

# Town of Mason, Tennessee

## History, Financial Health Metrics, Looking Forward

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# Budget History

## Local Government Finance Approvals

Fiscal Year	Approval Status	Comments
2026	Pending	
2025	Not Approved	Budget Not Submitted by Aug 31
2024	Conditional	Conditional upon complying with all future directives of TBOUR
2023	Not Approved	All conditions for approval not met
2022	Not Approved	Late Audit
2021	Not Approved	Late Audits
2020	Not Approved	Late Audits
2019	Not Approved	Late Audits

# Audit History

Fiscal Year	Days Late	Type of Opinion	Total Findings	Disposition of Prior Year Findings
2024	-200+			
2023	-233	Unmodified	3	3 Repeated --- 8 Corrected
2022	-94	Unmodified	11	9 Repeat Findings - 8 Corrected
2021	-220	Unmodified	17	14 Repeat Findings - 2 Corrected
2020	-491	Unmodified	16	13 Repeat Findings - 0 Corrected
2019	-539	Unmodified	13	11 Repeat Findings - 3 Corrected
2018	-676	Unmodified	14	13 Repeat Findings - 3 Corrected
2017	-906	Unmodified	16	16 Repeat Findings - 10 Corrected
2016	-761	Disclaimer	25	17 Repeat Findings - 7 Corrected
2015	-396	Disclaimer	24	24 Repeat Findings - 4 Corrected

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# Audit History

## Findings from 2023 Audit

1. Debt Covenants
2. Material Journal Entries
3. Closing of Accounting Records

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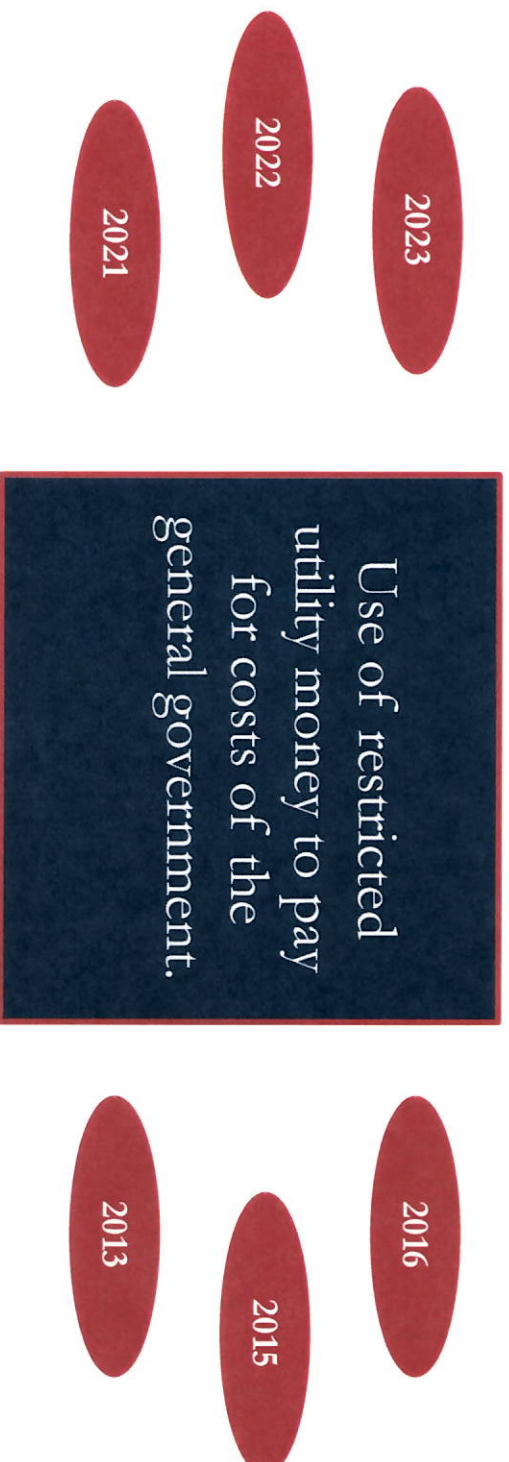
# Investigations History

Report Issued	Period
March 2023	2015 - 2022
July 2022	2019 - 2020
July 2016	2007 - 2015
December 2009	2007 - 2008
Septmeber 1995	1994 - 1995

