

TOWN OF ENGLEWOOD, TENNESSEE

Financial Statements

June 30, 2023

TOWN OF ENGLEWOOD, TENNESSEE
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TOWN OF ENGLEWOOD, TENNESSEE
TOWN OFFICIALS
June 30, 2023

Mayor: Tony Hawn

Vice-Mayor: Shawn Martin

Commissioners: Tim Casteel

Chris Cochran

Dwayne Arrowood

Town Manager: Joe Cline, CMFO

DAVID M. ELLIS

Certified Public Accountant

*Member, American Institute of
Certified Public Accountants*

*Member, Tennessee Society of
Certified Public Accountants*

INDEPENDENT AUDITOR'S REPORT

To the Board of Mayor and Commissioners
Town of Englewood, Tennessee

Report on the Audit of the Financial Statements

Opinions

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

In my 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, and each major fund, of Town of Englewood, Tennessee, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Drug Fund of the Town for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my 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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Town of Englewood, Tennessee, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Town of Englewood, Tennessee's

ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-11, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Town of Englewood, Tennessee's basic financial statements. The supplementary information section as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements 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 my opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the town officials but does not include the basic financial statements and my auditor's report thereon. My opinions on the basic financial statements do not cover the other information, and I do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated March 4, 2024, on my consideration of Town of Englewood, Tennessee's internal control over financial reporting and on my 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 my 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 Town of Englewood, 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 Town of Englewood, Tennessee's internal control over financial reporting and compliance.



Greeneville, Tennessee
March 4, 2024

**TOWN OF ENGLEWOOD, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

As management of the Town of Englewood (the Town) we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2023. The analysis focuses on significant financial position, budget changes and variances from the budget, and specific issues related to funds and the economic factors affecting the Town.

Financial Highlights:

- The assets of the Town of Englewood exceeded its liabilities at the close of the most recent year by \$7,684,770. Of this amount, \$3,374,234 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, fund balance for the General Fund was \$1,977,978 or 135% of total general fund expenditures.
- As of the close of the current fiscal year, the Town's business-type activities reported a combined ending net position of \$5,014,295.
- The Town sold the Natural Gas Division in the current fiscal year which resulted in a transfer to the General Fund of \$384,720.
- The Town paid off a Water and Sewer Revenue bond totaling \$364,866 early in order to capture interest savings.

Overview of the Financial Statements:

This discussion and analysis is intended to serve as an introduction to the Town of Englewood's basic financial statements. The Town'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 Town's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the Town'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 Town 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).

**TOWN OF ENGLEWOOD, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Both government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town of Englewood include general government, public works, public safety, sanitation, and public welfare. The business-type activities of the Town includes water/sewer services and natural gas 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 Town of Englewood, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

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

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

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

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

Proprietary Funds – The Town maintains two types of proprietary funds.

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

**TOWN OF ENGLEWOOD, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Enterprise Funds- The Town uses enterprise funds to account for its water and sewer services, as well as its natural gas services that was sold in the current fiscal year.

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

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

Financial Analysis of the Financial Statements

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Englewood, assets exceeded liabilities by \$7,684,770 at the close of this fiscal year, compared to \$6,891,342 in the prior year.

The largest portion of the Town's net position (56%), 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 Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town of Englewood, Tennessee's net position (1%) represents the resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

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

Significant Budget Variances

Fines and forfeitures of the General Fund exceeded budget expectations by \$411,419. Expenditures of the highways and streets department were underbudget by \$47,712 due to cost savings that were obtained below budgeted expectations for paving projects.

**TOWN OF ENGLEWOOD, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Currently Known Economic Conditions

The Town anticipates continued increases in net position in the next year. The Town is balancing meeting capital outlay needs of its public safety departments to better serve its residents, while also undergoing necessary water and sewer projects to improve the infrastructure of its system for the ratepayers.

Town of Englewood, Tennessee Net Position

	Governmental Activities		Business-Type Activities	
Current assets	\$ 2,372,549	\$ 1,807,156	\$ 1,856,068	\$ 1,751,904
Capital assets, net	621,579	671,985	4,197,504	4,329,264
Total Assets	2,994,128	2,479,141	6,053,572	6,081,168
Current and other liabilities	61,486	153,138	201,300	184,988
Long-term liabilities	29,592	56,407	393,197	818,540
Total Liabilities	91,078	209,545	594,497	1,003,528
Deferred inflows of resources	232,575	228,315	444,780	227,579
Deferred Inflows of Resources	232,575	228,315	444,780	227,579
Net Investment in Capital Assets	562,631	574,455	3,757,673	3,474,319
Restricted	17,142	20,740	-	63,007
Unrestricted	2,090,702	1,446,086	1,256,622	1,312,735
Total Net Position	\$ 2,670,475	\$ 2,041,281	\$ 5,014,295	\$ 4,850,061

Changes in net position. Governmental activities increased the Town's net position by \$629,194. Business-type activities net position increased by \$164,234.

**TOWN OF ENGLEWOOD, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Town of Englewood, Tennessee Changes in Net Position

	Governmental Activities		Business-Type Activities	
	2023	2022	2023	2022
Program Revenues				
Charges for services	\$ 835,363	\$ 831,120	1,596,975	1,368,915
Grants and contributions	72,991	70,215	127,846	-
General Revenues				
Taxes	696,687	804,899	-	-
Other revenues	31,233			
Miscellaneous	64,332	53,794	-	-
Transfers	384,720	-	(384,720)	-
Total Revenues	2,085,326	1,760,028	1,340,101	1,368,915
Expenses				
General government	327,902	363,824	-	-
Public safety	488,942	464,799	-	-
Public welfare	88,612	81,237	-	-
Highways and streets	463,340	130,609	-	-
Solid waste management	69,252	76,433	-	-
Drug investigation and control	3,874	11,981	-	-
Interest on long-term debt	14,210	888	-	-
Water and sewer	-	-	1,103,953	1,013,456
Natural Gas	-	-	71,914	224,757
Total Expenses	1,456,132	1,129,771	1,175,867	1,238,213
Change in net position	629,194	630,257	164,234	130,702
Net position, beginning, restated	2,041,281	1,411,024	4,850,061	4,719,359
Net position, ending	2,670,475	2,041,281	5,014,295	4,850,061

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

- Highways and streets expenses increased by \$332,731 due to paving projects.

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

- Charges for services increased by \$228,060.
- The sale of the natural gas division resulted in a transfer of \$384,720 to the General Fund.

Business-type Activities

Business-type activities accounted for revenue of \$1,402,862.

**TOWN OF ENGLEWOOD, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Financial Analysis of the Government's Funds

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

Governmental Funds

The focus of the Town of Englewood's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. 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 Town's governmental funds reported combined ending fund balances of \$1,995,120, an increase of \$625,360 in comparison with the prior year. Approximately \$1,955,887 (98%) of this balance is unassigned. This amount is available for spending at the government's discretion. The remainder of the fund balance is nonspendable and restricted.

The general fund is the chief operation fund of the Town of Englewood, 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 \$1,955,887. 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 133% of total general fund expenditures.

Proprietary funds

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

Unrestricted Net Assets at the end of the year for the Water Fund amounted to \$1,256,622.

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

Capital Assets

The Town of Englewood's investment in capital assets from its governmental and business-type activities at June 30, 2023 amounts to \$4,819,083 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvement, machinery and equipment, park facilities, roads, highways, and bridges.

**TOWN OF ENGLEWOOD, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Town of Englewood, Tennessee Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Utility plant in service	\$ -	\$ -	\$ 8,394,690	\$ 8,394,690	\$ 8,394,690	\$ 8,394,690
Land	107,080	107,080	39,372	39,372	146,452	146,452
Buildings and improvements	631,096	621,145	188,478	188,478	819,574	809,623
Furniture, machinery, and equipment	735,075	993,018	186,018	155,280	921,093	1,148,298
Construction in progress			88,540	-	88,540	-
Accumulated Depreciation	(851,672)	(1,049,258)	(4,699,594)	(4,474,580)	(5,551,266)	(5,523,838)
Total capital Assets	\$ 621,579	\$ 671,985	\$ 4,197,504	\$ 4,303,240	\$ 4,819,083	\$ 4,975,225

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

Long-term Debt

At the end of the current year, the Town of Englewood had debt outstanding of \$498,778. Of this amount, \$75,989 is due in the next fiscal year.

