

**CITY OF SOUTH PITTSBURG, TENNESSEE**  
**Government-Wide Statement of Net Position**  
**June 30, 2024**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current Assets			
Cash	\$ 2,308,967	\$ 13,985,125	\$ 16,294,092
Investments	23	135,066	135,089
Property taxes receivable - net	1,513,584	-	1,513,584
Accounts receivable - net	16,770	740,023	756,793
Due from other governments	242,166	1,197,974	1,440,140
Inventory	-	918,100	918,100
Total Current Assets	4,081,510	16,976,288	21,057,798
Non-current Assets			
Net Pension Asset	7,680	87,014	94,694
Deposits	-	20,000	20,000
Capital assets			
Land and land rights	151,499	434,375	585,874
Construction in process	157,786	1,009,430	1,167,216
Other capital assets - net of accumulated depreciation	2,284,860	16,437,985	18,722,845
Total capital assets	2,594,145	17,881,790	20,475,935
Total Non-Current Assets	2,601,825	17,988,804	20,590,629
<b>TOTAL ASSETS</b>	<u>\$ 6,683,335</u>	<u>\$ 34,965,092</u>	<u>\$ 41,648,427</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to Pension	\$ 266,493	\$ 657,389	\$ 923,882
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 266,493</u>	<u>\$ 657,389</u>	<u>\$ 923,882</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	\$ 39,933	\$ 524,674	\$ 564,607
Retainage payable	-	484,460	484,460
Accrued liabilities	47,142	64,370	111,512
Unearned grant revenue	738,925	-	738,925
Notes payable - due within one year (see note 12)	49,173	142,993	192,166
Total current liabilities	875,173	1,216,497	2,091,670
Non-current Liabilities			
Customer deposits	-	267,799	267,799
Bonds payable - due more than one year	226,382	3,945,444	4,171,826
Compensated absences	38,040	67,825	105,865
Total non-current liabilities	264,422	4,281,068	4,545,490
<b>TOTAL LIABILITIES</b>	<u>\$ 1,139,595</u>	<u>\$ 5,497,565</u>	<u>\$ 6,637,160</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to property taxes	\$ 1,438,225	\$ -	\$ 1,438,225
Deferred inflows related to Pension	17,946	41,113	59,059
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>\$ 1,456,171</u>	<u>\$ 41,113</u>	<u>\$ 1,497,284</u>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 2,318,590	\$ 13,600,500	\$ 15,919,090
Restricted for:			
Net Pension Asset	-	87,014	87,014
Sanitation	35,010	-	35,010
Drug	11,815	-	11,815
Unrestricted	1,988,648	16,396,289	18,384,937
<b>TOTAL NET POSITION</b>	<u>\$ 4,354,063</u>	<u>\$ 30,083,803</u>	<u>\$ 34,437,866</u>

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

**CITY OF SOUTH PITTSBURG, TENNESSEE**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Year Ended June 30, 2024**

	Budgeted Amounts			
	Original	Final	Actual	Variance
<b>REVENUES</b>				
<b>Taxes</b>				
Property taxes	778,000	778,000	606,420	(171,580)
Penalties and interest	16,500	16,500	6,982	(9,518)
In lieu of tax	209,885	209,885	226,798	16,913
Local sales tax	760,000	760,000	771,912	11,912
Wholesale liquor tax	70,000	70,000	68,272	(1,728)
Wholesale beer tax	85,000	85,000	106,240	21,240
<b>Total Taxes</b>	<u>1,919,385</u>	<u>1,919,385</u>	<u>1,786,624</u>	<u>(132,761)</u>
<b>Licenses and Permits</b>				
Beer license	2,500	2,500	2,311	(189)
Building permits	22,000	22,000	25,042	3,042
<b>Total Licenses and Permits</b>	<u>24,500</u>	<u>24,500</u>	<u>27,353</u>	<u>2,853</u>
<b>Intergovernmental Revenue</b>				
State shared revenue				
Business tax	46,000	46,000	60,739	14,739
Mixed drink tax	4,200	4,200	8,938	4,738
State sales tax	369,000	369,000	383,250	14,250
State beer tax	1,500	1,500	1,365	(135)
TVA in lieu of tax	33,000	33,000	38,384	5,384
Streets and transportation funds	123,200	123,200	118,254	(4,946)
Sports betting tax	3,600	3,600	5,904	2,304
Other state share tax	59,000	59,000	48,714	(10,286)
Federal and State grants	993,600	993,600	527,781	(465,819)
<b>Total Intergovernmental Revenue</b>	<u>1,633,100</u>	<u>1,633,100</u>	<u>1,193,329</u>	<u>(439,771)</u>

