

**TOWN OF JASPER, TENNESSEE**

**ANNUAL FINANCIAL REPORT**

**YEAR ENDED JUNE 30, 2023**

**JOHNSON, MURPHEY & WRIGHT, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
CHATTANOOGA, TENNESSEE**

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**TOWN OF JASPER, TENNESSEE**  
**Town Officials**  
**June 30, 2023**

Mayor ..... Jason Turner

Vice Mayor ..... Les Price

Alderman..... Jennifer Cardin

Alderman..... Vikki Morgan

Alderman..... Jim Fowler

Town Recorder/CMFO.....Paula Turney

## **II. FINANCIAL SECTION**



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## INDEPENDENT AUDITOR'S REPORT

Mayor and Aldermen  
Town of Jasper, Tennessee

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Jasper, Tennessee, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Jasper, Tennessee's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Jasper, Tennessee, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison 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 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 of Jasper, Tennessee and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Responsibilities of Management for the Financial Statements

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we have 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, Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of the TCRS, and Schedule of Contributions Based on Participation in the Public Employee Pension Plan of the TCRS listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Jasper, Tennessee's basic financial statements. The non-major governmental fund financial statements and financial schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the non-major governmental fund financial statements and financial schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2024, on our consideration of the Town of Jasper, Tennessee's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Jasper, Tennessee's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Jasper, Tennessee's internal control over financial reporting and compliance.

*Johnson, Murphey & Wright, P.C.*

Chattanooga, Tennessee  
January 12, 2024

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Jasper, Tennessee, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town of Jasper, Tennessee for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the Town's financial statements.

### FINANCIAL HIGHLIGHTS

The assets and deferred outflows of the Town of Jasper, Tennessee exceeded its liabilities and deferred inflows at June 30, 2023, by \$19,560,728 (net position). Of this amount \$6,986,992 is unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors. The Town has restricted \$34,885 for drug enforcement programs and \$256,754 for state street aid expenditures.

The Town's governmental activities operated at a surplus of \$144,159. The Town's business-type activities operated at a surplus of \$434,094.

As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$3,525,414.

At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,136,832, or 109.05%, of total General Fund expenditures.

At the end of the current fiscal year, the Town's enterprise funds reported combined ending net position of \$14,196,567. Of that balance \$3,671,075, or 25.86%, is unrestricted. The remaining 74.14%, or \$10,525,492, is invested in capital assets.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction of the Town of Jasper, Tennessee'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, deferred outflows, liabilities and deferred inflows, with the difference 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 taxes and earned but unused vacation leave).

Both of the 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 include general government, public safety made up of the police, fire and animal control departments, public works, and public welfare and recreation made up of the library and recreation departments. The business-type activities of the Town include the Sanitation Fund, the Water Works Fund, and the Waste Water Fund.

The government-wide financial statements can be found on pages 16 and 17 of this report.

### **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, 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 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, governmental 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 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 governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between the governmental funds and governmental activities.

The Town maintains three individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund which is considered to be a major fund. Individual fund data for the non-major governmental funds is provided in the statements later in this report beginning on page 60.

The Town adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for the major governmental fund, which is the General Fund to demonstrate compliance with this budget, as well as for non-major funds. The budgetary comparison statement for the major General Fund can be found beginning on page 22 of this report. The budgetary comparison statements for the non-major funds can be found beginning on page 62 of this report.

The basic governmental fund financial statements can be found on pages 18 through 21 of this report.

### **Proprietary Funds**

The Town maintains one type of proprietary fund: enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its sanitation, water works, and waste water operations. The Town adopts an annual budget for its enterprise 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 the Sanitation Fund, Water Works Fund and Waste Water Fund, which are considered to be major funds of the Town.

The basic proprietary fund financial statements can be found on pages 29 through 31 of this report.

#### **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. The Notes to the Financial Statements can be found on pages 32 through 56 of this report.

#### **Required Supplementary Information Other than MD&A**

The Schedules of Required Supplementary Information can be found on pages 57 and 58 of this report.

#### **Other Information**

The statements referred to earlier in connection with non-major governmental funds can be found beginning on page 60.

### **FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE**

#### **Net Position**

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 Jasper, Tennessee, assets and deferred outflows exceeded liabilities and deferred inflows by \$19,560,728 at the close of this fiscal year.

62.79 percent of the Town's net position reflects its investment in capital assets (e.g., land, buildings and other improvements, infrastructure, plant in service and equipment), less any debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to its 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.

Approximately 1.49%, or \$291,639 of the Town's net position represents resources that are subject to external restrictions on how they may be used. 35.72%, or \$6,986,992, in net position are unrestricted and can be used to meet the government's ongoing obligations.

At June 30, 2023, the Town is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

The table below provides a summary of the Town's net position broken down by governmental and business-type activities.

**Town of Jasper, Tennessee's Net Position**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Capital assets	\$ 1,979,489	\$ 1,945,209	\$ 11,780,169	\$ 11,168,410	\$ 13,759,658	\$ 13,113,619
Other assets	4,288,758	4,157,468	3,850,478	4,330,575	8,139,236	8,488,043
Total assets	<u>\$ 6,268,247</u>	<u>\$ 6,102,677</u>	<u>\$ 15,630,647</u>	<u>\$ 15,498,985</u>	<u>\$ 21,898,894</u>	<u>\$ 21,601,662</u>
Deferred outflows of resources	<u>\$ 119,334</u>	<u>\$ 95,840</u>	<u>\$ 93,763</u>	<u>\$ 44,952</u>	<u>\$ 213,097</u>	<u>\$ 140,792</u>
Long-term liabilities	\$ 242,774	\$ 253,715	\$ 1,272,188	\$ 1,471,096	\$ 1,514,962	\$ 1,724,811
Other liabilities	82,033	132,548	255,655	306,462	337,688	439,010
Total liabilities	<u>\$ 324,807</u>	<u>\$ 386,263</u>	<u>\$ 1,527,843</u>	<u>\$ 1,777,558</u>	<u>\$ 1,852,650</u>	<u>\$ 2,163,821</u>
Deferred inflows of resources	<u>\$ 698,613</u>	<u>\$ 474,048</u>	<u>\$ -</u>	<u>\$ 3,906</u>	<u>\$ 698,613</u>	<u>\$ 477,954</u>
Net investment in capital assets	\$ 1,756,605	\$ 1,690,484	\$ 10,525,492	\$ 9,665,740	\$ 12,282,097	\$ 11,356,224
Restricted	291,639	259,348	-	6,719	291,639	266,067
Unrestricted	<u>3,315,917</u>	<u>3,388,374</u>	<u>3,671,075</u>	<u>4,090,014</u>	<u>6,986,992</u>	<u>7,478,388</u>
Total net position	<u>\$ 5,364,161</u>	<u>\$ 5,338,206</u>	<u>\$ 14,196,567</u>	<u>\$ 13,762,473</u>	<u>\$ 19,560,728</u>	<u>\$ 19,100,679</u>

### Changes in Net Position

Governmental activities increased the Town's net position by \$144,159.

Business-type activities increased the Town's net position by \$434,094.

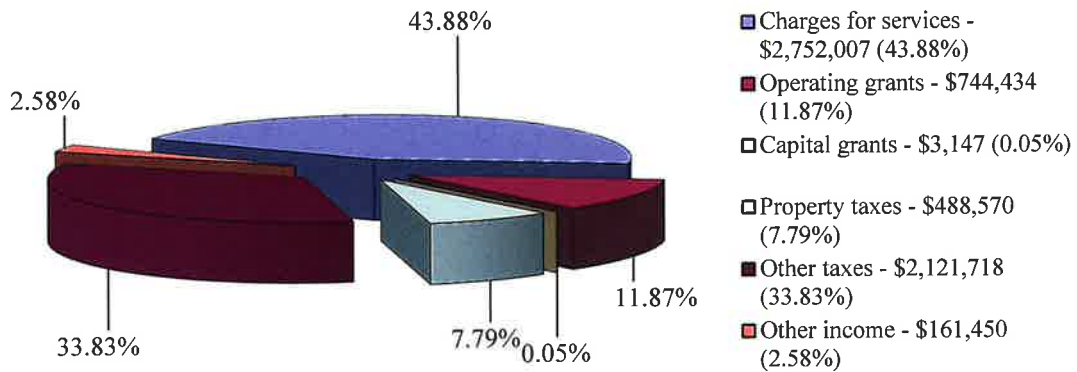
The table below provides a summary of the Town's net position broken down by governmental and business-type activities.

#### Town of Jasper, Tennessee's Changes in Net Position

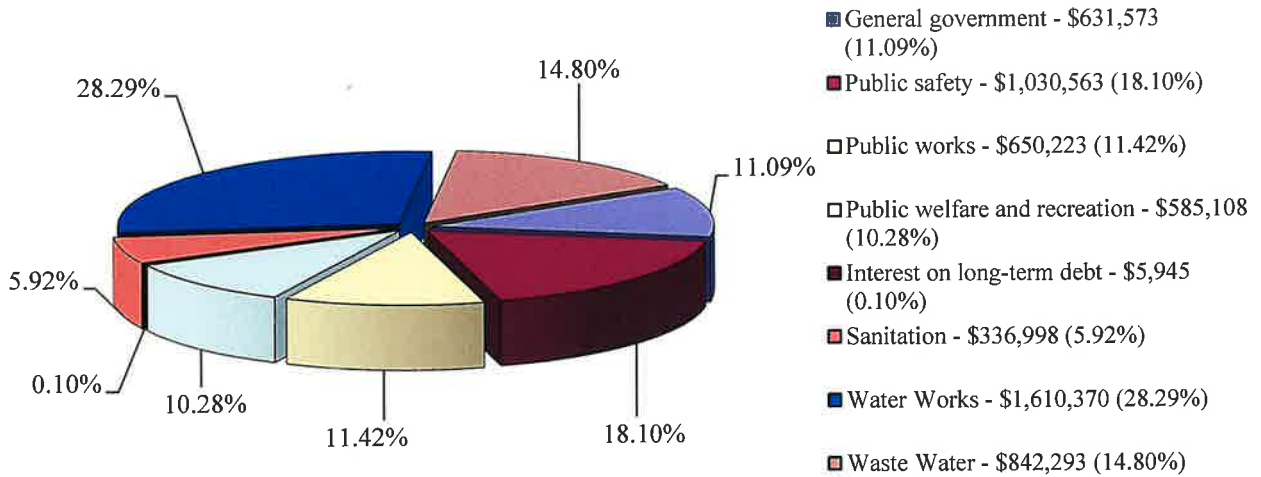
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues:						
Program revenues:						
Charges for services	\$ 196,676	\$ 191,776	\$ 2,555,331	\$ 2,539,471	\$ 2,752,007	\$ 2,731,247
Operating grant and contributions	142,106	133,822	602,328	-	744,434	133,822
Capital grant and contributions	3,147	594,288	-	-	3,147	594,288
General revenues:						
Property taxes	488,570	452,181	-	-	488,570	452,181
Other taxes	2,121,718	2,123,643	-	-	2,121,718	2,123,643
Other income	95,354	99,523	66,096	9,266	161,450	108,789
Total revenues	<u>3,047,571</u>	<u>3,595,233</u>	<u>3,223,755</u>	<u>2,548,737</u>	<u>6,271,326</u>	<u>6,143,970</u>
Expenses:						
General government	631,573	572,314	-	-	631,573	572,314
Public safety	1,030,563	932,613	-	-	1,030,563	932,613
Public works	650,223	860,850	-	-	650,223	860,850
Public welfare and recreation	585,108	528,650	-	-	585,108	528,650
Interest on long-term debt	5,945	5,945	-	-	5,945	5,945
Sanitation	-	-	336,998	310,312	336,998	310,312
Water Works	-	-	1,610,370	1,312,858	1,610,370	1,312,858
Waste Water	-	-	842,293	746,222	842,293	746,222
Total expenses	<u>2,903,412</u>	<u>2,900,372</u>	<u>2,789,661</u>	<u>2,369,392</u>	<u>5,693,073</u>	<u>5,269,764</u>
Changes in net position	144,159	694,861	434,094	179,345	578,253	874,206
Net position - beginning (as restated)	<u>5,220,002</u>	<u>4,643,345</u>	<u>13,762,473</u>	<u>13,583,128</u>	<u>18,982,475</u>	<u>18,226,473</u>
Net position - end	<u>\$ 5,364,161</u>	<u>\$ 5,338,206</u>	<u>\$ 14,196,567</u>	<u>\$ 13,762,473</u>	<u>\$ 19,560,728</u>	<u>\$ 19,100,679</u>

The graphs below summarize the \$6,271,326 of town-wide revenue by source and the associated \$5,693,073 of expense by program. The graphs combine data from both governmental and business-type activities.

### Town-Wide Sources of Revenue



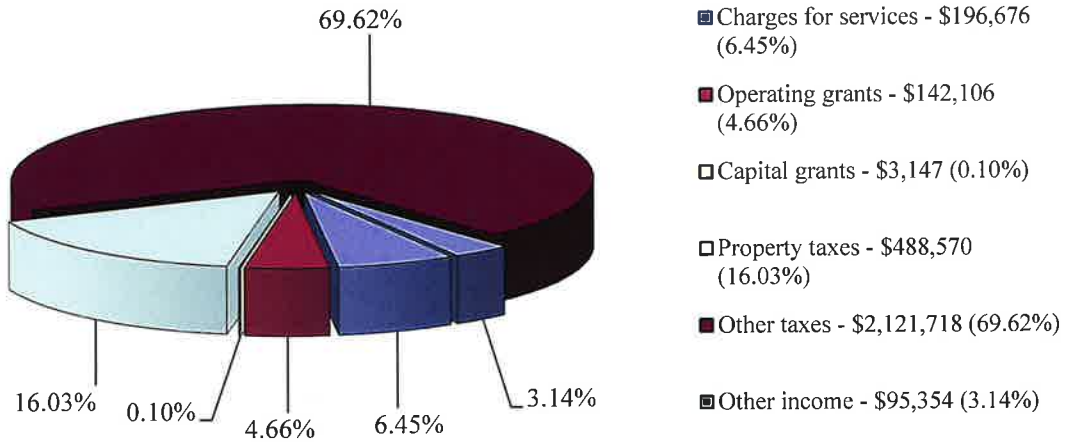
### Town-Wide Program Expenses



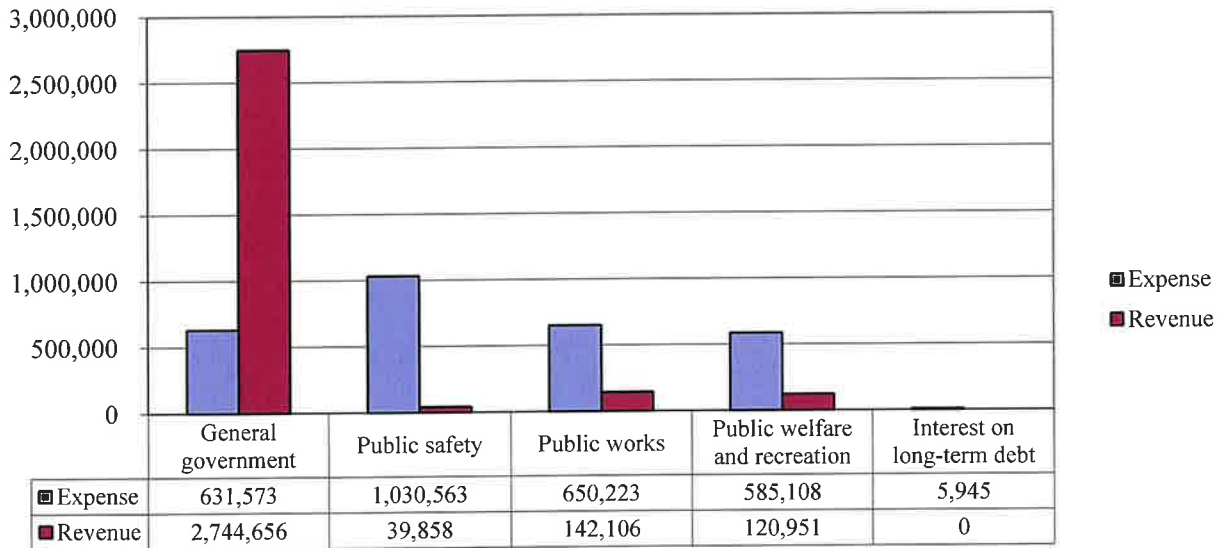
**Governmental Activities**

Governmental activities accounted for revenues of \$3,047,571. The following graph summarizes revenue by source.