Town of Englewood, Tennessee Outstanding Debt

	Governmental	Business-Type	Total
	Activities	Activities	
Principal due in the next fiscal year	\$29,356	\$46,633	\$75,989

The Town of Englewood has a combined total debt in the amount of \$498,778 outstanding during the current fiscal year, a decrease of \$453,697 from the prior year.

Additional information on the Town of Englewood'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 Town of Englewood, 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 Town of Englewood – Joe Cline, 111 S. Niota Rd, Englewood, TN 37329.

TOWN OF ENGLEWOOD, TENNESSEE
STATEMENT OF NET POSITION
June 30, 2023

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Cash	\$ 1,409,238	\$ 2,285,144	\$ 3,694,382
Accounts receivable, net of allowance for uncollectible accounts	-	125,358	125,358
Property taxes receivable, net of allowance for uncollectible accounts	300,896	-	300,896
Taxes receivable	39,723	-	39,723
Due from other governments	41,598	-	41,598
Internal balances	559,003	(559,003)	-
Prepaid expenses	22,091	4,569	26,660
Capital assets not being depreciated	107,080	127,912	234,992
Capital assets being depreciated, net of accumulated depreciation	514,499	4,069,592	4,584,091
Total Assets	2,994,128	6,053,572	9,047,700
LIABILITIES			
Accounts payable	27,639	50,060	77,699
Customer deposits	1,505	91,917	93,422
Accrued payroll	2,986	12,690	15,676
Long-Term Liabilities			
Due within one year	29,356	46,633	75,989
Due in more than one year	29,592	393,197	422,789
Total Liabilities	91,078	594,497	685,575
DEFERRED INFLOWS OF RESOURCES			
Assessed & unlevied property taxes	232,575	-	232,575
Unearned grant revenue	-	444,780	444,780
Total Deferred Inflows of resources	232,575	444,780	677,355
NET POSITION:			
Net Investment in Capital Assets	562,631	3,757,673	4,320,304
Restricted for:			
Drug Control and Investigation	17,142	-	17,142
Unrestricted	2,090,702	1,256,622	3,347,324
Total Net Position	\$ 2,670,475	\$ 5,014,295	\$ 7,684,770

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

TOWN OF ENGLEWOOD, TENNESSEE
STATEMENT OF ACTIVITIES
June 30, 2023

Functions/Programs	Program Revenues				Net (Expense) Revenue	Governmental Activities	Business-Type Activities	Total
	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions				
Primary Government								
Governmental Activities:								
General government	\$ 327,902	\$ 77,064	\$ -	\$ 30,000	\$ (220,838)	\$ (220,838)	\$ -	\$ (220,838)
Public safety	488,942	693,585	-	13,773	218,416	218,416	-	218,416
Public welfare	88,612	-	-	-	(88,612)	(88,612)	-	(88,612)
Streets and highways	463,340	-	29,218	-	(434,122)	(434,122)	-	(434,122)
Solid waste collection and disposal	69,252	64,714	-	-	(4,538)	(4,538)	-	(4,538)
Drug enforcement	3,873	-	-	-	(3,873)	(3,873)	-	(3,873)
Interest on long-term debt	14,210	-	-	-	(14,210)	(14,210)	-	(14,210)
Total Governmental Activities	1,456,131	835,363	29,218	43,773	(547,777)	(547,777)	-	(547,777)
Business-Type Activities:								
Water and sewer	1,103,953	1,328,184	-	127,846	352,077	-	352,077	352,077
Natural gas	71,914	268,791	-	-	196,877	-	196,877	196,877
Total Business-Type Activities	1,175,867	1,596,975	-	127,846	548,954	-	548,954	548,954
Total Primary Government	\$ 2,631,998	\$ 2,432,338	\$ 29,218	\$ 171,619	\$ 1,177			
Change in Net Position						(547,777)	548,954	1,177
General Revenues								
Taxes:								
Property tax						228,686	-	228,686
Interest and penalty						1,979	-	1,979
In-Lieu of tax payments						11,636	-	11,636
Licenses and permits						830	-	830
Local option sales tax						175,709	-	175,709
Wholesale beer and liquor tax						26,118	-	26,118
Business and cable TV taxes						17,586	-	17,586
Intergovernmental revenues:								
State sales tax						177,074	-	177,074
Other state revenue						57,069	-	57,069
Other revenue						31,233	-	31,233
Investment earnings						2,364	-	2,364
Gain (loss) on sale of capital assets						61,968	-	61,968
Transfers						384,720	(384,720)	-
Total General Revenues and Transfers						1,176,972	(384,720)	792,252
Increase (Decrease) in Net Position						629,195	164,234	793,429
Net Position - Beginning						2,041,281	4,850,061	6,891,342
Net Position - Ending						\$ 2,670,476	\$ 5,014,295	\$ 7,684,771

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

TOWN OF ENGLEWOOD, TENNESSEE
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	General Fund	Drug Fund	Total Governmental Funds
ASSETS:			
Cash	\$ 1,392,096	\$ 17,142	\$ 1,409,238
Property taxes receivable, net of allowance for uncollectible accounts of \$5,000	300,896	-	300,896
Taxes receivable	39,723	-	39,723
Due from other funds	559,003	-	559,003
Due from other governments	41,598	-	41,598
Prepaid expenses	22,091	-	22,091
Total Assets	\$ 2,355,407	\$ 17,142	\$ 2,372,549
LIABILITIES:			
Accounts payable	\$ 27,639	\$ -	\$ 27,639
Customer deposits	1,505	-	1,505
Accrued payroll	2,986	-	2,986
Total Liabilities	32,130	-	32,130
DEFERRED INFLOWS OF RESOURCES:			
Deferred property taxes	300,896	-	300,896
Deferred state shared and local taxes	44,403	-	44,403
Total Deferred Inflows of Resources	345,299	-	345,299
FUND BALANCES:			
Nonspendable	22,091	-	22,091
Restricted for Drug Fund	-	17,142	17,142
Unassigned	1,955,887	-	1,955,887
Total Fund Balances	1,977,978	17,142	1,995,120
Total Liabilities, Deferred Inflows, and Fund Balance	\$ 2,355,407	\$ 17,142	\$ 2,372,549

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

**TOWN OF ENGLEWOOD, TENNESSEE
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION**

June 30, 2023

Amounts reported for governmental activities in the Statement of Net
Position are different because:

Fund Balances - Total Governmental Funds	\$ 1,995,120
Capital assets used in governmental activities are reported in the statement of net position; however, they are not current financial resources and therefore are not reported in the governmental funds balance sheet	621,579
Long-term liabilities are not due and payable in the current period; therefore, they are not reported in the governmental funds balance sheet.	(58,948)
Some of the Town's taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures; therefore, they are reported as deferred revenue in the governmental funds balance sheet	112,724
Net Position of Governmental Activities	<u>\$ 2,670,475</u>

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

TOWN OF ENGLEWOOD, TENNESSEE
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

