114 miles east of Nashville, and 79 miles north of Chattanooga. Cumberland County has an approximate land area of 679 square miles and has a mean elevation of approximately 1,980 feet above sea level (ASL) and is home to the highest elevation point of the Cumberland Plateau at approximately 3,100 feet ASL. It enjoys a temperate climate with an average annual temperature of 56 degrees, average July temperature of 86 degrees, average January low temperature of 25 degrees, average annual precipitation of 55 inches, and prevailing winds are from the Southwest.

Smart Asset has ranked Cumberland County as the highest net worth per capita county in Tennessee. Fairfield Glade, Lake Tansi Village, Cumberland Cove, and Deer Creek represent a few of the resorts and private communities which offer golf, leisure activities and other recreational amenities. The County is home to nine championship golf courses, which include approximately 90 holes at Fairfield Glade and the Jack Nicklaus Bear Trace Course at Cumberland Mountain State Park. Each course offers a unique golfing experience and incorporates a variety of rolling hills, mountain streams, and rock formations in design layout which includes blue grass fairways and bent grass greens.

The County is a rural cultural destination center for visitors from across the country and is home to The Cumberland County Playhouse, the only major non-profit professional performing arts center in rural Tennessee. The Cumberland County Playhouse serves more than 145,000 visitors annually with two indoor and two outdoor stages, young audience productions, a comprehensive dance program, a concert series, and touring shows. Outdoor activities are enjoyed by County residents and visitors. Cumberland Mountain State Park, Lake Tansi Village, Fairfield Glade, Cumberland Cove, Crossville Recreation Park, Caryonah Hunting Lodge and Preserve, and the Catoosa Wildlife Management Area provide an abundance of swimming, skiing, hiking, fishing, hunting, and other sporting opportunities.

Sources: See: APPENDIX A – GENERAL INFORMATION LISTING OF INFORMATION SOURCES AND WEBSITE LINKS TO DATA AT THE CONCLUSION OF THIS APPENDIX A.

CENTER OF INNOVATION

The City is rising above its location atop the Cumberland Plateau and is actively pursuing its goal of establishing itself as one of Tennessee’s centers for innovation, advancement of research and development, and commerce for the aviation, aerospace, acoustics, automotive, aerodynamics, vehicular, and motorsports industries. Private enterprise, the City, Cumberland County, Tennessee Technological University, and the State of Tennessee are working together to create transformative change with local, regional, national, and global relevance and appeal. The City has become a new center for venture capital investment and actively pursues a vision of establishing the City as a center of incubation to assist the development of future growth and economic opportunity. In 2023, Carta Data cited the Best US Cities for Early-State Start Up Ecosystem Seed & Series A Funding | Q1-Q3 – Energy Category Rankings: #1 Bay Area; #2 LA; #3 Boston; #4 New York; #5 Crossville, Tennessee.

Four of Cumberland County’s more significant and recent industrial, commercial, and innovation additions are highlighted below. A listing of web links for sources and further reference is included in this Appendix A at the conclusion of this appendix.

Buc-ee’s

Leveraging the status of the City of Crossville as a national destination center, Buc-ee’s the owner/operator of the largest family travel and convenience centers in the USA opened the 1st Tennessee location, a 53,400 sq./ft. center, in Crossville (the largest of its travel centers at the time). Buc-ee’s consists of 50 family travel center facilities located across the US with centers in Alabama, Florida, Georgia, Kentucky, Missouri, South Carolina, Tennessee, Colorado, and Texas. Buc-ee’s travel centers are their own family destinations with growing numbers planning trips to include stops at Buc-ee’s. Buc-ee’s are fuel centers with all facilities inclusive of 80-120 fuel pumps (Crossville 120 pumps) with offering ranging from gasoline, diesel, to Tesla

Superchargers located in 7 states including the Crossville center; food centers including bakery, brisket-fudge-beef/other jerky bars, and a host of proprietary product offerings; bathroom centers rated the cleanest in the USA; and fun centers that re-energize travelers along the way. Buc-ee's holds world records with largest travel convenience centers and car wash designations. A Buc-ee's has just announced plans to expand its national footprint to the States of Arkansas, Mississippi, and Virginia. _____

Sources: See: APPENDIX A – GENERAL INFORMATION LISTING OF INFORMATION SOURCES AND WEBSITE LINKS TO DATA AT THE CONCLUSION OF THIS APPENDIX A.

Whisper Aero

In 2021, Whisper Aero chose the City for its national headquarters, research and development, prototype design, and advancement testing operations. The company is pioneering the development of cleaner, quieter, and more efficient systems for the aviation, aerospace, acoustics, defense, and homeland security industries with institutional and commercial applications and products. Among other innovations, Whisper Aero is developing state of the art propulsion systems and solutions which challenge the present dominance of current open rotor propulsion systems plagued by safety, noise, and performance limitations. Whisper's developing technologies seek to allow aircraft to fly anywhere at any time without disturbing communities, at greater speeds, with significant enhancement of efficiency and reduction of cost. The company is a disrupter challenging the status quo at every level and nationally recognized leader in the move to Regional Air Mobility (RAM).

Whisper Aero was co-founded by 30-year NASA veteran Dr. Mark Moore, pioneer of Distributed Electric Propulsion (DEP), co-founder of Uber Elevate and director of engineering aviation, and Ian Villa, Forbes Magazine 2022 – “30 under 30” class alumni, and Director of Strategy and Systems Simulation at Uber Elevate prior to co-founding Whisper Aero. The company's initial acquisition was a 40,000 ft² base campus for testing and manufacturing in Crossville. In July 2024, in partnership with the City and State, Whisper Aero opened a new 7,400 ft² flight testing facility, with the nation's most powerful 400A charging stations manufactured by Lincoln Electric, at the Crossville Municipal Airport. The growth of Whisper Aero has continued with development of an 8,000 ft² engineering and prototyping facility in Nashville. Additional information is available at the website of the Company

In August 2024, Whisper Aero announced the award of a Small Business Innovation Research (SBIR) contract by NASA to design quiet and efficient fans for spacecraft cabin ventilation, with the possibility of extending into additional space habitat environment applications. During this six-month Phase I effort, Whisper will be working closely with NASA engineers to design the quietest fan suitable for crewed space environments in preparation for follow-on prototyping and testing efforts. If successful in the Phase I effort, Whisper will prepare to test a prototype of its designs in a follow-on effort in 2025 to validate the low noise and high efficiency benefits of its core technology in a space fan. <https://www.whisper.aero/>.

Sources: See: Appendix A – General Information Listing of Information Sources and Website Links to Data at the conclusion of this Appendix A.

Flatrock Motor Sports

Designed by Tilke Engineers and Architects, Flatrock Motor Sports (“Flatrock”) is designed as a 5.9-mile, 34-turn racing circuit featuring a combination of both a 2.7-mile FIM and FIA Grade II certified competition “Grand Prix” track and 3.50-mile 23-turn FIA Grade II private members “Motor Club” circuit. The Motor Club circuit is surrounded by estate lots, club villa lots, and garage lofts, with VIP membership packages beginning at \$250,000.

Located on approximately 800 acres on the Cumberland Plateau in Cumberland County, Flatrock members will enjoy paddocks, a clubhouse including exclusive restaurants, lounges, day spas, garage lofts with rooftop viewing, trackside villas, multipurpose pit building with race control, and meeting spaces. A CIK Karting Track opened in 2024.

The Flatrock development features a hotel, destination restaurants, campgrounds, brewery, winery, retail centers, and events amphitheater with seating capacity at approximately 18,000. Flatrock will host global motor sports racing events, live concerts, and supporting events for a target global clientel.

In 2023, Flatrock announced a partnership with Radical Motor Sports (“Radical”) a race car manufacturing company, and is taking delivery of two of Radical’s latest Radical SR3 XXR models to conduct circuit testing and demonstrations. The Flatrock facilities have been designed to grow in scale as the company moves to engage steps necessary to achieve FIA Grade I certification to join a list of approximately 50 global facilities certified to host Formula 1 Grand Prix races and events. Additional information is available at the website of the Company <https://experienceflatrock.com/>.

Sources: See: APPENDIX A – GENERAL INFORMATION LISTING OF INFORMATION SOURCES AND WEBSITE LINKS TO DATA AT THE CONCLUSION OF THIS APPENDIX A.

Tennessee Technological University

Tennessee Technological University (“University” or “TTU”) is a public university in the State of Tennessee. Approximately 40% of all students major in a science or engineering discipline. In 2019, the school announced the Rural Reimagined Strategic Plan to engage transformation in partnership with rural communities by harnessing the power science, technology, and innovation.

The Tennessee Center for Rural Innovation (TCRI) at TTU works to harness science, technology, and innovation to transform rural living. TCRI’s Rural Reimagined program is dedicated to developing and supporting the success of rural areas throughout Tennessee in a way that can be replicated to assist rural areas throughout the county and the world.

In 2022, The Tennessee Technological University Foundation acquired approximately 4 acres in downtown Crossville and a reported 160,000 ft² of building facilities (the “Crossville Project”) for the purpose of housing a Wind Tunnel and Supercomputer. The Crossville Project will engage advanced engineering and computer science and related activities to expand associated economic and community development initiatives.

The Crossville Project is being utilized to construct, assemble, and house a wind tunnel and supercomputer. The wind tunnel will feature a 500-horsepower fan and aperture preface to an approximately 150-foot tunnel. In scale the facility is approximately twice the present size of the entire fluid mechanics laboratory at the University’s main campus.

The Wind Tunnel facilities provide for educational, institutional, and private enterprise research and development initiatives on a national basis with wide array application to design and prototype testing activities absent the limitations of smaller facilities. The TTU facilities in Crossville join a small number of institutions at locations across the nation with such research and testing facilities.

The Crossville Project supercomputer is in the process of design and development. It is envisioned the University’s Crossville Project will provide for connection and collaboration with Oak Ridge National Laboratories (ORNL), among the world’s premier research institutions. Two of the 10 fastest supercomputers in the world are located at ORNL, to include #1 ranked “Frontier” and #4 ranked “Summit”.

Sources: See: APPENDIX A – GENERAL INFORMATION LISTING OF INFORMATION SOURCES AND WEBSITE LINKS TO DATA AT THE CONCLUSION OF THIS APPENDIX A.

State of Tennessee

The State of Tennessee Department of Economic and Community Development (TNECD) works to develop and implement strategies designed to make Tennessee a top state in the southeast for high quality jobs and to elevate rural economic opportunities across the State. The State partners with and provides funding for the Tennessee Technological University Center for Rural Innovation (TCRI) and its partner communities and institutions. The Tennessee Rural Fellowship Program (TRFP) is a two-year professional fellowship attracts recent graduates and individuals from the private sector interested in public service the opportunities to alongside Tennessee’s top executive leaders to gain intimate public service experience and directly contribute to the continued improvement local governing and rural community development.

TNECD’s Community and Rural Development utilize established funding programs and new initiatives to connect communities to funding and technical assistance to identify and build upon assets to advance economic development opportunities across the State. Programs include but are not limited to the Tennessee Mainstreet, Delta

Regional Authority, Downtown Improvement Grant, Historic Development Grant, Rural Fellowship, Site Development, Community Development Block Grant, Broadband Office, TN Placemakers Entrepreneurship, Rural, ThreeStar, Appalachian Regional Commission, Infrastructure Planning Grant funding sources and initiatives.

Sources: See: APPENDIX A – GENERAL INFORMATION LISTING OF INFORMATION SOURCES AND WEBSITE LINKS TO DATA AT THE CONCLUSION OF THIS APPENDIX A.

