

NEW ISSUE  
BOOK-ENTRY-ONLY

**PRELIMINARY OFFICIAL STATEMENT**

**\$5,300,000\***  
**CITY OF JEFFERSON CITY, TENNESSEE**  
**General Obligation Bonds, Series 2025**  
**(Bank Qualified)**

OFFERED FOR SALE NOT SOONER THAN

Wednesday, December, 3, 2025 at 10:15 A.M. E.S.T.  
Through the Facilities of *PARITY*<sup>®</sup>



SINCE 1931

**CUMBERLAND SECURITIES**  
INDEPENDENT FINANCIAL ADVISOR

November 18, 2025

\*Preliminary, subject to change.

This *Preliminary Official Statement* and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the *Official Statement* is delivered in final form. Under no circumstances shall this *Preliminary Official Statement* constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

**PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 18, 2025**

**NEW ISSUE**

Rating: S&P – “AA-”

**BOOK-ENTRY-ONLY**

(See “MISCELLANEOUS-Rating” herein)

*In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the City, interest on the Bonds (i) will be excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”) and (ii) is not an item of tax preference for purposes of the federal alternative minimum tax, except as described under the heading “LEGAL MATTERS-Tax Matters” herein.*

**\$5,300,000\***  
**CITY OF JEFFERSON CITY, TENNESSEE**  
**General Obligation Bonds, Series 2025**

Dated: Date of delivery (assume December 19, 2025).

Due: June 1, as shown below.

The \$5,300,000\* General Obligation Bonds, Series 2025 (the “Bonds”) issued by the City of Jefferson City, Tennessee (the “City”) are issuable in fully registered form in denominations of \$5,000 and authorized integral multiples thereof. The Bonds will be issued in book-entry-only form and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, as the nominee for DTC, principal, and interest with respect to the Bonds shall be payable to Cede & Co., as nominee for DTC, which will, in turn, remit such principal and interest to the DTC participants for subsequent disbursements to the beneficial owners of the Bonds. Individual purchases of the Bonds will be made in book-entry-only form, in denominations of \$5,000 or integral multiples thereof and will bear interest at the annual rates as shown below. Interest on the Bonds is payable semi-annually from the date thereof commencing on June 1, 2026 and thereafter on each June 1 and December 1 by check or draft mailed to the owners thereof as shown on the books and records of Regions Bank, Nashville, Tennessee, the registration and paying agent (the “Registration Agent”). In the event of discontinuation of the book-entry-only system, principal of and interest on the Bonds are payable at the designated trust office of the Registration Agent.

The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the City. For the prompt payment of the principal of, premium, if any, and interest on the Bonds, the full faith and credit of the City are irrevocably pledged. See section entitled “SECURITIES OFFERED – Security”.

The Bonds maturing June 1, 2033 and thereafter are subject to optional redemption prior to maturity on or after June 1, 2032.

<u>Due</u> <u>(June 1)</u>	<u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP**</u>	<u>Due</u> <u>(June 1)</u>	<u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP**</u>
2028	\$100,000				2040	\$235,000			
2029	145,000				2041	245,000			
2030	155,000				2042	255,000			
2031	160,000				2043	265,000			
2032	165,000				2044	275,000			
2033	175,000				2045	285,000			
2034	180,000				2046	300,000			
2035	190,000				2047	310,000			
2036	195,000				2048	325,000			
2037	205,000				2049	340,000			
2038	215,000				2050	355,000			
2039	225,000								

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire *Preliminary Official Statement* to obtain information essential to make an informed investment decision.

The Bonds are offered when, as and if issued by the City, subject to the approval of the legality thereof by Bass, Berry & Sims PLC, Knoxville, Tennessee, bond counsel, whose opinion will be delivered with the Bonds. Certain legal matters will be passed upon by Robert M. Burts, counsel to the City. It is expected that the Bonds will be available for delivery through the facilities of DTC, New York, New York, on or about December \_\_, 2025.

**Cumberland Securities Company, Inc.**  
Municipal Advisor

December \_\_, 2025

\*Preliminary, subject to change.

This *Preliminary Official Statement* speaks only as of its date, and the information contained herein is subject to change.

This *Preliminary Official Statement* may contain forecasts, projections, and estimates that are based on current expectations but are not intended as representations of fact or guarantees of results. If and when included in this *Preliminary Official Statement*, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates," and analogous expressions are intended to identify forward-looking statements as defined in the Securities Act of 1933, as amended, and any such statements inherently are subject to a variety of risks and uncertainties, which could cause actual results to differ materially from those contemplated in such forward-looking statements. These forward-looking statements speak only as of the date of this *Preliminary Official Statement*. The Issuer disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer's expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

This *Preliminary Official Statement* and the Appendices hereto contain brief descriptions of, among other matters, the Issuer, the Bonds, the Resolution, the Disclosure Certificate, and the security and sources of payment for the Bonds. Such descriptions and information do not purport to be comprehensive or definitive. The summaries of various constitutional provisions and statutes, the Resolution, the Disclosure Certificate, and other documents are intended as summaries only and are qualified in their entirety by reference to such documents and laws, and references herein to the Bonds are qualified in their entirety to the forms thereof included in the Bond Resolution.

The Bonds have not been registered under the Securities Act of 1933, as amended, and the Resolution has not been qualified under the Trust Indenture Act of 1939, in reliance on exemptions contained in such Acts. This *Preliminary Official Statement* does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

No dealer, broker, salesman, or other person has been authorized by the Issuer, the Municipal Advisor or the Underwriter to give any information or to make any representations other than those contained in this *Preliminary Official Statement*, and, if given or made, such other information or representations should not be relied upon as having been authorized by the Issuer, the Municipal Advisor or the Underwriter. Except where otherwise indicated, all information contained in this *Preliminary Official Statement* has been provided by the Issuer. The information set forth herein has been obtained by the Issuer from sources which are believed to be reliable but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the Municipal Advisor or the Underwriter. The information contained herein is subject to change without notice, and neither the delivery of this *Preliminary Official Statement* nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the Issuer, or the other matters described herein since the date hereof or the earlier dates set forth herein as of which certain information contained herein is given.

\*\*Copyright, American Bankers Association (the "ABA"). CUSIP data herein are provided by CUSIP Global Services, which is managed on behalf of the ABA by S&P Global Market Intelligence, a division of S&P Global Inc. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Bonds and the Issuer makes no representation with respect to such numbers nor undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

CITY OF JEFFERSON CITY, TENNESSEE

**OFFICIALS**

Honorable Mitch Cain  
Bettina Chandler  
James A. Gallup  
Robert M. Burts

*Mayor*  
*City Recorder*  
*City Manager*  
*City Attorney*

**CITY COUNCIL**

Kevin Bunch  
Ailene Combs  
Dennis “Rocky” Melton  
Sheala Purkey

**BOND REGISTRATION AND PAYING AGENT**

Regions Bank  
Nashville, Tennessee

**BOND COUNSEL**

Bass, Berry & Sims PLC  
Knoxville, Tennessee

**MUNICIPAL ADVISOR**

Cumberland Securities Company, Inc.



## TABLE OF CONTENTS

<b>SUMMARY STATEMENT</b> .....	i
<b>SUMMARY NOTICE OF SALE</b> .....	iii
<b>DETAILED NOTICE OF SALE</b> .....	iv
<b>EXHIBIT A</b> .....	xii
<b>EXHIBIT B</b> .....	xiv
<b>BID FORM</b> .....	xvi
<b>SECURITIES OFFERED</b>	
Authority and Purpose .....	1
Description of the Bonds .....	1
Security .....	1
Qualified Tax-Exempt Obligation .....	2
Optional Redemption of the Bonds .....	2
Mandatory Redemption .....	2
Notice of Redemption .....	3
Payment of Bonds .....	4
<b>BASIC DOCUMENTATION</b>	
Registration Agent .....	5
Book-Entry-Only System .....	5
Discontinuance of Book-Entry-Only System .....	7
Disposition of Bond Proceeds .....	8
Discharge and Satisfaction of Bonds .....	8
Remedies of Bondholders .....	9
<b>LEGAL MATTERS</b>	
Litigation .....	11
Tax Matters	
<i>Federal</i> .....	11
<i>State Tax</i> .....	13
Changes in Federal and State Tax Law .....	13
Closing Certificates .....	13
Approval of Legal Proceedings .....	14
<b>MISCELLANEOUS</b>	
Rating .....	15
Competitive Public Sale .....	15
Municipal Advisor; Related Parties; Other .....	15
Additional Debt .....	16
Debt Limitations .....	17
Debt Record .....	17
Continuing Disclosure .....	17
<i>Five-Year History of Filing</i> .....	17
<i>Content of Annual Report</i> .....	17
<i>Reporting of Significant Events</i> .....	18
<i>Termination of Reporting Obligation</i> .....	19
<i>Amendment; Waiver</i> .....	20
<i>Default</i> .....	20
Bondholder Risk .....	20
Additional Information .....	21
<b>CERTIFICATION OF THE CITY</b> .....	22

## APPENDIX A: LEGAL OPINION

## APPENDIX B: SUPPLEMENTAL INFORMATION STATEMENT

### GENERAL INFORMATION

Location .....	B-1
General .....	B-1
Transportation .....	B-1
Education .....	B-1
Healthcare .....	B-2
Power Production.....	B-2
Manufacturing and Commerce.....	B-3
Major Employers .....	B-4
Employment Information .....	B-4
Economic Data.....	B-5
Recreation .....	B-5
Recent Developments .....	B-5

### DEBT STRUCTURE

Summary of Bonded Indebtedness .....	B-7
Indebtedness and Debt Ratios.....	B-8
Bonded Debt Service Requirements - General Obligation.....	B-10
Bonded Debt Service Requirements – Revenue and Tax Backed Water and Sewer .....	B-11

### FINANCIAL OPERATIONS

Introduction .....	B-12
Basis of Accounting and Presentation .....	B-12
Fund Balances, Net Assets and Retained Earnings .....	B-12
Five-Year Summary of Revenues, Expenditures and Changes in Fund Balance – General Fund .....	B-13
Budgetary Process.....	B-14
Investment and Cash Management Practices.....	B-14
Real Property Assessment, Tax Levy and Collection Procedures	
<i>State Taxation of Property</i> .....	B-14
<i>County Taxation of Property</i> .....	B-15
<i>Assessment of Property</i> .....	B-16
<i>Periodic Reappraisal and Equalization</i> .....	B-17
<i>Valuation for Property Tax Purposes</i> .....	B-17
<i>Certified Tax Rate</i> .....	B-17
<i>Tax Freeze for the Elderly Homeowners</i> .....	B-18
<i>Tax Collection and Tax Lien</i> .....	B-18
<i>Assessed Valuations</i> .....	B-19
<i>Property Tax Rates and Collections</i> .....	B-19
<i>Ten Largest Taxpayers</i> .....	B-20
Pension Plans .....	B-20

## APPENDIX C: GENERAL PURPOSE FINANCIAL STATEMENTS

## SUMMARY STATEMENT

The information set forth below is provided for convenient reference and does not purport to be complete and is qualified in its entirety by the information and financial statements appearing elsewhere in this *Preliminary Official Statement*. This Summary Statement shall not be reproduced, distributed, or otherwise used except in conjunction with the remainder of this *Preliminary Official Statement*.

The Issuer .....	City of Jefferson City, Tennessee (the “City” or “Issuer”). See APPENDIX B contained herein.
Securities Offered.....	\$5,300,000* General Obligation Bonds, Series 2025 (the “Bonds”) of the City, dated the date of issuance (assume December 19, 2025). The Bonds mature each June 1 beginning June 1, 2028 through June 1, 2050, inclusive. See the section entitled “SECURITIES OFFERED” herein for additional information.
Security .....	The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the City. For the prompt payment of the principal of, premium, if any, and interest on the Bonds, the full faith and credit of the City are irrevocably pledged.
Purpose .....	The Bonds are being issued for the purpose of financing, in whole or in part, (i) the acquisition, construction, improvement and equipping of public buildings and facilities, including fire department equipment, vehicles and buildings; (ii) the acquisition of all other property, real and personal, appurtenant to the foregoing (the "Projects"); (iii) payment of engineering, legal, fiscal and administrative costs incident to the foregoing; (iv) reimbursement to the City for funds previously expended for any of the foregoing; and (v) payment of the costs related to the issuance and sale of the Bonds.
Optional Redemption .....	The Bonds maturing June 1, 2033 and thereafter are subject to optional redemption prior to maturity on or after June 1, 2032.
Tax Matters.....	In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the City, interest on the Bonds (i) is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”) and (ii) is not an item of tax preference for purposes of the federal alternative minimum tax, except as described under the heading “LEGAL MATTERS-Tax Matters” herein.
Bank Qualification .....	The Bonds have been designated as “qualified tax-exempt obligations” within the meaning of Section 265 of the Internal Revenue Code of 1986, as amended. See the section entitled “LEGAL MATTERS - Tax Matters” for additional information.
Rating.....	S&P: “AA-”. See the section entitled “MISCELLANEOUS - Rating” for more information.
Municipal Advisor.....	Cumberland Securities Company, Inc., See the section entitled “MISCELLANEOUS-Municipal Advisor; Related parties; Other” herein.
Underwriter.....	_____.
Bond Counsel .....	Bass, Berry & Sims PLC, Knoxville, Tennessee.
Book-Entry-Only.....	The Bonds will be issued under the Book-Entry-Only System except as otherwise described herein. For additional information, see the section entitled “BASIC DOCUMENTATION - Book-Entry-Only System”.
Registration Agent.....	Regions Bank, Nashville, Tennessee.

\*Preliminary, subject to change.

General.....The Bonds are being issued in full compliance with applicable provisions of Title 9, Chapter 21, *Tennessee Code Annotated*, as supplemented and revised. See “SECURITIES OFFERED” herein. The Bonds will be issued with CUSIP numbers and delivered through the facilities of The Depository Trust Company, New York, New York.

Disclosure .....In accordance with Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 as amended, the City will provide the Municipal Securities Rulemaking Board (the “MSRB”) through the operation of the Electronic Municipal Market Access system (“EMMA”) and the State Information Depository (“SID”), if any, annual financial statements and other pertinent credit or event information, including Comprehensive Annual Financial Reports, see the section entitled “MISCELLANEOUS-Continuing Disclosure.”

Other Information.....The information in this *Preliminary Official Statement* is deemed “final” within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 as of the date which appears on the cover hereof except for the omissions of certain pricing information allowed to be omitted pursuant to such Rule 15c2-12. For more information concerning the City or this *Preliminary Official Statement*, contact James A. Gallup, City Manager, 112 City Center Drive, Jefferson City, Tennessee 37760, Telephone: (865) 475-9071; or the City's Municipal Advisor, Cumberland Securities Company, Inc., Telephone: (865) 988-2663. Additional information regarding **BiDCOMP™/PARITY®** may be obtained from **PARITY®**, 1359 Broadway - 2<sup>nd</sup> Floor, New York, NY 10018, Telephone: 800-850-7422.

**GENERAL FUND BALANCES**  
**Summary of Changes In Fund Balances (In Thousands)**  
For the Fiscal Year Ended June 30

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Beginning Fund Balance	\$ 9,549,019	\$10,485,254	\$12,375,589	\$13,788,980	\$15,158,595
Revenues	11,410,478	11,719,996	11,952,120	12,162,471	14,931,782
Expenditures	10,092,487	8,742,121	12,441,110	11,012,395	13,921,286
Excess of Revenues					
Over (under) Expenditures	1,317,991	2,977,875	(488,990)	1,150,076	1,010,496
Other Financing Sources:					
Sale of Notes/Lease Proceeds	763,024	153,182	119,586	446,322	-
Other Sources / Uses	6,728	-	1,957,400	-	-
Insurance Recoveries	-	25,109	4,395	27,667	3,105
Transfers In	180	-	-	-	-
Transfers Out	(1,151,688)	(1,265,831)	(179,000)	(254,450)	(349,240)
<b><u>Ending Fund Balance</u></b>	<b><u>\$10,485,254</u></b>	<b><u>\$12,375,589</u></b>	<b><u>\$13,788,980</u></b>	<b><u>\$15,158,595</u></b>	<b><u>\$15,822,956</u></b>

Source: Annual Comprehensive Financial Reports of the City of Jefferson City, Tennessee.