	General Fund	Drug Fund	Total Governmental Funds
REVENUES:			
Taxes:			
Property tax	\$ 228,686	\$ -	\$ 228,686
Interest and penalty	1,979	-	1,979
In-Lieu of tax payments	11,636	-	11,636
Local sales tax	175,709	-	175,709
Business tax	6,914	-	6,914
Wholesale beer tax	26,118	-	26,118
Cable TV franchise tax	10,672	-	10,672
Intergovernmental	307,134	-	307,134
Fines and forfeitures	767,918	-	767,918
Licenses and permits	830	-	830
Charges for services	77,064	-	77,064
Interest	2,342	22	2,364
Donations	32,843	-	32,843
Miscellaneous	61,799	1,304	63,103
Loan Proceeds	-	-	-
Total Revenues	1,711,644	1,326	1,712,970
EXPENDITURES:			
General government	326,755	-	326,755
Public safety	518,475	-	518,475
Public welfare	80,626	-	80,626
Streets and highways	458,087	-	458,087
Solid waste management	69,252	-	69,252
Drug investigation and control	-	3,873	3,873
Capital outlay	-	1,051	1,051
Debt Service	14,210	-	14,210
Total Expenditures	1,467,405	4,924	1,472,329
Excess of Revenues over Expenditures	244,239	(3,598)	240,641
OTHER FINANCING SOURCES (USES)	384,720	-	384,720
NET CHANGE IN FUND BALANCE	628,959	(3,598)	625,361
Fund balance - beginning	1,349,019	20,740	1,369,759
Fund balance - ending	<u>\$ 1,977,978</u>	<u>\$ 17,142</u>	<u>\$ 1,995,120</u>

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

TOWN OF ENGLEWOOD, TENNESSEE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

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

Net Change in Fund Balance - Total Governmental Funds	\$	625,361
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Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of these assets are allocated over their estimated useful lives as depreciation expenses. The difference between capital outlays and depreciation is itemized as follows:

Add: capital assets purchased in the current period	\$	16,742	
Less: current-year depreciation expense		<u>(56,482)</u>	(39,741)

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

Add: principal payment on long-term debt	42,497		
Less: loan proceeds		<u>-</u>	42,497

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

		<u>1,076</u>	
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Change in net position of governmental activities	\$	<u><u>629,193</u></u>
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The accompanying notes to financial statements are an integral part of this statement.

TOWN OF ENGLEWOOD, TENNESSEE
STATEMENT OF REVENUE, EXPENDITURES, CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL - GENERAL FUND
June 30, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget - Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Taxes				
Property tax	\$ 230,000	\$ 230,000	\$ 228,686	\$ (1,314)
Interest and penalty	1,500	1,500	1,979	479
In Lieu of tax payments	12,000	12,000	11,636	(364)
Local sales tax	150,000	150,000	175,709	25,709
Business tax	4,000	4,000	6,914	2,914
Wholesale beer tax	22,000	22,000	26,118	4,118
Cable TV franchise tax	15,000	15,000	10,672	(4,328)
Total Taxes	434,500	434,500	461,714	27,214
Intergovernmental				
State income tax	-	-	-	-
State beer tax	750	750	677	(73)
State sales tax	165,000	165,000	177,074	12,074
State gasoline and motor fuel tax	56,500	56,500	51,682	(4,818)
Corporate excise tax	3,000	3,000	1,877	(1,123)
Telecommunications tax	150	150	1,055	905
TVA In Lieu of tax payments	17,000	17,000	24,060	7,060
City streets and transportation funds	5,000	5,000	2,717	(2,283)
Sports Betting	1,500	1,500	2,419	919
Historic Preservation grant	-	30,000	30,000	-
Highway safety grant	3,000	3,000	13,773	10,773
Water Tower grant	-	1,800	1,800	-
Total Intergovernmental	251,900	283,700	307,134	23,434
Fines and forfeitures	356,500	356,500	767,918	411,418
Licenses and permits	1,200	1,200	830	(370)
Charges for services				
Community pool admittance fees	8,500	8,500	7,302	(1,198)
Community pool rental fees	4,000	4,000	1,450	(2,550)
Community pool concessions	1,500	1,500	2,232	732
Solid waste collection fees	65,000	65,000	64,714	(286)
Accident report charges	50	50	41	(9)
Community Center rental fees	500	500	1,275	775
Park & recreation charges	-	-	50	50
Total Charges for services	79,550	79,550	77,064	(2,486)

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

TOWN OF ENGLEWOOD, TENNESSEE
STATEMENT OF REVENUE, EXPENDITURES, CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL - GENERAL FUND
June 30, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget - Over (Under)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Other Revenue:				
Interest	\$ 6,525	\$ 6,525	\$ 2,342	\$ (4,183)
Donations	13,000	13,000	32,843	19,843
Miscellaneous revenue	5,725	25,725	61,799	36,074
Total Other Revenue	25,250	45,250	96,984	51,734
Total Revenues	1,148,900	1,200,700	1,711,644	510,944
EXPENDITURES				
Financial administration				
Salaries and wages	56,800	56,800	59,462	2,662
OASI employer's share	4,345	4,345	4,549	204
Health insurance	8,000	8,000	8,014	14
Death Benefits	600	600	-	(600)
Unemployment insurance	325	325	28	(297)
Postage	1,000	1,000	653	(347)
Travel	200	200	71	(129)
Gas, oil, and grease	500	500	-	(500)
Donations	1,000	1,000	675	(325)
Office supplies and materials	3,500	3,500	2,864	(636)
Computer Equipment	1,000	7,500	7,234	(266)
Total Financial administration	77,270	83,770	83,550	(220)
General Government				
Employee training and travel	1,500	1,500	291	(1,209)
Publicity, subscriptions, and dues	7,500	7,500	5,158	(2,342)
Accounting and auditing services	15,000	5,350	5,500	150
Bank service charges	500	500	96	(404)
Other professional services	45,000	70,000	75,666	5,666
Election Costs	2,000	2,000	310	(1,690)
Insurance	63,000	63,000	61,209	(1,791)
Utilities	10,800	10,800	8,037	(2,763)
Telephone	8,000	8,000	5,932	(2,068)
Repairs and maintenance	5,600	56,925	56,079	(846)
Operating supplies	1,700	1,700	4,927	3,227
Office supplies and services	500	500	1,220	720
Capital Improvements	4,491	4,491	5,989	1,498
Total General Government	165,591	232,266	230,414	(1,852)
Legal services				
Judicial	\$ 7,200	\$ 7,200	\$ 3,600	(3,600)

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

TOWN OF ENGLEWOOD, TENNESSEE
STATEMENT OF REVENUE, EXPENDITURES, CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL - GENERAL FUND
June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
City attorney	8,500	8,500	9,191	691
Total Legal services	15,700	15,700	12,791	(2,909)
Police department				
Salaries and wages	262,600	262,600	265,075	2,475
OASI employer's share	20,089	20,089	20,280	191
Health insurance	45,000	45,000	51,319	6,319
Death benefit plan	1,000	1,000	-	(1,000)
Unemployment insurance	1,000	1,000	351	(649)
Employee training and travel	750	750	409	(341)
Utilities	2,500	2,500	2,555	55
Telephone	4,000	4,000	3,456	(544)
Professional services	58,000	58,000	54,239	(3,761)
Small items of equipment	4,500	4,500	7,731	3,231
Repair and maintenance	10,000	10,000	9,992	(8)
Supplies	1,800	1,800	1,218	(582)
Operating supplies	1,500	1,500	234	(1,266)
Clothing and uniforms	1,000	1,000	509	(491)
Gas, oil, and grease	25,000	25,000	26,174	1,174
GHSO Grant	5,000	5,000	-	(5,000)
Debt Service	26,072	26,072	24,636	(1,436)
Total Police department	469,811	469,811	468,178	(1,633)
Fire department				
Employee training	2,500	2,500	(1,120)	(3,620)
Volunteers	-	-	-	-
Utilities	5,400	5,400	5,247	(154)
Telephone	3,000	3,000	2,664	(336)
Dues	200	200	100	(100)
Gas, oil, and grease	2,500	2,500	3,436	936
Repairs and maintenance	12,000	34,000	26,530	(7,471)
Operating supplies	7,500	7,500	7,463	(37)
Insurance	2,000	2,000	890	(1,110)
Small items of equipment	5,000	5,000	5,087	87
Capital outlay	-	-	-	-
Total Fire department	40,100	62,100	50,297	(11,805)
Streets and highways				
Salaries and wages	\$ 64,050	\$ 64,050	\$ 38,005	(26,045)