TRANSPORTATION

The following summarizes the transportation network available in the service area:

Roadways

Cumberland County is well served by major highways. U.S. Interstate 40 connects the area to the rest of the nation, with almost 40,000 vehicles passing daily. Interstate 40 runs east and west and passes directly through the County. Cumberland County is served by U.S. Highways 70 and 127; and State Highways 24, 28, 68, 101, 282, 298, 299, 392, and 419.

Source: Tennessee Department of Transportation.

Air Transportation

Crossville Memorial Airport serves Crossville and Cumberland County and is located approximately 3 miles from the City of Crossville. The asphalt runway extends 5,418 feet at an altitude of approximately 1,881 feet and is equipped with HIRL/VASI lighting. The Airport is a Federal Aviation Administration National Plan of Integrated Airports Systems (NPIAS) facility designated as "Local/Basic". The Airport is home to a newly opened flight-testing center for Whisper Aero. Major and minor aircraft repairs and maintenance is performed at the facility and types 100LL and Jet A fuels are available. Airport ground transportation service is provided through taxi and rental car services. The nearest commercial air service is provided by Knoxville McGhee Tyson Airport. Major commercial airlines servicing the area include American, American Eagle, Atlantic Southeast, Comair, Continental Express, Delta, Northwest, Northwest AirlinK, United Express and US Airways Express. Approximately 79 daily flights are available at the Knoxville facility.

Source: Tennessee Department of Economic and Community Development.

Common Carriers

Federal Express, Airborne Express, United Parcel Service, Averitt Express and the US Postal Service provide air freight services for Cumberland County. Three motor freight carriers provide in and outbound services for the County. Common carrier bus service is available.

Source: Tennessee Department of Economic and Community Development.

TELECOMMUNICATIONS

Television, radio, and print media are well-represented in the service area. The *Crossville Chronicle*, *Glade Sun*, *Smoke Signals*, *The Vista*, *Knoxville News-Sentinel* and *The Tennessean* provide print media services. Television stations covering six national networks (ABC, CBS, FOX, NBC, PBS and WB) and local access channels are broadcast to and from Cumberland County. Cable companies serving the County include Charter Communications, Frontier Communications, Ben Lomand Communications. Complete internet, e-commerce, conference calling, cellular and digital services are available. The area is served by both AM and FM broadcast radio stations.

Source: Tennessee Department of Economic and Community Development.

HEALTHCARE

Cumberland County is a regional healthcare center providing services for the Upper Cumberland portion of the State of Tennessee. The Cumberland Medical Center is a 189-patient bed facility that employs over 100 physicians and 600 other employees, has over 100 care volunteers, is fully accredited by the Joint Commission on Accreditation of Healthcare Organizations, and a member of the American and Tennessee Hospital Associations. Four nursing homes serve the area and provide approximately 401 skilled care beds. There are five assisted care living facilities providing approximately 292 beds.

Source: Tennessee Department of Health; Tennessee Department of Economic and Community Development.

UTILITIES AND ENERGY

The City is authorized to provide water to all households within the boundaries of the system's service area. Crab Orchard, South Cumberland, West Cumberland and Grandview Utility Districts, all of which are utility districts

organized under the Utility District Law of 1937, Tenn. Code Ann. § 7-82-101 *et seq.*, provide water services to other portions of the City and Cumberland County. Source water is derived from lakes with total water treatment capacity for the City at approximately 7.5 MGD and current consumption of approximately an average of 4.08 MGD, peak consumption of 6.00 MGD, and storage capacity at the approximate level of 5.7 MG. Wastewater treatment services are provided by the City and utility districts which utilize activated sludge processes to treat intake; current usage is at the approximate level of 2.3 MGD and capacity at the approximate level of 3.5 MGD.

Volunteer Energy distributes electric power to all portions of Cumberland County, which power is generated by the Tennessee Valley Authority. The Middle Tennessee and Upper Cumberland Natural Gas companies provide distribution services to the County and are served by East Tennessee Gas Pipeline.

Source: City Records and Reports; Tennessee Department of Economic and Community Development.

EDUCATION

Tennessee is leading a bold approach to the future of education through the investment of an estimated \$9 billion to implement the Reading 360, TN ALLCorps, Innovative Schools Model, Grow Your Own, and Tennessee Investment in Students Act. The Reading 360 and TN ALLCorps initiatives are ensuring TN students are equipped with resources to read on grade level and receive additional support in areas to improve academically. Students across the State have access to multiple postsecondary pathways and opportunities through the Innovative School Model to ensure each student can succeed and earn living wages or pursue degrees or credentials upon high school graduation. Through the Grow Your Own Initiative, Tennessee pioneered a new way to develop teaching professionals and became the first state to establish a registered apprenticeship program for teaching approved by the United States Department of Labor. The Tennessee Investment in Student Act supports these historic initiatives by transforming the funding of public education to a student-based funding approach for the first time in over 30 years enacting strategies that prioritizes students over systems, empowers parents to engages in child education, incentivizes student outcomes, ensures all students-regardless of location or learning needs-have access at a high level, reflects Tennessee values, and creates flexible funding that prepares students for postsecondary success. Public education is provided in the service area by the Cumberland County Board of Education which is a division of the local County government. A summary of the public education facilities and enrollments of students in the counties is as follows:

	<u>Cumberland County Schools</u>	<u>Cumberland County Students</u>
Elementary Schools	9	4,612
Senior High Schools	3	2,083
Private & Parochial	3	205
Technology Centers	1	864

Tennessee has long been a leader in higher education finance innovation. As early as 1979, Tennessee led the nation in adopting performance-based funding for higher education, and in 2010 the Outcomes-Based Funding Formula revolutionized how the State incentivized student success. The Tennessee Promise and Tennessee Reconnect programs have redefined state financial aid, the FOCUS Act of 2016 gave the Tennessee Higher Education Commission the authority to maintain low tuition growth and to target capital investment toward degree production and workforce needs, the central premise being: ensuring that a quality post-secondary credential is attainable for all Tennesseans. Drive to 55, an initiative to produce 55% of Tennesseans with post-secondary degrees or certificates, was implemented to give Tennessee the most competitive workforce among its southern peers. Public higher education in Tennessee is comprised of ten universities, 13 community colleges, and 24 Colleges of Applied Technology (TCATs) across the State. Post-secondary education is available at several institutions near the City. Among the public institutions is the University of Tennessee, with the main campus located near downtown Knoxville, with a 2023 fall enrollment of 36,633; Tennessee Technological University, with a fall 2023 enrollment of approximately 10,169; Roane State Community College, with a fall 2023 enrollment of approximately 5,018; and Cumberland County campus of the Tennessee College of Applied Technology Campus with a 2022-23 enrollment of 864.

Source: National Center for Education Statistics; Cumberland County Board of Education Records and Reports; Tennessee Department of Education Records and Reports; Tennessee Department of Higher Education; Tennessee Board of Regents Records and Reports; University of Tennessee System Records and Reports; Tennessee Department of Economic and Community Development Records and Reports.

RECREATION

The service area boasts diverse public and private recreational facilities; the City is known as the Golf Capital of Tennessee. The following golf courses are located within a 15-minute drive of the Crossville City Hall. Stonehenge Golf Course hosts the Tennessee Women's Open Championship and the Tennessee Men's Senior Open Championship; Lake Tansi Village Country Club hosts the Tennessee Men's Team Championship. The Bear Trace Course at Cumberland Mountain State Park was the first Tennessee golf course designed by Jack Nicklaus. Several courses are regularly mentioned among the top ten places to play in the State of Tennessee.

Deer Creek Golf Club

18 holes over 6,200 yards with a par of 72
445 Deer Creek Drive
Crossville, Tennessee 38571
(931) 710-0371
3 miles from the center of Crossville

Dorchester Country Club

18 holes over 6,400 yards with a par of 72
576 Westchester Drive
Crossville, Tennessee 38558
(931) 484-3709
9 miles from the center of Crossville

Bear Trace at Cumberland Mountain

18 holes over 6,900 yards with a par of 72
407 Wild Plum Ln
Crossville, Tennessee 38572-1117
(888) 800-2327
4 miles from the center of Crossville

Lake Tansi Village Country Club

18 holes over 6,701 yards with a par of 72
2476 Dunbar Rd
Crossville, Tennessee 38572
(931) 788-3301
6 miles from the center of Crossville

Druid Hills Golf Club

18 holes over 6,270 yards with a par of 72
433 Lakeview Drive
Crossville, Tennessee 38558-7132
(931) 484-3711
8 miles from center of Crossville

Stonehenge Golf Course

18 holes over 6,549 yards with a par of 72
222 Fairfield Boulevard
Crossville, Tennessee 38558-6413
(931) 484-3729
9 miles from the center of Crossville

Heatherhurst Brae Course

18 holes over 6,499 yards with a par of 72
7827 Peavine Rd
Crossville, Tennessee 38558-6982
(931) 484-3799
10 miles from the center of Crossville

Heatherhurst Crag Course

18 holes over 6,171 yards with a par of 72
7827 Peavine Rd
Crossville, Tennessee 38558-6982
(931) 484-3799
10 miles from the center of Crossville

Mountain Ridge Golf Club

18 holes over 6673 yards with a par 72
16941 Highway 70 North
Monterey, Tennessee 38574-6917
(931) 839-3313
15 miles from center of Crossville



The City of Crossville is centrally located to a wide variety of athletic and recreational centers and opportunities including tennis courts; soccer fields, baseball and softball parks; University of Tennessee Athletic Facilities and Programs; The Great Smoky Mountains National Park; Museums; the Knoxville Zoo; Big South Fork National Park; Fairfield Glade; Mariner's Pointe; Caryonah Hunting Lodge; Catoosa Wildlife Management Area; Cumberland Cove; Lake Tansi Village; Watts Bar Lake; several docks and marinas; and numerous lake facilities. A summary of available recreational facilities approximately includes 3 parks; 9 golf courses; 8 swimming pools; 4 country clubs; 2 theaters; 1 bowling alley; 1 disc golf course, 8 pickle ball courts, 55 restaurants; and 701 hotel and motel rooms with the largest meeting room capacity of 350.

Source: Tennessee Economic and Community Development; Records and Reports of the City.

CITY OF CROSSVILLE, TENNESSEE

The City was originally incorporated under Chapter 362 of the Acts of Tennessee for the year 1901. Private Acts of 1953, Chapter 519, is the present basic charter of City of Crossville, Tennessee. The Mayor and City Council govern the City and are elected to staggered four-year terms of office with two Council Members elected every two years and the Mayor elected every four years. The Mayor is the presiding officer of the City, presides at meetings, casts votes, executes ordinances, signs deeds, accepts due process, does not have other administrative duties, and performs such duties as shall specifically designated by the law.

The City Manager supervises the administrative affairs of the City; is charged with the preservation of the public peace and health, the safety and operations of persons and properties, and the enforcement of laws, ordinances, and franchises, and the development and utilization of the City's resources; makes such reports and recommendations as the Manager may deem desirable and performs other duties as prescribed by the City Charter or required of the City Manager by ordinance or resolution of the Council not inconsistent with the Charter; he has the right to participate in discussing matters coming before the Council but not the right to vote.

The City provides services characteristic of similar jurisdictions in the State including public safety, sanitation, streets, recreation, public improvements, planning, zoning, and building inspection and general administrative services. The City also provides public water service and wastewater collection and treatment service.

Police Officers	46
Police Cars	53
Planning Commission	Yes
Zoning Regulations	No*
IDB	Yes
Fire Stations	2
Fire Defense Equipment	7
Firefighters	27
Insurance Rating	3/3X

*The City has zoning ordinances that relate to the City's airport, floodplains, the historic district, signs, mobile homes and mobile home parks, but has no generally applicable zoning ordinance specifying industrial, commercial, and/or residential districts.

