TOWN OF LOUISVILLE, TENNESSEE

ANNUAL FINANCIAL REPORT

June 30, 2022

TOWN OF LOUISVILLE, TENNESSEE
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INTRODUCTORY SECTION

June 30, 2022

TOWN OF LOUISVILLE, TENNESSEE
LIST OF PRINCIPAL OFFICIALS AND SURETY BONDS
June 30, 2022

MAYOR

Tom Bickers
(Surety Bond Coverage - $5,000)

ALDERMEN

Jill Robinson Pugh (Vice Mayor)
Robert Gormley
Steven Kelley
Angie J. Holley

OTHER OFFICIALS

Michael G. Long - Town Recorder
(Surety Bond Coverage - $5,000)

Linda Webb – Town Manager

TOWN OF LOUISVILLE, TENNESSEE

SECTION TWO

FINANCIAL SECTION

June 30, 2022

Whitlock & Company, P.C.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members
of the Board of Alderman
Town of Louisville
Louisville, Tennessee

Report on Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the each major fund of the Town of Louisville, Tennessee (the "Town") for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Town, as of June 30, 2022, and the respective changes in financial position thereof and the respective budgetary comparison information for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

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

Report on Summarized Comparative Information

We have previously audited the Town of Louisville. Tennessee's 2021 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated April 27, 2022. In our opinion, the summarized comparative information, presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements for which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 9 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The Introductory Section (Page 1), Capital Assets Used in Governmental Activities (pages 28-29), the Insurance Schedule (page 30) and the Schedule of Expenditures of Federal Awards and State Financial Assistance (page 31) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2023, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Whitlock & Company, P.C.

Knoxville, Tennessee
February 21, 2023

Town of Louisville

P.O. Box 215 Louisville, Tennessee 37777
Phone: (865) 681-1983, Fax: (865) 681-5541

Jill Pugh, Mayor
Daniel Franklin, Vice Mayor
Mike Long, Recorder

Steven Kelley, Alderman
John Loope, Alderman

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Town of Louisville's (the Town) Annual Financial Report presents a narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2022.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $5,797,280 (net position). Of this amount, $3,106,341 (unrestricted) may be used to meet the government's ongoing obligations to citizens and creditors.

- At June 30, 2022, the Town's governmental fund reported ending fund balance of $3,262,444. At June 30, 2022 approximately 95% of this total amount, or 3,090,316, is unassigned fund balance available for spending at the government's discretion.

- At June 30, 2022, total unassigned fund balance for the general fund was $3,090,316. This amount was 139% of total general fund expenditures.

- The Town issued no new general obligation debt during the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town'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 or not the financial position of the Town is improving or deteriorating.

The **statement of activities** presents information showing how the Town's net position changed during the current 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 periods, such as revenues pertaining to uncollected taxes and expenses pertaining to earned but unused vacation and sick leave.

Both of the government-wide 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. The governmental activities of the Town include highways and streets, parks and recreation, and general government.

Fund Financial Statements

The fund financial statements are designed to report information about groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. All of the Town's basic services are reported in governmental funds. These statements, however, focus on near term inflows and outflows of spendable resources and spendable resources available at the end of the fiscal year. Such information may be useful in determining what financial resources are available in the near future to finance the Town's programs.

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

The Town maintains one individual governmental fund organized according to its type (general fund). 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 (major fund).

The Town adopts an annual appropriated budget for the general fund. Budgetary comparison statements have been provided in the basic financial statements for the general fund to demonstrate compliance with the budget.

Notes to the Financial Statements

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

GOVERNMENT-WIDE STATEMENTS FINANCIAL ANALYSIS

The Town presents its financial statements under the reporting model required by the Governmental Accounting Standards Board Statement No. 34 (GASB 34), Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.

	Net Position Governmental Activities	
Assets	**June 30, 2022**	**June 30, 2021**
Current and other assets	$ 3,344,401	$ 3,100,358
Capital assets, net	2,534,836	2,521,528
Total Assets	5,879,237	5,621,886
Liabilities		
Long-term liabilities	-	-
Other liabilities	81,957	154,036
Total Liabilities	696,302	154,036
Net Position		
Investment in capital assets	2,534,836	2,521,528
Restricted	156,103	135,169
Unrestricted	3,106,341	2,811,153
Total Net Position	**$ 5,797,280**	**$ 5,467,850**

The Town's net position decreased by $284,915 during the fiscal year ended June 30, 2022. These decreases are explained in the governmental activities discussion below.

