

CITY OF PARIS, TENNESSEE

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

JUNE 30, 2024

CITY OF PARIS, TENNESSEE

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INTRODUCTORY SECTION

CITY OF PARIS, TENNESSEE
DIRECTORY
June 30, 2024

ELECTED OFFICIALS

Kathy Ray, Mayor
Vickey Roberts, Vice-Mayor
John Etheridge, Commissioner
Sam Tharpe, Commissioner
Jackie Jones, Commissioner

APPOINTED OFFICIALS

Kim Foster, City Manager - CMFO
Tammie Hopper, Finance Director
Ricky Watson, Police Chief
Jamie Hinson, Fire Chief
Tony Lawrence, Parks and Recreation Director
Phillip Jessie, Streets and Sanitation Director

COUNSEL

James Smith
Paris, Tennessee

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

ATA, PLLC
Jackson, Tennessee

FINANCIAL SECTION



Independent Auditor's Report

Honorable Kathy Ray, Mayor
Members of the City Commission
City of Paris, 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Paris, Tennessee (the City) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City'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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Paris, Tennessee, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparisons 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 City, 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 City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance

and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension related schedules 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 City's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial

statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the 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 24, 2025 on our consideration of the City of Paris' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Paris' internal control over financial reporting and compliance.

ATA, PLLC

Jackson, Tennessee
January 24, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Paris, Tennessee we offer readers of the City of Paris' financial statements this narrative overview and analysis of the financial activities of the City of Paris for the fiscal year ended June 30, 2024. Comparative analyses of key elements of total governmental funds and total enterprise funds have been provided. It should be noted that there will be a significant decrease in enterprise funds due to Paris Utility Authority now being presented as a component unit and not part of the primary government.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Paris exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$27.59 million (*net position*). Of this amount, \$11.39 million (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City of Paris' general fund reported an ending fund balance of \$8.72 million, a decrease of \$124 thousand in comparison with the prior year. Of the total fund balance, \$8.67 million is available for spending at the City of Paris' discretion (*unassigned fund balance*).
- The City of Paris' total debt obligations decreased by \$224 thousand during the year due to principal payments.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Paris' basic financial statements. The City's basic financial statements are comprised of three components:

1. Government-wide financial statements
2. Fund financial statements and
3. Notes to the financial statements.

This report also contains required supplementary information and supplementary and other information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of Paris' finances, in a manner similar to a private-sector business.

- The Statement of Net Position presents information on all of the City of Paris' assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Paris is improving or deteriorating.
- The Statement of Activities presents information showing how the City of Paris' 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, compensated absences, etc.).

Both of the government-wide financial statements distinguish functions of the City of Paris 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

MANAGEMENT'S DISCUSSION AND ANALYSIS

charges (business-type activities). The governmental activities of the City of Paris include general government, fiscal administration, law enforcement, fire prevention and control, regulation and inspection, public works, highways and streets, and recreational and cultural. The business-type activities of the solid waste collection, the Paris-Henry County Landfill, the USDA Revolving Loan fund, and the Paris Housing Corporation. Prior to July 1, 2020, the City also reported the Paris Board of Public Utilities as a business-type activity. Effective July 1, 2020, the Paris Utility Authority was formed to own and operate the utilities. The Paris Utility Authority is reported as a discretely-presented component unit of the City of Paris and, therefore, is presented separately from the primary government in the government-wide statements. More detailed information on Paris Utility Authority can be found in its separately issued audit report. The government-wide financial statements can be found on pages 12 to 14 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 City of Paris, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Paris can be divided into three categories: governmental funds, proprietary funds, and fiduciary 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, the focus is on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of 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 City of Paris' near-term financing decisions. Both the Balance Sheet – Governmental Funds and the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The governmental fund financial statements and reconciliations can be found on pages 15 to 18 of this report.

Information is presented separately in the Balance Sheet – Governmental Funds and in the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds for the General Fund, which is considered to be a major fund. Data from the other governmental funds are combined into a single, aggregated presentation.

The City of Paris adopts an annual appropriated budget for each governmental fund. Budgetary comparison statements have been provided as part of the basic financial statements on pages 26 to 38 of this report, for the general fund to demonstrate compliance with the budget.

Proprietary funds – There are two different types of proprietary funds.

- *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Paris uses enterprise funds to account for the Refuse Collection, the Paris-Henry County Landfill, the USDA Revolving Loan, and the Paris Housing Corporation.
- *Internal service funds* are an accounting device used to accumulate and allocate costs internally among a government's various functions. The City of Paris currently has no internal service funds.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Refuse Collection and Paris-Henry County Landfill funds which are considered to be major funds of the City of Paris. Data from the other enterprise funds are combined into a single, aggregated presentation. The basic proprietary fund financial statements can be found on pages 19 to 23 of this report.

Fiduciary funds – The fiduciary fund is used to account for resources held for the benefit of parties outside the City. The fiduciary fund is not reflected in the government-wide financial statements because the resources of this fund is not available to support the City of Paris' own programs. The Cemetery is the only fiduciary fund of the City. The accounting used for fiduciary fund is much like that used for proprietary funds. Individual fund data for the fiduciary fund is provided in the form of combining statements which can be found on pages 24 to 25 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 39 to 59 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Paris' pension related schedules.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of 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 City of Paris, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$27.59 million at the close of the most recent fiscal year. The largest portion of the City's net position, 54.71%, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City of Paris uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Paris' investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Paris' net position, 4.00%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position representing unrestricted net position, 41.29%, may be used to meet the City's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position for the City as a whole.

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Paris, Tennessee - Net Position

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 12,326,546	\$ 11,820,475	\$ 3,297,528	\$ 3,428,108	\$ 15,624,074	\$ 15,248,583
Capital assets	15,642,070	15,280,675	1,922,509	1,999,478	17,564,579	17,280,153
Total assets	<u>27,968,616</u>	<u>27,101,150</u>	<u>5,220,037</u>	<u>5,427,586</u>	<u>33,188,653</u>	<u>32,528,736</u>
Deferred outflows of resources	<u>1,552,088</u>	<u>1,828,156</u>	<u>195,569</u>	<u>232,824</u>	<u>1,747,657</u>	<u>2,060,980</u>
Long-term liabilities	3,027,757	3,326,696	1,492,865	1,342,728	4,520,622	4,669,424
Other liabilities	471,076	418,576	82,314	81,093	553,390	499,669
Total liabilities	<u>3,498,833</u>	<u>3,745,272</u>	<u>1,575,179</u>	<u>1,423,821</u>	<u>5,074,012</u>	<u>5,169,093</u>
Deferred inflows of resources	<u>2,230,485</u>	<u>2,085,305</u>	<u>41,585</u>	<u>52,958</u>	<u>2,272,070</u>	<u>2,138,263</u>
Net position:						
Net investment in capital assets	13,196,371	12,585,675	1,922,509	1,999,478	15,118,880	14,585,153
Restricted - drug fund	198,928	176,807	-	-	198,928	176,807
Net pension asset	803,754	594,697	101,272	76,670	905,026	671,367
Unrestricted	9,592,333	9,741,550	1,775,061	2,107,483	11,367,394	11,849,033
Total net position	<u>\$ 23,791,386</u>	<u>\$ 23,098,729</u>	<u>\$ 3,798,842</u>	<u>\$ 4,183,631</u>	<u>\$ 27,590,228</u>	<u>\$ 27,282,360</u>

Deferred outflows of resources had a decrease of \$313 thousand due mainly to the changes in the two pension plans in the current year. Current and other assets had an increase of \$375 thousand due mainly to the increase in the net pension asset in the current year.

Statement of Activities – Expenses in governmental activities exceeded program revenues by \$13.41 million. In the business-type activities, program revenues were exceeded by expenses by \$453 thousand. General government revenues of \$13.92 million helped offset the deficit, leaving a net increase of \$506 thousand. Other business type revenues of \$69 thousand left a negative change in net position of (\$385) thousand in the business-type activities.

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Paris, Tennessee - Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 1,114,070	\$ 1,157,225	\$ 1,881,422	\$ 2,016,238	\$ 2,995,492	\$ 3,173,463
Operating grants and contributions	765,384	2,290,807	-	-	765,384	2,290,807
Capital grants and contributions	87,920	127,297	-	-	87,920	127,297
General revenues:						
Property taxes	2,774,087	2,606,310	-	-	2,774,087	2,606,310
Other taxes	10,035,963	9,617,281	-	-	10,035,963	9,617,281
Other sources	1,108,208	1,068,732	68,605	90,847	1,176,813	1,159,579
Total revenues	<u>15,885,632</u>	<u>16,867,652</u>	<u>1,950,027</u>	<u>2,107,085</u>	<u>17,835,659</u>	<u>18,974,737</u>
Expenses:						
General government	1,428,778	1,358,631	-	-	1,428,778	1,358,631
Public safety	5,982,032	5,475,131	-	-	5,982,032	5,475,131
Public works	4,074,172	3,828,452	-	-	4,074,172	3,828,452
Health, culture, welfare, and recreation	2,757,341	2,675,080	-	-	2,757,341	2,675,080
Community development	1,077,219	813,733	-	-	1,077,219	813,733
Debt service	59,812	73,320	-	-	59,812	73,320
Refuse collection	-	-	2,021,920	1,885,806	2,021,920	1,885,806
Landfill	-	-	301,316	279,514	301,316	279,514
Paris Housing Corp	-	-	11,580	-	11,580	-
Total expenses	<u>15,379,354</u>	<u>14,224,347</u>	<u>2,334,816</u>	<u>2,165,320</u>	<u>17,714,170</u>	<u>16,389,667</u>
Increase (decrease)						
in net position	506,278	2,643,305	(384,789)	(58,235)	121,489	2,585,070
Net position - beginning	23,098,729	20,455,424	4,183,631	4,241,866	27,282,360	24,697,290
Error correction	<u>186,379</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>186,379</u>	<u>-</u>
Net position - beginning - restated	<u>23,285,108</u>	<u>20,455,424</u>	<u>4,183,631</u>	<u>4,241,866</u>	<u>27,468,739</u>	<u>24,697,290</u>
Net position - ending	<u>\$ 23,791,386</u>	<u>\$23,098,729</u>	<u>\$ 3,798,842</u>	<u>\$ 4,183,631</u>	<u>\$27,590,228</u>	<u>\$27,282,360</u>

Operating grants and contributions decreased \$1.53 million from the prior year due to the ARPA grant being recorded in the prior year. All of the governmental departments' expenditures have increased in the current year mainly due to personnel and grant/capital outlay related expenditures in the current year.

COMMENTS ON FUND FINANCIAL STATEMENTS

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

Governmental funds – The focus of the City of Paris' governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The general fund accounts for more than 99.72% of governmental fund revenues. Accordingly, this discussion will focus on the general fund. General fund balance was \$8.72 million at the end of the current fiscal year. Of that balance, \$8.67 million is available to meet the day-to-day needs of the City.

Revenues and other financing sources in the general fund decreased from last year by approximately \$1.07 million. The most significant change in revenues and other financing sources in the general fund was:

- Taxes increased \$669 thousand due to increased property tax and local option sales tax revenue in the current year.
- Intergovernmental revenue decreased \$1.54 million due to decreases in grant-related revenue, mainly ARPA funding.
- Other revenue decreased by \$189 thousand due to sales of assets of \$556 thousand in the prior year.

All other revenues were within reasonable variances from last year. A budgetary comparison statement has been provided to demonstrate compliance with the budget.

The drug fund's ending fund balance as \$199 thousand. This was an increase from the prior year in the amount of \$22 thousand which was largely a result of drug related fines in the current year.

Proprietary funds – The City of Paris' proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of proprietary funds at the end of the year amounted to \$1.78 million which is a decrease of \$332 thousand from the prior year.

The refuse collection fund's ending net position was \$3.27 million which was a \$330 thousand decrease from the prior year. The decrease was largely a result of the \$219 thousand in depreciation expense in the current year.

The landfill fund's ending net position was \$277 thousand which was a \$41 thousand decrease from the prior year with no significant changes from the prior year noted.

The Paris Housing Corporation fund's ending net position was \$102 thousand which is a \$14 thousand decrease from the prior year. The USDA Revolving Loan fund's ending net position was \$155 thousand which is a \$1 thousand increase from the prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

Final Budgeted and Actual Amounts

The City made revisions to the original appropriations approved by the Board of Commissioners. Overall these changes resulted in a 16.60% decrease in budgeted expenditures from the original budget in the general fund. The primary areas affected by the amendments were grant projects such as ARPA and the 2020 Multimodal Access grant which did not have as much activity as planned in the current year.

Actual revenues and other financing sources exceeded by the final budgeted amounts by \$59 thousand. The only significant variance was:

- Local option sales tax revenue was budgeted at \$6.60 million and \$6.51 million was collected.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Expenditures were less than the budgeted amounts, coming in at \$89 thousand below the budget. A significant variance was:

- Fire department expenditures were budgeted at \$2.07 million, but \$2.12 million was spent in the current year.
- Street maintenance expenditures was budgeted at \$1.96 million, but \$1.76 million was spent.
- Recreation expenditures was budgeted at \$741 thousand, but \$685 thousand was spent.
- Parks and recreation expenditures was budgeted at \$1.27 million, but \$1.38 million was spent.
- Community development expenditures was budgeted at \$1.72 million, but \$1.77 million was spent.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets - At the end of fiscal year 2024, the City had invested \$17.56 million net of accumulated depreciation in a variety of capital assets and infrastructure. Infrastructure was valued at \$4.54 million net of accumulated depreciation. Assets accounted for under this approach include approximately 96 miles of streets that the City of Paris is responsible for maintaining.

Long-term debt – At the end of the current fiscal year, the City of Paris had total bonded debt outstanding of \$2.47 million, secured solely by specified revenue sources (i.e., revenue bonds). Additional information on the City of Paris' long-term debt can be found in Note 4D beginning on page 50 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- The unemployment rate for Henry County is 3.9%. The state's average unemployment rate is 3.0%. The national average is 4.1%. All figures are from the Bureau of Labor Statistics released in June 2024.
- The fiscal year 2025 budget was approved unanimously at the June 2024 Board meeting. All of these factors were considered in preparing the City of Paris' budget for the 2025 fiscal year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Paris' finances for citizens, taxpayers, customers, investors, creditors and all others with an interest in the City of Paris' finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of Paris, Paris, TN 38242.