Source: City Records and Reports.

LOCAL, STATE, AND NATIONAL POPULATION DEMOGRAPHICS

The estimated population statistics for the service area are as follows:

<u>Year</u>	<u>City of Crossville</u>	<u>Cumberland County</u>	<u>State of Tennessee</u>	<u>United States</u>
2024	12,652	64,760	7,126,489	334,914,895
2023	12,470	63,522	7,051,339	339,996,563
2020	12,071	61,152	6,910,840	331,449,281
2010	10,795	56,053	6,346,105	308,745,538
2000	9,322	46,802	5,689,282	281,421,906
1990	6,930	34,736	4,877,185	248,709,873

Source: U.S. Census Bureau (Decennial Census; American Community Survey 5-Year Estimates).

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CITY OF CROSSVILLE FINANCIAL AND ECONOMIC STATISTICS

2023 Property Tax Rate/\$100	0.605900
2023 Assessed Real Property Valuation (\$)	\$523,528,822
Bonded Debt (\$, 6/30/24)	\$5,965,779.00
Median Household Income (\$)	\$44,375
2023 Retail Sales (Cumberland County)	\$1,296,282,437
Banks /Branches (City of Crossville)	9/11
2023 Bank Deposits (\$000)	\$1,254,208

Sources: U.S. Census Bureau 2022 American Community Surveys 5-Year Estimates (Table S1903); Federal Deposit Insurance Corporation; Tennessee Department of Revenue; Tennessee Comptroller of the Treasury Board of Equalization Tax Aggregate Reports (Table II)

Historical Summary of Annual Retail Sales by Type (Cumberland County) (\$)

<u>Year</u>	<u>Total</u>	<u>Building Materials</u>	<u>General Merchandise</u>	<u>Food Stores</u>	<u>Autos, Boats, Aircraft</u>
2023	1,296,282,437	132,491,696	200,133,523	191,652,471	218,986,449
2022	1,306,661,745	132,839,154	187,591,621	188,899,274	263,436,936
2021	1,137,734,027	113,808,687	175,223,631	169,246,701	219,394,807
2020	1,029,445,757	86,957,248	152,997,760	156,935,116	244,415,869
2019	996,459,922	75,710,006	146,628,422	145,791,957	251,076,024
2018	985,165,504	73,349,570	138,568,453	145,512,658	289,487,276
2017	976,828,679	77,783,730	139,851,335	137,113,008	285,949,450
2016	978,533,968	77,726,412	137,745,923	140,355,362	302,365,048
2015	1,135,408,880	72,616,532	132,432,091	125,465,617	492,171,840
2014	1,454,891,021	67,061,383	127,958,140	119,595,770	827,457,972
	<u>Service Stations</u>	<u>Apparel & Accessories</u>	<u>Furniture & Home Décor</u>	<u>Eating & Drinking</u>	<u>Other Retail</u>
2023	203,023,223	11,284,236	39,036,333	133,399,487	166,275,019
2022	199,967,094	11,584,884	40,295,370	121,168,895	160,878,523
2021	140,831,567	11,000,373	26,381,089	116,349,454	165,497,724
2020	113,635,313	11,930,361	22,985,163	95,698,037	143,890,899
2019	134,567,437	15,105,838	22,010,363	93,689,284	111,880,597
2018	124,190,311	15,231,766	20,079,816	82,036,799	96,708,864
2017	113,075,154	15,739,557	21,716,795	82,344,366	103,255,287
2016	105,261,691	16,896,106	18,293,971	80,230,151	99,659,295
2015	105,898,875	17,537,902	16,483,235	79,827,638	92,975,146
2014	111,393,463	17,761,446	16,167,947	75,375,220	92,119,676

Source: Tennessee Department of Revenue.

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INDUSTRY AND EMPLOYMENT

Cumberland County is home to an array of manufacturing, distribution, and service companies which provide employment for residents of the County. Natural resources are abundant within the service area with mineral resources including sandstone and coal and timber resources which include oak, pine, gum and poplar. The leading agricultural products of the service area include beans, corn, pimento, peppers and grapes. Industrial support services provided to the County include tool and die, heat treating, foundry, heavy hardware, sheet metal, lubricant, and welding.

Crab Orchard Stone is the leading mineral export of the County. The stone was first used commercially in 1903 in the construction of the Cumberland County Courthouse. In 1926, Scarritt College (now part of Vanderbilt University) utilized the stone in building the campus chapel; it has been utilized in the construction of several other campus buildings since. The stone has been utilized in construction projects worldwide including improvements at the U.S. Vice-Presidential Residence; parking facilities at Rockefeller Center; the United Auto Workers headquarters (Detroit); Atlanta's Cathedral of Saint Philip; Washington's Internal Revenue Service Building; the Church of Heavenly Rest in New York; the Nintendo office building in Honolulu; the courts and walks surrounding President Franklin Roosevelt's pool in Hyde Park; Elvis Presley's pool at Graceland.

Leading employers in the County:

<u>Company</u>	<u>Product/Service</u>	<u>Employment</u>
Cumberland County Schools	Education Services	1,100
CoLinx, LLC	Warehouse Distribution	1,016
Crossville Ceramics	Porcelain & Ceramic Tile	615
Cumberland Medical Center	Hospital Services	600
Cumberland County Government	Governmental Services	558
Aviagen	Poultry Breeding	500
Stowers Machinery Corporation	Industrial Machinery Rental	490
Flowers Bakery of Crossville, LLC	Bread, Cake Related Products	465
Stonepeak Ceramics	Ceramic Wall and Floor Tile	400
City of Crossville	Municipal Services	180
Clayton Windows	Housing Construction Products	175
Durable Products	Molded Rubber Products	175
Dana Incorporated	Drive Train – E-Propulsions	155

Source: Tennessee Department of Economic and Community Development; City of Crossville Staff inquiries.

City Industrial Development Parks

Interchange Business Park and Woodlawn Industrial Park are economic development parks owned by the City. Interchange Business Park is located approximately 1,300 feet north of Interstate 40 and approximately 4.25 miles from City Hall. Interchange Business Park is comprised of approximately 89 acres (including one 20-acre pad-ready site; the City has received a \$4.5 million grant from the Tennessee Department Economic and Community Development under the Propelling Rural Economic Progress Fund, see Tenn. Code Ann. §§ 4-3-718 -- 719 to construct, on a speculative basis, a 100,000ft² building on the site) and Woodlawn Industrial Park is comprised of approximately 38 acres. The industrial parcels located in the parks have not been subdivided so the City can subdivide the property to meet the needs of prospective industries. Both parks have existing water, wastewater, natural gas, and electric infrastructure in place for immediate use.

Source: Cumberland County Chamber of Commerce; City of Crossville Records and Reports.

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LOCAL OPTION SALES AND USE TAX

Pursuant to applicable provisions of Title 67, Chapter 6, Part 7 of Tennessee Code Annotated, (the “Local Sales Tax”), the County levies a county-wide local option sales tax. Under the Local Sales Tax, counties and incorporated cities may levy a sales tax on the same privileges on which the State levies its sales tax. The rate of any sales tax levied by a county or town (and by the two combined) is limited under State law to 2.75%.

Pursuant to the Local Sales Tax, the levy of a sales tax by a county precludes any city or town within the county from levying a sales tax, but a city or town may levy a sales tax in addition to the county’s sales tax at a rate not exceeding the difference between the county sales tax rate and the maximum local option sales tax rate of 2.75%. If a city or town is located in more than one county, each portion of the city or town that is located in a separate county is treated as a separate city or town for purposes of determining the maximum sales tax rate.

The revenues from the county-wide sales taxes are distributed pursuant to the provisions of the Local Sales Tax and other provisions of Tennessee Code Annotated. Fifty percent of the revenues raised through the county-wide sales taxes are directed to educational purposes and are distributed to all organized school systems in the county in which the taxes are collected based upon the average daily attendance of each school system. The balance of the sales tax collections are divided between the general fund of the county in which the taxes are collected and all incorporated cities or towns in such county, according to whether collected outside or within the incorporated boundaries of the cities and towns. Counties and the cities located within them may, by separate agreement, alter the distribution of tax funds collected.

Historical Summary of Annual Sales and Use Tax Collections

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total Sales Tax Collections	25,278,764	21,869,150	19,738,236	17,575,667	16,832,183
City Portion	12,513,725	10,826,022	9,682,812	8,699,955	8,331,931
Amount to County Trustee	251,314	217,106	372,612	175,757	168,322
Amount to County Schools	12,513,725	10,826,022	9,682,812	8,699,955	8,331,931

Source: City of Crossville Records and Reports.

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PROPERTY ASSESSMENT, TAX LEVY AND COLLECTIONS

Pursuant to the Constitution of the State of Tennessee, all real and personal property is subject to taxation, subject to certain exemptions permitted by the Tennessee General Assembly with respect to constitutionally permitted categories. Exempt property categories include federal, state and local government property; property owned and exclusively utilized for charitable, educational or scientific purposes; property owned by duly incorporated housing authorities; certain property utilized to provide low-cost elderly housing; and other properties as defined under the statutes of the Tennessee Code Annotated, as amended.

Assessment of Property

State of Tennessee property is classified for taxation into three classes including Real Property; Tangible Personal Property; and Intangible Personal Property. Real Property includes lands, tenements, hereditaments, structures, improvements, assessable movable property, machinery and equipment affixed to realty, except as otherwise provided under the Code, and all rights thereto and interests therein, equitable as well as legal. The Constitution of the State of Tennessee requires for Real Property to be separated into four sub-categories with varying rates of assessment as follows:

- (a) Industrial and Commercial Property includes all property of every kind used, directly or indirectly, or held for use, for any commercial, mining, industrial, manufacturing, trade, professional, club whether public or private, nonexempt lodge, business, or similar purpose, whether conducted for profit or not. All real property which is used, or held for use, for dwelling purposes which contains two (2) or more rental units is classified as "industrial and commercial property". Industrial and commercial property is assessed at the rate of 40% of value.
- (b) Residential Property includes all real property which is used, or held for use, for dwelling purposes and which contains not more than one (1) rental unit. Residential Property is assessed at the rate of 25% of value.
- (c) Farm Property includes all real property which is used, or held for use, in agriculture, including, but not limited to, growing crops, pastures, orchards, nurseries, plants, trees, timber, raising livestock or poultry, the production of raw dairy products, and acreage used for recreational purposes by clubs, including golf course playing hole improvements. Farm property is assessed at the rate of 25% of value.
- (d) Public Utility Property includes all property of every kind, whether owned or leased, and used, or held for use, directly or indirectly in the operation of a public utility. Public utilities include telephone, railroad, freight, power, express, water and wastewater and other such types of companies. Public utilities are assessed at the rate of 55% of value.

Tangible Personal Property includes personal property such as goods, chattels, and other articles of value which are capable of manual or physical possession, and certain machinery and equipment, separate and apart from any real property, the value of which is intrinsic to the article itself. The Constitution of the State of Tennessee requires Tangible Personal Property to be separated into three sub-classifications with varying degrees of assessment as follows:

- (a) Industrial and Commercial Property is assessed at the rate of 30% of value.
- (b) Public Utility Property is assessed at the rate of 55% of value.
- (c) All other Tangible Personal Property is assessed at the rate of 5% of value exempting \$7,500 of such property for personal household goods and furnishings, wearing apparel or other such property possessed by taxpayers.