	Changes in Net Position Governmental Activities	
Revenues	**June 30, 2022**	**June 30, 2021**
Program Revenues:		
Charges for services	$ 188,358	$ 156,539
Operating grants and contributions	836,504	334,691
General Revenues:		
Sales taxes	1,097,448	938,899
State income taxes	13,796	45,347
Miscellaneous taxes	211,185	196,460
Interest earned	2,686	2,231
Other	191,737	1,310
Total Revenues	2,541,714	1,675,477
Expenses		
General government	467,517	404,539
Public Safety	264,018	251,791
Public works and streets	440,980	513,598
Recreation	1,039,769	96,237
Total expenses	2,212,284	1,266,165
Change in Net Position	329,430	409,312
Net Position at Beginning of Year	5,467,850	5,058,538
Net Position at End of Year	**$ 5,797,280**	**$ 5,467,850**

FUND STATEMENTS FINANCIAL ANALYSIS

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's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Governmental funds consist of the General Fund.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the unassigned fund balance of the General Fund was $3,090,316 (nonspendable portion equaled $16,025, and the restricted portion equaled $156,103, while total fund balance was $3,262,444. As a measure of the General Fund's liquidity, it may be useful to compare both total unassigned fund balance and total fund balance to total fund expenditures. Total unassigned fund balance represents 139% total general fund expenditures of $2,225,592, while total fund balance represents 147% of that same amount.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Town's capital assets for its governmental activities as of June 30, 2022 and 2021 amount to $2,534,836 and $2,521,528 respectively (net of accumulated depreciation). Capital assets include land, buildings, infrastructure, improvements, machinery and equipment, and construction in progress. The table below reflects the capital assets at the end of the fiscal year:

	Capital Assets, Net of Depreciation Governmental Activities	
	June 30, 2022	**June 30, 2021**
Land	$ 917,953	$ 917,953
Buildings	1,687,010	1,687,010
Improvements	639,228	639,228
Equipment	678,321	561,374
Total Capital Assets	3,922,512	3,805,565
Less: Accumulated Depreciation	(1,387,676)	(1,284,037)
Capital Assets, net of depreciation	**$ 2,534,836**	**$ 2,521,528**

Major capital asset additions include the purchase of a tractor and a vehicle during the fiscal year ended June 30, 2022 at a cost of $110,454. Other smaller additions totaled $6,493.

For government-wide financial statement presentation, all depreciable capital assets are depreciated from acquisition date to the end of the current fiscal year. Fund financial statements record capital asset purchases as expenditures. Please refer to the Notes to the Financial Statements for further information regarding capital assets.

Debt Administration

At the end of the current fiscal year, the Town had no outstanding total long-term obligations. The Town issued no new debt during the current fiscal year.

OTHER MATTERS

The final budget for the fiscal year ended June 30, 2022 was $2,380,000. The budget was amended during the fiscal year ended June 30, 2022 increasing the total budget by $815,000.

The preliminary budget for the Town of Louisville for the fiscal year beginning July 1, 2022 and ending June 30, 2023 totals $1,915,000, which represents a decrease of $465,000 over last year's final budget.

The fiscal 2023 budget will provide the excellent services that the citizens of Louisville have grown accustomed to receiving. This level of service is directly attributable to the Town's well-trained and dedicated workforce coupled with the support of a progressive Town Commission.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, city commissioners, customers, investors, and creditors with a general overview of the Town's finances. If you have any questions about this report or need additional information, contact:

Town of Louisville, Tennessee
P. O. Box 215
Louisville, TN 37777
(865) 681-1983

TOWN OF LOUISVILLE, TENNESSEE

GOVERNMENT-WIDE FINANCIAL STATEMENTS

June 30, 2022

TOWN OF LOUISVILLE, TENNESSEE
Statement of Net Position
June 30, 2022
With Comparative Amounts for June 30, 2021

	Governmental Activities	
	2022	2021
Assets		
Current assets		
Cash	$ 3,119,725	$ 2,441,446
Accounts receivable	208,651	204,141
Prepaid expenses	16,025	13,365
Deferred festival expenses	-	441,406
Total current assets	3,344,401	3,100,358
Capital assets, net of accumulated depreciation	2,534,836	2,521,528
Deferred outflows of resources	-	-
Total assets	$ 5,879,237	$ 5,621,886
Liabilities		
Current liabilities		
Accounts payable	$ 80,928	$ 65,819
Accrued payroll and other taxes	1,029	2,528
Deferred revenues	-	85,689
Total current liabilities	81,957	154,036
Deferred Inflows of Resources	-	-
Net Position		
Investment in capital assets	2,534,836	2,521,528
Restricted	156,103	135,169
Unrestricted	3,106,341	2,811,153
Total net position	$ 5,797,280	$ 5,467,850

See accompanying independent auditors' report and notes.

TOWN OF LOUISVILLE, TENNESSEE
Statement of Activities
For the Year Ended June 30, 2022
With Comparative Amounts for June 30, 2021

		Program Revenues			Net (Expense) Revenue and Changes in Net Position Governmental Activities Totals	
Function/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	2022	2021
Governmental Activities:						
General Government	$ (467,517)	$ 107,918	$ 674,906	$ -	$ 315,307	$ (134,372)
Public safety	(264,018)	-	-	-	(264,018)	(251,791)
Public Works and Streets	(440,980)	-	160,933	-	(280,047)	(365,243)
Recreation	(1,039,769)	80,440	665	-	(958,664)	(23,529)
	(2,212,284)	188,358	836,504	-	(1,187,422)	(774,935)
		General Revenues:				
		Sales Tax			1,097,448	938,899
		State income taxes			13,796	45,347
		Miscellaneous taxes			211,185	196,460
		Other revenues			191,636	-
		Interest earned			2,686	2,231
		Miscellaneous			101	1,310
		Total general revenues			1,516,852	1,184,247
		Change in net position			329,430	409,312
		Net position - beginning of year			5,467,850	5,058,538
		Net position - end of year			$ 5,797,280	$ 5,467,850

See accompanying independent auditors' report and notes.