**Revenue by Source -  
Governmental Activities**

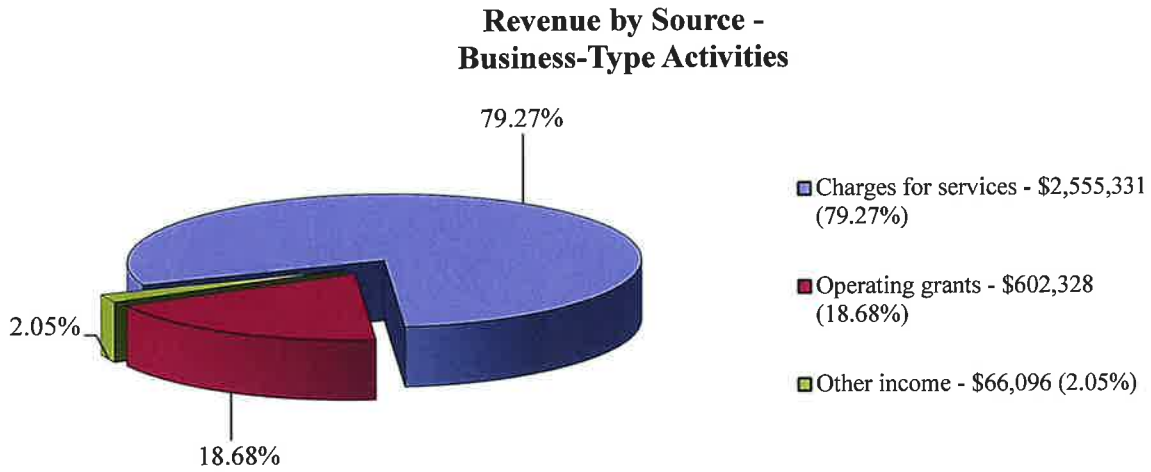


**Expenses and Program Revenues -  
Governmental Activities**

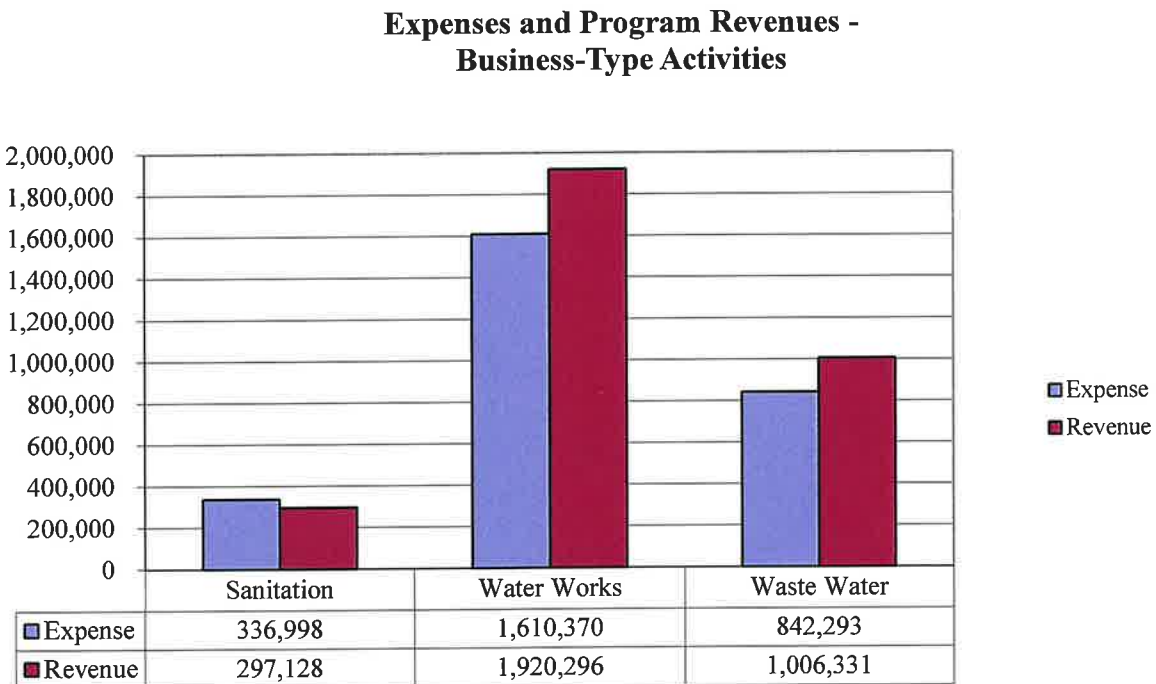


**Business-type Activities**

Business-type activities accounted for revenues of \$3,223,755. The following graph summarizes the revenue by source.



The following graph summarizes the revenue and related expense of operating the sanitation, water works and waste water systems.



## FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

As noted earlier, the Town of Jasper, Tennessee 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 spendable resources. Such information is useful in assessing the Town's financing requirements. The unassigned fund balance may serve as a useful measure of a government's net resources available at the end of the fiscal year for future unforeseen emergencies.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$3,525,414. Approximately 88.98% of this total amount, or \$3,136,832, constitutes unassigned fund balance. Restricted funds consist of \$256,754 for the use of street expenditures and \$34,885 for use in investigations of drug-related violations and drug prevention programs.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$3,136,832. 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 109.05% of total General Fund expenditures.

### Proprietary Funds

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

Unrestricted net position at the end of the year amounted to \$90,089 for the Sanitation Fund, \$2,186,921 for the Water Works Fund and \$1,394,065 for the Waste Water Fund.

### General Fund Budgetary Highlights

The Town passed several budget amendments during the year. General Fund budgeted expenditures were increased by \$373,942, due mainly to an increase in public safety capital outlay.

Departmental budget officers closely monitored expenditures during the fiscal year in order to minimize budget amendments.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

The Town of Jasper, Tennessee's investment in capital assets for its governmental and business-type activities as of June 30, 2023, amounts to \$13,759,658 (net of accumulated depreciation). The investment in capital assets includes land, buildings and improvements, infrastructure, machinery and equipment, water system and sewer system.

Major capital asset events during the current fiscal year include the following:

Standpipe renovation	\$ 364,300
Four (4) 2023 Dodge Chargers	\$ 143,832
Main sewer pump	\$ 109,326
CAT track loader	\$ 98,298
Van con trailer	\$ 93,473

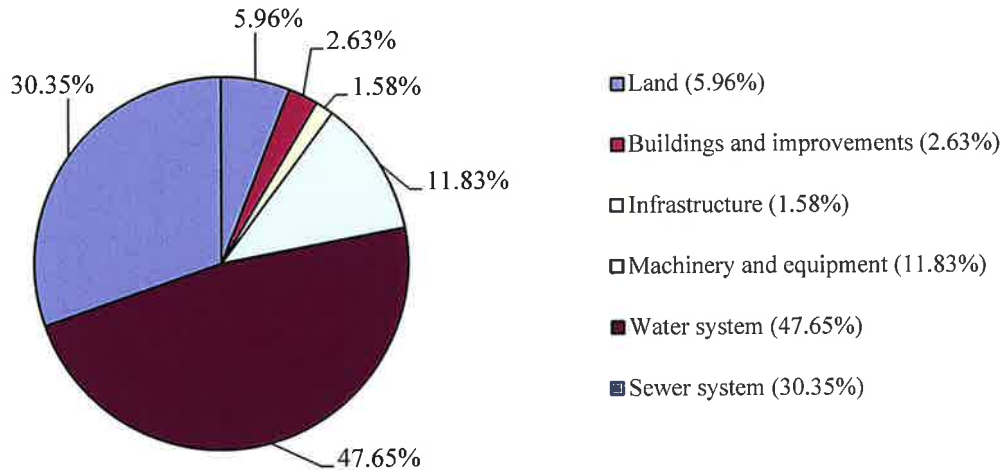
The table below summarizes the Town’s investment in capital assets and is broken down by governmental and business-type activities.

**Town of Jasper, Tennessee’s Capital Assets  
(Net of Depreciation)**

	Governmental Activities	Business-type Activities	Total
Land	\$ 708,327	\$ 111,583	\$ 819,910
Buildings and improvements	362,280	-	362,280
Infrastructure	217,826	-	217,826
Machinery and equipment	691,056	937,274	1,628,330
Water system	-	6,556,854	6,556,854
Sewer system	-	4,174,458	4,174,458
	<u>\$ 1,979,489</u>	<u>\$ 11,780,169</u>	<u>\$ 13,759,658</u>

The following graph provides a breakdown of which assets make up the largest portion of the Town’s total investment in capital assets. The graph combines assets used in both governmental and business-type activities.

**Town-Wide Capital Assets**



Additional information on the Town of Jasper, Tennessee’s capital assets can be found in Note 8 on pages 41 and 42 of this report.

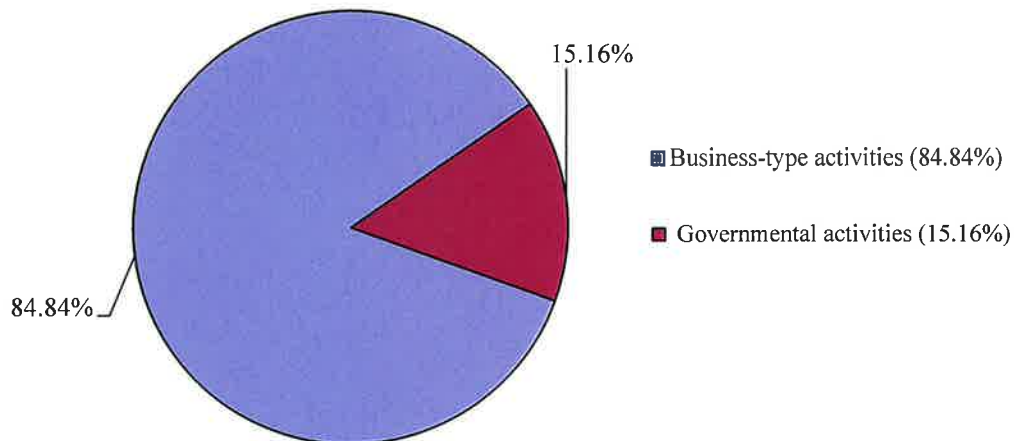
## Town of Jasper, Tennessee's Outstanding Debt

At the end of the current fiscal year, the Town had total long-term debt outstanding of \$1,717,433. Of that amount, \$227,774 is due in the next fiscal year.

	Governmental Activities	Business-type Activities	Total
Financed purchase	\$ 222,884	\$ -	\$ 222,884
Note payable	-	367,192	367,192
Bonds payable	-	887,485	887,485
Customer deposits	-	174,025	174,025
Compensated absences	37,561	28,286	65,847
	260,445	1,456,988	1,717,433
Less current portion	( 31,841)	( 195,933)	( 227,774)
<b>Total long-term debt</b>	<b>\$ 228,604</b>	<b>\$ 1,261,055</b>	<b>\$ 1,489,659</b>

As shown in the graph below, long-term debt is attributed greatly to the Town's Water Works Fund. Long-term debt of governmental activities only accounts for 15.16% of total long-term debt.

**Long-Term Debt By Activity**



Additional information on outstanding debt can be found in Note 10 on pages 43 through 47.

### Currently Known Conditions Effecting Future Years

The Town has no upcoming plans or grants.

### Requests for Information

This financial report is designed to provide a general overview of the Town of Jasper, Tennessee's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional information may be addressed to the Town of Jasper, Tennessee, 4460 Main Street, Jasper, Tennessee, 37347.

## **BASIC FINANCIAL STATEMENTS**

**TOWN OF JASPER, TENNESSEE**  
**Statement of Net Position**  
**June 30, 2023**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Current assets			
Cash	\$ 2,347,518	\$ 2,294,271	\$ 4,641,789
Investments	100,000	1,915,661	2,015,661
Property tax receivable - net	716,964	-	716,964
Accounts receivable - net	30,287	209,146	239,433
Due from other governments	336,331	-	336,331
Due from grantor	1,173	90,942	92,115
Internal balances	659,542	(659,542)	-
Prepaid expenses	96,943	-	96,943
Total current assets	<u>4,288,758</u>	<u>3,850,478</u>	<u>8,139,236</u>
Non-current assets			
Capital assets			
Land	708,327	111,583	819,910
Other capital assets - net of accumulated depreciation	1,271,162	11,668,586	12,939,748
Total capital assets	<u>1,979,489</u>	<u>11,780,169</u>	<u>13,759,658</u>
<b>TOTAL ASSETS</b>	<u>\$ 6,268,247</u>	<u>\$ 15,630,647</u>	<u>\$ 21,898,894</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	<u>\$ 119,334</u>	<u>\$ 93,763</u>	<u>\$ 213,097</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	\$ 10,733	\$ 37,585	\$ 48,318
Payable to pension	14,204	-	14,204
Accrued payroll liabilities	25,255	13,384	38,639
Other accrued liabilities	-	8,753	8,753
Note payable - due in one year	-	47,408	47,408
Bond payable - due in one year	-	148,525	148,525
Lease payable - due in one year	31,841	-	31,841
Total current liabilities	<u>82,033</u>	<u>255,655</u>	<u>337,688</u>
Non-current liabilities			
Customer deposits	-	174,025	174,025
Note payable	-	319,784	319,784
Bond payable	-	738,960	738,960
Lease payable	191,043	-	191,043
Compensated absences	37,561	28,286	65,847
Net pension liability	14,170	11,133	25,303
Total non-current liabilities	<u>242,774</u>	<u>1,272,188</u>	<u>1,514,962</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 324,807</u>	<u>\$ 1,527,843</u>	<u>\$ 1,852,650</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred revenue - property tax	<u>\$ 698,613</u>	<u>\$ -</u>	<u>\$ 698,613</u>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 1,756,605	\$ 10,525,492	\$ 12,282,097
Restricted for non-recurring police expenditures	34,885	-	34,885
Restricted for state street aid	256,754	-	256,754
Unrestricted	3,315,917	3,671,075	6,986,992
<b>TOTAL NET POSITION</b>	<u>\$ 5,364,161</u>	<u>\$ 14,196,567</u>	<u>\$ 19,560,728</u>