Intangible Personal Property includes personal property, such as money, any evidence of debt owed to a taxpayer, any evidence of ownership in a corporation or other business organization having multiple owners, and all other forms of property, the value of which is expressed in terms of what the property represents rather than its own intrinsic worth.

Source: City of Crossville Records and Reports; Tennessee Code Annotated.

Ten Largest Property Tax Payers

<u>Taxpayer</u>	<u>Assessed Property Valuation</u>	<u>2023 Tax Revenues</u>
The Industrial Development Board of the County	\$8,319,320	\$50,406
The Industrial Development Board of the County	\$8,247,000	\$49,968†
Crossville Ceramics	\$8,016,300	\$48,570
Flowers Baking Co. of Crossville, LLC	\$7,424,945	\$40,630
Charleston Plantation Investments, LLC	\$6,705,798	\$44,897
Buc-ee's Tennessee LLC	\$6,596,560	\$39,968
Exponential Digital	\$6,061,500	\$36,726
CoLinx	\$5,401,892	\$32,730
Manchester Tank & Equipment	\$5,078,592	\$30,771
TNCVL101 GOOD 135 COX AVE N	\$4,794,960	\$29,052

†PILOT payments in respect of CoLinx, LLC and Stonepeak Ceramics

Source: City of Crossville Records and Reports.

Historical Trend of Estimated Actual Property Valuations*

	2023	2022	2021	2020	2019
Industrial and Commercial	724,548,500	705,154,300	747,078,067	688,248,416	685,751,212
Residence and Farms	877,337,000	861,940,100	674,593,829	597,341,608	575,934,230
Tangible Personal Property	332,799,459	282,218,216	263,873,547	271,385,477	259,495,408
Public Utilities	32,932,811	31,562,137	26,571,022	28,387,789	29,296,451
Total Estimated Values	\$1,967,617,770	\$1,880,874,753	\$1,712,116,465	\$1,585,363,290	\$1,550,477,301

	2018	2017	2016	2015	2014
Industrial and Commercial	623,292,400	609,474,900	559,187,555	534,103,100	518,715,300
Residence and Farms	509,047,500	499,538,400	495,099,810	478,497,400	473,728,600
Tangible Personal Property	250,661,919	226,758,685	221,194,635	214,897,793	218,237,837
Public Utilities	33,143,654	32,080,525	40,062,841	43,303,973	41,696,690
Total Estimated Values	\$1,416,145,473	\$1,367,852,510	\$1,315,544,841	\$1,270,802,266	\$1,252,781,418

Source: State of Tennessee Board of Equalization Tax Aggregate Reports (Table III). *City of Crossville, Tennessee

Historical Trend of Assessed Property Values

	2023	2022	2021	2020	2019
Industrial and Commercial	289,819,400	282,061,720	249,942,440	250,770,200	249,860,320
Residence and Farms	219,334,250	215,485,025	141,057,575	136,029,625	131,154,625
Tangible Personal Property	100,196,568	85,020,807	67,924,170	77,598,849	73,595,968
Public Utilities	14,375,172	13,776,873	11,598,251	12,391,270	12,787,901
Total Estimated Values	\$623,725,390	\$596,344,425	\$470,522,436	\$476,789,944	\$467,398,814

	2018	2017	2016	2015	2014
Industrial and Commercial	249,316,960	243,789,960	220,879,080	213,641,240	207,444,440
Residence and Farms	127,261,875	124,884,600	122,227,750	119,624,350	118,432,150
Tangible Personal Property	75,198,630	68,027,660	65,793,581	64,469,338	65,471,351
Public Utilities	14,467,205	14,003,149	17,487,430	18,902,184	18,421,994
Total Estimated Values	\$466,244,670	\$450,705,369	\$426,387,841	\$416,637,112	\$409,769,935

Source: State of Tennessee Board of Equalization Tax Aggregate Reports (Table II).

Historical Trend of Assessed Valuations and Tax Collections

<u>Tax Year</u>	<u>Assessed* Valuation</u>	<u>Tax Rate (\$)</u>	<u>Taxes Levied</u>	<u>Current Tax Collections</u>	<u>% Current/Collected</u>	<u>Total Collections</u>	<u>Uncollected Taxes (\$)</u>	<u>% Current Taxes</u>
2023	608,988,281	0.0605	3,615,809	3,450,787	95.44%	3,357,166	136,275	3.77%
2022	582,205,887	0.0605	3,532,335	3,449,478	97.65%	3,456,575	26,302	0.76%
2021	458,531,669	0.7500	3,619,321	3,390,695	93.68%	3,443,066	89,405	2.60%
2020	464,138,858	0.5900	2,740,741	2,597,423	94.77%	2,647,098	85,835	3.24%
2019	454,527,768	0.5900	2,683,981	2,483,756	92.54%	2,530,038	102,686	4.06%
2018	451,656,720	0.5900	2,667,035	2,517,522	94.39%	2,589,370	195,192	7.54%

Source: City of Crossville Certified Audited Financial Reports. As of June 30, 2023.

Comparison of Area City and County Property Tax Rates

	<u>City</u>	<u>County</u>	<u>Total</u>		<u>City</u>	<u>County</u>	<u>Total</u>
Crossville	0.6059	1.1350	1.7409	Livingston	1.3087	1.9706	3.2793
Athens	1.00781	1.0823	2.0901	Pikeville	0.7549	1.8735	2.6284
Baxter	1.0860	2.3720	3.4580	Monterey	1.0239	2.3720	3.3959
Cleveland	1.7130	1.4392	3.1522	Oak Ridge	2.3136	2.2600	4.5736
Clinton	0.8646	2.3645	3.2291	Oliver Springs	1.1394	2.3126	3.4520
Cookeville	0.8146	2.3720	3.1866	Oneida	1.0378	1.6009	2.6387
Kingston	1.13109	2.3136	3.6245	Pikeville	0.7549	1.8735	2.6284
Dunlap	0.5780	1.5566	2.1346	Sparta	0.9183	1.7354	2.6537
Jamestown	0.5020	1.2384	1.7404	McMinnville	1.8497	1.9677	3.8174

Source: Tennessee Board of Equalization.

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PROFORMA DEBT STATEMENT

Series 2020A1 General Obligation Tax-Exempt Refunding Bonds	3,850,000
Series 2020A2 General Obligation Tax-Exempt Improvement Bonds	1,045,000
Series 2020B General Obligation Taxable Refunding Bonds	1,380,000
Series 2020C Tax-Exempt Water and Sewer Revenue Refunding and Improvement Bonds	28,800,000
Series 2020D Taxable Water and Sewer Revenue Improvement Bonds	825,000
Series 2021 USDA Rural Development Loan 91-22	857,355
Series 2022 USDA Rural Development Loan 91-24	301,796
	<hr/>
Total Direct Debt	\$37,059,151
	<hr/>
Less: Self Sustaining Debt	30,784,151
	<hr/>
Net Direct Debt	6,275,000
	<hr/>
Plus: Net Overlapping Debt	9,010,936
	<hr/>
Net Direct/Overlapping Debt	\$15,285,936
	<hr/> <hr/>

Source: City of Crossville Records and Reports.

DEBT RATIO ANALYSIS

Total Direct Debt to Assessed Value	5.91%
Total Direct Debt to Estimated Actual Value	1.88%
Net Direct Debt to Assessed Value	1.00%
Net Direct Debt to Estimated Actual Value	0.32%
Net Direct Debt and Overlapping Debt to Assessed Value	2.44%
Net Direct Debt and Overlapping Debt to Estimated Actual Value	0.78%

Source: City of Crossville Records and Reports; State of Tennessee Board of Equalization Tax Aggregate Report.

PER CAPITA RATIO ANALYSIS

Assessed Value	\$ 49,536
Estimated Actual Value	\$ 155,518
Total Direct Debt	\$ 2,929
Net Direct Debt	\$ 496
Net Direct and Overlapping Debt	\$ 1,208

Source: City of Crossville Records and Reports.

WATER AND SEWER SYSTEM

State of Tennessee

In Tennessee approximately 90% of the population obtains its drinking water from a public water source; the balance obtains its drinking water from a private source, most commonly a well or spring. The Tennessee Safe Drinking Water Act was passed in 1983 and from that time the Division of Water Resources (DWR) has worked to ensure that public drinking water supplies are safe. DWR also regulates the construction of non-federal dams, enforces the Water Resources Act, monitors water withdrawals, and regulates the licensing of well drillers and pump setters. In addition to the federal requirements, the Tennessee Water Quality Control Act of 1977 requires the Division of Water Resources to produce the ground water report to the governor and the general assembly on the status of water quality in the state. The report can include a description of the water quality plan, regulations in effect, and recommendations for improving water quality. The 2024 Clean Water Act Monitoring and Assessment Report serves to fulfill the requirements of both the federal and state laws. All public water systems are subject to strict testing and treatment requirements. Overall, public water systems in Tennessee have an excellent record of providing clean water to their customers. The Division of Water Supply is responsible for regulating all public water systems to protect the state's drinking water quality. No source of water used by public water systems has been found to contain lead, copper, arsenic, radon or uranium in quantities of concern.

Source: Tennessee Department of Environment and Conservation

City of Crossville Water and Sewer Department

The City of Crossville Water and Sewer Department (the "System") is owned by the City and was established in 1930. Since that time has provided quality water and sewer services to residents of the City and portions of Cumberland County. The City employs one manager of water treatment operations, 2 managers of water distribution operations, 10 certified water treatment operators, and 5 certified water distribution operators. The managers of the Water and Sewer Department report to the City Manager. Veolia Water NA has partnered with the City of Crossville as the contract operator of the sewer system since 1992; pursuant to the parties' arrangement, Veolia operates the gravity-flow wastewater collection system and the treatment plant, while the City operates the low-pressure portion of the wastewater collection system. The City provides water services to approximately 14,058 meters and sewer services to approximately 5,582 customers.

The City sold treated water to the Catoosa Utility District (the "District") until December 2004 when the District entered into an operating agreement with the City that vested the City with the management and operation of the District for an initial term of 25 years. In 2005 the City annexed the complete water distribution system of the District which currently operates as a department of the City. The City is the exclusive provider of water to the South Cumberland Utility District and Grandview Utility District.

The estimated average daily demand is currently approximately 4.08 MGD with peak daily consumption at the approximate level of 6.00 MGD. In fiscal year 2023 the System treated and pumped approximately 1,469,761,290 gallons of potable water. Approximate accounted for water sold was 1,140,222,100 gallons; fire department usage was 489,120 gallons; and flushing usage was 4,136,764 gallons. Total accounted for water for fiscal year 2024 was estimated at the level of approximately 1,462,790,490 gallons while unaccounted for water was at the approximate level of 284,595,313 gallons, or 16% of total water produced. The unaccounted-for water volumes are within current State of Tennessee standards.

Source: City of Crossville Records and Reports.

Historical Water Usage Figures

The following provides a summary of water system usage over the years:

<u>Fiscal Year</u>	<u>Annual Gallons</u>	<u>Daily Average (MGD)</u>	<u>Per Customer (GPD)</u>	<u>Water Customers</u>
2023	1,140,222,100	3.12	222.21	14,058
2022	1,427,769,457	3.91	282.20	13,861
2021	1,350,395,200	3.70	271.86	13,609
2020	1,571,122,000	4.30	322.24	13,344
2019	1,366,255,000	3.74	285.54	13,109
2018	1,381,418,000	3.76	292.52	12,938
2017	1,305,834,000	3.58	280.46	12,756
2016	1,381,129,000	3.78	301.53	12,549
2015	1,369,352,000	3.75	301.09	12,460
2014	1,397,592,000	3.83	309.56	12,369
2013	1,423,526,000	3.90	318.52	12,244

Source: City of Crossville Records and Reports.

