

**CITY OF CROSSVILLE, TENNESSEE
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019**

CITY OF CROSSVILLE, TENNESSEE
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2019

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INTRODUCTORY SECTION

**OFFICIALS OF THE CITY OF CROSSVILLE
JUNE 30, 2019**

Board of Mayor and City Council

James Mayberry	Mayor
Art Gernt	Mayor Pro Tem
Rob Harrison	Councilmember
J.H. Graham III	Councilmember
Scot Shanks	Councilmember

Appointed Officials

Greg Wood	City Manager
Fred Houston, CPA	Finance Director

FINANCIAL SECTION

The MG Group, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor
and City Council
City of Crossville, Tennessee

Report on the Financial Statements

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, 2019, 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

515 NW Atlantic Street, Tullahoma, Tennessee 37388

16053 Rankin Avenue, Dunlap, Tennessee 37327

Phone (931) 393-3307 Fax (931) 563-5585

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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, 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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 introductory section, combining and individual nonmajor fund financial statements and schedules, and the schedules shown in the other information section are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other

records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section, and the schedules shown in the other information section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2019 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.

MG Group, P.C.

Tullahoma, Tennessee
November 18, 2019

Management's Discussion and Analysis

City of Crossville, Tennessee

June 30, 2019

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, 2019. The analysis focuses on significant financial position, budget changes and variances from the budget, and specific issues related to funds and the economic factors affecting the City.

Financial Highlights:

- The assets of the City of Crossville exceeded its liabilities at the close of the most recent year by \$110,359,382. Of this amount, \$19,932,056 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City of Crossville received a grant from the U.S. Department of Justice in the amount of \$1,560 for Bulletproof Vests.
- The City of Crossville received a grant from the State of Tennessee Department of Economic and Community Development in the amount of \$14,662 for the Crossville Three Star Program.
- The City of Crossville Police Department also received a grant from the Governor's Highway Safety in the amount of \$23,837 for Alcohol Saturation and Checkpoints.
- The City of Crossville received from the Tennessee Department of Agriculture a State Tree Board Grant in the amount of \$2,565.
- The City of Crossville received a grant from the Tennessee Department of Economic and Community Development totaling \$441,065 for Garrison Park improvements.
- The City of Crossville received a grant from the U.S. Department of Transportation totaling \$595,881 for Airport paving.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$14,308,798.

Management's Discussion and Analysis

City of Crossville, Tennessee

June 30, 2019

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 works, public safety, state street aid, and public welfare and recreation. 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

Management's Discussion and Analysis

City of Crossville, Tennessee

June 30, 2019

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 four 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 one type of proprietary fund. Enterprise funds are used to report the same functions presented in the business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Water and Sewer operations, as well as the operation of the Catoosa Water System.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for Water and Sewer operations which is considered to be a major fund.

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.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found in this report.

Management's Discussion and Analysis

City of Crossville, Tennessee

June 30, 2019

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 \$110,359,382 at the close of this fiscal year.

By far the largest portion of the City's assets (81%) 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.

Management's Discussion and Analysis

City of Crossville, Tennessee

June 30, 2019

City of Crossville's Net Position

	Governmental Activities		Business -type Activities	
	2019	2018	2019	2018
Current and Other Assets	\$ 18,165,421	\$ 17,910,705	\$ 7,560,806	\$ 8,402,998
Capital Assets, Net	47,501,238	45,955,095	71,507,203	71,754,858
Total Assets	65,666,659	63,865,800	79,068,009	80,157,856
Deferred Outflows	1,328,678	2,136,205	475,230	694,103
Total Deferred Outflows	1,328,678	2,136,205	475,230	694,103
Current and Other Liabilities	758,444	1,163,539	435,326	663,875
Long-Term Liabilities	8,540,729	10,096,658	23,236,751	25,233,145
Total Liabilities	9,299,173	11,260,197	23,672,077	25,897,020
Deferred Inflows of Resources	3,139,728	2,918,612	68,216	58,312
Total Deferred Inflows	3,139,728	2,918,612	68,216	58,312
Net Investment in Capital Assets	40,837,330	37,945,959	48,707,023	47,098,180
Restricted	821,797	411,345	61,176	-
Unrestricted	12,897,309	13,465,892	7,034,747	7,798,447
Total Net Position	\$ 54,556,436	\$ 51,823,196	\$ 55,802,946	\$ 54,896,627

Changes in net position. Governmental activities increased the City's net position by \$2,733,240. Business-type activities net position increased by \$906,319.

Management's Discussion and Analysis
City of Crossville, Tennessee
June 30, 2019

City of Crossville's Changes in Net Position

	<u>Governmental Activities</u>		<u>Business -type Activities</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Program Revenues:				
Charges for Services	\$ 866,163	\$ 362,655	\$ 11,117,647	\$ 10,544,634
Operating grants and contributions	644,273	593,712	-	-
Capital grants and contributions	1,118,291	588,492	100,418	-
General Revenues:				
Taxes	15,379,087	15,523,882	-	-
Other Revenues	241,712	534,214	47,748	2,404
Investment Earnings	262,779	146,635	128,572	104,284
Transfers	210,287	200,000	(210,287)	(200,000)
Total Revenues	<u>18,722,592</u>	<u>17,949,590</u>	<u>11,184,098</u>	<u>10,451,322</u>
Expenses				
General government	2,438,172	3,446,846	-	-
Public safety	7,118,978	7,469,302	-	-
Public works	3,447,682	2,898,008	-	-
Cemeteries	99,293	87,258	-	-
Airport	504,609	423,165	-	-
Parks and recreation	1,503,328	1,488,715	-	-
Tourism development	352,503	325,780	-	-
Health and welfare	168,662	180,862	-	-
Interest on Long-Term Debt	192,644	222,923	-	-
Water and sewer	-	-	10,277,779	9,212,910
Total Expenses:	<u>15,825,871</u>	<u>16,542,859</u>	<u>10,277,779</u>	<u>9,212,910</u>
Change in net position	2,896,721	1,406,731	906,319	1,238,412
Restatement	(163,481)	(1,346,625)	-	(317,056)
Net position, beginning (restated)	51,659,715	50,416,465	54,896,627	53,658,215
Net position, ending	<u>\$ 54,556,436</u>	<u>\$ 51,823,196</u>	<u>\$ 55,802,946</u>	<u>\$ 54,896,627</u>

Management's Discussion and Analysis

City of Crossville, Tennessee

June 30, 2019

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

- The overall expenditures decreased by approximately \$716,988.

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 \$14,308,798, an increase of \$246,995 in comparison with the prior year. Within the governmental funds, \$174,842 is non-spendable or restricted in the General and Other Governmental Funds.

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 \$ 13,537,974. 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 105.06% of total general fund expenditures.

The City's general fund had a positive Net Change in Fund Balance of \$62,358.

Proprietary funds

The City's proprietary funds provide 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 \$7,034,747.

Management's Discussion and Analysis
City of Crossville, Tennessee
June 30, 2019

General Fund Budgetary Highlights

The budget for income did not change.

Capital Assets

The City of Crossville's investment in capital assets from its governmental and business-type activities at June 30, 2019, amounts to \$89,544,353 (net of accumulated depreciation). This investment in capital assets includes land, building, improvements, machinery and equipment, park facilities, roads, highways and bridges. The total of the City's investment in capital assets for the current fiscal year increased in the amount of, \$4,500,214 (a net increase of \$2,891,371 for governmental activities and a net increase of \$1,608,843 for business-type activities).

City of Crossville's Capital Assets

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land	\$ 8,912,450	\$ 7,941,537	\$ 574,816	\$ 574,816
Construction in progress	5,366,632	5,218,376	1,929,023	4,169,152
Buildings and plant	9,899,995	10,067,873	119,893,688	115,734
Other improvements	17,046,464	17,615,355	-	-
Infrastructure	22,186,076	21,554,309	-	-
Machinery and equipment	12,749,238	10,331,956	4,862,075	4,472,923
Accumulated Depreciation	(28,645,433)	(26,957,452)	(55,735,730)	(52,811,770)
Net capital assets	<u>\$ 47,515,422</u>	<u>\$ 45,771,954</u>	<u>\$ 71,523,872</u>	<u>\$ (43,479,145)</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.

Management's Discussion and Analysis

City of Crossville, Tennessee

June 30, 2019

Long-term Debt

At the end of the current year, the City of Crossville had debt outstanding of \$32,195,276. Of this amount, \$2,667,952 is due in the next fiscal year.

City of Crossville's Outstanding Debt

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Principal due in one year	\$ 1,231,000	\$ 1,442,018

The City of Crossville has a combined total debt decreased in the amount of \$3,000,987 during the current fiscal 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 the Finance Director, Mr. Fred Houston, CPA.

City of Crossville, Tennessee
Statement of Net Position
June 30, 2019

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 11,258,743	\$ 5,086,273	\$ 16,345,016
Investment in pooled cash	401,651	245,479	647,130
Receivables:			
Property taxes, net of allowance	2,848,443	-	2,848,443
Other, net of allowance	1,300,816	1,645,636	2,946,452
Due from other governments	1,885,920	-	1,885,920
Due from other funds	(3,025)	3,025	-
Inventories	174,842	405,969	580,811
Restricted cash and cash equivalents	72,216	113,248	185,464
Net pension asset	225,815	61,176	286,991
Depreciable capital assets	61,881,772	125,871,021	187,752,793
Less: accumulated depreciation	(28,659,617)	(55,752,401)	(84,412,018)
Non-depreciable capital assets	14,279,083	1,388,583	15,667,666
Total assets	65,666,659	79,068,009	144,734,668
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding	-	115,276	115,276
Related to pension	1,328,678	359,954	1,688,632
Total deferred outflows of resources	1,328,678	475,230	1,803,908
LIABILITIES			
Accounts payable and accrued liabilities	587,614	263,852	851,466
Accrued payroll	125,541	113,248	238,789
Accrued interest	15,566	27,487	43,053
Due to other governments	29,723	-	29,723
Unearned revenue	-	30,739	30,739
Noncurrent liabilities:			
Compensated absences	376,848	98,963	475,811
Total OPEB liability	1,407,274	337,608	1,744,882
Due within one year	1,231,784	1,448,978	2,680,762
Due in more than one year	5,432,124	21,351,202	26,783,326
Landfill postclosure care	92,699	-	92,699
Total Liabilities	9,299,173	23,672,077	32,971,250
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property tax	2,683,968	-	2,683,968
Deferred revenue - other	203,962	-	203,962
Related to pension	251,798	68,216	320,014
Total deferred inflows of resources	3,139,728	68,216	3,207,944
NET POSITION			
Net investment in capital assets	40,837,330	48,707,023	89,544,353
Restricted for:			
Net pension	225,815	61,176	286,991
Streets and roads	446,686	-	446,686
Drug control and investigation	75,399	-	75,399
Economic Development Hotel/Motel Tax	73,897	-	73,897
Unrestricted	12,897,309	7,034,747	19,932,056
Total net position	\$ 54,556,436	\$ 55,802,946	\$ 110,359,382

See notes to the financial statements

City of Crossville, Tennessee
Statement of Activities
For the Year Ended June 30, 2019

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 2,438,172	\$ 481,908	\$ 609,575	\$ -	\$ (1,346,689)	\$ -	\$ (1,346,689)
Public safety	7,118,978	130,163	34,698	25,500	(6,928,617)	-	(6,928,617)
Public works	3,447,682	-	-	-	(3,447,682)	-	(3,447,682)
Cemeteries	99,293	-	-	-	(99,293)	-	(99,293)
Airport	504,609	115,909	-	1,092,791	704,091	-	704,091
Parks and recreation	1,503,328	138,183	-	-	(1,365,145)	-	(1,365,145)
Tourism development	352,503	-	-	-	(352,503)	-	(352,503)
Health and welfare	168,662	-	-	-	(168,662)	-	(168,662)
Interest on Long-Term Debt	192,644	-	-	-	(192,644)	-	(192,644)
Total Governmental Activities	15,825,871	866,163	644,273	1,118,291	(13,197,144)	-	(13,197,144)
Business-type activities							
Water and Sewer	10,277,779	11,117,647	-	100,418	-	940,286	940,286
Total Primary Government	\$ 26,103,650	\$ 11,983,810	\$ 644,273	\$ 1,218,709	(13,197,144)	940,286	(12,256,858)
General Revenues:							
Property and personalty taxes					2,648,980	-	2,648,980
Payment in lieu of tax					538,765	-	538,765
Income and excise taxes					160,490	-	160,490
Sales taxes					9,354,972	-	9,354,972
Alcoholic beverage taxes					1,212,390	-	1,212,390
Business taxes					695,056	-	695,056
Miscellaneous taxes					768,434	-	768,434
Investment income					262,779	128,572	391,351
Rental income					16,714	2,476	19,190
Gain/(loss) on sale of capital assets					47,991	3,025	51,016
Miscellaneous					177,007	42,247	219,254
Transfers					210,287	(210,287)	-
					<u>16,093,865</u>	<u>(33,967)</u>	<u>16,059,898</u>
					2,896,721	906,319	3,803,040
Net position - beginning, as previously reported					51,823,196	54,896,627	106,719,823
Restatement- (note 13)					(163,481)	-	(163,481)
Net position - beginning, as restated					<u>51,659,715</u>	<u>54,896,627</u>	<u>106,556,342</u>
Net position - ending					<u>\$ 54,556,436</u>	<u>\$ 55,802,946</u>	<u>\$ 110,359,382</u>