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

**TOWN OF JASPER, TENNESSEE**  
**Statement of Activities**  
**Year Ended June 30, 2023**

Functions/Programs	Program Revenues					Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Business-type Activities	Primary Government		Total
						Governmental Activities	Business-type Activities	
<b>Primary Government:</b>								
Governmental activities:								
General government	\$ 631,573	\$ 39,014	\$ -	\$ -	\$ -	\$ (592,559)	\$ -	\$ (592,559)
Public safety	1,030,563	36,711	-	3,147	-	(990,705)	-	(990,705)
Public works	650,223	-	142,106	-	-	(508,117)	-	(508,117)
Public welfare and recreation	585,108	120,951	-	-	-	(464,157)	-	(464,157)
Interest on long-term debt	5,945	-	-	-	-	(5,945)	-	(5,945)
Total governmental activities	<u>2,903,412</u>	<u>196,676</u>	<u>142,106</u>	<u>3,147</u>	<u>-</u>	<u>(2,561,483)</u>	<u>-</u>	<u>(2,561,483)</u>
Business-type activities:								
Sanitation	336,998	296,798	-	-	(40,200)	-	(40,200)	(40,200)
Water Works	1,610,370	1,448,496	411,386	-	249,512	-	249,512	249,512
Waste Water	842,293	810,037	190,942	-	158,686	-	158,686	158,686
Total business-type activities	<u>2,789,661</u>	<u>2,555,331</u>	<u>602,328</u>	<u>-</u>	<u>367,998</u>	<u>-</u>	<u>367,998</u>	<u>367,998</u>
<b>Total primary government</b>	<b>\$ 5,693,073</b>	<b>\$ 2,752,007</b>	<b>\$ 744,434</b>	<b>\$ 3,147</b>	<b>\$ -</b>	<b>(2,561,483)</b>	<b>\$ 367,998</b>	<b>(2,193,485)</b>
General revenues:								
Property taxes						488,570	-	488,570
Local sales tax						1,228,746	-	1,228,746
Local business tax						600	-	600
Wholesale beer tax						151,465	-	151,465
Wholesale liquor tax						57,780	-	57,780
Cable TV franchise fee						41,091	-	41,091
Other state taxes						642,036	-	642,036
Interest income						3,606	66,096	69,702
Other revenue						91,748	-	91,748
Total general revenue						<u>2,705,642</u>	<u>66,096</u>	<u>2,771,738</u>
Change in net position						144,159	434,094	578,253
Net position - beginning (as restated)						5,220,002	13,762,473	18,982,475
Net position - end						<u>\$ 5,364,161</u>	<u>\$ 14,196,567</u>	<u>\$ 19,560,728</u>

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

**TOWN OF JASPER, TENNESSEE**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2023**

	<b>General Fund</b>	<b>Other Governmental Fund</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>			
Cash	\$ 2,135,815	\$ 211,703	\$ 2,347,518
Investments	100,000	-	100,000
Property tax receivable - net	716,964	-	716,964
Accounts receivable	30,287	-	30,287
Due from other governments	336,331	-	336,331
Due from grantor	1,173	-	1,173
Due from other funds	659,542	81,622	741,164
Prepaid expenses	96,943	-	96,943
<b>TOTAL ASSETS</b>	<b>\$ 4,077,055</b>	<b>\$ 293,325</b>	<b>\$ 4,370,380</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 10,733	\$ -	\$ 10,733
Payable to pension	14,204	-	14,204
Accrued payroll liabilities	23,569	1,686	25,255
Due to other funds	81,622	-	81,622
<b>TOTAL LIABILITIES</b>	<b>\$ 130,128</b>	<b>\$ 1,686</b>	<b>\$ 131,814</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred revenue - property tax	\$ 713,152	\$ -	\$ 713,152
<b>FUND BALANCES</b>			
Nonspendable	\$ 96,943	\$ -	\$ 96,943
Restricted	-	291,639	291,639
Unassigned	3,136,832	-	3,136,832
<b>TOTAL FUND BALANCES</b>	<b>\$ 3,233,775</b>	<b>\$ 291,639</b>	<b>\$ 3,525,414</b>

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

**TOWN OF JASPER, TENNESSEE**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**June 30, 2023**

Total fund balances per governmental funds balance sheet	\$ 3,525,414
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,979,489
Long-term liabilities, including financed purchases and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.	(260,445)
Pension liabilities, including deferred inflows and deferred outflows, are not due and payable in the current period and, therefore, are not reported in the funds.	105,164
Some of the Town's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.	<u>14,539</u>
Net position of governmental activities	<u>\$ 5,364,161</u>

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

**TOWN OF JASPER, TENNESSEE**  
**Governmental Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Year Ended June 30, 2023**

	<u>General Fund</u>	<u>Other Governmental Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
Taxes	\$ 1,971,960	\$ -	\$ 1,971,960
License and permits	39,014	-	39,014
Intergovernmental	651,800	135,489	787,289
Charges for services	123,227	-	123,227
Fines and forfeitures	33,622	813	34,435
Other	<u>95,350</u>	<u>6</u>	<u>95,356</u>
<b>TOTAL REVENUES</b>	<u>2,914,973</u>	<u>136,308</u>	<u>3,051,281</u>
<b>EXPENDITURES</b>			
<b>Current expenditures</b>			
General government	630,484	-	630,484
Public safety	927,054	-	927,054
Public works	509,478	89,738	599,216
Public welfare and recreation	466,624	-	466,624
<b>Capital outlay</b>	304,987	-	304,987
<b>Debt service</b>	<u>37,786</u>	<u>-</u>	<u>37,786</u>
<b>TOTAL EXPENDITURES</b>	<u>2,876,413</u>	<u>89,738</u>	<u>2,966,151</u>
Excess (deficiency) of revenues over (under) expenditures	38,560	46,570	85,130
<b>Fund balances - beginning (as restated)</b>	<u>3,195,215</u>	<u>245,069</u>	<u>3,440,284</u>
<b>Fund balances - end</b>	<u>\$ 3,233,775</u>	<u>\$ 291,639</u>	<u>\$ 3,525,414</u>

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

**TOWN OF JASPER, TENNESSEE**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes**  
**in Fund Balances of Governmental Funds to the Statement of Activities**  
**Year Ended June 30, 2023**

Net change in fund balances for total governmental funds	\$ 85,130
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation and loss on disposal in the current period.	34,280
Pension expense from the prior year is not reported in the governmental funds but is reported in the Statement of Activities. Current year pension contributions are reported as an expense in the governmental funds but are not reported in the Statement of Activities.	3,346
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(3,708)
Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	31,841
Some items reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:	
Compensated absences	<u>(6,730)</u>
Change in net position of governmental activities	<u>\$ 144,159</u>

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

**TOWN OF JASPER, TENNESSEE**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Year Ended June 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes				
Property taxes	\$ 440,000	\$ 440,000	\$ 483,868	\$ 43,868
Interest and penalties	4,700	4,700	8,410	3,710
Local sales tax	1,300,000	1,300,000	1,228,746	(71,254)
Local business tax	300	300	600	300
Wholesale beer tax	175,000	175,000	151,465	(23,535)
Wholesale liquor tax	47,000	47,000	57,780	10,780
Cable TV franchise fee	50,000	50,000	41,091	(8,909)
Total taxes	<u>2,017,000</u>	<u>2,017,000</u>	<u>1,971,960</u>	<u>(45,040)</u>
License and permits				
Building permits	50,000	50,000	35,518	(14,482)
Sign permits	3,000	3,000	96	(2,904)
Beer permits	1,500	1,500	3,400	1,900
Total license and permits	<u>54,500</u>	<u>54,500</u>	<u>39,014</u>	<u>(15,486)</u>
Intergovernmental				
State of Tennessee:				
Sales tax	406,700	406,700	429,664	22,964
City streets and transportation	6,600	6,600	6,617	17
Excise tax	13,500	13,500	21,558	8,058
Business tax	101,500	101,500	138,407	36,907
TVA in lieu of tax	37,400	37,400	43,428	6,028
Sports betting	2,500	2,500	6,440	3,940
Mixed drink tax	1,500	1,500	1,187	(313)
Telecommunication tax	6,000	6,000	1,352	(4,648)
Income tax	5,000	5,000	-	(5,000)
Federal grants	55,000	55,000	3,147	(51,853)
Total intergovernmental	<u>635,700</u>	<u>635,700</u>	<u>651,800</u>	<u>16,100</u>

(Continued)

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

**TOWN OF JASPER, TENNESSEE**

**General Fund**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Continued)**  
**Year Ended June 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES (Continued)</b>				
Charges for services				
Accident report charges	\$ 1,200	\$ 1,200	\$ 1,226	\$ 26
Fire charges	500	500	1,000	500
Animal control charges	100	100	50	(50)
Sportsplex income	-	-	3,260	3,260
Parks and recreation charges	30,000	30,000	15,775	(14,225)
Concession income	52,000	52,000	101,916	49,916
Total charges for services	<u>83,800</u>	<u>83,800</u>	<u>123,227</u>	<u>39,427</u>
Fines and forfeitures				
Court fines and costs	<u>28,000</u>	<u>28,000</u>	<u>33,622</u>	<u>5,622</u>
Other				
Rent	40,000	40,000	31,965	(8,035)
Insurance proceeds	33,000	33,000	47,126	14,126
Donations	2,000	2,000	-	(2,000)
Miscellaneous revenue	10,000	10,000	12,659	2,659
Interest income	3,000	3,000	3,600	600
Total other	<u>88,000</u>	<u>88,000</u>	<u>95,350</u>	<u>7,350</u>
<b>TOTAL REVENUES</b>	<u>2,907,000</u>	<u>2,907,000</u>	<u>2,914,973</u>	<u>7,973</u>
<b>EXPENDITURES</b>				
<b>Current expenditures</b>				
General government				
Legislation				
Salaries	64,000	64,000	65,588	(1,588)
Payroll taxes	5,200	5,200	5,018	182
Employee insurance	12,000	19,000	17,760	1,240
Insurance	180	180	-	180
Total legislation	<u>81,380</u>	<u>88,380</u>	<u>88,366</u>	<u>14</u>

(Continued)

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

**TOWN OF JASPER, TENNESSEE**

**General Fund**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Continued)**  
**Year Ended June 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES (Continued)</b>				
<b>Current expenditures (Continued)</b>				
General government (Continued)				
Financial administration				
Salaries	\$ 49,980	\$ 49,980	\$ 50,546	\$ (566)
Payroll taxes	3,800	3,800	3,940	(140)
Pension	15,000	15,000	12,665	2,335
Employee insurance	11,700	11,700	11,639	61
Advertising	6,200	6,200	4,227	1,973
Contract and professional services	102,710	117,210	123,835	(6,625)
Donations	2,500	2,500	5,500	(3,000)
Dues and subscriptions	19,800	19,800	17,757	2,043
Insurance	20,128	20,128	19,729	399
Maintenance and repairs	53,000	53,000	12,911	40,089
Miscellaneous	33,800	33,800	11,620	22,180
Postage	1,500	1,500	3,379	(1,879)
Printing and office supplies	15,000	15,000	15,997	(997)
Special events	60,200	88,200	107,215	(19,015)
Telephone	9,000	9,000	9,773	(773)
Training	5,000	5,000	6,145	(1,145)
Uniforms	1,500	1,500	419	1,081
Utilities	19,500	19,500	18,459	1,041
Vehicle	5,000	5,000	5,804	(804)
Total financial administration	<u>435,318</u>	<u>477,818</u>	<u>441,560</u>	<u>36,258</u>
Recorder and clerk				
Salaries	50,000	54,000	50,960	3,040
Payroll taxes	3,900	3,900	3,907	(7)
Pension	3,900	3,900	4,235	(335)
Employee insurance	8,500	8,500	12,294	(3,794)
Insurance	25	25	21	4
Total recorder and clerk	<u>66,325</u>	<u>70,325</u>	<u>71,417</u>	<u>(1,092)</u>

(Continued)

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

**TOWN OF JASPER, TENNESSEE**

**General Fund**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Continued)**  
**Year Ended June 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES (Continued)</b>				
<b>Current expenditures (Continued)</b>				
General government (Continued)				
Other financial administration				
Salaries	\$ 22,400	\$ 22,400	\$ 5,622	\$ 16,778
Payroll taxes	1,750	1,750	430	1,320
Pension	1,700	1,700	65	1,635
Employee insurance	8,000	8,000	7,399	601
Insurance	25	25	25	-
Total other financial administration	<u>33,875</u>	<u>33,875</u>	<u>13,541</u>	<u>20,334</u>
Codes and building				
Building inspector	<u>23,000</u>	<u>23,000</u>	<u>15,600</u>	<u>7,400</u>
Total general government	<u>639,898</u>	<u>693,398</u>	<u>630,484</u>	<u>62,914</u>
Public safety				
Police				
Salaries	422,300	447,300	452,699	(5,399)
Payroll taxes	34,000	34,000	33,767	233
Pension	36,000	36,000	34,729	1,271
Employee insurance	94,000	94,000	92,277	1,723
Contract and professional services	5,000	5,000	2,900	2,100
911 dispatcher	58,000	58,000	58,000	-
Insurance	32,400	32,400	42,347	(9,947)
Maintenance and repairs	13,000	16,500	21,663	(5,163)
Miscellaneous	6,500	6,500	4,244	2,256
Postage	50	50	-	50
Printing and office supplies	5,500	5,500	4,065	1,435
Telephone	6,000	6,000	4,283	1,717
Training	3,500	3,500	2,357	1,143
Uniforms	2,500	4,500	4,120	380
Utilities	2,500	2,500	96	2,404
Vehicle	<u>48,700</u>	<u>66,200</u>	<u>57,527</u>	<u>8,673</u>
Total police	<u>769,950</u>	<u>817,950</u>	<u>815,074</u>	<u>2,876</u>

(Continued)

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

**TOWN OF JASPER, TENNESSEE**

**General Fund**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Continued)**

**Year Ended June 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES (Continued)</b>				
<b>Current expenditures (Continued)</b>				
Public safety (Continued)				
Fire				
Salaries	\$ 25,776	\$ 25,776	\$ 26,155	\$ (379)
Payroll taxes	1,560	1,560	1,751	(191)
Employee insurance	-	-	196	(196)
Contract services	500	500	588	(88)
Dues and memberships	2,100	2,100	1,720	380
Equipment	-	16,000	15,560	440
Insurance	8,565	8,565	14,186	(5,621)
Maintenance and repairs	6,000	11,000	10,116	884
Miscellaneous	2,000	2,000	833	1,167
Printing and office supplies	350	350	211	139
Telephone	2,000	2,000	2,297	(297)
Training	150	150	160	(10)
Uniforms	3,000	3,000	-	3,000
Utilities	350	350	527	(177)
Vehicle	10,500	10,500	5,592	4,908
Total fire	<u>62,851</u>	<u>83,851</u>	<u>79,892</u>	<u>3,959</u>
Animal control				
Salaries	21,450	21,450	18,932	2,518
Payroll taxes	2,500	2,500	1,418	1,082
Pension	3,000	3,000	1,545	1,455
Employee insurance	5,500	5,500	4,556	944
Insurance	350	350	592	(242)
Maintenance and repairs	1,500	1,500	1,567	(67)
Miscellaneous	15,000	15,000	53	14,947
Shelter expenses	200	200	-	200
Uniforms	150	150	-	150
Utilities	1,500	1,500	1,355	145
Vehicle	2,900	2,900	2,070	830
Total animal control	<u>54,050</u>	<u>54,050</u>	<u>32,088</u>	<u>21,962</u>
Total public safety	<u>886,851</u>	<u>955,851</u>	<u>927,054</u>	<u>28,797</u>

(Continued)