Historical Sewer Usage Figures

The following provides a summary of sewer system usage over the years:

<u>Fiscal Year</u>	<u>Annual Gallons</u>	<u>Daily Average (MGD)</u>	<u>Per Customer (GPD)</u>	<u>Sewer Customers</u>
2023	445,549,900	1.22	218.68	5,582
2022	426,245,200	1.17	211.63	5,518
2021	412,339,200	1.13	209.01	5,405
2020	403,821,700	1.11	208.43	5,308
2019	411,565,100	1.13	218.35	5,164
2018	406,290,200	1.11	218.98	5,083
2017	390,655,200	1.07	215.87	4,958
2016	408,714,100	1.12	227.36	4,925
2015	415,324,800	1.14	231.60	4,913
2014	417,103,400	1.14	234.03	4,883

Source: City of Crossville Records and Reports.

Ten Largest Water System Users

The following provides a listing of the City's 10 largest water users as of June 30, 2024:

<u>Water Customer</u>	<u>Annual Gallons (,000)</u>	<u>Annual Billing</u>
South Cumberland Utility District	251,288,700	\$975,000
Grandview Utility District	46,673,800	181,094
Mizkan	46,289,100	226,586
Stonepeak Ceramics, Inc	36,889,600	153,766
Cumberland Mountain State Park	23,057,000	184,917
Flowers Bakery	18,564,000	98,924
Cumberland Medical Center	14,647,900	81,600
Crossville Housing Authority	11,968,500	63,469
Buc-ee's	11,840,700	59,838
AHF	6,020,800	\$30,695

Ten Largest Sewer System Users

The following provides a listing of the City's 10 largest sewer system users as of June 30, 2024:

<u>Sewer Customer</u>	<u>Gallons (,000)</u>	<u>Annual Billing</u>
Cumberland Mountain State Park	23,057,000	\$260,775
Cumberland Medical Center	14,915,100	112,460
Flowers Bakery	12,268,400	74,101
Crossville Housing Authority	11,885,500	106,015
Buc-ee's	11,150,600	84,076
Stonepeak	8,224,600	62,013
Cumberland Justice Center	5,923,800	44,665
Zips Carwash	5,288,900	39,878
Wyndridge	4,947,700	37,306
Cumberland County Board of Ed	4,654,400	\$35,094

Source: City of Crossville Records and Reports.

Water Sources

The City owns water rights and derives surface source water from Holiday Hills and Meadow Park Lakes and operates water treatment plants at both locations. Holiday Hills Lake (Lake Holiday) is a reservoir of approximately 232 acres built in 1959. Meadow Park Lake is a reservoir of approximately 300 acres built in 1937. The City is connected to the City of Monterey Water System to provide for contingencies or emergent conditions through a 4 inch tap located at Highway 62; South Cumberland Utility District through a 8 inch tap and 6 inch meter located at City Lake Road and 10 inch tap and 6 inch meter located at US Highway 127 South; Grandview Utility District through a 4 inch tap and 4 inch meter located at Highway 68; West Cumberland Utility District through a 6 inch tap and 4 inch meter located at Highway 70 South. The City has been awarded a \$8,170,000 ARPA grant to connect to Crab Orchard Utility District with a pump station and 3.2 miles of 12 inch line along State Route 392. The City has approved the sale of up to 1 MGD to Crab Orchard Utility District through this line. The City owns and operates two water treatment plants including the Meadow Park Plant located at 963 City Lake Road, and Holiday Hills Plant located at 105 Holiday Drive. The City has entered into an agreement to harvest water from Lake Tansi which is a 550 acre reservoir located less than two miles from Meadow Park Lake to add an additional 1 million gallons per day to the available supply from October 15 to April 15 of each year.

Source: City of Crossville Records and Reports.

Water Treatment Plants

The Meadow Park Lake Plant raw water intake structure is variable level concrete and block with two 50-hp motors with two intake levels controlled by sluice gates. The pumps are vertical 2450 turbine driven instruments. The raw water lines from the intake structure to the treatment plant are 20" diameter ductile iron approximately 870 feet in length. Methods of treatment at the Meadow Park Plant utilize static mixers where polymers are incorporated. There are two flocculation basins. There are four filters processing water at the rate of four gallons/minute/feet². The type of chlorination utilized is Sodium Hypochlorite and the points of application on top of the filters in pre-filtration and again administered post filtration. Fluoridation in the form of Hydrofluosilicic acid is applied post filtration through a pump feeder. The Meadow Park Plant utilizes a clear well approximately 84 feet in width and 24 feet in depth with hydrofluosilicic acid, ortho-phosphosphate, and caustic soda 50% added in the process.

The Holiday Hills Lake Plant raw water intake structure is variable level concrete and block with two 50-hp pumps with two intake levels controlled by sluice gates. The pumps are vertical 2800 turbine driven instruments. The raw water lines from intake structure to treatment plant are 18" ductile iron approximately 525 feet in length. Methods of treatment at the Holiday Hills Plant utilize static mixers where polymers are incorporated. There are four flocculation basins. There are 8 filters processing water at the rate of four gallons/minute/feet². The type of chlorination utilized is Sodium Hypochlorite and the points of application on top of the filters in pre-filtration and again administered post filtration. Fluoridation in the form of Hydrofluosilicic acid is applied post filtration through a pump feeder. The Holiday Hills Plant utilizes 2 clear wells approximately 60 feet in width and 24 feet in depth with hydrofluosilicic acid, ortho-phosphosphate, and caustic soda 50% added in the process.

Source: City of Crossville Records and Reports.

Water Pumping Stations

The City System utilizes 5 water pumping stations located in various locations across Cumberland County. The hydraulics of the System incorporates gravity in association with strategically located pumping stations to better serve customers of the System.

<u>Pump Station</u>	<u>Pump Control</u>	<u>Suction Pressure</u>	<u>Discharge Pressure</u>	<u>Pump Capacity</u>
Highway 70 N	Scada	53 PSI	152 PSI	214 GPM
Highway 127 N	Scada	90 PSI	167 PSI	250 GPM
Genesis Road	Scada	94 PSI	129 PSI	152 GPM
Mayland	Scada	58 PSI	98 PSI	188 GPM
Monterey	Scada	102 PSI	156 PSI	235 GPM

Source: City of Crossville Records and Reports.

Water Storage Reservoirs, Capacities, and Elevations

The City System incorporates ten (10) water storage reservoirs to provide approximately 6,200,000 gallons in storage capacity. Information regarding the water storage facilities is as follows:

<u>Storage Facility</u>	<u>Overflow Elevation</u>	<u>Diameter Feet</u>	<u>Height Feet</u>	<u>Capacity Gallons</u>	<u>Year Built</u>
Cemetery Road	1,991	50	1,878	1,000,000	1975
Homestead	2,068	50	1,846	1,000,000	2000
Lantana Road	2,059	50	1,941	500,000	1989
Cotton Patch	1,989	50	1,792	1,000,000	2002
Woodmere	1,991	35	1,875	1,000,000	1968
I-40 Industrial	1,958	44	1,796	300,000	2001
Plateau Road	2,088	32	2,040	300,000	1970
127 N HWY	2,088	36	1,963	200,000	1989
Genesis Road	2,088	36	1,937	200,000	1996
Mayland	2,143	36	2,022	200,000	2001
127 N Plateau	2,088	56	1,937	<u>500,000</u>	2021
Total Storage Capacity				<u>6,200,000</u>	

Source: City of Crossville Records and Reports.

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Water Distribution System

The City water distribution System is comprised of approximately 545 miles (2,874,790 linear feet) of ductile iron and PVC distribution lines located within the corporate limits of the City and other portions of Cumberland County. The System incorporates the following distribution lines:

<u>Diameter</u>	<u>Length (ft)</u>	<u>Linear Miles</u>
≤1.0"	27,765	5.26
2.0"	275,260	52.13
2.25"	1,050	0.20
3.0"	10,588	2.01
4.0"	720,058	136.37
6.0"	1,376,246	260.65
8.0"	158,986	30.11
10.0"	153,999	29.17
12.0"	43,938	8.32
14.0"	13,343	2.53
16.0"	77,878	14.57
20.0"	60	0.01
30.0"	15,619	2.96
	<u>2,874,790</u>	<u>544.47</u>

Source: City of Crossville Records and Reports.

The Sewer System

The City wastewater treatment facilities were initially constructed in the 1930's with the addition of a collection system with two basins. In 1960, the System was expanded with addition of a pump station, trickling filter, two clarifiers, and chlorine contact tank. In 1970, the System was converted from trickling filter to an activated sludge system which was upgraded in 1982 with a two-stage activated sludge, nitrification unit, DAF biosolids unit, digester, tertiary treatment system with sludge drying beds. In 1992, there was a design capacity upgrade from 2.3 MGD to 3.5 MGD, addition of final clarifiers, conversion of secondary clarifiers to gravity thickeners, and new influent pumps. In 1997, the system was modified with conversion of liquid digestion biosolids treatment to dewatering, installation of 2 meter belt press, mixing unit, lime silo, and construction of biosolids storage area. In 2011, the system was modified to upgrade technology to increase pumping capacity from 7 MGD to 15 MGD, improved treatment quality design, new headworks, screening, odor control, new influent pumps, septage receiving station, activated sludge step feed modification, installation of turbo blowers, new clarifier weirs, new return sludge facility, new effluent building and screens, upgrade of biosolids mixing tank, new biosolids mixing unit, silo bag house filter, and chlorine tank modification.

Veolia Water N.A. has partnered with the City as the contract operator of the gravity-flow portion of the City's sewer System since 1992. Veolia Water North America is part of Veolia Water, a division of Veolia Environment (NYSE: VE; Paris Bourse: VIE), an internationally prominent environmental company. The City wastewater department has a staff of nine who service the wastewater treatment plant, pump stations, and gravity sewer system.

Source: City of Crossville Records and Reports.

Wastewater Treatment Plant

The City wastewater treatment facility is located at 468 Sparta Highway. The current system has a design capacity of 15 MGD. Existing operation system include a preliminary screening facility (dual bar screens, septage receiving facility) three 5-MGD influent pumps, a headworks screening facility which includes a Vortex unit for adding dissolved oxygen and minimizing odor, a grit removal system, influent flow monitoring and sampling, influent micro screening (drum screens) followed by two million gallons (4 basins) activated sludge, anoxic zone, step feed. 2 turbo blowers and D.O. monitoring, flow is then transferred to a splitter box to four final clarifiers with a return sludge wet well (3 pumps), flow splitter box, (2) effluent disk filters, post chlorination, dechlorination effluent flow monitoring and sampling. The sludge process consists of two gravity thickeners, a sludge mixing and storage tank. Sludge is processed through two 5.0-meter belt presses, conveyed to a biosolids mixing unit where lime kiln dust is

added for EPA 503 Class A requirements. Biosolids are stored in a heat pulse area prior to storage for pick up and distribution for agriculture beneficial use program. Approximately 2,600 tons of EPA Class A biosolids are produced and distributed annually. The City also has an Industrial User Pretreatment Program, which includes monitoring and permitting five industrial users; each industry operates pretreatment facilities that remove non-permitted loading and pollutants. The current population served is 10,500 and the treatment system is operating at 53% capacity (2019) derived from average BOD, TSS, and hydraulic loading. The City is currently working with TDEC, National Park Service, and the HCP to develop a documented study and plan for requesting a design increase on the 2016 NPDES permit renewal from 3.5 MGD to 5.0 MGD. Long term options for capacity growth needs include additional permitted discharge to the Obed River, partial spray irrigation (land application), and water re-use (recycling) for agriculture/golf course irrigation. Current site has additional 60 acres for future expansion.