See notes to the financial statements

City of Crossville, Tennessee
Balance Sheet
Governmental Funds
June 30, 2019

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 10,835,088	\$ -	\$ 423,655	\$ 11,258,743
Investment in pooled cash	230,177	30,731	140,743	401,651
Receivables, net				
Property taxes	2,848,443	-	-	2,848,443
Customer	1,300,816	-	-	1,300,816
Due from other governments	1,850,107	-	35,813	1,885,920
Inventories	174,842	-	-	174,842
Restricted cash and cash equivalents	72,216	-	-	72,216
Total assets	<u>\$ 17,311,689</u>	<u>\$ 30,731</u>	<u>\$ 600,211</u>	<u>\$ 17,942,631</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 552,654	\$ 30,731	\$ 4,229	\$ 587,614
Accrued payroll	125,541	-	-	125,541
Due to other funds	3,025	-	-	3,025
Due to other governments	29,723	-	-	29,723
Total liabilities	<u>710,943</u>	<u>30,731</u>	<u>4,229</u>	<u>745,903</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue - property tax	2,683,968	-	-	2,683,968
Deferred revenue - other	203,962	-	-	203,962
Total deferred inflows of resources	<u>2,887,930</u>	<u>-</u>	<u>-</u>	<u>2,887,930</u>
FUND BALANCES				
Non-spendable	174,842	-	-	174,842
Restricted	-	-	595,982	595,982
Unassigned	13,537,974	-	-	13,537,974
Total fund balances	<u>13,712,816</u>	<u>-</u>	<u>595,982</u>	<u>14,308,798</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 17,311,689</u>	<u>\$ 30,731</u>	<u>\$ 600,211</u>	<u>\$ 17,942,631</u>

See notes to the financial statements.

City of Crossville, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
June 30, 2019

Total fund balances, governmental funds	\$ 14,308,798
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	47,501,238
Net pension asset and deferred outflows of resources that are not reported in the funds related to pensions.	1,302,695
Some liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds.	(7,149,021)
Total OPEB liability and deferred inflows of resources that are not reported in the funds related to OPEB.	(1,407,274)
Net Position of governmental activities	<u>\$ 54,556,436</u>

City of Crossville, Tennessee
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 14,846,681	\$ -	\$ 532,406	\$ 15,379,087
Licenses and permits	409,070	-	-	409,070
Fines and forfeitures	93,199	-	19,356	112,555
Charges for services	344,538	-	-	344,538
Investment income	254,810	-	7,969.00	262,779
Rental/property income	16,714	-	-	16,714
Miscellaneous income	170,398	-	140	170,538
Total revenues	<u>16,135,410</u>	<u>-</u>	<u>559,871</u>	<u>16,695,281</u>
Expenditures:				
Current:				
General government	937,138	-	-	937,138
Public safety	6,114,308	-	18,958	6,133,266
Public works	1,972,667	76,719	253,019	2,302,405
Cemeteries	70,745	-	-	70,745
Airport	185,940	-	-	185,940
Parks and recreation	1,156,827	-	-	1,156,827
Tourism development	128,042	-	33,674	161,716
Health and welfare	168,662	-	-	168,662
Debt service				
Principial	431,000	-	-	431,000
Bond interest and fiscal charges	192,644	-	-	192,644
Capital outlay	1,528,215	2,277,305	56,644	3,862,164
Total expenditures	<u>12,886,188</u>	<u>2,354,024</u>	<u>362,295</u>	<u>15,602,507</u>
Excess (deficiency) of revenues over (under) expenditures	3,249,222	(2,354,024)	197,576	1,092,774
Other Financing Sources (Uses)				
Contributions and grants	1,258,666	-	(15,170)	1,243,496
Insurance proceeds	6,469	-	-	6,469
Capital outlay notes issued	-	-	-	-
Sale of capital assets	45,762	-	2,229	47,991
Operating transfers In	210,287	2,354,024	-	2,564,311
Operating transfers out	(2,354,024)	-	-	(2,354,024)
Total other financing sources and uses	<u>(832,840)</u>	<u>2,354,024</u>	<u>(12,941)</u>	<u>1,508,243</u>
Net change in fund balances	2,416,382	-	184,635	2,601,017
Fund balances - beginning	13,650,458	-	411,347	14,061,805
Fund balances - ending	<u>\$ 16,066,840</u>	<u>\$ -</u>	<u>\$ 595,982</u>	<u>\$ 16,662,822</u>

See notes to 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
For the Year Ended June 30, 2019

Net changes in fund balance - total governmental funds \$ 2,601,017

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period, net loss on disposal. (532,056)

Governmental funds report retirement contributions as expenditures. These expenditures are reported as deferred outflows of resources and either pension and OPEB income or expense in the government-wide financial statements. This is the amount by which pension income exceeds pension and OPEB expenditures in the current period. 676,998

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 25,500

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. (204,097)

Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the funds. 329,359

Change in net position of governmental activities \$ 2,896,721

City of Crossville, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual
General Fund
For the Year Ended June 30, 2019

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Local taxes:				
Property and personalty taxes	\$ 2,555,000	\$ 2,555,000	\$ 2,648,980	\$ 93,980
Sales tax	8,150,000	8,150,000	8,331,770	181,770
Alcoholic beverage tax	748,000	748,000	1,114,511	366,511
Business tax	600,000	600,000	695,056	95,056
Cable TV franchise and lease tax	149,000	149,000	213,067	64,067
Licenses and permits	393,500	393,500	409,070	15,570
Fines	90,000	90,000	93,199	3,199
Intergovernmental revenues:				
Sales tax	959,812	959,812	1,023,202	63,390
State mix drink & beer tax	90,780	90,780	97,879	7,099
State City Streets & Transport	23,706	23,706	22,961	(745)
Income tax	100,000	100,000	104,248	4,248
Corporate excise tax	50,000	50,000	56,242	6,242
In lieu of tax	561,829	561,829	538,765	(23,064)
Charges for services	313,000	313,000	344,538	31,538
Rental income	4,500	4,500	16,714	12,214
Investment income	110,000	110,000	254,810	144,810
Miscellaneous revenues	55,000	55,000	170,398	115,398
Total revenues	14,954,127	14,954,127	16,135,410	1,181,283
Expenditures:				
General Government				
<u>City Court</u>				
Personnel expenditures	27,500	31,635	10,519	21,116
Contractual services	50	555	20,555	(20,000)
Supplies	-	60	60	-
	27,550	32,250	31,134	1,116
<u>Legislative Board</u>				
Personnel expenditures	74,500	75,135	70,119	5,016
Contractual services	6,750	6,115	5,891	224
Supplies	600	600	188	412
	81,850	81,850	76,198	5,652
<u>Central Staff</u>				
Personnel expenditures	705,250	707,150	673,143	34,007
Contractual services	62,950	69,350	59,050	10,300
Supplies	22,750	20,125	12,059	8,066
Capital outlay	28,000	22,325	22,324	1
	818,950	818,950	766,576	52,374
<u>Information Technology</u>				
Personnel expenditures	142,550	143,550	135,311	8,239
Contractual services	27,000	24,145	4,743	19,402
Supplies	12,450	15,330	13,555	1,775
Capital outlay	42,000	40,975	33,834	7,141
	224,000	224,000	187,443	36,557
<u>Engineering</u>				
Personnel expenditures	394,355	384,975	339,086	45,889
Contractual services	11,300	14,800	10,369	4,431
Supplies	8,700	11,800	8,724	3,076
Capital outlay	35,000	37,780	31,179	6,601
	449,355	449,355	389,358	59,997
<u>Stormwater</u>				
Personnel expenditures	131,750	130,900	128,789	2,111
Contractual services	13,400	14,135	13,513	622
Supplies	4,550	4,665	3,294	1,371
Fixed charges	5,000	5,000	4,135	865
	154,700	154,700	149,731	4,969

See notes to the financials.

City of Crossville, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual
General Fund
For the Year Ended June 30, 2019

	Budget		Actual	Variance With Final Budget
	Original	Final		
<u>Planning and Zoning</u>				
Personnel expenditures	211,000	219,070	202,503	16,567
Contractual services	92,175	123,480	115,511	7,969
Supplies	10,750	9,950	8,882	1,068
Capital outlay	34,000	27,425	27,422	3
	<u>347,925</u>	<u>379,925</u>	<u>354,318</u>	<u>25,607</u>
<u>General Government & Buildings</u>				
Contractual services	178,150	179,500	154,474	25,026
Supplies	5,100	4,800	4,417	383
Fixed charges	1,250	1,250	1,155	95
	<u>184,500</u>	<u>185,550</u>	<u>160,046</u>	<u>25,504</u>
<u>Maintenance</u>				
Personnel expenditures	775,150	774,505	722,438	52,067
Contractual services	61,550	61,350	45,546	15,804
Supplies	83,000	84,845	72,337	12,508
Fixed charges	2,000	2,000	1,289	711
Capital outlay	66,500	65,500	53,089	12,411
	<u>988,200</u>	<u>988,200</u>	<u>894,699</u>	<u>93,501</u>
<u>Administration</u>				
Personnel expenditures	152,000	151,130	116,655	34,475
Contractual services	179,450	163,730	126,045	37,685
Supplies	5,000	5,075	4,329	746
Fixed charges	225,350	205,350	202,478	2,872
	<u>561,800</u>	<u>525,285</u>	<u>449,507</u>	<u>75,778</u>
Total general government	<u>3,838,830</u>	<u>3,840,065</u>	<u>3,459,010</u>	<u>381,055</u>
<u>Public Safety</u>				
<u>Police Department</u>				
Personnel expenditures	3,128,045	3,101,041	2,797,710	303,331
Contractual services	471,200	516,540	487,009	29,531
Supplies	235,500	255,935	219,775	36,160
Fixed charges	1,200	1,200	471	729
Capital outlay	225,500	182,105	155,983	26,122
	<u>4,061,445</u>	<u>4,056,821</u>	<u>3,660,948</u>	<u>395,873</u>
<u>Fire Department</u>				
Personnel expenditures	2,157,200	2,152,586	2,013,353	139,233
Contractual services	425,450	440,414	401,986	38,428
Supplies	236,400	231,400	193,226	38,174
Fixed charges	750	1,100	778	322
Capital outlay	10,000	11,300	11,218	82
	<u>2,829,800</u>	<u>2,836,800</u>	<u>2,620,561</u>	<u>216,239</u>
Total public safety	<u>6,891,245</u>	<u>6,893,621</u>	<u>6,281,509</u>	<u>612,112</u>
<u>Public Works</u>				
<u>Public Works Department</u>				
Personnel expenditures	772,450	772,235	732,958	39,277
Contractual services	476,250	483,899	375,809	108,090
Supplies	171,376	161,907	126,591	35,316
Building materials	745,588	756,058	736,480	19,578
Fixed charges	5,000	5,000	829	4,171
Capital outlay	651,000	653,185	389,198	263,987
	<u>2,821,664</u>	<u>2,832,284</u>	<u>2,361,865</u>	<u>470,419</u>
Total public works	<u>2,821,664</u>	<u>2,832,284</u>	<u>2,361,865</u>	<u>470,419</u>

See notes to the financials.