SUMMARY NOTICE OF SALE  
**\$5,300,000\***  
CITY OF JEFFERSON CITY, TENNESSEE  
General Obligation Bonds, Series 2025

NOTICE IS HEREBY GIVEN that the Mayor of the City of Jefferson City, Tennessee (the “City”) will receive electronic or written bids until **10:15 a.m. E.S.T. on Wednesday, December 3, 2025** for the purchase of all, but not less than all, of the City's \$5,300,000\* General Obligation Bonds, Series 2025 (the “Bonds”). Electronic bids must be submitted through **PARITY®** as described in the “Detailed Notice of Sale”. In case of written bids, bids will be received by the City’s Municipal Advisor, Cumberland Securities Company, Inc., via facsimile at 865-988-1863. Prior to accepting bids, the City reserves the right to adjust the principal amount and maturity amounts of the Bonds being offered as set forth in the Detailed Notice of Sale, to postpone the sale to a later date, or to cancel the sale based upon market conditions via Bloomberg News Service and/or the **PARITY®** System not later than 9:45 a.m., Eastern Standard Time, on the day of the bid opening. Such notice will specify the revised principal amounts, if any, and any later date selected for the sale, which may be postponed or cancelled in the same manner. If the sale is postponed, a later public sale may be held at the hour and place and on such date as communicated upon at least forty-eight hours’ notice via Bloomberg News Service and/or the **PARITY®** System.

Electronic bids must be submitted through **PARITY®** via the BiDComp Competitive Bidding Service as described in the Detailed Notice of Sale, and no other provider of electronic bidding services will be accepted. For the purposes of the bidding process, both written and electronic, the time maintained by **PARITY®** shall constitute the official time with respect to all bids. To the extent any instructions or directions set forth in **PARITY®** conflict with the terms of the Detailed Notice of Sale and this Summary Notice of Sale, the Detailed Notice of Sale and this Summary Notice of Sale shall prevail.

The Bonds will be issued in book-entry-only form (except as otherwise described in the Detailed Notice of Sale) and dated the date of issuance (assume December 19, 2025). The Bonds will mature on June 1 in the years 2028 through 2050, inclusive, with term bonds optional, with interest payable on June 1 and December 1 of each year, commencing June 1, 2026, and will be subject to optional redemption prior to maturity on June 1, 2032. **Bidders must bid not less than one hundred percent (100.00%) of par or more than one hundred and twenty-five percent (125%) of par for the Bonds. No rate or rates bid for the Bonds shall be less than four percent (4.00%) or exceed five percent (5.00%) per annum. Additionally, each maturity must have a minimum reoffering price of at least ninety-eight percent (98.0%) of par.** Unless bids are rejected, the Bonds will be awarded by the Mayor of the City on the sale date to the bidder whose bid results in the lowest true interest rate on the Bonds and complies with all of the bid parameters outlined in this Summary Notice of Sale and the Detailed Notice of Sale. The approving opinion for the Bonds will be furnished at the expense of the City by Bass, Berry & Sims PLC, Bond Counsel, Knoxville, Tennessee.

**In the event that the competitive sale requirements of applicable Treasury Regulations are not met, the City will require bidders to comply with the “hold-the-offering-price rule” or the “10% Test” for purposes of determining the issue price of the Bonds as described in the Detailed Notice of Sale. Bids will not be subject to cancellation in the event that the competitive sale requirements of applicable Treasury Regulations are not satisfied.**

Additional information, including the *Preliminary Official Statement* in near final form and the Detailed Notice of Sale, may be obtained through [www.prospectushub.com](http://www.prospectushub.com) or from the City’s Municipal Advisor, Cumberland Securities Company, Inc., (865) 988-2663. Further information regarding **PARITY®** may be obtained from i-Deal LLC, 1359 Broadway, 2<sup>nd</sup> Floor, New York, New York 10018, Telephone: 212-849-5000.

/s/ Mitch Cain  
Mayor

\*Preliminary, subject to change.

**DETAILED NOTICE OF SALE**  
**\$5,300,000\***  
**CITY OF JEFFERSON CITY, TENNESSEE**  
**General Obligation Bonds, Series 2025**

NOTICE IS HEREBY GIVEN that the Mayor of City of Jefferson City, Tennessee (the “City”) will receive electronic or written bids until **10:15 a.m. E.S.T. on Wednesday, December 3, 2025** for the purchase of all, but not less than all, of the City's \$5,300,000\* General Obligation Bonds, Series 2025 (the “Bonds”). Electronic bids must be submitted through *PARITY*<sup>®</sup> as described in this “Detailed Notice of Sale.” In case of written bids, bids will be received by the City’s Municipal Advisor, Cumberland Securities Company, Inc., via facsimile at 865-988-1863. Prior to accepting bids, the City reserves the right to adjust the principal amount and maturity amounts of the Bonds being offered as set forth herein, to postpone the sale to a later date, or to cancel the sale based upon market conditions via Bloomberg News Service and/or the *PARITY*<sup>®</sup> System not later than 9:45 a.m., Eastern Standard Time, on the day of the bid opening. Such notice will specify the revised principal amounts, if any, and any later date selected for the sale, which may be postponed or cancelled in the same manner. If the sale is postponed, a later public sale may be held at the hour and place and on such date as communicated upon at least forty-eight hours’ notice via Bloomberg News Service and/or the *PARITY*<sup>®</sup> System.

Description of the Bonds. The Bonds will be issued in fully registered book-entry-only form (except as otherwise described herein) without coupons, be dated the date of issuance (assume December 19, 2025), bear interest payable each June 1 and December 1, commencing June 1, 2026 be issued, or reissued upon transfer, in \$5,000 denominations or multiples thereof, as shall be requested by the purchaser or registered owner thereof, as applicable, and will mature and be payable as follows:

<u>YEAR</u> <u>(JUNE 1)</u>	<u>AMOUNT*</u>	<u>YEAR</u> <u>(JUNE 1)</u>	<u>AMOUNT*</u>
2028	\$100,000	2040	\$235,000
2029	145,000	2041	245,000
2030	155,000	2042	255,000
2031	160,000	2043	265,000
2032	165,000	2044	275,000
2033	175,000	2045	285,000
2034	180,000	2046	300,000
2035	190,000	2047	310,000
2036	195,000	2048	325,000
2037	205,000	2049	340,000
2038	215,000	2050	355,000
2039	225,000		

\*Preliminary, subject to change.

Bank Qualification. The Bonds have been designated as “qualified tax-exempt obligations” within the meaning of Section 265 of the Internal Revenue Code of 1986, as amended.

Registration and Depository Participation. The Bonds, when issued, will be registered in the name of Cede & Co., DTC’s partnership nominee. When the Bonds are issued, ownership interests will be available to purchasers only through a book-entry-only system maintained by DTC (the “Book-Entry-Only System”). One fully-registered bond certificate will be issued for each maturity, in the entire aggregate principal amount of the Bonds and will be deposited with DTC. The Book-Entry-Only System will evidence beneficial ownership interests of the Bonds in the principal amount of \$5,000 for the Bonds and any integral multiple of \$5,000, with transfers of beneficial ownership interest effected on the records of DTC participants and, if

necessary, in turn by DTC pursuant to rules and procedures established by DTC and its participants. The successful bidder, as a condition to delivery of the Bonds, shall be required to deposit the bond certificates with DTC, registered in the name of Cede & Co., nominee of DTC. The Bonds will be payable, at maturity or upon earlier redemption to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments (as applicable) to beneficial owners of the Bonds by Participants of DTC, will be the responsibility of such participants and of the nominees of beneficial owners. The City will not be responsible or liable for such transfer of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. Notwithstanding the foregoing, if the successful bidder for the Bonds certifies that it intends to hold the Bonds for its own account and has no present intent to re-offer the Bonds, the use of the Book-Entry-Only System is not required.

In the event that the Book-Entry-Only System for the Bonds is discontinued and a successor securities depository is not appointed by the City, Bond Certificates in fully registered form will be delivered to, and registered in the names of, the DTC Participants or such other persons as such DTC participants may specify (which may be the indirect participants or beneficial owners), in authorized denominations of \$5,000 for the Bonds or integral multiples thereof. The ownership of Bonds so delivered shall be registered in registration books to be kept by the Registration Agent (named herein) and the City and the Registration Agent shall be entitled to treat the registered owners of the Bonds, as their names appear in such registration books as of the appropriate dates, as the owners thereof for all purposes described herein and in the Resolution authorizing the Bonds.

Security Pledged. The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the City. For the prompt payment of the principal of, premium, if any, and interest on the Bonds, the full faith and credit of the City are irrevocably pledged.

Municipal Bond Insurance. The City has provided information to prospective bond insurance companies in order to qualify the Bonds under their respective optional bidding programs. If the successful bidder or bidders for the Bonds desires to purchase a municipal bond insurance policy insuring payment of all or a portion of the debt service payable on the Bonds, the successful bidder or bidders does so at its own risk and expense and the obligation of the successful bidder to pay for such series Bonds shall not be conditioned on the issuance of a municipal bond insurance policy. The City will cooperate with the successful bidder(s) in obtaining such insurance, but the City will not enter into any additional agreements with a bond insurer. Without limiting the generality of the foregoing, the successful bidder(s) will be responsible for all costs, expenses and charges associated with the issuance of such insurance, including but not limited to the premium for the insurance policy, and excluding only the fees of S&P that will be paid by the City.

Purpose. The Bonds are being issued for the purpose of financing, in whole or in part, (i) the acquisition, construction, improvement and equipping of public buildings and facilities, including fire department equipment, vehicles and buildings; (ii) the acquisition of all other property, real and personal, appurtenant to the foregoing (the "Projects"); (iii) payment of engineering, legal, fiscal and administrative costs incident to the foregoing; (iv) reimbursement to the City for funds previously expended for any of the foregoing; and (v) payment of the costs related to the issuance and sale of the Bonds.

Optional Redemption. The Bonds maturing on June 1, 2033 and thereafter are subject to optional redemption prior to maturity at the option of the City on or after June 1, 2032, at any time at the redemption price of par plus accrued interest.

Term Bond Option; Mandatory Redemption. Bidders shall have the option to designate certain consecutive serial maturities of the Bonds as one or more term bonds ("Term Bonds") bearing a single interest rate. If a successful bidder for the Bonds designates certain consecutive serial maturities of such Bonds to be combined as one or more Term Bonds as allowed herein, then each Term Bond shall be subject to mandatory sinking fund redemption by the City at a redemption price equal to one hundred percent (100%) of the principal

amount thereof, together with accrued interest to the date fixed for redemption at the rate stated in the Term Bonds to be redeemed. Each such mandatory sinking fund redemption shall be made on the date on which a consecutive maturity included as part of a Term Bond is payable in accordance with the bid of the successful bidder for the Bonds and in the amount of the maturing principal installment for the Bonds listed herein for such principal payment date.

**Bidding Instructions.** The City will receive electronic or written bids for the purchase of all, but not less than all, of the Bonds. **Bidders for the Bonds are requested to name the interest rate or rates the Bonds are to bear in multiples of one-eighth of one percent and/or one-hundredth of one percent (.01%) or one (1) basis point, but no rate specified shall not be less than four percent (4.00%) or be in excess of five percent (5.00%) per annum. There will be no limitation on the number of rates of interest that may be specified in a single bid for the Bonds but a single rate shall apply to each single maturity of the Bonds. Bidders must bid not less than one hundred percent (100.00%) of par or no more than one hundred and twenty-five percent (125%) of par in the aggregate. Additionally, each maturity must have a minimum reoffering price of at least ninety-eight percent (98.0%) of par.**

Electronic bids must be submitted through **PARITY**<sup>®</sup> via BiDCOMP Competitive Bidding System and no other provider of electronic bidding services will be accepted. Subscription to the i-Deal LLC Dalcomp Division's BiDCOMP Competitive Bidding System is required in order to submit an electronic bid. The City will not confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe. For the purposes of the bidding process, the time as maintained by **PARITY**<sup>®</sup> shall constitute the official time with respect to all bids whether in electronic or written form. To the extent any instructions or directions set forth in **PARITY**<sup>®</sup> conflict with the terms of this Detailed Notice of Sale, this Notice shall prevail. An electronic bid made through the facilities of **PARITY**<sup>®</sup> shall be deemed an offer to purchase in response to this Detailed Notice of Sale and shall be binding upon the bidder as if made by a signed, written bid delivered to the City. The City shall not be responsible for any malfunction or mistake made by or as a result of the use of the electronic bidding facilities provided and maintained by **PARITY**<sup>®</sup>. The use of **PARITY**<sup>®</sup> facilities are at the sole risk of the prospective bidders.

For further information regarding **PARITY**<sup>®</sup>, potential bidders may contact i-Deal LLC at 1359 Broadway, 2<sup>nd</sup> Floor, New York, NY, 10018, Telephone: 212-849-5000.

In the event of a system malfunction in the electronic bidding process, bidders may submit bids prior to the established date and time by FACSIMILE transmission sent to the City's Municipal Advisor, Cumberland Securities Company, Inc. at 865-988-1863. Any facsimile submission is made at the sole risk of the prospective bidder. The City and the Municipal Advisor shall not be responsible for confirming receipt of any facsimile bid or for any malfunction relating to the transmission and receipt of such bids.

Any written bids should be submitted by facsimile to the City's Municipal Advisor at 865-988-1863. Written bids must be submitted on the Bid Forms included with the *Preliminary Official Statement*.

The City reserves the right to reject all bids for the Bonds and to waive any informalities in the bids accepted.

Unless all bids for the Bonds are rejected, the Bonds will be awarded by the Mayor to the bidder whose bid complies with this Detailed Notice of Sale and results in the lowest true interest rate on the Bonds to be calculated as that rate that, when used in computing the present worth of all payments of principal and interest on the Bonds (compounded semi-annually from the date of the Bonds), produces an amount equal to the purchase price of the Bonds. For purposes of calculating the true interest cost, the principal amount of Term Bonds scheduled for mandatory sinking fund redemption as part of the Term Bond shall be treated as a serial maturity in such year. In the event that two or more bidders offer to purchase the Bonds at the same lowest true interest rate, the Mayor shall determine in his sole discretion which of the bidders shall be awarded the Bonds.

After receipt of the bids, the City reserves the right to make adjustments and/or revisions to the Bonds, as described below.

Adjustment and/or Revision. While it is the City's intention to sell and issue the approximate par amounts of the Bonds as offered herein, there is no guarantee that adjustment and/or revision may not be necessary in order to properly size the Bonds or if the refundings fail to save the City the funds necessary to complete the refundings. Accordingly, the Mayor reserves the right, in his sole discretion, to adjust down the original par amount of the Bonds by up to twenty-five percent (25%). The principal factor to be considered in making any adjustments is the amount of premium bid for particular maturities. Among other factors the Mayor may (but shall be under no obligation to) consider in sizing the par amounts and individual maturities of the Bonds is the size of individual maturities or sinking fund installments and/or other preferences of the City. Additionally, the Mayor reserves the right to change the dated date of the Bonds.

In the event of any such adjustment and/or revision with respect to the Bonds, no rebidding will be permitted, and the portion of such premium or discount (as may have been bid for the Bonds) shall be adjusted in the same proportion as the amount of such revision in par amount of the Bonds bears to the original par amount of such Bonds offered for sale.

The successful bidder for the Bonds will be tentatively notified by not later than 5:00 p.m. (Eastern Standard Time), on the sale date of the exact revisions and/or adjustments required, if any.

Good Faith Deposit. No good faith check will be required to accompany any bid submitted. The successful bidder shall be required to deliver to the City's Municipal Advisor (by wire transfer) the amount of up to two percent (2%) of the aggregate principal amount of the Bonds offered for sale which will secure the faithful performance of the terms of the bid. A wire transfer must be received by the City's Municipal Advisor no later than the close of business on the day following the competitive sale. The wire instructions will be sent to the winning bidder after all bids are received.

The good faith deposit shall be applied (without interest) to the purchase price of the Bonds. If the successful bidder should fail to accept or pay for the Bonds when tendered for delivery and payment, the good faith deposit will be retained by the City as liquidated damages.

In the event of the failure of the City to deliver the Bonds to the purchaser in accordance with the terms of this Notice within forty-five (45) days after the date of the sale, the good-faith deposit will be promptly returned to the purchaser unless the purchaser directs otherwise.

Undertakings of the Successful Bidder. The successful bidder for the Bonds shall make a bona fide public offering of the Bonds and shall, within 30 minutes after being notified of the award of the Bonds, advise the City in writing (via facsimile transmission or electronic mail) of the initial public offering prices of the Bonds (the "Initial Reoffering Prices"). The successful bidder must, by facsimile transmission or delivery received by the City within 24 hours after award, furnish the following information to the City to complete the *Official Statement* in final form, as described below:

- A. Selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars, based on the expectation that all the Bonds are sold at the prices or yields at which the successful bidder advised the City that the Bonds were initially offered to the public).
- B. The identity of the other underwriters if the successful bidder is part of a group or syndicate.
- C. Any other material information that the City determines is necessary to complete the *Official Statement* in final form.

After the award of the Bonds, the City will prepare copies of the final *Official Statement* and will include therein such additional information concerning the reoffering of the Bonds as the successful bidder may reasonably request; provided, however, that the City will not include in the final *Official Statement* a "NRO" ("not reoffered") designation with respect to any maturity of the Bonds. The successful bidder will be responsible to the City in all aspects for the accuracy and completeness of information provided by such successful bidders with respect to such reoffering.