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

TOWN OF ENGLEWOOD, TENNESSEE
STATEMENT OF REVENUE, EXPENDITURES, CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL - GENERAL FUND
June 30, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget - Over (Under)
	Original	Final	Actual	
OASI employer's share	4,900	4,900	2,907	(1,993)
Health insurance	20,000	16,000	2,713	(13,287)
Death benefit plan	500	500	-	(500)
Unemployment insurance	250	250	44	(206)
Repairs and maintenance	9,000	34,000	52,401	18,401
Machinery equipment and parts	1,000	1,000	-	(1,000)
Gas, oil, and grease	1,000	1,000	-	(1,000)
Utilities	35,000	35,000	34,489	(511)
Operating Supplies	500	500	-	(500)
Sign Parts and Supplies	2,500	2,500	240	(2,260)
Roads, streets, and parking	25,000	375,000	327,288	(47,712)
Capital outlay	-	-	-	-
Total Streets and highways	163,700	534,700	458,087	(76,613)
Community swimming pool				
Salaries and wages	18,000	18,000	22,291	4,291
OASI employer's share	1,377	1,377	1,705	328
Unemployment insurance	200	200	87	(113)
Memberships and registration fees	500	500	940	440
Utilities	4,500	4,500	3,775	(725)
Telephone	500	500	339	(161)
Repairs and maintenance	2,500	7,500	5,701	(1,799)
Operating supplies	2,000	2,000	1,957	(43)
Chemical supplies	5,000	8,000	3,983	(4,017)
Supplies for resale	500	500	1,257	757
Total Community swimming pool	35,077	43,077	42,035	(1,042)
Parks & Recreation				
Salaries and wages	11,000	11,000	-	(11,000)
OASI employer's share	842	842	-	(842)
Unemployment insurance	100	100	-	(100)
Utilities	2,500	2,500	2,470	(30)
Repairs and maintenance	3,000	3,000	3,198	198
Small items of equipment	500	500	-	(500)
Operating supplies	1,500	1,500	1,035	(465)
Gas, oil, diesel fuel, grease, etc	-	-	986	986
Total Parks & Recreation	19,442	19,442	7,689	(11,753)
Library				

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

TOWN OF ENGLEWOOD, TENNESSEE
STATEMENT OF REVENUE, EXPENDITURES, CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL - GENERAL FUND
June 30, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget - Over (Under)
	Original	Final	Actual	
Salaries and wages	\$ 18,685	\$ 18,685	\$ 18,500	(185)
OASDI employer's share	1,429	1,429	1,415	(14)
Unemployment insurance	111	111	28	(83)
Postage	200	200	-	
Books, catalogues and brochures	3,200	3,200	2,976	(224)
Utilities	3,900	3,900	5,181	1,281
Telephone	1,500	1,500	1,395	(105)
Repairs and maintenance	1,000	1,125	1,050	(75)
Insurance	100	100	-	(100)
Operating supplies	808	808	357	(451)
Computer Equipment	500	500	-	(500)
Total Library	<u>31,433</u>	<u>31,558</u>	<u>30,902</u>	<u>(456)</u>
Solid waste management				
Other contractual services	65,000	75,000	69,252	(5,748)
Office supplies and materials	-	-	-	-
Bank service charges	100	100	-	(100)
Total Solid waste management	<u>65,100</u>	<u>75,100</u>	<u>69,252</u>	<u>(5,848)</u>
Debt service				
Principal	13,800	13,800	13,800	-
Interest	410	410	410	-
Total Debt service	<u>14,210</u>	<u>14,210</u>	<u>14,210</u>	<u>-</u>
Total Expenditures	<u>1,072,734</u>	<u>1,572,734</u>	<u>1,467,405</u>	<u>(114,131)</u>
Excess of Revenues over Expenditures	-	-	244,239	244,239
OTHER FINANCING SOURCES				
Transfer from Natural Gas Fund	-	-	384,720	384,720
Net Change in Fund Balances	-	-	628,959	628,959
Fund Balance - Beginning	1,349,019	1,349,019	1,349,019	-
Fund Balance - Ending	<u>\$ 1,426,185</u>	<u>\$ 977,985</u>	<u>\$ 1,977,978</u>	<u>\$ 628,959</u>

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

TOWN OF ENGLEWOOD, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - DRUG FUND
June 30, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget - Increase (Decrease)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Drug related fines	\$ -	\$ -	\$ -	\$ -
Proceeds from forfeitures	-	-	-	-
Interest earnings	-	-	22	22
Miscellaneous	-	-	1,304	1,304
Total Revenues	-	-	1,326	1,326
EXPENDITURES				
Drug investigation and control	-	10,000	3,873	(6,127)
Capital outlay	-	1,100	1,051	(49)
Total Expenditures	-	11,100	4,924	(6,176)
Net change in fund balances	-	(11,100)	(3,598)	7,502
Fund balance - beginning	20,740	20,740	20,740	-
Fund balance - ending	<u>\$ 20,740</u>	<u>\$ 9,640</u>	<u>\$ 17,142</u>	<u>\$ 7,502</u>

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

TOWN OF ENGLEWOOD, TENNESSEE
STATEMENT OF NET POSITION
PROPRIETARY FUND
June 30, 2023

	Business-Type Activities - Enterprise Funds		
	Water and Sewer Fund	Natural Gas Fund	Total Enterprise Funds
CURRENT ASSETS			
Cash	\$ 2,285,144	\$ -	\$ 2,285,144
Accounts receivable, net of allowance for uncollectible accounts of \$125,600	125,358	-	125,358
Prepaid expense	4,569	-	4,569
Total current assets	2,415,071	-	2,415,071
NON-CURRENT ASSETS			
Land	39,372	-	39,372
Construction in Progress	88,540	-	88,540
Buildings	188,478	-	188,478
Utility plant	8,394,690	-	8,394,690
Equipment	131,023	-	131,023
Office Equipment	5,483	-	5,483
Vehicles	49,512	-	49,512
Less: Accumulated depreciation	(4,699,594)	-	(4,699,594)
Total non-current assets	4,197,504	-	4,197,504
Total assets	6,612,575	-	6,612,575
CURRENT LIABILITIES			
Accounts payable	50,060	-	50,060
Accrued vacation	12,690	-	12,690
Customer deposits	91,917	-	91,917
Due to other funds	559,003	-	559,003
Current portion of long-term debt	46,633	-	46,633
Total Current Liabilities	760,303	-	760,303
NON-CURRENT LIABILITIES			
Long-term debt less current portion	393,197	-	393,197
Total non-current liabilities:	393,197	-	393,197
Total liabilities	1,153,500	-	1,153,500
DEFERRED INFLOWS			
Unearned grant revenue	444,780	-	444,780
Total deferred inflows	444,780	-	444,780
Net Position:			
Net investment in capital assets	3,757,673	-	3,757,673
Restricted	-	-	-
Unrestricted	1,256,622	-	1,256,622
Total net position	\$ 5,014,295	\$ -	\$ 5,014,295

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

TOWN OF ENGLEWOOD, TENNESSEE
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
June 30, 2023

	Business-Type Activities - Enterprise Funds		
	Water and Sewer Fund	Natural Gas Fund	Total Enterprise Funds
OPERATING REVENUE			
Sales (Net)	\$ 1,107,818	\$ 87,760	\$ 1,195,578
Other operating revenue	200,620	80	200,700
Other Income	-	6,584	6,584
Total operating revenue	1,308,438	94,424	1,402,862
OPERATING EXPENSES			
Purchased water/gas	52,914	35,313	88,227
Purification	339,081	-	339,081
Transmission and distribution	219,416	23,251	242,667
Sewer collection lines	25,271	-	25,271
Sewer treatment and disposal	81,521	-	81,521
Customer accounting and collection	103,800	12,871	116,671
Administrative and general expense	51,798	479	52,277
Depreciation	215,878	-	215,878
Total operating expenses	1,089,678	71,914	1,161,592
Operating income (loss)	218,760	22,510	241,270
NON-OPERATING REVENUE (EXPENSES)			
Interest income	19,746	-	19,746
Interest expense	(14,275)	-	(14,275)
Gain on Sale of Natural Gas Division	-	174,367	174,367
Total non-operating revenue (expenses)	5,471	174,367	179,838
INTERFUND TRANSFERS			
Transfer to General Fund	-	(384,720)	(384,720)
Income before contributions	224,231	(187,843)	36,388
CAPITAL CONTRIBUTIONS/GRANTS	127,846	-	127,846
Change in Net Position	352,077	(187,843)	164,234
Net Position, Beginning	4,662,218	187,843	4,850,061
Net Position, Ending	\$ 5,014,295	\$ -	\$ 5,014,295