City of Crossville, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual
General Fund
For the Year Ended June 30, 2019

	Budget		Actual	Variance With Final Budget
	Original	Final		
Cemeteries				
Personnel expenditures	75,000	74,810	59,681	15,129
Contractual services	9,050	10,136	7,612	2,524
Supplies	5,850	5,054	3,452	1,602
Capital outlay	13,500	13,400	13,400	-
	<u>103,400</u>	<u>103,400</u>	<u>84,145</u>	<u>19,255</u>
Total cemeteries	<u>103,400</u>	<u>103,400</u>	<u>84,145</u>	<u>19,255</u>
Municipal Airport				
Contractual services	118,000	177,315	173,310	4,005
Supplies	1,100	30,070	9,784	20,286
Fixed charges	3,700	3,850	2,846	1,004
Capital outlay	737,032	721,577	645,001	76,576
	<u>859,832</u>	<u>932,812</u>	<u>830,941</u>	<u>101,871</u>
Total municipal airport	<u>859,832</u>	<u>932,812</u>	<u>830,941</u>	<u>101,871</u>
Parks and Recreation				
Personnel expenditures	726,065	736,360	659,600	76,760
Contractual services	411,200	406,895	359,330	47,565
Supplies	168,260	172,061	130,580	41,481
Fixed charges	6,500	7,319	7,317	2
Capital outlay	178,630	244,820	123,740	121,080
	<u>1,490,655</u>	<u>1,567,455</u>	<u>1,280,567</u>	<u>286,888</u>
Total parks and recreation	<u>1,490,655</u>	<u>1,567,455</u>	<u>1,280,567</u>	<u>286,888</u>
Tourism Development				
<u>Marketing and Promotion</u>				
Personnel expenditures	90,350	90,924	89,839	1,085
Contractual services	40,500	39,230	36,093	3,137
Supplies	2,150	2,807	2,110	697
Capital outlay	66,000	59,900	21,827	38,073
	<u>199,000</u>	<u>192,861</u>	<u>149,869</u>	<u>42,992</u>
Total tourism development	<u>199,000</u>	<u>192,861</u>	<u>149,869</u>	<u>42,992</u>
Health and Welfare				
Contributions to other agencies	164,947	171,693	168,662	3,031
Debt Service				
Agent fees	5,000	5,000	1,571	3,429
Principal	431,000	431,000	431,000	-
Interest	230,000	230,000	191,073	38,927
Total debt service	<u>666,000</u>	<u>666,000</u>	<u>623,644</u>	<u>42,356</u>
Total expenditures	<u>17,035,573</u>	<u>17,200,191</u>	<u>15,240,212</u>	<u>1,959,979</u>
Excess of revenues over expenditures	(2,081,446)	(2,246,064)	895,198	3,141,262
Other Financing Sources (Uses)				
Contributions	3,000	3,003	28,308	25,305
Grants	3,598,932	4,419,654	1,230,358	(3,189,296)
Sale of capital assets	120,000	120,000	45,762	(74,238)
Insurance recoveries	25,000	25,000	6,469	(18,531)
Transfers in	277,594	277,594	210,287	(67,307)
Transfers out	(3,115,900)	(4,980,400)	(2,354,024)	2,626,376
Total other financing sources and uses	<u>908,626</u>	<u>(135,149)</u>	<u>(832,840)</u>	<u>(697,691)</u>
Net change in fund balances	<u>\$ (1,172,820)</u>	<u>\$ (2,381,213)</u>	62,358	<u>\$ 2,443,571</u>
Fund balances - beginning			<u>13,650,458</u>	
Fund balances - ending			<u>\$ 13,712,816</u>	

See notes to the financial statements.

City of Crossville, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual
Capital Project Fund
For the Year Ended June 30, 2019

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Investment income	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Contractual services	-	-	76,719	(76,719)
Capital outlay	3,115,900	4,980,400	2,277,305	2,703,095
Total expenditures	<u>3,115,900</u>	<u>4,980,400</u>	<u>2,354,024</u>	<u>2,626,376</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,115,900)</u>	<u>(4,980,400)</u>	<u>(2,354,024)</u>	<u>2,626,376</u>
Other Financing Sources (Uses)				
Transfers in (out)	3,115,900	1,251,400	2,354,024	1,102,624
Total other financing sources (uses)	<u>3,115,900</u>	<u>1,251,400</u>	<u>2,354,024</u>	<u>1,102,624</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (3,729,000)</u>	<u>-</u>	<u>\$ 3,729,000</u>
Fund Balance - beginning			<u>-</u>	
Fund Balance - end			<u>\$ -</u>	

See notes to financial statements.

City of Crossville, Tennessee
Statement of Net Position
Proprietary Funds
June 30, 2019

	Enterprise Funds		
	Catoosa Water	Crossville Water/Sewer	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 76,776	\$ 179,903	\$ 256,679
Investment in LGIP	1,780,324	3,294,749	5,075,073
Receivables, customers, net	278,518	1,367,118	1,645,636
Due from other funds	3,025	-	3,025
Inventory	149,442	256,527	405,969
Restricted cash and cash equivalents	5,526	107,722	113,248
Total current assets	2,293,611	5,206,019	7,499,630
Noncurrent Assets:			
Net pension asset	13,597	47,579	61,176
Capital assets not being depreciated			
Land, right of ways	128,968	445,848	574,816
Construction in progress	236,240	577,527	813,767
Capital assets being depreciated			
Plant and equipment	20,809,587	105,061,434	125,871,021
Less accumulated depreciation	(8,013,438)	(47,738,963)	(55,752,401)
Total capital assets, net	13,174,954	58,393,425	71,568,379
Total assets	15,468,565	63,599,444	79,068,009
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	115,276	-	115,276
Related to pension	80,002	279,952	359,954
Total deferred outflows of resources	195,278	279,952	475,230
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	90,941	172,911	263,852
Retainage payable	5,526	107,722	113,248
Accrued payroll	6,477	21,010	27,487
Accrued interest	2,104	28,635	30,739
Notes and bonds payable, current	355,580	1,093,398	1,448,978
Total current liabilities	460,628	1,423,676	1,884,304
Noncurrent liabilities:			
Accrued compensated absences	22,734	76,229	98,963
Total OPEB liability	94,686	242,922	337,608
Notes and bonds payable, net of premiums and discounts	4,271,672	17,079,530	21,351,202
Total noncurrent liabilities	4,389,092	17,398,681	21,787,773
Total liabilities	4,849,720	18,822,357	23,672,077
DEFERRED INFLOWS OF RESOURCES			
Related to pension	15,162	53,054	68,216
	15,162	53,054	68,216
NET POSITION			
Net investment in capital assets	8,534,105	40,172,918	48,707,023
Restricted for net pension	13,597	47,579	61,176
Unrestricted	2,251,259	4,783,488	7,034,747
Total net position	\$ 10,798,961	\$ 45,003,985	\$ 55,802,946

See notes to the financial statements

City of Crossville, Tennessee
Statement of Revenues, Expenses, and
Changes in Net Position - Proprietary Funds
For the Year Ended June 30, 2019

	Catoosa Water	Crossville Water/Sewer	Total
Operating Revenues			
Charges for services			
Metered water sales	\$ 2,126,514	\$ 4,997,392	\$ 7,123,906
Sewer service chgs	-	3,272,371	3,272,371
Customer service	12,145	17,231	29,376
Tap and connection fees	107,175	245,619	352,794
Penalties/ returned ck chgs	32,883	76,664	109,547
Misc revenue	1,489	282,713	284,202
Bad debt	(12,969)	(41,580)	(54,549)
Total operating revenues	<u>2,267,237</u>	<u>8,850,410</u>	<u>11,117,647</u>
Operating Expenses			
Transmission and distribution	1,064,445	2,048,604	3,113,049
Sewer treatment and disposal	-	2,347,836	2,347,836
Customer accounting and collection	251,216	332,439	583,655
Administration and general	61,263	354,564	415,827
Depreciation	572,446	2,580,067	3,152,513
Total operating expenses	<u>1,949,370</u>	<u>7,663,510</u>	<u>9,612,880</u>
Operating income	317,867	1,186,900	1,504,767
Nonoperating Revenues (Expenses)			
Investment income	40,468	88,104	128,572
Rental income	-	2,476	2,476
Sale of capital assets	3,025	-	3,025
Insurance recoveries	-	42,247	42,247
Bond interest and fiscal charges	(139,893)	(525,006)	(664,899)
Total nonoperating revenues (expenses)	<u>(96,400)</u>	<u>(392,179)</u>	<u>(488,579)</u>
Income before contributions and transfers	221,467	794,721	1,016,188
Contributions and grants	-	100,418	100,418
Transfer (out) to general fund	(31,543)	(178,744)	(210,287)
Change in net position	<u>189,924</u>	<u>716,395</u>	<u>906,319</u>
Net position - beginning	<u>10,609,037</u>	<u>44,287,590</u>	<u>54,896,627</u>
Net position - ending	<u>\$ 10,798,961</u>	<u>\$ 45,003,985</u>	<u>\$ 55,802,946</u>

See notes to the financial statements

City of Crossville, Tennessee
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2019

	Enterprise Funds
Cash Flows from Operating Activities	
Cash received from customers	\$ 11,117,647
Cash paid to employees for services	(2,366,079)
Cash paid to suppliers of goods and services	(4,094,288)
Net cash provided by operating activities	4,657,280
Cash Flows from Noncapital Financing Activities	
Transfers (to) other funds	(210,287)
Net cash used by noncapital financing activities	(210,287)
Cash Flows from Capital and Related Financing Activities	
Acquisitions of capital assets	(3,189,842)
Proceeds from Insurance recoveries	42,247
Gain or (Loss) on Disposal of Surplus Property	3,025
Fees paid on bonds	(18,030)
Interest paid on capital debt	(646,869)
Principal paid on capital debt	(1,937,876)
Other contributions and grants	100,418
Net cash used by capital and related financing activities	(5,646,927)
Cash Flows from Investing Activities	
Leases	2,476
Interest received	128,572
Net cash provided by investing activities	131,048
Net increase (decrease) in cash	(1,068,886)
Cash, beginning of year	6,513,886
Cash, end of year	\$ 5,445,000
Reconciliation of Operating Income to Net Cash Provided by Operations	
Operating Income:	\$ 1,504,767
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	3,152,513
(Increase) decrease in accounts receivable	223,245
(Increase) decrease in inventories	25,969
(Increase) decrease in deferred outflows related to pension	(206,065)
(Increase) decrease in net pension liability to assets	(129,454)
Increase (decrease) in deferred inflows related to pension	(9,904)
Increase (decrease) in Total OPEB liability	(3,248)
Increase (decrease) in accounts payable	206,243
Increase (decrease) in other current liabilities	(106,786)
Net cash provided by operating activities	\$ 4,657,280

See notes to the financial statements

**CITY OF CROSSVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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 have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

Reporting Entity

In evaluating the City as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the City may be financially accountable and, as such, should be included within the City's financial statements. The City (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organizations; or (2) the City is legally entitled to or can otherwise access the organization's resources; (3) the City is legally obligated or has otherwise assumed responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the City is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the City in that the City approves the budget, levies their taxes or issues their debt. The City had no component units at June 30, 2019.

Related Organizations

City officials are responsible for appointing the members of the boards of certain other related organizations, but the City's accountability for these organizations does not extend beyond making the appointments. The Mayor or the City Council appoints the Board members of the Crossville Housing Authority and the Public Building Authority of the City of Crossville, Tennessee.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Interfund services provided and used are not eliminated in the government-wide statement of activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to

CITY OF CROSSVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2019

customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Basis of Presentation

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 recognized when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within one year for intergovernmental revenues and sixty days of the end of the fiscal period for property taxes and other revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

CITY OF CROSSVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2019

The City reports the following major governmental funds:

General Fund - The General Fund accounts for all financial resources applicable to the general operations of City government that are not properly accounted for in another fund. Revenues are derived primarily from taxes and intergovernmental revenues.

Capital Projects Fund - The Capital Projects 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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues include charges for services. Operating expenses include costs of services as well as materials, contracts, personnel and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses. The proprietary funds of the City are described in further detail below:

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

Crossville Water and Sewer Fund - The Water and Sewer Fund accounts for operations of the City's water and sewer services. The fund's revenues are derived primarily from user fees. The proceeds of several bond issues and loans have been used specifically for the construction or acquisition of water and sewer systems and facilities. Since it is the intention of the City to repay these bonds and loans through water and sewer fund operations, these obligations are reported in this fund.

