

**Preliminary Draft - For Discussion Purposes Only - Subject To Change**

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*To Be Returned to BFW & Co - Draft date 3/23/23*

**TOWN OF MASON, TENNESSEE  
STATEMENT OF NET POSITION  
As of June 30, 2022**

**ASSETS**

	Governmental Activities	Business-type Activities	Total
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	\$ 137,691	\$ 1,383,496	\$ 1,521,187
Certificates of deposit	2,659	92,700	95,359
Receivables:			
Taxes (net of allowances)	297,987	-	297,987
Accounts - Sanitation	-	-	-
Accounts - other (net of allowances)	530	531,383	531,913
Accounts - court fines (net of allowances)	18,961	-	18,961
Intergovernmental - nongrant	43,036	-	43,036
Internal balances	27,702	361,493	389,195
Inventories	-	28,770	28,770
Other current assets	2,914	13,428	16,342
Capital assets (not being depreciated):			
Land	-	92,708	92,708
Construction in progress	-	2,384,122	2,384,122
Other capital assets, net of depreciation	434,386	1,166,507	1,600,893
Total Current Assets	<u>\$ 965,866</u>	<u>\$ 6,054,607</u>	<u>\$ 7,020,473</u>

**LIABILITIES AND NET POSITION**

<b>CURRENT LIABILITIES:</b>			
Accounts payable	\$ 192,069	\$ -	\$ 192,069
Accrued expenses	49,352	67,512	116,864
Customer deposits	-	43,671	43,671
Internal balances	262,644	126,552	389,196
Compensated absences	7,169	-	7,169
Due within one year	-	-	-
Due in more than one year	183,781	459,000	642,781
Total Current Liabilities	<u>695,015</u>	<u>696,735</u>	<u>1,391,750</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred revenue - property taxes	274,546	-	274,546
Deferred revenue - court fines	(3,695)	-	(3,695)
Total Deferred Inflows of Resources	<u>270,851</u>	<u>-</u>	<u>270,851</u>
<b>NET POSITION:</b>			
Net investment in capital assets	434,386	3,643,337	4,077,723
Restricted:			
Drug enforcement	18,369	-	18,369
State Street Aid	95,270	-	95,270
Unrestricted	(399,578)	1,714,535	1,314,957
<b>TOTAL NET POSITION</b>	<u>\$ 148,447</u>	<u>\$ 5,357,872</u>	<u>\$ 5,506,319</u>

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## TOWN OF MASON, TENNESSEE

### STATEMENT OF ACTIVITIES

June 30, 2022

Functions/Programs	Program Revenues					Net (Expense) Revenue and Changes in Net Position		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities		
<b>Governmental Activities:</b>								
General Government:								
Legislative	\$ 13,200	\$ -	\$ -	\$ -	\$ (13,200)	\$ -	\$ -	\$ 13,200
Financial administration	330,203	6,975	448,059	-	124,831	-	-	785,237
Other	166,517	-	-	-	-	-	-	166,517
Public safety:								
Police	492,122	-	2,400	-	(489,722)	-	-	494,522
Fire	121,452	-	12,238	-	(109,214)	-	-	133,690
Inspection/Planning	-	-	-	-	-	-	-	-
Drug court	-	-	-	-	-	-	-	-
Public works:								
Street department	-	-	-	-	-	-	-	-
State street aid	44,895	-	57,287	-	-	-	-	102,182
Debt service:								
Interest	10,545	-	-	-	-	-	-	10,545
Total Governmental Activities	<u>\$ 1,178,934</u>	<u>\$ 6,975</u>	<u>\$ 519,984</u>	<u>\$ -</u>	<u>\$ (487,305)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,705,893</u>
<b>Business-type Activities:</b>								
Water & sewer	\$ 887,822	\$ 904,666	\$ -	\$ -	\$ -	\$ 16,844	\$ 16,844	\$ 16,844
Sanitation	58,658	98,840	-	-	-	40,182	40,182	40,182
Natural gas	432,812	791,720	-	-	-	358,908	358,908	358,908
Total Business-type Activities	<u>\$ 1,379,292</u>	<u>\$ 1,795,226</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 415,934</u>	<u>\$ 415,934</u>	<u>\$ 415,934</u>