TOWN OF LOUISVILLE, TENNESSEE

FUND FINANCIAL STATEMENTS

June 30, 2022

TOWN OF LOUISVILLE, TENNESSEE
Balance Sheet - Governmental Funds
June 30, 2022
With Comparative Amounts for June 30, 2021

	Governmental Activities	
	2022	2021
Assets and Deferred Outflows of Resources		
Assets		
Current assets		
Cash	$ 3,119,725	$ 2,441,446
Accounts receivable	208,651	204,141
Prepaid expenses	16,025	13,365
Deferred Festival expenses	-	441,406
Total current assets	3,344,401	3,100,358
Deferred outflows of resources	-	-
Total assets and deferred outflows of resources	$ 3,344,401	$ 3,100,358
Liabilities, Deferred Inflows of Resources and Fund Balance		
Liabilities		
Current liabilities		
Accounts payable	$ 80,928	$ 65,819
Accrued payroll and other taxes	1,029	2,528
Deferred revenues	-	85,689
Total current liabilities	81,957	154,036
Deferred Inflows of Resources	-	-
Fund Balance:		
Nonspendable	16,025	13,365
Restricted for State Street Aid	156,103	135,169
Unassigned	3,090,316	2,797,788
Total Fund Balance	3,262,444	2,946,322
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 3,344,401	$ 3,100,358

See accompanying independent auditors' report and notes.

TOWN OF LOUISVILLE, TENNESSEE

Reconciliation of Governmental Funds Balance Sheet to
the Statement of Net Position
June 30, 2022
With Comparative Amounts for June 30, 2021

	2022	2021
Fund balance - total governmental fund	$ 3,262,444	$ 2,946,322
Amounts reported for the 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 fund	2,534,836	2,521,528
Net position of governmental activities	$ 5,797,280	$ 5,467,850

See accompanying independent auditors' report and notes.

TOWN OF LOUISVILLE, TENNESSEE

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
For the Fiscal year Ended June 30, 2022
With Comparative Amounts for June 30, 2021

	General Fund	
	2022	2021
Revenues		
Sales tax	$ 1,097,448	$ 938,900
State income taxes	13,796	45,347
State street aid	152,906	140,374
State gas inspection fee	8,028	7,981
Miscellaneous taxes	211,185	196,459
Licenses and permits	86,398	68,904
Recreation	81,105	72,708
Interest earned	2,686	2,231
Donations	255	2,390
Grants	674,651	183,055
Festival	191,636	-
Other revenues	21,620	17,129
Total Revenues	2,541,714	1,675,478
Expenditures		
General government:		
Board of Aldermen	-	10,000
Financial Administration	158,056	133,481
Planning & Zoning	70,658	53,770
Town Hall Building	106,084	87,465
Other General Government	66,286	61,907
Public safety	264,018	251,792
Highways & Streets	388,292	364,946
State Street Aid:		
Contract Paving	140,000	125,000
Recreation and community event	1,015,638	82,171
Capital Expenditures	16,560	10,700
Total expenditures	2,225,592	1,181,232
Excess of revenues over expenditures	316,122	494,246
Fund balance, beginning of year	2,946,322	2,452,076
Fund balance, end of year	$ 3,262,444	$ 2,946,322

See accompanying independent auditors' report and notes.

TOWN OF LOUISVILLE, TENNESSEE

Reconciliation of the Statement of Revenues, Expenditures and
Change in Fund Balance to the Statement of Activities
For the Fiscal year Ended June 30, 2022
With Comparative Amounts for June 30, 2021

	2022	2021
Net change in fund balance - total governmental fund	$ 316,122	$ 494,246
Amounts reported for the 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 the capital outlay ($116,947) exceeded depreciation ($103,639) in the current period	13,308	(84,934)
Change in net position of governmental activities	$ 329,430	$ 409,312

See accompanying independent auditors' report and notes.

TOWN OF LOUISVILLE, TENNESSEE

GENERAL FUND

June 30, 2022

TOWN OF LOUISVILLE, TENNESSEE
General Fund
Statement of Revenues, Expenditures, and Change in Fund Balance - Compared to Budget
For the Fiscal year Ended June 30, 2022
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021