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

**TOWN OF JASPER, TENNESSEE**

**General Fund**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Continued)**  
**Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
<b>Current expenditures (Continued)</b>				
Public works				
Salaries	\$ 44,000	\$ 49,000	\$ 47,855	\$ 1,145
Payroll taxes	3,400	3,400	3,692	(292)
Pension	3,600	3,600	3,962	(362)
Employee insurance	8,900	8,900	11,880	(2,980)
Insurance	2,550	2,550	10,227	(7,677)
Maintenance and repairs	427,000	357,725	349,718	8,007
Miscellaneous	6,000	18,000	17,674	326
Uniforms	750	750	2,231	(1,481)
Utilities	39,000	39,000	42,485	(3,485)
Vehicle	15,000	22,500	19,754	2,746
Total public works	<u>550,200</u>	<u>505,425</u>	<u>509,478</u>	<u>(4,053)</u>
Public welfare and recreation				
Library				
Salaries	110,000	110,000	109,464	536
Payroll taxes	8,320	8,320	8,061	259
Pension	8,160	8,160	5,610	2,550
Employee insurance	30,850	30,850	36,307	(5,457)
Books and tapes	7,000	7,000	4,220	2,780
Insurance	200	200	269	(69)
Maintenance and repairs	9,950	9,950	2,699	7,251
Miscellaneous	2,200	2,200	139	2,061
Printing and office supplies	1,200	1,200	1,347	(147)
Telephone	5,120	5,120	3,558	1,562
Utilities	7,800	7,800	7,212	588
Young adult program	1,200	1,200	1,258	(58)
Total library	<u>192,000</u>	<u>192,000</u>	<u>180,144</u>	<u>11,856</u>

(Continued)

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

**TOWN OF JASPER, TENNESSEE**

**General Fund**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Continued)**  
**Year Ended June 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES (Continued)</b>				
<b>Current expenditures (Continued)</b>				
Public welfare and recreation (Continued)				
Recreation				
Salaries	\$ 40,800	\$ 70,800	\$ 70,380	\$ 420
Payroll taxes	3,400	3,400	5,431	(2,031)
Pension	3,400	3,400	4,231	(831)
Employee insurance	4,500	4,500	7,229	(2,729)
Concessions	40,000	65,000	87,165	(22,165)
Dixie youth	25,000	25,000	23,149	1,851
Equipment	750	750	-	750
Insurance	10,075	10,075	14,483	(4,408)
Maintenance and repairs	45,000	45,000	32,520	12,480
Miscellaneous	5,000	5,000	9,334	(4,334)
Printing and office supplies	1,100	1,100	1,592	(492)
Telephone	600	600	2,125	(1,525)
Uniforms	600	600	1,201	(601)
Utilities	21,800	21,800	25,669	(3,869)
Vehicle	5,099	5,099	1,971	3,128
Total recreation	<u>207,124</u>	<u>262,124</u>	<u>286,480</u>	<u>(24,356)</u>
Total public welfare and recreation	<u>399,124</u>	<u>454,124</u>	<u>466,624</u>	<u>(12,500)</u>
<b>Capital outlay</b>				
General government	30,000	42,943	39,515	3,428
Public safety	38,000	198,274	206,424	(8,150)
Public works	42,000	54,000	3,980	50,020
Public welfare and recreation	-	56,000	55,068	932
Total capital outlay	<u>110,000</u>	<u>351,217</u>	<u>304,987</u>	<u>46,230</u>
<b>Debt service</b>				
Principal and interest	<u>38,800</u>	<u>38,800</u>	<u>37,786</u>	<u>1,014</u>
<b>TOTAL EXPENDITURES</b>	<u>2,624,873</u>	<u>2,998,815</u>	<u>2,876,413</u>	<u>122,402</u>
Excess (deficiency) of revenues over (under) expenditures	282,127	(91,815)	38,560	130,375
<b>Fund balances - beginning (as restated)</b>	<u>3,195,215</u>	<u>3,195,215</u>	<u>3,195,215</u>	<u>-</u>
<b>Fund balances - end</b>	<u>\$ 3,477,342</u>	<u>\$ 3,103,400</u>	<u>\$ 3,233,775</u>	<u>\$ 130,375</u>

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

**TOWN OF JASPER, TENNESSEE**  
**Proprietary Funds**  
**Statement of Net Position**  
**June 30, 2023**

	Enterprise			Total
	Sanitation Fund	Water Works Fund	Waste Water Fund	
<b>ASSETS</b>				
Current assets				
Cash	\$ 31,760	\$ 1,340,474	\$ 922,037	\$ 2,294,271
Investments	35,000	1,166,387	714,274	1,915,661
Accounts receivable - net	-	209,146	-	209,146
Due from grantor	-	-	90,942	90,942
Due from other funds	135,914	-	152,919	288,833
Total current assets	<u>202,674</u>	<u>2,716,007</u>	<u>1,880,172</u>	<u>4,798,853</u>
Non-current assets				
Capital assets				
Land	-	45,600	65,983	111,583
Other capital assets - net of accumulated depreciation	289,558	6,945,942	4,433,086	11,668,586
Total capital assets	<u>289,558</u>	<u>6,991,542</u>	<u>4,499,069</u>	<u>11,780,169</u>
<b>TOTAL ASSETS</b>	<u>\$ 492,232</u>	<u>\$ 9,707,549</u>	<u>\$ 6,379,241</u>	<u>\$ 16,579,022</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pensions	<u>\$ 17,048</u>	<u>\$ 59,667</u>	<u>\$ 17,048</u>	<u>\$ 93,763</u>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	\$ 7,041	\$ 26,187	\$ 4,357	\$ 37,585
Accrued payroll liabilities	2,908	7,567	2,909	13,384
Other accrued liabilities	-	8,753	-	8,753
Due to other funds	116,355	349,575	482,445	948,375
Note payable - due in one year	34,988	-	12,420	47,408
Bond payable - due in one year	-	140,496	8,029	148,525
Total current liabilities	<u>161,292</u>	<u>532,578</u>	<u>510,160</u>	<u>1,204,030</u>
Non-current liabilities				
Customer deposits	-	174,025	-	174,025
Note payable	71,703	-	248,081	319,784
Bond payable	-	647,791	91,169	738,960
Compensated absences	1,305	15,561	11,420	28,286
Net pension liability	2,024	7,085	2,024	11,133
Total non-current liabilities	<u>75,032</u>	<u>844,462</u>	<u>352,694</u>	<u>1,272,188</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 236,324</u>	<u>\$ 1,377,040</u>	<u>\$ 862,854</u>	<u>\$ 2,476,218</u>
<b>NET POSITION</b>				
Net investment in capital assets	\$ 182,867	\$ 6,203,255	\$ 4,139,370	\$ 10,525,492
Unrestricted	90,089	2,186,921	1,394,065	3,671,075
<b>TOTAL NET POSITION</b>	<u>\$ 272,956</u>	<u>\$ 8,390,176</u>	<u>\$ 5,533,435</u>	<u>\$ 14,196,567</u>

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

**TOWN OF JASPER, TENNESSEE**  
**Proprietary Funds**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Year Ended June 30, 2023**

	<b>Enterprise</b>			<b>Total</b>
	<b>Sanitation Fund</b>	<b>Water Works Fund</b>	<b>Waste Water Fund</b>	
<b>OPERATING REVENUES</b>				
Sanitation fees	\$ 296,798	\$ -	\$ -	\$ 296,798
Metered water sales	-	1,268,578	-	1,268,578
Waste water sales	-	-	730,801	730,801
Returned check charge	-	300	-	300
Connection and tap fees and permits	-	41,050	20,320	61,370
Interest and penalties	-	38,214	-	38,214
Maintenance, servicing and inspection fees	-	99,130	280	99,410
Sale of materials	-	542	-	542
Miscellaneous	-	682	58,636	59,318
<b>Total operating revenues</b>	<u>296,798</u>	<u>1,448,496</u>	<u>810,037</u>	<u>2,555,331</u>
<b>OPERATING EXPENSES</b>				
Operating and administration	302,077	1,271,033	634,036	2,207,146
Depreciation	32,843	316,147	197,093	546,083
<b>Total operating expenses</b>	<u>334,920</u>	<u>1,587,180</u>	<u>831,129</u>	<u>2,753,229</u>
Operating income (loss)	<u>(38,122)</u>	<u>(138,684)</u>	<u>(21,092)</u>	<u>(197,898)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest expense	(2,078)	(23,190)	(11,164)	(36,432)
Interest income	330	60,414	5,352	66,096
Federal grants	-	411,386	190,942	602,328
<b>Total non-operating revenues (expenses)</b>	<u>(1,748)</u>	<u>448,610</u>	<u>185,130</u>	<u>631,992</u>
Changes in net position	(39,870)	309,926	164,038	434,094
<b>Net position - beginning</b>	<u>312,826</u>	<u>8,080,250</u>	<u>5,369,397</u>	<u>13,762,473</u>
<b>Net position - end</b>	<u>\$ 272,956</u>	<u>\$ 8,390,176</u>	<u>\$ 5,533,435</u>	<u>\$ 14,196,567</u>

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

**TOWN OF JASPER, TENNESSEE**  
**Proprietary Funds**  
**Statement of Cash Flows**  
**Year Ended June 30, 2023**

	Enterprise			Total
	Sanitation Fund	Water Works Fund	Waste Water Fund	
<b>Cash Flows from Operating Activities</b>				
Receipts from customers and users	\$ 296,798	\$ 1,478,102	\$ 719,095	\$ 2,493,995
Payments to suppliers	(186,253)	(914,969)	(446,905)	(1,548,127)
Payments to employees	(125,780)	(397,972)	(182,987)	(706,739)
Net cash provided (used) by operating activities	<u>(15,235)</u>	<u>165,161</u>	<u>89,203</u>	<u>239,129</u>
<b>Cash Flows from Non-capital Financing Activities</b>				
Grant proceeds	-	411,386	190,942	602,328
Interfund loan receipts and payments	655	331,875	72,044	404,574
Net cash provided (used) by non-capital financing activities	<u>655</u>	<u>743,261</u>	<u>262,986</u>	<u>1,006,902</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Principal paid on debt	(34,431)	(144,880)	(68,682)	(247,993)
Interest paid on debt	(2,078)	(23,190)	(11,164)	(36,432)
Payments related to the acquisition of capital asset	-	(794,111)	(363,731)	(1,157,842)
Net cash provided (used) by capital and related financing activities	<u>(36,509)</u>	<u>(962,181)</u>	<u>(443,577)</u>	<u>(1,442,267)</u>
<b>Cash Flows from Investing Activities</b>				
Interest income	330	60,414	5,352	66,096
(Purchase) sale of investments	-	-	(720)	(720)
Net cash provided (used) by investing activities	<u>330</u>	<u>60,414</u>	<u>4,632</u>	<u>65,376</u>
Net increase (decrease) in cash	(50,759)	6,655	(86,756)	(130,860)
Cash - beginning	<u>82,519</u>	<u>1,333,819</u>	<u>1,008,793</u>	<u>2,425,131</u>
Cash - end	<u>\$ 31,760</u>	<u>\$ 1,340,474</u>	<u>\$ 922,037</u>	<u>\$ 2,294,271</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating income (loss)	\$ (38,122)	\$ (138,684)	\$ (21,092)	\$ (197,898)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	32,843	316,147	197,093	546,083
(Increase) decrease in net pension asset	2,444	10,865	4,543	17,852
(Increase) decrease in deferred outflows related to pensions	(14,232)	(34,426)	(153)	(48,811)
Increase (decrease) in deferred inflows related to pensions	(244)	(2,197)	(1,465)	(3,906)
(Increase) decrease in accounts receivable	-	29,606	-	29,606
(Increase) decrease in grants receivable	-	-	(90,942)	(90,942)
Increase (decrease) in accounts payable	1,123	(3,325)	(1,241)	(3,443)
Increase (decrease) in accrued payroll liabilities	2,145	1,589	780	4,514
Increase (decrease) in other accrued liabilities	-	(629)	-	(629)
Increase (decrease) in compensated absences	(1,192)	8,244	1,680	8,732
Increase (decrease) in customer deposits	-	(22,029)	-	(22,029)
Total adjustments	<u>22,887</u>	<u>303,845</u>	<u>110,295</u>	<u>437,027</u>
Net cash provided (used) by operating activities	<u>\$ (15,235)</u>	<u>\$ 165,161</u>	<u>\$ 89,203</u>	<u>\$ 239,129</u>

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

**TOWN OF JASPER, TENNESSEE**  
**Notes to Financial Statements**  
**June 30, 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

The Town of Jasper, Tennessee operates under a Mayor and Board of Aldermen form of government within the following departments: general government, public safety, public works, and public welfare and recreation.

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

**A. Reporting Entity**

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

Based on the foregoing criteria, there are no entities, which meet the above criteria for inclusion in the Town of Jasper, Tennessee's financial statements.

**B. Basic Financial Statements**

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

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

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### B. Basic Financial Statements (Continued)

#### Government-wide Statements (Continued)

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

This government-wide focus is designed to view the Town as a complete entity and the change in aggregate financial position resulting from the activities of the fiscal period. Fiduciary funds are not included in the government-wide financial statements.

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

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

The Town reports the following major governmental fund:

**General Fund** - This 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 Town reports the following major enterprise funds:

**Sanitation Fund** - This fund accounts for sanitation pick up fees and expenses associated with garbage services.

**Water Works Fund** - This fund accounts for providing water services to the citizens of the Town and surrounding areas.

**Waste Water Fund** - This fund accounts for the activities of maintaining sanitary sewer and storm drain systems within the Town and surrounding areas.

### C. Measurement Focus - Basis of Accounting

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

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### C. Measurement Focus - Basis of Accounting (Continued)

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

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

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

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

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

### D. Budgetary Data

Formal budgets are adopted for the General Fund and Special Revenue Funds on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Therefore, no adjustments are necessary to convert to the actual GAAP data from the budgetary basis. These formal budgets are adopted on a departmental basis. The Town Mayor is authorized to transfer budgeted amounts between departments within any fund. However, any revision that alters the total expenditures of any fund must be approved by the Board of Aldermen.

Budgeted amounts reflected in the accompanying final and actual comparison are as originally adopted in accordance with GAAP, or as amended by the Aldermen throughout the year. Individual amendments are not material in relation to the original appropriations, which were amended. All appropriations which are not expended lapse at year-end.

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **D. Budgetary Data (Continued)**

During the year, the following supplementary appropriation was considered necessary:

General Fund budgeted expenditures were increased by \$373,942.

Budgets for Enterprise Funds are adopted by the Aldermen as a management tool.

### **E. Cash and Cash Equivalents**

Cash consists of cash on hand and on deposit with financial institutions. At June 30, 2023, the Town had no cash equivalents. For purposes of reporting cash on the Statement of Cash Flows, the Town considers unrestricted highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

### **F. Investments**

All investments are reported at fair value, which is based on quoted market prices. The Town is authorized by State Statutes to invest in the following:

Bonds, notes or treasury bills of the United States.

Nonconvertible debt securities of the Federal Home Loan Bank, the Federal National Mortgage Association, the Federal Farm Credit Bank and the Student Loan Marketing Association.

Any obligation guaranteed by the United States or any of its agencies.

Certificates of deposit at state and federal chartered banks and savings and loan associations.

The Local Government Investment Pool created by Title 9.

### **G. Property Taxes**

Property taxes are levied by the Town on January 1<sup>st</sup> on property value assessed for that calendar year. The billings are mailed October 1<sup>st</sup> and are considered due upon receipt by the taxpayer, however, the actual due date is based on a period ending approximately 60 days after calendar year end. On this date, March 1<sup>st</sup>, the bill becomes delinquent and penalties and interest may be assessed. Property taxes are recognized on the accrual basis in the government-wide financial statements, and in the governmental funds, they are recognized on the modified accrual basis. Proper allowances are made for estimated uncollectible and delinquent accounts when necessary. The tax rate for the 2023 levy is \$0.3629 per \$100 of assessed valuation and the tax rate for the 2022 levy is \$0.3629 per \$100 of assessed valuation.