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 - Special Revenue 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.

CITY OF CROSSVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2019

Budget Policy and Budgetary Data

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

The City Finance Manager annually obtains information from all officers, departments, boards, commissions, and other agencies of City Government for which appropriations are made and/or revenues are collected and compiles the annual operating budget for the ensuing fiscal year beginning July 1. The compiled information, including various expenditure options and the means of financing them, is submitted to the Mayor.

During May and June, the City Council hears budget requests from agencies and departments at its regularly scheduled meetings. In addition, advertised public hearings are held to allow taxpayers' comments prior to final passage.

Prior to July, the City adopts an interim budget appropriating funds for the usual and ordinary expenses of the City Government in an amount not to exceed one-twelfth of the preceding year's operating budget for each month that the interim budget is in effect. Subsequently, the budget is legally enacted through passage of an ordinance with an operative date of July 1st.

Formal budgets are adopted for all funds. These formal budgets are adopted on a departmental basis and the line item estimates are from the appropriations ledger and not from a formal budget ordinance. The legal level of budgetary control is the fund level. Transfers of appropriations between funds require the approval of the City Council. The City Finance Manager may make interdepartmental and intradepartmental transfers within the General Fund.

Major capital facilities and improvements, which are accounted for by the City within the Capital Projects Fund, are subject to budgetary control on a project basis. Appropriations for a specific project do not lapse until completion of the project. Because of the project nature of these funds, budgetary comparison statements on an annual basis do not provide meaningful information and, accordingly, are not presented in the accompanying financial statements.

The budgets are prepared on a basis consistent with generally accepted accounting principles. Encumbrance accounting is not utilized by the City and all unencumbered and unexpended appropriations lapse at the end of the fiscal year.

Expenditures may not legally exceed appropriations at or above the fund level. All budgeted amounts shown in the financial statements and the accompanying supplementary information reflect the original budget and the amended budget (which may have been adjusted for legally authorized revisions to the annual budgets during the year). During the year ended June 30, 2019, several supplemental appropriations were necessary for capital purposes.

CITY OF CROSSVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2019

Assets, Liabilities and Fund Equity

Cash and Cash Equivalents - For purposes of reporting cash flows, cash and cash equivalents include cash on hand, amounts due from banks, interest-bearing deposits at various financial institutions, and short-term investments with an original maturity of three months or less.

Investments - Investments are stated at fair value, except for interest-earning investment contracts that have a remaining maturity of one year or less at the time of purchase. Any change in the value of investments recorded at fair value is included in investment income. Fair value is based on quoted market prices.

Inventories and Prepaid Items - Inventories, principally materials, supplies, and replacement parts, are valued at cost in governmental and proprietary funds, with cost determined using the first-in, first-out (FIFO) method. The costs are recorded as expenditures at the time individual inventory items are consumed (consumption method). Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Restricted Assets - Proceeds of bonds, as well as resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants. Also, amounts due from other governments may be included as restricted assets because their use is limited by grant agreements.

Capital Assets - Capital assets (including infrastructure) are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Contributed capital assets are recorded at their acquisition value on the date contributed. Capital assets include public domain infrastructure assets consisting of roads, bridges, streets and sidewalks, sewers, lighting systems, and drainage systems. The City defines capital assets, other than infrastructure, as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of one year or greater. 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.

Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Land and certain land improvements are inexhaustible capital assets and are not depreciated. Depreciation on depreciable capital assets is calculated on the straight-line basis over the following estimated useful lives:

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

CITY OF CROSSVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2019

Interest is capitalized on assets acquired with tax-exempt debt. The amount of interest capitalized is the net interest expense incurred (interest expense less interest income) from the date of the borrowing until completion of the project.

Bond Discounts and Premiums - In the governmental funds, bond discounts and premiums are treated as period costs in the year of issue. In proprietary funds, bond discounts 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 discounts and premiums in the governmental funds are adjusted and reported in the same manner as in proprietary funds.

Deferred Gain/Loss from Advance Refunding 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 method over the life of the new debt.

Fund Equity - Governmental funds utilize a fund balance presentation for equity. Fund balance is categorized as nonspendable, restricted, committed, assigned or unassigned.

Nonspendable Fund Balance - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid items) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance - represents amounts with external constraints placed on the use of these resources (such as debt covenants, grantors, other governments, etc.) or imposed by enabling legislation.

Committed Fund Balance - represents amounts that can only be used for specific purposes imposed by a formal action of the City's highest level of decision-making authority, the City Council. Committed resources cannot be used for any other purpose unless the City Council removes or changes the specified use by the same type of action previously used to commit those amounts, either by resolution or by ordinance.

Assigned Fund Balance - represents amounts the City intends to use for specific purposes as expressed by the City Council or an official delegated the authority to assign amounts. This is the residual classification for all governmental funds other than the general fund. The City Finance Manager has been granted the ability to assign amounts to a specific purpose as part of the annual budget ordinance.

Unassigned Fund Balance - represents the residual classification for the general fund or deficit balances in other funds.

CITY OF CROSSVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2019

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: (1) Committed, (2) Assigned, (3) Unassigned.

Deferred Outflows/Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The City has unearned and unavailable revenue related to property taxes that qualifies for reporting in this category. The City also has deferred inflows and outflows related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the City's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of Plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of Plan members. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of Plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five-year period. The City has deferred inflows and outflows resulting from the changes in the total OPEB liability each year, if applicable.

Revenues, Expenditures and Expenses

Substantially all governmental fund revenues are accrued. Expenditures are recognized when the related fund liability is incurred, except for the following instances permitted by generally accepted accounting principles:

General obligation long-term debt principal and interest are reported only when due.

Inventory costs are reported in the period when inventory items are consumed, rather than in the period purchased.

**CITY OF CROSSVILLE, TENNESSEE
 NOTES TO FINANCIAL STATEMENTS (Continued)
 FOR THE YEAR ENDED JUNE 30, 2019**

Property Taxes - Property taxes are levied by the City annually based upon assessed valuations established by the State of Tennessee. The various types of property are assessed at a percentage of market value as follows:

Farm and residential real property	25%
Commercial and industrial property:	
Real	40%
Personal	30%
Public utilities real and personal property	55%

The property tax levy is without legal limit. The rate, as permitted by Tennessee State Law and City Charter, is set annually by the City Council and collected by the City Treasurer. Property taxes are secured by a statutory lien effective as of the original levy date of January 1. Taxes are due August 1 and become delinquent December 1. Property taxes levied are recorded as receivables, net of estimated uncollectible amounts. The receivables collected during the current fiscal year and those collected by the City Treasurer related to tax levies for 2018, are recorded as revenue in accordance with the principles established by the Governmental Accounting Standards Board. The net receivables estimated to be collectible subsequent to August 29, are recorded as unavailable revenues at June 30, 2019.

Grant Revenue - The City, a recipient of grant revenues, recognizes revenues, when all applicable eligibility requirements, including time requirements, are met. Resources transmitted to the City before the eligibility requirements are met are deferred. Some grants and contributions consist of capital assets or resources that are restricted for capital purposes-to purchase, construct, or renovate capital assets associated with a specific program. These are reported separately from grants and contributions that may be used either for operating expenses or for capital expenditures of the program at the discretion of the City.

Investment Income - Investment income from pooled cash and investments is allocated monthly based on the percentage of a fund's average daily equity in pooled cash and investments to the total average daily-pooled equity in pooled cash and investments.

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

CITY OF CROSSVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2019

limitation. At retirement, employees are not paid for unused sick leave, but unused sick leave time is credited to service time for retirement purposes. Any employee who ceases employment, other than due to retirement, forfeits all unused, earned sick leave.

The liability for compensated absences (unused vacation time) is recorded as long-term debt in the government-wide statements for government activities and for business-type activities. The current portion of the compensated absences is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources.

Interfund Transactions - During the course of normal operations, the City has numerous transactions between funds to provide services, construct assets and service debt. These transactions are generally reflected as transfers except for transactions reimbursing a fund for expenditures made by it for the benefit of another fund. Such transactions are recorded as expenditures in the disbursing fund and as a reduction of expenditures in the receiving fund. Transactions that would be treated as revenues or expenditures if the involved organizations were external to the City are treated as revenues in the receiving fund and expenditures in the disbursing fund. Transfers within governmental activities and within business-type activities are eliminated upon consolidation.

Amounts owed to one fund by another are reported as due to/due from other funds. The interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Amounts reported in the fund financial statements as due to/due from other funds are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

Indirect Costs - Certain indirect costs have been included as part of the program expenses reported for the various functional activities.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows and inflows of resources, and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CITY OF CROSSVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2019

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'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 the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

Other Postemployment Benefits (OPEB) - For economic resources accounting the liability should be recognized for the total OPEB liability. For current resources accounting the 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).

Net Position

The government-wide and business-type fund financial statements utilize a net position presentation. Net position is categorized as invested in capital assets (net of related debt), restricted and unrestricted. The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Net Investment in Capital Assets - is intended to reflect the portion of net position which is associated with non-liquid capital assets less outstanding capital asset related debt.

Restricted - represents a net position that has third party (statutory, bond covenant or granting agency) limitations on its use. The City's policy is generally to use restricted net position first, as appropriate opportunities arise.

Unrestricted - While management may have categorized and segmented portions for various purposes, the City has the unrestricted authority to alter these managerial decisions.

Pollution Remediation Obligations -The City recognizes pollution remediation obligations when an obligating event is identified, and a monetary estimate can be determined.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Finance Related Legal and Contractual Provisions

The City incurred no material violations of finance related legal and contractual provisions.

Excess of Expenditures Over Appropriations in Individual Funds

For the year ended June 30, 2019, the City had no material excess of expenditures over appropriations in individual funds.

CITY OF CROSSVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2019

Net Position/Fund Balance Deficit

For the year ended June 30, 2019, the City had no fund balance deficits.

NOTE 3 - CASH AND INVESTMENTS

The City uses a central cash and investment pool for certain Governmental Funds and Proprietary Funds. The cash and investment pool balances are classified as cash and cash equivalents in the accompanying financial statements. The City's investment policy with respect to the cash and investment pool is to maximize investment earnings while maintaining an acceptable level of risk. Because investments in the pool must provide for the future needs of the City, flexibility and liquidity of investments are generally maintained at all times.

Interest rate risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's policies require purchases of investments with maturities of two years or less. The City presents its exposure to interest rate changes using the weighted average maturity method. The City manages its interest rate risk by limiting the weighted average maturity of its investment portfolio for the primary government. The City's investment portfolio did not experience any significant fluctuations in fair value during the year.

Custodial credit risk - The City's policies limit deposits and investments to those instruments allowed by applicable state laws. State statutes require that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105% of the value of the uninsured deposits. At June 30, 2019, all deposits were covered by federal depository insurance or the Tennessee Bank Collateral Pool, by collateral held by the City's agent in the City's name, or by the Federal Reserve Banks acting as third-party agents. State statutes also authorize the City to invest in bonds, notes or treasury bills of the United States or any of its agencies, certificates of deposit at Tennessee state-chartered banks and savings and loan associations and federally chartered banks and savings and loan associations, repurchase agreements utilizing obligations of the United States or its agencies as the underlying securities, the state pooled investment fund, and mutual funds. Statutes also require that securities underlying repurchase agreements must have a market value at least equal to the amount of funds invested in the repurchase transaction.

Credit risk - The City's policies are designed to maximize investment earnings, while protecting the security of principal and providing adequate liquidity, in accordance with all applicable state laws. The City's investment policy includes specific policies involving credit risk.

**CITY OF CROSSVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 4 - RECEIVABLES

Taxes receivable include the uncollected property taxes from tax levies made during the current and past fourteen years, as well as the anticipated levy for the current calendar year. The allowance for uncollectible taxes is the weighted average percentage of prior year collections on delinquent taxes to the total delinquent taxes receivable at June 30, 2019.

NOTE 5 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2019, is as follows:

	Interfund Receivable	Interfund Payable
Major Funds		
General Fund	\$ -	\$ 3,025
	-	3,025
Proprietary Funds		
Water and Sewer Fund	3,025	-
	3,025	-
	\$ 3,025	\$ 3,025

All balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. These balances will be repaid within one year.