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## TOWN OF MASON, TENNESSEE

### STATEMENT OF ACTIVITIES

June 30, 2022

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
<b>General Revenues:</b>						
Property taxes - levied for general government				260,408	-	260,408
In lieu of property taxes - other governments				-	-	-
Sales taxes				137,462	-	137,462
Excise tax				187,447	-	187,447
Bcor taxes				36,867	-	36,867
Business taxes				-	-	-
Fines and penalties				99,547	-	99,547
Other sources				71,966	-	71,966
Unrestricted interest income				-	-	-
Total General Revenues				<u>793,697</u>	-	<u>793,697</u>
<b>Changes in Net Position</b>						
Net Position - Beginning				141,722	415,934	557,656
Prior Period Adjustment				2,720	4,928,448	4,931,168
Total Net Position - Beginning (restated)				<u>4,005</u>	<u>13,490</u>	<u>17,495</u>
Net Position - Ending				<u>6,725</u>	<u>4,941,938</u>	<u>4,948,663</u>
				<u>\$ 148,447</u>	<u>\$ 5,357,872</u>	<u>\$ 5,506,319</u>

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**TOWN OF MASON, TENNESSEE**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
 June 30, 2022

	General Fund	State Street Aid Fund	Drug Fund	Total Governmental Fund
<b>ASSETS</b>				
Cash and cash equivalents	\$ 24,535	\$ 94,787	\$ 18,369	\$ 137,691
Certificates of deposit	2,659	-	-	2,659
Receivables:				
Taxes (net of allowance for uncollectibles of \$-)	297,987	-	-	297,987
Accounts - other	530	-	-	530
Accounts - Sanitation	-	-	-	-
Accounts - court fines (net of allowance for uncollectibles of \$-)	18,961	-	-	18,961
Intergovernmental	28,005	15,031	-	43,036
Prepaid expenses	2,914	-	-	2,914
Due from other funds	25,682	2,020	-	27,702
GASB 34 Place Holder	-	-	-	-
Prepaid expenses	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 401,273</b>	<b>\$ 111,838</b>	<b>\$ 18,369</b>	<b>\$ 531,480</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>				
Liabilities:				
Accounts payable	\$ 43,622	\$ -	\$ 148,447	\$ 192,069
Accrued expenses	49,352	-	-	49,352
Due to other funds	246,076	16,568	-	262,644
Total Liabilities	339,050	16,568	148,447	504,065
Deferred Inflows of Resources				
Unavailable property taxes	298,947	-	-	298,947
Unavailable court fines	25,927	-	-	25,927
GASB 34 Place Holder	-	-	-	-
Total Deferred Inflows of Resources	324,874	-	-	324,874
Fund Balances:				
Nonspendable	-	-	-	-
Restricted for:				
Drug fund	-	-	18,369	18,369
State Street Aid	-	95,270	-	95,270
Unassigned	(262,651)	-	-	(262,651)
Total Fund Balances	(262,651)	95,270	18,369	(149,012)
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<b>\$ 401,273</b>	<b>\$ 111,838</b>	<b>\$ 166,816</b>	<b>\$ 679,927</b>

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**TOWN OF MASON, TENNESSEE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2022