Property taxes for the 2023 levy are considered to be owed to the Town as of the lien date on January 1, 2023. Therefore, the entire 2023 levy was recorded as a receivable and deferred revenue as of June 30, 2023, in both the government-wide financial statements and in the governmental fund statements.

### **H. Interfund Transactions**

#### **Interfund Receivables and Payables**

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**H. Interfund Transactions (Continued)**

**Transactions between Funds**

Transactions between funds that would be treated as revenues, expenditures, or expenses if they involved organizations external to the governmental unit are accounted for as revenues, expenditures, or expenses in the funds involved. Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund which are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditures or expense in the fund that is reimbursed. All other legally authorized transfers are not eliminated but treated as operating transfers and are included as other financing sources or uses in the governmental funds and reported after non-operating revenues or expenses in the enterprise funds.

**I. Prepayment of Expenditures**

Governmental fund expenditures for insurance and similar services extending over more than one accounting period are allocated between accounting periods and reported as an expense of the period in which they relate.

**J. Inventories**

Supplies and materials are recorded as expenditures/expenses at the time items are purchased and are not inventoried at year-end due to lack of materiality.

**K. Restricted Assets**

Certain resources can be classified as restricted assets on the Statement of Net Position because their use is limited. At year-end, there were no restricted assets.

**L. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., primary roads, secondary roads, drainage), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extended assets' lives are not capitalized.

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

<u>Asset Class</u>	<u>Years</u>
Buildings and improvements	15-40
Infrastructure	20
Machinery and equipment	5-15

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### L. Capital Assets (Continued)

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

<u>Asset Class</u>	<u>Years</u>
Water system	10-50
Sewer system	7-50
Machinery and equipment	3-15

### M. Subscription IT Arrangements

The Town follows GASB No. 96, *Subscription-Based Information Technology Arrangements*, (SBITA), to address the accounting treatment and financial reporting for these agreements. The SBITA asset is measured as the initial value of the subscription liability plus payments made to the vendor at the commencement of the subscription term, plus capitalizable initial implementation costs, and less any vendor incentives received at the commencement of the subscription term. The Town will amortize the SBITA asset in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying asset. Currently, the Town does not have any subscription IT arrangements.

### N. Leases

The Town follows GASB No. 87, *Leases*, to address the accounting treatment and financial reporting of leases. Leases that are not classified as short-term leases or contracts that transfer ownership are required to recognize a right to use asset and a related lease liability. Right to use leased assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. Right to use leased assets are amortized on a straight-line basis over the life of the related lease. Currently, the Town does not have any leases that are not contracts that transfer ownership.

### O. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Currently, the Entity has one type of item that qualifies for reporting in this category: deferred revenue - property tax.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### P. **Compensated Absences**

Sick leave is earned at a rate of one day per month and can be carried over up to a maximum of 90 days. Any unused sick leave is lost in the event of termination of employment. Employees are eligible for vacation after one year of employment. Vacation leave ranges from two to four weeks depending on the number of years of service. Unused vacation leave cannot be carried over and taken in a later employment year without the approval of management. In the event of termination, in most cases, an employee will receive pay for any unused vacation leave that has accumulated.

### Q. **Long-term Obligations**

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

### R. **Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Jasper's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Jasper's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

### S. **Net Position**

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

### T. **Fund Balance**

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

**Nonspendable:** The Town cannot spend these amounts due to form.

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

**Committed:** The Board of Aldermen has the authority to commit funds for a specific purpose.

Any funds set aside as committed fund balance requires, at a minimum, the passage of a resolution by a simple majority vote. An ordinance may also be used.

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

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

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### T. Fund Balance (Continued)

When both restricted and unrestricted funds are available for expenditure, restricted funds should be spent first unless legal requirements disallow it.

When restricted, committed, assigned and unassigned funds are available for use, restricted funds should be spent first, committed funds second, assigned funds third and unassigned funds last.

### U. Estimates

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

### V. Events Occurring after Reporting Date

The Town has evaluated events and transactions that occurred between June 30, 2023, and January 12, 2024, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

## NOTE 2 - DEPOSITS AND INVESTMENTS

### Deposits

Custodial credit risk is the risk that in the event of bank failure the Town's deposits may not be returned to it. The Town does not have a deposit or investment policy for custodial credit risk, however, the State of Tennessee requires its governmental entities to either meet the deposit and collateralization regulations under TCA Title 9, Chapter 4, Parts 1 and 4, or as provided in the collateral pool. As of June 30, 2023, the carrying amount of the Town's deposits was \$6,656,816, and the bank balance was \$6,887,159. At year-end, none of the Town's bank balance was exposed to custodial credit risk as uninsured and uncollateralized.

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

Cash	\$ 4,641,789
Investments	<u>2,015,661</u>
	6,657,450
Less: petty cash	<u>( 634)</u>
Total	<u>\$ 6,656,816</u>

### Investments

The Town's investments are carried at fair value and consist of certificates-of-deposits totaling \$2,015,661.

**NOTE 3 - PROPERTY TAXES RECEIVABLE - NET**

Property taxes receivable as of June 30, 2023, consist of the following:

<u>Year of Levy</u>	
2023	\$ 698,613
2022	22,263
2021	5,165
2020	3,270
2019	703
2018	5,142
2017	4,526
2016	3,786
2015	1,968
2014	<u>3,327</u>
	748,763
Less: allowance for uncollectibles	<u>( 31,799)</u>
Property taxes receivable - net	<u>\$ 716,964</u>

**NOTE 4 - ACCOUNTS RECEIVABLE - NET**

Accounts receivable - net at June 30, 2023, consists of the following:

	<u>General Fund</u>	<u>Water Works Fund</u>	<u>Total</u>
Beer taxes	\$ 15,289	\$ -	\$ 15,289
Liquor taxes	5,045	-	5,045
Cable franchise taxes	9,953	-	9,953
Customer receivables	-	215,049	215,049
Less: allowance for doubtful accounts	<u>-</u>	<u>( 5,903)</u>	<u>( 5,903)</u>
Total	<u>\$ 30,287</u>	<u>\$ 209,146</u>	<u>\$ 239,433</u>

Bad debt expense was \$0 for the year ended June 30, 2023.

**NOTE 5 - DUE FROM OTHER GOVERNMENTS**

Due from other governments at June 30, 2023, consists of the following:

Local sales tax	\$ 225,372
State sales tax	76,622
Gas and motor fuel tax	21,454
Business tax	10,150
Mixed drink tax	195
City streets and transportation	1,103
Sports betting	<u>1,435</u>
Total	<u>\$ 336,331</u>

**NOTE 6 - DUE FROM GRANTOR**

Due from grantor at June 30, 2023, consists of the following:

U.S. Department of Transportation	\$ 1,173
Appalachian Regional Commission	<u>90,942</u>
Total	<u>\$ 92,115</u>

**NOTE 7 - INTERNAL BALANCES**

Internal balances to be repaid within one year consist of the following:

	Due from:				Total
	General Fund	Sanitation Fund	Water Works Fund	Waste Water Fund	
Due to:					
General Fund	\$ -	\$ 116,355	\$ 62,131	\$ 481,056	\$ 659,542
State Street Aid Fund	72,330	-	-	-	72,330
Drug Fund	9,292	-	-	-	9,292
Sanitation Fund	-	-	134,525	1,389	135,914
Waste Water Fund	-	-	152,919	-	152,919
Total	<u>\$ 81,622</u>	<u>\$ 116,355</u>	<u>\$ 349,575</u>	<u>\$ 482,445</u>	<u>\$1,029,997</u>

The internal balances are reimbursements of expenditures that will be repaid within one year.

**NOTE 8 - CAPITAL ASSETS**

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 687,145	\$ 25,182	\$( 4,000)	\$ 708,327
Capital assets being depreciated:				
Buildings and improvements	1,463,578	14,000	-	1,477,578
Infrastructure	646,344	-	-	646,344
Machinery and equipment	<u>2,175,404</u>	<u>236,569</u>	<u>( 15,865)</u>	<u>2,396,108</u>
Total capital assets being depreciated	<u>4,285,326</u>	<u>250,569</u>	<u>( 15,865)</u>	<u>4,520,030</u>
Less accumulated depreciation for:				
Buildings and improvements	1,085,874	29,424	-	1,115,298
Infrastructure	396,201	32,317	-	428,518
Machinery and equipment	<u>1,545,187</u>	<u>175,730</u>	<u>( 15,865)</u>	<u>1,705,052</u>
Total accumulated depreciation	<u>3,027,262</u>	<u>237,471</u>	<u>( 15,865)</u>	<u>3,248,868</u>
Total capital assets being depreciated - net	<u>1,258,064</u>	<u>13,098</u>	<u>-</u>	<u>1,271,162</u>
Governmental activities capital assets - net	<u>\$1,945,209</u>	<u>\$ 38,280</u>	<u>\$( 4,000)</u>	<u>\$ 1,979,489</u>

**NOTE 8 - CAPITAL ASSETS (Continued)**

Depreciation expense was charged to the functions of the primary government as follows:

General government	\$ 27,167
Public safety	96,671
Public works	42,123
Public welfare and recreation	<u>71,510</u>
 Total	 <u>\$ 237,471</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Business-type activities:</b>					
Capital assets not being depreciated:					
Land	\$ 111,583	\$ -	\$ -	\$ -	\$ 111,583
Capital assets being depreciated:					
Water system	12,238,594	470,743	-	-	12,709,337
Sewer system	8,209,184	147,087	-	-	8,356,271
Machinery and equipment	<u>1,123,445</u>	<u>540,012</u>	<u>(16,123)</u>	-	<u>1,647,334</u>
Total capital assets being depreciated	<u>21,571,223</u>	<u>1,157,842</u>	<u>(16,123)</u>	-	<u>22,712,942</u>
Less accumulated depreciation for:					
Water system	5,889,606	262,877	-	-	6,152,483
Sewer system	4,010,643	171,170	-	-	4,181,813
Machinery and equipment	<u>614,147</u>	<u>112,036</u>	<u>(16,123)</u>	-	<u>710,060</u>
Total accumulated depreciation	<u>10,514,396</u>	<u>546,083</u>	<u>(16,123)</u>	-	<u>11,044,356</u>
Total capital assets being depreciated - net	<u>11,056,827</u>	<u>611,759</u>	-	-	<u>11,668,586</u>
Business-type activities capital assets - net	<u>\$ 11,168,410</u>	<u>\$ 611,759</u>	\$ -	\$ -	<u>\$ 11,780,169</u>

**NOTE 9 - DEFERRED OUTFLOWS RELATED TO PENSIONS**

Deferred outflows related to pensions consists of the following:

Beginning balance	\$ 140,792
Differences between expected and actual experience	50,413
Differences between projected and actual investment earnings	25,811
Amortization of deferrals	( 14,324)
Prior year contributions	( 100,041)
Current year employer contributions	119,563
Netting of investment earnings	<u>( 9,117)</u>
 Total	 <u>\$ 213,097</u>

**NOTE 10 - LONG-TERM DEBT**

**A. Governmental Debt**

Long-term debt, payable by the governmental funds, which consists of a financed purchase and compensated absences, is summarized as follows:

	<u>Principal Balance</u>
Financed purchase, Government Leasing and Finance, Inc., for fire truck, \$318,407, bearing interest at 3.24%, other debt	\$ 222,884
Compensated absences	<u>37,561</u>
	260,445
Less: current portion of governmental long-term debt	<u>( 31,841)</u>
 Total governmental long-term debt	 <u>\$ 228,604</u>

A summary of changes in governmental long-term debt for the year ended June 30, 2023, are as follows:

	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2023</u>	<u>Due Within One Year</u>
<b>Other debt:</b>					
Financed purchase	\$ 254,725	\$ -	\$ ( 31,841)	\$ 222,884	\$ 31,841
Compensated absences	<u>30,831</u>	<u>6,730</u>	<u>-</u>	<u>37,561</u>	<u>-</u>
 Total	 <u>\$ 285,556</u>	 <u>\$ 6,730</u>	 <u>\$ ( 31,841)</u>	 260,445	 <u>\$ 31,841</u>
Less: current portion of governmental long-term debt				<u>( 31,841)</u>	
 Total governmental long-term debt				 <u>\$ 228,604</u>	

In accordance with GASB No. 101, *Compensated Absences*, the change in liability for compensated absences is shown as the net change, rather than gross increases and decreases.

The financed purchase is payable from the taxes levied by the Town. The Town's full faith and credit are pledged as collateral. If in default and there are insufficient funds from the taxes levied, the principal and interest will be paid from the current funds of the Town.

Interest paid during the year ended June 30, 2023, on governmental long-term debt was \$5,945.

General Fund debt service requirements to maturity, including interest of \$41,614 are as follows:

<u>Year ended June 30,</u>	<u>Other debt</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2024	\$ 31,841	\$ 5,945	\$ 37,786
2025	31,841	5,945	37,786
2026	31,841	5,945	37,786
2027	31,841	5,945	37,786
2028	31,841	5,945	37,786
2029-2030	<u>63,679</u>	<u>11,889</u>	<u>75,568</u>
 Total	 <u>\$ 222,884</u>	 <u>\$ 41,614</u>	 <u>\$ 264,498</u>

Note: A debt service requirements schedule is not required for compensated absences.

The Town does not have unused lines of credit.

**NOTE 10 - LONG-TERM DEBT (Continued)**

**B. Business-Type Debt**

**Sanitation Fund**

Long-term debt, payable by the Sanitation Fund, which consists of a note and compensated absences, is summarized as follows:

	<u>Principal Balance</u>
Capital Outlay Note, Series 2021, for garbage truck, bearing interest at 1.62%, payable in quarterly installments of \$9,127 through April 9, 2026, direct borrowing	\$ 106,691
Compensated absences	<u>1,305</u>
	107,996
Less: current portion of sanitation long-term debt	<u>( 34,988)</u>
 Total sanitation long-term debt	 <u>\$ 73,008</u>

A summary of changes in sanitation long-term debt for the year ended June 30, 2023, are as follows:

	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2023</u>	<u>Due Within One Year</u>
<u>Direct borrowing:</u>					
Capital Outlay Note	\$ 141,122	\$ -	\$( 34,431)	\$ 106,691	\$ 34,988
<u>Other debt:</u>					
Compensated absences	<u>2,497</u>	-	<u>( 1,192)</u>	<u>1,305</u>	-
Total	<u>\$ 143,619</u>	<u>\$ -</u>	<u>\$( 35,623)</u>	107,996	<u>\$ 34,988</u>
Less: current portion of Sanitation Fund long-term debt				<u>( 34,988)</u>	
Total Sanitation Fund long-term debt				<u>\$ 73,008</u>	

In accordance with GASB No. 101, *Compensated Absences*, the change in liability for compensated absences is shown as the net change, rather than gross increases and decreases.

The Capital Outlay Note is payable from the sanitation charges of the Town. The Town's full faith and credit are pledged as collateral. If in default and there are insufficient funds from the taxes levied, the principal and interest will be paid from the current funds of the Town.

Interest paid during the year ended June 30, 2023, on sanitation long-term debt was \$2,078.

Sanitation Fund debt service requirements to maturity, including interest of \$2,836 are as follows:

<u>Year ended June 30,</u>	<u>Direct borrowing</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2024	\$ 34,988	\$ 1,521	\$ 36,509
2025	35,562	947	36,509
2026	<u>36,141</u>	<u>368</u>	<u>36,509</u>
Total	<u>\$ 106,691</u>	<u>\$ 2,836</u>	<u>\$ 109,527</u>

Note: A debt service requirements schedule is not required for compensated absences.