The composition of interfund transfers for the year ended June 30, 2019, is as follows:

From Fund	To Fund	Purpose	Amount
General Fund	Capital Projects	To Fund Capital Projects	\$ 2,354,024
Water and Sewer	General Fund	For Administrative Cost	210,287
Total Transfers			\$ 2,564,311

CITY OF CROSSVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals/ Transfers</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 7,941,537	\$ 970,913	\$ -	\$ 8,912,450
Construction in progress	5,218,376	2,914,948	(2,766,692)	5,366,632
Total capital assets, not being depreciated	13,159,913	3,885,861	(2,766,692)	14,279,082
Capital assets being depreciated:				
Buildings and plant	10,067,873	32,321	(200,199)	9,899,995
Other improvements	17,615,355	63,660	(632,551)	17,046,464
Infrastructure	21,554,309	631,767		22,186,076
Machinery & equipment	10,331,956	2,625,294	(208,012)	12,749,238
Total capital assets being depreciated	59,569,493	3,353,042	(1,040,762)	61,881,773
Less: accumulated depreciation	26,957,452	2,335,176	(647,195)	28,645,433
Total capital assets being depreciated, net	32,612,041	1,017,866	(393,567)	33,236,340
Governmental activities capital assets, net	<u>\$ 45,771,954</u>	<u>\$ 4,903,727</u>	<u>\$ (3,160,259)</u>	<u>\$ 47,515,422</u>
Business-type Activities				
Capital assets, not being depreciated:				
Land	\$ 574,816	\$ -	\$ -	\$ 574,816
Construction in progress	4,169,152	2,274,892	(4,515,021)	1,929,023
Total capital assets, not being depreciated	4,743,968	2,274,892	(4,515,021)	2,503,839
Capital assets being depreciated:				
Buildings and plant	115,349,734	4,543,954	-	119,893,688
Machinery & equipment	4,472,923	678,212	(289,060)	4,862,075
Total capital assets being depreciated	119,822,657	5,222,166	(289,060)	124,755,763
Less accumulated depreciation for all capital assets	52,811,770	3,152,512	(228,552)	55,735,730
Total capital assets being depreciated, net	67,010,887	2,069,654	(60,508)	69,020,033
Business-type activities capital assets, net	<u>\$ 71,754,855</u>	<u>\$ 4,344,546</u>	<u>\$ (4,575,529)</u>	<u>\$ 71,523,872</u>

**CITY OF CROSSVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2019**

Depreciation expense was charged to function/programs as follows:

Governmental Activities:	
General government	\$ 192,021
Public safety	516,310
Parks & recreation	337,600
Public Works	966,489
Cemetery	11,337
Airport	<u>311,419</u>
Total depreciation expense	<u><u>\$ 2,335,176</u></u>
Business-type Activities:	
Water and Sewer fund	\$ 2,580,066
Catoosa Water fund	<u>572,446</u>
Total depreciaton expense	<u><u>\$ 3,152,512</u></u>

NOTE 7 - LONG-TERM OBLIGATIONS

Long -Term Debt

General Obligation Bonds, Capital Outlay Notes and Other Loans

The City issues general obligation bonds and other loans to provide funds for the acquisition and construction of major capital facilities for the primary government.

General obligation bonds, capital outlay notes and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds and other loans outstanding were issued for original terms of up to 30 years for bonds and up to 20 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds and other loans included in long-term debt as of June 30, 2019, will be retired from the General Fund.

General obligation and revenue bonds, and other loans are issued pledging the revenue of the Crossville Water and Sewer system and the full faith and credit of the government. These bonds and other loans outstanding were issued for original terms of up to 50 years for bonds and up to 30 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. These bonds and the State Revolving Loan as of June 30, 2019, will be retired from the Water and Sewer Fund.

**CITY OF CROSSVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2019**

Debt outstanding as of June 30, 2019 consisted of the following:

	<u>Interest Rates</u>	<u>Maturity Date</u>	<u>Original Issue</u>	<u>Balance June, 30 2019</u>
Governmental Activities:				
Capital outlay notes	1.82%	2020	\$ 2,400,000	\$ 932,000
General obligation bonds	2.67% to 3.18%	2037	7,985,000	6,330,000
Other loans	1.55%	2024	968,000	313,000
			<u>\$ 11,353,000</u>	<u>\$ 7,575,000</u>
Business-Type Activities:				
General obligation and revenue bonds	1.75% to 2.95%	2034	\$ 17,869,000	\$ 15,939,000
Other loans	1.47% to 2.88	2038	10,498,805	6,767,245
			<u>28,367,805</u>	<u>22,706,245</u>
			<u>\$ 39,720,805</u>	<u>\$ 30,281,245</u>

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

<u>Years Ending</u>	<u>Principal</u>	<u>Interest</u>
June 30		
2020	\$ 2,673,018	\$ 700,311
2021	1,781,656	670,488
2022	1,827,686	642,927
2023	1,878,105	614,152
2024	1,932,919	581,581
2025-2029	9,815,914	2,279,545
2030-2034	8,672,752	1,011,868
2035-2039	1,699,195	96,193
Total	<u>\$30,281,245</u>	<u>\$6,597,065</u>

CITY OF CROSSVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2019

A summary of long-term liability activity, including debt, for the year ended June 30, 2019 is as follows:

	Balance June, 30 2018	Increases	Decreases	Balance June, 30 2019	Amounts Due Within One Year
Governmental Activities					
Capital Outlay Notes	\$ 1,066,000	\$ -	\$ 134,000	\$ 932,000	\$ 932,000
Bonds	6,570,000	-	240,000	6,330,000	240,000
Other Loan Payable	370,000	-	57,000	313,000	59,000
	<u>8,006,000</u>	<u>-</u>	<u>431,000</u>	<u>7,575,000</u>	<u>1,231,000</u>
Less Bond Discount	(9,929)	651	-	(9,278)	(651)
Less Bond Premium	13,064	-	1,435	11,629	1,435
Compensated Absences	308,823	68,025	-	376,848	-
Net Pension Liability/(Asset)	245,108	-	470,923	(225,815)	-
Total OPEB Liability	1,419,040	-	11,766	1,407,274	-
	<u>\$ 9,982,106</u>	<u>\$ 68,676</u>	<u>\$ 915,124</u>	<u>\$ 9,135,658</u>	<u>\$ 1,231,784</u>
Business-Type Activities					
Bonds	\$ 16,599,000	\$ -	\$ 660,000	\$ 15,939,000	\$ 681,000
Other Loan Payable	8,045,121	-	1,277,876	6,767,245	761,019
	<u>24,644,121</u>	<u>-</u>	<u>1,937,876</u>	<u>22,706,245</u>	<u>1,442,019</u>
Plus Bond Premium	100,212	-	6,957	93,255	6,957
Deferred Loss on Refunding	(128,085)	12,808	-	(115,277)	(12,808)
Compensated Absences	92,837	6,126	-	98,963	-
Net Pension Liability/(Asset)	61,278	-	122,454	(61,176)	-
Total OPEB Liability	334,360	21,824	18,576	337,608	-
	<u>\$ 25,104,723</u>	<u>\$ 40,758</u>	<u>\$ 2,085,863</u>	<u>\$ 23,059,618</u>	<u>\$ 1,436,168</u>

NOTE 8 - DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, 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 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 for the plan. As a result, the assets and liabilities associated with the plan are excluded from the City's balance sheet. The City does not contribute to the plan.

CITY OF CROSSVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 9. EMPLOYEE RETIREMENT SYSTEMS

The City provides retirement benefits through a Pension Plan and an Other Postemployment Benefits Plan. The following is a summary of each of these plans:

Pension Plan

Plan description. Employees of CROSSVILLE 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 publically 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 years of service credit. Reduced benefits for early retirement are available at age 55 and vested. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related, and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (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.

**CITY OF CROSSVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2019**

Employees covered by benefit terms. At the measurement date of June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	104
Inactive employees entitled to but not yet receiving benefits	118
Active Employees	<u>105</u>
Total Employees	<u>327</u>

The City withdrew from TCRS effective July 1, 2014. Employees hired after the date of withdraw are not eligible to participate in TCRS. Employees active as of the withdrawal date will continue to accrue salary and service credit in TCRS. The employer remains responsible for the pension liability for employees that were active as of the withdrawal date and for retirees of the employer.

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute 5 percent of salary. 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, 2019, the employer contributions for Crossville were \$853,325 based on a 3 rate of 12.4 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept 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.

Net Pension Liability (Asset)

Crossville’s net pension liability (asset) was measured as of June 30, 2018, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial assumptions. The total pension liability as of June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

**CITY OF CROSSVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2019**

Inflation	2.5 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	7.25 percent, net of pension plan investment expenses, including inflation
Cost-of-Living Adjustment	2.25 percent

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

The actuarial assumptions used in the June 30, 2018 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012 through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016 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 2.5 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:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
U.S. equity	5.69%	31%
Developed market international equity	5.29%	14%
Emerging market international equity	6.36%	4%
Private equity and strategic lending	5.79%	20%
U.S. fixed income	2.01%	20%
Real estate	4.32%	10%
Short-term securities	0.00	<u>1%</u>
		100%

**CITY OF CROSSVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2019**

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the factors described above.

Discount rate. The discount rate used to measure the total pension liability was 7.25 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 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 (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)– (b)
Balance at 6/30/17	<u>\$24,599,025</u>	<u>\$24,292,638</u>	<u>\$ 306,387</u>
Changes for the year:			
Service cost	435,924	-	435,924
Interest	1,775,746	-	1,775,746
Differences between expected and actual experience	48,442	-	48,442
Changes in assumptions	-	-	-
Contributions-employer	-	857,245	(857,245)
Contributions-employees	-	-	-
Net investment income	-	2,006,600	(2,006,600)
Benefit payments, including refunds of employee contributions	(1,083,793)	(1,083,793)	-
Administrative expense	-	(10,356)	10,356
Other changes	-	-	-
Net changes	<u>1,176,319</u>	<u>1,769,696</u>	<u>(593,377)</u>
Balance at 6/30/18	<u>\$25,775,344</u>	<u>\$26,062,334</u>	<u>\$ (286,990)</u>

**CITY OF CROSSVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2019**

Sensitivity of the net pension liability (asset) to changes in the discount rate. The following presents then net pension liability (asset) of Crossville calculated using the discount rate of 7.25 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 (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Crossville's net pension liability (asset)	\$ 3,188,286	(\$286,990)	(\$3,175,538)

Pension expense. For the year ended June 30, 2019, Crossville recognized pension expense of \$539,851.

Deferred outflows of resources and deferred inflows of resources. For the year ended June 30, 2019, Crossville reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 449,261	\$ 218,670
Net difference between projected and actual earnings on pension plan investment	-	101,343
Changes in assumptions	386,045	-
Contributions subsequent to the measurement date of June 30, 2018	<u>853,325</u>	<u>(not applicable)</u>
Total	<u>\$ 1,688,631</u>	<u>\$ 320,013</u>

The amount shown above for "Contributions subsequent to the measurement date of June 30, 2018," will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

**CITY OF CROSSVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2019**

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

Year Ended June 30	
2020	\$ 399,015
2021	212,121
2022	(168,178)
2023	72,329
2024	-
Thereafter	-

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

Payable to the Pension Plan

At June 30, 2019, Crossville reported a payable of \$87,952.37 for required contributions to the pension plan for the year then ended.

Other Postemployment Benefits

The City adopted GASB Statement NO. 75 for the fiscal year beginning July 1, 2017. An actuarial valuation has been completed of the liabilities for postemployment benefits other than pensions (OPEB) for the fiscal year ending June 30, 2018.

Funding Policy and Other Information:

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.

**CITY OF CROSSVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2019**

Employees covered by benefit terms – In the June 30, 2018 actuarial valuation, the following employees and retirees of the City was covered by the benefit terms of the OPEB plan:

Status	Employees Only	Employee & Family	Total
Active	82	85	167
Retired	<u>12</u>	<u>3</u>	<u>15</u>
Total	<u>94</u>	<u>88</u>	<u>182</u>

This table reflect eligible active employees and retirees as of June 30, 2018 based on the data provided. Excluded are plan participants who were 65 or older on that date or hire 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, 2019, the City paid \$122,961 to the plan for OPEB benefits as they came due.