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# Corrective Action Plan History



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# Corrective Action Plan Today

## Remaining Areas

- Policies and Procedures
- Audit Findings
- Budget Practices
- Training for Finance Staff

## Current Oversight

- Monthly meetings
- Monthly bank statements
- Monthly budget to actual statements
- Annual general ledger

# Interfund Borrowings

Source: 2023 Audit

Receivable Fund	Payable Fund	Amount
Water/Sewer		
Water/Sewer		
Gas	Gas	\$ 76,742
	General	47,896
	Water	90,646
	Water	2,257
	State Street	2,904
	State Aid	53,688
	General	8,495
Total		<u>282,628</u>

Transactions arising from utility services as well as previous years of capital purchases are recorded in the Due from Gas Fund and Due to Water and Sewer Fund. The other amounts recorded as interfund receivables are for prior years' transactions which should have already been eliminated and for current year expenditures which were paid but not reimbursed by the appropriate fund as of year-end.



# Tennessee Board of Utility Regulation

Source: 2023 Audit

	Water & Sewer Fund	Gas Fund
CHANGE IN NET POSITION	(363,572)	(149,180)
TOTAL NET POSITION - BEGINNING	4,071,418	1,246,272
PRIOR PERIOD ADJUSTMENT	(125,866)	(216,290)
TOTAL NET POSITION - BEGINNING (RESTATED)	3,945,552	1,029,982
TOTAL NET POSITION - ENDING	\$ 3,581,980	\$ 880,802

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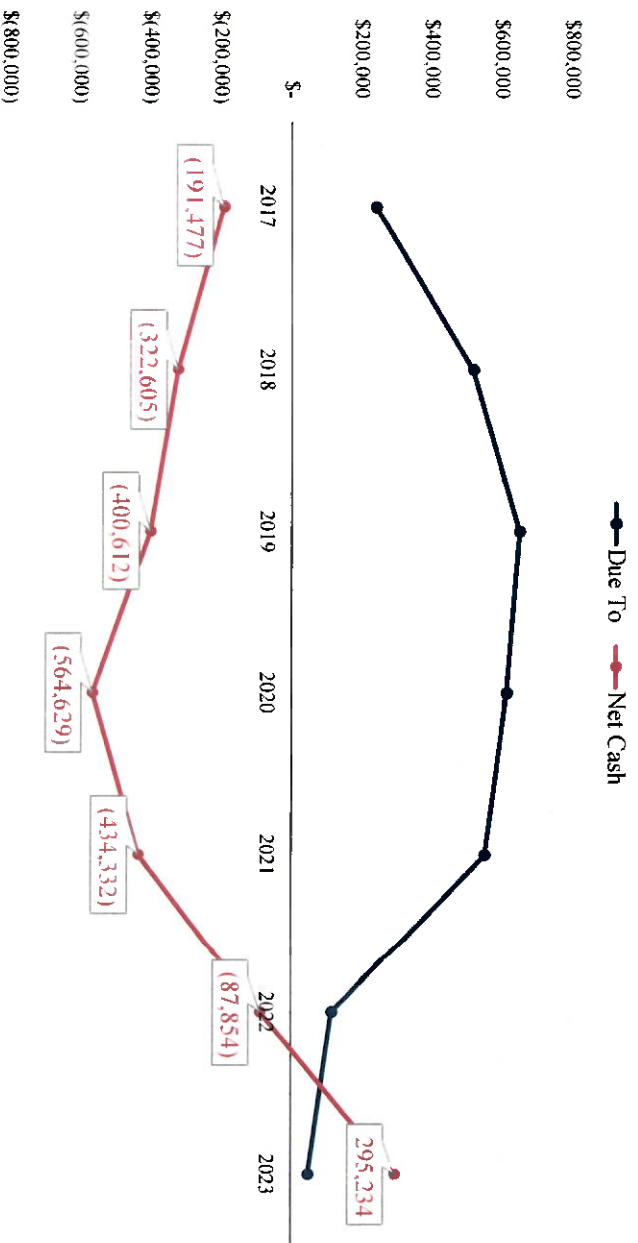


# Financial Health Metrics

- Overspending, poor financial record keeping, and lack of internal controls led to chronic deficits.
- General Fund deficits were financed by accrued cash and improper borrowings from utilities.
- Financed deficits resulted in alarming low General Fund cash levels.
- Improper borrowings caused persistent negative General Fund balances.
- Bringing accounting functions in house should lead to greater bookkeeping accuracy and transparency.