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

TOWN OF ENGLEWOOD, TENNESSEE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
June 30, 2023

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Water and Sewer Fund</u>	<u>Natural Gas Fund</u>	<u>Total Enterprise Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 1,308,438	\$ 94,424	\$ 1,402,862
Cash paid to employees	(419,862)	(18,718)	(438,580)
Cash paid to suppliers	(446,338)	(71,688)	(518,026)
Net cash provided by (used for) operating activities	442,238	4,018	446,256
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(119,177)	-	(119,177)
Gain on Sale of capital assets	-	(29,856)	(29,856)
Capital contributions	567,459	-	567,459
Principal payments on long-term debt	(411,200)	(3,915)	(415,115)
Interest paid on debt	(14,275)	-	(14,275)
Net cash provided by (used for) capital & related activities	22,807	(33,771)	(10,964)
CASH FLOW FROM INVESTING ACTIVITIES			
Interest Income	19,746	-	19,746
Net cash provided by (used for) investing activities	19,746	-	19,746
Net increase (decrease) in cash & cash equivalents	484,791	(29,753)	455,038
Cash & cash equivalents at beginning of year	1,800,353	29,753	1,830,106
Cash & cash equivalents at end of year	<u>\$ 2,285,144</u>	<u>\$ -</u>	<u>\$ 2,285,144</u>

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

TOWN OF ENGLEWOOD, TENNESSEE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
June 30, 2023

	Business-Type Activities - Enterprise Funds		
	Water and Sewer Fund	Natural Gas Fund	Total Enterprise Funds
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating income (loss)	\$ 218,760	\$ 22,510	\$ 241,271
Adjustments to reconcile income from operations to net cash provided by (used for) operating activities:			
Depreciation		-	(0)
Change in Assets and Liabilities:			-
(Increase) decrease in accounts receivable	(11,142)	-	(11,142)
(Increase) decrease in prepaid expenses	88	-	88
(Increase) decrease in due from other funds	-	-	-
Increase (decrease) in accounts payable	12,656	(6,386)	6,270
Increase (decrease) in accrued vacation	864	-	864
Increase (decrease) in due to other funds	210,437	(481)	209,956
Increase (decrease) in customer deposits	10,575	(11,625)	(1,050)
 Net Cash Provided by (Used for) Operating Activities	 <u>\$ 442,238</u>	 <u>\$ 4,018</u>	 <u>\$ 446,256</u>

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

TOWN OF ENGLEWOOD, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE A - DESCRIPTION OF ORGANIZATION

The Town of Englewood, Tennessee (the Town) was originally incorporated on January 1, 1919, under the provisions of Chapter 30, Private Acts of 1919, as amended, by the State of Tennessee. The Town operates under a mayor-board of commissioners form of government and provides the following services as authorized by its charter: public safety (police and fire), public works, water, sewer and gas utilities, public library, culture and recreation, and general administrative services.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town, for financial reporting purposes, includes all funds relevant to the operations of the Town of Englewood, Tennessee. The financial statements presented herein do not include agencies that have been formed under applicable state laws, or separate and distinct units of government apart from the Town. As of June 30, 2023, and for the year then ended, the Town had no discretely presented component units which were required to be included in these financial statements.

Government-Wide and Fund Financial Statements

The government-wide financial statements, which consist of the statement of net position and the statement of activities, report information on all of the nonfiduciary activities of the Town. As a general rule, the effect of interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 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 revenue are reported instead as general revenue. 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. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligible requirements imposed by the provider have been met.

TOWN OF ENGLEWOOD, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenue to be available if it is collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under the accrual basis of accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the payment is due.

All trade receivables are shown net of an allowance for uncollectible accounts. Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. In Tennessee, this date is January 1, and is referred to as the lien date. Revenue from property taxes, however, is recognized in the period for which the taxes are levied, which for the Town is October 1 of the ensuing fiscal year. Such taxes become delinquent on March 1. Property tax revenue is recognized when levied to the extent that it results in current receivables; that is if it is received within 60 days of the end of the fiscal year. Since the receivable for property taxes is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated amount for uncollectible taxes, is reported as deferred revenue in the fund financial statements and unearned revenue in the government-wide financial statements as of June 30.

Property taxes receivable are also reported as of June 30 for the taxes that are levied and uncollected during the current fiscal year as well as the previous ten fiscal years. These property taxes receivable are presented on the general fund balance sheet with offsetting deferred revenue to reflect the amounts not available as of June 30. Property taxes collected within 60 days of year end are considered available and are accrued as revenue. Property taxes collected later than 60 days after year end are not considered available and are accrued and reported as deferred revenue. An allowance for uncollectible taxes is also recorded representing the estimated amount of delinquent taxes receivable that will be filed with the McMinn County Clerk and Master for collection.

The Town reports the following major governmental funds:

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

The *drug fund* is used to account for costs associated with drug investigation and control and officers' training.

The Town reports the following major proprietary funds:

The *water and sewer fund* accounts for the activities of the water and sewer departments, which operate and maintain a water distribution and sewer collection system for residents and businesses on a user charge basis.

TOWN OF ENGLEWOOD, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

The *natural gas fund* accounts for the activities of the natural gas department, which operates and maintains a natural gas distribution system for residents and businesses on a user charge basis. The gas utility was sold during the current year.

All activities necessary to provide these services are accounted for in such a manner as to show a profit or loss similar to comparable private enterprises.

The Town had no internal service funds or fiduciary funds as of or for the year ended June 30, 2023.

Proprietary fund financial statements include a statement of net position, a statement of revenue, expenses and changes in net position and a statement of cash flows for each major proprietary fund. Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included in the statement of net position. The statement of revenue, expenses and changes in net position presents increases (revenue) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenue is recognized in the period in which it is earned while expenses are recognized in the period in which the liability is incurred.

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Town's proprietary funds is charges to customers for sales and services. The Town also recognizes as operating revenue the portion of connection fees intended to recover the cost of connecting new customers to the system. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments* establishes standards for external financial reporting for state and local governments and requires that resources be classified for accounting reporting purposes into the following three net position groups:

Net Investment in Capital Assets

This category includes capital assets, net of accumulated depreciation and outstanding principal balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

TOWN OF ENGLEWOOD, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

Net investment in capital assets at June 30, 2023, has been calculated as follows:

Governmental Activities:

Capital assets	\$	1,473,252
Accumulated depreciation		(851,673)
Principal balance on long-term debt		<u>(58,948)</u>
Total governmental activities	\$	<u>562,631</u>

Business-Type Activities:

Water and Sewer Fund		
Capital assets	\$	8,897,098
Accumulated depreciation		(4,699,594)
Principal balance on long-term debt		<u>(439,831)</u>
Total water and sewer fund	\$	<u>3,757,673</u>

Restricted

This category includes net position whose use is subject to externally imposed stipulations that can be fulfilled by actions of the Town pursuant to those stipulations or that expire by the passage of time. Net position of the drug fund is classified as restricted net position because its use is limited to police drug enforcement. When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

Unrestricted

This category includes net position that is not subject to externally imposed stipulations and that does not meet the definition of "Restricted" or "Net Investment in Capital Assets". Unrestricted net position may be designated for specific purposes by action of the Mayor and Board of Commissioners or may otherwise be limited by contractual agreements with outside parties.