	June 30, 2022				
	Budget			Variance Favorable	
	Original	Final	Actual	(Unfavorable)	2021
REVENUES					
TAXES:					
Local sales tax	$ 450,000	$ 500,000	$ 605,514	$ 105,514	$ 519,236
State sales tax	350,000	400,000	491,934	91,934	419,664
State beer tax	2,000	2,000	2,003	3	1,903
State street aid	135,000	135,000	152,906	17,906	140,374
State gasoline inspection fee	8,000	8,000	8,028	28	7,981
TVA in lieu	45,000	45,000	45,518	518	45,951
State income tax	25,000	40,000	13,796	(26,204)	45,347
Wholesale beer tax	70,000	80,000	94,132	14,132	79,787
Cable TV franchise tax	35,000	35,000	39,055	4,055	39,140
Sportsbetting tax	2,500	4,000	4,175	175	1,485
Business tax	35,000	30,000	25,929	(4,071)	28,193
Total local taxes	1,157,500	1,279,000	1,482,990	203,990	1,329,061
LICENSES AND PERMITS:					
Building permits	60,000	65,000	85,648	20,648	68,304
Other licenses	2,000	2,000	750	(1,250)	600
Total Licenses and Permits	62,000	67,000	86,398	19,398	68,904
OTHER:					
Interest Earned	5,000	5,000	2,686	(2,314)	2,231
Poland Creek fees	74,000	74,000	80,440	6,440	71,817
Poland Creek ramp donations	1,000	1,000	665	(335)	891
Donations	-	-	255	255	2,390
Town Hall revenue	15,000	20,000	21,521	1,521	15,819
Festival revenue	300,000	300,000	191,636	(108,364)	-
Grants	150,000	714,345	674,651	(39,694)	183,055
Miscellaneous	500	1,375	472	(903)	1,310
Total other	545,500	1,115,720	972,326	(143,394)	277,513
Total revenues	1,765,000	2,461,720	2,541,714	79,994	1,675,478

See accompanying independent auditors' report and notes.

TOWN OF LOUISVILLE, TENNESSEE
General Fund
Statement of Revenues, Expenditures, and Change in Fund Balance - Compared to Budget - (Continued)
For the Fiscal year Ended June 30, 2022
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021

	June 30, 2022				
	Budget			Variance Favorable	
	Original	Final	Actual	(Unfavorable)	2021
EXPENDITURES:					
GENERAL GOVERNMENT:					
Legislative:					
MTAS codification service	2,000	2,000	-	2,000	-
Board of Aldermen:					
Discretionary	5,000	5,000	-	5,000	10,000
Financial Administrative:					
Salaries and wages	102,000	110,500	109,351	1,149	100,112
Legal notice publications	400	400	398	2	1,856
Publicity, dues and subscriptions	5,000	6,300	6,239	61	4,456
Telephone	4,500	4,200	4,127	73	4,168
Education and training	1,000	4,500	4,349	151	-
Office supplies	9,000	10,500	10,319	181	8,769
Office equipment	-	-	-	-	1,773
Professional services	7,000	17,000	16,926	74	6,428
Internet and cable	500	400	200	200	400
Employee insurance reimbursement	1,100	2,500	2,496	4	1,078
Repair and maintenance supplies	-	500	439	61	208
Repair and maintenance equipment	1,500	200	200	-	1,409
Bank charges	3,000	3,000	3,012	(12)	2,824
Total Financial Administration	135,000	160,000	158,056	1,944	133,481
Town Hall Building:					
Wages	20,500	22,000	21,450	550	20,250
Electricity and Gas	22,500	23,000	22,057	943	21,138
Water	2,000	2,000	1,579	421	1,503
Waste disposal	2,000	2,500	2,393	107	2,241
Internet and cable	4,500	4,500	4,519	(19)	4,541
Operating supplies	6,000	6,000	5,489	511	5,826
Machinery and equipment	3,000	15,000	13,654	1,346	-
Repairs and maintenance	20,000	25,000	24,918	82	19,053
Community room instruction	9,500	10,000	10,025	(25)	9,113
Other	-	-	-	-	3,800
Total Town Hall	90,000	110,000	106,084	3,916	87,465

See accompanying independent auditors' report and notes.

TOWN OF LOUISVILLE, TENNESSEE

General Fund

Statement of Revenues, Expenditures, and Change in Fund Balance - Compared to Budget - (Continued)

For the Fiscal year Ended June 30, 2022

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021

	June 30, 2022				
	Budget			Variance Favorable	
	Original	Final	Actual	(Unfavorable)	2021
EXPENDITURES:					
GENERAL GOVERNMENT (Continued):					
Other General Government:					
Membership dues - TML	1,800	1,900	1,821	79	1,785
OASI - employer's share	25,000	28,000	26,386	1,614	24,388
Unemployment taxes	700	800	572	228	724
Auditing services	3,600	3,800	3,800	-	3,600
East Tennessee Development District	400	500	390	110	390
Town elections	1,500	1,500	-	1,500	1,500
Insurance	27,000	30,000	28,579	1,421	29,520
Legal services	-	18,500	4,738	13,762	-
Total Other General Government	60,000	85,000	66,286	18,714	61,907
Public Safety:					
Animal Control	13,000	13,000	12,500	500	12,500
Fire protection	140,000	140,000	140,000	-	135,000
Police services	125,000	125,000	111,518	13,482	104,292
Total Public Safety	278,000	278,000	264,018	13,982	251,792
Highways and Streets:					
Wages - Regular	110,000	115,000	111,945	3,055	112,375
Wages - Seasonal	25,000	25,000	23,571	1,429	22,561
Employee Insurance Reimbursement	8,000	8,500	7,467	1,033	7,789
Road maintenance	5,000	8,000	5,884	2,116	13,164
Contract Paving	75,000	95,000	90,435	4,565	182,437
Gas and oil	10,000	15,000	16,886	(1,886)	10,838
Equipment maintenance and repairs	5,000	12,000	11,644	356	4,786
Other repairs and maintenance	6,500	6,500	6,314	186	6,545
Sign parts and supplies	2,000	2,500	2,472	28	1,963
Materials	-	-	-	-	31
Machinery and equipment	51,500	110,500	110,454	46	1,165
Utilities	1,500	1,500	1,220	280	1,292
Equipment Rental	500	500	-	500	-
Total Highways and Streets	300,000	400,000	388,292	11,708	364,946

See accompanying independent auditors' report and notes.