The City expects the successful bidder to deliver copies of such *Official Statement* in final form (the “Final Official Statement”) to persons to whom such bidder initially sells the Bonds and the Municipal Securities Rulemaking Board (“MSRB”) via the MSRB’s Electronic Municipal Market Access System (“EMMA”). The successful bidder will be required to acknowledge receipt of the Final Official Statement, to certify that each has made delivery of the Final Official Statement to the MSRB, to acknowledge that the City expects the successful bidder to deliver copies of such Final Official Statement to persons to whom such bidder initially sells the Bonds and to certify that the Bonds will only be offered pursuant to the Final Official Statement and only in states where the offer is legal.

#### Establishment of Issue Price

- a. The successful bidder shall assist the City in establishing the issue price of the Bonds as more fully described herein. All actions to be taken by the City under this Detailed Notice of Bond Sale to establish the issue price of the Bonds may be taken on behalf of the City by the Municipal Advisor, and any notice or report to be provided to the City may be provided to the Municipal Advisor.
- b. The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “Competitive Sale Requirements”) because:
  1. the City shall disseminate this Detailed Notice of Bond Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
  2. all bidders shall have an equal opportunity to bid;
  3. the City expects to receive bids for the Bonds from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
  4. the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Detailed Notice of Bond Sale.

Any bid submitted pursuant to this Detailed Notice of Bond Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

- c. In the event that the Competitive Sale Requirements are not satisfied as to the Bonds, the City shall so advise the successful bidder. In such event, the City intends to treat the (i) the first price at which 10% of a maturity of the Bonds (the “10% Test”) is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (the “Hold-the-Offering-Price Rule”), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder shall advise the City promptly after the award of the Bonds if any maturities of the Bonds satisfy the 10% Test as of the date and time of the award of the Bonds. The Hold-the-Offering-Price Rule shall apply to all maturities that do not satisfy the 10% Test as of the sale date. Bids will not be subject to cancellation in the event that the City determines to apply the Hold-the-Offering-Price Rule to any maturity of the Bonds. Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to the Hold-the-Offering-Price Rule in order to establish the issue price of the Bonds.
- d. By submitting a bid, in the event of application of the Hold-the-Offering-Price Rule, the successful bidder for the Bonds shall be deemed to have (i) confirmed that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the “Initial Offering Price”), or at the corresponding yield or yields, set forth in the bid submitted by the successful bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the

Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the Hold-the-Offering-Price Rule shall apply to any person at a price that is higher than the Initial Offering Price to the public during the period starting on the sale date and ending on the earlier of the following:

1. the close of the fifth (5th) business day after the sale date; or
2. the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the Initial Offering Price to the public.

In the event of application of the Hold-the-Offering-Price Rule to any maturity of the Bonds, any successful bidder will advise the City promptly after the close of the fifth (5<sup>th</sup>) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the Initial Offering Price to the public.

e. By submitting a bid, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

- (A) (1) to report the prices at which it sells to the public any unsold Bonds of each maturity allocated to it to which the Hold-the-Offering-Price Rule applies until the close of the fifth (5<sup>th</sup>) business day after the sale date and (2) comply with the Hold-the-Offering-Price Rule, if applicable, if and for so long as directed by the successful bidder and as set forth in the related pricing wires,
- (B) to promptly notify the successful bidder of the Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public, and
- (C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the successful bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity to which the Hold-the-Offering-Price Rule applies allocated to it until the close of the fifth (5<sup>th</sup>) business day after the sale date and (B) comply with the Hold-the-Offering-Price Rule, if applicable, if and for so long as directed by the successful bidder or the underwriter and as set forth in the related pricing wires.

f. The City acknowledges that, in making the representations set forth above, the successful bidder will rely on (i) the agreement of each underwriter to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, as set forth in a selling

group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with requirements for establishing issue price of the Bonds, including but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds.

- g. Sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public shall not constitute sales to the public for purposes of this Detailed Notice of Bond Sale. Further, for purposes of this Detailed Notice of Bond Sale:
1. “public” means any person other than an underwriter or a related party;
  2. “underwriter” means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public);
  3. a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and
  4. “sale date” means the date that the Bonds are awarded by the City to the successful bidder.

Issue Price Certificate. The winning bidder will be required to provide the City, at closing, with an issue price certificate consistent with the foregoing and meeting the requirements of bond counsel. The form of the issue price certificate is attached to this Detailed Notice of Sale as Exhibit A if the Competitive Sale Requirements are met, and the form of the issue price certificate is attached to this Detailed Notice of Sale as Exhibit B if the Competitive Sale Requirements are not met.

Legal Opinion. The approving opinion of Bass, Berry & Sims PLC, Knoxville, Tennessee, Bond Counsel along with other certificates including, but not limited to, a tax certificate and a continuing disclosure certificate dated as of the date of delivery of the Bonds will be furnished to the purchaser at the expense of the City. As set forth in the *Preliminary Official Statement*, Bond Counsel's opinion with respect to the Bonds will state that interest on the Bonds will be excluded from gross income for federal income tax purposes; is not an item of tax preference for purposes of the federal law alternative minimum tax. As set forth in the *Preliminary Official Statement*, the owners of the Bonds, however, may be subject to certain additional taxes or tax consequences arising with respect to ownership of the Bonds. Reference is hereby made to the *Preliminary Official Statement* and the form of the opinion contained in Appendix A.

Continuing Disclosure. At the time the Bonds are delivered, the City will execute a Continuing Disclosure Certificate in which it will covenant for the benefit of holders and beneficial owners of the Bonds to provide certain financial information relating to the City by not later than twelve months after each of the City's fiscal years (the "Annual Report"), and to provide notice of the occurrence of certain enumerated events. The Annual Report (and audited financial statements, if filed separately) will be filed with the Municipal Securities Rulemaking Board (the "MSRB") through the operation of the Electronic Municipal Market Access system (the "EMMA") and any State Information Depository established in the State of Tennessee (the "SID"). If the City is unable to provide the Annual Report to the MSRB and the SID by the date required, notice of each failure will be sent to the MSRB and the SID on or before such date. The notices of material events will be filed by the City either with the MSRB and the SID. The specific nature of the information to be contained in the Annual Report or the notices of events are summarized in the *Preliminary Official Statement*.

Delivery of Bonds. Delivery of the Bonds is expected within forty-five (45) days. At least five (5) days' notice will be given to the successful bidder of such delivery. Delivery will be made in book-entry-only form through the facilities of The Depository Trust Company, New York, New York. Payment for the Bonds must be made in *Federal Funds* or other immediately available funds.

CUSIP Numbers. CUSIP numbers will be assigned to the Bonds at the expense of the City. The City will assume no obligation for assignment of such numbers or the correctness of such numbers and neither failure to record such numbers on Bonds nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and make payment for the Bonds.

Official Statements; Other. The City has deemed the *Preliminary Official Statement* to be final as of its date within the meaning of Rule 15c2-12 of the U.S. Securities and Exchange Commission (the "SEC") except for the omission of certain pricing and other information. The City will furnish the successful bidder at the expense of the City a reasonable number of copies of the *Official Statement* in final form, containing the pricing and other information to be supplied by the successful bidder and to be dated the date of the sale, to be delivered by the successful bidder to the persons to whom each such bidder and members of its bidding group initially sell the Bonds within seven (7) business days. Acceptance of a bid of the Bonds will constitute a contract between the City and the successful bidder for the provision of such copies within seven business days of the sale date.

Further Information. Additional information, including the *Preliminary Official Statement*, this Detailed Notice of Sale and the Official Bid Form, may be obtained from the City's Municipal Advisor, Cumberland Securities Company, Inc., Telephone: 865-988-2663. Further information regarding **PARITY**<sup>®</sup> may be obtained from i-Deal LLC, 1359 Broadway, 2<sup>nd</sup> Floor, New York, New York, 10018, Telephone: 212-849-5000.

/s/ Mitch Cain, Mayor

*(The remainder of this page left blank intentionally.)*

**EXHIBIT A**

**CITY OF JEFFERSON CITY, TENNESSEE**  
**[\$ \_\_\_\_\_ GENERAL OBLIGATION BONDS, SERIES 2025]**

**ISSUE PRICE CERTIFICATE**  
**(if Competitive Sale Requirements are met)**

The undersigned, on behalf of [NAME OF UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”) of the City of Jefferson City, Tennessee (the “Issuer”).

1. ***Reasonably Expected Initial Offering Price.***

- (a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.
- (b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.
- (c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

2. ***Defined Terms.***

- (a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter.
- (c) *Related party* means an entity that shares with another entity (1) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (2) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (3) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interest of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interest by one entity of the other).
- (d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is December 3, 2025.
- (e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party

to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate with respect to the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bass, Berry & Sims PLC in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Dated: \_\_\_\_\_

[NAME OF UNDERWRITER]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## EXHIBIT B

### CITY OF JEFFERSON CITY, TENNESSEE [§ \_\_\_\_\_ GENERAL OBLIGATION BONDS, SERIES 2025]

#### ISSUE PRICE CERTIFICATE (if Competitive Sale Requirements are not met)

The undersigned, on behalf of [NAME OF UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”) [and the other members of the underwriting syndicate (together, the “Underwriting Group”)], hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”) of the City of Jefferson City, Tennessee (the “Issuer”).

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.
2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***
  - (a) [SHORT NAME OF UNDERWRITER] offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.
  - (b) As set forth in the [Detailed Notice of Sale and bid award], [SHORT NAME OF UNDERWRITER] agreed in writing on or prior to the Sale Date that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, [it][they] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “Hold-the-Offering-Price Rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the Hold-the-Offering-Price Rule. Pursuant to such agreement, no Underwriter (as defined below) offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.
3. ***Defined Terms.***
  - (a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”
  - (b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule B hereto as the “Hold-the-Offering-Price Maturities.”
  - (c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which [SHORT NAME OF UNDERWRITER] sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.
  - (d) *Maturity* means Bonds with the same credit and payment terms. Bonds with different

maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

- (e) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter.
- (f) *Related party* means an entity that shares with another entity (1) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (2) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (3) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interest of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interest by one entity of the other).
- (g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is December 3, 2025.
- (h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate with respect to the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bass, Berry & Sims PLC connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Dated: \_\_\_\_\_

[NAME OF UNDERWRITER]

By: \_\_\_\_\_

**BID FORM**

Honorable Mitch Cain, Mayor  
 112 City Center Drive  
 Jefferson City, Tennessee 37760

December 3, 2025

Dear Mr. Cain:

For your legally issued, properly executed \$5,300,000\* General Obligation Bonds, Series 2025 (the “Bonds”) of the City of Jefferson City, Tennessee, in all respects as more fully outlined in your Detailed Notice of Sale, which by reference are made a part hereof, we will pay you a sum of \_\_\_\_\_ (\$ \_\_\_\_\_).

The Bonds shall be dated the date of issuance (assume December 19, 2025) and shall be callable in accordance with the Detailed Notice of Sale. The Bonds shall mature on June 1 and bear interest at the following rates:

<u>Maturity</u> <u>(June 1)</u>	<u>Amount*</u>	<u>Rate</u>	<u>Maturity</u> <u>(June 1)</u>	<u>Amount*</u>	<u>Rate</u>
2028	\$100,000	—	2040	\$235,000	—
2029	145,000	—	2041	245,000	—
2030	155,000	—	2042	255,000	—
2031	160,000	—	2043	265,000	—
2032	165,000	—	2044	275,000	—
2033	175,000	—	2045	285,000	—
2034	180,000	—	2046	300,000	—
2035	190,000	—	2047	310,000	—
2036	195,000	—	2048	325,000	—
2037	205,000	—	2049	340,000	—
2038	215,000	—	2050	355,000	—
2039	225,000	—			

We have elected the option to designate two or more consecutive serial maturities as term bond maturities as indicated:

- Term Bond 1: Maturities from June 1, 20\_\_\_\_\_ through June 1, 20\_\_\_\_\_ @ \_\_\_\_\_%.
- Term Bond 2: Maturities from June 1, 20\_\_\_\_\_ through June 1, 20\_\_\_\_\_ @ \_\_\_\_\_%.
- Term Bond 3: Maturities from June 1, 20\_\_\_\_\_ through June 1, 20\_\_\_\_\_ @ \_\_\_\_\_%.
- Term Bond 4: Maturities from June 1, 20\_\_\_\_\_ through June 1, 20\_\_\_\_\_ @ \_\_\_\_\_%.
- Term Bond 5: Maturities from June 1, 20\_\_\_\_\_ through June 1, 20\_\_\_\_\_ @ \_\_\_\_\_%.
- Term Bond 6: Maturities from June 1, 20\_\_\_\_\_ through June 1, 20\_\_\_\_\_ @ \_\_\_\_\_%.

It is our understanding that the Bonds are offered for sale as “qualified tax-exempt obligations” subject to the final approving opinion of Bass, Berry & Sims PLC, Bond Counsel, Knoxville, Tennessee, whose opinion together with the executed Bonds, will be furnished by the City without cost to us.

If our bid is accepted, we agree to provide a good faith deposit for up to 2% of the Bonds on which we have bid by the close of business on the date following the competitive public sale as outlined in the *Detailed Notice of Sale*. Should for any reason we fail to comply with the terms of this bid, this good faith deposit shall be forfeited by us as full liquidated damages. Otherwise, this good faith deposit shall be applied to the purchase price of the Bonds on which we have bid.

This bid is a firm offer for the purchase of the Bonds identified in the Notice of Sale, on the terms set forth in this bid form and the Notice of Sale, and is not subject to any conditions, except as permitted by the Notice of Sale. By submitting this bid, we confirm that we have an established industry reputation for underwriting new issuances of municipal bonds. [If the bidder cannot confirm an established industry reputation for underwriting new issuances of municipal bonds, the preceding sentence should be crossed out.]

Accepted for and on behalf of the  
 City of Jefferson City, Tennessee, this  
 3<sup>rd</sup> day of December 2025

\_\_\_\_\_  
 Mitch Cain, Mayor

Respectfully submitted,

\_\_\_\_\_  
 Total interest cost from  
 December 19, 2025 to final maturity \$ \_\_\_\_\_  
 Less: Premium /plus discount, if any \$ \_\_\_\_\_  
 Net Interest Cost \$ \_\_\_\_\_  
 True Interest Rate \_\_\_\_\_%

*The computations of net interest cost and true interest rate are for comparison purposes only and are not to be considered as part of this proposal.*

\*Preliminary, subject to change.



**\$5,300,000\***  
**CITY OF JEFFERSON CITY, TENNESSEE**  
**General Obligation Bonds, Series 2025**

**SECURITIES OFFERED**

**AUTHORITY AND PURPOSE**

This *Preliminary Official Statement* which includes the Summary Statement hereof and appendices hereto, is furnished in connection with the offering by the City of Jefferson City, Tennessee (the “City”) of \$5,300,000\* General Obligation Bonds, Series 2025 (the “Bonds”).

The Bonds are authorized to be issued pursuant to the provisions of Title 9, Chapter 21, *Tennessee Code Annotated*, as amended, and other applicable provisions of the law and pursuant to a resolution adopted by the City Council on March 3, 2025 (the “Resolution”).

The Bonds are being issued for the purpose of financing, in whole or in part, ((i) the acquisition, construction, improvement and equipping of public buildings and facilities, including fire department equipment, vehicles and buildings; (ii) the acquisition of all other property, real and personal, appurtenant to the foregoing (the "Projects"); (iii) payment of engineering, legal, fiscal and administrative costs incident to the foregoing; (iv) reimbursement to the City for funds previously expended for any of the foregoing; and (v) payment of the costs related to the issuance and sale of the Bonds.

**DESCRIPTION OF THE BONDS**

The Bonds will be dated and bear interest from their date of issuance and delivery (assume December 19, 2025). Interest on the Bonds will be payable semi-annually on June 1 and December 1, commencing June 1, 2026. The Bonds are issuable in book-entry-only form in \$5,000 denominations or integral multiples thereof as shall be requested by each respective registered owner.

The Bonds shall be signed by the Mayor and shall be attested by the City Recorder. No Bond shall be valid until it has been authorized by the manual signature of an authorized officer or employee of the Registration Agent and the date of the authentication noted thereon.

**SECURITY**

The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the City. For the prompt payment of the principal of, premium, if any, and interest on the Bonds, the full faith and credit of the City are irrevocably pledged.

The City, through its governing body, shall annually levy and collect a tax on all taxable property within the City, in addition to all other taxes authorized by law, sufficient to pay the principal of and interest on the Bonds when due. Principal and interest on the Bonds falling due at any time

The City, through its governing body, shall annually levy and collect a tax on all taxable property within the City, in addition to all other taxes authorized by law, sufficient to pay the principal of and interest on the Bonds when due. Principal and interest on the Bonds falling due at any time when there are insufficient funds from such tax shall be paid from the current funds of the City and reimbursement therefore shall be made out of taxes provided by the Resolution when the same shall have been collected. The taxes may be reduced to the extent of other available funds, including revenues of the water and sewer system of the City, for the payment of debt service on the Bonds.