TOWN OF ENGLEWOOD, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

Fund Balances

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

Nonspendable Fund Balances

Fund balances reported as nonspendable in the accompanying financial statements represent amounts for prepaid expenses or inventory.

Restricted Fund Balances

Fund balances reported as restricted in the accompanying financial statements represent amounts restricted to specific purposes by externally imposed restrictions or imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balances

Fund balances reported as committed in the accompanying financial statements represent amounts that can be used only for the specific purposes determined by a formal action of the Town's highest level of decision-making authority. The Mayor and Board of Commissioners commit resources for specific purposes by passing ordinances.

Assigned Fund Balances

Fund balances reported as assigned in the accompanying financial statements represent amounts that are constrained by the Town's intent to be used for a specific purpose but are neither restricted nor committed. This intent is expressed by the Mayor and Board of Commissioners.

Unassigned Fund Balance

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

The Town would typically use restricted resources first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

Budgets and Budgetary Accounting

The Mayor and Board of Commissioners are required to adopt, by ordinance, total budget appropriations by line item for all funds. The Town's budgetary basis of accounting is consistent with generally accepted accounting principles (GAAP). All budget amendments must be approved by the Mayor and Board of Commissioners. Unused appropriations lapse at the end of the year.

TOWN OF ENGLEWOOD, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of \$2,500 or more. Such assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at estimated fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 5 to 50 years.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

Materials and Supplies

Materials and supplies of the proprietary funds are valued at the lower of cost (determined on a first-in, first-out basis) or net realizable value. The costs of inventory items of the governmental fund types (primarily materials and supplies) are recorded as expenditures when purchased.

Compensated Absences

The Town's policy permits employees to accumulate earned but unused vacation benefits and sick day benefits. In the event of termination, the employee is paid for any unused vacation days.

Accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

Allowance for Uncollectible Accounts

An allowance for uncollectible accounts receivable and taxes receivable is provided based upon historical trends. The allowances for uncollectible accounts at June 30, 2023, were as follows:

Governmental funds	\$ 5,000
Proprietary funds	125,600

TOWN OF ENGLEWOOD, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

NOTE C - CASH AND INVESTMENTS

Investments that have maturities of three months or less at the date of purchase are classified as cash equivalents. Cash represents money on deposit in various banks. Cash and investments are stated at cost, which approximates market value. Carrying amounts at June 30, 2023, were as follows:

	Governmental Activities	Business-Type Activities	Totals
Cash on hand	\$ 750	\$ -	\$ 750
Bank deposits (checking and savings accounts)	1,408,488	2,285,144	3,693,632
Totals	1,409,238	2,285,144	3,694,382

State of Tennessee law authorizes the Town to invest in obligations of the United States of America or its agencies, nonconvertible debt securities of certain federal agencies, other obligations guaranteed as to principal and interest by the United States of America or any of its agencies, secured certificates of deposit and other evidences of deposit in state and federal banks and savings and loan associations, and the Tennessee Department of Treasury Local Government Investment Pool (LGIP). The LGIP contains investments in certificates of deposit, U.S. Treasury securities and repurchase agreements, backed by the U.S. Treasury securities. The Treasurer of the State of Tennessee administers the investment pool.

All deposits with financial institutions in excess of Federal Deposit Insurance Corporation (FDIC) limits are required to be secured by one of two methods. Excess funds can be deposited with a financial institution that participates in the State of Tennessee Bank Collateral Pool. For deposits with financial institutions that do not participate in the State of Tennessee Bank Collateral Pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits.

All cash balances at June 30, 2023, were entirely insured through either the Federal Deposit Insurance Corporation or the State of Tennessee Bank Collateral Pool.

NOTE D - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town participates in the Tennessee Municipal League Risk Management Pool (the Pool) and pays an annual premium to the Pool for its workers' compensation, general liability insurance, destruction of property and employee dishonesty bonds. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The pooling agreement allows the Pool to make additional assessments or refund surplus revenue to the Town. It is not possible to estimate the amount of such additional assessments or refunds.

TOWN OF ENGLEWOOD, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

NOTE E - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2023, was as follows:

Governmental Activities

	Balance 7/1/22	Additions	Reductions	Balance 6/30/23
<u>Capital assets not being depreciated:</u>				
Land	\$ 107,080	\$ -	\$ -	\$ 107,080
Total capital assets not being depreciated	107,080	-	-	107,080
<u>Capital assets being depreciated:</u>				
Buildings	402,873	9,951	-	412,824
Land improvements	218,272	-	-	218,272
Vehicles	533,950	-	(264,733)	269,217
Equipment	459,068	6,790	-	465,858
Total capital assets not being depreciated	1,614,163	16,741	(264,733)	1,366,171
<u>Less: accumulated depreciation for:</u>				
Buildings	(206,536)	(11,896)	-	(218,432)
Land improvements	(72,694)	(4,669)	-	(77,363)
Vehicles	(392,482)	(28,714)	254,067	(167,129)
Equipment	(377,546)	(11,202)	-	(388,748)
Total accumulated depreciation	(1,049,258)	(56,481)	254,067	(851,672)
Total capital assets being depreciated (net)	564,905	(39,740)	(10,666)	514,499
Governmental Activities capital assets (net)	\$ 671,985	\$ (39,740)	\$ (10,666)	\$ 621,579

Depreciation expense is charged to the various governmental functions as follows:

General government	\$ 11,127
Public safety	30,609
Public welfare	7,361
Streets and highways	4,688
Solid waste collection and disposal	2,697
Total depreciation expense	\$ 56,482

TOWN OF ENGLEWOOD, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

Business-Type Activities:

Water and Sewer Fund

	Balance			Balance
	7/1/22	Additions	Reductions	6/30/23
<u>Capital assets not being depreciated</u>				
Land	\$ 39,372	\$ -	\$ -	\$ 39,372
Construction in progress	-	88,540	-	88,540
Total capital assets not being depreciated	39,372	88,540	-	127,912
<u>Capital assets being depreciated</u>				
Buildings	188,478	-	-	188,478
Utility plant	8,394,690	-	-	8,394,690
Equipment	121,523	9,500	-	131,023
Office equipment	5,483	-	-	5,483
Vehicles	28,274	55,384	(34,146)	49,512
Total capital assets being depreciated	8,738,448	64,884	(34,146)	8,769,186
<u>Less: accumulated depreciation</u>				
Buildings	(76,710)	(6,233)	-	(82,943)
Utility plant	(4,334,094)	(194,419)	-	(4,528,513)
Equipment	(42,396)	(11,443)	-	(53,839)
Office equipment	(5,262)	(221)	-	(5,483)
Vehicles	(16,118)	(3,984)	8,714	(28,816)
Total accumulated depreciation	(4,474,580)	(216,300)	8,714	(4,699,594)
Total capital assets being depreciated (net)	4,263,868	(151,416)	(25,432)	4,069,592
Water and Sewer fund capital assets (net)	\$ 4,303,240	\$(62,876)	\$ (25,432)	\$ 4,197,504

TOWN OF ENGLEWOOD, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

Natural Gas Fund

	<u>Balance</u> <u>7/1/22</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>6/30/23</u>
<u>Capital assets not being depreciated</u>				
Land	\$ 257	\$ -	\$ (257)	\$ -
Total capital assets not being depreciated	257	-	(257)	-
<u>Capital assets being depreciated</u>				
Utility plant	253,735	-	(253,735)	-
Equipment	-	-	-	-
Vehicles	17,637	-	(17,637)	-
Total capital assets being depreciated	271,372	-	(271,372)	-
<u>Less: accumulated depreciation</u>				
Utility plant	(228,069)	-	228,069	-
Equipment	-	-	-	-
Vehicles	(17,637)	-	17,637	-
Total accumulated depreciation	(245,706)	-	245,706	-
Total capital assets being depreciated (net)	25,666	-	(25,666)	-
Natural Gas fund capital assets (net)	<u>\$ 25,923</u>	<u>\$ -</u>	<u>\$ (25,923)</u>	<u>\$ -</u>

TOWN OF ENGLEWOOD, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

NOTE F – LONG – TERM DEBT

Long-term debt at June 30, 2023, consisted of the following:

Governmental Activities:

General Obligation Capital Outlay Note, Series 2013 due in semi-annual installments of \$2,246, including interest at 2.89% through 2025	\$ 8,607
Police Department Capital Outlay Note due in varying annual installments of \$23,200 in 2023, \$23,700 in 2024, and \$24,100 in 2025, including interest at 2.08%	47,800
General Obligation Capital Outlay Note, Series 2013 transferred from the natural gas fund due in semi-annual installments ranging from \$1,226 to \$2,540, including interest at 2.89% through 2025	<u>2,541</u>
	58,948
Less current maturities	<u>(29,356)</u>
Total long-term debt of governmental activities	<u>\$ 29,592</u>

The ad valorem taxes levied on all taxable property within the jurisdiction are pledged for the repayment of the principal and interest maturities of the General Obligation Capital Outlay Notes.