BASIC FINANCIAL STATEMENTS

CITY OF PARIS, TENNESSEE
STATEMENT OF NET POSITION

June 30, 2024

	Primary Government			Compent Unit
	Governmental Activities	Business-type Activities	Total	Paris Utility Authority
Assets				
Cash and cash equivalents	\$ 7,647,876	\$ 2,282,058	\$ 9,929,934	\$ 6,581,189
Investments	-	-	-	23,062
Receivables:				
Taxes (net of allowance for uncollectibles of \$178)	1,963,642	-	1,963,642	-
Accounts (net of allowances for uncollectibles of \$27,977)	269,576	174,237	443,813	1,462,616
Grants	14,994	-	14,994	-
Intergovernmental	1,428,526	-	1,428,526	-
Other	-	-	-	1,063,392
Due from other funds	-	-	-	910,270
Material and supplies	47,158	-	47,158	1,085,269
Prepayments and other current assets	-	-	-	120,480
Restricted assets:				
Cash and cash equivalents	-	-	-	12,090,015
BPU Heat Pump Loans-net of loss allowance	-	-	-	2,597,492
Net pension asset	803,754	101,272	905,026	-
Generator loan program	-	-	-	580,808
Other loan program	-	-	-	110,544
Long term accounts receivable - landfill	-	723,961	723,961	-
Notes receivable (net of allowance for uncollectibles of \$27,561)	-	16,000	16,000	-
Assets held for sale	151,020	-	151,020	-
Capital assets (not being depreciated):				
Land	2,038,648	322,685	2,361,333	1,454,311
Construction in progress	-	-	-	25,699,769
Capital assets (net of accumulated depreciation):				
Buildings	3,602,267	532,988	4,135,255	-
Improvements other than buildings	1,383,432	17,225	1,400,657	-
Machinery and equipment	4,063,514	1,049,611	5,113,125	-
Furniture and fixtures	13,441	-	13,441	-
Infrastructure	4,540,768	-	4,540,768	-
Distribution plant	-	-	-	46,819,716
General plant	-	-	-	8,288,114
Treatment plant	-	-	-	17,912,230
Total assets	27,968,616	5,220,037	33,188,653	126,799,277
Deferred outflows of resources				
Pension - related	1,552,088	195,569	1,747,657	2,815,113
OPEB - related	-	-	-	187,815
Total deferred outflows or resources	\$ 1,552,088	\$ 195,569	\$ 1,747,657	\$ 3,002,928

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

CITY OF PARIS, TENNESSEE
STATEMENT OF NET POSITION
June 30, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Paris Utility Authority
Liabilities				
Accounts payable	\$ 351,643	\$ 82,314	\$ 433,957	\$ 15,317,624
Customer deposits	-	-	-	3,541,881
Payroll related payable	119,433	-	119,433	-
Accrued interest payable	-	-	-	34,118
RD advances	-	-	-	2,477,238
Due to other funds	-	-	-	949,230
Noncurrent liabilities:				
Due within one year	228,000	39,673	267,673	1,440,326
Due in more than one year	2,757,931	1,447,922	4,205,853	27,945,450
Net OPEB liability	-	-	-	629,856
Net pension liability	41,826	5,270	47,096	5,985,819
Total liabilities	3,498,833	1,575,179	5,074,012	58,321,542
Deferred inflows of resources				
Lease - related	-	-	-	287,229
Pension - related	330,028	41,585	371,613	5,692
OPEB - related	-	-	-	63,018
Deferred property taxes	1,900,457	-	1,900,457	-
Total deferred inflows of resources	2,230,485	41,585	2,272,070	355,939
Net Position				
Net investment in capital assets	13,196,371	1,922,509	15,118,880	69,349,426
Restricted for:				
Net pension asset	803,754	101,272	905,026	-
Drug fund use	198,928	-	198,928	-
Economic development	-	-	-	360,000
Debt service	-	-	-	2,146,962
Unrestricted	9,592,333	1,775,061	11,367,394	(731,664)
Total net position	\$ 23,791,386	\$ 3,798,842	\$ 27,590,228	\$ 71,124,724

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

CITY OF PARIS, TENNESSEE
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Paris Utility Authority								
Primary government								
Governmental activities:								
General government	\$ 1,428,778	\$ 14,338	\$ 290,352	\$ 68,102	\$ (1,055,986)	\$ -	\$ (1,055,986)	\$ -
Public safety	5,982,032	633,571	274,744	9,300	(5,064,417)	-	(5,064,417)	-
Public works	4,074,172	45,941	7,345	10,518	(4,010,368)	-	(4,010,368)	-
Health, culture, welfare, and recreation	2,757,341	420,220	192,943	-	(2,144,178)	-	(2,144,178)	-
Community development	1,077,219	-	-	-	(1,077,219)	-	(1,077,219)	-
Interest on debt	59,812	-	-	-	(59,812)	-	(59,812)	-
Total governmental activities	15,379,354	1,114,070	765,384	87,920	(13,411,980)	-	(13,411,980)	-
Business-type activities:								
Refuse Collection	2,021,920	1,661,528	-	-	-	(360,392)	(360,392)	-
Landfill	301,316	219,894	-	-	-	(81,422)	(81,422)	-
USDA revolving loan	-	-	-	-	-	-	-	-
Paris Housing Corporation	11,580	-	-	-	-	(11,580)	(11,580)	-
Total business-type activities	2,334,816	1,881,422	-	-	-	(453,394)	(453,394)	-
Total	\$ 17,714,170	\$ 2,995,492	\$ 765,384	\$ 87,920				
Component Unit:								
Paris Utility Authority	60,127,561	62,343,814	-	212,476				2,428,729
General revenues (expenses):								
Property taxes - levied for general government					1,823,968	-	1,823,968	-
In lieu of property taxes					950,119	-	950,119	-
Sales taxes					8,318,115	-	8,318,115	-
Franchise taxes					118,033	-	118,033	-
Alcoholic beverage taxes					986,628	-	986,628	-
Business taxes					504,605	-	504,605	-
Income taxes					108,582	-	108,582	-
Sale of assets					128,990	29,900	158,890	-
Other sources					518,638	37,700	556,338	1,032,269
Unrestricted interest income					460,580	1,005	461,585	-
Total general revenues					13,918,258	68,605	13,986,863	1,032,269
Changes in net position					506,278	(384,789)	121,489	3,460,998
Net position - beginning, as previously presented					23,098,729	4,183,631	27,282,360	67,663,726
Error correction					186,379	-	186,379	-
Net position - beginning - restated					23,285,108	4,183,631	27,468,739	67,663,726
Net position - ending					\$ 23,791,386	\$ 3,798,842	\$ 27,590,228	\$ 71,124,724

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

CITY OF PARIS, TENNESSEE
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2024

	General Fund	Other Governmental Funds	Total
Assets			
Cash and cash equivalents	\$ 7,435,283	\$ 212,593	\$ 7,647,876
Receivables:			
Taxes (net of allowance for uncollectibles of \$178)	1,963,642	-	1,963,642
Accounts (net of allowance for uncollectibles of \$27,977)	267,743	1,833	269,576
Grants	14,994	-	14,994
Intergovernmental	1,428,526	-	1,428,526
Inventories	47,158	-	47,158
Total assets	\$ 11,157,346	\$ 214,426	\$ 11,371,772
Liabilities, deferred inflows of resources, and fund balance			
Liabilities			
Accounts payable	\$ 336,145	\$ 15,498	\$ 351,643
Payroll related payables	119,433	-	119,433
Total liabilities	455,578	15,498	471,076
Deferred inflows of resources			
Unavailable court fines	21,779	-	21,779
Unavailable property taxes	63,185	-	63,185
Unavailable property taxes - 2024 Levy	1,900,457	-	1,900,457
Total deferred inflows of resources	1,985,421	-	1,985,421
Fund Balances			
Nonspendable	47,158	-	47,158
Restricted			
Special revenue funds	-	198,928	198,928
Unassigned			
General fund	8,669,189	-	8,669,189
Total fund balances	8,716,347	198,928	8,915,275
Total liabilities, deferred inflows of resources, and fund balance	\$ 11,157,346	\$ 214,426	\$ 11,371,772

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

CITY OF PARIS, TENNESSEE
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2024

Amounts reported for the governmental activities in the statement of net position (Page 13) are different because:

Fund balances - total governmental funds (Page 15)	\$ 8,915,275
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in funds.	15,642,070
Assets held for sale are not financial resources and, therefore, are not reported in funds	151,020
Receivables not available to pay for current expenditures and, therefore, are unavailable in the funds.	84,964
Deferred outflows of resources related to pensions in which the consumption of net position will occur in future periods, therefore, it is not reported in the funds	1,552,088
Net pension asset is not a financial resource in the current period and, therefore, is not reported as an asset in the governmental funds.	803,754
Deferred inflows of resources related to pensions in which the acquisition of net position will occur in future periods, therefore, it is not reported in the funds	(330,028)
Long-term liabilities, including notes and bonds payable, compensated absences, and net pension liability are not due in the current period and, therefore, are not reported in the funds.	<u>(3,027,757)</u>
Net position - governmental activities (Page 13)	<u>\$ 23,791,386</u>

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

CITY OF PARIS, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

	General Fund	Other Governmental Funds	Total
Revenues			
Taxes	\$ 10,871,926	\$ -	\$ 10,871,926
Licenses and permits	33,242	-	33,242
Intergovernmental	2,621,905	-	2,621,905
Charges for services	929,044	-	929,044
Fines	102,312	16,294	118,606
Other	1,348,008	28,734	1,376,742
Total revenues	<u>15,906,437</u>	<u>45,028</u>	<u>15,951,465</u>
Expenditures			
Current:			
General government	1,390,657	-	1,390,657
Public safety	5,931,075	22,907	5,953,982
Public works	4,113,256	-	4,113,256
Health, culture, welfare and recreation	2,542,961	-	2,542,961
Community development	1,770,698	-	1,770,698
Debt service:			
Principal	224,000	-	224,000
Interest and other	57,866	-	57,866
Total expenditures	<u>16,030,513</u>	<u>22,907</u>	<u>16,053,420</u>
Net changes in fund balances	(124,076)	22,121	(101,955)
Fund balances - beginning, as previously presented	8,654,044	176,807	8,830,851
Error correction	186,379	-	186,379
Total fund balances - beginning (as restated)	<u>8,840,423</u>	<u>176,807</u>	<u>9,017,230</u>
Fund balances - ending	<u>\$ 8,716,347</u>	<u>\$ 198,928</u>	<u>\$ 8,915,275</u>

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

CITY OF PARIS, TENNESSEE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

Amounts reported for the governmental activities in the statement of activities (Page 14) are different because:

Net change in fund balances - total governmental funds (Page 17)	\$ (101,955)
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 in the current period. This is the amount by which capital outlays exceeded depreciation in the current period.	361,395
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(65,838)
Some expenses reported in the statement of activities, such as accrued leave, do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	82,193
The actuarially determined pension expense does not consume current financial resources and, therefore, is not reported in the governmental funds. It is reported as expenses in the statement of activities.	(249,396)
The pension contributions subsequent to the measurement date of June 30, 2023 consumes the current financial resources in the fund statements, but is considered deferred outflows of resources in the government wide statements. Therefore, these transactions do not have any effect on net position.	257,826
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	<u>222,053</u>
Change in net position of governmental activities (Page 14)	<u>\$ 506,278</u>

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

CITY OF PARIS, TENNESSEE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2024

	Refuse Collection Fund	Landfill Fund	Other Enterprise Funds	Totals
Assets				
Current assets:				
Cash and cash equivalents	\$ 1,477,051	564,766	\$ 240,241	\$ 2,282,058
Receivables:				
Accounts (net of allowance for uncollectibles)	106,668	67,569	-	174,237
Total current assets	<u>1,583,719</u>	<u>632,335</u>	<u>240,241</u>	<u>2,456,295</u>
Other assets:				
Net pension asset	90,955	10,317	-	101,272
Long term accounts receivable -				
Closure/Post closure liability	-	723,961	-	723,961
Notes receivable - (net of allowance of \$27,561)	-	-	16,000	16,000
Total other assets	<u>90,955</u>	<u>734,278</u>	<u>16,000</u>	<u>841,233</u>
Capital assets (net of accumulated depreciation):				
Land	-	322,685	-	322,685
Buildings	532,988	-	-	532,988
Improvements other than buildings	-	17,225	-	17,225
Machinery and equipment	1,039,930	9,681	-	1,049,611
Total capital assets (net of accumulated depreciation)	<u>1,572,918</u>	<u>349,591</u>	<u>-</u>	<u>1,922,509</u>
Total assets	<u>3,247,592</u>	<u>1,716,204</u>	<u>256,241</u>	<u>5,220,037</u>
Deferred outflows of resources				
Pension - related	175,646	19,923	-	195,569
Total deferred outflows or resources	<u>\$ 175,646</u>	<u>\$ 19,923</u>	<u>\$ -</u>	<u>\$ 195,569</u>

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

CITY OF PARIS, TENNESSEE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2024

	Refuse Collection Fund	Landfill Fund	Other Enterprise Funds	Totals
Liabilities				
Current liabilities:				
Accounts payable	\$ 71,269	\$ 2,297	\$ -	\$ 73,566
Other accrued expenses	7,832	916	-	8,748
Compensated absences - within one year	36,693	2,980	-	39,673
Total current liabilities	<u>115,794</u>	<u>6,193</u>	<u>-</u>	<u>121,987</u>
Noncurrent liabilities:				
Net pension liability	4,733	537	-	5,270
Accrued closure and post closure expenses	-	1,447,922	-	1,447,922
Total noncurrent liabilities	<u>4,733</u>	<u>1,448,459</u>	<u>-</u>	<u>1,453,192</u>
Total liabilities	<u>120,527</u>	<u>1,454,652</u>	<u>-</u>	<u>1,575,179</u>
Deferred inflows of resources				
Pension - related	37,348	4,237	-	41,585
Total deferred inflows of resources	<u>37,348</u>	<u>4,237</u>	<u>-</u>	<u>41,585</u>
Net Position				
Net investment in capital assets	1,572,918	349,591	-	1,922,509
Net pension asset	90,955	10,317	-	101,272
Unrestricted	1,601,490	(82,670)	256,241	1,775,061
Total net position	<u>\$ 3,265,363</u>	<u>\$ 277,238</u>	<u>\$ 256,241</u>	<u>\$ 3,798,842</u>

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

CITY OF PARIS, TENNESSEE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

For the Year Ended June 30, 2024

	Refuse Collection Fund	Landfill Fund	Other Enterprise Funds	Totals
Operating revenues				
Charges for sales and services	\$ 1,661,528	\$ 190,567	\$ -	\$ 1,852,095
Other operating revenues	<u>-</u>	<u>29,327</u>	<u>-</u>	<u>29,327</u>
Total operating revenues	<u>1,661,528</u>	<u>219,894</u>	<u>-</u>	<u>1,881,422</u>
Operating expenses				
Operations expense	1,703,105	131,892	11,580	1,846,577
Maintenance expense	99,672	157,129	-	256,801
Provision for depreciation	<u>219,143</u>	<u>12,295</u>	<u>-</u>	<u>231,438</u>
Total operating expenses	<u>2,021,920</u>	<u>301,316</u>	<u>11,580</u>	<u>2,334,816</u>
Operating income (loss)	<u>(360,392)</u>	<u>(81,422)</u>	<u>(11,580)</u>	<u>(453,394)</u>
Nonoperating revenues (expenses)				
Interest income	-	-	1,005	1,005
Other revenue	-	40,000	-	40,000
Gain on sale of assets	29,900	-	-	29,900
Other expense	<u>-</u>	<u>-</u>	<u>(2,300)</u>	<u>(2,300)</u>
Total nonoperating revenues (expenses)	<u>29,900</u>	<u>40,000</u>	<u>(1,295)</u>	<u>68,605</u>
Change in net position	(330,492)	(41,422)	(12,875)	(384,789)
Total net position - beginning	<u>3,595,855</u>	<u>318,660</u>	<u>269,116</u>	<u>4,183,631</u>
Total net position - ending	<u><u>\$ 3,265,363</u></u>	<u><u>\$ 277,238</u></u>	<u><u>\$ 256,241</u></u>	<u><u>\$ 3,798,842</u></u>

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

CITY OF PARIS, TENNESSEE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2024