TOWN OF LOUISVILLE, TENNESSEE
General Fund
Statement of Revenues, Expenditures, and Change in Fund Balance - Compared to Budget - (Continued)
For the Fiscal year Ended June 30, 2022
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2021

	June 30, 2022				
	Budget			Variance Favorable	
	Original	Final	Actual	(Unfavorable)	2021
EXPENDITURES:					
GENERAL GOVERNMENT (Continued):					
State Street Aid:					
Contract paving	140,000	140,000	140,000	-	125,000
Planning and Zoning:					
Salaries	36,000	60,600	57,146	3,454	43,500
State and local planning	6,500	6,500	6,500	-	6,500
Office supplies	500	2,000	1,959	41	28
Operating Supplies	-	200	170	30	226
Legal Services	2,000	5,000	4,856	144	2,821
Publicity, dues, and subscriptions	-	700	27	673	695
Total Planning and Zoning	45,000	75,000	70,658	4,342	53,770
Recreation and Community Events	360,000	1,050,000	1,015,638	34,362	82,171
EXPENDITURES (Continued):					
CAPITAL EXPENDITURES:					
Capital Outlay	150,000	75,000	16,560	58,440	10,700
TOTAL EXPENDITURES	1,565,000	2,380,000	2,225,592	154,408	1,181,232
Change in Fund Balance	200,000	81,720	316,122	(74,414)	494,246
Fund balance, beginning of year	2,946,322	2,946,322	2,946,322	-	2,452,076
Fund balance, end of year	$ 3,146,322	$ 3,028,042	$ 3,262,444	$ (74,414)	$ 2,946,322

See accompanying independent auditors' report and notes.

TOWN OF LOUISVILLE, TENNESSEE

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(A) DEFINITION OF REPORTING ENTITY:

The Town of Louisville, Tennessee, was incorporated under the laws of the State of Tennessee under Public Chapter 154 in 1991, and operates under an elected Mayor-Aldermen form of government. All funds under the control, authority, or oversight of the Town's governing body (Board of Aldermen) are included in these financial statements.

(B) FINANCIAL REPORTING ENTITY:

The accompanying financial statements present the Town of Louisville (primary government) and all funds, organizations, agencies, and offices that are a part of the primary government. The criteria for determining a primary government consist of the following:

(1) A separately elected governing body
(2) Separate legal standing – corporate power with the capacity to have a name; the right to sue and be sued in its own name without recourse to a state or local governmental unit; and, the right to buy, sell, lease, or mortgage property in its own name.
(3) Fiscal independence of other state and local governments by determining its budget, levying taxes, setting rates or charges, and issuing bonded debt without approval by another government.

Based on applying the criteria set forth in the Governmental Accounting Standards Board (GASB) Statement 14 – "The Financial Reporting Entity", as amended by GASB Statement 39 – "Determining Whether Certain Organizations are Component Units", there are no potential component units for inclusion in the primary government. The financial reporting entity includes all funds, agencies, offices and departments which are a part of the primary government.

(C) BASIC FINANCIAL STATEMENTS – GASB NO. 34:

The basic financial statements include both government–wide (based on the Town as a whole and its component units) and fund financial statements. Both the government-wide and fund financial statements categorize the Town's activities as governmental activities. *Governmental activities* are normally supported by taxes and intergovernmental revenues. All activities are reported in the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets as well as long-term obligations. The government-wide financial statements focus more on the sustainability of the Town as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued):

(C) BASIC FINANCIAL STATEMENTS – GASB NO. 34 - (Continued):

The government-wide Statement of Activities demonstrates the degree to which the direct expenses, including depreciation, of the various departments of the City are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific department. Interest on general long-term debt and depreciation expense on assets shared by multiple departments, are not allocated to the various departments. Program revenues include revenues from fines and forfeitures, licenses and permit fees, special assessment taxes, certain intergovernmental grants, other entities participation and charges for services. Taxes and other items not properly included among program revenues are reported as general revenues.

Generally, the effect of interfund activity has been removed from the government-wide financial statements.

The Town does not currently utilize an indirect cost allocation system. The General Fund charges certain administrative fees to departments within the operating fund to support general services used by those departments. The expenditures/expenses are recorded as a reduction of expense in the allocating department. Therefore, no elimination is required from either the government-wide or fund level financial statements. There are no non-major funds.

(D) BASIS OF PRESENTATION:

The Town uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid in the Town's financial management by segregating transactions related to certain functions or activities.

The following fund categories are used by the Town:

GOVERNMENTAL FUNDS: All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Sales taxes are considered "measurable" (susceptible to accrual) when in the hands of intermediary collecting agencies and are recognized as revenues at that time. All other intergovernmental revenues are recorded as revenue when received. Expenditures are recognized when the related fund liability is incurred.