The receiving stream for the City's WWTP effluent is the Obed River at stream mile 38.6. The National Park Service has classified the Obed River as a Wild and Scenic River (WSR) and designated it as an Outstanding National Resource Water (ONRW). The State of Tennessee Water Quality Control Board has also designated the Obed River as an ONRW also referred to as a TIER III Water. The wastewater treatment system returns approximately 1,000,000,000 gallons of highly treated water to the Obed River watershed annually. The Obed River is one of less than 30 designated Wild and Scenic Rivers in the United States and habitat to many rare and endangered species. The City wastewater treatment facilities is an award-winning facility winning numerous awards in operations, biosolids quality, safety from the Water Environment Association (WEA), the National Safety Council, the Tennessee Safety and Health Council and other organizations. The biosolids process is an EPA Class-A exceptional quality program that has earned the KY-TN WEA Biosolids Beneficial Reuse Award four times since 1998. The wastewater treatment plant operates under NPDES Permit TN0024996.

Source: City of Crossville Records and Reports.

Sewer Transmission Lines

The City sewer transmission System is comprised of approximately 179 miles (947,340 linear feet) of ductile iron and PVC transmission lines located within the corporate limits of the City and other portions of Cumberland County. The System incorporates the following transmission lines:

<u>Type / Size</u>	<u>Length (ft)</u>	<u>Linear Miles</u>
Gravity Lines	446,960	84.65
LPS 1.25	58	.01
LPS 2"	137,340	26.01
LPS 3"	44,818	8.49
LPS 4"	259,490	49.15
LPS 6"	15,172	2.87
LPS 8"	25,648	4.86
LPS 12"	17,854	3.38
	<hr/>	<hr/>
	947,340	179.42

Source: City of Crossville Records and Reports.

Average Influent Flow/Mass Loading Data

The design criteria for the wastewater treatment plant provides for BOD lbs/day at 8,757; TSS lbs/day at 8,757; average design flow MGD at 3.50; and pumping capacity at 7.0 MGD. The City's wastewater treatment facilities have consistently surpassed NPDES Permit requirements in connection with EPA 503 Class A biosolids standards, pass through limits, and all other assigned NPDES Permit parameter limits.

The following provides the average annual influent flow/mass loading data for the facility:

Wastewater Influent Flow/Load Data

Influent flow and loading date for years 2023-2014 are listed as follows:

<u>Year</u>	<u>Rainfall Inches</u>	<u>Flow MGD</u>	<u>BOD MG/L</u>	<u>BOD Lbs/Day</u>	<u>TSS MG/L</u>	<u>TSS Lbs/Day</u>	<u>Design BOD</u>	<u>Design TSS</u>	<u>Design Flow</u>	<u>Design Capacity</u>
2023	50.58	2.12	174	3,076	178	3,147	35%	36%	61%	42%
2022	68.34	2.79	140	3,336	167	4,107	38%	47%	80%	56%
2021	56.52	2.46	150	2,727	164	3,041	31%	35%	70%	49%
2020	75.22	2.87	151	3,195	160	3,681	36%	42%	82%	57%
2019	67.99	2.32	187	3,142	195	3,350	36%	38%	66%	46%
2018	73.05	2.31	158	2,634	183	3,120	30%	36%	66%	46%
2017	69.95	2.10	203	3,676	300	5,479	42%	63%	60%	42%
2016	53.90	1.82	280	3,811	647	8,859	44%	102%	52%	36%
2015	74.35	2.52	202	3,888	439	8,470	44%	97%	72%	50%
2014	67.76	2.80	151	3,488	294	6,607	40%	75%	80%	56%

Source: City of Crossville Records and Reports.

Wastewater Treatment Effluent Quality

Effluent quality for the years 2023-2014 are listed below:

<u>Year</u>	<u>Average Daily Flow (MGD)</u>	<u>Average Daily Max MGD</u>	<u>Average BOD MG/L</u>	<u>Average BOD LBS</u>	<u>Average SS MG/L</u>	<u>Average SS LBS</u>	<u>Average Summer NH3 MG/L</u>	<u>Average Summer NH3 LBS</u>	<u>Average Winter NH3 MG/L</u>	<u>Average Winter NH3 LBS</u>
2023	2.23	4.93	2.46	46	2.85	50	.11	1.51	.13	3.43
2022	3.10	8.66	2.70	65	2.80	82	.16	3.83	.29	9.22
2021	2.46	8.72	3.20	77	3.50	85	.25	7.25	.48	12.58
2020	2.88	9.95	3.25	98	5.67	144	.17	3.22	.58	18.77
2019	2.32	7.76	3.00	69	5.75	125	.12	1.67	.55	17.00
2018	2.31	6.60	5.58	113	13.42	284	.93	18.10	1.17	26.85
2017	2.10	6.69	4.58	90	11.42	231	.80	10.93	1.00	17.32
2016	1.82	8.42	3.25	54	9.08	151	.62	7.42	.90	20.02
2015	2.52	4.90	3.17	69	8.00	187	.40	8.08	1.08	25.15
2014	2.80	8.51	3.70	103	6.20	169	.45	8.27	.87	22.53

Source: City of Crossville Records and Reports.

Environmental and Regulatory Matters

The operations of the City are subject to the Federal Clean Water Act, as amended; Water Quality Control Act of 1977; and regulations of the Tennessee Department of Environment and Conservation (Water Pollution Control and Drinking Water Standards), Division of Construction Grants and Loans; U.S. Environmental Protection Agency, Division of Water Pollution Control; and the Water Quality Control Board. The City is not aware of any regulatory or enforcement proceedings pending or threatened against the City or the System.

Source: City of Crossville Records and Reports.

Schedule of Rates and Fees

The City classifies water customers based upon the costs associated production, distribution, capital expenditures, and debt service City services. The following rate structure was in effect July 1, 2024. The rate structure was adopted by resolution of the City Council increasing rates by an amount of 7% for all customers of the water and sewer systems for FY2025 and years thereafter if deemed in the best interests of users of the systems.

Water and Sewer System Rates

	Inside City Limits	Outside City Limits
Water Rates	\$11.43 Minimum	\$17.14 Minimum
Sewer Rates	\$16.13 Minimum	\$24.20 Minimum
All Over 2,000 Gallons		
Water Rates	\$5.71/1,000/Gallons	\$8.57/1,000/Gallons
Sewer Rates	\$8.06/1,000/Gallons	\$12.09/1,000/Gallons
Utility District Rates	South Cumberland	\$4.15/1,000/Gallons
	Grandview	\$4.15/1,000/Gallons
	Catoosa	\$1.50/1,000/Gallons

Source: City of Crossville Records and Reports.

Water and Sewer Connection and Service Fees

	<u>¾" Meter</u>	<u>1" Meter</u>	<u>1.5" Meter</u>	<u>2" Meter</u>
Water Connection Fee -Own	\$50.00	\$50.00	\$50.00	\$50.00
Water Connection Fee – Rent	\$75.00	\$75.00	\$75.00	\$75.00
Water Connection Fee – Commercial	\$75.00	\$75.00	\$75.00	\$75.00
Service Call Fee	50.00	50.00	50.00	50.00
Reconnection Fee	25.00	25.00	25.00	25.00
Tap Fee, Inside City Limits	\$1,100	\$1,300	\$3,200	\$3,000
Tap Fee, Outside City Limits	\$1,200	\$1,400	\$3,700	\$4,000

Source: City of Crossville Records and Reports.

Water and Sewer System Billing

The City utilizes a state of the art water metering system to provide for increased operational efficiency. Water bills are mailed to City customers on three different dates each month. The first billing date occurs on the 3rd day of each month and is due and payable on the 25th day. The second billing date occurs on the 15th day of each month and is due and payable on the 10th day of the following month. The third billing date occurs on the 25th day of each month and is due and payable on the 15th day of the following month. In the event a customer fails to pay a bill, service to the customer is disconnected. If service is disconnected for non-payment, a reconnection fee of \$25.00 is charged and collected prior to reconnection of service. If payment is not received until after 2:30 p.m. on a particular date following service interruption, service is not reconnected until the following morning.

Source: City of Crossville Records and Reports.

EMPLOYEE RETIREMENT SYSTEMS

The City provides retirement benefits to its employees a deferred compensation plan maintained in conformity with Section 457 of the Internal Revenue Code of 1986 (as amended), through a defined-benefit pension plan, and through an Other Post-Employment Benefits Plan. The following is a summary of each of these plans:

Defined-Benefit Pension Plan

Employees of the City who were employed by the City as of June 30, 2013, are participating employees in the Political Subdivision Pension Plan (“PSPP”), a multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (“TCRS”). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by utilizing a formula incorporating the member’s highest consecutive 60-months average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979 were vested after five years of service. Benefit provisions are established in state statutes found in Title 8 Chapters 34-37 of the Tennessee Code Annotated, as amended (“TCA”). State statutes are amended by the Tennessee General Assembly. Political subdivisions such as the City of Crossville participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body. The City withdrew from participation in TCRS effective July 1, 2013. City employees as of June 30, 2013, remain in the TCRS Legacy plan and will be eligible for plan benefits. Employees employed on or after July 1, 2013, are not eligible to participate in the TCRS Legacy plan.

Effective July 1, 2024, all employees not in the TCRS Legacy Plan were enrolled in TCRS 401K plan. Monies were moved from Mission Square to Empower. The group of City employees hired July 1, 2013-June 30, 2024 were presented the choice of participating in the TCRS 401K Plan, or to enroll in the TCRS Hybrid Plan. All employees hired after July 1, 2024 are required to participate in the Hybrid Plans. The TCRS Hybrid Plans consist of the TCRS 5-1 EE; 4-1 ER; 401 K 2-1 EE (optional) or 5-1 ER.

Other Post-Employment Benefits

The City provides postemployment medical coverage employees (hired prior to October 9, 2018) and their families who retire with at least 30 years of service and are not less than age 55 or with at least 20 years of service and are not less than age 60, until they are eligible for Medicare benefits. Any cost to the retiree related to family is paid by the retiree. Employees hired after October 9, 2018 are not eligible for post-employment medical coverage.

Deferred Compensation Plan

The City offers its employees a deferred compensation plan created and maintained in conformity with Section 457 of the Internal Revenue Code. The City does not make contributions to the plan on behalf of any of its employees. The plan is available to all of the City’s employees, including those employed prior to July 1, 2013. The plan permits employees to defer a portion of their income until future years, subject to maximum deferral limitations prescribed by the Internal Revenue Code. Deferred compensation is not available to the employee until termination from employment, retirement, death, or certain unforeseeable emergencies. The plan’s assets are held in trust for the exclusive benefit of the City’s employees. The City’s administrative role in the plan’s operation is minimal, and the City does not perform any of the investment functions of the plan.

Funding Policy and Other Information

The TCRS pension plan contribution for the City is established and may be amended by the TCRS Board of Trustees. The City is currently required to contribute to the TCRS plan at an actuarially determined rate. The contribution requirement of plan members is set by State statute. The City currently pays for Other Postemployment Benefits on a pay-as-you-go basis. The employer’s annual pension cost for the current year and related information may be found on pages 42-56 of the Notes and Supplementary Information to the June 30, 2023 Certified Audited Financial Statements of the City, set forth as Appendix C to this Official Statement.

Source: City of Crossville FY2023 Certified Audited Financial Reports; Tennessee Consolidated Retirement System.