# Cash Less Due to Utility

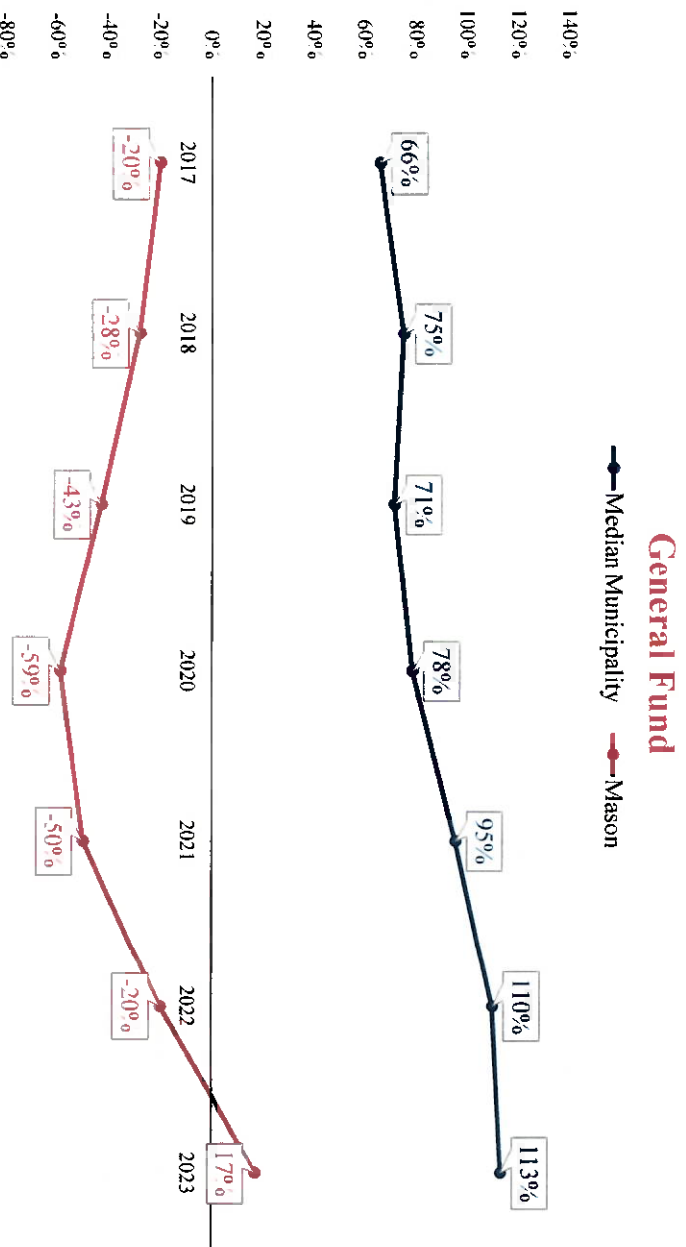
## General Fund



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# Fund Balance Relative to Expenditures