GENERAL FUND: The General Fund is established to account for resources devoted to financing the general services that the Town performs for its citizens. General tax revenues and other sources of revenue used to finance the fundamental operations of the Town are included in this fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is always considered a major fund in the basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued):

(E) MEASUREMENT FOCUS AND BASIS OF ACCOUNTING:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to 1) demonstrate legal and covenant compliance, 2) demonstrate the source and use of liquid resources, and 3) demonstrate how the Town's actual experience conforms to the biennial budget. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" is defined as collectible within the current period or within 60 days of the end of the current fiscal period. Expenditures, other than interest on long-term debt, are recorded when the related fund liability is incurred, if measurable. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only when payment is due.

Revenues susceptible to accrual include local sales tax, state-shared sales tax, highway user tax, vehicle license tax, franchise fees, special assessments and interest earned on investments. Licenses and permits, charges for services, fines and forfeitures and miscellaneous revenues are generally recorded as revenues when received in cash because they are not measurable until actually received. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for a specific purpose or project before any amounts will be paid to the Town; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to the purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

The Town reports unearned revenues in the governmental funds if the potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the Town before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Town has a legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

Since the governmental fund financial statements are presented on a basis different than the governmental activities column of the government-wide financial statements, a reconciliation is provided immediately following each fund statement. These reconciliations briefly explain the adjustments necessary to transform the fund financial statements into the governmental activities column of the government-wide financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued):

(E) MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - (Continued):

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Amounts reported as program revenue include 1) charges to customers or users who purchase, use or directly benefit from goods or services provided by a particular department 2) operating grants and contributions that are restricted. Taxes, investment income and other revenues not identifiable with a particular department, are included as general revenues. The general revenues support the net costs of the departments not covered by the program revenues.

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.

(F) GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NO. 34:

The Town utilizes the provisions of GASB Statement No. 34, *Basic Financial Statements* – and *Management's Discussion and Analysis* – for *State and Local Government.* This statement affects the manner in which the Town records transactions and presents financial information. State and local governments have traditionally used a financial reporting model substantially different from the one used to prepare private-sector financial reports.

Management's Discussion and Analysis – The financial statements are accompanied by a narrative introduction and analytical overview of the Town's financial activities in the form of "management's discussion and analysis" (MD&A).

***Government-Wide Financial Statements* –** The reporting model includes financial statements prepared using full accrual accounting for all of the Town's activities. This approach includes not just current assets and liabilities but also capital and other long-term assets as well as long-term liabilities. Accrual accounting also reports all of the revenues and costs of providing services each year, not just those received or paid in the current year or soon thereafter.

***Statement of Net Position* –** The statement of net position is designed to display the financial position of the primary government (government and business-type activities). The Town reports all capital assets in the government-wide statement of net position and reports depreciation expense – the cost of "using up" capital assets – in the statement of activities. The net position of the Town are broken down into three categories – 1) investment in capital assets; 2) restricted; and 3) unrestricted.

Statement of Activities – The government-wide statement of activities reports expenses and revenues in a format that focuses on the cost of each of the Town's functions. The expense of individual functions is compared to the revenue generated directly by the function.

Accordingly, the Town has recorded capital and certain other long-term assets and liabilities in the statement of net position, and has reported all revenues and the cost of providing services under the accrual basis of accounting in the statement of activities.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued):

(G) BUDGETARY DATA:

Formal budgetary accounting is employed as a management control for the General Fund of the Town of Louisville, Tennessee. Annual operating budgets are adopted each fiscal year through passage of a budget ordinance, and amended as required using the same basis of accounting to reflect actual revenues and expenditures recognized in accordance with generally accepted accounting principles. The legal level of budgetary control is by function. All unencumbered budget appropriations lapse at the end of each fiscal year.

(H) FUND BALANCES:

Governmental fund equity is classified as fund balance. The Town classifies fund balance in accordance with Governmental Accounting Standards Board (GASB) Statement 54, Fund Balance and Government Fund Type Definitions. Under this statement fund balances are classified into the following categories:

a. Nonspendable fund balances comprise those amounts that are legally or contractually required to be maintained intact.

b. Restricted fund balances comprise those amounts constrained to be used for a specific purpose by external parties, constitutional provisions or enabling legislation.

c. Committed fund balances comprise those amounts constrained by the government itself using its highest level of governing body (Board of Aldermen) using its highest level of authority (ordinance).

d. Assigned fund balances are amounts intended to be used for a specific purpose by the governing body through action other than the highest level of authority or an official expressly authorized by the governing body. This amount can also include amounts needed to balance the next year's budget when the budget is approved by ordinance.

e. Unassigned fund balances are any amounts other than those described above and are available for any purpose.

The Town has no formal policy with regard to classifying expenditures among the various classifications. Thus, the default provision under GASB Statement 54 apply expenditures first to restricted resources, then to committed resources, then to assigned resources, and finally to unassigned resources. No Town official is granted the authority to assign fund balance. In addition, the Town has no formal policy with regard to stabilization funds.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued):

(I) USE OF ESTIMATES:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets 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.