City Additional Indebtedness

The City presently plans to construct a new fire station, and to finance the construction of the station with the proceeds of a general obligation debt issue. At its August 13, 2024, meeting, the City Council adopted an “initial resolution” as prescribed by Tenn. Code Ann. § 9-21-205, contemplating issuance of not to exceed \$4,000,000 of the City’s general obligation bonds, which the City contemplates issuing within the next twelve months.

Source: City of Crossville Records and Reports.

City of Crossville Financial Information

The following details certain financial information of the City as reflected by the Certified Audited Financial Statements of the City fiscal years ended June 30 of each year. The City has adopted stated debt management policy in accordance with the laws of the State of Tennessee.

Source: City of Crossville Records and Reports.

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CITY OF CROSSVILLE, TENNESSEE

**HISTORICAL SUMMARY OF CHANGES IN BALANCE SHEET ACTIVITY
ALL GOVERNMENTAL FUND TYPES
(FISCAL YEARS ENDED JUNE 30 OF EACH YEAR)**

ASSETS	2023	2022	2021	2020	2019
Cash and Cash Equivalents	42,906,738	37,932,759	31,486,090	18,762,281	16,992,146
Cash and Cash Equivalents - Restricted	76,018	3,543,547	3,601,113	184,149	185,464
Investments					
Receivables/Unbilled/Allowances	6,147,522	5,939,124	5,410,711	5,047,816	5,794,895
Due from Other Governments	2,577,259	2,541,025	2,131,466	1,909,315	1,885,920
Inventories	659,344	850,392	519,812	528,584	580,811
Accrued Interest					
Net Capital Assets	125,670,624	117,531,048	117,628,442	118,379,281	119,008,441
Net Pension Asset		3,501,597	990,017	724,551	286,991
Other		373,097			
Total Assets	\$178,037,505	\$172,212,589	\$161,767,651	\$145,535,977	\$144,734,668
DEFERRED OUTFLOWS OF RESOURCES					
Related to OPEB	356,471	439,452	407,570	476,300	1,688,632
Related to Pensions	2,774,899	3,117,012	1,224,607	1,492,673	
Deferred Charges on Refunding				102,468	115,276
Other					
Total Deferred Outflows of Resources	\$3,131,370	\$3,556,464	\$1,632,177	\$2,071,441	\$1,803,908
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$181,168,875	\$175,769,053	\$163,399,828	\$147,607,418	\$146,538,576

Source: City of Crossville, Tennessee Certified Audited Financial Reports.

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CITY OF CROSSVILLE, TENNESSEE

**HISTORICAL SUMMARY OF CHANGES IN BALANCE SHEET ACTIVITY
ALL GOVERNMENTAL FUND TYPES CONTINUED
(FISCAL YEARS ENDED JUNE 30 OF EACH YEAR)**

LIABILITIES	2023	2022	2021	2020	2019
Accounts Payable/Accrued Liabilities	761,260	1,446,223	952,812	1,184,589	1,163,031
Net Pension Liability/Other Pension Payables	459,040	2,006,309			
Accrued OPEB Liability/Other OPEB Payables	2,003,476		2,246,944	2,249,305	1,744,882
Other Accrued Expenses/Liabilities/Payables	419,376	348,301	460,290	318,323	475,811
Non-Current Liabilities			488,155	571,739	92,699
Long Term Liabilities	1,579,909	948,300			
Debt Due within one year	1,216,925	1,252,027	1,225,031	1,735,952	2,680,762
Debt Due in more than one year	36,112,676	37,395,602	38,340,110	25,461,364	26,783,326
Unearned Revenue				21,693	30,739
Total Liabilities	\$42,552,662	\$43,396,762	\$43,713,342	\$31,542,965	\$32,971,250
DEFERRED INFLOWS OF RESOURCES					
Related to OPEB/Pensions	395,390	4,450,116	450,993	465,066	320,014
Deferred Revenue -- Property Taxes	3,615,809	3,532,335	3,438,943	2,816,254	2,683,968
Other	2,833,308	1,920,804	173,310		203,962
Total Deferred Inflows of Resources	\$6,844,507	\$9,903,255	\$4,063,246	\$3,281,320	\$3,207,944
TOTAL LIABILITIES AND DEFERRED INFLOWS	\$49,397,169	\$53,300,017	\$47,776,588	\$34,824,285	\$36,179,194
NET POSITION					
Contributed Capital					
Investment in Capital Assets, Net of Debt	97,998,363	88,373,968	87,016,831	90,749,162	89,544,353
Restricted for:					
Debt Service/Net Pension		3,501,597	990,017	724,551	286,991
Economic Development/Capital Projects	289,457	220,030	118,510	654,738	73,897
Cemeteries					
Streets and Roads	1,094,947	1,050,802	853,991	54,662	446,686
Drug Fund	191,975	154,754	142,126	89,792	75,399
Unrestricted	32,196,964	29,167,885	26,501,765	20,510,228	19,932,056
TOTAL NET POSITION	\$131,771,706	\$122,469,036	\$115,623,240	\$112,783,133	\$110,359,382
TOTAL LIABILITIES AND NET POSITION	\$181,168,875	\$175,769,053	\$163,399,828	\$147,607,418	\$146,538,576

Source: City of Crossville, Tennessee Certified Audited Financial Reports.

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CITY OF CROSSVILLE, TENNESSEE
HISTORICAL SUMMARY OF REVENUES, EXPENSES AND
CHANGES IN GENERAL GOVERNMENTAL FUND BALANCES
(FISCAL YEARS ENDED JUNE 30 OF EACH YEAR)

REVENUES	2023	2022	2021	2020	2019
Local Taxes	19,023,855	17,363,491	15,278,876	15,778,138	15,379,087
Licenses and Permits	575,790	577,667	504,990	469,995	
Intergovernmental Revenues	2,310,540	2,367,801	1,985,691		
Federal and State Grants	1,055,947	647,316	840,001		
Investment Income	782,875	46,346	55,527	198,931	344,538
Fines and Forfeits	83,269	93,971	97,869	120,216	409,070
Charges and Services	470,167	490,323	330,096	342,977	112,555
Contributions and Donations		231,057		594,050	
Miscellaneous Revenue	326,170		237,253		262,779
Other	24,392	14,598	15,130	12,285	187,252
Total Revenues	\$24,653,005	\$21,832,570	\$19,345,433	\$17,516,592	\$16,695,281
EXPENSES					
General Government	4,096,557	3,903,403	3,641,911	3,500,150	937,138
Public Safety	7,617,519	6,966,420	6,719,019	6,560,303	6,133,266
Public Works	2,987,396	2,434,245	2,215,006	1,921,560	2,302,405
Sanitation/Health/Welfare	272,636	166,770	159,973	179,532	168,662
Parks and Recreation	1,521,854	1,398,855	1,311,443	1,231,028	1,156,827
Tourism Development	279,893	340,658	292,100	290,561	161,716
Airport	164,874	141,161	137,620	126,965	185,940
Cemeteries	75,415	45,747	55,496	53,051	70,745
Capital Outlay/Capital Assets	4,303,588	3,467,132	1,442,861	1,318,006	3,862,164
Debt Service					
Bond Interest/Fiscal Charges	136,184	138,290	477,172	199,400	192,644
Principal Retirement	702,049	469,777	6,591,000	1,231,000	431,000
Total Expenditures	\$22,157,965	\$19,472,458	\$23,043,601	\$16,611,556	\$15,602,507
Excess (Deficiency) Operating Revenues	\$2,495,040	\$2,360,112	(\$3,698,168)	\$905,036	\$1,092,774
OTHER FINANCING SOURCES					
Proceeds Debt/Sale of Assets/Insurance	1,017,121	552,802	7,863,545	127,023	54,460
Contributions/Grants					1,243,496
Operating Transfers In	1,544,743	2,896,232	933,995	403,449	2,564,311
Total Other Financial Sources (Uses)	\$1,217,121	\$752,802	\$8,063,545	\$323,070	\$1,508,243
Net Change in Net Position	\$3,712,161	\$3,112,914	\$4,365,377	\$1,228,106	\$2,601,017
BEGINNING NET POSITION	\$23,015,195	\$19,902,281	\$15,536,904	\$16,662,820	\$14,061,803
Prior Period Adjustments				(2,354,022)	
ENDING NET POSITION	\$26,727,356	\$23,015,195	\$19,902,281	\$15,536,904	\$16,662,820

Source: City of Crossville, Tennessee Certified Audited Financial Reports.

CITY OF CROSSVILLE, TENNESSEE

**HISTORICAL SUMMARY OF WATER AND SEWER FUND BALANCE SHEET CHANGES
(FISCAL YEARS ENDED JUNE 30 OF EACH YEAR)**

ASSETS	2023	2022	2021	2020	2019
Cash and Cash Equivalents	18,742,289	16,847,448	13,421,001	5,188,996	5,331,752
Cash and Cash Equivalents - Restricted	36,768	3,504,493	3,561,403	141,648	113,248
Investments					
Receivables/Unbilled/Allowances	1,791,801	1,727,194	1,622,817	1,553,381	1,645,636
Due from Other Governments				19,766	3,025
Inventories	470,940	652,358	316,611	365,236	405,969
Accrued Interest					
Net Capital Assets	75,804,715	70,752,116	71,648,121	71,743,559	71,507,203
Net Pension Asset		700,320	198,004	143,068	61,176
Other					
Total Assets	\$96,846,513	\$94,183,929	\$90,767,957	\$79,155,654	\$79,068,009
DEFERRED OUTFLOWS OF RESOURCES					
Related to OPEB	72,539	89,280	85,335	96,022	359,954
Related to Pensions	554,980	623,402	244,921	294,740	
Deferred Charges on Refunding				102,468	115,276
Other					
Total Deferred Outflows of Resources	\$627,519	\$712,682	\$330,256	\$493,230	\$475,230
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$97,474,032	\$94,896,611	\$91,098,213	\$79,648,884	\$79,543,239

Source: City of Crossville, Tennessee Certified Audited Financial Reports.

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CITY OF CROSSVILLE, TENNESSEE

**HISTORICAL SUMMARY OF WATER AND SEWER FUND BALANCE SHEET CHANGES
(FISCAL YEARS ENDED JUNE 30 OF EACH YEAR)**

LIABILITIES	2023	2022	2021	2020	2019
Accounts Payable/Accrued Liabilities	405,244	492,434	437,360	549,015	390,302
Retainage Payable	36,768	2,509	59,419	89,291	
Pension and OPEB Liabilities	499,498	407,608	470,456	453,460	337,608
Other Accrued Liabilities	86,577	61,268	143,083	138,085	113,248
Other Accrued Expenses	57,389	61,044	60,945	21,693	30,739
Non-Current Liabilities	167,029	121,755			
Debt Due within one year	811,906	793,008	767,012	1,436,168	1,448,978
Debt Due in more than one year	30,146,897	30,958,804	31,444,293	19,415,581	21,351,202
Unearned Revenue					
Total Liabilities	\$32,211,308	\$32,898,430	\$33,382,568	\$22,103,293	\$23,672,077
DEFERRED INFLOWS OF RESOURCES					
Related to OPEB	54,811	63,753	90,199	91,831	68,216
Related to Pensions	25,207	827,263			
Grants/Other	2,648,498	1,747,494			
Total Deferred Inflows of Resources	\$2,728,516	\$2,638,510	\$90,199	\$91,831	\$68,216
TOTAL LIABILITIES AND DEFERRED INFLOWS	\$34,939,824	\$35,536,940	\$33,472,767	\$22,195,124	\$23,740,293
NET POSITION					
Contributed Capital					
Net Investment Capital Assets	53,268,252	47,220,203	47,155,346	50,459,007	48,707,023
Restricted for:					
Debt Service/Pension		700,320	198,004	143,068	61,176
Capital Projects					
Cemetery					
State Street Aid					
Drug Fund					
Unrestricted	9,265,956	11,439,148	10,272,096	6,851,685	7,034,747
Total Net Position	\$62,534,208	\$59,359,671	\$57,625,446	\$57,453,760	\$55,802,946
Total Liabilities and Net Position	\$97,474,032	\$94,896,611	\$91,098,213	\$79,648,884	\$79,543,239

Source: City of Crossville, Tennessee Certified Audited Financial Reports.