Business-Type Activities:

General Obligation Capital Outlay Note, Series 2013 for the water and sewer fund due in semi-annual installments of \$5,240, including interest at 2.89% through 2025	\$ 15,611
2006 State Revolving Fund Loan, interest rate of 0.00% due in monthly installments of \$933 through 2027	51,295
2016 State Revolving Fund Loan, interest rate of 0.20%, maturity date determined when project is completed	<u>372,924</u>
	439,830
Less current maturities	<u>(46,633)</u>
Total long-term debt of business-type activities	<u>\$ 393,197</u>

TOWN OF ENGLEWOOD, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

The income and revenues derived from the operation of the water, sewer and natural gas system and the ad valorem taxes levied on all taxable property within the jurisdiction are pledged for the repayment of the principal and interest maturities of the General Obligation Capital Outlay Note, Water and Sewer Revenue Bonds and State Revolving Fund Loans.

Maturities of long-term debt as of June 30, 2023, are as follows:

Governmental Activities:

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 29,356	\$ 1,326	\$ 30,682
2025	29,592	669	30,261
Total	<u>\$ 58,948</u>	<u>\$ 1,995</u>	<u>\$ 60,943</u>

Business-Type Activities:

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 46,633	\$ 1,650	\$ 48,283
2025	45,322	1,356	46,678
2026	38,256	1,044	39,300
2027	38,304	996	39,300
2028	33,679	936	34,615
2029	27,216	888	28,104
2030	27,276	828	28,104
2031	27,324	780	28,104
2032	27,384	720	28,104
2033	27,444	660	28,104
2034	27,492	612	28,104
2035	27,552	552	28,104
2036	27,600	504	28,104
2037	18,348	173	18,521
Total	<u>\$ 439,830</u>	<u>\$ 11,699</u>	<u>\$ 451,529</u>

TOWN OF ENGLEWOOD, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

Changes in long-term debt for the year ended June 30, 2023, were as follows:

<u>Governmental Activities:</u>	Balance	Proceeds	Payments	Balance	Amounts
	7/1/22			6/30/23	Due Within
					One Year
Capital Outlay Note					
Series 2013	\$ 12,730	\$ -	\$ 4,123	\$ 8,607	\$ 4,242
Fire Department Capital					
Outlay Note	13,800	-	13,800	-	-
Police Department Capital					
Outlay Note	71,000	-	23,200	47,800	23,700
General Obligation Note (Old Gas)					
Series 2013	3,915	-	1,374	2,541	1,414
Total Governmental Activities	\$101,445	\$ -	\$ 42,497	\$ 58,948	\$ 29,356

<u>Business-Type Activities:</u>	Balance	Proceeds	Payments	Balance	Amounts
	7/1/22			6/30/23	Due Within
					One Year
Water and Sewer Revenue					
Bonds, Series 2001	\$364,866		\$ 364,866	\$ -	\$ -
2006 State Revolving Fund Loan	62,491		11,196	51,295	11,196
2016 State Revolving Fund Loan	399,816		26,892	372,924	26,952
Capital Outlay Note, Series 2013	23,857		8,246	15,611	8,485
Total Business-Type Activities	\$851,030	\$ -	\$ 411,200	\$439,830	\$ 46,633

TOWN OF ENGLEWOOD, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

NOTE G – INTERFUND BALANCES

Amounts due from and due to other funds at June 30, 2023, resulting from short-term advances for shared costs, were as follows:

Due From	Due To	Amount
Water and Sewer Fund	General Fund	\$ 559,003
		\$ 559,003

NOTE H - RETIREMENT PLAN

The Town provides a SIMPLE IRA retirement savings plan for employees. All employees earning at least \$5,000 in any two preceding fiscal years and expected to earn at least \$5,000 in the current fiscal year are eligible to participate in the plan. There are different options available which detail how the Town can contribute to the plan. The first option allows the Town to contribute a dollar-for-dollar match of up to 3% for each eligible employee who is contributing to the plan. The second option allows the Town to make nonelective contributions equal to 2% of each eligible employee's compensation. Retirement expense for the year ended June 30, 2023, was \$1,564.

NOTE I – CHANGES IN RESTRICTED NET POSITION

	State Street Aid
Balance, July 1, 2022	\$ -
Received from State of Tennessee	29,218
Current expenditures	(414,417)
Expended from unrestricted funds	385,199
Balance, June 30, 2023	\$ -

TOWN OF ENGLEWOOD, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
June 30, 2023

NOTE J – SALE OF NATURAL GAS UTILITY

In October 2022, the Town sold its natural gas utility for \$174,367. Some of the assets were transferred to the water and sewer fund prior to the sale. The remaining assets were included in the sale. The Town moved the long-term debt held in the natural gas fund to the general fund. Any remaining fund balance was transferred to the general fund.

NOTE K – SUBSEQUENT EVENTS

In preparing these financial statements, the Town has evaluated events and transactions for potential recognition or disclosure through February 12, 2024, the date the financial statements were available to be issued.

TOWN OF ENGLEWOOD, TENNESSEE
PROPERTY TAXES RECEIVABLE
June 30, 2023

<u>Tax Year</u>	<u>Tax Levy</u>	<u>Subsequent Adjustments</u>	<u>Adjusted Tax Levy</u>	<u>Collections in Previous Years</u>	<u>Collections in Current Year</u>	<u>Total Collections</u>	<u>Balance June 30, 2023</u>
2023	\$ 232,575	\$ -	\$ 232,575	\$ -			\$ 232,575
2022	228,315	4,284	232,599	-	199,226	199,226	33,373
2021	213,274	15,041	228,315	202,062	14,292	216,354	11,961
2020	226,241	-	226,241	216,122	2,082	218,204	8,037
2019	224,731	-	224,731	215,080	3,496	218,576	6,155
2018	223,900	(2,310)	221,590	216,308	1,526	217,834	3,756
2017	222,099	(1,901)	220,198	217,061	1,146	218,207	1,991
2016	220,998	-	220,998	218,436	531	218,967	2,031
2015	217,481	-	217,481	215,811	531	216,342	1,139
2014	213,674	-	213,674	212,354	376	212,730	944
2013	188,125	-	188,125	186,267	326	186,593	1,532
2012 & prior	179,069	-	179,069	178,636	-	178,636	2,401
					<u>\$ 223,532</u>		<u>\$ 305,895</u>

Property taxes unpaid for 2011 through 2021 have been filed with the McMinn County Clerk and Master.

See the accompanying independent auditor's report.