(J) IMPLEMENTATION OF RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS:

During the year ended June 30, 2022, the Town adopted GASB 87, Leases, which enhances the recording and reporting by governments involved as either a lessor or lessee in a leasing arrangement. The Town evaluated the impact of the implementation of this standard on its financial statements and determined that it did not have any lease activity during the fiscal year.

NOTE 2 – SERVICE AGREEMENT:

Fire Protection Service Agreement:

Effective July 1, 1992, the Town of Louisville, Tennessee, entered into an agreement with the Blount County Fire Protection Unit (Fire Department) to provide a fire truck to protect the residences within the Town. The Fire Department has trained and equipped up to eight (8) volunteers for the fire protection service. The Town provides housing for the truck in the Town Hall facilities. The perpetual agreement is binding on both parties for as long as either of them exists, or until the Town undertakes to provide its own fire protection.

NOTE 3 – CASH AND CASH EQUIVALENTS:

In order to provide a safe temporary medium for investments of idle funds, municipalities are authorized by TCA 6-56-106 to invest in the following:

(1) Bonds, notes, or treasury bills of the United States;
(2) Non-convertible debt securities of certain issuers;
(3) Other obligations which are guaranteed as to principal and interest by the United States or any of its agencies;
(4) Certificates of Deposit at state and federal chartered banks and savings and loan associations;
(5) Obligations of the United States or its agencies under a repurchase agreement if approved as an authorized investment by the State Director of Local Finance;
(6) Money market funds whose portfolios consist of any of the foregoing investments if approved as an authorized investment by the State Director of Local Finance; and
(7) The Local Government Investment Pool under which local monies are transferred to and invested with the State Treasurer's cash portfolio.

The Town has no legal restrictions governing cash deposits with financial institutions.

Custodial Credit Risk – The Town has no formal policy regarding custodial credit risk. However, cash and investments include bank balances and investments that at the balance sheet date were either entirely insured or collateralized with securities held by the Tennessee State Bank Collateral Pool.

NOTE 3 – CASH AND CASH EQUIVALENTS (Continued):

Total cash and cash equivalents with a carrying value of $3,119,725 at June 30, 2022 is summarized as follows:

Cash and cash equivalents:	
Cash in checking:	
Smart Bank	$ 1,077,298
Citizens Bank of Blount County	146,026
Pinnacle Bank	1,028,672
Cash in Savings:	
Citizens Bank of Blount County	252,169
LGIP	615,560
Total Cash	$ 3,119,725

NOTE 4 – RISK FINANCING ACTIVITIES:

It is the policy of the Town to purchase commercial insurance for the risks of losses to which it is exposed. These risks include general liability, property and casualty, and worker's compensation. Settled claims have not exceeded this commercial coverage in any of the past three (3) fiscal years.

NOTE 5 – RECEIVABLES:

Receivables at June 30, 2022 consist of the following:

Due from:	
State of Tennessee:	
State Income tax	$ 13,796
Sales tax	44,981
State Street Aid	13,459
State Gas Inspection Fee	670
Other	274
Others:	
Wholesale beer tax	10,692
Local sales tax	114,843
Cable TV franchise tax	9,936
Total	$ 208,651

NOTE 6 – CAPITAL ASSETS:

Capital assets used in governmental fund type operations are stated at historical cost or the fair market value at the date of donation. Infrastructure capital assets, such as streets, bridges, lighting systems and sidewalks, haves not been retroactively stated. However, all infrastructure additions and improvements acquired after July 1, 2003 are recorded.

NOTE 6 – CAPITAL ASSETS - (Continued):

Below is a summary of changes in Capital Assets used in Governmental Activities:

	Balance July 1, 2021	Additions	Deletions	Transfers	Balance June 30, 2022
Capital Assets, non-depreciable:					
Land	$ 917,953	$ -	$ -	$ -	$ 917,953
Capital Assets, depreciable:					
Buildings	1,687,010	-	-	-	1,687,010
Improvements	639,228		-	-	639,228
Equipment	561,374	116,947	-	-	678,321
Total Capital Assets, depreciable	2,887,612		-	-	3,004,559
Accumulated depreciation	(1,284,037)	(103,639)	-	-	(1,387,676)
Capital Assets, net of accumulated depreciation	1,603,575	13,308	-	-	1,616,883
Governmental Capital Assets	$ 2,521,528	$ 13,308	$ -	$ -	$ 2,534,836

Depreciation expense was charged to functions/programs of the Town as follows:

Governmental activities:	
General government	$ 66,433
Public works/streets	23,141
Recreation	14,065
Total depreciation expense – governmental activities..........	$ 103,639

The Town uses the straight-line depreciation method for property, plant and equipment based on the following estimated useful lives by major class of fixed assets:

Class	
Building and Improvements........	40-50 years
Machinery and equipment...........	4-10 years
Infrastructure..............................	20-50 years

NOTE 7 – SUBSEQUENT EVENTS:

The date to which events occurring after June 30, 2022, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosures is February 21, 2023, which is the date on which the financial statements were issued.