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**CITY OF SOUTH PITTSBURG, TENNESSEE**

**General Fund**

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

	Budgeted Amounts			
	Original	Final	Actual	Variance
<b>REVENUES (Continued)</b>				
<b>Charges For Services</b>				
Animal control fees	50	50	50	-
Clerk fees- business tax	50	50	28	(22)
Fees and commissions	2,500	2,500	6,827	4,327
Princess Theatre - Concessions	100	100	-	(100)
<b>Total Charges For Services</b>	<u>2,700</u>	<u>2,700</u>	<u>6,905</u>	<u>4,205</u>
<b>Fines and Forfeitures</b>				
Court fines and forfeitures	20,000	20,000	26,448	6,448
<b>Other Revenue</b>				
Donations				
Interest earnings	7,200	7,200	68,747	61,547
City property rent	-	-	1,400	1,400
Proceeds for sale of capital assets	400	400	6,284	5,884
Contributions and donations	132,500	132,500	65,425	(67,075)
Miscellaneous	8,000	8,000	17,973	9,973
<b>Total Other Revenue</b>	<u>147,600</u>	<u>147,600</u>	<u>159,829</u>	<u>12,229</u>
<b>Total Revenues</b>	<u>3,744,585</u>	<u>3,744,585</u>	<u>3,200,488</u>	<u>(546,797)</u>

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**CITY OF SOUTH PITTSBURG, TENNESSEE**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Continued)**  
**Year Ended June 30, 2024**

	Budgeted Amounts			
	Original	Final	Actual	Variance
<b>EXPENDITURES</b>				
<b>Current Expenditures</b>				
<b>General government</b>				
Salaries and payroll taxes	200,100	200,600	181,166	19,434
Health insurance	3,300	3,300	2,535	765
Retirement	23,000	18,000	20,620	(2,620)
Donations	100,000	135,000	93,357	41,643
Insurance	183,000	183,000	125,347	57,653
Office supplies	87,000	92,000	20,461	71,539
Other operating expenses	10,200	10,400	4,622	5,778
Professional and contractual services	60,100	66,600	76,302	(9,702)
Repair and maintenance	35,500	37,500	5,158	32,342
Telephone and communications	65,200	65,200	65,317	(117)
Travel and training	100	100	30	70
Utilities	5,750	5,250	3,725	1,525
<b>Total General government</b>	<u>773,250</u>	<u>816,950</u>	<u>598,640</u>	<u>218,310</u>
<b>Public safety</b>				
Salaries and payroll taxes	544,384	552,750	551,933	817
Health insurance	80,000	80,000	90,987	(10,987)
Retirement	63,000	63,000	63,653	(653)
Donations	6,000	6,000	-	6,000
Office supplies	48,000	97,000	47,284	49,716
Other operating expenses	35,500	47,800	39,989	7,811
Professional and contractual services	700	700	5,380	(4,680)
Repair and maintenance	48,500	57,000	45,670	11,330
Telephone and communications	7,850	5,850	5,795	55
Travel and training	7,100	9,100	9,155	(55)
Utilities	5,450	5,600	5,452	148
Capital outlay	110,000	110,000	58,459	51,541
<b>Total Public safety</b>	<u>959,861</u>	<u>1,034,800</u>	<u>923,757</u>	<u>111,043</u>

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**CITY OF SOUTH PITTSBURG, TENNESSEE**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Continued)**  
**Year Ended June 30, 2024**

	Budgeted Amounts			
	Original	Final	Actual	Variance
<b>EXPENDITURES (Continued)</b>				
<b>Current Expenditures</b>				
<b>Public works</b>				
<b>Streets and highway</b>				
Salaries and payroll taxes	411,000	433,000	407,057	25,943
Health insurance	60,000	60,000	44,991	15,009
Retirement	55,500	55,500	47,407	8,093
Non-capital equipment	6,000	6,000	1,450	4,550
Office supplies	35,000	35,000	23,536	11,464
Other operating expenses	70,000	70,000	81,695	(11,695)
Professional and contractual services	1,000	1,000	4,210	(3,210)
Repair and maintenance	196,000	196,000	136,760	59,240
Telephone and communications	9,000	9,000	3,510	5,490
Utilities	12,900	12,900	13,135	(235)
Capital outlay	1,394,000	1,413,000	230,338	1,182,662
<b>Total Streets and highway</b>	<u>2,250,400</u>	<u>2,291,400</u>	<u>994,089</u>	<u>1,297,311</u>
<b>Total Public works</b>	<u>2,250,400</u>	<u>2,291,400</u>	<u>994,089</u>	<u>1,297,311</u>
<b>Public welfare and recreation</b>				
<b>Little League</b>				
Other operating expenses	<u>59,000</u>	<u>59,000</u>	<u>61,883</u>	<u>(2,883)</u>
<b>Total Little League</b>	<u>59,000</u>	<u>59,000</u>	<u>61,883</u>	<u>(2,883)</u>
<b>Animal Shelter</b>				
Salaries and payroll taxes	-	5,000	4,441	559
Operational supplies	1,000	2,000	1,030	970
Utilities	<u>1,075</u>	<u>1,075</u>	<u>911</u>	<u>164</u>
<b>Total Animal Shelter</b>	<u>2,075</u>	<u>8,075</u>	<u>6,382</u>	<u>1,693</u>
<b>Senior Citizen Activities</b>				
Operational supplies	<u>-</u>	<u>10,000</u>	<u>5,059</u>	<u>4,941</u>
<b>Total Senior Citizen Activities</b>	<u>-</u>	<u>10,000</u>	<u>5,059</u>	<u>4,941</u>