Total OPEB Liability

Actuarial assumptions - The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation/Discount Rate	3.88% (0.88% real rate of return plus 3.00% inflation.
Salary increases	3.50%
Healthcare cost trend rates	6.50% initial for FY2019 grading to 3.50% in FY2024
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.

**CITY OF CROSSVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2019**

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2018, valuations were the same as those employed in the July 1, 2018 Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2012 - June 30, 2018. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the RP-2014 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2018. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10% load.

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 is trending towards 4.00% in recent months. The Actuarial Report selected 3.88% as the discount rate for this valuation.

Changes in the Total OPEB Liability

	Total OPEB Liability (a)
Balances at June 30, 2018	\$1,753,400
Changes for the year:	
Service cost	47,262
Interest	67,181
Changes of benefit terms	-
Differences between expected and actual experience	-
Change in assumptions	-
Benefit payments	<u>\$ (122,961)</u>
Net changes	<u>(8,518)</u>
Balances at June 30, 2019	<u><u>\$1,744,882</u></u>

**CITY OF CROSSVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2019**

Changes in assumptions – is 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-percentage-point lower (2.88%) or 1-percentage-point higher (4.88%) than the current discount rate.

	1% Decrease (2.88%)	Discount Rate (3.88%)	1% Increase (4.88%)
Total OPEB Liability	\$ 1,622,740	\$ 1,744,882	\$ 1,763,029

Sensitivity of total OPEB liability to changes in the healthcare cost trend rate - The following presents the total OPEB liability related to the LGOP, 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 (5.50%) or 1-percentage-point higher (7.50%) than the current healthcare cost trend rate.

	1% Decrease (5.50%)	Healthcare Cost Trend Rates (6.50%)	1% Increase (7.50%)
Total OPEB Liability	\$ 1,587,843	\$ 1,744,882	\$ 1,919,370

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

OPEB expense - For the fiscal year ended June 30, 2019, the City recognized OPEB expense of \$114,443.

**CITY OF CROSSVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2019**

Deferred outflows of resources and deferred inflows of resources - For the fiscal year ended June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB benefits from the following sources:

	Deferred Outflows of resources	Deferred Inflows of resources
Differences between actual and expected experience	-	-
Changes of assumptions	-	-
Employer payments subsequent to the measurement date	-	-
Total	-	-

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.

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

For the year ended June 30:	
2020	-
2021	-
2022	-
2023	-
2024	-
Thereafter	-

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

CITY OF CROSSVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 10 - 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, 2019, 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 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.

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, 2019, 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 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 11. COMMITMENTS AND CONTINGENCIES

The City is party to various lawsuits and claims in the ordinary course of their operations. Management believes that the potential adverse impact of these proceedings would not be material to the basic financial statements of the City. The City has received federal and state grants for specific purposes that are subject to review and audit by grantor agencies. Such audits could result in reimbursements to the grantor agencies for expenditures disallowed under the terms of the grants. City management is not aware of any potential losses from such disallowances and believes that reimbursements, if any, would not be material. The City has entered into various construction commitments. Such contracts include contracts for improvements to the water and sewer plant, and acquisition and construction contracts related to general government capital projects.

**CITY OF CROSSVILLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 12. 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 \$92,699 at June 30, 2019 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, 2019, are as follows:

Estimated liability, June 30, 2018	\$	114,551
Costs Incurred		<u>(21,852)</u>
Estimated liability, June 30, 2019		<u>92,699</u>
Due within one year		11,587

The estimated total current cost of the landfill postclosure care of \$92,699 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, 2019. However, the actual cost of postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

NOTE 13. PRIOR PERIOD ADJUSTMENTS

At the beginning of the current fiscal year, management determined that land previously sold in 2016 had not been properly reflected in the accounting records. To correct this, a prior period adjustment is needed to remove the land from the general fixed asset group. This correction resulted in the following change:

		<u>Governmental Activities</u>
Net position, beginning of year	\$	51,823,196
Restatement due to removal of assets sold in 2016		(163,481)
Net position, after restatement	\$	<u>51,659,715</u>

**REQUIRED SUPPLEMENTARY
INFORMATION**

City of Crossville, Tennessee
Schedule of Changes in Total OPEB Liability and Related Ratios
June 30, 2019

	2018	2019
Total OPEB liability		
Service cost	\$ 47,916	\$ 47,262
Interest	68,111	67,181
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions	-	-
Benefit payments	(140,299)	(122,961)
Net change in total OPEB liability	(24,272)	(8,518)
Total OPEB liability - beginning	1,777,672	1,777,672
Total OPEB liability - ending (a)	\$ 1,753,400	\$ 1,769,154
Covered-employee payroll	\$ 6,289,366	6,862,926
Total OPEB liability as a percentage of covered-employee payroll	27.88%	25.78%

**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. The 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 the 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
General Government Employees
For the Fiscal Years Ended June 30th

	2014	2015	2016	2017	2018
Total Pension Liability (Asset)					
Service Cost	\$ 483,925	\$ 465,416	\$ 409,474	\$ 411,762	\$ 435,924
Interest	1,419,255	1,525,912	1,658,850	1,704,397	1,775,746
Changes in benefit terms	-	-	-	-	-
Differences Between Actual and Expected Experience	292,564	777,668	(437,343)	101,542	48,442
Changes of Assumptions	-	-	-	579,067	-
Benefit Payments, Including Refunds of Employee Contributions	(658,561)	(851,717)	(1,029,393)	(1,022,547)	(1,083,793)
Net Change in Total Pension Liability (Asset)	1,537,183	1,917,279	601,588	1,774,221	1,176,319
Total Pension Liability (Asset), Beginning	18,768,754	20,305,937	22,223,216	22,824,804	24,599,025
Total Pension Liability (Asset), Ending (a)	\$ 20,305,937	\$ 22,223,216	\$ 22,824,804	\$ 24,599,025	\$ 25,775,344
Plan Fiduciary Net Position					
Contributions - Employer	\$ 845,936	\$ 735,344	\$ 668,277	\$ 914,088	\$ 857,245
Contributions - Employee	1,581	239	-	-	-
Net Investment Income	3,001,114	651,137	571,479	2,478,568	2,006,600
Benefit Payments, Including Refunds of Employee Contributions	(658,561)	(851,717)	(1,029,393)	(1,022,547)	(1,083,793)
Administrative Expense	(6,446)	(6,937)	(9,093)	(9,785)	(10,356)
Other	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	3,183,624	528,066	201,270	2,360,325	1,769,696
Plan Fiduciary Net Position, Beginning	18,019,353	21,202,977	21,731,043	21,932,313	24,292,638
Plan Fiduciary Net Position, Ending (b)	\$ 21,202,977	\$ 21,731,043	\$ 21,932,313	\$ 24,292,638	\$ 26,062,334
Net Pension Liability (Asset), Ending (a - b)	\$ (897,040)	\$ 492,173	\$ 892,491	\$ 306,387	\$ (286,990)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	104.42%	97.79%	96.09%	98.75%	101.11%
Covered Employee Payroll	\$ 5,915,632	\$ 5,387,134	\$ 4,895,799	\$ 5,078,268	\$ 4,762,469
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	-15.16%	9.14%	18.23%	6.03%	-6.03%

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

City of Crossville, Tennessee
Schedule of Contributions Based on Participation in the Public
Employee Pension Plan of TCRS
For the Fiscal Years Ended June 30th

	2014	2015	2016	2017	2018	2019
Actuarially Determined Contribution	\$ 845,936	\$ 735,334	\$ 668,277	\$ 692,676	\$ 872,965	853,325
Contributions in relation to the actuarially determined contribution	845,936	735,334	668,277	914,088	872,965	853,325
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ (221,412)	\$ -	\$ -
Covered Payroll	\$ 5,915,632	\$ 5,387,134	\$ 4,895,799	\$ 5,078,268	\$ 4,762,469	6,862,926
Contributions as a Percentage of Covered Payroll	14.30%	13.65%	13.65%	18.00%	18.33%	12.43%

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

CITY OF CROSSVILLE, TENNESSEE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2019

Valuation date: Actuarially determined contribution rates for fiscal year 2019 were calculated based on the June 30, 2017 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	2.50 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	7.25 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 Adjustment	2.25 percent

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

See independent auditor's report

**OTHER SUPPLEMENTARY
INFORMATION**

City of Crossville, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	<u>Special Revenue Funds</u>			Total Nonmajor Governmental Funds
	State Street Aid	Drug Control	Economic Development Hotel/Motel Tax	
ASSETS				
Cash and cash equivalents	\$ 354,608	\$ 69,047	\$ -	\$ 423,655
Investment in pooled cash	60,363	6,352	74,028	140,743
Receivables, net				
Intergovernmental	35,813	-	-	35,813
Total Assets	<u>\$ 450,784</u>	<u>\$ 75,399</u>	<u>\$ 74,028</u>	<u>\$ 600,211</u>
LIABILITIES				
Accounts payable	\$ 4,098	\$ -	\$ 131	\$ 4,229
Total Liabilities	<u>4,098</u>	<u>-</u>	<u>131</u>	<u>4,229</u>
FUND BALANCES				
Restricted For:				
Drug control	-	75,399	-	75,399
Street and roads	446,686	-	-	446,686
Economic Development Hotel/Motel Tax	-	-	73,897	73,897
Total Fund Balances	<u>446,686</u>	<u>75,399</u>	<u>73,897</u>	<u>595,982</u>
Total Liabilities and Fund Balances	<u>\$ 450,784</u>	<u>\$ 75,399</u>	<u>\$ 74,028</u>	<u>\$ 600,211</u>

City of Crossville, Tennessee
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2019

	Special Revenue Funds			Total Nonmajor Governmental Funds
	State Street Aid	Drug Control	Economic Development Hotel/Motel Tax	
Revenues				
Intergovernmental	\$ 404,884	\$ -	\$ 127,522	\$ 532,406
Fines and forfeitures	-	19,356	-	19,356
Investment income	6,351	1,569	49	7,969
Miscellaneous	-	140	-	140
Total revenues	<u>411,235</u>	<u>21,065</u>	<u>127,571</u>	<u>559,871</u>
Expenditures				
Personnel cost	-	-	5,674	5,674
Contractual services	253,019	-	28,000	281,019
Supplies	-	18,958	-	18,958
Capital outlay	-	56,644	-	56,644
Total expenditures	<u>253,019</u>	<u>75,602</u>	<u>33,674</u>	<u>362,295</u>
Excess (deficiency) of revenues over (under) expenditures	158,216	(54,537)	93,897	197,576
Other Financing Sources (Uses)				
Contributions and grants	-	4,830	(20,000)	(15,170)
Sale of capital assets	-	2,229	-	2,229
Total other financing sources and uses	<u>-</u>	<u>7,059</u>	<u>(20,000)</u>	<u>(12,941)</u>
Net change in fund balances	158,216	(47,478)	73,897	184,635
Fund balances - beginning	<u>288,470</u>	<u>122,877</u>	<u>-</u>	<u>411,347</u>
Fund balances - ending	<u>\$ 446,686</u>	<u>\$ 75,399</u>	<u>\$ 73,897</u>	<u>\$ 595,982</u>

City of Crossville, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual
State Street Aid
For the Year Ended June 30, 2019

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
State Gas & Motor Fuel Tax	\$ 404,740	\$ 404,740	\$ 404,884	\$ 144
Investment income	2,000	2,000	6,351	4,351
Total revenues	<u>406,740</u>	<u>406,740</u>	<u>411,235</u>	<u>4,495</u>
Expenditures				
Contractual services	290,000	290,000	253,019	36,981
Total expenditures	<u>290,000</u>	<u>290,000</u>	<u>253,019</u>	<u>36,981</u>
Excess (deficiency) of revenues over (under) expenditures	<u>116,740</u>	<u>116,740</u>	<u>158,216</u>	<u>41,476</u>
Net Change in Fund Balance	<u>\$ 116,740</u>	<u>\$ 116,740</u>	158,216	<u>\$ 41,476</u>
Fund Balance - beginning			<u>288,470</u>	
Fund Balance - end			<u>\$ 446,686</u>	

City of Crossville, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual
Drug Control Fund
For the Year Ended June 30, 2019