	Refuse Collection Fund	Landfill Fund	Other Enterprise Funds	Totals
Cash flows from operating activities				
Cash received from consumers	\$ 1,658,075	\$ 239,562	\$ -	\$ 1,897,637
Cash paid to suppliers of goods and services	(1,020,470)	(145,617)	(11,580)	(1,177,667)
Cash paid to employees for services	(777,517)	(69,510)	-	(847,027)
Net cash provided (used) by operating activities	<u>(139,912)</u>	<u>24,435</u>	<u>(11,580)</u>	<u>(127,057)</u>
Cash flows from capital and related financing activities				
Construction and acquisition of plant	(147,669)	(6,800)	-	(154,469)
Proceeds from sale of assets	29,900	-	-	29,900
Net cash provided (used) by capital and related financing activities	<u>(117,769)</u>	<u>(6,800)</u>	<u>-</u>	<u>(124,569)</u>
Cash flows from non-capital financing activities				
Rental income	-	40,000	-	40,000
Net cash provided (used) by non-capital financing activities	<u>-</u>	<u>40,000</u>	<u>-</u>	<u>40,000</u>
Cash flows from investing activities				
Collection on notes receivable	-	-	6,751	6,751
Interest income and non-operating other income and expense	-	-	1,005	1,005
Net cash provided (used) by investing activities	<u>-</u>	<u>-</u>	<u>7,756</u>	<u>7,756</u>
Net increase (decrease) in cash and cash equivalents	(257,681)	57,635	(3,824)	(203,870)
Cash and cash equivalents - beginning of year	<u>1,734,732</u>	<u>507,131</u>	<u>244,065</u>	<u>2,485,928</u>
Cash and cash equivalents - end of year	<u>\$ 1,477,051</u>	<u>\$ 564,766</u>	<u>\$ 240,241</u>	<u>\$ 2,282,058</u>
Cash and cash equivalents				
Unrestricted cash and cash equivalents	\$ 1,477,051	\$ 564,766	\$ 240,241	\$ 2,282,058
Total cash and cash equivalents	<u>\$ 1,477,051</u>	<u>\$ 564,766</u>	<u>\$ 240,241</u>	<u>\$ 2,282,058</u>

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

CITY OF PARIS, TENNESSEE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2024

	<u>Refuse Collection Fund</u>	<u>Landfill Fund</u>	<u>Other Enterprise Funds</u>	<u>Totals</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ (360,392)	\$ (81,422)	\$ (11,580)	\$ (453,394)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	219,143	12,295	-	231,438
Change in pension related deferred outflows and deferred inflows of resources	23,209	2,673	-	25,882
Change in closure/postclosure liability	-	73,954	-	73,954
Net pension asset/liability	(21,570)	(2,470)	-	(24,040)
(Increase) decrease in accounts receivable	(3,453)	19,668	-	16,215
Increase (decrease) in accounts payable and accrued expenses	<u>3,151</u>	<u>(263)</u>	<u>-</u>	<u>2,888</u>
Net cash provided (used) by operating activities	<u>\$ (139,912)</u>	<u>\$ 24,435</u>	<u>\$ (11,580)</u>	<u>\$ (127,057)</u>

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

CITY OF PARIS, TENNESSEE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2024

	<u>Cemetery</u>
Assets	
Cash and cash equivalents	\$ 183,691
Certificates of deposit	<u>189,997</u>
Total assets	<u>373,688</u>
Liabilities	
Claims against future deposits	<u>24,644</u>
Total liabilities	<u>24,644</u>
Fiduciary Net Position	
Unrestricted	<u>349,044</u>
Total fiduciary net position	<u>\$ 349,044</u>

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

CITY OF PARIS, TENNESSEE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended June 30, 2024

	<u>Cemetery</u>
Additions:	
Investment income:	
Interest income	\$ 3,743
Total additions	<u>3,743</u>
 Net changes in fiduciary net position	 3,743
 Net position - beginning	 <u>345,301</u>
 Net position - ending	 <u>\$ 349,044</u>

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

CITY OF PARIS, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Taxes:				
Property tax current	\$ 1,825,000	\$ 1,825,000	\$ 1,820,880	\$ (4,120)
Property tax delinquent	125,000	60,000	49,929	(10,071)
Property tax chancery court	25,000	25,000	10,839	(14,161)
In lieu of taxes - BPU	744,000	744,000	784,388	40,388
Interest & penalty prop tax	10,000	10,000	12,640	2,640
Local option sales tax	6,600,000	6,600,000	6,505,044	(94,956)
Wholesale beer tax	550,000	550,000	523,537	(26,463)
Wholesale liquor tax	350,000	350,000	400,455	50,455
Business tax	450,000	450,000	504,605	54,605
CATV franchise fees	130,000	130,000	118,033	(11,967)
Hotel-Motel Occupancy Tax	-	110,000	141,576	31,576
Total taxes	<u>10,809,000</u>	<u>10,854,000</u>	<u>10,871,926</u>	<u>(13,650)</u>
Licenses and permits:				
Beer licenses	14,000	14,000	11,500	(2,500)
Privilege licenses	2,000	2,000	2,838	838
Building & related permits	20,000	20,000	18,654	(1,346)
Loading zone permits	250	250	250	-
Total licenses and permits	<u>36,250</u>	<u>36,250</u>	<u>33,242</u>	<u>(3,008)</u>
Intergovernmental:				
PHA police reimbursement -	1,000	1,000	1,052	52
TDOT highway safety grant	4,000	4,000	4,999	999
Facade improvement grant	35,000	35,000	28,869	(6,131)
Public Entity Partners reimbursement	7,000	7,000	3,000	(4,000)
2018 STBG - signal replacement	676,500	20,000	9,300	(10,700)
BAP - ABC/NWTDD	3,750	3,750	2,750	(1,000)
Bulletproof Vest Grant	3,000	3,000	-	(3,000)
In lieu of taxes - TVA	125,000	125,000	126,423	1,423
HOME grant	325,000	325,000	287,602	(37,398)
BRZ - Rison St. Bridge	520,000	20,000	-	(20,000)
2020 Multimodal Access Grant	817,000	35,000	31,141	(3,859)
FEMA/TEMA grant	-	-	39,233	39,233
2022 TA Grant-Intersection Upgrade	40,000	-	-	-
Litter local grant	-	-	2,346	2,346
VCIF grant	78,000	78,000	76,344	(1,656)
SRO grant	75,000	75,000	75,000	-
2022 Multimodal Grant	270,000	50,000	50,607	607
State sales tax	1,290,000	1,290,000	1,272,227	(17,773)
State income tax	-	-	955	955
State sportsbetting	12,000	12,000	19,607	7,607
State beer tax	4,000	4,000	4,534	534
State mixed drink tax	50,000	50,000	58,102	8,102
State gasoline and motor fuel tax	275,000	275,000	278,410	3,410
State gasoline tax 1989	29,000	29,000	28,937	(63)
State gasoline tax 3 cent	55,000	55,000	53,432	(1,568)
State excise tax	115,000	115,000	107,627	(7,373)
In lieu of taxes - PHA	27,000	27,000	39,057	12,057
In lieu of taxes - Wesley	250	250	251	1
State petroleum special tax	20,000	20,000	18,882	(1,118)
State Modernization Act	-	-	1,218	1,218
Total intergovernmental	<u>4,857,500</u>	<u>2,659,000</u>	<u>2,621,905</u>	<u>(38,313)</u>

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

CITY OF PARIS, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance Over (Under)
Receipts for services:				
Fees and commissions	45,000	45,000	51,369	6,369
MS4 fee	200,000	200,000	204,901	4,901
Rural fire call fees	6,000	6,000	4,665	(1,335)
Police officers court fees	62,000	62,000	72,588	10,588
Registration fee - sex offender	2,000	2,000	1,500	(500)
ESN 122 membership fees	135,000	135,000	135,640	640
Traffic school fees	4,000	4,000	12,060	8,060
Accident report charges	600	600	881	281
Alarm registration fees	6,000	6,000	6,275	275
Street repair charges	35,000	35,000	41,684	6,684
Demolition/property maint. fees	16,000	16,000	4,007	(11,993)
Swimming pool receipts	60,000	60,000	63,696	3,696
Driver improvement program fees	25,000	25,000	-	(25,000)
Swimming pool concessions	15,000	15,000	12,174	(2,826)
Memorial pool - lessons	750	750	385	(365)
Memorial pool - pool parties	3,000	3,000	4,850	1,850
Splashpad - admissions	7,000	7,000	17,678	10,678
Splashpad - concessions	4,000	4,000	3,788	(212)
Splashpad - parties/rentals	8,000	8,000	16,350	8,350
Park and recreation charges	11,000	11,000	15,757	4,757
PHCBL admissions	15,000	15,000	16,014	1,014
PHCBL sponsor fees	7,500	7,500	7,200	(300)
PHCBL registration fees	13,000	13,000	13,844	844
Civic center miscellaneous	150	150	47	(103)
Parks sale of merchandise	700	700	301	(399)
Civic center sale of merchandise	-	-	259	259
Civic center memberships and admissions	28,000	28,000	24,421	(3,579)
Civic center memberships nonresidential	22,000	22,000	22,724	724
Civic center daily admission full	500	500	367	(133)
Civic center daily admission pool	5,000	5,000	6,610	1,610
Civic center daily admission gym	15,000	15,000	11,995	(3,005)
Civic center daily admission track	500	500	371	(129)
Civic center daily admission fitness	4,000	4,000	3,549	(451)
Civic center program fees	30,000	30,000	34,521	4,521
Civic center lifeguard classes	500	500	4,383	3,883
Civic center swim lessons	300	300	480	180
Civic center pool parties	4,000	4,000	5,155	1,155
Civic center meeting room rent	5,000	5,000	4,968	(32)
KPAC admissions	25,000	25,000	37,989	12,989
KPAC ticket sales	70,000	70,000	57,896	(12,104)
KPAC room rental	10,000	10,000	5,702	(4,298)
Total receipts for services	<u>901,500</u>	<u>901,500</u>	<u>929,044</u>	<u>27,544</u>
Fines and forfeitures:				
City court fines and forfeitures	47,000	62,000	73,507	11,507
Parking fines	200	200	2,059	1,859
Shelter fees	16,000	16,000	15,040	(960)
Animal control deposit	-	-	11,706	11,706
Vicious dog registration	8,000	8,000	-	(8,000)
Total fines and forfeitures	<u>71,200</u>	<u>86,200</u>	<u>102,312</u>	<u>16,112</u>

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

CITY OF PARIS, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance Over (Under)
Other:				
Interest earnings	225,000	450,000	460,542	10,542
E911 - dispatchers reimbursement	176,000	176,000	194,668	18,668
Rent-billboard (Lamar)	2,000	2,000	2,167	167
Sale of assets	50,000	80,000	100,790	20,790
Sale of cemetery lots	22,000	22,000	28,200	6,200
Insurance proceeds	15,000	95,000	122,937	27,937
TDEC ARPA grant	950,000	100,000	70,791	(29,209)
EMS dispatch fees	63,250	63,250	38,250	(25,000)
Paris - Henry County industrial reimbursement	179,000	179,000	192,943	13,943
Other revenues	25,000	25,000	38,867	13,867
Salary supplements	37,600	37,600	37,600	-
AMR Dispatch fees	25,000	25,000	25,000	-
Donations	21,000	21,000	33,417	12,417
Discounts taken	2,000	2,000	1,836	(164)
Total other	<u>1,792,850</u>	<u>1,277,850</u>	<u>1,348,008</u>	<u>70,158</u>
Total revenues	<u>18,468,300</u>	<u>15,814,800</u>	<u>15,906,437</u>	<u>58,843</u>
Expenditures				
Grants and donations:				
Chamber of Commerce dues	6,000	6,000	6,025	25
Veterans service officer	5,325	5,325	4,700	(625)
Henry County Fair Board	9,000	9,000	9,000	-
Henry County Rescue Squad	3,000	3,000	3,000	-
PHC Industrial Committee	75,000	75,000	75,000	-
Paris-Henry Co. Arts Council	5,000	5,000	5,000	-
Chamber tourist and recreation	20,750	20,750	20,750	-
Heritage Center	10,000	10,000	10,000	-
West Tn River Basin	10,475	10,475	10,475	-
Downtown Paris Assoc.	12,500	12,500	12,500	-
Paris Academy Association	5,000	5,000	5,000	-
PHC Volunteer Center	6,050	6,050	6,050	-
County genealogy room	10,405	10,405	9,428	(977)
Carl Perkins Exchange Club	11,000	11,000	11,000	-
Total grants and donations	<u>189,505</u>	<u>189,505</u>	<u>187,928</u>	<u>(1,577)</u>
General administration:				
Salaries - regular	305,561	305,561	310,035	4,474
OASI	23,375	23,375	21,667	(1,708)
Health & life insurance	57,000	57,000	57,369	369
Retirement	15,500	15,500	15,531	31
Workers Compensation	1,200	1,200	596	(604)
Printing, stationery, etc.	200	200	280	80
Publicaiton of legal notices	2,000	2,000	1,271	(729)
Subscriptions to periodicals	115	115	108	(7)
Membership & registration fees	14,000	14,000	12,175	(1,825)
IT Services	30,000	30,000	43,392	13,392
Telephone & fax	2,000	2,000	3,030	1,030
City attorney retainer	30,000	30,000	30,000	-
Other legal services	1,000	1,000	200	(800)
Out of town expense	10,000	10,000	8,939	(1,061)
Employee recognition	1,000	1,000	385	(615)
Recording documents	400	400	27	(373)
Sundry contractual services	300	300	-	(300)
Office supplies	2,500	2,500	1,757	(743)
Clothing & uniforms	500	500	405	(95)
Other operating supplies	74,000	33,000	28,158	(4,842)
Gas, oil, diesel fuel	2,000	2,000	3,333	1,333
Building insurance	700	700	436	(264)

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

CITY OF PARIS, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance Over (Under)
Vehicle insurance	500	500	381	(119)
Liability insurance	4,000	4,000	9,626	5,626
Lease rental fees	-	-	672	672
Total general administration	<u>577,851</u>	<u>536,851</u>	<u>549,773</u>	<u>12,922</u>
Economic development:				
Salaries - regular	154,603	154,603	163,035	8,432
OASI	11,827	11,827	12,258	431
Health & life insurance	7,000	7,000	6,740	(260)
Retirement	4,947	4,947	5,208	261
Worker's comp	500	500	601	101
Total economic development	<u>178,877</u>	<u>178,877</u>	<u>187,842</u>	<u>8,965</u>
Financial administration:				
Salaries - regular	196,828	196,828	204,744	7,916
Salaries - Perm Empls - OT	-	-	174	174
OASI	15,057	15,057	15,085	28
Health & life insurance	28,000	28,000	23,926	(4,074)
Retirement	11,000	11,000	8,923	(2,077)
Worker's compensation	500	500	319	(181)
Employee education	-	-	1,305	1,305
Postage	10,000	10,000	7,329	(2,671)
Printing, stationery, etc.	2,000	2,000	1,667	(333)
Employee Recognition	200	200	148	(52)
Membership & registration fees	1,500	1,500	724	(776)
Telephone & fax	1,200	1,200	475	(725)
Accounting & auditing services	40,000	40,000	42,925	2,925
Data processing services	25,000	25,000	22,958	(2,042)
Out of town expense	3,000	3,000	1,173	(1,827)
Sundry contractual services	400	400	363	(37)
Office supplies	7,500	7,500	6,296	(1,204)
Clothing & uniforms	500	500	500	-
Other operating supplies	500	500	406	(94)
Liability insurance	1,500	1,500	2,930	1,430
Tax refunds	-	-	12,025	12,025
Total financial administration	<u>344,685</u>	<u>344,685</u>	<u>354,395</u>	<u>9,710</u>
City hall:				
Salaries - regular	38,086	38,086	38,340	254
OASI	2,914	2,914	2,459	(455)
Health & life insurance	17,000	17,000	16,552	(448)
Retirement	1,219	1,219	1,218	(1)
Workers Compensation	3,000	3,000	1,374	(1,626)
Electric	27,000	27,000	24,130	(2,870)
Water & sewer	200	200	204	4
Gas	2,200	2,200	1,588	(612)
Repair & Maint - Motor Vehicle	500	500	184	(316)
Repair & maint - grds & imprvm	250	250	489	239
Repair & maint - buildings	1,000	1,000	622	(378)
Repair & maint - plumb,heat,elec	2,000	2,000	7,946	5,946
Sundry contractual services	300	300	340	40
Household & janitorial supplies	9,000	9,000	8,371	(629)
Uniforms	200	200	8	(192)
Other operating supplies	200	200	115	(85)
Building insurance	6,000	6,000	5,876	(124)
Liability insurance	400	400	703	303
Vehicle insurance	300	300	200	(100)
Small tools	200	200	-	(200)