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**CITY OF SOUTH PITTSBURG, TENNESSEE**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Continued)**  
**Year Ended June 30, 2024**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>EXPENDITURES (continued)</b>				
<b>Current Expenditures</b>				
<b>Public welfare and recreation</b>				
<b>Parks and Recreation</b>				
Salaries and payroll taxes	102,000	142,000	128,323	13,677
Health insurance	3,500	3,500	751	2,749
Retirement	11,000	11,000	10,793	207
Donations	-	-	9,137	(9,137)
Office supplies	6,000	9,000	9,628	(628)
Other operating expenses	15,000	15,000	4,376	10,624
Repair and maintenance	11,500	30,500	21,871	8,629
Telephone and communications	3,000	3,000	3,349	(349)
Utilities	12,300	15,300	12,423	2,877
Capital outlay	59,000	59,000	61,834	(2,834)
<b>Total Parks and Recreation</b>	223,300	288,300	262,485	25,815
<b>Princess Theatre</b>				
Operational supplies	6,000	6,000	5,617	383
Professional and contractual services	2,500	21,000	10,424	10,576
Repair and maintenance	10,000	10,000	12,607	(2,607)
Telephone and communications	3,400	3,400	5,930	(2,530)
Utilities	12,700	12,700	8,037	4,663
Capital outlay	5,000	114,500	45,108	69,392
<b>Total Princess Theatre</b>	39,600	167,600	87,723	79,877
<b>Little League Ball</b>				
Other operating expenses	103,000	103,000	61,883	41,117
<b>Total Little League Ball</b>	103,000	103,000	61,883	41,117
<b>Library</b>				
Salaries and payroll taxes	28,000	28,000	28,123	(123)
Retirement	-	-	38	(38)
Operational supplies	7,100	7,100	11,975	(4,875)
Repair and maintenance	2,000	2,000	2,960	(960)
Telephone and communications	2,800	2,800	2,848	(48)
Utilities	7,300	7,400	6,558	842
Capital outlay	-	32,000	28,050	3,950
<b>Total Library</b>	47,200	79,300	80,552	(1,252)
<b>Total Public welfare and recreation</b>	371,175	612,275	504,084	108,191

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

**CITY OF SOUTH PITTSBURG, TENNESSEE**  
**Schedule of Findings and Responses**  
**June 30, 2024**

**SUMMARY OF AUDIT RESULTS**

**Opinion:**

Unmodified opinion issued on the financial statements in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States.

**Internal Control Deficiencies:**

There is no significant deficiency in internal controls.

**Material Noncompliance:**

One instance of noncompliance or other matters were disclosed. (2024-001)

**SECTION II: FINANCIAL STATEMENT FINDINGS**

**2024-001: Failure to Close Accounting Records Within 60 Days of Year-end (Noncompliance under Government Auditing Standards)**

**Condition:**

The City's accounting records were not closed within 60 days after June 30, 2024.

**Criteria:**

Tennessee Code Annotated, Section 9-2-102(b) states in part: It is the duty of all local governments that are subject to the audit requirements of the comptroller of the treasury and that handle public funds to close their official accounting records and to have those records available for audit no later than two (2) months after the close of their fiscal year.

**Cause:**

Reconciliations and year-end adjustments are not being done in a timely manner to complete the closing process.

**Effect:** Noncompliance with TCA 9-2-102(b).

**Recommendation:**

Ensure all accounting records are complete and accurate no later than 60 days of fiscal year-end.

**Management's Response:**

We concur with this finding. See Management's Corrective Action Plan.