**NOTE 10 - LONG-TERM DEBT (Continued)**

**B. Business-Type Debt (Continued)**

**Water Works Fund**

Long-term debt, payable by the Water Works Fund, which consists of bonds payable, customer deposits and compensated absences, is summarized as follows:

	<u>Principal Balance</u>
Refunding Water Revenue Bond, Series 2017, interest at 2.6%, direct borrowing	\$ 590,060
Loan agreement dated September 13, 2004, interest at the adjustable rate payable monthly, principal is due annually on May 25 <sup>th</sup> , direct borrowing	96,227
Tennessee Municipal Bond Fund, Series 2013, dated September 16, 2013, interest at 3.72% through September 1, 2025, direct borrowing	102,000
Customer deposits	174,025
Compensated absences	<u>15,561</u>
	977,873
Less: current portion of water works long-term debt	<u>( 140,496)</u>
 Total water works long-term debt	 <u>\$ 837,377</u>

A summary of changes in water works long-term debt for the year ended June 30, 2023, are as follows:

	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2023</u>	<u>Due Within One Year</u>
<u>Direct borrowing:</u>					
Series 2017	\$ 687,001	\$ -	\$( 96,941)	\$ 590,060	\$ 99,707
Series 2004	112,166	-	( 15,939)	96,227	7,789
Series 2013	<u>134,000</u>	-	( 32,000)	<u>102,000</u>	<u>33,000</u>
Total direct borrowing	<u>933,167</u>	-	<u>( 144,880)</u>	<u>788,287</u>	<u>140,496</u>
 <u>Other debt:</u>					
Customer deposits	196,054	-	( 22,029)	174,025	-
Compensated absences	<u>7,317</u>	<u>8,244</u>	-	<u>15,561</u>	-
Total other debt	<u>203,371</u>	<u>8,244</u>	<u>( 22,029)</u>	<u>189,586</u>	-
 Total	 <u>\$ 1,136,538</u>	 <u>\$ 8,244</u>	 <u>\$( 166,909)</u>	 977,873	 <u>\$ 140,496</u>
Less: current portion of Water Works Fund long-term debt				<u>( 140,496)</u>	
 Total Water Works Fund long-term debt				 <u>\$ 837,377</u>	

In accordance with GASB No. 101, *Compensated Absences*, the change in liability for compensated absences is shown as the net change, rather than gross increases and decreases.

The 2017 Refunding Water Bond, the 2004 Revenue Bonds and the 2013 Tennessee Municipal Bond Fund have the same terms as the governmental debt but are also payable from, but not secured by, the income and revenues derived from the operation of the water works system. If in default and there are insufficient funds from the taxes levied, the principal and interest will be paid from the current funds of the Town.

Interest paid during the year ended June 30, 2023, on water works long-term debt was \$23,190.

**NOTE 10 - LONG-TERM DEBT (Continued)**

**B. Business-Type Debt (Continued)**

**Water Works Fund (Continued)**

Water Works Fund debt service requirements to maturity, including interest of \$69,148 are as follows:

Year ended June 30,	Direct borrowing		Total
	Principal	Interest	
2024	\$ 140,496	\$ 19,252	\$ 159,748
2025	144,474	15,471	159,945
2026	148,541	11,585	160,126
2027	116,696	7,596	124,292
2028	119,944	4,840	124,784
2029-2033	<u>118,136</u>	<u>10,404</u>	<u>128,540</u>
Total	<u>\$ 788,287</u>	<u>\$ 69,148</u>	<u>\$ 857,435</u>

Note: The above debt service requirements schedule does not include customer deposits or compensated absences.

**Waste Water Fund**

Long-term debt, payable by the Waste Water Fund, which consists of bonds payable, a note payable and compensated absences is summarized as follows:

	Principal Balance
Loan agreement dated September 13, 2004, interest at the adjustable rate payable monthly, principal is due annually on May 25 <sup>th</sup> , direct borrowing	\$ 99,198
Capital outlay notes, Series 2012A, dated December 21, 2012, payable in 10 annual installments, interest at 1.94% through April 1, 2023, direct borrowing	-
State note CG3 18-400, dated April 20, 2019, interest at 1.45% through December 31, 2041, direct borrowing	260,501
Compensated absences	<u>11,420</u>
	371,119
Less: current portion of waste water long-term debt	<u>( 20,449)</u>
Total waste water long-term debt	<u>\$ 350,670</u>

A summary of changes in waste water long-term debt for the year ended June 30, 2023, are as follows:

	Balance July 1, 2022	Additions	Retirement	Forgiven	Balance June 30, 2023	Amount Due Due Within One Year
<b>Direct borrowing:</b>						
Series 2004	\$ 115,629	\$ -	\$( 16,431)	\$ -	\$ 99,198	\$ 8,029
Series 2012A	40,000	-	( 40,000)	-	-	-
State note CG3 18-400	<u>272,752</u>	-	( 12,251)	-	<u>260,501</u>	<u>12,420</u>
Total direct borrowing	<u>428,381</u>	-	( 68,682)	-	<u>359,699</u>	<u>20,449</u>
<b>Other debt:</b>						
Compensated absences	<u>9,740</u>	<u>1,680</u>	-	-	<u>11,420</u>	-
Total	<u>\$ 438,121</u>	<u>\$ 1,680</u>	<u>\$( 68,682)</u>	<u>\$ -</u>	<u>371,119</u>	<u>\$ 20,449</u>
Less: current portion of Waste Water Fund long-term debt					<u>( 20,449)</u>	
Total Waste Water Fund long-term debt					<u>\$ 350,670</u>	

## NOTE 10 - LONG-TERM DEBT (Continued)

### B. Business-Type Debt (Continued)

#### Waste Water Fund (Continued)

In accordance with GASB No. 101, *Compensated Absences*, the change in liability for compensated absences is shown as the net change, rather than gross increases and decreases.

The 2004 Revenue Bonds, the 2012A Capital Outlay Notes, and State Note CG3 18-400 have the same terms as the governmental debt but are also payable from, but not secured by, the income and revenues derived from the operation of the waste water system. If in default and there are insufficient funds from the taxes levied, the principal and interest will be paid from the current funds of the Town.

Interest paid during the year ended June 30, 2023, on waste water long-term debt was \$11,164.

Waste water debt service requirements to maturity, including interest of \$56,524 are as follows:

Year ended June 30,	Direct borrowing		Total
	Principal	Interest	
2024	\$ 20,449	\$ 5,266	\$ 25,715
2025	20,996	5,158	26,154
2026	21,561	5,052	26,613
2027	22,157	4,939	27,096
2028	22,774	4,829	27,603
2029-2033	123,933	23,036	146,969
2034-2038	73,896	6,744	80,640
2039-2042	<u>53,933</u>	<u>1,500</u>	<u>55,433</u>
Total	<u>\$ 359,699</u>	<u>\$ 56,524</u>	<u>\$ 416,223</u>

Note: The above debt service requirements schedule does not include compensated absences.

The Loan Agreement dated September 13, 2004, in the original amount of \$1,393,000 bears interest at an adjustable rate. This rate is adjusted monthly on the 15th of the month and is calculated by the Trustee based on the interest rates determined by the Remarketing Agent. The rate was 1.17% as of June 30, 2023. The anticipated interest rate used to compute the maturities of the debt over its remaining term is 3.25%.

## NOTE 11 - NET PENSION LIABILITY

At June 30, 2023, net pension liability consists of the following:

Beginning balance	\$ ( 20,998)
Service cost	130,108
Interest expense	18,374
Differences between expected and actual experience	50,413
Plan administrative expenses	2,948
Employer contribution	(100,823)
Employee contribution	( 64,056)
Net investment income	<u>9,337</u>
Total	<u>\$ 25,303</u>

**NOTE 12 - DEFERRED REVENUE - PROPERTY TAX**

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

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Property taxes	\$ 14,539	\$ 698,613	\$ 713,152

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

**NOTE 13 - NET POSITION RESTRICTIONS**

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

State street aid funds in the amount of \$256,754 are legally restricted for state street aid expenditures.

Drug funds in the amount of \$34,885 are legally restricted for non-recurring police expenditures.

**NOTE 14 - FUND BALANCES**

Fund balances are as follows:

Restricted: \$256,754 is legally restricted for state street aid expenditures and \$34,885 is legally restricted for non-recurring police expenditures.

Unassigned: In accordance with generally accepted accounting principles, the General Fund is the only fund at 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.

**NOTE 15 - PRIOR PERIOD ADJUSTMENT**

In a prior year, the Town elected to buy back one year of TCRS pension for all employees. The Town did not pay for this expense until the current fiscal year, resulting in the following prior period adjustment:

General Fund's prior year ending fund balance	\$ 3,313,419
Pension buy back	<u>( 118,204)</u>
General Fund's beginning fund balance as restated	<u>\$ 3,195,215</u>
Governmental activities' prior year ending net position	\$ 5,338,206
Pension buy back	<u>( 118,204)</u>
Governmental activities' beginning net position as restated	<u>\$ 5,220,002</u>

**NOTE 16 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

Explanation of certain differences between the governmental fund Balance Sheet and the government-wide Statement of Net Position:

The governmental fund balance includes a reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the governmental-wide Statement of Net Position. One element of that reconciliation states that, "Pension liabilities, including net pension assets, deferred inflows and deferred outflows, are not due and payable in the current period and, therefore, are not reported in the funds." The details of this \$105,164 difference are as follows:

Net pension liability	\$ ( 14,170)
Deferred outflows related to pensions	<u>119,334</u>
Net adjustment	<u>\$ 105,164</u>

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

The governmental fund Statement of Revenues, Expenditures and Changes in Fund balances, includes a reconciliation between net changes in fund balances for total governmental funds and changes in net position of governmental activities as reported in the government-wide Statement of Activities. One element of that reconciliation explains that, "Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense". The details of this \$34,280 difference are as follows:

Depreciation expense	\$ ( 237,471)
Capital outlay	275,751
Loss on disposal	<u>( 4,000)</u>
Net adjustment	<u>\$ 34,280</u>

Another element of that reconciliation states that, "Pension expense from the prior year is not reported in the governmental funds but is added to governmental activities revenue. Current year pension contributions are reported as an expense in the governmental funds but are not reported in the Statement of Activities." The details of this \$3,346 difference are as follows:

Pension expense	\$ ( 45,997)
Contributions	66,955
Changes in proportionate share	<u>( 17,612)</u>
Net adjustment	<u>\$ 3,346</u>

**NOTE 17 - RISK MANAGEMENT POOL**

The Town is exposed to various risk of loss related to torts, errors and omissions, damages to assets, and injuries to employees. The Town has joined the Public Entity Partners Risk Management Pool (Pool). The membership allows the Town to share liability, motor vehicle, and employee injury risks.

**NOTE 17 - RISK MANAGEMENT POOL (Continued)**

The Pool is a governmental entity organized by Tennessee cities as a not-for-profit corporation to provide liability and workers' compensation coverage to Tennessee cities. Emphasis is on risk management and controlling losses, as all costs are shared by the Pool member cities. An extensive program of loss prevention, employee training, and legal counsel supplements experienced claims processing for member cities.

Coverage is as follows:

Property	\$ 42,133,855	
Workers compensation	\$ 1,000,000	per accident
	\$ 1,000,000	policy limit
	\$ 1,000,000	per employee
Liability	\$ 700,000	each other loss per occurrence

**The responsibilities of the Town are as follows:**

To pay all contributions or other sums due to the Pool at such times and in such amounts as shall be established by the Pool.

To allow the Pool and its agents reasonable access to all facilities of the Town and all records, including but not limited to financial records, which relate to the purposes of the Pool during the coverage period and up to (3) three years afterward.

To allow attorneys appointed by the Pool to represent the Town in investigation, settlement discussions and all levels of litigation arising out of any claim made against the Town within the scope of loss protection furnished by the Pool.

To assist and cooperate in the defense and settlement of claims against the Town.

To furnish full cooperation to the Pool's attorneys, claims adjusters, and any agent, employee, officer or independent contractor of the Pool relating to the purposes of the Pool.

To follow all loss reduction and prevention procedures established by the Pool where possible.

To furnish to the Pool such operating and underwriting information as may be requested.

To report as promptly as possible, and in accordance with any conditions issued, all incidents which could result in the Pool being required to pay claim for loss or injuries to municipal property or injuries to persons or property when such loss or injury is within the scope of the protection in which the Town participates.

To allow the Pool to inspect and appraise any damaged property before its repair or disposition.

The Town must cooperate with the pool in any dispute resolutions with other insurance companies.

**The responsibilities of the Pool are as follows:**

The Pool will defend any suit against the Town or covered party seeking damages even if any of the allegations of the suit are groundless, false, or fraudulent.

**NOTE 17 - RISK MANAGEMENT POOL (Continued)**

The Pool's duty to pay on behalf of or to indemnify a covered party other than the Town does not apply to any act, error or omission:

- (1) That constitutes malfeasance in office;
- (2) That constitutes willful and wanton neglect of duty;
- (3) That constitutes dishonesty on the part of a covered party; or
- (4) That constitutes the willful violation of a statute or ordinance by any official, employee, or agent of the municipality.

The Town has not compiled a record of the claims paid up to the applicable deductible for the prior or current fiscal year. The Town is not aware of any claims which the Town is liable for (up to the applicable deductible) which were outstanding and unpaid at June 30, 2023. No provision has been made in the financial statements for the year ended June 30, 2023, for any estimate of potential unpaid claims.

**NOTE 18 - COMMERCIAL INSURANCE**

It is the policy of the Town to purchase commercial insurance for various risks of losses to which it is exposed. These risks include accident and employee health. Other risks of losses are covered under a risk management pool. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**NOTE 19 - LITIGATION AND CLAIMS**

Town management is not aware of any litigation or claims that would be material to the Town's financial statements.

**NOTE 20 - MATERIAL COMPLIANCE WITH FINANCE RELATED LEGAL AND CONTRACTUAL PROVISIONS**

The Town has no material violations of finance related legal and contractual provisions.

**NOTE 21 - COMMITMENTS AND CONTENGENCIES**

The Town has incurred certain asset retirement obligations related to the operation of its waste water utility system. The estimated liability of the legally required closure costs for the waste water utility system cannot be reasonably estimated as of June 30, 2023, since the specific legally required costs of retirement have not yet been identified. The Town anticipates identifying those specific legally required costs and obtaining an estimate of those costs in the subsequent fiscal year.