TOWN OF LOUISVILLE, TENNESSEE

OTHER SUPPLEMENTARY INFORMATION

June 30, 2022

TOWN OF LOUISVILLE, TENNESSEE

CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL ACTIVITIES

June 30, 2022

TOWN OF LOUISVILLE, TENNESSEE

Capital Assets Used in the Operation of Governmental Activities

Schedule of Changes by Function and Activity

For the Fiscal year Ended June 30, 2022

	Capital Assets					Accumulated Depreciation					
	Balance 7/1/2021	Additions	Retirements	Transfers In (Out)	Balance 6/30/2022	Balance 7/1/2021	Additions	Retirements	Transfers In (Out)	Balance 6/30/2022	Net Book Value
General Government - Land	$ 917,953	$ -	$ -	$ -	$ 917,953	$ -	$ -	$ -	$ -	$ -	$ 917,953
General Government - Building	1,687,010	-	-	-	1,687,010	581,305	42,175	-	-	623,480	1,063,530
General Government - Equipment	$ 36,029	-	-	-	36,029	29,877	2,517	-	-	32,394	3,635
General Government - Improvements	$ 381,721	-	-	-	381,721	144,116	20,974	-	-	165,090	216,631
Recreation - Improvements	257,507	-	-	-	257,507	112,489	14,237	-	-	126,726	130,781
Streets - Equipment	525,345	116,947	-	-	642,292	416,250	23,736	-	-	439,986	202,306
	$ 3,805,565	$ 116,947	$ -	$ -	$ 3,922,512	$ 1,284,037	$ 103,639	$ -	$ -	$ 1,387,676	$ 2,534,836

See accompanying independent auditors' report and notes.

TOWN OF LOUISVILLE, TENNESSEE

Capital Assets Used in the Operation of Governmental Funds

Schedule of Capital Assets by Function and Activity

For the Fiscal year Ended June 30, 2022

	Land	Buildings	Improvements	Equipment	Total
General Government					
Buildings and Grounds	$ 917,953	$ 1,687,010	$ 381,721	$ -	$ 2,986,684
Finance				$ 36,029	36,029
Recreation	-	-	257,507	-	257,507
Streets	-	-	-	642,292	642,292
Total Capital Assets	917,953	1,687,010	639,228	678,321	3,922,512
Accumulated Depreciation	-	(623,480)	(291,816)	(472,380)	(1,387,676)
Net Capital Assets	$ 917,953	$ 1,063,530	$ 347,412	$ 205,941	$ 2,534,836

TOWN OF LOUISVILLE, TENNESSEE

SECTION THREE

MISCELLANEOUS SCHEDULE

June 30, 2022

TOWN OF LOUISVILLE, TENNESSEE
SCHEDULE OF INSURANCE IN FORCE
June 30, 2022

General Liability:	
Liabilities created by the	
Tennessee Governmental Tort Liability Act:	
General – Bodily injury	$300,000/700,000
General – Property damage	$100,000
Automobiles – Bodily injury	$300,000/700,000
Automobiles – Property damage	$100,000
Liabilities for which a limit is not imposed by the	
Tennessee Governmental Tort Liability Act:	
Combined Single Limit	$700,000
Automobile Liability, Uninsured Motorist, and Comprehensive Coverage	$500 deductible
Fire and Extended Coverage – 90% Co-insurance:	
Office building and equipment	$500 deductible
Public Officials Personal Errors and Omissions Liability:	
Liability limit ($1,000 deductible)	$700,000
Workmen's Compensation and Employer's Liability:	
Workmen's Compensation	Statutory
Employer's Liability	$300,000/700,000

See accompanying independent auditors' report and notes.

TOWN OF LOUISVILLE, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
For the Fiscal Year Ended June 30, 2022

Grantor Agency	Program /Cluster Name	CFDA Number	Contract Number	Passed through to - Sub-recipients	Expenditures
FEDERAL AWARDS					
US Department of Treasury	Coronavirus State and Local Fiscal Recovery Fund	21.027		-	$ 614,345
	TOTAL FEDERAL FINANCIAL ASSISTANCE			**-**	**$ 614,345**

Grantor Agency	Program /Cluster Name	CFDA Number	Contract Number	Passed through to - Sub-recipients	Expenditures
STATE ASSISTANCE					
Tennessee Department of Finance & Administration	2022 Local Government Direct Appropriation Grant	N/A	N/A	-	$ 60,306
	TOTAL STATE FINANCIAL ASSISTANCE			**-**	**$ 60,306**
	TOTAL FEDERAL AND STATE FINANCIAL ASSISTANCE			**-**	**$ 674,651**

This schedule was prepared using the modified accrual basis of accounting.

The Town of Louisville has elected not to use the 10 percent de minimus indirect cost rate allowed under the uniform guidance.

TOWN OF LOUISVILLE, TENNESSEE

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*

June 30, 2022

Whitlock & Company, P.C.

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 Honorable Mayor and Members
of the Board of Alderman
Town of Louisville
Louisville, 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 and each major fund of the Town of Louisville, Tennessee (the "Town"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated February 21, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Whitlock & Company, P.C.

Knoxville, Tennessee
February 21, 2023

TOWN OF LOUISVILLE, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022

A. FINDINGS – FINANCIAL STATEMENT AUDIT

None.

B. PRIOR YEAR FINDINGS

None.