	General Fund	State Street Aid Fund	Drug Fund	Total Governmental Funds
<b>REVENUES:</b>				
Taxes	\$ 435,682	\$ -	\$ -	\$ 435,682
Licenses and permits	1,475	-	-	1,475
Intergovernmental	460,969	57,417	-	518,386
Charges for services	4,555	-	-	4,555
Fines	99,547	-	-	99,547
Other	260,990	-	22	261,012
Total Revenues	<u>1,263,218</u>	<u>57,417</u>	<u>22</u>	<u>1,320,657</u>
<b>EXPENDITURES:</b>				
Current:				
General Government:				
Legislative	13,200	-	-	13,200
Financial administration	285,013	-	-	285,013
GASB 34 Placeholder	-	-	-	-
Other	166,517	-	-	166,517
Total General Government	<u>464,730</u>	<u>-</u>	<u>-</u>	<u>464,730</u>
Public Safety:				
Police	488,390	-	3,732	492,122
Fire	143,722	-	-	143,722
Total Public Safety	<u>632,112</u>	<u>-</u>	<u>3,732</u>	<u>635,844</u>
Public Works:				
State street aid	-	44,895	-	44,895
Total Public Works	<u>-</u>	<u>44,895</u>	<u>-</u>	<u>44,895</u>
Debt Service:				
Principal	-	-	-	-
Interest	8,873	-	-	8,873
Total Debt Service	<u>8,873</u>	<u>-</u>	<u>-</u>	<u>8,873</u>
<b>TOTAL EXPENDITURES</b>	<u>1,105,715</u>	<u>44,895</u>	<u>3,732</u>	<u>1,154,342</u>
<b>NET CHANGES IN FUND BALANCE</b>	157,503	12,522	(3,710)	166,315
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>(393,801)</u>	<u>82,748</u>	<u>22,079</u>	<u>(288,974)</u>
<b>PRIOR PERIOD ADJUSTMENT</b>	<u>(26,353)</u>	<u>-</u>	<u>-</u>	<u>(26,353)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ (262,651)</u>	<u>\$ 95,270</u>	<u>\$ 18,369</u>	<u>\$ (149,012)</u>

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**TOWN OF MASON, TENNESSEE**  
**Schedule of Prior Year Audit Findings**  
**Year Ended June 30, 2022**

**FINANCIAL STATEMENT FINDINGS**

<b>Prior Year Finding Number</b>	<b>Finding Title</b>	<b>Status/Current Year Finding Number</b>
2021-001	Accounts Receivable (Material Weakness) (original finding # 2004-006) Repeated/2021-001	Corrected
2021-002	Allowance for Uncollectible Accounts (Significant Deficiency) (original finding # 2004-007) Repeated/2021-002	Corrected
2021-003	Interfund Receivables/Payables (Material Weakness and Compliance and Other Matters) (original finding # 2008-003)	Repeated/2021-003
2021-004	Deficit Fund Balance (Significant Deficiency and Compliance and Other Matters) (original finding # 2013-004)	Repeated/2021-004
2021-005	Lack of Accurate and Timely Reconciliations of Cash, Accounts Payables, and Accounts Receivables, Property Taxes, and Inventory (Material Weakness and Compliance) (original finding # 2014-025)	Corrected
2010-006	Journal Entries (Material Weakness) (original finding # 2014-027)	Corrected
2021-007	Debt Covenants (Compliance and Other Matters) (original finding # 2016-019)	Repeated/2021-007
2021-008	Special Revenue Fund Reporting (Material Weakness and Compliance) (original finding # 2016-020)	Corrected
2021-009	Material Journal Entries (Material Weakness) (original finding # 2016-023)	Repeated/2021-009
2021-010	Inadequate Segregation of Duties (Material Weakness) (original finding # 2018-014)	Corrected
2021-011	Proprietary Funds Used for General Government Operations (Material Weakness) (original finding # 2019-012)	Repeated/2021-011
2021-012	Lack of Oversight by CMFO (Material Noncompliance) (original finding #2019-013)	Corrected
2021-013	Failure to Receive Authorization for Issuance of Debt (Interfund Liabilities) (Material Noncompliance and Significant Deficiency) (original finding #2020-014)	Repeated/2021-013
2021-014	Closing of Accounting Records (Significant Deficiency and Noncompliance) (original finding #2020-016)	Repeated
2021-015	Proprietary Fund Billing (Material Weakness)	Corrected
2021-016	Internal Controls including Risks Assessment (Significant Deficiency and Noncompliance)	Repeated 2021-016