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

CITY OF PARIS, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance Over (Under)
Total city hall	111,969	111,969	110,719	(1,250)
Total general government	1,402,887	1,361,887	1,390,657	28,770
Public safety:				
Police department:				
Salaries - regular	1,585,911	1,585,911	1,643,257	57,346
Salaries - overtime	65,000	65,000	27,471	(37,529)
Salaries - DARE	2,000	2,000	452	(1,548)
OASI	126,448	126,448	118,637	(7,811)
Health & life insurance	275,000	275,000	305,929	30,929
Retirement	81,000	81,000	83,221	2,221
Worker's compensation	69,000	69,000	75,442	6,442
Employee education	16,600	16,600	5,450	(11,150)
Public relations material	2,500	2,500	1,934	(566)
Employee recognition	2,500	2,500	939	(1,561)
Postage	150	150	116	(34)
Automobile licenses & titles	200	200	109	(91)
Radio & TV services	5,500	5,500	4,083	(1,417)
Vehicle tow-in services	1,500	1,500	425	(1,075)
Printing, stationery, etc.	3,250	3,250	3,433	183
Subscriptions to periodicals	300	300	-	(300)
Membership & registration fees	3,000	3,000	2,664	(336)
Electric	2,400	2,400	1,717	(683)
Telephone & fax	7,600	7,600	7,628	28
Medical services	3,000	3,000	2,229	(771)
Data processing services	15,000	15,000	18,540	3,540
Repair & maint - motor vehicle	12,000	12,000	14,115	2,115
Repair & maint - mach & equip	1,000	1,000	554	(446)
Repair & maint - office equip	1,200	1,200	901	(299)
Repair & maint - buildings	1,000	1,000	1,024	24
Repair & maint - plumb,heat,elec	1,000	1,000	412	(588)
Out of town expense	8,000	8,000	7,588	(412)
Sundry contractual services	5,000	5,000	16,345	11,345
Office supplies	7,100	7,100	5,238	(1,862)
Photography supplies	100	100	65	(35)
Chemical & medical supplies	900	900	498	(402)
Clothing & uniforms	19,000	19,000	14,690	(4,310)
Fire arm supplies	18,250	18,250	14,046	(4,204)
Educational supplies	1,500	1,500	1,492	(8)
Other operating supplies	2,000	2,000	378	(1,622)
Gas, oil, diesel fuel	84,000	84,000	73,101	(10,899)
Motor vehicle parts	10,000	10,000	20,270	10,270
Tires, tubes, etc	9,900	9,900	6,261	(3,639)
Expendable tools	500	500	428	(72)
Building insurance	500	500	474	(26)
Vehicle insurance	20,000	20,000	21,902	1,902
Liability insurance	5,000	5,000	4,681	(319)
Professional liability ins	28,500	28,500	28,254	(246)
DARE program - city	6,500	6,500	6,439	(61)
SRO Donation	600	600	-	(600)
General purpose equipment	194,300	244,300	234,571	(9,729)
Total police department	2,705,709	2,755,709	2,777,403	21,694
Emergency communications:				
Salaries - regular	609,343	609,343	600,397	(8,946)
Salaries - overtime	10,000	10,000	14,891	4,891
OASI	47,380	47,380	43,304	(4,076)
Health & life insurance	108,000	108,000	108,133	133
Retirement	33,000	33,000	31,293	(1,707)

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

CITY OF PARIS, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance Over (Under)
Workers Compensation	1,500	1,500	624	(876)
Employee education	600	600	40	(560)
Employee Recognition	350	350	298	(52)
Membership & registration fees	200	200	-	(200)
Telephone & fax	5,000	5,000	2,292	(2,708)
Medical services	300	300	1,415	1,115
Data processing services	9,000	9,000	3,365	(5,635)
Repair & maint - office equip	600	600	-	(600)
Out of town expense	500	500	428	(72)
Office supplies	2,000	2,000	556	(1,444)
Clothing & uniforms	2,000	2,000	2,192	192
Liability insurance	1,500	1,500	1,515	15
Total emergency communications	<u>831,273</u>	<u>831,273</u>	<u>810,743</u>	<u>(20,530)</u>
Fire department:				
Salaries - regular	1,200,387	1,200,387	1,261,325	60,938
Salaries - overtime	80,000	80,000	101,471	21,471
OASI	97,950	97,950	95,017	(2,933)
Health & life insurance	320,000	320,000	324,945	4,945
Retirement	75,000	75,000	75,500	500
Worker's comp	37,000	37,000	37,979	979
Employee education	19,000	19,000	20,625	1,625
Postage	100	100	-	(100)
Automobile licenses & titles	-	-	41	41
Radio & TV services	6,000	6,000	5,531	(469)
Vehicle tow-in services	-	-	1,000	1,000
Printing, stationery, etc.	300	300	32	(268)
Subscriptions to periodicals	430	430	-	(430)
Membership & registration fees	3,100	3,100	2,590	(510)
Electric	10,000	10,000	5,652	(4,348)
Gas	700	700	1,781	1,081
Telephone & fax	6,000	6,000	5,431	(569)
Fire hydrant maintenance	7,000	7,000	4,334	(2,666)
Medical services	3,000	3,000	2,466	(534)
Repair & maint - motor vehicle	14,000	14,000	18,883	4,883
Repair & maint - mach & equip	7,000	7,000	6,985	(15)
Repair & maint - office equip	1,000	1,000	-	(1,000)
Repair & maint - grds & imprvm	3,000	3,000	1,950	(1,050)
Repair & maint - buildings	3,500	3,500	1,583	(1,917)
Repair & maint - plumb,heat,elec	4,000	4,000	2,454	(1,546)
Out of town expense	3,500	3,500	141	(3,359)
Meals	4,750	4,750	2,262	(2,488)
Employee Recognition	1,900	1,900	181	(1,719)
Sundry contractual services	-	-	148	148
Office supplies	2,000	2,000	2,559	559
Photography supplies	50	50	-	(50)
Chemical & medical supplies	350	350	310	(40)
Household & janitorial supplies	3,500	3,500	3,480	(20)
Clothing & uniforms	25,900	25,900	20,797	(5,103)
Educational supplies	4,500	4,500	3,811	(689)
Other operating supplies	500	500	10	(490)
Gas, oil, diesel fuel	18,000	18,000	13,287	(4,713)
Tires, tubes, etc	3,500	3,500	2,147	(1,353)
Small tools	1,500	1,500	1,058	(442)
Data Processing Fees	250	250	100	(150)
Building insurance	1,000	1,000	829	(171)
Vehicle insurance	13,000	13,000	10,526	(2,474)
Liability insurance	6,000	6,000	9,456	3,456
General purpose equipment	<u>80,100</u>	<u>80,100</u>	<u>66,408</u>	<u>(13,692)</u>

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

CITY OF PARIS, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Total fire department	2,068,767	2,068,767	2,115,085	46,318
Building inspection:				
Salaries - regular	152,822	152,822	146,057	(6,765)
OASI	11,691	11,691	10,608	(1,083)
Health & life insurance	23,000	23,000	17,670	(5,330)
Retirement	7,000	7,000	6,598	(402)
Worker's comp	2,500	2,500	4,305	1,805
Subscriptions to periodicals	-	-	1,010	1,010
Membership & registration fees	2,000	2,000	3,171	1,171
Telephone & fax	1,200	1,200	-	(1,200)
Medical services	100	100	-	(100)
Data Processing	5,500	5,500	8,500	3,000
Repair & maint - motor vehicle	1,000	1,000	213	(787)
Employee recognition	200	200	168	(32)
Out of town expense	1,500	1,500	613	(887)
Recording Documents	500	500	-	(500)
Demolition services	5,000	5,000	-	(5,000)
Property Maintenance	9,000	9,000	15,082	6,082
Engineering Services	5,000	5,000	1,949	(3,051)
Sundry contractual services	2,500	2,500	2,434	(66)
Office supplies	7,000	7,000	4,137	(2,863)
Clothing & uniforms	550	550	550	-
Books & educational supplies	500	500	701	201
Other operating supplies	600	600	26	(574)
Gas, oil, diesel fuel	2,000	2,000	1,869	(131)
Motor vehicle parts	600	600	138	(462)
Vehicle insurance	500	500	708	208
Liability insurance	500	500	1,337	837
Total building inspection	242,763	242,763	227,844	(14,919)
Total public safety	5,848,512	5,898,512	5,931,075	32,563
Public works:				
Street maintenance:				
Salaries - regular	894,595	894,595	882,607	(11,988)
Salaries - overtime	20,000	20,000	14,008	(5,992)
OASI	69,967	69,967	63,777	(6,190)
Health & life insurance	165,000	165,000	160,982	(4,018)
Retirement	45,000	45,000	44,564	(436)
Worker's compensation	75,000	75,000	75,133	133
Unemployment compensation	1,000	1,000	-	(1,000)
Employee education	6,000	6,000	770	(5,230)
Automobile licenses & titles	100	100	41	(59)
Radio & TV services	5,000	5,000	3,580	(1,420)
Vehicle tow-in services	500	500	900	400
Telephone & fax	2,800	2,800	1,980	(820)
Membership & registration fees	1,000	1,000	-	(1,000)
Medical supplies	2,500	2,500	3,248	748
Employee recognition	2,500	2,500	292	(2,208)
Repair & maint - motor vehicle	10,000	10,000	7,345	(2,655)
Repair & maint - mach & equip	10,000	10,000	18,590	8,590
Repair & maint - office equip	500	500	444	(56)
Repair & maint - grds & imprvm	5,000	5,000	2,740	(2,260)
Repair & maint - buildings	5,500	5,500	5,771	271
Repair & maint - plumb,heat,elec	1,500	1,500	8,100	6,600
Out of town expense	1,000	1,000	-	(1,000)
Sundry Contractual- Tree Trimming	25,000	25,000	28,500	3,500
Machinery & equipment rental	1,000	1,000	1,178	178
Sundry contractual services	3,500	3,500	2,424	(1,076)

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

CITY OF PARIS, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance Over (Under)
Office supplies	8,000	8,000	7,437	(563)
Agricultural supplies	6,000	6,000	4,025	(1,975)
Chemical & medical supplies	500	500	67	(433)
Food & ice	1,800	1,800	1,477	(323)
Household & janitorial supplies	3,000	3,000	3,293	293
Clothing & uniforms	7,000	7,000	7,690	690
Other operating supplies	7,000	7,000	8,358	1,358
Gas, oil, diesel fuel	120,000	120,000	88,032	(31,968)
Motor vehicle parts	35,000	35,000	18,309	(16,691)
Machinery & equipment parts	75,000	75,000	69,719	(5,281)
Painting supplies	7,100	7,100	4,023	(3,077)
Tires, tubes, etc	20,000	20,000	18,577	(1,423)
Small tools	12,000	12,000	11,262	(738)
Sign parts & supplies	8,000	8,000	9,128	1,128
Concrete & cement products	2,000	2,000	1,071	(929)
Small hardware, wire & nails	400	400	308	(92)
Metal culverts	10,000	10,000	1,310	(8,690)
Other metal products	4,000	4,000	1,395	(2,605)
Lumber	2,000	2,000	1,615	(385)
Gravel & sand	50,000	50,000	40,856	(9,144)
Salt	60,000	60,000	58,448	(1,552)
Building insurance	3,000	3,000	3,072	72
Vehicle insurance	12,000	12,000	14,055	2,055
Liability insurance	6,000	6,000	6,942	942
Drainage improvements	150,000	150,000	54,860	(95,140)
Total street maintenance	<u>1,963,762</u>	<u>1,963,762</u>	<u>1,762,303</u>	<u>(201,459)</u>
State street aid:				
Asphalt & asphalt products	1,200,000	1,200,000	1,227,737	27,737
General purpose equipment	<u>496,500</u>	<u>496,500</u>	<u>459,513</u>	<u>(36,987)</u>
Total state street aid	<u>1,696,500</u>	<u>1,696,500</u>	<u>1,687,250</u>	<u>(9,250)</u>
Stormwater management:				
Salaries - regular	56,750	56,750	51,549	(5,201)
OASI Employers Share	4,341	4,341	3,484	(857)
Health and life insurance	17,000	17,000	9,911	(7,089)
Retirement	1,816	1,816	1,624	(192)
Workers Compensation	1,000	1,000	854	(146)
Membership & registration fees	2,000	2,000	1,730	(270)
Public relations material	1,300	1,300	1,386	86
Telephone and fax	1,400	1,400	746	(654)
Medical Services	150	150	124	(26)
Data Processing	5,000	5,000	9,523	4,523
Motor vehicle parts	600	600	-	(600)
Travel & Entertainment	1,250	1,250	812	(438)
Engineering Services	20,000	20,000	6,491	(13,509)
Sundry contractual services	1,000	1,000	-	(1,000)
Educational supplies	1,100	1,100	-	(1,100)
Clothing and Uniforms	300	300	300	-
Office Supplies	1,700	1,700	302	(1,398)
Other operating supplies	600	600	4,019	3,419
Gas, oil, and diesel fuel	850	850	294	(556)
Motor vehicle parts	600	600	-	(600)
General purpose equipment	<u>40,000</u>	<u>40,000</u>	<u>38,206</u>	<u>(1,794)</u>
Total stormwater management	<u>158,757</u>	<u>158,757</u>	<u>131,355</u>	<u>(27,402)</u>
Street lighting:				
Traffic light maintenance	35,000	35,000	36,081	1,081
Street light maintenance	35,000	35,000	36,457	1,457

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

CITY OF PARIS, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance Over (Under)
Other Utility Services	55,000	55,000	48,194	(6,806)
Building Insurance	6,000	6,000	7,573	1,573
Total street lighting	131,000	131,000	128,305	(2,695)
City garage:				
Salaries - regular	150,218	150,218	152,200	1,982
Salaries - overtime	2,000	2,000	1,263	(737)
OASI	11,645	11,645	11,288	(357)
Health & life insurance	32,000	32,000	18,761	(13,239)
Retirement	8,000	8,000	6,965	(1,035)
Worker's comp	6,000	6,000	5,546	(454)
Automobile license & titles	50	50	-	(50)
Radio & TV services	200	200	-	(200)
Electric	20,000	20,000	18,468	(1,532)
Gas	7,000	7,000	3,935	(3,065)
Telephone & fax	8,000	8,000	6,955	(1,045)
Medical services	250	250	656	406
Repair & maint - motor vehicle	500	500	-	(500)
Repair & maint - mach & equip	200	200	-	(200)
Repair & maint - office equip	100	100	-	(100)
Repair & maint - buildings	1,500	1,500	224	(1,276)
Repair & maint - plumb,heat,elec	300	300	2,815	2,515
Out of town expense	100	100	-	(100)
Equipment rental	100	100	-	(100)
Sundry contractual services	10,000	10,000	7,950	(2,050)
Office supplies	1,500	1,500	2,043	543
Chemical & medical supplies	100	100	-	(100)
Food & ice	200	200	181	(19)
Household & janitorial supplies	5,500	5,500	3,058	(2,442)
Membership & registration fees	1,000	1,000	-	(1,000)
Clothing & uniforms	2,300	2,300	1,673	(627)
Other operating supplies	5,000	5,000	5,866	866
Gas, oil, diesel fuel	6,000	6,000	3,475	(2,525)
Motor vehicle parts	2,000	2,000	766	(1,234)
Machinery & equipment parts	1,000	1,000	765	(235)
Tires, tubes, etc	1,500	1,500	244	(1,256)
Small tools	5,000	5,000	5,191	191
Building insurance	1,000	1,000	988	(12)
Vehicle insurance	1,000	1,000	786	(214)
Liability insurance	1,000	1,000	1,956	956
General purpose equipment	58,000	58,000	53,165	(4,835)
Total city garage	350,263	350,263	317,183	(33,080)