The Bonds are not obligations of the State of Tennessee (the "State") or any political subdivision thereof other than the City.

## **QUALIFIED TAX-EXEMPT OBLIGATIONS**

Under the Internal Revenue Code of 1986, as amended (the "Code"), in the case of certain financial institutions, no deduction from income under the federal tax law will be allowed for that portion of such institution's interest expense which is allocable to tax-exempt interest received on account of tax-exempt obligations acquired after August 7, 1986. The Code, however, provides that certain "qualified tax-exempt obligations," as defined in the Code, will be treated as if acquired on August 7, 1986. Based on an examination of the Code and the factual representations and covenants of the City as to the Bonds, Bond Counsel has determined that the Bonds upon issuance will be "qualified tax-exempt obligations" within the meaning of the Code.

## **OPTIONAL REDEMPTION OF THE BONDS**

Bonds maturing June 1, 2033, and thereafter, shall be subject to optional redemption prior to maturity at the option of the City on June 1, 2032 and thereafter, as a whole or in part, at any time, at the redemption price of par plus accrued interest to the redemption date.

If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be designated by the Board of the City, in its discretion. If less than all the principal amount of the Bonds of a maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Bonds are being held under a Book-Entry-Only System by DTC, or a successor Depository, the amount of the interest of each DTC Participant in the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Bonds are not being held under a Book-Entry-Only System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

## **MANDATORY REDEMPTION**

The bidders have the option of creating term bonds pursuant to the Detailed Notice of Sale. If term bonds are created, then the following provisions will apply. Subject to the credit hereinafter provided, the City shall redeem Bonds maturing June 1, 20\_\_, and June 1, 20\_\_ on the redemption

dates set forth below opposite the maturity date, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. The Bonds to be so redeemed within a maturity shall be selected in the manner described above relating to optional redemption.

The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

<u>Maturity</u>	<u>Redemption Date</u>	<u>Principal Amount of Bonds Redeemed</u>
-----------------	----------------------------	---

\*Final Maturity

At its option, to be exercised on or before the forty-fifth (45) day next preceding any such redemption date, the City may (i) deliver to the Registration Agent for cancellation Bonds of the maturity to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this section) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the City on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Bonds to be redeemed by operation shall be accordingly reduced. The City shall on or before the forty-fifth (45) day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) described above are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.

## **NOTICE OF REDEMPTION**

Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent on behalf of the City not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Bonds for which proper notice was given. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to affect the redemption with the Registration Agent no later than the redemption date (“Conditional Redemption”). As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the City nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Registration Agent shall mail said notices as and when directed by the City pursuant to written

instructions from an authorized representative of the City (other than for a mandatory sinking fund redemption, notices of which shall be given on the dates provided herein) given at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Registration Agent). From and after the redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth herein. In the case of a Conditional Redemption, the failure of the City to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

## **PAYMENT OF BONDS**

The Bonds will bear interest from their date or from the most recent interest payment date to which interest has been paid or duly provided for, on the dates provided herein, such interest being computed upon the basis of a 360-day year of twelve 30-day months. Interest on each Bond shall be paid by check or draft of the Registration Agent to the person in whose name such Bond is registered at the close of business on the 15th day of the month next preceding the interest payment date. The principal of and premium, if any, on the Bonds shall be payable in lawful money of the United States of America at the designed trust office of the Registration Agent.

*(The remainder of this page left blank intentionally.)*

## BASIC DOCUMENTATION

### REGISTRATION AGENT

The Registration Agent, Regions Bank, Nashville, Tennessee, its successor or the City will make all interest payments with respect to the Bonds on each interest payment date directly to Cede & Co., as nominee of DTC, the registered owner as shown on the Bond registration records maintained by the Registration Agent, except as follows. However, if the winning bidder certifies to the City that it intends to hold the Bonds for its own account and has no present intent to reoffer the Bonds, then the use of the Book-Entry-Only System is not required.

So long as Cede & Co. is the Registered Owner of the Bonds, as nominee of DTC, references herein to the Bondholders, Holders or Registered Owners of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the Bonds. For additional information, see the following section.

### BOOK-ENTRY-ONLY SYSTEM

The Registration Agent, its successor or the Issuer will make all interest payments with respect to the Bonds on each interest payment date directly to Cede & Co., as nominee of DTC, the registered owner as shown on the Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the “Regular Record Date”) by check or draft mailed to such owner at its address shown on said Bond registration records, without, except for final payment, the presentation or surrender of such registered Bonds, and all such payments shall discharge the obligations of the Issuer in respect of such Bonds to the extent of the payments so made, except as described above. Payment of principal of the Bonds shall be made upon presentation and surrender of such Bonds to the Registration Agent as the same shall become due and payable.

So long as Cede & Co. is the Registered Owner of the Bonds, as nominee of DTC, references herein to the Bondholders, Holders or Registered Owners of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the Bonds.

The Bonds, when issued, will be registered in the name of Cede & Co., DTC’s partnership nominee, except as described above. When the Bonds are issued, ownership interests will be available to purchasers only through a book-entry-only system maintained by DTC (the “Book-Entry-Only System”). One fully registered bond certificate will be issued for each maturity, in the entire aggregate principal amount of the Bonds and will be deposited with DTC.

*DTC and its Participants.* DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over

100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized Book-Entry-Only transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

*Purchase of Ownership Interests.* Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the Book-Entry-Only System for the Bonds is discontinued.

*Payments of Principal and Interest.* Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Registration Agent on the payable date in accordance with their respective holdings shown on DTC's records, unless DTC has reason to believe it will not receive payment on such date. Payments by Direct and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with municipal securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the Issuer or the Registration Agent subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal, tender price and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Registration Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

*Notices.* Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may

wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as practicable after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

NONE OF THE ISSUER, THE UNDERWRITER, THE BOND COUNSEL, THE MUNICIPAL ADVISOR OR THE REGISTRATION AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENT TO, OR THE PROVIDING OF NOTICE FOR, SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES.

*Transfers of Bonds.* To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

None of the Issuer, the Bond Counsel, the Registration Agent, the Municipal Advisor or the Underwriter will have any responsibility or obligation, legal or otherwise, to any party other than to the registered owners of any Bond on the registration books of the Registration Agent.

## **DISCONTINUANCE OF BOOK-ENTRY-ONLY SYSTEM**

In the event that (i) DTC determines not to continue to act as securities depository for the Bonds or (ii) to the extent permitted by the rules of DTC, the City determines to discontinue the Book-Entry-Only System, the Book-Entry-Only System shall be discontinued. Upon the occurrence of the event described above, the City will attempt to locate another qualified securities depository, and if no qualified securities depository is available, Bond certificates will be printed and delivered to Beneficial Owners.

*No Assurance Regarding DTC Practices.* The foregoing information in this section concerning DTC and DTC's Book-Entry-Only System has been obtained from sources that the

City believes to be reliable, but the City, the Bond Counsel, the Registration Agent and the Municipal Advisor do not take any responsibility for the accuracy thereof. So long as Cede & Co. is the registered owner of the Bonds as nominee of DTC, references herein to the holders or registered owners of the Bonds will mean Cede & Co. and will not mean the Beneficial Owners of the Bonds. None of the City, the Bond Counsel, the Registration Agent or the Municipal Advisor will have any responsibility or obligation to the Participants, DTC or the persons for whom they act with respect to (i) the accuracy of any records maintained by DTC or by any Direct or Indirect Participant of DTC, (ii) payments or the providing of notice to Direct Participants, the Indirect Participants or the Beneficial Owners or (iii) any other action taken by DTC or its partnership nominee as owner of the Bonds.

For more information on the duties of the Registration Agent, please refer to the Resolution. Also, please see the section entitled "SECURITIES OFFERED – Redemption."

## **DISPOSITION OF BOND PROCEEDS**

The proceeds of the sale of the Bonds shall be deposited with a financial institution regulated by the Federal Deposit Insurance Corporation or similar federal agency in a special fund known as the 2025 Construction Fund (the "Construction Fund"), or such other designation as shall be determined by the Mayor to be kept separate and apart from all other funds of the City. The City shall disburse funds in the Construction Fund to pay costs of issuance of the Bonds, including necessary legal, accounting and fiscal expenses, printing, engraving, advertising and similar expenses, administrative and clerical costs, Registration Agent fees, bond insurance premiums, if any, and other necessary miscellaneous expenses incurred in connection with the issuance and sale of the Bonds. Notwithstanding the foregoing, costs of issuance of the Bonds may be withheld from the good faith deposit or purchase price of the Bonds and paid to the Municipal Advisor to be used to pay costs of issuance of the Bonds. The remaining funds in the Construction Fund shall be disbursed solely to pay the costs of the Projects and to reimburse the City for any funds previously expended for costs of the Projects. Money in the Construction Fund shall be secured in the manner prescribed by applicable statutes relative to the securing of public or trust funds, if any, or, in the absence of such a statute, by a pledge of readily marketable securities having at all times a market value of not less than the amount in said Construction Fund. Money in the Construction Fund shall be invested in such investments as shall be permitted by applicable law to the extent permitted by applicable law.

## **DISCHARGE AND SATISFACTION OF BONDS**

If the City shall pay and discharge the indebtedness evidenced by any of the Bonds in any one or more of the following ways:

1. By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registration Agent, the principal of and interest on such Bonds as and when the same become due and payable;

2. By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and which has trust powers ("an Agent"; which Agent may be the Registration Agent) in trust or escrow, on or before the date of maturity or redemption, sufficient money or Defeasance Obligations,

as hereafter defined, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice); or

3. By delivering such Bonds to the Registration Agent, for cancellation by it;

and if the City shall also pay or cause to be paid all other sums payable hereunder by the City with respect to such Bonds, or make adequate provision therefor, and by resolution of the Governing Body instruct any such Escrow Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest on such Bonds when due, then and in that case the indebtedness evidenced by such Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the City to the holders of such Bonds shall be fully discharged and satisfied and shall thereupon cease, terminate and become void.

If the City shall pay and discharge the indebtedness evidenced by any of the Bonds in the manner provided in either clause (a) or clause (b) above, then the registered owners thereof shall thereafter be entitled only to payment out of the money or Defeasance Obligations deposited as aforesaid.

Except as otherwise described below, neither Defeasance Obligations nor moneys deposited with the Registration Agent pursuant to this Section nor principal or interest payments on any such Defeasance Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and interest on said Bonds; provided that any cash received from such principal or interest payments on such Defeasance Obligations deposited with the Registration Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the City as received by the Registration Agent and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Defeasance Obligations maturing at times and in amounts sufficient to pay when due the principal and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the City, as received by the Registration Agent. For the purposes described above, Defeasance Obligations shall mean direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, which obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

## **REMEDIES OF BONDHOLDERS**

Under Tennessee law, any Bondholder has the right, in addition to all other rights:

- (1) By mandamus or other suit, action or proceeding in any court of competent jurisdiction to enforce its rights against the City, including, but not limited to, the right to require the City to assess, levy and collect taxes adequate to carry out any agreement as to, or pledge of, such taxes, fees, rents, tolls, or other charges, and to require the City to carry out any other covenants and agreements, or

(2) By action or suit in equity, to enjoin any acts or things which may be unlawful or a violation of the rights of such Bondholder.

*(The remainder of this page left blank intentionally.)*

## LEGAL MATTERS

### LITIGATION

There are no suits threatened or pending challenging the legality or validity of the Bonds or the right of the City to sell or issue the Bonds.

### TAX MATTERS

#### Federal

*General.* Bass, Berry & Sims PLC, Knoxville, Tennessee, is Bond Counsel for the Bonds. Their opinion under existing law, relying on certain statements by the City and assuming compliance by the City with certain covenants, is that interest on the Bonds:

- is excluded from a bondholder's federal gross income pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and
- is not treated as an item of preference in calculating the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations.

The Code imposes requirements on the Bonds that the City must continue to meet after the Bonds are issued. These requirements generally involve the way that Bond proceeds must be invested and ultimately used. If the City does not meet these requirements, it is possible that a bondholder may have to include interest on the Bonds in its federal gross income on a retroactive basis to the date of issue. The City has covenanted to do everything necessary to meet these requirements of the Code.

A bondholder who is a particular kind of taxpayer may also have additional tax consequences from owning the Bonds. This is possible if a bondholder is:

- an S corporation,
- a United States branch of a foreign corporation,
- a financial institution,
- a property and casualty or a life insurance company,
- an individual receiving Social Security or railroad retirement benefits,
- an individual claiming the earned income credit, or
- a borrower of money to purchase or carry the Bonds.

If a bondholder is in any of these categories, it should consult its tax advisor.

Bond Counsel is not responsible for updating its opinion in the future. It is possible that future events or changes in applicable law could change the tax treatment of the interest on the

Bonds or affect the market price of the Bonds. See also section "CHANGES IN FEDERAL AND STATE TAX LAW" below.

Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Bonds, or under State, local or foreign tax law.

*Bond Premium.* If a bondholder purchases a Bond for a price that is more than the principal amount, generally the excess is "bond premium" on that Bond. The tax accounting treatment of bond premium is complex. It is amortized over time and as it is amortized a bondholder's tax basis in that Bond will be reduced. The holder of a Bond that is callable before its stated maturity date may be required to amortize the premium over a shorter period, resulting in a lower yield on such Bonds. A bondholder in certain circumstances may realize a taxable gain upon the sale of a Bond with bond premium, even though the Bond is sold for an amount less than or equal to the owner's original cost. If a bondholder owns any Bonds with bond premium, it should consult its tax advisor regarding the tax accounting treatment of bond premium.

*Qualified Tax-Exempt Obligations.* Under the Code, in the case of certain financial institutions, no deduction from income under the federal tax law will be allowed for that portion of such institution's interest expense which is allocable to tax-exempt interest received on account of tax-exempt obligations acquired after August 7, 1986. The Code, however, provides that certain "qualified tax-exempt obligations", as defined in the Code, will be treated as if acquired on August 7, 1986. Based on an examination of the Code and the factual representations and covenants of the City as to the Bonds, Bond Counsel has determined that the Bonds, upon issuance, will be "qualified tax-exempt obligations" within the meaning of the Code.

*Original Issue Discount.* A Bond will have "original issue discount" if the price paid by the original purchaser of such Bond is less than the principal amount of such Bond. Bond Counsel's opinion is that any original issue discount on these Bonds as it accrues is excluded from a bondholder's federal gross income under the Internal Revenue Code. The tax accounting treatment of original issue discount is complex. It accrues on an actuarial basis and as it accrues a bondholder's tax basis in these Bonds will be increased. If a bondholder owns one of these Bonds, it should consult its tax advisor regarding the tax treatment of original issue discount.

*Information Reporting and Backup Withholding.* Information reporting requirements apply to interest on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup

withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's Federal income tax once the required information is furnished to the Internal Revenue Service.

### **State Taxes**

Under existing law, the Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on interest on the Bonds during the period the Bonds are held or beneficially owned by any organization or entity, or other than a sole proprietorship or general partnership doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

### **CHANGES IN FEDERAL AND STATE TAX LAW**

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

### **CLOSING CERTIFICATES**

Upon delivery of the Bonds, the City will execute in a form satisfactory to Bond Counsel, certain closing certificates including the following: (i) a certificate as to the *Official Statement*, in final form, signed by the Mayor acting in his official capacity to the effect that to the best of his knowledge and belief, and after reasonable investigation, (a) neither the *Official Statement*, in final form, nor any amendment or supplement thereto, contains any untrue statements of material fact or

omits to state any material fact necessary to make statements therein, in light of the circumstances in which they are made, misleading, (b) since the date of the *Official Statement*, in final form, no event has occurred which should have been set forth in such a memo or supplement, (c) there has been no material adverse change in the operation or the affairs of the City since the date of the *Official Statement*, in final form, and having attached thereto a copy of the *Official Statement*, in final form, and (d) there is no litigation of any nature pending or threatened seeking to restrain the issuance, sale, execution and delivery of the Bonds, or contesting the validity of the Bonds or any proceeding taken pursuant to which the Bonds were authorized; (ii) certificates as to the delivery and payment, signed by the Mayor acting in his official capacity, evidencing delivery of and payment for the Bonds; (iii) a signature identification and incumbency certificate, signed by the Mayor and City Recorder acting in their official capacities certifying as to the due execution of the Bonds; and, (iv) a Continuing Disclosure Certificate regarding certain covenants of the City concerning the preparation and distribution of certain annual financial information and notification of certain material events, if any.