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Fines and forfeitures	\$ 25,000	\$ 25,000	\$ 19,356	\$ (5,644)
Investment income	150	150	1,569	1,419
Miscellaneous	-	-	140	140
Total revenues	<u>25,150</u>	<u>25,150</u>	<u>21,065</u>	<u>(4,085)</u>
Expenditures				
Supplies	33,000	33,000	18,958	14,042
Capital outlay	44,000	58,000	56,644	1,356
Total expenditures	<u>77,000</u>	<u>91,000</u>	<u>75,602</u>	<u>15,398</u>
Excess (deficiency) of revenues over (under) expenditures	(51,850)	(65,850)	(54,537)	11,313
Other Financing Sources (Uses)				
Sale of surplus/confiscated property	10,000	10,000	2,229	(7,771)
Contributions and grants	15,000	15,000	4,830	(10,170)
Total other financing sources (uses)	<u>25,000</u>	<u>25,000</u>	<u>7,059</u>	<u>(17,941)</u>
Net Change in Fund Balance	<u>\$ (26,850)</u>	<u>\$ (40,850)</u>	<u>(47,478)</u>	<u>\$ (6,628)</u>
Fund Balance - beginning			<u>122,877</u>	
Fund Balance - end			<u>\$ 75,399</u>	

City of Crossville, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual
Economic Development Hotel/Motel Tax
For the Year Ended June 30, 2019

	<u>Budget</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Local taxes:				
Occupancy tax	\$ 150,000	\$ 150,000	\$ 127,522	\$ (22,478)
Investment income	2,000	2,000	49	(1,951)
Total revenues	<u>152,000</u>	<u>152,000</u>	<u>127,571</u>	<u>(24,429)</u>
Expenditures				
Personnel cost	10,000	10,000	5,674	4,326
Contractual services	40,000	40,000	28,000	12,000
Total expenditures	<u>50,000</u>	<u>50,000</u>	<u>33,674</u>	<u>16,326</u>
Excess (deficiency) of revenues over (under) expenditures	102,000	102,000	93,897	(8,103)
Other Financing Sources (Uses)				
Contributions and grants	143,000	143,000	(20,000)	(163,000)
Total other financing sources (uses)	<u>143,000</u>	<u>143,000</u>	<u>(20,000)</u>	<u>(163,000)</u>
Net Change in Fund Balance	<u>\$ 245,000</u>	<u>\$ 245,000</u>	73,897	<u>\$ (171,103)</u>
Fund Balance - beginning			<u>-</u>	
Fund Balance - end			<u>\$ 73,897</u>	

City of Crossville, Tennessee
Schedule of Changes in Long-term Debt by Individual Issue
June 30, 2019

Description of Indebtedness	Original	Interest	Last	Outstanding	Issued	Paid and/or	Outstanding
	Amount	Rate	Maturity				
	Of Issue		Date	July 1, 2018	During	Matured	June 30, 2019
					Period	During	
Governmental Activities							
<u>Capital Outlay Notes Payable</u>							
Radio System Note, Series 2016	\$ 1,200,000	1.82%	2020	\$ 1,066,000	\$ -	\$ 134,000	\$ 932,000
Total Capital Outlay Notes Payable				<u>\$ 1,066,000</u>	<u>\$ -</u>	<u>\$ 134,000</u>	<u>\$ 932,000</u>
<u>Bonds Payable</u>							
General Obligation Refunding and Improvement Bonds, Series 2012A	\$ 4,205,000	3.18%	2037	\$ 4,040,000	\$ -	\$ 25,000	\$ 4,015,000
General Obligation Refunding and Improvement Bonds, Series 2012E	\$ 3,780,000	2.675%	2028	2,530,000	-	215,000	2,315,000
Total Bonds Payable				<u>\$ 6,570,000</u>	<u>\$ -</u>	<u>\$ 240,000</u>	<u>\$ 6,330,000</u>
<u>Other Loans Payable</u>							
Tennessee Municipal Bond Fund, Series 2004	\$ -	0.40%	2024	\$ 370,000	\$ -	\$ 57,000	\$ 313,000
Total Other Loans Payable				<u>\$ 370,000</u>	<u>\$ -</u>	<u>\$ 57,000</u>	<u>\$ 313,000</u>
Total Governmental Activities				<u>\$ 8,006,000</u>	<u>\$ -</u>	<u>\$ 431,000</u>	<u>\$ 7,575,000</u>
Business Activities							
<u>Bonds Payable</u>							
Water and Sewer Revenue and Tax Refunding and Improvement Bonds, Series 2012C		2.95%	2032	\$ 8,265,000	\$ -	\$ 140,000	\$ 8,125,000
Public Building Authority of the City of Clarksville, TN Variable Rate Local Government Loan Program Bond, Series 2014 (City of Crossville Water Loan)		1.750%	2028	2,880,000	-	235,000	2,645,000
Public Building Authority of the City of Clarksville, TN Variable Rate Local Government Loan Program Bond, Series 2014 (City of Crossville Water and Sewer Refunding Loan)		1.75%	2034	5,454,000	-	285,000	5,169,000
Total Bonds Payable				<u>\$ 16,699,213</u>	<u>\$ -</u>	<u>\$ 666,957</u>	<u>\$ 16,032,256</u>
<u>Other Loans Payable</u>							
State Wastewater Facility Revolving Loan 2000		1.77%	2024	\$ 1,742,441	\$ -	\$ 319,644	\$ 1,422,797
State Wastewater Facility Revolving Loan 12-116		1.87%	2032	1,452,667	-	247,068	1,205,599
State Wastewater Facility Revolving Loan 2015		1.61%	2034	1,652,368	-	74,952	1,577,416
State Revolving Loan August 2009		2.88%	2032	1,510,844	-	301,676	1,209,168
State Revolving Loan November 2009		2.83%	2032	1,686,801	-	334,536	1,352,265
Total Other Loans Payable				<u>\$ 8,045,121</u>	<u>\$ -</u>	<u>\$ 1,277,876</u>	<u>\$ 6,767,245</u>
Total Business Activities				<u>\$ 24,744,334</u>	<u>\$ -</u>	<u>\$ 1,944,833</u>	<u>\$ 22,799,501</u>

See independent auditor's report.

City of Crossville, Tennessee
Schedule of Principal and Interest Requirements
Governmental Activities
June 30, 2019

Fiscal Year	E911 TMBF 2004		Series A Bonds		Series B Bonds		TMBF		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 59,000	\$ 3,913	\$ 20,000	\$ 122,413	\$ 220,000	\$ 63,731	\$ 932,000	\$ -	\$ 1,231,000	\$ 190,057
2021	61,000	3,175	25,000	121,988	220,000	59,331	-	-	306,000	184,494
2022	63,000	2,413	25,000	121,456	225,000	54,656	-	-	313,000	178,525
2023	64,000	1,625	30,000	120,925	225,000	49,313	-	-	319,000	171,863
2024	66,000	825	30,000	120,288	230,000	43,688	-	-	326,000	164,801
2025	-	-	30,000	119,388	235,000	37,075	-	-	265,000	156,463
2026	-	-	30,000	118,488	310,000	30,025	-	-	340,000	148,513
2027	-	-	30,000	117,588	320,000	20,725	-	-	350,000	138,313
2028	-	-	30,000	116,688	330,000	10,725	-	-	360,000	127,413
2029	-	-	370,000	115,788	-	-	-	-	370,000	115,788
2030	-	-	380,000	104,688	-	-	-	-	380,000	104,688
2031	-	-	395,000	93,288	-	-	-	-	395,000	93,288
2032	-	-	405,000	81,438	-	-	-	-	405,000	81,438
2033	-	-	415,000	69,288	-	-	-	-	415,000	69,288
2034	-	-	430,000	56,838	-	-	-	-	430,000	56,838
2035	-	-	445,000	43,400	-	-	-	-	445,000	43,400
2036	-	-	455,000	29,494	-	-	-	-	455,000	29,494
2037	-	-	470,000	15,275	-	-	-	-	470,000	15,275
Totals	\$ 313,000	\$ 11,951	\$ 4,015,000	\$ 1,688,719	\$ 2,315,000	\$ 369,269	\$ 932,000	\$ -	\$ 7,575,000	\$ 2,069,939

See independent auditor's report

City of Crossville, Tennessee
Schedule of Principal and Interest Requirements
Business-Type Activities
June 30,2019

Fiscal Year	SRF DWI 12-116		SRF CWI 2015-346		SRF 00-020		SRF-WWTP		SRF 2010	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 68,328	\$ 22,545	\$ 76,164	\$ 24,840	\$ 325,344	\$ 22,560	\$ 138,098	\$ 32,527	\$ 153,085	\$ 38,269
2021	69,624	21,267	77,400	23,604	331,140	16,752	142,075	28,812	157,417	33,937
2022	70,932	19,965	78,660	22,344	337,056	10,848	146,167	24,990	161,872	29,482
2023	72,276	18,639	79,932	21,072	343,068	4,836	150,376	21,058	166,453	24,901
2024	73,632	17,287	81,228	19,776	86,189	255	154,707	17,013	171,163	20,190
2025	75,024	15,910	82,548	18,456	-	-	159,163	12,851	176,007	15,346
2026	76,440	14,507	83,892	17,112	-	-	163,746	8,570	180,988	10,365
2027	77,880	13,078	85,248	15,756	-	-	154,837	4,165	185,280	5,243
2028	79,356	11,621	86,628	14,376	-	-	-	-	-	-
2029	80,844	10,137	88,032	12,972	-	-	-	-	-	-
2030	82,368	8,626	89,460	11,544	-	-	-	-	-	-
2031	83,928	7,085	90,912	10,092	-	-	-	-	-	-
2032	85,512	5,516	92,388	8,616	-	-	-	-	-	-
2033	87,120	3,917	93,888	7,116	-	-	-	-	-	-
2034	88,764	2,288	95,412	5,592	-	-	-	-	-	-
2035	33,571	628	96,960	4,044	-	-	-	-	-	-
2036	-	-	98,532	2,472	-	-	-	-	-	-
2037	-	-	91,718	869	-	-	-	-	-	-
2038	-	-	8,414	11	-	-	-	-	-	-
Totals	\$ 1,205,599	\$ 193,016	\$ 1,577,416	\$ 240,664	\$ 1,422,797	\$ 55,251	\$ 1,209,168	\$ 149,986	\$ 1,352,265	\$ 177,733

See independent auditor's report

City of Crossville, Tennessee
Schedule of Principal and Interest Requirements
Business-Type Activities
June 30, 2019

Fiscal Year	LGLP Series 2014 Refunding				2012 Series C Bonds		Total	
	LGLP Series 2014 Water Loan		Loan		Principal	Interest	Principal	Interest
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 245,000	\$ 46,288	\$ 291,000	\$ 85,231	\$ 145,000	\$ 237,994	\$ 1,442,018	\$ 510,254
2021	255,000	46,113	298,000	80,416	145,000	235,094	1,475,656	485,995
2022	265,000	45,938	305,000	78,641	150,000	232,194	1,514,686	464,402
2023	280,000	45,763	312,000	76,827	155,000	229,194	1,559,105	442,290
2024	295,000	41,388	320,000	74,972	425,000	225,900	1,606,919	416,781
2025	305,000	45,238	327,000	73,061	610,000	213,150	1,734,742	394,012
2026	320,000	45,063	335,000	71,121	635,000	194,850	1,795,067	361,588
2027	330,000	40,687	343,000	69,125	655,000	175,800	1,831,245	323,854
2028	350,000	40,513	351,000	67,084	680,000	156,150	1,546,984	289,744
2029	-	-	359,000	64,996	695,000	135,750	1,222,876	223,855
2030	-	-	368,000	62,863	1,075,000	114,900	1,614,828	197,933
2031	-	-	377,000	60,667	1,205,000	82,650	1,756,840	160,494
2032	-	-	385,000	58,421	1,550,000	46,500	2,112,900	119,053
2033	-	-	394,000	56,140	-	-	575,008	67,173
2034	-	-	404,000	53,795	-	-	588,176	61,675
2035	-	-	-	-	-	-	130,531	4,672
2036	-	-	-	-	-	-	98,532	2,472
2037	-	-	-	-	-	-	91,718	869
2038	-	-	-	-	-	-	8,414	11
Totals	\$ 2,645,000	\$ 396,991	\$ 5,169,000	\$ 1,033,360	\$ 8,125,000	\$ 2,280,125	\$ 22,706,245	\$ 4,527,126

See independent auditor's report

City of Crossville, Tennessee
Schedule of Changes in Property Taxes Receivable
and Uncollected Delinquent Taxes Filed
June 30, 2019

Year of Levy	Gross Property Taxes Receivable July 1, 2018	Property Tax Levied	Anticipated Current Year Levy	Abatements and Adjustments	Collections	Allowance for Uncollectibles	Net Property Taxes Receivable June 30, 2019
2019			\$ 2,683,981	\$ -	\$ -	\$ -	2,683,981
2018		2,749,724		(149,854)	2,517,522	-	82,348
2017	68,674	-	-	-	34,627	28,352	5,695
2016	40,109	-	-	-	15,940	24,169	-
2015	22,160	-	-	-	9,306	12,854	-
2014	12,768	-	-	-	2,824	9,944	-
2013	12,098	-	-	-	3,325	8,773	-
2012	11,133	-	-	-	3,339	7,794	-
2011	7,168	-	-	-	134	7,034	-
2010	3,973	-	-	-	1,829	2,144	-
2009	774	-	-	-	18	756	-
Before 2009	1,372	-	-	-	506	866	-
	<u>\$ 180,229</u>	<u>\$ 2,749,724</u>	<u>\$ 2,683,981</u>	<u>\$ (149,854)</u>	<u>\$ 2,589,370</u>	<u>\$ 102,686</u>	<u>\$ 2,772,024</u>

Notes: All uncollected taxes for years prior to 2018 have been turned over to the Clerk and Master for collection.