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

CITY OF PARIS, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance Over (Under)
Cemetery maintenance:				
Salaries - regular	8,892	8,892	8,439	(453)
Repair & maint - grds & imprvm	70,000	70,000	78,421	8,421
Total cemetery maintenance	78,892	78,892	86,860	7,968
Total public works	4,379,174	4,379,174	4,113,256	(265,918)
Health, culture, welfare & recreation:				
Health & animal control:				
Salaries - regular	131,236	131,236	127,839	(3,397)
Salaries - overtime	1,500	1,500	1,264	(236)
OASI	10,154	10,154	9,116	(1,038)
Health & life insurance	32,000	32,000	24,407	(7,593)
Retirement	5,500	5,500	5,498	(2)
Workers Compensation	4,500	4,500	5,420	920
Employee education	-	-	400	400
Printing, stationery, etc.	350	350	132	(218)
Electric	3,000	3,000	3,517	517
Gas	1,200	1,200	947	(253)
Telephone & fax	2,300	2,300	2,073	(227)
Medical, dental & vet services	150	150	153	3
Repair & maint - motor vehicle	750	750	30	(720)
Repair & maint - buildings	14,000	14,000	15,120	1,120
Repair & maint - plumb,heat,elec	500	500	2,547	2,047
Out of town expense	250	250	1,767	1,517
Euthanasia fees	7,500	7,500	6,808	(692)
Membership fees	1,000	1,000	46	(954)
Sundry contractual services	100	100	149	49
Office supplies	800	800	652	(148)
Employee recognition	200	200	100	(100)
Agricultural supplies	800	800	1,221	421
Chemical & medical supplies	400	400	18	(382)
Household & janitorial supplies	2,000	2,000	2,015	15
Clothing & uniforms	1,800	1,800	1,409	(391)
Gas, oil, diesel fuel	5,000	5,000	4,413	(587)
Motor vehicle parts	500	500	101	(399)
Tires, tubes, etc	1,200	1,200	-	(1,200)
Small tools	1,200	1,200	1,470	270
Building insurance	500	500	405	(95)
Vehicle insurance	500	500	323	(177)
Liability insurance	1,000	1,000	2,318	1,318
General purpose equipment	57,400	57,400	60,902	3,502
Total health & animal control	289,290	289,290	282,580	(6,710)
Recreation:				
Salaries - administration	40,064	40,064	38,518	(1,546)
Salaries - administration OT	-	-	16	16
Salaries - reception	74,364	74,364	60,953	(13,411)
Salaries -building maintenance	89,155	89,155	77,710	(11,445)
Salaries - pool operations	49,157	49,157	50,167	1,010
Salaries - fitness instructors	28,540	28,540	21,474	(7,066)
Salaries - KPAC	84,425	84,425	87,450	3,025
OASI	27,976	27,976	24,154	(3,822)
Health & life insurance	57,000	57,000	55,061	(1,939)
Retirement	8,000	8,000	8,110	110
Worker's compensation	9,000	9,000	8,658	(342)
Postage	50	50	26	(24)
Printing, stationery, etc.	900	900	1,668	768
Membership & registration fees	1,400	1,400	1,303	(97)
Public Relation	3,000	3,000	2,971	(29)

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

CITY OF PARIS, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance Over (Under)
Electric	48,000	48,000	60,013	12,013
Water	4,000	4,000	3,714	(286)
Gas	7,000	7,000	10,108	3,108
Telephone & fax	3,200	3,200	2,846	(354)
Credit card fees	-	-	31	31
Medical, dental & vet services	400	400	611	211
Data processing services	5,500	5,500	5,600	100
Repair & maint-equipment	2,000	2,000	655	(1,345)
Repair & maint - pool	15,000	15,000	21,811	6,811
Repair & maint - buildings	5,000	5,000	2,034	(2,966)
Repair & maint - plumb,heat,elec	30,000	30,000	21,879	(8,121)
Out of town expense	1,000	1,000	(39)	(1,039)
KPAC entertainment fees	7,000	7,000	8,419	1,419
KPAC events promotion	6,000	6,000	2,373	(3,627)
KPAC Ticket Sales (Venue)	70,000	70,000	52,623	(17,377)
Contract labor- Civic Center	1,000	1,000	1,600	600
Employee recognition	1,000	1,000	99	(901)
Sundry contractual services	3,000	3,000	1,818	(1,182)
Office supplies	2,000	2,000	1,678	(322)
Identification badge supplies	1,800	1,800	2,419	619
Chemical & medical supplies	500	500	70	(430)
Household & janitorial supplies	10,500	10,500	8,469	(2,031)
Clothing & uniforms	2,000	2,000	692	(1,308)
Other operating supplies	7,000	7,000	7,773	773
KPAC supplies	4,500	4,500	4,093	(407)
Building insurance	500	500	315	(185)
Liability insurance	2,000	2,000	4,501	2,501
General purpose equipment	28,000	28,000	20,908	(7,092)
Total recreation	<u>740,931</u>	<u>740,931</u>	<u>685,352</u>	<u>(55,579)</u>
Parks and recreation:				
Salaries - regular	416,367	416,367	390,782	(25,585)
Salaries - overtime	1,500	1,500	142	(1,358)
Salaries - memorial pool	88,544	88,544	96,437	7,893
Salaries - recreation	128,553	128,553	175,856	47,303
OASI	48,575	48,575	47,982	(593)
Health & life insurance	108,000	108,000	107,903	(97)
Retirement	25,000	25,000	24,999	(1)
Worker's comp	14,000	14,000	15,551	1,551
Postage	100	100	8	(92)
Radio and television services	800	800	1,025	225
Membership & registration fees	3,500	3,500	2,944	(556)
Electric	70,000	70,000	93,240	23,240
Gas	6,500	6,500	4,914	(1,586)
Telephone & fax	6,250	6,250	10,215	3,965
Medical services	1,250	1,250	738	(512)
Repair & maint - motor vehicle	2,500	2,500	2,553	53
Repair & maint - mach & equip	6,000	6,000	5,430	(570)
Repair & maint - grds & imprvm	85,000	85,000	97,818	12,818
Repair & maint - plumb,heat,elec	7,000	7,000	7,575	575
Repair & maint - bldgs	8,000	8,000	6,463	(1,537)
Out of town expense	3,000	3,000	2,994	(6)
Employee recognition	1,500	1,500	839	(661)
Special events promotion	12,000	12,000	14,073	2,073
Sundry contractual services	2,500	2,500	3,499	999

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

CITY OF PARIS, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance Over (Under)
Office supplies	4,500	4,500	4,136	(364)
Splashpad Concessions	5,000	5,000	3,296	(1,704)
Swimming Pool Concessions	15,000	15,000	21,410	6,410
Agricultural supplies	3,500	3,500	3,458	(42)
Chemical & medical supplies	800	800	890	90
Food & ice	450	450	681	231
Household & janitorial supplies	8,500	8,500	9,155	655
Recreation supplies	1,000	1,000	1,771	771
Clothing & uniforms	3,500	3,500	3,903	403
Rec league supplies	500	500	488	(12)
PHCBL supplies	10,000	10,000	12,692	2,692
Other operating supplies	2,500	2,500	6,292	3,792
Gas, oil, diesel fuel	30,000	30,000	27,953	(2,047)
Motor vehicle parts	2,000	2,000	2,048	48
Machiney & equipment parts	3,500	3,500	1,951	(1,549)
Painting supplies	1,500	1,500	1,132	(368)
Plumbing supplies	1,700	1,700	1,682	(18)
Electrical supplies	2,000	2,000	1,963	(37)
Tires, tubes, etc	2,000	2,000	2,072	72
Auto License & Titles	50	50	-	(50)
Small tools	1,500	1,500	1,489	(11)
Concrete & cement products	400	400	347	(53)
Small hardware, wire & nails	400	400	261	(139)
Lumber	500	500	22	(478)
Gravel & sand	1,250	1,250	838	(412)
Building insurance	13,000	13,000	12,723	(277)
Vehicle insurance	3,000	3,000	3,120	120
Liability insurance	7,000	7,000	10,068	3,068
General purpose equipment	69,000	94,000	129,112	35,112
Total parks and recreation	<u>1,240,489</u>	<u>1,265,489</u>	<u>1,378,933</u>	<u>113,444</u>
Library:				
Grants to other organizations	196,096	196,096	196,096	-
Total library	<u>196,096</u>	<u>196,096</u>	<u>196,096</u>	<u>-</u>
Total health, culture, welfare and recreation	<u>2,466,806</u>	<u>2,491,806</u>	<u>2,542,961</u>	<u>51,155</u>
Community development:				
Fish fry dignitaries events	3,000	3,000	2,944	(56)
2020 Multimodal Access Grant	860,000	25,000	26,679	1,679
Home Grant	325,000	325,000	288,623	(36,377)
2022 Multimodal	300,000	50,000	45,990	(4,010)
2023 Placemaker Grant	-	-	9,943	9,943
Economic Dev, Marketing and Tourism	25,000	25,000	8,292	(16,708)
Downtown Improvements	5,000	5,000	-	(5,000)
Preserve Paris	500	500	-	(500)
Tyson Prop Purchase for F.D.	-	715,000	658,511	(56,489)
2018 STBG- Signal Replacement	676,500	20,000	10,463	(9,537)
BRZ- Rison St Bridge	650,000	25,000	5,255	(19,745)
2022 TA Grant	50,000	50,000	42,470	(7,530)
Sidewalk replacement project	50,000	50,000	54,103	4,103
Downtown Improvement Grant	35,000	35,000	11,878	(23,122)
Back Alley Paris Project	7,500	7,500	5,950	(1,550)
Co Share of Mixed Drink Tax	25,000	25,000	28,242	3,242
ARPA - SLFRF	1,000,000	300,000	529,761	229,761
ARPA/TEC-WII	950,000	50,000	32,070	(17,930)
Ag service/thp bldg utilities	8,000	8,000	9,524	1,524
Total community development	<u>4,970,500</u>	<u>1,719,000</u>	<u>1,770,698</u>	<u>51,698</u>

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

CITY OF PARIS, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance Over (Under)
Debt service:				
Principal on Bond 2019 Splashpad	94,000	94,000	94,000	-
Principal on 2017 Energy EFF Bond	130,000	130,000	130,000	-
Interest on bonded debt	25,000	35,000	56,116	21,116
Other debt service expense	10,000	10,000	1,750	(8,250)
Total debt service	<u>259,000</u>	<u>269,000</u>	<u>281,866</u>	<u>12,866</u>
 Total expenditures	 <u>19,326,879</u>	 <u>16,119,379</u>	 <u>16,030,513</u>	 <u>(88,866)</u>
 Net changes in fund balances	 <u>\$ (858,579)</u>	 <u>\$ (304,579)</u>	 <u>(124,076)</u>	 <u>\$ 147,709</u>
 Fund balances - beginning			8,654,044	
Prior period adjustment			<u>186,379</u>	
Total fund balances - beginning			<u>8,840,423</u>	
 Fund balances - ending			 <u>\$ 8,716,347</u>	

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

CITY OF PARIS, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Paris, Tennessee (the City), operates under a City Manager-Commission form of government and provides the following services as authorized by its charter: public safety (police and fire), building inspection, planning and zoning, street maintenance, sanitation, cemetery maintenance, health, parks and recreation and general administrative services. As required by generally accepted accounting principles, these financial statements present all funds which comprise the City. The City has one discretely presented component unit, Paris Utility Authority, and a blended component unit reported as the Paris Housing Corporation (the Corporation). The Corporation provides services entirely to the City or for the benefit of the City and its constituents. The Corporation also works with the City on housing rehabilitation exclusively in the City limits.

Effective July 1, 2020, the Paris Utility Authority was formed to own and operate the Utility Department, formerly reported as Paris Board of Public Utilities within or outside the corporate limits of the City of Paris, Tennessee and to exercise all powers granted to energy authorities by the Municipal Energy Authority Act enacted by Public Chapter No. 995 of the 2016 Public Acts of the State of Tennessee. This act authorizes the authority, effective immediately upon the effective date of its formation, and upon proper action by the associated municipality, to commence operating the systems and to exercise exclusive control and direction of the systems and to accept title to the assets and assume the liabilities of the systems, and upon such action to hold all the rights as existed with the municipal utility without diminution. Prior to July 1, 2020, Paris Board of Public Utilities was included in the City's financial statements as enterprise funds.

The Paris Utility Authority is a component unit of the City of Paris, Tennessee, based on the criteria for inclusion in the City's financial report as defined by the Governmental Accounting Standards Board (GASB). The Mayor and Commissioners of Paris appoint the members of the Utility Authority's board of directors. In addition, the Utility Authority does not have any power to dispose of all or substantially all of the plant without consent of the Mayor and Commissioners and approval of a majority of those voting in a referendum in accordance with Tennessee Code Annotated 7-52-132. Management has determined that both of these conditions qualify as the ability of the primary government (City of Paris) to impose its will on the component unit (Paris Utility Authority) as defined by GASB. Therefore, the Utility Authority should be included in the financial reporting entity of City of Paris as a discretely-presented component unit. Financial statements for the Utility Authority can be obtained by contacting the Finance Manager of the Paris Utility Authority.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of the interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of the given function, or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the

CITY OF PARIS, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statements Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

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

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

The City reports the following major governmental funds:

The general fund is the government'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 City reports the following major proprietary funds:

The refuse collection fund accounts for the activities of the government's sanitation operations.

The landfill fund accounts for the activities associated with monitoring the disposal of solid waste.

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Additionally, the City reports the following fiduciary fund:

The fiduciary fund of the City is the cemetery endowment fund. This fiduciary fund is used to account for payments for cemetery maintenance. The fiduciary fund statements have been prepared using the accrual basis of accounting. Under the accrual basis of accounting, revenue is recorded as earned and expenses are recorded as incurred.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between the government's System funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the refuse collection and landfill funds are charges for pick-up and dumping of solid waste. Operating expenses for the proprietary funds include the cost of pick-up services, maintenance expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance

Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and certificates of deposit and other time deposits with a term of less than three months. Cash resources of all governmental funds are pooled and are invested to the extent possible in certificates of deposit. All interest earned on this pool is allocated to the General Fund except where legal restrictions require the earnings to be allocated to the source from which the cash originated.

State statutes authorize the City to invest in certificates of deposit, obligations of the U. S. Treasury, agencies and instrumentalities, obligations guaranteed by the U. S. Government or its agencies, repurchase agreements and the state's investment pool. Investments for the City are reported at fair value.

Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. However, any residual balances outstanding

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between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Property tax receivables are shown net of an allowance for uncollectibles. The allowance is recorded based on the past history of collections. Court fines receivable are also shown net of an allowance for uncollectibles. The allowance is recorded based on management’s estimate of what portion of the outstanding receivable will be collected in the future.

The allowances for uncollectible customer accounts recorded in the proprietary funds are based on past history of uncollectible accounts and management’s analysis of current accounts. The allowance is zero at year-end.

Property taxes are lienied and levied annually on January 1st and October 1st, respectively. The taxes are mailed on October 1st and are considered to be due and payable from the following October 1st through February 28th in the year succeeding the tax levy. Taxes become delinquent as of March 1st of the year after levied. Taxes uncollected by April 1st of the 2nd year they are due are submitted to the Chancery Court for collection. Tax liens become perfected at the time the court enters judgment.