## **APPROVAL OF LEGAL PROCEEDINGS**

Certain legal matters relating to the authorization and the validity of the Bonds are subject to the approval of Bass, Berry & Sims PLC, Knoxville, Tennessee, Bond Counsel. Bond Counsel has not prepared the *Preliminary Official Statement* or the *Official Statement*, in final form, or verified their accuracy, completeness or fairness. Accordingly, Bond Counsel expresses no opinion of any kind concerning the *Preliminary Official Statement* or *Official Statement*, in final form, except for the information in the section entitled “LEGAL MATTERS - Tax Matters.” The opinion of Bond Counsel will be limited to matters relating to authorization and validity of the Bonds and to the tax-exemption of interest on the Bonds under present federal income tax laws, both as described above. The legal opinion will be delivered with the Bonds and the form of the opinion is included in APPENDIX A. For additional information, see the section entitled “MISCELLANEOUS – “Competitive Public Sale”, “Additional Information” and “Continuing Disclosure.”

*(The remainder of this page left blank intentionally.)*

## MISCELLANEOUS

### RATING

S&P Global Ratings (“S&P”) has given the Bonds the rating of “AA-”.

There is no assurance that such rating will continue for any given period of time or that the ratings may not be suspended, lowered or withdrawn entirely by S&P, if circumstances so warrant. Due to the ongoing uncertainty regarding the economy of the United States of America, including, without limitation, matters such as the future political uncertainty regarding the United States debt limit, obligations issued by state and local governments, such as the Bonds, could be subject to a rating downgrade. Additionally, if a significant default or other financial crisis should occur in the affairs of the United States or of any of its agencies or political subdivisions, then such event could also adversely affect the market for and ratings, liquidity, and market value of outstanding debt obligations, including the Bonds. Any such downward change in or withdrawal of the rating may have an adverse effect on the secondary market price of the Bonds.

The rating reflects only the views of S&P and any explanation of the significance of such rating should be obtained from S&P.

### COMPETITIVE PUBLIC SALE

The Bonds will be offered for sale at competitive public bidding on December 3, 2025. Details concerning the public sale were provided to potential bidders and others in the *Preliminary Official Statement* that is dated November 18, 2025.

The successful bidder for the Bonds was an account led by \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ (the “Underwriter”) who contracted with the City, subject to the conditions set forth in the Official Notice of Sale and Bid Form to purchase the Bonds at a purchase price of \$ \_\_\_\_\_ (consisting of the par amount of the Bonds, less an underwriter’s discount of \$ \_\_\_\_\_ and less an original issue discount of \$ \_\_\_\_\_) or \_\_\_\_% of par.

### MUNICIPAL ADVISOR; RELATED PARTIES; OTHER

*Municipal Advisor.* Cumberland Securities Company, Inc., has served as Municipal Advisor (the “Municipal Advisor”) to the City for purposes of assisting with the development and implementation of a bond structure in connection with the issuance of the Bonds. The Municipal Advisor has not been engaged by the City to compile, create, or interpret any information in the *Preliminary Official Statement* and *Official Statement* relating to the City, including without limitation any of the City’s financial and operating data, whether historical or projected. Any information contained in the *Preliminary Official Statement* and *Official Statement* concerning the City, any of its affiliates or contractors and any outside parties has not been independently verified by the Municipal Advisor, and inclusion of such information is not, and should not be construed as, a representation by the Municipal Advisor as to its accuracy or completeness or otherwise. The Municipal Advisor is not a public accounting firm and has not been engaged by the City to review

or audit any information in the *Preliminary Official Statement* and *Official Statement* in accordance with accounting standards.

*Regions Bank.* Regions Bank (the “Bank”) is a wholly-owned subsidiary of Regions Financial Corporation. The Bank provides, among other services, commercial banking, investments and corporate trust services to private parties and to State and local jurisdictions, including serving as registration, paying agent or filing agent related to debt offerings. The Bank will receive compensation for its role in serving as Registration and Paying Agent for the Bonds. In instances where the Bank serves the City in other normal commercial banking capacities, it will be compensated separately for such services.

*Official Statement.* Certain information relative to the location, economy and finances of the Issuer is found in the *Preliminary Official Statement*, in final form and the *Official Statement*, in final form. Except where otherwise indicated, all information contained in this *Preliminary Official Statement* has been provided by the Issuer. The information set forth herein has been obtained by the Issuer from sources which are believed to be reliable but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the Municipal Advisor or the Underwriter. The information contained herein is subject to change without notice, and neither the delivery of this *Preliminary Official Statement* nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the Issuer, or the other matters described herein since the date hereof or the earlier dates set forth herein as of which certain information contained herein is given.

Cumberland Securities Company, Inc. distributed the *Preliminary Official Statement*, in final form, and the *Official Statement*, in final form on behalf of the City and will be compensated and/or reimbursed for such distribution and other such services.

*Bond Counsel.* From time to time, Bass, Berry & Sims PLC has represented the Bank on legal matters unrelated to the City and may do so again in the future.

*Other.* Among other services, Cumberland Securities Company, Inc. and the Bank may also assist local jurisdictions in the investment of idle funds and may serve in various other capacities, including Cumberland Securities Company’s role as serving as the City’s Dissemination Agent. If the City chooses to use one or more of these other services provided by Cumberland Securities Company, Inc. including Dissemination Agent and/or the Bank, then Cumberland Securities Company, Inc. and/or the Bank may be entitled to separate compensation for the performance of such services.

## **ADDITIONAL DEBT**

The City has not authorized any additional debt. However, the City has various capital projects which may or may not be funded in future years and may require the issuance of additional debt.

*(The remainder of this page left blank intentionally.)*

## **DEBT LIMITATIONS**

Pursuant to Title 9, Chapter 21, *Tennessee Code Annotated*, as amended, there is no limit on the amount of bonds that may be issued when the City uses the statutory authority granted therein to issue bonds. (see “DEBT STRUCTURE - Indebtedness and Debt Ratios” for additional information.)

## **DEBT RECORD**

There is no record of a default on principal and interest payments by the City from information available. Additionally, no agreements or legal proceedings of the City relating to securities have been declared invalid or unenforceable.

## **CONTINUING DISCLOSURE**

The City will at the time the Bonds are delivered execute a Continuing Disclosure Certificate under which it will covenant for the benefit of holders and Beneficial Owners of the Bonds to provide certain financial information relating to the City by not later than twelve months after the end of each fiscal year commencing with the fiscal year ending June 30, 2025 (the "Annual Report"), and to provide notice of the occurrence of certain significant events not later than ten business days after the occurrence of the events and notice of failure to provide any required financial information of the City. The issuer will provide notice in a timely manner to the MSRB of a failure by the City to provide the annual financial information on or before the date specified in the continuing disclosure agreement. The Annual Report (and audited financial statements if filed separately) and notices described above will be filed by the City with the Municipal Securities Rulemaking Board ("MSRB") at [www.emma.msrb.org](http://www.emma.msrb.org) and with any State Information Depository which may be established in Tennessee (the "SID"). The specific nature of the information to be contained in the Annual Report or the notices of events is summarized below. These covenants have been made in order to assist the Underwriters in complying with Securities Exchange Act Rule 15c2-12(b), as it may be amended from time to time (the "Rule 15c2-12").

*Five-Year History of Filing.* For the past five years, the City is unaware of any instances in which it has not complied in all material respects with its existing continuing disclosure agreements in accordance with Rule 15c2-12.

*Content of Annual Report.* The City’s Annual Report shall contain or incorporate by reference the General Purpose Financial Statements of the City for the fiscal year, prepared in accordance with generally accepted accounting principles; provided, however, if the City’s audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained herein, and the audited financial statements shall be filed when available. The Annual Report shall also include in a similar format the following information included in APPENDIX B entitled “SUPPLEMENTAL INFORMATION STATEMENT.”

1. Summary of Bonded Indebtedness as of the end of such fiscal year;

2. The Indebtedness and Debt Ratios as of the end of such fiscal year, together with information about the property tax base;
3. Information about the Bonded Debt Service Requirements – General Obligation as of the end of such fiscal year;
4. Information about the Bonded Debt Service Requirements – Revenue and Tax Backed Water and Sewer System as of the end of such fiscal year;
5. The Fund Balances, Net Assets and Retained Earnings for the fiscal year;
6. Five Year Summary of Revenues, Expenditures and Changes in Fund Balances - General Fund for the fiscal year;
7. The estimated assessed value of property in the City for the tax year ending in such fiscal year and the estimated actual value of all taxable property for such year;
8. Property Tax Rates and Collections of the City for the tax year ending in such fiscal year as well as the uncollected balance for such fiscal year; and
9. The Ten Largest Taxpayers.

Any or all of the items above may be incorporated by reference from other documents, including Official Statements in final form for debt issues of the City or related public entities, which have been submitted to the MSRB or the U.S. Securities and Exchange Commission. If the document incorporated by reference is a final Official Statement, in final form, it will be available from the Municipal Securities Rulemaking Board. The City shall clearly identify each such other document so incorporated by reference.

*Reporting of Significant Events.* The City will file notice regarding material events with the MSRB and the SID, if any, as follows:

1. Upon the occurrence of a Listed Event (as defined in (3) below), the City shall in a timely manner, but in no event more than ten (10) business days after the occurrence of such event, file a notice of such occurrence with the MSRB and SID, if any.
2. For Listed Events where notice is only required upon a determination that such event would be material under applicable Federal securities laws, the City shall determine the materiality of such event as soon as possible after learning of its occurrence.
3. The following are the Listed Events:
  - a. Principal and interest payment delinquencies;
  - b. Non-payment related defaults, if material;
  - c. Unscheduled draws on debt service reserves reflecting financial difficulties;

- d. Unscheduled draws on credit enhancements reflecting financial difficulties;
- e. Substitution of credit or liquidity providers, or their failure to perform;
- f. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
- g. Modifications to rights of Bondholders, if material;
- h. Bond calls, if material, and tender offers;
- i. Defeasances;
- j. Release, substitution, or sale of property securing repayment of the securities, if material;
- k. Rating changes;
- l. Bankruptcy, insolvency, receivership or similar event of the obligated person;
- m. The consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- n. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- o. Incurrence of a financial obligation (which includes a debt obligation, or a derivative instrument entered into connection with, or pledged as security or as a source of payment for, an existing or planned debt obligation, or a guarantee of debt obligation or derivative instrument) of the City, if material, or agreement as to covenants, events of default, remedies, priority rights, or other similar terms as of a financial obligation of the City, any of which affect security holders, if material; and
- p. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation (as described above) of the City, any of which reflect financial difficulties.

*Termination of Reporting Obligation.* The City's obligations under the Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

*Amendment; Waiver.* Notwithstanding any other provision of the Disclosure Certificate, the City may amend the Disclosure Certificate, and any provision of the Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions concerning the Annual Report and Reporting of Significant Events it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of the Disclosure Certificate, the City shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

*Default.* In the event of a failure of the City to comply with any provision of the Disclosure Certificate, any Bondholder or any beneficial owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under the Disclosure Certificate. A default under the Disclosure Certificate shall not be deemed an event of default, if any, under the Resolution, and the sole remedy under the Disclosure Certificate in the event of any failure of the City to comply with the Disclosure Certificate shall be an action to compel performance.

## **BONDHOLDER RISK**

*CLIMATE CHANGE.* Planning for climate change in the State and its impact on the City's operation is an unknown challenge. The State's climate is exceedingly variable and projections of future conditions range significantly. While projections in the State indicate rising average temperatures, precipitation projections are much less clear and often contradictory. Other potential impacts include changes in the length, intensity, and frequency of droughts and floods. The financial impact of climate change is not yet known, and therefore, its future impact on the City cannot be quantified reliably at this time.

*CYBER-SECURITY.* Computer networks and data transmission and collection are vital to the efficient operations of the City. Despite security measures, information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise networks and the information stored there could be disrupted, accessed, publicly disclosed, lost or stolen. Any such disruption, access, disclosure or other loss of information could result in disruptions in operations and the services provided by the City, legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties and the services provided, and cause a loss of confidence in the City's operations, which could materially affect the City and its operations.

## **ADDITIONAL INFORMATION**

Use of the words "shall," "must," or "will" in the *Preliminary Official Statement and Official Statement*, in final form, in summaries of documents or laws to describe future events or continuing obligations is not intended as a representation that such event will occur or obligation will be fulfilled but only that the document or law contemplates or requires such event to occur or obligation to be fulfilled.

Any statements made in the *Preliminary Official Statement and Official Statement*, in final form, involving estimates or matters of opinion, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or matters of opinion will be realized. Neither the *Preliminary Official Statement and Official Statement*, in final form, nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the Bonds.

The references, excerpts and summaries contained herein of certain provisions of the laws of the State of Tennessee, and any documents referred to herein, do not purport to be complete statements of the provisions of such laws or documents, and reference should be made to the complete provisions thereof for a full and complete statement of all matters of fact relating to the Bonds, the security for the payment of the Bonds, and the rights of the holders thereof.

The *Preliminary Official Statement and Official Statement*, in final form, and any advertisement of the Bonds, is not to be construed as a contract or agreement between the City and the purchasers of any of the Bonds. Any statements or information printed in the *Preliminary Official Statement* or the *Official Statement*, in final form, involving matters of opinions or of estimates, whether or not expressly so identified, is intended merely as such and not as representation of fact.

The City has deemed this *Preliminary Official Statement* as "final" as of its date within the meaning of Rule 15c2-12 except for the omission of certain pricing information allowed to be omitted pursuant to Rule 15c2-12.

*(The remainder of this page left blank intentionally.)*

*(The remainder of this page left blank intentionally.)*

**CERTIFICATION OF THE CITY**

On behalf of the City, we hereby certify that to the best of our knowledge and belief, the information contained herein as of this date is true and correct in all material respects, and does not contain an untrue statement of material fact or omit to state a material fact required to be stated where necessary to make the statement made, in light of the circumstance under which they were made, not misleading.

/s/ \_\_\_\_\_  
Mayor

ATTEST:

/s/ \_\_\_\_\_  
City Recorder



**APPENDIX A**

**LEGAL OPINION**



**LAW OFFICES OF  
BASS, BERRY & SIMS PLC  
900 SOUTH GAY STREET, SUITE 1700  
KNOXVILLE, TENNESSEE 37902**

Ladies and Gentlemen:

We have acted as bond counsel to the City of Jefferson City, Tennessee (the "Issuer") in connection with the issuance of \$ \_\_\_\_\_ General Obligation Bonds, Series 2025, dated \_\_\_\_\_, 2025 (the "Bonds"). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify such facts by independent investigation.

Based on our examination, we are of the opinion, as of the date hereof, as follows:

1. The Bonds have been duly authorized, executed and issued in accordance with the constitution and laws of the State of Tennessee and constitute valid and binding general obligations of the Issuer.

2. The resolution of the City Council of the Issuer authorizing the Bonds has been duly and lawfully adopted, is in full force and effect and is a valid and binding agreement of the Issuer enforceable in accordance with its terms.

3. The Bonds constitute general obligations of the Issuer to which the Issuer has validly and irrevocably pledged its full faith and credit. The principal of and interest on the Bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the Issuer.

4. Interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes under Section 103 of the Code. Failure to comply with certain of such requirements could cause interest on the Bonds to be so includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. The Issuer has covenanted to comply with all such requirements.

5. Under existing law, the Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on all or a portion of the interest on any of the Bonds during the period such Bonds are held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership doing business in the State of Tennessee.

6. The Bonds are “qualified tax-exempt obligations” within the meaning of Section 265 of the Code.

The rights of the owners of the Bonds and the enforceability of the Bonds and the resolutions authorizing the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights and remedies of creditors, and by equity principles, whether considered at law or in equity.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds. Further, we express no opinion herein regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

This opinion is given as of the date hereof, and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Yours truly,

**SUPPLEMENTAL INFORMATION STATEMENT**



## GENERAL INFORMATION

### LOCATION

The City of Jefferson City (the “City”) is located in the northeastern part of the State of Tennessee in Jefferson County (the “County”). To the North, the County is bounded by Grainger and Hamblen Counties. Cocke County serves as the County's eastern border while Sevier County provides the County's southern border. To the west, the County is bordered by Knox County. The Town of Dandridge, the county seat, is located 30 miles east of Knoxville. Three other cities lie within the boundaries of the County: New Market, Baneberry and White Pine.

### GENERAL

The County has a total land area of approximately 203,520 acres or 318 square miles.

According to the 2020 U.S. Census, Jefferson County had a population of approximately 54,683. The largest city in the County, Jefferson City, has a population of 8,419. The Town of Dandridge had a 2020 US Census population of 3,344.

The County is part of the Morristown Metropolitan Statistical Area (the “MSA”). The MSA includes Hamblen, Jefferson and Grainger Counties.

The County is also part of the Knoxville-Sevierville-Harriman-LaFollette Combined Statistical Area (the “CSA”). The CSA includes Roane, Anderson, Blount, Knox, Loudon, Union, Grainger, Hamblen, Jefferson, Campbell, Cocke and Sevier Counties. The City of Knoxville is the largest city in the CSA with a population of 190,740 according to the 2020 Census.

### TRANSPORTATION

Interstates I-40 and I-81 meet in Jefferson County. Interstate 75 is easily accessible 28 miles southwest of Jefferson City, in Knoxville. The County is also served by U.S. Highways 11-E and 25-W. There are five state highways traversing the County as well, 113, 81, 40 and 32.