## NOTE 22 - PENSION PLAN

### General Information about the Pension Plan

#### **Plan description**

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

#### **Benefits provided**

Tennessee Code Annotated, Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's service credit. Reduced benefits for early retirement are available at age 55 and vested. Members vest with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

#### **Employees covered by benefit terms**

At the measurement date of June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	0
Inactive employees entitled to but not yet receiving benefits	3
Active employees	<u>31</u>
Total employees	<u>34</u>

#### **Contributions**

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute 5 percent of salary. Jasper makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2023, the employer contributions for Jasper were \$119,563 based on a rate of 8.20 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Jasper's state shared taxes if required employer contributions are not remitted. The employer's ADC and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

## NOTE 22 - PENSION PLAN (Continued)

### Net Pension Liability (Asset)

#### **Pension liabilities (assets)**

Jasper's net pension liability (asset) was measured as of June 30, 2022, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

#### **Actuarial assumptions**

The total pension liability as of June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016 through June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

<u>Asset class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
U.S. equity	4.88%	31%
Developed market international equity	5.37%	14%
Emerging market international equity	6.09%	4%
Private equity and strategic lending	6.57%	20%
U.S. fixed income	1.20%	20%
Real estate	4.38%	10%
Short-term securities	0.00%	<u>1%</u>
		100%

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

**NOTE 22 - PENSION PLAN (Continued)**

**Net Pension Liability (Asset) (Continued)**

**Discount rate**

The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from Jasper will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Changes in the Net Pension Liability (Asset)**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at 6/30/21	\$ 144,419	\$ 165,417	\$ ( 20,998)
Changes for the year:			
Service cost	130,108	-	130,108
Interest	18,374	-	18,374
Changes of benefit terms	-	-	-
Differences between expected and actual experience	50,413	-	50,413
Changes in assumptions	-	-	-
Contributions - employer	-	100,823	( 100,823)
Contributions - employees	-	64,056	( 64,056)
Net investment income	-	( 9,337)	9,337
Benefit payments, including refunds of employee contributions	( 4,652)	( 4,652)	-
Administrative expense	-	( 2,948)	2,948
Other changes	-	-	-
Net changes	194,243	147,942	46,301
Balances at 6/30/22	\$ 338,662	\$ 313,359	\$ 25,303

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

The following presents the net pension liability (asset) of Jasper calculated using the discount rate of 6.75 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Jasper's net pension liability (asset)	\$ 93,817	\$ 25,303	\$ ( 29,186)

**NOTE 22 - PENSION PLAN (Continued)**

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

**Pension expense (negative pension expense)**

For the year ended June 30, 2023, Jasper recognized pension expense (negative pension expense) of \$82,134.

**Deferred outflows of resources and deferred inflows of resources**

For the year ended June 30, 2023, Jasper reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 72,731	\$ -
Net difference between projected and actual earnings on pension plan investments	11,481	-
Changes in assumptions	9,322	-
Contributions subsequent to the measurement date of June 30, 2022	<u>119,563</u>	<u>(not applicable)</u>
Total	<u>\$ 213,097</u>	<u>\$ -</u>

The amount shown above for “Contributions subsequent to the measurement date of June 30, 2022,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

Year Ended June 30:	
2024	\$ 11,234
2025	\$ 11,234
2026	\$ 11,183
2027	\$ 14,273
2028	\$ 9,111
Thereafter	\$ 36,499

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

**Payable to the Pension Plan**

At June 30, 2023, Jasper reported a payable of \$14,204 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2023.

**NOTE 23 - PENSION PLAN - NATIONWIDE**

The Town's pension plan through Nationwide was terminated in previous years. At the time, all active employees received a payout and could choose if they wanted to enroll in the new TCRS plan. There were two retired employees receiving benefits. One chose to take a lump sum payout. The other will continue to receive monthly payments. Pencheck Trust is administering the payments for the retired employee. The Town paid \$8,400 to Pencheck Trust during the fiscal year for this plan.

**REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A**

**TOWN OF JASPER, TENNESSEE**  
**Schedule of Changes in Net Pension Liability (Asset) and Related Ratios**  
**Based on Participation in the Public Employee Pension Plan of the TCRS**  
**June 30, 2023**

**Last Fiscal Year Ending June 30**

	2020	2021	2022
<u>Total pension liability</u>			
Service cost	\$ -	\$ 75,956	\$ 130,108
Interest	-	6,702	18,374
Changes in benefit terms	16,482	-	-
Differences between actual and expected experience	-	33,627	50,413
Change of assumptions	-	11,652	-
Benefit payments, including refunds of employee contributions	-	-	(4,652)
Net change in total pension liability	16,482	127,937	194,243
Total pension liability - beginning	-	16,482	144,419
Total pension liability - ending (a)	\$ 16,482	\$ 144,419	\$ 338,662
<u>Plan fiduciary net position</u>			
Contributions - employer	\$ 13,847	\$ 75,466	\$ 100,823
Contributions - employee	8,797	47,945	64,056
Net investment income	549	21,487	(9,337)
Benefit payments, including refunds of employee contributions	-	-	(4,652)
Administrative expense	(533)	(2,141)	(2,948)
Other	-	-	-
Net change in plan fiduciary net position	22,660	142,757	147,942
Plan fiduciary net position - beginning	-	22,660	165,417
Plan fiduciary net position - ending (b)	\$ 22,660	\$ 165,417	\$ 313,359
Net Pension Liability (asset) - ending (a) - (b)	\$ (6,178)	\$ (20,998)	\$ 25,303
Plan fiduciary net position as a percentage of total pension liability	137.48%	114.54%	92.53%
Covered payroll	\$ 175,945	\$ 958,899	\$ 1,281,106
Net pension liability (asset) as a percentage of covered payroll	-3.51%	-2.19%	1.98%

**Notes to Schedule:**

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

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

**TOWN OF JASPER, TENNESSEE**  
**Schedule of Contributions Based on Participation**  
**in the Public Employee Pension Plan of the TCRS**  
**June 30, 2023**

<b>Last Fiscal Year Ending June 30</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Actuarially determined contribution	\$ 13,847	\$ 75,466	\$ 100,823	\$ 119,563
Contributions in relation to the actuarially determined contribution	<u>13,847</u>	<u>75,466</u>	<u>100,823</u>	<u>119,563</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 175,945	\$ 958,899	\$ 1,281,106	\$ 1,458,090
Contributions as a percentage covered payroll	7.87%	7.87%	7.87%	8.20%

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

**Notes to Schedule:**

*Valuation date:* Actuarially determined contribution rates for fiscal year 2023 were calculated based on the June 30, 2021 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	Varies by year
Asset valuation	10-year smoothed within a 20 percent corridor to market value
Inflation	2.25 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment rate of return	6.75 percent, net of investment expense, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including an adjustment for some anticipated improvement
Cost of living adjustments	2.125 percent

*Changes of assumptions:* In 2021, the following assumptions were changed: decreased inflation rate from 2.50 percent to 2.25 percent; decreased the investment rate of return from 7.25 percent to 6.75 percent; decreased the cost-of-living adjustment from 2.25 percent to 2.125 percent; and modified mortality assumptions.

**OTHER SUPPLEMENTARY INFORMATION**

## **NON-MAJOR GOVERNMENTAL FUNDS**

### **Special Revenue Funds**

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

#### **State Street Aid Fund:**

All state-shared gasoline tax revenue received to provide for street lighting and road maintenance is accounted for in this fund.

#### **Drug Fund:**

This fund is used to account for confiscated drug monies and related expenditures.

**TOWN OF JASPER, TENNESSEE**  
**Non-major Governmental Fund**  
**Combining Balance Sheet**  
**June 30, 2023**

	<u>State Street Aid Fund</u>	<u>Drug Fund</u>	<u>Governmental Funds</u>
<b>ASSETS</b>			
Cash	\$ 186,110	\$ 25,593	\$ 211,703
Due from other funds	72,330	9,292	81,622
<b>TOTAL ASSETS</b>	<u>\$ 258,440</u>	<u>\$ 34,885</u>	<u>\$ 293,325</u>
 <b>LIABILITIES</b>			
Accrued payroll liabilities	<u>\$ 1,686</u>	<u>\$ -</u>	<u>\$ 1,686</u>
 <b>FUND BALANCES</b>			
Restricted	<u>\$ 256,754</u>	<u>\$ 34,885</u>	<u>\$ 291,639</u>

**TOWN OF JASPER, TENNESSEE**  
**Non-major Governmental Fund**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Year Ended June 30, 2023**

	<u>State Street Aid Fund</u>	<u>Drug Fund</u>	<u>Governmental Funds</u>
<b>REVENUES</b>			
Intergovernmental	\$ 135,489	\$ -	\$ 135,489
Fines and forfeitures	-	813	813
Other	-	6	6
	<u>135,489</u>	<u>819</u>	<u>136,308</u>
<b>TOTAL REVENUES</b>			
<b>EXPENDITURES</b>			
<b>Current expenditures</b>			
Public works	<u>89,738</u>	<u>-</u>	<u>89,738</u>
	<u>89,738</u>	<u>-</u>	<u>89,738</u>
<b>TOTAL EXPENDITURES</b>			
Excess (deficiency) of revenues over (under) expenditures	45,751	819	46,570
<b>Fund balance - beginning</b>	<u>211,003</u>	<u>34,066</u>	<u>245,069</u>
<b>Fund balance - end</b>	<u>\$ 256,754</u>	<u>\$ 34,885</u>	<u>\$ 291,639</u>

**TOWN OF JASPER, TENNESSEE**  
**State Street Aid Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Year Ended June 30, 2023**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Intergovernmental				
Gasoline and motor fuel tax	\$ 126,000	\$ 126,000	\$ 135,489	\$ 9,489
<b>TOTAL REVENUES</b>	<u>126,000</u>	<u>126,000</u>	<u>135,489</u>	<u>9,489</u>
<b>EXPENDITURES</b>				
<b>Current expenditures</b>				
Public works				
Salaries	57,120	57,120	55,390	1,730
Payroll taxes	5,200	5,200	4,783	417
Pension	6,500	6,500	5,157	1,343
Employee insurance	16,000	16,000	21,640	(5,640)
Equipment	24,000	24,000	-	24,000
Insurance	150	150	1,373	(1,223)
Uniforms	500	500	1,395	(895)
Total public works	<u>109,470</u>	<u>109,470</u>	<u>89,738</u>	<u>19,732</u>
<b>TOTAL EXPENDITURES</b>	<u>109,470</u>	<u>109,470</u>	<u>89,738</u>	<u>19,732</u>
Excess (deficiency) of revenues over (under) expenditures	16,530	16,530	45,751	29,221
<b>Fund balances - beginning</b>	<u>211,003</u>	<u>211,003</u>	<u>211,003</u>	<u>-</u>
<b>Fund balances - end</b>	<u>\$ 227,533</u>	<u>\$ 227,533</u>	<u>\$ 256,754</u>	<u>\$ 29,221</u>

**TOWN OF JASPER, TENNESSEE**  
**Drug Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Year Ended June 30, 2023**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Fines and forfeitures				
Seizures	\$ 300	\$ 300	\$ 813	\$ 513
Court fines and costs	300	300	-	(300)
Total fines and forfeitures	<u>600</u>	<u>600</u>	<u>813</u>	<u>213</u>
Other				
Interest income	<u>-</u>	<u>-</u>	<u>6</u>	<u>6</u>
<b>TOTAL REVENUES</b>	<u>600</u>	<u>600</u>	<u>819</u>	<u>219</u>
<b>EXPENDITURES</b>				
<b>Current expenditures</b>				
Public safety				
Police				
Drug education	300	300	-	300
Equipment	300	300	-	300
Total police	<u>600</u>	<u>600</u>	<u>-</u>	<u>600</u>
<b>TOTAL EXPENDITURES</b>	<u>600</u>	<u>600</u>	<u>-</u>	<u>600</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	819	819
<b>Fund balances - beginning</b>	<u>34,066</u>	<u>34,066</u>	<u>34,066</u>	<u>-</u>
<b>Fund balances - end</b>	<u>\$ 34,066</u>	<u>\$ 34,066</u>	<u>\$ 34,885</u>	<u>\$ 819</u>

**FINANCIAL SCHEDULES**

**TOWN OF JASPER, TENNESSEE**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2023**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>State Grant/Program Number</u>	<u>Accrued (Receivable) 7/1/2022</u>	<u>Grant Receipts</u>	<u>Grant Expenditures</u>	<u>Accrued (Receivable) 6/30/2023</u>
U.S. Department of Transportation						
thru TN Department of Transportation						
High Visibility Enforcement	20.607	Z23THS133	\$ -	\$ 735	\$ 1,908	\$ (1,173)
High Visibility Enforcement	20.607	Z22THS140	(708)	708	-	-
High Visibility Enforcement	20.607	Z21THS140	-	1,239	1,239	-
Total U.S. Department of Transportation			<u>(708)</u>	<u>2,682</u>	<u>3,147</u>	<u>(1,173)</u>
U.S. Department of Finance and Administration						
ARPA NEU Distribution	21.027	-	-	511,386	511,386	(1)
Appalachian Regional Commission thru State of Tennessee						
Commission of Finance and Administration	21.027	-	-	-	90,942	(90,942)
thru Economic & Community Development						
<b>TOTAL FEDERAL AWARDS</b>			<u>\$ (708)</u>	<u>\$ 514,068</u>	<u>\$ 605,475</u>	<u>\$ (92,115)</u>

(1) ARPA funds reimbursing COVID operating losses in revenue in prior years

**TOWN OF JASPER, TENNESSEE**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2023**

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town of Jasper, Tennessee and is presented on the modified accrual basis of accounting.

**NOTE 2 - INDIRECT COST RATE**

The Town of Jasper, Tennessee has not elected to use the 10-percent de minimis indirect cost rate or to allocate any indirect cost.

**NOTE 3 - LOAN BALANCE**

	<u>Balance</u>
Department of Environment and Conservation	\$ 260,501

**TOWN OF JASPER, TENNESSEE**  
**Sanitation Fund**  
**Schedule of Revenues, Expenses and Changes in Net Position**  
**Year Ended June 30, 2023**

<b>OPERATING REVENUES</b>	<b>\$ 296,798</b>
Sanitation fees	<u>296,798</u>
<b>OPERATING EXPENSES</b>	
Operating and administration	
Salaries	125,780
Payroll taxes	10,817
Negative pension expense	(1,685)
Employee insurance	24,460
Disposal	82,142
Equipment	3,948
Insurance	18,043
Maintenance and repairs	2,635
Miscellaneous	17,958
Telephone	815
Uniforms	2,959
Vehicle	14,205
Total operating and administration	<u>302,077</u>
Depreciation	<u>32,843</u>
Total operating expenses	<u>334,920</u>
Operating income (loss)	<u>(38,122)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Interest expense	(2,078)
Interest income	330
Total non-operating revenues (expenses)	<u>(1,748)</u>
Change in net position	(39,870)
<b>Net position - beginning</b>	<u>312,826</u>
<b>Net position - end</b>	<u>\$ 272,956</u>

**TOWN OF JASPER, TENNESSEE**  
**Water Works Fund**  
**Schedule of Revenues, Expenses and Changes in Net Position**  
**Year Ended June 30, 2023**

**OPERATING REVENUES**

Metered water sales	\$ 1,268,578
Returned check charge	300
Connection and tap fees	41,050
Interest and penalties	38,214
Maintenance and servicing fees	99,130
Sale of materials	542
Miscellaneous	682
Total operating revenues	<u>1,448,496</u>

**OPERATING EXPENSES**

Operating and administration	
Salaries	397,972
Payroll taxes	33,505
Pension	7,720
Equipment	15,566
Employee insurance	95,207
Chemicals	54,464
Contract and professional services	77,003
Equipment	17,356
Insurance	46,117
Maintenance and repairs	288,108
Membership fees	7,814
Miscellaneous	7,105
Postage	21,374
Printing and office supplies	9,790
Telephone	14,086
Training	6,364
Uniforms	5,021
Utilities	135,328
Vehicle	23,888
Water sample analysis	7,245
Total operating and administration	<u>1,271,033</u>
Depreciation	<u>316,147</u>
Total operating expenses	<u>1,587,180</u>
Operating income (loss)	<u>(138,684)</u>

(Continued)

**TOWN OF JASPER, TENNESSEE**  
**Water Works Fund**  
**Schedule of Revenues, Expenses and Changes in Net Position (Continued)**  
**Year Ended June 30, 2023**

<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Interest expense	\$ (23,190)
Interest income	60,414
Federal grants	<u>411,386</u>
Total non-operating revenues (expenses)	<u>448,610</u>
Change in net position	309,926
<b>Net position - beginning</b>	<u>8,080,250</u>
<b>Net position - end</b>	<u>\$ 8,390,176</u>

**TOWN OF JASPER, TENNESSEE**  
**Waste Water Fund**  
**Schedule of Revenues, Expenses and Changes in Net Position**  
**Year Ended June 30, 2023**