City of Crossville, Tennessee
 Schedule of Water Loss
 June 30, 2019



**AWWA Free Water Audit Software:
 Reporting Worksheet**

WAS v5.0
 American Water Works Association
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?	Click to access definition
+	Click to add a comment

Water Audit Report for: **City of Crossville (0000150)**
 Reporting Year: **2019** / 7/2018-2019

Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (n/a or 1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades

All volumes to be entered as: MILLION GALLONS (US) PER YEAR

To select the correct data grading for each input, determine the highest grade where the utility meets or exceeds all criteria for that grade and all grades below it.

WATER SUPPLIED

----- Enter grading in column 'E' and 'J' ----->

Volume from own sources:	+ ?	10	1,418.781	MG/Yr
Water imported:	+ ?	n/a	0.000	MG/Yr
Water exported:	+ ?	8	254.742	MG/Yr

Master Meter and Supply Error Adjustments

Pcnt:	Value:		
+ ?	10	1.00%	MG/Yr
+ ?	n/a	1.00%	MG/Yr
+ ?	8	1.00%	MG/Yr

Enter negative % or value for under-registration
 Enter positive % or value for over-registration

WATER SUPPLIED: 1,152.514 MG/Yr

AUTHORIZED CONSUMPTION

Billed metered:	+ ?	8	809.457	MG/Yr
Billed unmetered:	+ ?	n/a	0.000	MG/Yr
Unbilled metered:	+ ?	n/a	0.000	MG/Yr
Unbilled unmetered:	+ ?		14.406	MG/Yr

Default option selected for Unbilled unmetered - a grading of 5 is applied but not displayed

AUTHORIZED CONSUMPTION: 823.863 MG/Yr

Click here: ?
 for help using option buttons below

Pcnt:	Value:	
1.25%		MG/Yr

Use buttons to select percentage of water supplied OR value

Pcnt:	Value:	
0.25%		MG/Yr

2.25%		MG/Yr
0.25%		MG/Yr

WATER LOSSES (Water Supplied - Authorized Consumption)

328.650 MG/Yr

Apparent Losses

Unauthorized consumption: + ? 2.881 MG/Yr

Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed

Customer metering inaccuracies:	+ ?	7	18.632	MG/Yr
Systematic data handling errors:	+ ?		2.024	MG/Yr

Default option selected for Systematic data handling errors - a grading of 5 is applied but not displayed

Apparent Losses: 23.537 MG/Yr

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses: ? **305.114** MG/Yr

WATER LOSSES: 328.650 MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER: 343.057 MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains:	+ ?	8	534.0	miles
Number of active AND inactive service connections:	+ ?	8	12,698	
Service connection density:	?		24	conn./mile main

Are customer meters typically located at the curbside or property line? Yes

Average length of customer service line: + ? (length of service line, beyond the property boundary, that is the responsibility of the utility)

Average length of customer service line has been set to zero and a data grading score of 10 has been applied

Average operating pressure: + ? 8 83.0 psi

COST DATA

Total annual cost of operating water system:	+ ?	10	\$7,075,689	\$/Year
Customer retail unit cost (applied to Apparent Losses):	+ ?	9	\$9.78	\$/1000 gallons (US)
Variable production cost (applied to Real Losses):	+ ?	10	\$396.84	\$/Million gallons

Use Customer Retail Unit Cost to value real losses

WATER AUDIT DATA VALIDITY SCORE:

***** YOUR SCORE IS: 86 out of 100 *****

A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score

PRIORITY AREAS FOR ATTENTION:

Based on the information provided, audit accuracy can be improved by addressing the following components:

1: Unauthorized consumption

2: Systematic data handling errors

3: Customer metering inaccuracies

City of Crossville, Tennessee
 Schedule of Water Loss
 June 30, 2019

**AWWA Free Water Audit Software:
 System Attributes and Performance Indicators**

WAS v5.0

American Water Works Association.
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Water Audit Report for: **City of Crossville (0000150)**
 Reporting Year: **2019** **7/2018 - 6/2019**

***** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 86 out of 100 *****

System Attributes:

	Apparent Losses:	23.537	MG/Yr
	+ Real Losses:	305.114	MG/Yr
	= Water Losses:	328.650	MG/Yr

? Unavoidable Annual Real Losses (UARL): 145.22 MG/Yr

Annual cost of Apparent Losses: \$230,191

Annual cost of Real Losses: \$121,081

Valued at **Variable Production Cost**
 Return to Reporting Worksheet to change this assumption

Performance Indicators:

Financial:	{	Non-revenue water as percent by volume of Water Supplied:	29.8%	
		Non-revenue water as percent by cost of operating system:	5.0%	Real Losses valued at Variable Production Cost

Operational Efficiency:	{	Apparent Losses per service connection per day:	5.08	gallons/connection/day
		Real Losses per service connection per day:	N/A	gallons/connection/day
		Real Losses per length of main per day*:	1,565.41	gallons/mile/day
		Real Losses per service connection per day per psi pressure:	N/A	gallons/connection/day/psi

From Above, Real Losses = Current Annual Real Losses (CARL): 305.11 million gallons/year

? Infrastructure Leakage Index (ILI) [CARL/UARL]: 2.10

* This performance indicator applies for systems with a low service connection density of less than 32 service connections/mile of pipeline

City of Crossville, Tennessee
Schedule of Tax Rates and Assessments
June 30, 2019

Year of Levy	Rate	Assessment	Tax Assessed
2019	0.59%	454,527,768	2,683,981
2018	0.59%	451,656,720	2,667,035
2017	0.59%	452,066,777	2,669,456
2016	0.63%	425,928,952	2,683,354
2015	0.63%	415,156,189	2,615,491
2014	0.53%	409,292,914	2,169,252
2013	0.53%	384,426,995	2,037,469
2012	0.53%	373,269,625	1,978,329
2011	0.55%	369,102,842	2,030,073
2010	0.55%	355,988,256	1,957,943
2009	0.55%	354,670,332	1,955,058

See independent auditor's report

City of Crossville, Tennessee
Schedule of Utility Rate Structure and Number of Customers
June 30, 2019

WATER AND SEWER CUSTOMER RATES

	<u>Inside the City</u>	<u>Outside the City</u>	
First 2,000 gallons			
Water	\$ 10.68 Minimum Bill	\$ 16.04 Minimum Bill	
Sewer	15.08 Minimum Bill	22.62 Minimum Bill	
All Over 2,000 gallons			
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	<u>Inside the City</u>	<u>Outside the City</u>	<u>Totals</u>
Water Customers			
Residential	3,948	7,508	11,456
Commercial	1,392	214	1,606
Industrial	31	7	38
Utility District Taps	-	9	9
Total Water Customers	<u>5,371</u>	<u>7,738</u>	<u>13,109</u>
Total Sewer customers	<u>5138</u>	<u>26</u>	<u>5164</u>

See independent auditor's report

**GOVERNMENT AUDITING
STANDARDS SECTION**

CITY OF CROSSVILLE, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass -Through Grantor/Program Title	Federal CFDA Number	Contract Number	Expenditures
U.S. DEPARTMENT OF TRANSPORTATION			
Passed through Tennessee Department of Transportation:			
Alcohol Saturation and Checkpoints	20.607	154-AL-18-54	\$ 5,660
Alcohol Saturation and Checkpoints	20.607	154-AL-19-45	18,177
Highway Program	20.205	140210	657,252
Airport Paving	20.106	AERO-18-211-00	600,463
Airport Obstruction Removal	20.106	40100-00619	<u>24,885</u>
Total U.S. Department of Transportation			<u>1,306,437</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through Tennessee Department of Economic and Community Development			
CDBG Grant - Sewer System Improvements	14.228	AR 1554	<u>55,215</u>
U.S. DEPARTMENT OF JUSTICE			
Bulletproof Vest Partnership Program	16.607	2009BUBX09049954	<u>3,120</u>
Total U.S. Department of Justice			<u>3,120</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>1,364,772</u>
STATE AWARDS			
Tennessee Department of Transportation			
Aeronautics Division Grant	Maintenance	N/A	24,885
Airport	Fuel Truck	N/A	19,653
			<u>44,538</u>
Tennessee Department of Economic and Community Development			
Site Grant		N/A	595,030
LPRF Garrison Park		N/A	975,495
			<u>1,570,525</u>
TOTAL EXPENDITURES OF STATE AWARDS			<u>1,615,063</u>
TOTAL EXPENDITURES OF FEDERAL AND STATE AWARDS			<u>\$ 2,979,835</u>

See independent auditor's report.

CITY OF CROSSVILLE, TENNESSEE

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

For the Year Ended June 30, 2019

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal and state grant activity of the City of Crossville, Tennessee under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
2. Pass-through entity contract numbers are presented where available.
3. The City has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C – OUTSTANDING LOANS

The City has outstanding loans of \$10,654,040 at June 30, 2019 with the EPA obtained through the State Revolving Loan Fund (SRLF). The amounts listed for these loans include the outstanding loan balance from prior years less principal payments.

The MG Group, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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 Honorable Mayor
and City Council
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 the aggregate remaining fund information of the City of Crossville, Tennessee as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City of Crossville, Tennessee's basic financial statements, and have issued our report thereon dated November 18, 2019.

Internal Control over Financial Reporting

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

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

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

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

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16053 Rankin Avenue, Dunlap, Tennessee 37327

Phone (931) 393-3307 Fax (931) 563-5585

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 the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

MG Group, P.C.

Tullahoma, Tennessee
November 18, 2019

The MG Group, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

Tullahoma, Tennessee

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

To the Honorable Mayor
and City Council
City of Crossville, Tennessee

Report on Compliance for Each Major Federal Program

We have audited the City of Crossville, Tennessee's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have direct and material effect on each of the City's major federal programs for the year ended June 30, 2019. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2019.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of requirements referred to above. In planning and performing our audit of

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compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

MG Group, P.C.

Tullahoma, Tennessee
November 18, 2019

City of Crossville, Tennessee
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

SECTION I. SUMMARY OF AUDITOR’S RESULTS

Financial Statements:

Type of auditor’s report issued on whether financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America.

Unmodified

Internal control over financial reporting:

Material weakness(es) identified? NO

Significant deficiency(ies) identified not considered to be material weakness(es)? NONE

Noncompliance material to the financial statements noted NO

Federal Awards:

Internal control over major programs:

Material weakness(es) identified? NO

Significant deficiency(ies) identified not considered To be material weakness(es)? NONE

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)? NO

Identification of major programs:

CFDA # 20.205 – Highway Planning and Construction (Federal-Aid Highway Program)

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

Auditee qualified as low-risk auditee? NO

City of Crossville, Tennessee
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

SECTION II. FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

City of Crossville, Tennessee
Summary Schedule of Prior Year Findings
June 30, 2019

Government Audit Standards require auditors to report the status of uncorrected findings for prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or uncorrected.

Prior-year Financial Statement Findings

There were no prior year findings reported.