Four motor freight companies serve the County. Terminal facilities are located in the Dandridge and White Pine areas. Seventy percent of American markets are accessible through second day motor freight service. The County is home to major hubs for Old Dominion and Roadway freight carriers. Rail service is provided by the Norfolk/Southern Railroad.

Non-commercial air service is available at the Moore-Murrell Airport in the City of Morristown in Hamblen County, seven miles north of the County. The airport has a modern, 5,700-foot asphalt runway. Commercial air service is located at the McGhee Tyson Airport in Knoxville, 36 miles southwest of the County.

### EDUCATION

The *Jefferson County School System* serves the County with thirteen total schools. The fall 2023 enrollment was 6,776 with about 473 teachers.

*Source:* Tennessee Department of Education.

*Carson-Newman College* is a private, Christian liberal arts institution that was founded in 1851. Carson-Newman has a 125 acres campus located in Jefferson City, Tennessee. Location within the foothills of the Great Smoky Mountains and in between two lakes, the campus is located 28 miles northeast of Knoxville. Enrollment has more than 2,000 students each year. There are 53 majors available with four undergraduate degrees and four graduate degrees.

*Source:* Carson-Newman College and the Knoxville News Sentinel.

*The Tennessee College of Applied Technology at Morristown.* The Tennessee College of Applied Technology at Morristown (the “TCAT-M”) is part of a statewide system of 26 vocational-technical schools. TCAT-M meets a Tennessee mandate that no resident is more than 50 miles from a vocational-technical shop. The institution’s primary purpose is to meet the occupational and technical training needs of the citizens including employees of existing and prospective businesses and industries in the region. TCAT-M serves the northeast region of the state including Greene, Cocke, Jefferson, Hancock, Hawkins, Claiborne, Grainger, Sevier and Hamblen Counties. TCAT-M main campus is located in Hamblen County. There are three satellite campuses for Morristown: Tazewell, Claiborne County; Greeneville, Greene County; and Sevierville, Sevier County. Fall 2022 enrollment was 1,493.

*Source:* Tennessee College of Applied Technology at Morristown and TN Higher Education Commission.

## **HEALTHCARE**

*Jefferson Memorial Hospital* was built in 2001 and is located in Jefferson City. A 58 bed, state-of-the-art medical facility, Jefferson Memorial serves people from Knoxville to Morristown with leading-edge technology. Providing comprehensive medical services, Jefferson Memorial offers equipment and physicians trained in specialty areas like oncology, obstetrics and orthopedics as well as extensive outpatient surgery capabilities and diagnostic testing. It employs over 760 physicians, nurses and associates. Jefferson Memorial is owned and operated by Tennova Healthcare. Tennova Healthcare was acquired by one of the largest for-profit hospital companies in the country, Community Health Systems, Inc. (the “CHS”). CHS is one of the nation's leading operators of general acute care hospitals based in Brentwood, TN. The organization’s affiliates own, operate or lease 127 hospitals in 20 states with approximately 21,000 licensed beds. There are sixteen CHS hospitals in Tennessee.

*Source:* Community Health Systems.

The original hospital was Jefferson Memorial Hospital built in 1960 located next to Carson-Newman College in Jefferson City. In 1997 the city and county-owned hospital joined St. Mary's Health System, based in Knoxville. In a few years, St. Mary's purchased 121 acres of farmland along the western edge of Jefferson City and built a state-of-the-art, \$20 million hospital and medical office building that opened in January of 2001. The facility sits on 18 acres, leaving 103 acres for future development.

## **POWER PRODUCTION**

The Tennessee Valley Authority has constructed two of its largest dams in Jefferson County. Cherokee Dam is 4 miles from Jefferson City and Douglas Dam is located 18 miles from the same city. The combined area of the two lakes is approximately 23,500 acres. The nearest port facilities are located on the Tennessee River in Knoxville, 28 miles southwest of the City.

*Cherokee Dam.* Tennessee Valley Authority's ("TVA") Cherokee Dam is located on the Holston River in Jefferson City, 52 miles upstream from the point at which the Holston and French Broad Rivers converge to form the Tennessee. Construction of Cherokee Dam began in August 1, 1940 and was completed on a crash schedule on December 5, 1941. The dam is 175 feet high and stretches over a mile at 6,760 feet. The generating capacity of the four hydroelectric units at Cherokee is 135,200 kilowatts of electricity. Cherokee Reservoir spans Jefferson, Grainger, Hamblen and Hawkins Counties.

*Source:* Tennessee Valley Authority.

## **MANUFACTURING AND COMMERCE**

*Tennessee Downtowns.* The City of Jefferson City has a historically significant downtown that it has improved through the Tennessee Downtowns program. Tennessee Downtowns is an affiliated program of Tennessee Main Street designed to help rural communities to revitalize their downtown areas. The Tennessee Downtowns program helps local communities revitalize traditional commercial districts, enhance community livability, spur job creation and maintain the historic character of downtown districts. The two-year program coaches selected communities and their steering committees through the steps of launching effective renewal efforts. Tennessee Downtowns includes community training in the Main Street America program and a grant for a downtown improvement project. As of April 2024, Tennessee Department of Economic and Community Development (the "TNECD") provides the Tennessee Downtowns program to 90 communities that want to pursue the Main Street America approach to downtown revitalization.

The selected communities all have downtown commercial districts established at least 50 years ago and have demonstrated their readiness to organize efforts for downtown revitalization according to Main Street America principles. The highly competitive selection process was based on historic commercial resources, economic and physical need, demonstrated local effort, overall presentation and probability of success. Grants are awarded to organizations that illustrated the need for improvements and the ability to execute an effective design plan for building facades, wayfinding signage, gateways and streetscapes. As part of the program, each new grant recipient will be required to match 25-percent of the funding received.

Tennessee Downtown communities that complete the program are eligible for additional Downtown Improvement Grants as well as Main Street designation. There are currently 46 nationally accredited Main Street communities in Tennessee, 20 of which successfully completed the Tennessee Downtowns program prior to their national accreditation.

*Source:* Tennessee Department of Economic and Community Development.

*[balance of the page left blank]*

The following is a list of major employers in the County:

### Major Employers in Jefferson County

<u>Company</u>	<u>Product</u>	<u>Employees</u>
Old Dominion Freight Co.	Trucking	1,100
Jefferson County Schools	School System	1,100
Bush Brothers	Canned Foods	500
Nyrstar Clarksville Inc.	Mining	450
Carson Newman College	Education	404
Oshkosh Corp.	Manufacturing	325
Jefferson Memorial Hosp.	Healthcare	305
Wal-Mart Inc.	Retail	300
Jefferson County Government	Government	300
Jefferson County Nursing Home	Healthcare	200
Dillard Smith Construction	Power Line Construction	181
Matsuo Industries	Automotive Parts	180
Nashua / Rittenhouse Paper Co.	Paper Rolls, Labels	180
Clayton Homes	Manufactured Mobile Homes	159
Ball Metal Pack, LLC	Manufacturing	159

Source: Tennessee Department of Economic and Community Development (2024).

### ECONOMIC DATA

	<b>Per Capita Personal Income</b>				
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
National	\$53,309	\$55,547	\$59,153	\$64,430	\$65,470
Tennessee	\$46,452	\$48,889	\$51,928	\$56,970	\$58,292
<b>Jefferson County</b>	<b>\$36,887</b>	<b>\$38,471</b>	<b>\$41,046</b>	<b>\$44,665</b>	<b>\$44,816</b>
Index vs. National	69	69	69	69	68
Index vs. State	79	79	79	78	77
<b>Morristown MSA</b>	<b>\$36,342</b>	<b>\$37,921</b>	<b>\$40,503</b>	<b>\$45,087</b>	<b>\$45,286</b>
Index vs. National	68	68	68	70	69
Index vs. State	78	78	78	79	78
<b>Knoxville-Sevierville-Harriman CSA</b>	<b>\$43,783</b>	<b>\$46,181</b>	<b>\$49,354</b>	<b>\$54,597</b>	<b>\$55,634</b>
Index vs. National	82	83	83	85	85
Index vs. State	94	94	95	96	95

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

## Social and Economic Characteristics

	<u>National</u>	<u>Tennessee</u>	<u>Jefferson County</u>	<u>Jefferson City</u>
Median Value Owner Occupied Housing	\$303,400	\$256,800	\$210,000	\$205,000
% High School Graduates or Higher Persons 25 Years Old and Older	89.40%	89.60%	88.9%	87.0%
% Persons with Income Below Poverty Level	11.10%	14.00%	12.9%	21.1%
Median Household Income	\$78,538	\$67,097	\$63,084	\$53,819

*Source:* U.S. Census Bureau State & County QuickFacts – 2023

### RECREATION

*Cherokee Reservoir.* Tennessee Valley Authority’s (“TVA”) Cherokee Dam is located on the Holston River in Jefferson City, 52 miles upstream from the point at which the Holston and French Broad Rivers converge to form the Tennessee. Cherokee Reservoir spans Jefferson, Grainger, Hamblen and Hawkins Counties. The Reservoir attracts millions of recreational visitors each year to its public access areas, fishing areas, camping sites, county and municipal parks, commercial boat docks and resorts, a state park, and a state wildlife management area. Cherokee was built to generate hydroelectric power during the World War II emergency, but it also plays an important role as one of the chain of TVA reservoirs that over the years have prevented billions of dollars of flood damage in areas downstream. The deep waters of Cherokee Reservoir lose oxygen during the summer months, and the water that generates power is drawn out of these depths. In order to increase oxygen levels for aquatic life below the reservoir, TVA injects oxygen through miles of perforated hoses suspended above the reservoir bottom. TVA also uses huge, slow-turning fans just above the dam to push oxygenated surface water into the depths of the reservoir.

*Source:* Tennessee Valley Authority.

*Douglas Reservoir.* The Douglas Reservoir extends 43 miles upriver from Douglas Dam (located in nearby Sevier County) through the foothills of the Great Smoky Mountains. It travels through Jefferson, Sevier, Cocke and Hamblen Counties. Douglas and other TVA reservoirs built during World War II made a historic contribution, providing hydropower to drive the war effort. Under normal conditions, Douglas stores spring rainwater for release during the dry summer and fall months to maintain adequate depth for navigation on the Tennessee River and to generate electricity. Set against the backdrop of the lush, green Smoky Mountain foothills, Douglas attracts two million recreation visitors a year. Picnicking, camping, boating, and fishing are all popular activities at the Reservoir.

*Source:* Tennessee Valley Authority.

### RECENT DEVELOPMENTS

*417 Southwest Commercial Park Utilities.* In 2020 funding was approved for a \$2.5 million tax increment financing plan for the 417 Southwest Commercial Park off Exit 417 on I-40. A new utility water tank, water lines, storm drains and a new frontage road with access to the Exit 417 to enhance service to the park. The commercial development is expected to generate \$61 million in

annual sales revenue and create approximately 220 new jobs. Plans include a recreational vehicle dealership, hotels, restaurants, grocery stores, and similar commercial businesses.

*Anderson-DuBose Company.* In 2025, the Anderson-DuBose Company will invest nearly \$40 million by locating a new distribution facility in Jefferson City, which will house approximately 80 new jobs. This is the first location Anderson-DuBose will have in Tennessee. The company is a major distributor for McDonald's, and this new facility is expected to support up to 450 restaurant locations throughout the region. The Anderson-DuBose Company started in 1991 with the acquisition of a McDonald's distribution center.

*Oshkosh Corporation.* Fortune 500 company Oshkosh Corporation, a leading designer and manufacturer of specialty vehicles and vehicle bodies, created more than 300 jobs in Jefferson County. Oshkosh's Jefferson City facility houses welding and fabrication operations in support of Oshkosh's multiple segments. Oshkosh renovated the former John Deere building in Jefferson City. The 500,000-square-foot facility was operational in 2020.

Founded in 1917, Oshkosh Corporation is a leader in designing, manufacturing and servicing a broad range of access equipment, commercial, fire & emergency, military and specialty vehicles and vehicle bodies under the brands of Oshkosh®, JLG®, Pierce®, McNeilus®, Jerr-Dan®, Frontline™, CON-E-CO®, London® and IMT®. Its products are recognized around the world for quality, durability and innovation and can be found in more than 150 countries.

*Source:* Jefferson County Chamber of Commerce, the Standard Banner and Knoxville News Sentinel.

*[balance of the page left blank]*

**CITY OF JEFFERSON CITY, TENNESSEE**  
**SUMMARY OF BONDED INDEBTEDNESS**

<b>AMOUNT ISSUED</b>	<b>PURPOSE</b>	<b>DUE DATE</b>	<b>INTEREST RATE(S)</b>	<b>Unaudited As of June 30, 2025 (1)</b>
				<b>OUTSTANDING</b>
\$ 3,065,000	(2) (RDA)	2055	Fixed	\$ 2,643,774
4,483,000	(2) Water and Sewer Revenue and Tax Bond, Series 2021 (RDA)	2061	Fixed	4,129,781
5,000,000	(2) Water and Sewer Revenue Bond, Series 04-060 (TLDA)	2031	Fixed	1,519,334
6,450,000	(2) General Obligation Refunding Bonds, Series 2020	June 2045	Fixed	5,380,000
6,550,000	General Obligation Refunding Bonds, Series 2017	June 2035	Fixed	4,295,000
3,215,000	(3) General Obligation Refunding Bonds, Series 2021	June 2038	Fixed	2,540,000
227,972	General Obligation Capital Outlay Note, Series 2022	2026	Fixed	118,000
652,000	(4) General Obligation Capital Outlay Note, Series 2022B	2034	Fixed	487,400
<u>\$ 29,642,972</u>	<b>TOTAL BONDED DEBT</b>			<u>\$ 21,113,289</u>
\$ 5,300,000	General Obligation Bonds, Series 2025	June 2050	Fixed	\$ 5,300,000
<u>(18,116,650)</u>	(2) Less: Revenue Supported Debt			<u>(15,079,489)</u>
<u>\$ 16,826,322</u>	<b>NET BONDED DEBT</b>			<u>\$ 11,333,800</u>

**NOTES:**

- (1) The above figures may not include short-term notes or lease outstanding, if any. For more information, see the notes to the Financial Statements in the ACFR.
- (2) Payable from the Self-Supporting Enterprise Funds of the City.
- (3) \$1,070,000 payable from the Self-Supporting Sewer Enterprise Funds of the City.
- (4) \$336,600 payable from the Self-Supporting Water Enterprise Funds of the City.

**CITY OF JEFFERSON CITY, TENNESSEE**  
Indebtedness and Debt Ratios

**INTRODUCTION**

The indebtedness information set forth in the following table is based upon information derived in part from the ACFR, and the table should be read in conjunction with those statements. Property tax information is derived the City. The table does not include future funding plans whether disclosed or not in this document. Does not include leases. For more information, see the notes to the Financial Statements.

	For the Fiscal Year Ended June 30				Unaudited	After
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Issuance</u>
<b>INDEBTEDNESS</b>						
<b>TAX SUPPORTED</b>						
General Obligation Bonds & Notes	\$7,660,000	\$ 7,200,000	\$ 7,382,346	\$ 6,626,922	\$ 6,033,800	\$ 11,333,800
TOTAL TAX SUPPORTED	7,660,000	7,200,000	7,382,346	6,626,922	6,033,800	11,333,800
<b>REVENUE SUPPORTED</b>						
Water & Sewer	17,704,424	16,979,575	16,617,573	15,819,566	15,079,489	15,079,489
TOTAL REVENUE SUPPORTED	17,704,424	16,979,575	16,617,573	15,819,566	15,079,489	15,079,489
TOTAL DEBT	\$25,364,424	\$24,179,575	\$23,999,919	\$22,446,488	\$21,113,289	\$26,413,289
Less: Revenue Supported Debt	(17,704,424)	(16,979,575)	(16,617,573)	(15,819,566)	(15,079,489)	(15,079,489)
Less: Debt Service Fund	-	-	-	-	-	-
NET DIRECT DEBT	\$7,660,000	\$7,200,000	\$7,382,346	\$6,626,922	\$6,033,800	\$11,333,800
OVERLAPPING DEBT (1) & (2)	8,837,529	8,602,600	5,415,087	5,112,696	4,211,847	4,211,847
NET DIRECT & OVERLAPPING DEBT	\$16,497,529	\$15,802,600	\$12,797,433	\$11,739,618	\$10,245,647	\$15,545,647

<b>PROPERTY TAX BASE</b>			
Estimated Actual Value	\$ 592,166,381	\$ 720,570,110	\$ 737,774,710
Appraised Value	592,166,381	603,117,182	617,517,432
Assessed Value	190,988,471	195,872,187	199,780,635
		204,465,283	629,389,871
		324,238,574	1,045,433,158
		1,045,433,158	324,238,574

(1) OVERLAPPING DEBT includes the City of Jefferson City's portion of Jefferson County debt. Self-Supporting Nursing Home debt is excluded from the calculation.