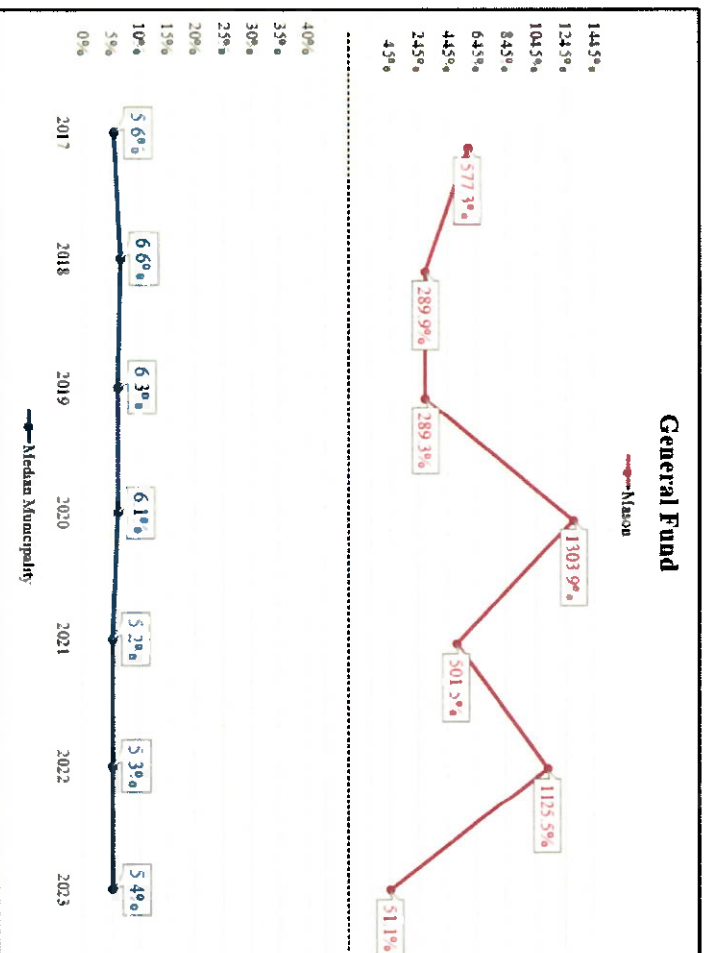


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Target  
Below 25%

# Liabilities to Cash

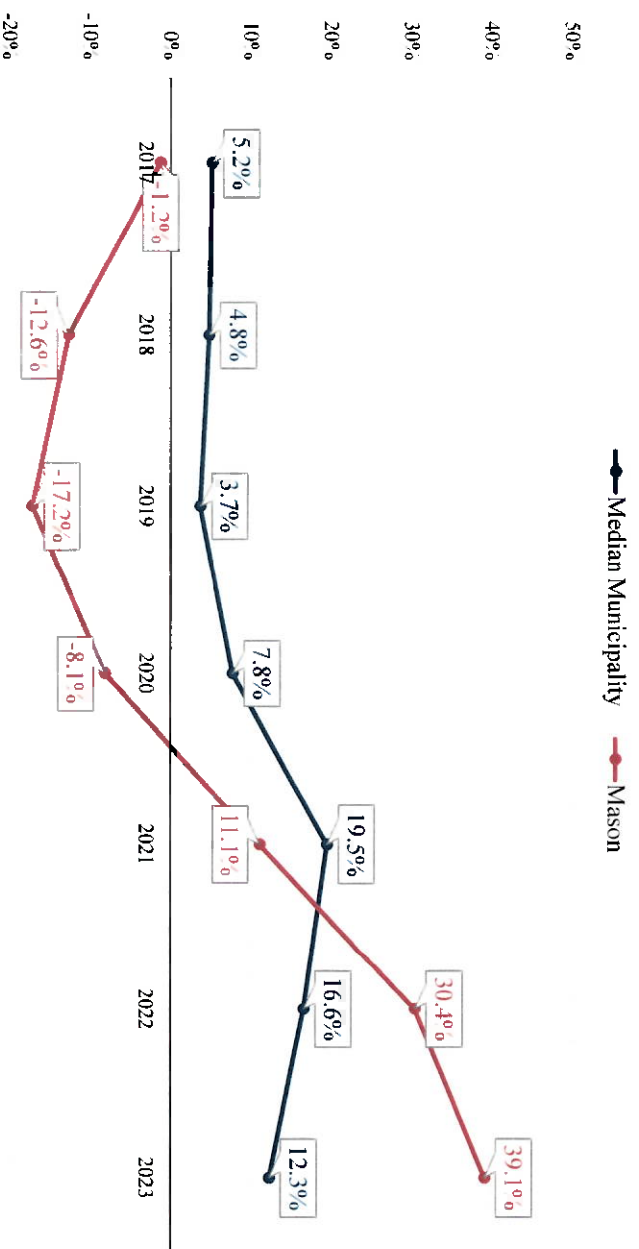


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# Fund Balance Change Relative to Expenditures

## General Fund



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# Looking Ahead

- Town Administrator Charter Form of Government
- Board Oversight
- Tennessee Board of Utility Regulation (TBOUR)
- Policies and Procedures
- Audit Findings
- Budget Practices
- Training for Finance Staff

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# Looking Ahead

Month	Subject
August/September	Getting Ready for the Annual Audit – Best Practices
November	Policies, Procedures, Internal Controls
January	Utilities and TBOUR
March	Open Records
May	Long-Term Financial Planning

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