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CITY OF CROSSVILLE, TENNESSEE

**HISTORICAL SUMMARY OF WATER AND SEWER FUND
REVENUES, EXPENSES AND CHANGES IN NET POSITION
(FISCAL YEARS ENDED JUNE 30 OF EACH YEAR)**

	2023	2022	2021	2020	2019
OPERATING REVENUES					
Water Sales	7,854,829	7,536,360	7,406,719	7,202,677	7,123,906
Sewer Service Charges	3,609,904	3,546,276	3,337,089	3,286,972	3,272,371
Tap/Connection Fees	407,709	513,314	420,520		352,794
Customer Service/Intergovernmental	22,606	22,570	25,558	373,797	29,376
Grinder Pump Sales and Repairs				24,594	
Penalties/Discounts Forfeited	92,861	88,849	94,053	107,351	109,547
Miscellaneous Revenues	322,106	239,983	361,955	348,460	284,202
Other Revenues/Bad Debt			(19,334)	(26,233)	(54,549)
TOTAL OPERATING REVENUES	\$12,310,015	\$11,947,352	\$11,626,560	\$11,317,618	\$11,117,647
OPERATING EXPENSES					
Combined Transmission and Distribution	2,577,710	3,056,566	3,336,821	3,188,303	5,460,885
Customer Accounting and Collection	665,927	605,597	621,800	578,927	583,655
Sewer Treatment and Disposal	2,529,075	2,414,121	2,501,925	2,275,581	
Sewer Rehabilitation					
Administrative and General	518,030	455,524	505,306	474,151	415,827
Depreciation and Amortization	3,541,631	3,453,926	3,319,956	3,220,279	3,152,513
TOTAL OPERATING EXPENSES	\$9,832,373	\$9,985,734	\$10,285,808	\$9,737,241	\$9,612,880
OPERATING INCOME (LOSS)	\$2,477,642	\$1,961,618	\$1,340,752	\$1,580,377	\$1,504,767
NON OPERATING REVENUES (EXPENSES)					
Grants Income					
Interest Expense	(703,753)	(734,123)	(1,328,479)	(597,792)	(664,899)
Interest Income	676,496	36,616	16,856	102,615	128,572
Gain (Loss) Transfer/Sale of Assets	46,500		3,400	8,383	3,025
Other	3,124	30,366	2,945	93,565	44,723
TOTAL NON-OPERATING REVENUES (EXPENSES)	\$22,367	(\$667,141)	(\$1,305,278)	(\$393,229)	(\$488,579)
INCOME (LOSS) BEFORE TRANSFERS	\$2,500,009	\$1,294,477	\$35,474	\$1,187,148	\$1,016,188
OTHER FINANCING SOURCES (USES)					
Operating Transfer Out	(200,000)	(200,000)	(200,000)	(196,047)	(210,287)
Capital Contributions and Other	874,528	639,748	336,212	445,808	100,418
TOTAL OTHER FINANCING SOURCES (USES)	\$674,528	\$439,748	\$136,212	\$249,761	(\$109,869)
NET INCOME (LOSS)	\$3,174,537	\$1,734,225	\$171,686	\$1,436,909	\$906,319
BEGINNING NET POSITION	\$59,359,671	\$57,625,446	\$57,453,760	\$55,802,946	\$54,896,627
Residual Fund Transfer				213,905	
ENDING NET POSITION	\$62,534,208	\$59,359,671	\$57,625,446	\$57,453,760	\$55,802,946

Source: City of Crossville, Tennessee Certified Audited Financial Reports.

CITY OF CROSSVILLE, TENNESSEE

**SUMMARY OF GENERAL FUND
ESTIMATED ANNUAL DEBT SERVICE REQUIREMENTS
(FISCAL YEARS ENDED JUNE 30 OF EACH YEAR)***

Fiscal Year	2020 Series A1 Debt Service	2020 Series A2 Debt Service	2020 Series B Debt Service	Total GO Debt
2024	145,050	87,200	287,848	520,098
2025	147,650	85,250	285,418	518,318
2026	145,050	88,300	287,583	520,933
2027	143,100	86,900	289,017	519,017
2028	141,150	85,500	289,825	516,475
2029	434,200	84,100		518,300
2030	433,400	87,700		521,100
2031	431,000	86,200		517,200
2032	433,500	84,700		518,200
2033	430,800	88,200		519,000
2034	433,000	86,600		519,600
2035	435,000	85,000		520,000
2036	431,800	88,400		520,200
2037	433,500	86,700		520,200
	\$4,618,200	\$1,210,750	\$1,439,692	\$7,268,642

* Column totals may not be exact due to rounding factors.

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CITY OF CROSSVILLE, TENNESSEE

**SUMMARY OF WATER AND SEWER FUND
ESTIMATED ANNUAL DEBT SERVICE REQUIREMENTS
(FISCAL YEARS ENDED JUNE 30 OF EACH YEAR)***

Fiscal Year	2020 Series C Debt Service	2020 Series D Debt Service	USDA 91-22 Debt Service	USDA 91-24 Debt Service	Water & Sewer Total Debt Service
2024	1,244,566	214,736	30,972	10,296	1,500,570
2025	1,246,166	217,936	30,972	10,296	1,505,370
2026	1,241,766	210,777	30,972	10,296	1,493,811
2027	1,246,566	208,093	30,972	10,296	1,495,928
2028	1,461,766		30,972	10,296	1,503,034
2029	1,459,916		30,972	10,296	1,501,184
2030	1,457,316		30,972	10,296	1,498,584
2031	1,458,416		30,972	10,296	1,499,684
2032	1,459,116		30,972	10,296	1,500,384
2033	1,459,416		30,972	10,296	1,500,684
2034	1,459,316		30,972	10,296	1,500,584
2035	1,458,816		30,972	10,296	1,500,084
2036	1,457,916		30,972	10,296	1,499,184
2037	1,461,616		30,972	10,296	1,502,884
2038	1,459,816		30,972	10,296	1,501,084
2039	1,457,616		30,972	10,296	1,498,884
2040	1,460,016		30,972	10,296	1,501,284
2041	1,460,761		30,972	10,296	1,502,029
2042	1,460,981		30,972	10,296	1,502,249
2043	1,460,375		30,972	10,296	1,501,643
2044	1,459,238		30,972	10,296	1,500,506
2045	1,457,569		30,972	10,296	1,498,837
2046	1,460,369		30,972	10,296	1,501,637
2047	1,457,531		30,972	10,296	1,498,799
2048	1,459,163		30,972	10,296	1,500,431
2049	1,458,450		30,972	10,296	1,499,718
2050	1,457,063		30,972	10,296	1,498,331
2051			30,972	10,296	41,268
2052			30,972	10,296	41,268
2053			30,972	10,296	41,268
2054			30,972	10,206	41,178
2055			30,972	10,296	41,268
2056			30,972	10,296	41,268
2057			30,972	10,296	41,268
2058			30,972	10,296	41,268
2059			30,972	10,296	41,268
2060			30,972	10,296	41,268
2061			30,972	10,296	41,268
2062				6,603	6,603
	\$38,541,625	\$851,542	\$836,244	\$277,992	\$40,507,403

* Column totals may not be exact due to rounding factors.

CITY OF CROSSVILLE, TENNESSEE

HISTORICAL AND PROFORMA ESTIMATED WATER AND SEWER FUND DEBT SERVICE COVERAGE RATIOS (FISCAL YEARS ENDED JUNE 30 OF EACH YEAR)

	2023	2022	2021	2020	2019
Total Operating Revenues	\$12,310,015	\$11,947,352	\$11,626,560	\$11,317,618	\$11,117,647
Total Operating Expenses (Less Depreciation)	6,290,742	6,531,808	6,965,852	6,516,962	6,460,367
Other Income	\$676,496	\$36,616	\$16,856	\$102,615	\$128,572
Revenues Available for Debt Service	\$6,695,769	\$5,452,160	\$4,677,564	\$4,903,271	\$4,785,852
Maximum Annual Debt Service	\$1,469,000	\$1,469,000	\$1,469,000	\$1,469,000	\$1,959,450
Debt Service Coverage Ratio (DSCR)	4.56	3.71	3.18	3.34	2.44
Days Cash on Hand (DCOH)	1,090	1,137	890	299	308
	2024	2025	2026	2027	2028
Total Operating Revenues	\$ 12,987,066	\$ 13,896,160	\$ 14,868,892	\$ 15,909,714	\$ 16,227,908
Total Operating Expenses (Less Depreciation)	6,479,464	6,673,848	6,874,064	7,080,286	7,292,694
Other Income	\$ 710,321	\$ 738,023	\$ 766,806	\$ 796,712	\$ 827,783
Revenues Available for Debt Service	\$ 7,217,922	\$ 7,960,336	\$ 8,761,634	\$ 9,626,140	\$ 9,762,998
Maximum Annual Debt Service	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Estimated Debt Service Coverage Ratio (DSCR)	4.81	5.31	5.84	6.42	6.51

Note: The proforma calculations shown above assume 2% growth in total operating revenues during the next five years with growth in operating expenses at the historic average of 2%. The financial forecast is based upon assumptions made by the City pertaining to customer rates, ongoing monitoring of the stability and/or growth of the customer base, maintaining efficiency in operating expenses, macro and micro economic conditions, and consideration of potential future events that may not be assured. There is no assurance that actual events will correspond with such assumptions, that uncontrollable factors will not affect such assumptions, or that the forecasted results will be achieved.

* d Column totals may not be exact due to rounding factors.

Source: City of Crossville, Tennessee Certified Audited Financial Reports.

Waycaster, CPA LLC

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 Councilmen
City of Crossville, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and aggregate remaining fund information of the City of Crossville, Tennessee (the City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 30, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on 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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Waycaster CPA, LLC
Chickamauga, GA
December 30, 2024

Waycaster, CPA LLC

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

Mayor and City Councilmen
City of Crossville, Tennessee

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Crossville, 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 the City of Crossville, Tennessee's major federal programs for the year ended June 30, 2024. The City of Crossville, 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, City of Crossville, Tennessee, compiled in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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 City of Crossville, 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 the City of Crossville, 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 the City of Crossville, 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 the City of Crossville, 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 the City of Crossville, 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 the City of Crossville, 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 the City of Crossville, 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 the City of Crossville, 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.

Report on Internal Control over Compliance

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.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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.

Waycaster CPA, LLC
Chickamauga, GA
December 30, 2024

**CITY OF CROSSVILLE, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024**

SECTION I - SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

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

Internal control over financial reporting:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

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

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

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program</u>
21.027	TDEC - American Rescue Plan Funds <u>\$609,645</u>

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

Auditee qualified as low-risk auditee? yes X no

**CITY OF CROSSVILLE, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024**

SECTION II - FINANCIAL STATEMENT FINDINGS

A. Significant Deficiencies in Internal Control

None reported.

B. Compliance Findings

None reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

**CITY OF CROSSVILLE, TENNESSEE
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024**

The City had no prior year audit findings.