Inventories and Prepaid Items

Inventories are valued at lower of average cost or market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets

The City elects to use restricted assets before unrestricted assets when the situation arises where either can be used.

Capital Assets

Capital assets, including property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) 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 \$500 for equipment and \$10,000 for land improvements, infrastructure, and buildings and an estimated useful life in excess of three years. All land, construction in progress, and works of art will be included. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Capital assets of the City are depreciated using the straight line method over the following useful lives:

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Buildings	20 - 40 years
Improvements other than buildings	20 years
Machinery and equipment	3 - 20 years
Furniture and fixtures	12 - 15 years
Infrastructure	20 - 25 years

Unavailable/Unearned Revenue

Amounts that were receivable and measurable as of June 30, 2024 but were not available to finance expenditures for the year ended June 30, 2024 are considered to be unavailable revenues in the governmental funds. Revenue recognition is also postponed in connection with resources that have been received, but not yet earned (unearned revenue).

Compensated Absences

The governmental and proprietary funds' employees accumulate vacation days and in the event of termination, employees are reimbursed for accumulated vacation up to a maximum of 288 hours. They are paid at the end of each fiscal year for the unused vacation days in excess of the allowable maximum, limited to 50% of the actual days accrued during that year.

All City employees may accumulate sick leave up to a maximum of 720 hours. The employees retain no vested rights in the leave and are not reimbursed for it upon termination. Sick leave accumulations are not readily determinable, but City officials do not believe such amount at June 30, 2024, exceeds normal accumulation.

Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are written off completely in the year in which such expenses are incurred in the governmental activities and all proprietary funds.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Encumbrances

Material encumbrances, if present at the end of a fiscal year, are recorded as an appropriation from fund balance for all governmental funds. When the expenditures are incurred, the encumbrances are restored to fund balance and the related expenditure is recorded in the appropriate expenditure account. Outstanding encumbrances at year-end are reported as reservations of fund balance since they do not constitute expenditures or liabilities. Material encumbrances outstanding at year-end are included as expenditures for the budgetary presentations. There were no material encumbrances outstanding at June 30, 2024.

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 and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City currently has

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pension-related items that qualify for reporting in this category in the government wide financial statements.

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 acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City currently has property taxes and pension-related items that qualify for reporting in this category in the government wide financial statements and proprietary fund statements. Deferred inflows of resources reported in the governmental fund statements includes unavailable court fines and property taxes.

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 Paris' participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Paris' 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.

Fund Equity

The City classifies fund balances in the governmental funds as follows:

Nonspendable fund balance

This classification includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes terms that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

Restricted fund balance

This classification includes amounts that are restricted for specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted with the consent of resource providers.

Committed fund balance

This classification includes amounts that can only be used for the specific purposes determined by a formal action of the City's highest level of decision-making authority, the City Commission of the City of Paris, Tennessee. Commitments may be changed or lifted only by the City taking the same formal action that imposed the constraint originally (for example: ordinance).

Assigned fund balance

This classification included amounts intended to be used by the City for specific purposes that are neither restricted nor committed. The City Commission and its designee, the Recorder, have the authority to assign amounts to be used for specific purposes. Assigned amounts also include all residual amounts in governmental funds (except negative amounts) that are not classified as nonspendable, restricted, or committed.

Unassigned fund balance

This fund balance is the residual classification for the general fund. It is also used to report negative fund balances in other governmental funds.

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In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

Government Wide – Net Position

Net position is a component of equity and is displayed in the following three components:

- Net Investment in Capital Assets – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds that are attributable to the acquisition, construction, or improvement of those assets; debt related to unspent proceeds or other restricted cash and investments is excluded from the determination.
- Restricted – Consists of net position for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, laws, regulations, and enabling legislation, including self-imposed legal mandates, less any related liabilities. The restrictions are evident from the classification titles.
- Unrestricted – All other net position that does not meet the description of the above categories.

Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Use of Estimates

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

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The reconciliation of the balance sheet of governmental funds to the statement of net position includes a reconciliation between fund balances - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities, including notes and bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this (\$3,027,757) are as follows:

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Variable rate bonds payable	\$ (2,471,000)
Bond discount	25,301
Net pension liability	(41,826)
Compensated absences payable	<u>(540,232)</u>
Net adjustment to decrease fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ (3,027,757)</u>

Another element of the reconciliation explains that "receivables not available to pay for current expenditures and, therefore, are deferred in the funds." The details of this \$84,964 are as follows:

Court fines	\$ 21,779
Property taxes	<u>63,185</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 84,964</u>

B. 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 reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities includes a reconciliation between net changes in fund balances - 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 in the current period." The details of this \$361,395 difference are as follows:

Capital outlay	\$ 1,839,746
Depreciation expense	<u>(1,478,351)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 361,395</u>

Another element of that reconciliation states that "Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds." The details of this \$65,838 difference are as follows:

Court fines	\$ 4,482
Unavailable revenue from uncollected property taxes	<u>(70,320)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (65,838)</u>

NOTE 3 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for governmental funds, except that material outstanding encumbrances at the end of the fiscal year are treated as expenditures in that year's budget. Formal budgetary integration is not employed for

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capital projects funds, as effective control is alternatively achieved through project-length financial plans. The City's policy is to not allow expenditures to exceed budgetary amounts at the fund level without obtaining additional appropriation approval from the City Commission. This policy reflects the legal level of control at which expenditures may not exceed appropriations.

As an extension of the budgetary process, the City Commission may transfer or appropriate additional funds for expenditures not anticipated at the time of budget adoption. These amendments are made in the form of legally adopted ordinances. The City had budget amendments during the year. The City Manager may make transfers within the budget below the legal level of control. All unexpended appropriations lapse at the end of the fiscal year, unless the City Manager authorizes retention. During the year the City did not exceed any of its legally adopted budgets.

NOTE 4 - DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Custodial Credit Risk

The City's policies limit deposits and investments to those instruments allowed by applicable state laws and described in Note 1. State statutes require that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105% of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance or the Tennessee Bank Collateral Pool, by collateral held by the City's agent in the City's name, or by the Federal Reserve Banks acting as third party agents. State statutes also authorize the City to invest in bonds, notes or treasury bills of the United States or any of its agencies, certificates of deposit at Tennessee state chartered banks and savings and loan associations and federally chartered banks and savings and loan associations, repurchase agreements utilizing obligations of the United States or its agencies as the underlying securities and the state pooled investment funds. Statutes also require that securities underlying repurchase agreements must have a market value of at least equal to the amount of funds invested in the repurchase transaction. As of June 30, 2024, all bank deposits were fully collateralized or insured.

B. Receivables

Receivables as of the year end for the City's individual major funds and non-major and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	General	Refuse Collection Fund	Landfill Fund	Nonmajor Governmental Fund	Nonmajor Proprietary Funds	Total
Receivables:						
Property taxes	\$ 1,963,820	\$ -	\$ -	\$ -	\$ -	\$ 1,963,820
Accounts	295,720	106,668	67,569	1,833	-	471,790
Grants	14,994	-	-	-	-	14,994
Intergovernmental	1,428,526	-	-	-	-	1,428,526
Notes	-	-	-	-	43,561	43,561
Gross receivables	3,703,060	106,668	67,569	1,833	43,561	3,922,691
Less: Allowance for uncollectibles	(28,155)	-	-	-	(27,561)	(28,155)
Net total receivables	\$ 3,674,905	\$ 106,668	\$ 67,569	\$ 1,833	\$ 16,000	\$ 3,894,536

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Governmental funds report deferred inflows of resources 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, various components of deferred inflows of resources in the governmental funds were as follows:

	Unavailable	Unavailable/ Unearned	Total
Delinquent property taxes receivable (net)	\$ 63,185	\$ -	\$ 63,185
Court fines receivable	21,779	-	21,779
2024 property tax assessment	-	1,900,457	1,900,457
Total deferred inflows of resources for governmental funds	<u>\$ 84,964</u>	<u>\$ 1,900,457</u>	<u>\$ 1,985,421</u>

C. Capital Assets

Capital asset activity for the year ended June 30, 2024 was as follows:

	Beg Balance June 30, 2023	Increases	Decreases	Reclassification/ Adjustments	Balance June 30, 2024
Governmental activities:					
Capital assets, not being depreciated					
Land	\$ 1,390,938	\$ 647,710	\$ -	\$ -	\$ 2,038,648
CIP	<u>1,214,514</u>	<u>-</u>	<u>-</u>	<u>(1,214,514)</u>	<u>-</u>
Total capital assets, not being depreciated	<u>2,605,452</u>	<u>647,710</u>	<u>-</u>	<u>(1,214,514)</u>	<u>2,038,648</u>
Capital assets, being depreciated					
Buildings	7,850,792	258,065	-	-	8,108,857
Improvements other than buildings	3,658,174	-	-	-	3,658,174
Furniture and fixtures	223,362	-	-	-	223,362
Machinery and equipment	13,470,721	928,716	-	-	14,399,437
Infrastructure	<u>77,986,119</u>	<u>5,255</u>	<u>-</u>	<u>1,214,514</u>	<u>79,205,888</u>
Total capital assets, being depreciated	<u>103,189,168</u>	<u>1,192,036</u>	<u>-</u>	<u>1,214,514</u>	<u>105,595,718</u>
Less: Accumulated depreciation for:					
Buildings	4,307,177	199,413	-	-	4,506,590
Improvements other than buildings	2,148,369	126,373	-	-	2,274,742
Furniture and fixtures	205,411	4,510	-	-	209,921
Machinery and equipment	9,513,122	822,801	-	-	10,335,923
Infrastructure	<u>74,339,866</u>	<u>325,254</u>	<u>-</u>	<u>-</u>	<u>74,665,120</u>
Total accumulated depreciation	<u>90,513,945</u>	<u>1,478,351</u>	<u>-</u>	<u>-</u>	<u>91,992,296</u>
Total capital assets, being depreciated, net	<u>12,675,223</u>	<u>(286,315)</u>	<u>-</u>	<u>1,214,514</u>	<u>13,603,422</u>
Governmental activities capital assets, net	<u>\$ 15,280,675</u>	<u>\$ 361,395</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,642,070</u>

CITY OF PARIS, TENNESSEE
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	Balance June 30, 2023	Additions	Disposals	Adjustments	Balance June 30, 2024
Business-type activities:					
Capital assets, not being depreciated					
Land -landfill	\$ 322,685	\$ -	\$ -	\$ -	\$ 322,685
Total capital assets, not being depreciated	<u>322,685</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>322,685</u>
Capital assets, being depreciated					
Buildings	705,904	-	-	-	705,904
Improvements other than buildings	379,718	-	-	-	379,718
Machinery and equipment	3,485,452	154,469	-	-	3,639,921
Furniture and fixtures	1,291	-	-	-	1,291
Total capital assets, being depreciated	<u>4,572,365</u>	<u>154,469</u>	<u>-</u>	<u>-</u>	<u>4,726,834</u>
Less: Accumulated depreciation for:					
Buildings	156,042	16,874	-	-	172,916
Improvements other than buildings	358,727	3,766	-	-	362,493
Machinery and equipment	2,379,512	210,798	-	-	2,590,310
Furniture and fixtures	1,291	-	-	-	1,291
Total accumulated depreciation	<u>2,895,572</u>	<u>231,438</u>	<u>-</u>	<u>-</u>	<u>3,127,010</u>
Total capital assets, being depreciated, net	<u>1,676,793</u>	<u>(76,969)</u>	<u>-</u>	<u>-</u>	<u>1,599,824</u>
Total capital assets, net	<u>\$ 1,999,478</u>	<u>\$ (76,969)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,922,509</u>

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

Governmental activities:	
General government	\$ 51,995
Public safety	271,063
Public works	551,122
Health, culture, recreation, and welfare	292,822
Community development	311,349
Total depreciation expense - governmental activities	<u>\$ 1,478,351</u>
Business-type activities:	
Refuse collection	\$ 219,143
Landfill	12,295
Total depreciation expense - business-type activities	<u>\$ 231,438</u>

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D. Long-term Debt

General long-term debt at June 30, 2024 is comprised of the following:

Long-term debt of the governmental activities at June 30, 2024 is comprised of the following:

General long-term debt at June 30, 2024 is comprised of the following:

Energy EFF Bond, Series 2017, payable in annual installments ranging from \$120,000 to \$150,000, beginning in June 2019 through June 2037, plus interest at a variable rate, which was 1.60% at June 30, 2024	\$ 1,825,000
TMBF Variable Rate Bonds, Series 2019, payable in monthly installments ranging from \$82,000 to \$118,000, beginning in August 2020 through October 2029, plus interest at a variable rate, which was 3.60% at June 30, 2024	<u>646,000</u>
	<u>\$ 2,471,000</u>

The annual requirements, by type of issue, to amortize all long-term debt outstanding except accrued annual leave and post-closure costs at June 30, 2024, including interest payments of \$498,389 are as follows:

Year Ending June 30,	Revenue Bonds	
	Principal	Interest
2025	\$ 228,000	\$ 71,336
2026	236,000	66,322
2027	240,000	60,994
2028	245,000	55,324
2029	249,000	49,294
2030-2034	828,000	160,951
2035-2037	445,000	34,168
	<u>\$ 2,471,000</u>	<u>\$ 498,389</u>

Debt expense associated with the above bond issues was fully written off in a prior fiscal year in accordance with GASB 65 for the governmental activities and all business-type activities. All significant debt covenants and restrictions as set forth in the bond agreements were complied with. There were no unused lines of credit in the current year. The outstanding notes contain provisions in the event of default, the lender can exercise one or more of the following options: (1) make all or any of the outstanding notes payable balances immediately due and accrued interest at highest post-maturity interest rate, (2) take possession of the collateralized properties, (3) gain access to other assets of the borrower to protect the lender's interest, and (4) use any remedy allowed by state or federal law. All governmental notes are secured by the full faith and credit of the City.

Long-term liability activity for the year ended June 30, 2024, was as follows:

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	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Revenue bonds	\$ 2,695,000	\$ -	\$ 224,000	\$ 2,471,000	\$ 228,000
Discount	(27,248)	-	(1,947)	(25,301)	-
Compensated absences	622,425	-	82,193	540,232	-
	<u>\$ 3,290,177</u>	<u>\$ -</u>	<u>\$ 304,246</u>	<u>\$ 2,985,931</u>	<u>\$ 228,000</u>
Business-type activities:					
Compensated absences	38,006	1,667	-	39,673	39,673
Accrued closure/post closure	1,300,014	147,908	-	1,447,922	-
	<u>\$ 1,338,020</u>	<u>\$ 149,575</u>	<u>\$ -</u>	<u>\$ 1,487,595</u>	<u>\$ 39,673</u>

NOTE 5 - OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of losses related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City decided it was more economically feasible to join a public entity risk pool as opposed to purchasing commercial insurance for general liability, auto liability, errors and omissions and auto physical damage coverage. The City joined the Tennessee Municipal League Risk Pool (Pool), which is a public entity risk pool established in 1979 by the Tennessee Municipal League. The City pays annual premiums to the Pool for its policies. The Pool provides the specified coverage and pays all claims from its member premiums charged or through its reinsurance policies. The City's premiums are calculated based on its prior claims history.

It is the policy of the City to purchase commercial insurance for the risks of employee dishonesty, worker's compensation, and physical damage to its office equipment. Settled claims have not exceeded this commercial coverage or the coverage provided by the Pool in any of the past three years.

B. Contingent Liabilities

The City does not have any pending litigation that will result in monetary loss.