(2) Solid Waste Debt is included with the General Obligation Debt.

DEBT RATIOS	For the Fiscal Year Ended June 30				After Issuance	
	2021	2022	2023	2024		Unaudited 2025
TOTAL DEBT to Estimated Actual Value	4.28%	3.36%	3.25%	2.04%	2.02%	2.53%
TOTAL DEBT to Appraised Value	4.28%	4.01%	3.89%	3.57%	2.02%	2.53%
TOTAL DEBT to Assessed Value	13.28%	12.34%	12.01%	10.98%	6.51%	8.15%
NET DIRECT DEBT to Estimated Actual Value	1.29%	1.00%	1.00%	0.60%	0.58%	1.08%
NET DIRECT DEBT to Appraised Value	1.29%	1.19%	1.20%	1.05%	0.58%	1.08%
NET DIRECT DEBT to Assessed Value	4.01%	3.68%	3.70%	3.24%	1.86%	3.50%
OVERLAPPING DEBT to Estimated Actual Value	1.49%	1.19%	0.73%	0.46%	0.40%	0.40%
OVERLAPPING DEBT to Appraised value	1.49%	1.43%	0.88%	0.81%	0.40%	0.40%
OVERLAPPING DEBT to Assessed Value	4.63%	4.39%	2.71%	2.50%	1.30%	1.30%
NET DIRECT & OVERLAPPING DEBT to Estimated Actual Value	2.79%	2.19%	1.73%	1.07%	0.98%	1.49%
NET DIRECT & OVERLAPPING DEBT to Appraised Value	2.79%	2.62%	2.07%	1.87%	0.98%	1.49%
NET DIRECT & OVERLAPPING DEBT to Assessed Value	8.64%	8.07%	6.41%	5.74%	3.16%	4.79%
<b>PER CAPITA RATIOS</b>						
POPULATION (1)	8,419	8,459	8,459	8,459	8,459	8,459
PER CAPITA PERSONAL INCOME	\$44,330	\$44,330	\$44,330	\$44,330	\$44,330	\$44,330
Estimated Actual Value to POPULATION	70,337	85,184	87,218	130,169	123,588	123,588
Assessed Value to POPULATION	22,685	23,155	23,618	24,171	38,331	38,331
Total Debt to POPULATION	3,013	2,858	2,837	2,654	2,496	3,123
Net Direct Debt to POPULATION	910	851	873	783	713	1,340
Overlapping Debt to POPULATION	1,050	1,017	640	604	498	498
Net Direct & Overlapping Debt to POPULATION	1,960	1,868	1,513	1,388	1,211	1,838
Total Debt Per Capita as a percent of PER CAPITA PERSONAL INCOME	6.80%	6.45%	6.40%	5.99%	5.63%	7.04%
Net Direct Debt Per Capita as a percent of PER CAPITA PERSONAL INCOME	2.05%	1.92%	1.97%	1.77%	1.61%	3.02%
Overlapping Debt Per Capita as a % of PER CAPITA PERSONAL INCOME	2.37%	2.29%	1.44%	1.36%	1.12%	1.12%
Net Direct & Overlapping Debt Per Capita as a % of PER CAPITA PERSONAL INCOME	4.42%	4.21%	3.41%	3.13%	2.73%	4.15%

(1) Per Capita computations are based upon POPULATION data according to the U.S. Census and the Government of the City of Jefferson City, Tennessee.

**CITY OF JEFFERSON CITY, TENNESSEE**  
Bonded Debt Service Requirements - General Obligation

F.Y. Ended	Unaudited As of June 30, 2025		General Obligation Bonds, Series 2025		% 2025 Principal Repaid		Total Bonded Debt Service Requirements (1)		% All Principal Repaid
	Principal	Interest	Principal	Interest (2)	Principal	Interest	Principal	Interest	
6/30									
2026	\$ 575,700	\$ 152,284	\$ -	\$ 101,363	\$ 101,363	\$ -	\$ 575,700	\$ 253,647	5.08%
2027	588,600	138,348	-	225,250	225,250	-	588,600	363,598	
2028	534,600	125,211	100,000	225,250	325,250	100,000	634,600	350,461	
2029	545,600	112,520	145,000	221,000	366,000	145,000	690,600	333,520	
2030	556,600	99,038	155,000	214,838	369,838	155,000	711,600	313,876	28.24%
2031	572,700	85,266	160,000	208,250	368,250	160,000	732,700	293,516	
2032	560,000	70,025	165,000	201,450	366,450	165,000	725,000	271,475	
2033	570,000	54,375	175,000	194,438	369,438	175,000	745,000	248,813	
2034	585,000	39,000	180,000	187,000	367,000	180,000	765,000	226,000	
2035	600,000	23,175	190,000	179,350	369,350	190,000	790,000	202,525	61.40%
2036	115,000	6,900	195,000	171,275	366,275	195,000	310,000	178,175	
2037	115,000	4,600	205,000	162,988	367,988	205,000	320,000	167,588	
2038	115,000	2,300	215,000	154,275	369,275	215,000	330,000	156,575	
2039	-	-	225,000	145,138	370,138	225,000	225,000	145,138	
2040	-	-	235,000	135,575	370,575	235,000	235,000	135,575	
2041	-	-	245,000	125,588	370,588	245,000	245,000	125,588	
2042	-	-	255,000	115,175	370,175	255,000	255,000	115,175	
2043	-	-	265,000	104,338	369,338	265,000	265,000	104,338	
2044	-	-	275,000	93,075	368,075	275,000	275,000	93,075	
2045	-	-	285,000	81,388	366,388	285,000	285,000	81,388	85.62%
2046	-	-	300,000	69,275	369,275	300,000	300,000	69,275	
2047	-	-	310,000	56,525	366,525	310,000	310,000	56,525	
2048	-	-	325,000	43,350	368,350	325,000	325,000	43,350	
2049	-	-	340,000	29,538	369,538	340,000	340,000	29,538	
2050	-	-	355,000	15,088	370,088	355,000	355,000	15,088	100.00%
	<b>\$ 6,033,800</b>	<b>\$ 913,042</b>	<b>\$ 5,300,000</b>	<b>\$ 3,460,775</b>	<b>\$ 8,760,775</b>	<b>\$ 5,300,000</b>	<b>\$ 11,333,800</b>	<b>\$ 4,373,817</b>	
									<b>\$ 15,707,617</b>

**Notes:**

(1) The above figures may not include short-term notes and leases outstanding, if any. For more information, see the notes to the Financial Statements in the ACFR.

(2) Estimated Interest Rates. Estimated Average Coupon of 4.25%.

**CITY OF JEFFERSON CITY, TENNESSEE**  
 Bonded Debt Service Requirements - Revenue and Tax Backed  
 Water And Sewer System

F.Y. Ended 6/30	<b>Unaudited</b>			<b>% All Principal Repaid</b>
	<b>As of June 30, 2025</b>			
	<b>Existing Debt</b>			
	<b>Water And Sewer System (1)</b>			
	<u>Principal</u>	<u>Interest</u>	<u>TOTAL</u>	
2026	\$ 749,716	\$ 266,204	\$ 1,015,920	4.97%
2027	765,589	251,852	1,017,441	10.05%
2028	776,733	237,078	1,013,811	15.20%
2029	797,936	222,039	1,019,975	20.49%
2030	809,202	206,479	1,015,681	25.86%
2031	758,117	195,218	953,335	30.88%
2032	565,281	185,169	750,450	34.63%
2033	579,896	175,597	755,493	38.48%
2034	589,565	164,764	754,329	42.39%
2035	553,987	153,723	707,710	46.06%
2036	567,065	144,295	711,360	49.82%
2037	575,197	134,200	709,397	53.64%
2038	578,385	123,212	701,597	57.47%
2039	491,632	112,165	603,797	60.73%
2040	494,938	102,860	597,798	64.02%
2041	448,302	93,495	541,797	66.99%
2042	451,728	84,944	536,672	69.98%
2043	455,216	76,331	531,547	73.00%
2044	458,767	67,530	526,297	76.05%
2045	467,383	58,664	526,047	79.14%
2046	216,066	49,626	265,692	80.58%
2047	219,814	45,878	265,692	82.04%
2048	223,631	42,061	265,692	83.52%
2049	227,517	38,175	265,692	85.03%
2050	231,474	34,218	265,692	86.56%
2051	235,503	30,189	265,692	88.12%
2052	239,607	26,085	265,692	89.71%
2053	243,784	21,908	265,692	91.33%
2054	248,038	17,654	265,692	92.97%
2055	232,369	13,339	245,708	94.52%
2056	135,266	10,522	145,788	95.41%
2057	137,138	8,650	145,788	96.32%
2058	139,036	6,752	145,788	97.24%
2059	140,959	4,829	145,788	98.18%
2060	142,910	2,878	145,788	99.13%
2061	131,742	900	132,642	100.00%
	<u>\$ 15,079,489</u>	<u>\$ 3,409,483</u>	<u>\$ 18,488,972</u>	

**Notes:**

(1) The above figures do not include short-term notes or lease outstanding, if any. For more information, see the notes to the Financial Statements in the ACFR.

# FINANCIAL OPERATIONS

## INTRODUCTION

As required by generally accepted accounting principles (GAAP), all City funds and account groups are organized according to standards established by the Government Accounting Standards Board (GASB). The City's financial reporting system is designed to provide timely, accurate feedback on the City's overall financial position and includes, at a minimum, quarterly reports to the City Commission. All City financial statements are audited annually by independent certified public accountants.

The City's General Purpose Financial Statements, which is an extract of the Annual Comprehensive Financial Report included herein.

## BASIS OF ACCOUNTING AND PRESENTATION

All governmental funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as a net current asset. Expenditures are generally recognized when the related fund liability is incurred. Exceptions to this general ruling include: (1) sick pay which is not accrued, and (2) principal and interest on general long-term debt which is recognized when due.

## FUND BALANCES, NET ASSETS AND RETAINED EARNINGS

The following table depicts fund balances, net assets and retained earnings for the last five fiscal years ending June 30:

	<u>For the Fiscal Year Ended June 30</u>				
<u>Fund Type</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<i>Governmental Funds:</i>					
General	\$10,485,254	\$12,375,589	\$13,788,980	\$15,158,595	\$15,822,956
Other Governmental	<u>543,245</u>	<u>567,749</u>	<u>467,917</u>	<u>518,558</u>	<u>578,204</u>
<b>Total</b>	<b><u>\$11,028,499</u></b>	<b><u>\$12,943,338</u></b>	<b><u>\$12,943,338</u></b>	<b><u>\$15,677,153</u></b>	<b><u>\$16,401,160</u></b>
<i>Proprietary Net Assets:</i>					
Enterprise Fund	\$13,754,365	\$14,439,208	\$16,755,946	\$17,410,943	\$18,378,306

Source: Annual Comprehensive Financial Report and Auditor's Report, Jefferson City, Tennessee.

[balance of the page left blank]

**CITY OF JEFFERSON CITY, TENNESSEE**  
Five Year Summary of Revenues, Expenditures and  
Changes In Fund Balances - General Fund  
For the Fiscal Year Ended June 30

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>Revenues:</b>					
Taxes	\$ 6,898,212	\$ 7,640,943	\$ 8,117,724	\$ 8,572,943	\$ 8,561,848
Licenses, Permits, Fines	67,653	119,781	299,897	305,567	216,421
Intergovernmental Rev.	2,559,259	2,340,898	1,762,389	1,365,986	3,458,231
Charges for Services	743,252	459,561	553,263	638,199	682,647
Fines, Forfeits and Penalties	163,252	111,937	189,576	183,206	225,561
Other Revenue	978,850	1,046,876	1,029,271	1,096,570	1,787,074
<b>Total Revenues</b>	<u>\$ 11,410,478</u>	<u>\$ 11,719,996</u>	<u>\$ 11,952,120</u>	<u>\$ 12,162,471</u>	<u>\$ 14,931,782</u>
<b>Expenditures:</b>					
General Government	\$ 2,129,123	\$ 2,178,142	\$ 3,124,103	\$ 3,036,896	\$ 3,113,508
Public Safety	4,572,364	4,109,962	4,592,938	5,384,077	7,806,262
Public Works/Highways	2,520,774	1,653,039	1,582,689	1,300,033	1,682,767
Health & Welfare	22,307	38,544	30,147	31,636	21,141
Culture and Recreation	847,919	762,434	3,111,233	1,259,753	1,297,608
Capital Outlay	-	-	-	-	-
<b>Total Expenditures</b>	<u>\$ 10,092,487</u>	<u>\$ 8,742,121</u>	<u>\$ 12,441,110</u>	<u>\$ 11,012,395</u>	<u>\$ 13,921,286</u>
Excess of Revenues Over (Under) Expenditures	\$ 1,317,991	\$ 2,977,875	\$ (488,990)	\$ 1,150,076	\$ 1,010,496
<b>Other Financing Sources (Uses):</b>					
Sale of Notes / Lease Proceeds	\$ 763,024	\$ 153,182	\$ 119,586	\$ 446,322	\$ -
Other Financing Sources	6,728	-	1,900,000	-	-
Other Financing Uses	-	-	57,400	-	-
Insurance Recoveries	-	25,109	4,395	27,667	3,105
Transfers In	180	-	-	-	-
Transfers Out	(1,151,688)	(1,265,831)	(179,000)	(254,450)	(349,240)
<b>Total</b>	<u>\$ (381,756)</u>	<u>\$ (1,087,540)</u>	<u>\$ 1,902,381</u>	<u>\$ 219,539</u>	<u>\$ (346,135)</u>
<b>Special Items</b>					
Excess of Revenues Over (Under) Expenditures & Other Uses	\$ 936,235	\$ 1,890,335	\$ 1,413,391	\$ 1,369,615	\$ 664,361
<b>Fund Balance July 1</b>	9,549,019	10,485,254	12,375,589	13,788,980	15,158,595
Adjustments	-	-	-	-	-
<b>Fund Balance June 30</b>	<u><u>\$ 10,485,254</u></u>	<u><u>\$ 12,375,589</u></u>	<u><u>\$ 13,788,980</u></u>	<u><u>\$ 15,158,595</u></u>	<u><u>\$ 15,822,956</u></u>

Source: Annual Comprehensive Financial Report for City of Jefferson City, Tennessee.

## **BUDGETARY PROCESS**

The City Manager in a timely manner is required to submit to the Board of Commissioners a proposed operating budget for the fiscal year which begins on the following July 1. A public hearing is conducted by the Board of Commissioners to obtain citizen comment on the proposed budget. Prior to June 30th, the budget must be adopted. All annual appropriations lapse at the end of the fiscal year.

Amendments which revise the total expenditures of any fund may occur at any time during the fiscal year. The City Manager may, on his own authority, transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any department or fund must be approved by the Board of Commissioners.

## **INVESTMENT AND CASH MANAGEMENT PRACTICES**

Investment of idle City operating funds is controlled by State statute and local policies. Generally, such policies limit investment instruments to direct U.S. Government obligations, those issued by U.S. Agencies or Certificates of Deposit. The City is not authorized to invest in reverse repurchase agreements or derivative products. No investment may be made for a period greater than two years without written permission of the State Director of Local Finance.

As required by prevailing statutes, all demand deposits or Certificates of Deposit are secured by similar grade collateral pledged at 110% of market value for amounts in excess of that guaranteed through federally sponsored insurance programs. Deposits with savings and loan associations must be collateralized as outlined above, by an irrevocable letter of credit issued by the Federal Home Loan Bank or by providing notes secured by the first mortgages or first deeds for trust upon residential property in the state equal to at least 150 percent of the amount of uninsured deposits. All collateral must be held in a third party escrow account for the benefit of the City. For reporting purposes, all investments are stated at cost, which approximates market value.

## **REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES**

### ***State Taxation of Property; Classifications of Taxable Property; Assessment Rates***

Under the Constitution and laws of the State of Tennessee, all real and personal property is subject to taxation, except to the extent that the General Assembly of the State of Tennessee (the "General Assembly") exempts certain constitutionally permitted categories of property from taxation. Property exempt from taxation includes federal, state and local government property, property of housing authorities, certain low cost housing for elderly persons, property owned and used exclusively for certain religious, charitable, scientific and educational purposes and certain other property as provided under Tennessee law.

Under the Constitution and laws of the State of Tennessee, property is classified into three separate classes for purposes of taxation: Real Property; Tangible Personal Property; and Intangible Personal Property. Real Property includes lands, structures, improvements, machinery and equipment affixed to realty and related rights and interests. Real Property is required constitutionally to be classified into four sub classifications and assessed at the rates as follows:

- (a) Public Utility Property (which includes all property of every kind used or held for use in the operation of a public utility, such as railroad companies, certain telephone companies, freight and private car companies, street car companies, power companies, express companies and other public utility companies), to be assessed at 55% of its value;
- (b) Industrial and Commercial Property (which includes all property of every kind used or held for use for any commercial, mining, industrial, manufacturing, business or similar purpose), to be assessed at 40% of its value;
- (c) Residential Property (which includes all property which is used or held for use for dwelling purposes and contains no more than one rental unit), to be assessed at 25% of its value; and
- (d) Farm Property (which includes all real property used or held for use in agriculture), to be assessed at 25% of its value.