<b>OPERATING REVENUES</b>	
Waste water sales	\$ 730,801
Connection fees and permits	20,320
Inspection fees	280
Miscellaneous	<u>58,636</u>
Total operating revenues	<u>810,037</u>
 <b>OPERATING EXPENSES</b>	
Operating and administration	
Salaries	182,987
Payroll taxes	13,393
Pension	12,491
Employee insurance	69,606
Analysis and lab expenses	18,319
Chemicals	65,446
Contract and professional services	100,381
Insurance	27,169
Maintenance and repairs	22,848
Membership fees	5,060
Miscellaneous	3,266
Postage	420
Printing and office supplies	3,525
Telephone	2,935
Training	2,388
Uniforms	1,642
Utilities	99,132
Vehicle	<u>3,028</u>
Total operating and administration	<u>634,036</u>
Depreciation	<u>197,093</u>
Total operating expenses	<u>831,129</u>
Operating income (loss)	<u>(21,092)</u>

(Continued)

**TOWN OF JASPER, TENNESSEE**  
**Waste Water Fund**  
**Schedule of Revenues, Expenses and Changes in Net Position (Continued)**  
**Year Ended June 30, 2023**

<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Interest expense	\$ (11,164)
Interest income	5,352
Federal grants	<u>190,942</u>
Total non-operating revenues (expenses)	<u>185,130</u>
Changes in net position	164,038
<b>Net position - beginning</b>	<u>5,369,397</u>
<b>Net position - end</b>	<u>\$ 5,533,435</u>

**TOWN OF JASPER, TENNESSEE**  
**Schedule of Property Taxes Receivable**  
**General Fund**  
**June 30, 2023**

<u>Year of Levy</u>	
2023	\$ 698,613
2022	22,263
2021	5,165
2020	3,270
2019	703
2018	5,142
2017	4,526
2016	3,786
2015	1,968
2014	<u>3,327</u>
	748,763
Less allowance for uncollectibles	<u>(31,799)</u>
Property taxes receivable - net	<u>\$ 716,964</u>

**TOWN OF JASPER, TENNESSEE**  
**Schedule of Changes in Property Taxes Receivable**  
**General Fund**  
**June 30, 2023**

	<b>Taxes Receivable July 1, 2022</b>	<b>Taxes Levied</b>	<b>Pickups</b>	<b>Releases</b>	<b>Collections</b>	<b>Taxes Receivable June 30, 2023</b>
2023	\$ -	\$ 698,613	\$ -	\$ -	\$ -	\$ 698,613
2022	465,747	-	-	(165)	(443,319)	22,263
2021	27,487	-	-	-	(22,322)	5,165
2020	7,470	-	-	-	(4,200)	3,270
2019	5,668	-	-	-	(4,965)	703
2018	8,194	-	-	-	(3,052)	5,142
2017	6,575	-	-	-	(2,049)	4,526
2016	3,926	-	-	-	(140)	3,786
2015	1,985	-	-	-	(17)	1,968
2014	3,329	-	-	-	(2)	3,327
2013	3,003	-	-	(3,002)	(1)	-
<b>Total</b>	<b>\$ 533,384</b>	<b>\$ 698,613</b>	<b>\$ -</b>	<b>\$ (3,167)</b>	<b>\$ (480,067)</b>	<b>\$ 748,763</b>

**TOWN OF JASPER, TENNESSEE**  
**Schedule of Debt Service Requirements**  
**General Fund**  
**June 30, 2023**

**FINANCED PURCHASE - FIRE TRUCK**  
**GOVERNMENT LEASING AND FINANCE, INC.**  
**ORIGINAL AMOUNT \$318,407 AT 3.24%**

<u>Maturing June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2024	\$ 31,841	\$ 5,945	\$ 37,786
2025	31,841	5,945	37,786
2026	31,841	5,945	37,786
2027	31,841	5,945	37,786
2028	31,841	5,945	37,786
2029	31,841	5,945	37,786
2030	<u>31,838</u>	<u>5,944</u>	<u>37,782</u>
Total	<u>\$ 222,884</u>	<u>\$ 41,614</u>	<u>\$ 264,498</u>

**TOWN OF JASPER, TENNESSEE**  
**Schedule of Debt Service Requirements**  
**Sanitation Fund**  
**June 30, 2023**

**CAPITAL OUTLAY NOTE - SERIES 2021**  
**\$175,000 - 1.62%**

<u>Maturing June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2024	\$ 34,988	\$ 1,521	\$ 36,509
2025	35,562	947	36,509
2026	<u>36,141</u>	<u>368</u>	<u>36,509</u>
Total	<u>\$ 106,691</u>	<u>\$ 2,836</u>	<u>\$ 109,527</u>

**TOWN OF JASPER, TENNESSEE**  
**Schedule of Debt Service Requirements**  
**Water Works Fund**  
**June 30, 2023**

**REFUNDING WATER REVENUE BOND, SERIES 2017**  
**\$1,170,500 - 2.6%**

<u>Maturing June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2024	\$ 99,707	\$ 13,946	\$ 113,653
2025	102,330	11,323	113,653
2026	105,023	8,630	113,653
2027	107,786	5,867	113,653
2028	110,622	3,031	113,653
2029	<u>64,592</u>	<u>427</u>	<u>65,019</u>
Total	<u>\$ 590,060</u>	<u>\$ 43,224</u>	<u>\$ 633,284</u>

**TOWN OF JASPER, TENNESSEE**  
**Schedule of Debt Service Requirements**  
**Water Works Fund**  
**June 30, 2023**

**49.24% OF ADJUSTABLE RATE POOLED  
FINANCING REVENUE BONDS, SERIES 2004**

<u>Maturing June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2024	\$ 7,789	\$ 1,512	\$ 9,301
2025	8,144	1,581	9,725
2026	8,518	1,653	10,171
2027	8,910	1,729	10,639
2028	9,322	1,809	11,131
2029	9,754	1,893	11,647
2030	10,209	1,981	12,190
2031	10,687	2,074	12,761
2032	11,188	2,171	13,359
2033	<u>11,706</u>	<u>1,858</u>	<u>13,564</u>
<b>Total</b>	<b><u>\$ 96,227</u></b>	<b><u>\$ 18,261</u></b>	<b><u>\$ 114,488</u></b>

**TOWN OF JASPER, TENNESSEE**  
**Schedule of Debt Service Requirements**  
**Water Works Fund**  
**June 30, 2023**

**TENNESSEE MUNICIPAL BOND FUND - SERIES 2013**  
**\$348,300 WATER CONSTRUCTION 3.72%**

<u>Maturing June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2024	\$ 33,000	\$ 3,794	\$ 36,794
2025	34,000	2,567	36,567
2026	<u>35,000</u>	<u>1,302</u>	<u>36,302</u>
 Total	 <u>\$ 102,000</u>	 <u>\$ 7,663</u>	 <u>\$ 109,663</u>

**TOWN OF JASPER, TENNESSEE**  
**Schedule of Debt Service Requirements**  
**Waste Water Fund**  
**June 30, 2023**

**50.76% OF ADJUSTABLE RATE POOLED  
FINANCING REVENUE BOND, SERIES 2004**

<u>Maturing June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2024	\$ 8,029	\$ 1,558	\$ 9,587
2025	8,396	1,630	10,026
2026	8,781	1,704	10,485
2027	9,185	1,783	10,968
2028	9,610	1,865	11,475
2029	10,056	1,952	12,008
2030	10,522	2,042	12,564
2031	11,015	2,138	13,153
2032	11,531	2,238	13,769
2033	<u>12,073</u>	<u>2,762</u>	<u>14,835</u>
<b>Total</b>	<b><u>\$ 99,198</u></b>	<b><u>\$ 19,672</u></b>	<b><u>\$ 118,870</u></b>

**TOWN OF JASPER, TENNESSEE**  
**Schedule of Debt Service Requirements**  
**Waste Water Fund**  
**June 30, 2023**

**STATE NOTE CG3 18-400**  
**ORIGINAL AMOUNT \$294,542 AT 1.45%**

<u>Maturing June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2024	\$ 12,420	\$ 3,708	\$ 16,128
2025	12,600	3,528	16,128
2026	12,780	3,348	16,128
2027	12,972	3,156	16,128
2028	13,164	2,964	16,128
2029	13,356	2,772	16,128
2030	13,548	2,580	16,128
2031	13,740	2,388	16,128
2032	13,944	2,184	16,128
2033	14,148	1,980	16,128
2034	14,352	1,776	16,128
2035	14,568	1,560	16,128
2036	14,772	1,356	16,128
2037	14,988	1,140	16,128
2038	15,216	912	16,128
2039	15,432	696	16,128
2040	15,660	468	16,128
2041	15,888	240	16,128
2042	<u>6,953</u>	<u>96</u>	<u>7,049</u>
<b>Total</b>	<u>\$ 260,501</u>	<u>\$ 36,852</u>	<u>\$ 297,353</u>

**TOWN OF JASPER, 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 7/1/2022	Issued During Period	Paid and/or		Forgiven During Period	Outstanding 6/30/2023
							Matured During Period	Outstanding 6/30/2023		
<b>Governmental Activities</b>										
Financed Purchase through General Fund										
Government Leasing and Finance, Inc.	\$ 318,407	3.24%	07/01/18	06/30/30	\$ 254,725	\$ -	\$ (31,841)	\$ -	\$ -	\$ 222,884
<b>Business-Type Activities</b>										
Notes Payable through Sanitation Fund										
Capital Outlay Note, Series 2021	\$ 175,000	1.62%	04/09/21	04/09/26	\$ 141,122	\$ -	\$ (34,431)	\$ -	\$ -	\$ 106,691
Notes Payable through Waste Water Fund										
Capital Outlay Notes, Series 2012A	\$ 377,000	1.94%	12/21/12	04/01/23	\$ 40,000	\$ -	\$ (40,000)	\$ -	\$ -	\$ -
State Note CG3 18-400	\$ 294,542	1.45%	04/20/19	12/31/41	272,752	-	(12,251)	-	-	260,501
Total Notes Payable through Waste Water Fund					\$ 312,752	\$ -	\$ (52,251)	\$ -	\$ -	\$ 260,501
Bonds Payable through Water Works Fund										
Refunding Water Revenue Bond, Series 2017	\$ 1,170,500	2.60%	12/01/16	12/01/28	\$ 687,001	\$ -	\$ (96,941)	\$ -	\$ -	\$ 590,060
Financing Revenue Bonds, Series 2004	\$ 685,813	variable	09/13/04	05/25/33	112,166	-	(15,939)	-	-	96,227
Tennessee Municipal Bond Fund, Series 2013	\$ 348,300	3.72%	09/16/13	09/01/25	134,000	-	(32,000)	-	-	102,000
Total Bonds Payable through Water Works Fund					\$ 933,167	\$ -	\$ (144,880)	\$ -	\$ -	\$ 788,287
Bonds Payable through Waste Water Fund										
Financing Revenue Bonds, Series 2004	\$ 707,187	variable	09/13/04	05/25/33	\$ 115,629	\$ -	\$ (16,431)	\$ -	\$ -	\$ 99,198

**TOWN OF JASPER, TENNESSEE**  
**Tax Rates and Assessed Valuation Applicable to Last Ten Years**  
**June 30, 2023**

<u>Year of Levy</u>	<u>Per \$100</u>	<u>Values</u>	<u>Assessment</u>
2023	\$ .3629	\$ 192,508,405	\$ 698,613
2022	\$ .3629	\$ 128,294,638	\$ 465,581
2021	\$ .3629	\$ 124,394,632	\$ 451,428
2020	\$ .4153	\$ 105,688,784	\$ 438,926
2019	\$ .4153	\$ 104,516,162	\$ 434,056
2018	\$ .4153	\$ 103,032,521	\$ 427,894
2017	\$ .4153	\$ 102,528,346	\$ 425,800
2016	\$ .4153	\$ 101,037,274	\$ 419,608
2015	\$ .40	\$ 102,904,895	\$ 411,620
2014	\$ .30	\$ 107,591,003	\$ 322,773

NOTE: On July 1, 2022, the Town of Jasper approved the levy for the year ended June 30, 2023, for residents on record as of January 1, 2023. The 2023 levy was recorded as a receivable and deferred revenue for the year ended June 30, 2023.

**UNCOLLECTED DELINQUENT ACCOUNTS**

Delinquent taxes filed for collection by years are as follows:

<u>Year of Levy</u>	<u>Delinquent Taxes Filed</u>
2022	\$ 22,263
2021	5,165
2020	3,270
2019	703
2018	5,142
2017	4,526
2016	3,786
2015	1,968
2014	3,327
	\$ 50,150

**TOWN OF JASPER, TENNESSEE**  
**Schedule of Municipal Utility Rates and Number of Customers**  
**June 30, 2023**

**Sanitation system**

Rate: \$15.00 per month

Number of customers: 1,575

**Water works system**

Rate inside Town: \$10.00 for 1-2,000 gallons  
\$3.00 for each 1,000 gallons over 2,000

Rate outside Town: \$15.50 for 1-2,000 gallons  
\$4.25 for each 1,000 gallons over 2,000

Number of customers: 3,839

**Waste water system**

Rate inside Town: minimum \$11.00 for 1-1,000 gallons  
\$5.25 for each 1,000 gallons and over 1,000

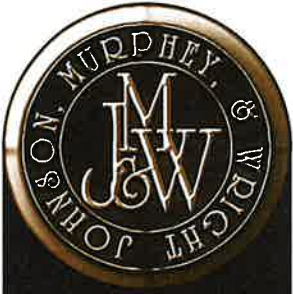
Rate outside Town: minimum \$17.00 for 1-1,000 gallons  
\$9.00 for each 1,000 gallons over 1,000

Number of customers: 1,370

**TOWN OF JASPER, TENNESSEE**  
**Schedule of Insurance**  
**June 30, 2023**

<u>Description</u>	<u>Policy #</u>	<u>Policy Term</u>	<u>Coverage</u>
Property	PPR-4391-24	2-6-23/24	\$ 42,133,855
Workers compensation	PWC-0542-24	4-26-23/24	\$1,000,000 per accident \$1,000,000 policy limit \$1,000,000 per employee
Liability	PLI-0144-23	8-27-22/23	\$ 700,000 each other loss per occurrence
Employee surety bonds			\$ 20,000 Town Recorder

### **III. INTERNAL CONTROL AND COMPLIANCE SECTION**



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**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 Aldermen  
Town of Jasper, Tennessee

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Jasper, Tennessee as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Jasper, Tennessee's basic financial statements, and have issued our report thereon dated January 12, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of Jasper, 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 our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Jasper, Tennessee's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Jasper, Tennessee's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses 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 of Jasper, Tennessee's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 result 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.

*Johnson, Murphey & Wright, P.C.*

Chattanooga, Tennessee  
January 12, 2024

**TOWN OF JASPER, TENNESSEE**  
**Schedule of Findings and Responses**  
**June 30, 2023**

**SUMMARY OF AUDITOR'S RESULTS**

**Opinion on Financial Statements:**

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 of America.

**Internal Control Deficiencies:**

None disclosed.

**Material Noncompliance:**

None disclosed.

**TOWN OF JASPER, TENNESSEE**  
**Schedule of Prior Audit Findings**  
**June 30, 2023**

<b><u>Prior Year</u></b> <b><u>Finding Number</u></b>	<b><u>Finding Title</u></b>	<b><u>Status/ Current Year</u></b> <b><u>Finding Number</u></b>
2022-001	Expenditures Exceeded Budget (Original finding 2021-001)	Corrected.