C. Closure and Post-closure Care Cost

State and federal laws and regulations require the City to place a final cover on its Jones Bend Road landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$1,447,922 reported as landfill closure and postclosure care liability at June 30, 2024. These amounts are based on what it would cost to perform all closure and post-closure care in 2024. The City performed closure activities on the Class I area in the year 1997, but the beginning of the statutory postclosure monitoring of this area will not begin until the entire landfill is closed. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

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The City operates the landfill under an agreement with Henry County whereby the county reimburses 50% of operating costs of the landfill not recovered through user charges. The City anticipates that 50% of the closure and postclosure costs will be reimbursed by the county at such times as those costs are actually paid. There is a long term receivable for \$723,961 on the financial statements for the portion of the liability attributable to the County.

D. Employee Retirement Systems and Pension Plans

Plan Description – The City

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

Benefits Provided

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

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

Employees Covered by Benefit Terms

At the measurement date of June 30, 2023, the following employees were covered by the benefit terms:

Active employees	69
Inactive employees or beneficiaries currently receiving benefits	80
Inactive employees entitled to but not yet receiving benefits	<u>28</u>
Total employees covered by the Plan	<u>177</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. Paris

CITY OF PARIS, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

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 actuarially determined contribution (ADC) for Paris was \$257,826 based on a rate of 7.00% percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Paris' state shared taxes if required employer contributions are not remitted. The employer's (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability

Paris' net pension liability (asset) was measured as of June 30, 2023, 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, 2023 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, 2023 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:

CITY OF PARIS, TENNESSEE
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June 30, 2024

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
U.S. equity	4.88%	31.00%
Developed market international equity	5.37%	14.00%
Emerging market international equity	6.09%	4.00%
Private equity and strategic lending	6.57%	20.00%
U.S. fixed income	1.20%	20.00%
Real estate	4.38%	10.00%
Short-term securities	0.00%	1.00%
		100.00%

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 three factors described above.

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 Paris 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 (TPL) (a)	Plan fiduciary net position (b)	Net pension liability (NPL) (a)-(b)
Balances as of 6/30/2022	\$ 25,093,815	\$ 25,765,182	\$ (671,367)
Changes for the year:			
Service cost	374,744	-	374,744
Interest	1,681,175	-	1,681,175
Difference between expected and actual experience	(143,140)	-	(143,140)
Changes in assumptions	-	-	-
Contributions - employer	-	260,292	(260,292)
Contributions - employee	-	186,721	(186,721)
Net investment income	-	1,708,816	(1,708,816)
Benefit payments, including refunds of employee contributions	(1,124,516)	(1,124,516)	-
Administrative expenses	-	(9,391)	9,391
Other	-	-	-
Net changes	<u>788,263</u>	<u>1,021,922</u>	<u>(233,659)</u>
Balances as of 6/30/2023	<u>\$ 25,882,078</u>	<u>\$ 26,787,104</u>	<u>\$ (905,026)</u>

CITY OF PARIS, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of Paris 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%)
Net pension liability (asset)	\$ 2,357,978	\$ (905,026)	\$ (3,645,550)

Pension Expense (Negative Pension Expense)

For the year ended June 30, 2024, Paris recognized pension expense of \$310,274.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2024, Paris reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 470,301	\$ 263,999
Net difference between projected and actual earnings on pension plan investments	191,157	-
Changes in assumptions	567,576	-
Contributions subsequent to the measurement date of June 30, 2023	257,826	-
Total	<u>\$ 1,486,860</u>	<u>\$ 263,999</u>

The amount shown above for “contributions subsequent to the measurement date of June 30, 2023,” 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:

<u>Year ending June 30,</u>	<u>Amortized</u>
2025	145,535
2026	136,358
2027	681,711
2028	1,431
2029	-
Thereafter	-

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

Payable to the Pension Plan

At June 30, 2024, Paris reported a payable of \$0 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2024.

CITY OF PARIS, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

Plan Description – TCRS (Alternate)

Employees of Paris – Alternate Plan 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 65 with 5 years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available at age 60 and vested or pursuant to the rule of 80 in which the member's age and service credit total 80. Members vest with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for non-service-related disability eligibility. The service related and non-service-related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2023, the following employees were covered by the benefit terms:

At June 30, 2023, the following employees were covered by the Plan:

Active employees	57
Inactive employees or beneficiaries currently receiving benefits	-
Inactive employees entitled to but not yet receiving benefits	14
Total employees covered by the Plan	<u>71</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. Paris makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2024, the actuarially determined contribution (ADC) for Paris was \$101,657 based on a rate of 3.20% percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Paris' 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.

CITY OF PARIS, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

Net Pension Liability

Paris' net pension liability (asset) was measured as of June 30, 2023, 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, 2023 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, 2023 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:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
U.S. equity	4.88%	31.00%
Developed market international equity	5.37%	14.00%
Emerging market international equity	6.09%	4.00%
Private equity and strategic lending	6.57%	20.00%
U.S. fixed income	1.20%	20.00%
Real estate	4.38%	10.00%
Short-term securities	0.00%	1.00%
		100.00%

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 three factors described above.

CITY OF PARIS, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

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 Paris 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 (TPL)	Plan fiduciary net position	Net pension liability (NPL)
	(a)	(b)	(a)-(b)
Balances as of 6/30/2022	\$ 593,924	\$ 552,697	\$ 41,227
Changes for the year:			
Service cost	153,682	-	153,682
Interest	49,899	-	49,899
Difference between expected and actual experience	38,519	-	38,519
Changes in assumptions	-	-	-
Contributions - employer	-	73,667	(73,667)
Contributions - employee	-	122,779	(122,779)
Net investment income	-	43,082	(43,082)
Benefit payments, including refunds of employee contributions	(16,716)	(16,716)	-
Administrative expenses	-	(3,297)	3,297
Other	-	-	-
Net changes	<u>225,384</u>	<u>219,515</u>	<u>5,869</u>
Balances as of 6/30/2023	<u>\$ 819,308</u>	<u>\$ 772,212</u>	<u>\$ 47,096</u>

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of Paris 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%)
Net pension liability (asset)	\$ 284,962	\$ 47,096	\$ (133,732)

Pension Expense (Negative Pension Expense)

For the year ended June 30, 2024, Paris recognized pension expense of \$42,624.

CITY OF PARIS, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 114,248	\$ 107,614
Net difference between projected and actual earnings on pension plan investments	10,097	-
Changes in assumptions	34,795	-
Contributions subsequent to the measurement date of June 30, 2023	101,657	-
Total	<u>\$ 260,797</u>	<u>\$ 107,614</u>

The amount shown above for “contributions subsequent to the measurement date of June 30, 2023,” 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:

<u>Year ending June 30,</u>	<u>Amortized</u>
2025	1,869
2026	650
2027	12,424
2028	1,664
2029	1,628
Thereafter	33,291

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, 2024, Paris reported a payable of \$0 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2024.

Aggregate Pension Expense

The aggregate pension expense for the two pension plans was \$352,898 for the year ended June 30, 2024.

E. Subsequent Events

Management has evaluated subsequent events through January 24, 2025 the date in which the financial statements were available to be issued.

F. Correction of an Error

During the current year’s audit, it was discovered that there was an accounts payable balance of \$186,379 in the general fund that was no longer considered an active payable. An adjustment was made to correct the error in the current financial statements.

CITY OF PARIS, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2024

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances	
	General Fund	Governmental Activities
June 30, 2023, as previously reported	\$ 8,654,044	\$ 23,098,729
Error correction	186,379	186,379
June 30, 2024, as restated	<u>\$ 8,840,423</u>	<u>\$ 23,285,108</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PARIS, TENNESSEE
SCHEDULE OF CHANGES IN PARIS' NET PENSION LIABILITY (ASSET) AND RELATED
RATIOS BASED ON PARTICIPATION IN THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS
For the Year Ended June 30,

Measurement Period Ended	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service cost	\$ 374,744	\$ 358,590	\$ 341,299	\$ 317,748	\$ 314,051	\$ 327,688	\$ 329,482	\$ 364,934	\$ 352,556	\$ 373,591
Interest	1,681,175	1,576,144	1,541,089	1,472,580	1,453,092	1,406,991	1,384,695	1,366,020	1,306,684	1,302,524
Difference between actual & expected experience	(143,140)	713,525	(171,475)	126,554	(528,314)	(111,539)	(314,559)	(468,903)	67,891	(694,576)
Change of assumptions	-	-	1,418,937	-	-	-	514,234	-	-	-
Benefit payments, including refunds of employee contributions	(1,124,516)	(1,092,262)	(1,014,278)	(976,668)	(970,802)	(976,427)	(959,365)	(995,820)	(900,911)	(909,162)
Net change in total pension liability	788,263	1,555,997	2,115,572	940,214	268,027	646,713	954,487	266,231	826,220	72,377
Total pension liability - beginning	25,093,815	23,537,818	21,422,246	20,482,032	20,214,005	19,567,292	18,612,805	18,346,574	17,520,354	17,447,977
Total pension liability - ending (a)	\$ 25,882,078	\$ 25,093,815	\$ 23,537,818	\$ 21,422,246	\$ 20,482,032	\$ 20,214,005	\$ 19,567,292	\$ 18,612,805	\$ 18,346,574	\$ 17,520,354
Plan fiduciary net position										
Contributions - employer	\$ 260,292	\$ 295,690	\$ 289,013	\$ 668,894	\$ 453,621	\$ 471,700	\$ 424,841	\$ 426,490	\$ 497,845	\$ 480,521
Contributions - employee	186,721	193,147	216,647	258,766	174,469	251,189	185,221	186,587	220,635	204,744
Net investment income	1,708,816	(1,037,036)	5,674,437	1,053,018	1,485,301	1,552,300	1,938,026	452,351	517,290	2,413,671
Benefit payments, including refunds of employee contributions	(1,124,516)	(1,092,262)	(1,014,278)	(976,668)	(970,802)	(976,427)	(959,365)	(995,820)	(900,911)	(909,162)
Administrative expense	(9,391)	(7,456)	(7,257)	(7,586)	(7,119)	(7,973)	(7,539)	(7,014)	(5,847)	(4,787)
Net change in plan fiduciary net position	1,021,922	(1,647,917)	5,158,562	996,424	1,135,470	1,290,789	1,581,184	62,594	329,012	2,184,987
Plan fiduciary net position - beginning	25,765,182	27,413,099	22,254,537	21,258,113	20,122,643	18,831,854	17,250,670	17,188,076	16,859,064	14,674,077
Plan fiduciary net position - ending (b)	\$ 26,787,104	\$ 25,765,182	\$ 27,413,099	\$ 22,254,537	\$ 21,258,113	\$ 20,122,643	\$ 18,831,854	\$ 17,250,670	\$ 17,188,076	\$ 16,859,064
Net Pension Liability (Asset) - ending (a) - (b)	\$ (905,026)	\$ (671,367)	\$ (3,875,281)	\$ (832,291)	\$ (776,081)	\$ 91,362	\$ 735,438	\$ 1,362,135	\$ 1,158,498	\$ 661,290
Plan fiduciary net position as a percentage of total pension liability	103.50%	102.68%	116.46%	103.89%	103.79%	99.55%	96.24%	92.68%	93.69%	96.23%
Covered payroll	\$ 3,718,462	\$ 3,840,131	\$ 3,751,157	\$ 3,779,141	\$ 3,489,395	\$ 3,628,460	\$ 3,681,461	\$ 3,695,751	\$ 4,314,079	\$ 4,068,766
Net pension liability (asset) as a percentage of covered payroll	-24.34%	-17.48%	-103.31%	-22.02%	-22.24%	2.52%	19.98%	36.86%	26.85%	16.25%

Changes in 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. In 2017, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, salary growth and mortality improvements.

GASB 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 represented retroactively prior to the implementation data. Please refer to previously supplied data from TCRS GASB website for prior years' data, if needed.

See independent auditor's report.

CITY OF PARIS, TENNESSEE
SCHEDULE OF PARIS' CONTRIBUTIONS
BASED ON PARTICIPATION IN THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS
Last Fiscal Years Ending June 30

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 257,826	\$ 249,509	\$ 292,234	\$ 285,635	\$ 613,839	\$ 425,706	\$ 442,672	\$ 424,841	\$ 426,490	\$ 497,845
Contributions in relation to the actuarially determined contributions	<u>257,826</u>	<u>260,292</u>	<u>295,690</u>	<u>289,013</u>	<u>668,894</u>	<u>453,621</u>	<u>471,700</u>	<u>424,841</u>	<u>426,490</u>	<u>497,845</u>
Contribution deficiency (excess)	<u>-</u>	<u>(10,783)</u>	<u>(3,456)</u>	<u>(3,378)</u>	<u>(55,055)</u>	<u>(27,915)</u>	<u>(29,028)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered-employee payroll	\$ 3,683,229	\$ 3,718,462	\$ 3,840,131	\$ 3,751,157	\$ 3,779,141	\$ 3,489,395	\$ 3,628,460	\$ 3,681,461	\$ 3,695,751	\$ 4,314,079
Contributions as a percentage covered-employee payroll	7.00%	7.00%	7.70%	7.70%	17.70%	13.00%	13.00%	11.54%	11.54%	11.54%

GASB 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 represented retroactively prior to the implementation data. Please refer to previously supplied data from TCRS GASB website for prior years' data, if needed.

See independent auditor's report.

CITY OF PARIS, TENNESSEE
SCHEDULE OF CHANGES IN PARIS' NET PENSION LIABILITY (ASSET) AND RELATED
RATIOS BASED ON PARTICIPATION IN THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS-ALTERNATE PLAN
For the Year Ended June 30,

Measurement Period Ended	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability								
Service cost	\$ 153,682	\$ 116,507	\$ 71,561	\$ 96,040	\$ 73,986	\$ 56,699	\$ 62,915	\$ 32,102
Interest	49,899	33,259	23,390	26,402	17,571	10,050	6,900	2,365
Difference between actual & expected experience	38,519	73,215	(7,824)	(134,979)	12,726	19,700	(19,950)	(4,242)
Change of assumptions	-	-	43,313	-	-	-	2,962	-
Benefit payments, including refunds of employee contributions	(16,716)	(10,557)	-	(9,053)	-	-	-	(1,134)
Net change in total pension liability	225,384	212,424	130,440	(21,590)	104,283	86,449	52,827	29,091
Total pension liability - beginning	593,924	381,500	251,060	272,650	168,367	81,918	29,091	-
Total pension liability - ending (a)	\$ 819,308	\$ 593,924	\$ 381,500	\$ 251,060	\$ 272,650	\$ 168,367	\$ 81,918	\$ 29,091
Plan fiduciary net position								
Contributions - employer	\$ 73,667	\$ 43,454	\$ 29,082	\$ 410	\$ 26,384	\$ 20,584	\$ 15,692	\$ 9,172
Contributions - employee	122,779	98,759	66,086	(4,531)	66,693	51,459	39,229	22,930
Net investment income	43,082	(19,462)	81,883	13,208	15,902	10,283	6,431	401
Benefit payments, including refunds of employee contributions	(16,716)	(10,557)	-	(9,053)	-	-	-	(1,134)
Administrative expense	(3,297)	(4,761)	(3,236)	(2,883)	(3,436)	(2,878)	(2,125)	(1,289)
Net change in plan fiduciary net position	219,515	107,433	173,815	(2,849)	105,543	79,448	59,227	30,080
Plan fiduciary net position - beginning	552,697	445,264	271,449	274,298	168,755	89,307	30,080	-
Plan fiduciary net position - ending (b)	\$ 772,212	\$ 552,697	\$ 445,264	\$ 271,449	\$ 274,298	\$ 168,755	\$ 89,307	\$ 30,080
Net Pension Liability (Asset) - ending (a) - (b)	\$ 47,096	\$ 41,227	\$ (63,764)	\$ (20,389)	\$ (1,648)	\$ (388)	\$ (7,389)	\$ (989)
Plan fiduciary net position as a percentage of total pension liability	94.25%	93.06%	116.71%	108.12%	100.60%	100.23%	109.02%	103.40%
Covered payroll	\$ 2,455,568	\$ 1,975,186	\$ 1,323,966	\$ 1,263,905	\$ 1,319,182	\$ 1,029,184	\$ 784,581	\$ 458,596
Net pension liability (asset) as a percentage of covered payroll	1.92%	2.09%	-4.82%	-1.61%	-0.12%	-0.04%	-0.94%	-0.22%

Changes in 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. In 2017, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, salary growth and mortality improvements.