TOWN OF ENGLEWOOD, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Year Ended June 30, 2023

<u>Federal or State Grantor/Pass-Through Grantor</u>	<u>Federal Assistance Listing Number</u>	<u>Contract Number</u>	<u>Expenditures</u>
<u>Federal Awards</u>			
U.S. Department of Housing & Urban Development/ Passed Thru-TN Department of Economic & Conservation	14.288	33 33004-41822	\$ 61,169
U.S. Department of Treasury/Passed Thru- Coronavirus State & Local Recovery Funds	21.027	N/A	10,379
U.S. Department of Transportation/Passed Thru- TN Department of Transportation	20.607	Z24THSO95	13,723
U.S. Department of Interior/Passed Thru- TN Department of Economic & Conservation	15.904	32701-04375	<u>30,000</u>
Total Federal Awards			115,271
<u>State Financial Assistance</u>			
TN Department of Economic & Conservation	N/A	33007-10523	<u>40,836</u>
Total Federal Awards and State Financial Assistance			<u>\$ 156,107</u>

Basis of Presentation

This schedule summarizes the expenditures of Town of Englewood, Tennessee under programs of the federal and state governments for the year ended June 30, 2023. The schedule is presented using the full accrual basis of accounting. Because this schedule presents only a selected portion of the operations of Town of Englewood, Tennessee, it is not intended and does not present the net position or changes in net position of Town of Englewood, Tennessee.

See the accompanying independent auditor's report.

TOWN OF ENGLEWOOD, TENNESSEE
SCHEDULE OF UTILITY RATES AND METERED CUSTOMERS
June 30, 2023

<u>Water</u>	<u>Inside Town</u>	<u>Outside Town</u>
Utility Rates		
Residential		
First 2,000 gallons (3/4" meter, minimum monthly bill)	\$ 15.73	\$ 30.05
First 2,000 gallons (1" meter, minimum monthly bill)	30.22	57.72
First 2,000 gallons (2" meter, minimum monthly bill)	47.80	91.30
First 2,000 gallons (4" meter, minimum monthly bill)	170.10	324.90
Over 2,000 gallons (per thousand)	7.38	14.10
Commercial		
First 2,000 gallons (3/4" meter, minimum monthly bill)	\$ 15.73	\$ 30.05
First 2,000 gallons (1" meter, minimum monthly bill)	30.22	57.72
First 2,000 gallons (2" meter, minimum monthly bill)	50.18	195.85
First 2,000 gallons (4" meter, minimum monthly bill)	170.10	324.90
Over 2,000 gallons (per thousand)	8.41	16.07

Water tap fee ranges from \$750 to \$900 depending on size of tap

Sewer

Sewer charges for all residential customers is 140% of monthly water bill.

	<u>Small Business</u>	<u>Large Business</u>
Commercial		
First 2,000 gallons	\$ 29.00	\$ 55.95
Over 2,000 gallons (per thousand)	16.55	31.92

Sewer tap fee is cost plus 10%

Natural Gas

Natural gas rates are based on a purchase gas adjustment mechanism which is computed each month based on the cost of gas.

<u>Metered Customers</u>	<u>Total</u>
Water	1,546
Sewer	580

See the accompanying independent auditor's report.

TOWN OF ENGLEWOOD, TENNESSEE
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
June 30, 2023

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-22	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding 6-30-23
General Fund									
General Obligation Capital Outlay Note, Series 2013	\$ 150,000	2.890%	4/8/13	5/31/25	\$ 12,730	-	4,123	-	8,607
Fire Department Capital Outlay Note	65,000	2.970	3/5/18	2/1/23	13,800	-	13,800	-	-
Police Department Capital Outlay Note	71,000	2.080	2/12/22	2/1/25	71,000	-	23,200	-	47,800
General Obligation Capital Outlay Note, Series 2013	18,000	2.890	6/20/13	6/20/25	3,915	-	1,374	-	2,541
Water and Sewer Fund									
Water and Sewer Revenue Bonds, Series 2001	573,300	4.750	4/10/00	6/30/39	364,866	-	364,866	-	-
2006 State Revolving Fund Loan	223,900	0.000	1/1/08	12/31/27	62,491	-	11,196	-	51,295
General Obligation Capital Outlay Note, Series 2013	132,000	2.890	6/30/13	6/20/25	23,857	-	8,246	-	15,611
2016 State Revolving Fund Loan	542,500	0.200	4/15/15	6/30/37	399,816	-	26,892	-	372,924
					<u>\$ 952,475</u>	<u>\$ -</u>	<u>\$ 453,697</u>	<u>\$ -</u>	<u>\$ 498,778</u>

See the accompanying independent auditor's report.

TOWN OF ENGLEWOOD, TENNESSEE
SCHEDULE OF DEBT SERVICE
June 30, 2023

	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
<u>Governmental Activities:</u>			
General Obligation Capital Outlay Note			
Series 2013			
Year Ending			
June 30:			
<u>2024</u>	\$ 4,242	\$ 249	\$ 4,491
2025	4,365	126	4,491
	<u>\$ 8,607</u>	<u>\$ 375</u>	<u>\$ 8,982</u>
Police Department Capital Outlay Note			
Year Ending			
June 30:			
<u>2024</u>	23,700	994	24,694
2025	24,100	501	24,601
	<u>\$ 47,800</u>	<u>\$ 1,495</u>	<u>\$ 49,295</u>
General Obligation Capital Outlay Note,			
Series 2013			
Year Ending			
June 30:			
<u>2024</u>	\$ 1,414	\$ 83	\$ 1,497
2025	1,127	42	1,169
	<u>\$ 2,541</u>	<u>\$ 125</u>	<u>\$ 2,666</u>
<u>Business - Type Activities:</u>			
2006 State Revolving Fund Loan			
Year Ending			
June 30:			
<u>2024</u>	\$ 11,196	\$ -	\$ 11,196
2025	11,196	-	11,196
2026	11,196	-	11,196
2027	11,196	-	11,196
2028	6,511	-	6,511
	<u>\$ 51,295</u>	<u>\$ -</u>	<u>\$ 51,295</u>

See the accompanying independent accountant's audit report.

TOWN OF ENGLEWOOD, TENNESSEE
SCHEDULE OF DEBT SERVICE (CONTINUED)
June 30, 2023

	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
General Obligation Capital Outlay Note			
Series 2013			
Year Ending			
June 30:			
<u>2024</u>	\$ 8,485	\$ 498	\$ 8,983
2025	7,126	252	7,378
	<u>\$ 15,611</u>	<u>\$ 750</u>	<u>\$ 16,361</u>
2016 State Revolving Fund Loan			
Year Ending			
June 30:			
<u>2024</u>	26,952	1,152	28,104
2025	27,000	1,104	28,104
2026	27,060	1,044	28,104
2027	27,108	996	28,104
2028	27,168	936	28,104
2029	27,216	888	28,104
2030	27,276	828	28,104
2031	27,324	780	28,104
2032	27,384	720	28,104
2033	27,444	660	28,104
2034	27,492	612	28,104
2035	27,552	552	28,104
2036	27,600	504	28,104
2037	18,348	173	18,521
	<u>\$ 372,924</u>	<u>\$ 10,949</u>	<u>\$ 383,873</u>

See the accompanying independent auditor's report.

DAVID M. ELLIS

Certified Public Accountant

*Member, American Institute of
Certified Public Accountants*

*Member, Tennessee Society of
Certified Public Accountants*

**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 Board of Mayor and Commissioners
Town of Englewood, Tennessee

I 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, and each major fund of Town of Englewood, Tennessee, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Town of Englewood, Tennessee's basic financial statements, and have issued my report thereon dated March 4, 2024.

Report on Internal Control over Financial Reporting

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

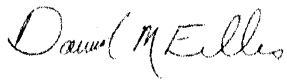
My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. However, material weaknesses or significant deficiencies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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Englewood, Tennessee's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my 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 my 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.



Greeneville, Tennessee
March 4, 2024

TOWN OF ENGLEWOOD, TENNESSEE
SCHEDULE OF DISPOSITION OF PRIOR YEAR FINDINGS
June 30, 2023

Financial Statement Findings

Finding Number	Finding Title	Status
2021-002	Purchasing (Original finding 2021-001)	Corrected