GASB 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 represented retroactively prior to the implementation data. Please refer to previously supplied data from TCRS GASB website for prior years' data, if needed.

See independent auditor's report.

CITY OF PARIS, TENNESSEE
SCHEDULE OF PARIS' CONTRIBUTIONS
BASED ON PARTICIPATION IN THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS-ALTERNATE PLAN
Last Fiscal Years Ending June 30,

	<u>2023</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 101,657	\$ 73,667	\$ 39,899	\$ 28,950	\$ 410	\$ 23,218	\$ 7,204	\$ 15,692	\$ 9,172
Contributions in relation to the actuarially determined contributions	<u>101,657</u>	<u>73,667</u>	<u>43,454</u>	<u>29,082</u>	<u>410</u>	<u>26,384</u>	<u>20,584</u>	<u>15,692</u>	<u>9,172</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>(3,555)</u>	<u>(132)</u>	<u>-</u>	<u>(3,166)</u>	<u>(13,380)</u>	<u>-</u>	<u>-</u>
Covered-employee payroll	\$ 3,176,815	\$2,455,568	\$1,975,186	\$1,323,966	\$1,263,905	\$1,319,182	\$1,029,184	\$ 784,581	\$ 458,596
Contributions as a percentage covered-employee payroll	3.20%	3.00%	2.20%	2.20%	0.03%	2.00%	2.00%	2.00%	2.00%

GASB 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 represented retroactively prior to the implementation data. Please refer to previously supplied data from TCRS GASB website for prior years' data, if needed.

See independent auditor's report.

CITY OF PARIS, TENNESSEE
SCHEDULE OF NOTES TO PENSION REQUIRED SUPPLEMENTARY INFORMATION
BASED ON PARTICIPATION IN THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS
AND THE ALTERNATE PLAN
For the Year Ended June 30, 2024

Notes to Schedule:

Valuation Date : Actuarially determined contribution rates for 2024 were calculated based on the June 30, 2022 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. In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

SUPPLEMENTARY INFORMATION SECTION

**CITY OF PARIS, TENNESSEE
BALANCE SHEET - DRUG FUND
NONMAJOR GOVERNMENTAL FUND**
June 30, 2024

	<u>Drug Fund</u>
Assets	
Cash in bank	\$ 212,593
Accounts receivable	<u>1,833</u>
Total assets	<u>214,426</u>
Liabilities	
Accounts payable	<u>15,498</u>
Total liabilities	<u>15,498</u>
Fund Balances	
Restricted	<u>198,928</u>
Total liabilities and fund balances	<u>\$ 214,426</u>

See independent auditor's report.

CITY OF PARIS, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - DRUG FUND
NONMAJOR GOVERNMENTAL FUND
For the Year Ended June 30, 2024

	<u>Drug Fund</u>
Revenues	
Fines and forfeitures:	
Drug related fines	\$ 16,294
Other:	
Interest	38
Other revenue including seizures	<u>28,696</u>
Total revenues	<u>45,028</u>
Expenditures	
Public safety:	
Drug control	<u>22,907</u>
Total expenditures	<u>22,907</u>
Net changes in fund balance	22,121
Fund balance - beginning	<u>176,807</u>
Fund balance - ending	<u>\$ 198,928</u>

See independent auditor's report.

CITY OF PARIS, TENNESSEE
DRUG FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Revenues				
Fines and forfeitures:				
Drug related fines	\$ 13,500	\$ 13,500	\$ 16,294	\$ 2,794
Other:				
Interest	50	50	38	(12)
Other revenue including seizures	<u>30,000</u>	<u>30,000</u>	<u>28,696</u>	<u>(1,304)</u>
Total revenues	<u>43,550</u>	<u>43,550</u>	<u>45,028</u>	<u>1,478</u>
Expenditures				
Current:				
Public safety:				
Drug control:				
Operating supplies	8,500	8,500	3,062	(5,438)
Canine training	1,000	1,000	200	(800)
Canine maintenance	3,000	3,000	2,664	(336)
Miscellaneous expenditures	16,500	16,500	7,104	(9,396)
Miscellaneous supplies	500	500	161	(339)
General purpose equipment	<u>20,000</u>	<u>20,000</u>	<u>9,716</u>	<u>(10,284)</u>
Total expenditures	<u>49,500</u>	<u>49,500</u>	<u>22,907</u>	<u>(26,593)</u>
Net changes in fund balance	<u>\$ (5,950)</u>	<u>\$ (5,950)</u>	<u>\$ 22,121</u>	<u>\$ 28,071</u>
Fund balance - beginning			<u>176,807</u>	
Fund balance - ending			<u>\$ 198,928</u>	

See independent auditor's report.

CITY OF PARIS, TENNESSEE
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
June 30, 2024

	Paris Housing Corporation Fund	USDA Revolving Loan Fund	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 101,592	\$ 138,649	\$ 240,241
Total current assets	<u>101,592</u>	<u>138,649</u>	<u>240,241</u>
Noncurrent assets:			
Other assets:			
Notes receivable (less allowance for uncollectible of \$27,561)	-	16,000	16,000
Total noncurrent assets	<u>-</u>	<u>16,000</u>	<u>16,000</u>
Total assets	<u>101,592</u>	<u>154,649</u>	<u>256,241</u>
Net Position			
Unrestricted	<u>101,592</u>	<u>154,649</u>	<u>256,241</u>
Total net position	<u>\$ 101,592</u>	<u>\$ 154,649</u>	<u>\$ 256,241</u>

See independent auditor's report.

CITY OF PARIS, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR PROPRIETARY FUNDS
For the Year Ended June 30, 2024

	Paris Housing Corporation Fund	USDA Revolving Loan Fund	Total
Operating expenses			
Operation:			
Other costs	\$ 11,580	\$ -	\$ 11,580
Total operating expenses	<u>11,580</u>	<u>-</u>	<u>11,580</u>
 Operating income (loss)	 <u>(11,580)</u>	 <u>-</u>	 <u>(11,580)</u>
 Nonoperating revenues (expenses)			
Gain (loss) on disposal of assets	(2,300)	-	(2,300)
Interest income	<u>-</u>	<u>1,005</u>	<u>1,005</u>
Total nonoperating revenue (expenses)	<u>(2,300)</u>	<u>1,005</u>	<u>(1,295)</u>
 Change in net position	 (13,880)	 1,005	 (12,875)
 Total net position - beginning	 <u>115,472</u>	 <u>153,644</u>	 <u>269,116</u>
 Total net position - ending	 <u>\$ 101,592</u>	 <u>\$ 154,649</u>	 <u>\$ 256,241</u>

See independent auditor's report.

CITY OF PARIS, TENNESSEE
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
For the Year Ended June 30, 2024

	Paris Housing Corporation Fund	USDA Revolving Loan Fund	Total
Cash flows from operating activities			
Cash paid to suppliers of goods and services	\$ (11,580)	\$ -	\$ (11,580)
Net cash provided (used) by operating activities	<u>(11,580)</u>	<u>-</u>	<u>(11,580)</u>
Cash flows from investing activities			
Collection on notes receivable	-	6,751	6,751
Interest received	-	1,005	1,005
Net cash provided (used) by investing activities	<u>-</u>	<u>7,756</u>	<u>7,756</u>
Net increase (decrease) in cash and cash equivalents	(11,580)	7,756	(3,824)
Cash and cash equivalents - beginning of year	<u>113,172</u>	<u>130,893</u>	<u>244,065</u>
Cash and cash equivalents - end of year	<u><u>\$ 101,592</u></u>	<u><u>\$ 138,649</u></u>	<u><u>\$ 240,241</u></u>

See independent auditor's report.

CITY OF PARIS, TENNESSEE
SCHEDULE OF CHANGES IN PROPERTY TAXES RECEIVABLE
For the Year Ended June 30, 2024

Tax Levy For Year	Tax Rate	Tax Levy	Beginning Outstanding Taxes	Additions and Adjustments	Collections	Ending Outstanding Taxes	Outstanding Taxes Filed With Chancery Court
2023	0.90	1,900,457	\$ -	\$ 1,900,457	\$ 1,841,741	\$ 58,716	\$ -
2022	0.80	1,674,530	58,733	-	56,708	2,025	2,025
2021	0.80	1,683,818	60,655	-	58,618	2,037	2,037
2020	0.72	1,517,358	9,020	-	8,709	311	311
2019	0.77	1,465,033	4,289	-	4,141	148	148
2018	0.73	1,372,894	1,182	-	1,141	41	41
2017	0.73	1,352,032	452	-	436	16	16
2016	0.63	1,170,491	56	-	-	56	56
2015	0.63	1,160,117	367	-	354	13	13
2014	0.73	1,293,576	-	-	-	-	-
			<u>\$ 134,754</u>	<u>\$ 1,900,457</u>	<u>\$ 1,971,848</u>	<u>\$ 63,363</u>	<u>\$ 4,647</u>

Above balances represented as follows:

Considered current receivables	\$ -
Allowance for uncollectible accounts	178
Unavailable revenue	63,185

Estimated 2024 levy due October 1, 2024 considered as unearned revenue	<u>1,900,457</u>
Total taxes receivable	<u>\$ 1,963,820</u>

See independent auditor's report.

CITY OF PARIS, TENNESSEE
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS
GENERAL OBLIGATION DEBT
June 30, 2024

Year Ended June 30,	Energy EFF Bond		TMBF Bonds		Total Requirements		
	Series 2017		Series 2019				
	Principal	Interest	Principal	Interest	Principal	Interest	Total
2025	\$ 130,000	\$ 59,708	\$ 98,000	\$ 11,628	\$ 228,000	\$ 71,336	\$ 299,336
2026	135,000	56,458	101,000	9,864	236,000	66,322	302,322
2027	135,000	52,948	105,000	8,046	240,000	60,994	300,994
2028	135,000	49,168	110,000	6,156	245,000	55,324	300,324
2029	135,000	45,118	114,000	4,176	249,000	49,294	298,294
2030	140,000	41,068	118,000	2,124	258,000	43,192	301,192
2031	140,000	36,518	-	-	140,000	36,518	176,518
2032	140,000	31,968	-	-	140,000	31,968	171,968
2033	145,000	27,138	-	-	145,000	27,138	172,138
2034	145,000	22,135	-	-	145,000	22,135	167,135
2035	145,000	16,843	-	-	145,000	16,843	161,843
2036	150,000	11,550	-	-	150,000	11,550	161,550
2037	150,000	5,775	-	-	150,000	5,775	155,775
	<u>\$ 1,825,000</u>	<u>\$ 456,395</u>	<u>\$ 646,000</u>	<u>\$ 41,994</u>	<u>\$ 2,471,000</u>	<u>\$ 498,389</u>	<u>\$ 2,969,389</u>

See independent auditor's report.

CITY OF PARIS, TENNESSEE
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
June 30, 2024

Description of Indebtness	Original amount of issue	Interest rate	Date of issue	Last maturity date	Outstanding 7/1/2023	Issued during period	Paid and/or matured during period	Refunded during period	Outstanding 6/30/2024
Governmental Activities									
Bonds Payable - Payable from the General Fund									
TMBF Bonds, Series 2019	1,000,000	3.60%	October 4, 2019	October 4, 2029	\$ 740,000	\$ -	\$ 94,000	\$ -	\$ 646,000
Energy EEF Bonds, Series 2017	<u>2,595,000</u>	1.60%	June 16, 2017	June 30, 2037	<u>1,955,000</u>	<u>-</u>	<u>130,000</u>	<u>-</u>	<u>1,825,000</u>
Total Bonds Payable	<u>\$ 3,595,000</u>				<u>\$ 2,695,000</u>	<u>\$ -</u>	<u>\$ 224,000</u>	<u>\$ -</u>	<u>\$ 2,471,000</u>
Total Long-Term Debt					<u>\$ 2,695,000</u>	<u>\$ -</u>	<u>\$ 224,000</u>	<u>\$ -</u>	<u>\$ 2,471,000</u>

CITY OF PARIS, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the Year Ended June 30, 2024

Federal Grantor/ Pass-Through Grantor	ALN #	Contract #	Expenditures
Federal Awards:			
Department of Homeland Security/Federal Emergency Management Agency Pass through the Tennessee Department of Military/ Tennessee Emergency Management Agency Public Assistance Grants	97.036	FEMA-4712-DR-TN	\$ 33,628
U.S. Department of Housing and Urban Development Pass through the Tennessee Housing Development Agency Home Investment Partnerships Program	14.239	31620-00570	<u>287,602</u>
U.S. Department of Transportation/ Tennessee Department of Transportation Alcohol Open Container Requirements/Highway Safety Grant	20.607	Z24THS051	4,999
Highway Planning and Construction	20.205	STP-M-9412(12)	<u>9,300</u>
Total U.S. Department of Transportation			<u>14,299</u>
U.S. Department of Treasury Coronavirus State and Local Fiscal Recovery Funds - ARPA	21.027	N/A	<u>70,791</u>
Total Federal Awards			<u>\$ 406,320</u>
State Awards:			
Tennessee Department of Transportation Multimodal Access Grant		40LPM-S0-035	\$ 21,060
Multimodal Access Grant		40LPM-S1-035	29,547
Multimodal Access Grant		40LPM-S3-034	<u>31,141</u>
			<u>81,748</u>
Tennessee Department of Economic and Community Development Downtown Improvement Grant		33007-22522	<u>28,869</u>
Violent Crime Intervention Fund			<u>\$ 76,344</u>
Tennessee Department of the Military/Tennessee Emergency Management Agency Public Assistance Grants		34101-33624	<u>5,605</u>
Tennessee Department of Homeland Security School Resource Officer Program		N/A	<u>75,000</u>
Police Salary Supplement			<u>20,000</u>
Fire Salary Supplement			<u>17,600</u>
Total State Awards			<u>\$ 305,166</u>

See accompanying notes to the schedule of expenditures of federal awards.

See independent auditor's report.

CITY OF PARIS, TENNESSEE
NOTES TO THE SCHEDULE OF FEDERAL AWARDS AND STATE FINANCIAL
ASSISTANCE
For the Year Ended June 30, 2024

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance includes the awarded activity of the City under programs of the federal and state governments, respectively, for the year ended June 30, 2024. Because the schedule of expenditures of federal awards and schedule of state financial assistance present only a selected portion of the operations of the City, they are not intended to and do not present the financial position, statement of activities, or cash flows of the City.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the schedule of expenditures of federal awards and schedule of state financial assistance are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Certain amounts shown on the schedule of expenditures of federal awards represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The City has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

INTERNAL CONTROL AND COMPLIANCE SECTION



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

Honorable Kathy Ray, Mayor
Members of the City Commission
City of Paris, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Paris, Tennessee (the City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents, and have issued our report thereon dated January 24, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City'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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 City'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 have not been identified.

Report on Compliance and Other Matters

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

opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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.

ATA, PLLC

Jackson, Tennessee

January 24, 2025

CITY OF PARIS, TENNESSEE
SCHEDULE OF FINDINGS AND RESPONSES
June 30, 2024

Financial Statement Findings

None reported.

CITY OF PARIS, TENNESSEE
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
June 30, 2024

Financial Statement Findings

There were no prior year findings reported.

Federal Award Findings and Questioned Costs

2023-001 – Data Collection Form Not Filed by Deadline (Noncompliance-Other) - Corrected