Tangible Personal Property includes personal property such as goods, chattels and other articles of value, which are capable of manual or physical possession and certain machinery and equipment. Tangible Personal Property is required constitutionally to be classified into three sub classifications and assessed at the rates as follows:

- (a) Public Utility Property, to be assessed at 55% of its value;
- (b) Industrial and Commercial Property, to be assessed at 30% of its value; and
- (c) All other Tangible Personal Property (including that used in agriculture), to be assessed at 5% of its value, subject to an exemption of \$7,500 worth of Tangible Personal Property for personal household goods and furnishings, wearing apparel and other tangible personal property in the hands of a taxpayer.

Intangible Personal Property includes personal property, such as money, any evidence of debt owed to a taxpayer, any evidence of ownership in a corporation or other business organization having multiple owners and all other forms of property, the value of which is expressed in terms of what the property represents rather than its own intrinsic value. The Constitution of the State of Tennessee empowers the General Assembly to classify Intangible Personal Property into sub classifications and to establish a ratio of assessment to value in each class or subclass and to provide fair and equitable methods of apportionment of the value to the State of Tennessee for purposes of taxation.

The Constitution of the State of Tennessee requires that the ratio of assessment to value of property in each class or subclass be equal and uniform throughout the State of Tennessee and that the General Assembly direct the method to ascertain the value and definition of property in each class or subclass. Each respective taxing authority is constitutionally required to apply the same tax rate to all property within its jurisdiction.

### ***County Taxation of Property***

The Constitution of the State of Tennessee empowers the General Assembly to authorize the several counties and incorporated towns in the State of Tennessee to impose taxes for county and municipal purposes in the manner prescribed by law. Under the *Tennessee Code Annotated*, the General Assembly has authorized the counties in Tennessee to levy an *ad valorem* tax on all taxable

property within their respective jurisdictions, the amount of which is required to be fixed by the county legislative body of each county based upon tax rates to be established on the first Monday of July of each year or as soon thereafter as practicable.

All property is required to be taxed according to its value upon the principles established in regard to State taxation as described above, including equality and uniformity. All counties, which levy and collect taxes to pay off any bonded indebtedness, are empowered, through the respective county legislative bodies, to place all funds levied and collected into a special fund of the respective counties and to appropriate and use the money for the purpose of discharging any bonded indebtedness of the respective counties.

### ***Assessment of Property***

*County Assessments; County Board of Equalization.* The function of assessment is to assess all property (with certain exceptions) to the person or persons owning or claiming to own such property on January 1 for the year for which the assessment is made. All assessment of real and personal property are required to be made annually and as of January 1 for the year to which the assessment applies. Not later than May 20 of each year, the assessor of property in each county is required to (a) make an assessment of all property in the county and (b) note upon the assessor's records the current classification and assessed value of all taxable property within the assessor's jurisdiction.

The assessment records are open to public inspection at the assessor's office during normal business hours. The assessor is required to notify each taxpayer of any change in the classification or assessed value of the taxpayer's property and to cause a notice to be published in a newspaper of general circulation stating where and when such records may be inspected and describing certain information concerning the convening of the county board of equalization. The notice to taxpayers and such published notice are required to be provided and published at least 10 days before the local board of equalization begins its annual session.

The county board of equalization is required (among other things) to carefully examine, compare and equalize the county assessments; assure that all taxable properties are included on the assessments lists and that exempt properties are eliminated from the assessment lists; hear and act upon taxpayer complaints; and correct errors and assure conformity to State law and regulations.

*State Assessments of Public Utility Property; State Board of Equalization.* The State Comptroller of the Treasury is authorized and directed under Tennessee law to assess for taxation, for State, county and municipal purposes, all public utility properties of every description, tangible and intangible, within the State. Such assessment is required to be made annually as of the same day as other properties are assessed by law (as described above) and takes into account such factors as are prescribed by Tennessee law.

On or before the first Monday in August of each year, the assessments are required to be completed and the State Comptroller of the Treasury is required to send a notice of assessment to each company assessable under Tennessee law. Within ten days after the first Monday in August of each year, any owner or user of property so assessed may file an exception to such assessment together with supporting evidence to the State Comptroller of the Treasury, who may change or affirm the valuation. On or before the first Monday in September of each year, the State Comptroller of the Treasury is required to file with the State Board of Equalization assessments so made. The

State Board of Equalization is required to examine such assessments and is authorized to increase or diminish the valuation placed upon any property valued by the State Comptroller of the Treasury.

The State Board of Equalization has jurisdiction over the valuation, classification and assessment of all properties in the State. The State Board of Equalization is authorized to create an assessment appeals commission to hear and act upon taxpayer complaints. The action of the State Board of Equalization is final and conclusive as to all matters passed upon by the Board, subject to judicial review consisting of a new hearing in chancery court.

### ***Periodic Reappraisal and Equalization***

Tennessee law requires reappraisal in each county by a continuous six-year cycle comprised of an on-site review of each parcel of real property over a five-year period, or, upon approval of the State Board of Equalization, by a continuous four-year cycle comprised of an on-site review of each parcel of real property over a three-year period, followed by revaluation of all such property in the year following completion of the review period. Alternatively, if approved by the assessor and adopted by a majority vote of the county legislative body, the reappraisal program may be completed by a continuous five-year cycle comprised of an on-site review of each parcel of real property over a four-year period followed by revaluation of all such property in the year following completion of the review period.

After a reappraisal program has been completed and approved by the Director of Property Assessments, the value so determined must be used as the basis of assessments and taxation for property that has been reappraised. The State Board of Equalization is responsible to determine whether or not property within each county of the State has been valued and assessed in accordance with the Constitution and laws of the State of Tennessee.

### ***Valuation for Property Tax Purposes***

*County Valuation of Property.* The value of all property is based upon its sound, intrinsic and immediate value for purposes of sale between a willing seller and a willing buyer without consideration of speculative values. In determining the value of all property of every kind, the assessor is to be guided by, and follow the instructions of, the appropriate assessment manuals issued by the division of property assessments and approved by the State Board of Equalization. Such assessment manuals are required to take into account various factors that are generally recognized by appraisers as bearing on the sound, intrinsic and immediate economic value of property at the time of assessment.

*State Valuation of Public Utility Property.* The State Comptroller of the Treasury determines the value of public utility property based upon the appraisal of the property as a whole without geographical or functional division of the whole (*i.e.*, the unit rule of appraisal) and on other factors provided by Tennessee law. In applying the unit rule of appraisal, the State Comptroller of the Treasury is required to determine the State's share of the unit or system value based upon factors that relate to the portion of the system relating to the State of Tennessee.

### ***Certified Tax Rate***

Upon a general reappraisal of property as determined by the State Board of Equalization, the county assessor of property is required to (1) certify to the governing bodies of the county and each

municipality within the county the total assessed value of taxable property within the jurisdiction of each governing body and (2) furnish to each governing body an estimate of the total assessed value of all new construction and improvements not included on the previous assessment roll and the assessed value of deletions from the previous assessment roll. Exclusive of such new construction, improvements and deletions, each governing body is required to determine and certify a tax rate (herein referred to as the "*Certified Tax Rate*") which will provide the same *ad valorem* revenue for that jurisdiction as was levied during the previous year. The governing body of a county or municipality may adjust the Certified Tax Rate to reflect extraordinary assessment changes or to recapture excessive adjustments.

Tennessee law provides that no tax rate in excess of the Certified Tax Rate may be levied by the governing body of any county or of any municipality until a resolution or ordinance has been adopted by the governing body after publication of a notice of the governing body's intent to exceed the Certified Tax Rate in a newspaper of general circulation and the holding of a public hearing.

The Tennessee Local Government Public Obligations Act of 1986 provides that a tax sufficient to pay when due the principal of and interest on general obligation bonds (such as the Bonds) shall be levied annually and assessed, collected and paid, in like manner with the other taxes of the local government as described above and shall be in addition to all other taxes authorized or limited by law. Bonds issued pursuant to the Local Government Public Obligations Act of 1986 may be issued without regard to any limit on indebtedness provided by law.

### ***Tax Freeze for the Elderly Homeowners***

The Tennessee Constitution was amended by the voters in November 2006 to authorize the Tennessee General Assembly to enact legislation providing property tax relief for homeowners age 65 and older. The General Assembly subsequently adopted the Property Tax Freeze Act permitting (but not requiring) local governments to implement a program for "freezing" the property taxes of eligible taxpayers at an amount equal to the taxes for the year the taxpayer becomes eligible. For example, if a taxpayer's property tax bill is \$500 for the year in which he becomes eligible, his property taxes will remain at \$500 even if property tax rates or appraisals increase so long as he continues to meet the program's ownership and income requirements.

### ***Tax Collection and Tax Lien***

Property taxes are payable the first Monday in October of each year. The county trustee of each county acts as the collector of all county property taxes and of all municipal property taxes when the municipality does not collect its own taxes.

The taxes assessed by the State of Tennessee, a county, a municipality, a taxing district or other local governmental entity, upon any property of whatever kind, and all penalties, interest and costs accruing thereon become and remain a first lien on such property from January 1 of the year for which such taxes are assessed. In addition, property taxes are a personal debt of the property owner as of January and, when delinquent, may be collected by suit as any other personal debt. Tennessee law prescribes the procedures to be followed to foreclose tax liens and to pursue legal proceedings against property owners whose property taxes are delinquent.

*Assessed Valuations.* According to the Tax Aggregate Report of Tennessee, property in the City reflected a ratio of appraised value to true market value of 1.00. The following table shows pertinent data for tax year 2024<sup>1</sup>.

<u>Class</u>	<u>Estimated Assessed Valuation</u>	<u>Assessment Rate</u>	<u>Estimated Appraised Value</u>
Public Utilities *	\$ 13,032,620	55%	\$ 29,857,090
Commercial and Industrial	134,466,760	40%	336,167,500
Personal Tangible Property	41,322,169	30%	137,740,468
Residential and Farm	<u>135,417,025</u>	25%	<u>541,668,100</u>
<b>Total</b>	<b><u>\$324,238,574</u></b>		<b><u>\$1,045,433,158</u></b>

<sup>1</sup> The tax year coincides with the calendar year, therefore tax year 2024 is actually fiscal year 2024-2025.  
*Source:* 2024 Tax Aggregate Report of Tennessee.

The estimated assessed value of property in the City for the fiscal year ending June 30, 2025 (tax year 2024) is \$324,238,574 compared to \$204,465,283 for the fiscal year ending June 30, 2024 (tax year 2023). The estimated actual value of all taxable property for tax year 2024 is \$1,045,433,158 compared to \$1,101,101,944 for tax year 2023.

*Property Tax Rates and Collections.* The following table shows the property tax rates and collections of the City for tax years 2020 through 2024<sup>2</sup> as well as the aggregate uncollected balances for each fiscal year ending June 30.

<b>PROPERTY TAX RATES AND COLLECTIONS</b>				<b>Fiscal Year Collections</b>		<b>Aggregate Uncollected Balance</b>	
<b>Tax Year<sup>2</sup></b>	<b>Assessed Valuation</b>	<b>Tax Rates</b>	<b>Taxes Levied</b>	<b>Amount</b>	<b>Pct</b>	<b>as of June 30, 2024</b>	
						<b>Amount</b>	<b>Pct</b>
2020	\$190,988,471	\$1.20	\$2,348,030	\$2,266,211	96.5%	\$ 10,644	0.45%
2021	195,872,187	1.20	2,369,668	2,261,364	95.4%	15,440	0.65%
2022	199,780,635	1.20	2,444,694	2,328,671	95.3%	36,489	1.49%
2023	204,465,283	1.20	2,466,721	2,277,434	92.3%	189,287	7.67%
2024	208,957,554*	1.20	2,507,491*	<b>IN PROCESS</b>			

<sup>2</sup> The tax year coincides with the calendar year, therefore tax year 2024 is actually fiscal year 2024-2025.  
 \* Estimated  
*Source:* Annual Comprehensive Financial Report and Auditor's Report, Jefferson City, Tennessee.

[balance of the page left blank]

*Ten Largest Taxpayers.* For the fiscal year ending June 30, 2025 (tax year 2024), the ten largest taxpayers in the County are as follows:

	<u><b>Taxpayer</b></u>	<u><b>Business Type</b></u>	<u><b>Assessment</b></u>	<u><b>Taxes Paid</b></u>
1.	Jig Industries, Inc.	Industry	\$12,170,014	\$146,040
2.	Appalachian Electric Coop.	Utility	7,809,255	93,711
3.	287 Partnership TN, LLC	Industry	6,920,120	83,041
4.	Teachers Retirement System	Retail	5,068,560	60,823
5.	Oshkosh Manufacturing	Industry	5,042,883	60,515
6.	H. Akston Investments, LLC	Real Estate	4,772,840	57,274
7.	Matsuo Industries Usa, Inc.	Industry	4,571,438	54,857
8.	Mossy Creek Real Estate	Real Estate	3,680,160	44,162
9.	Brown Trucking Company	Industry	2,817,441	33,809
10.	WDW Trustee LLC	Industry	<u>2,806,400</u>	<u>33,677</u>
	<b>TOTAL</b>		<b><u>\$55,659,111</u></b>	<b><u>\$667,909</u></b>

*Source:* Annual Comprehensive Financial Report and Auditor's Report, Jefferson City, Tennessee.

## **PENSION PLANS**

Employees of Jefferson City are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979 become vested after five years of service and members joining prior to July 1, 1979 were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapter 34-37 of the *Tennessee Code Annotated* (TCA). State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Jefferson City participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

For additional information of the funding status, trend information and actuarial status of the City's retirement programs, please refer to the appropriate Notes to the Financial Statements located in the General Purpose Financial Statements of the City found herein.

*[balance of the page left blank]*

**APPENDIX C**

**GENERAL PURPOSE FINANCIAL STATEMENTS**

**OF**

**CITY OF JEFFERSON CITY, TENNESSEE**

**FOR THE FISCAL YEAR ENDED**

**JUNE 30, 2024**

The General Purpose Financial Statements are extracted from the Financial Statements with Report of Certified Public Accountants of the City of Jefferson City for the fiscal year ended June 30, 2024 which is available upon request from the City.



**CITY OF JEFFERSON CITY, TENNESSEE**

**ANNUAL FINANCIAL REPORT**

**Fiscal Year Ended June 30, 2024**

**with**

**INDEPENDENT AUDITORS' REPORT**

**PREPARED BY:  
JEFFERSON CITY, TENNESSEE CITY RECORDER'S OFFICE**

CITY OF JEFFERSON CITY, TENNESSEE

ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2024

TABLE OF CONTENTS

	<u>Page</u>
<u>INTRODUCTORY SECTION</u>	
Letter of Transmittal	i – iii
List of Principal Officials	iv
<u>FINANCIAL SECTION</u>	
Independent Auditor's Report	1 – 3
Required Supplementary Information:	
Management's Discussion and Analysis	4 – 14
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	15 – 16
Statement of Activities	17
Fund Financial Statements:	
Balance Sheet – Governmental Funds	18
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	19
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	20
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	21
Budgetary Comparison Statement – General Fund	22
Statement of Net Position – Proprietary Fund – Water and Sewer Fund	23 – 24
Statement of Revenues, Expenses and Change in Net Position – Proprietary Fund – Water and Sewer Fund	25
Statement of Cash Flows – Proprietary Fund – Water and Sewer Fund	26
Notes to Basic Financial Statements	27 – 59
Required Supplementary Information:	
Schedule of Changes in the City's Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS	60
Schedule of the City's Contributions Based on Participation in the Public Employee Pension Plan of TCRS	61
Schedules of Changes in the City's Total OPEB Liability and Related Ratios	62
Notes to Required Supplementary Information	63

CITY OF JEFFERSON CITY, TENNESSEE

ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2024

TABLE OF CONTENTS (Continued)

	<u>Page</u>
<u>FINANCIAL SECTION (Continued)</u>	
Other Supplementary Information:	
Combining Balance Sheet – Nonmajor Governmental Funds	64
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	65
Budgetary Comparison Statement – Sanitation Fund	66
Budgetary Comparison Statement – State Street Aid Fund	67
Budgetary Comparison Statement – Drug Fund	68
Budgetary Comparison Report – General Fund	69 – 85
Budgetary Comparison Statement – Water and Sewer Fund	86
Schedule of Operating Expenses – Water and Sewer Fund	87 – 90
Schedule of General Long-Term Debt Principal and Interest Requirements – Governmental Activities	91 – 92
Schedule of Long-Term Debt Principal and Interest Requirements – Business-Type Activities	93 – 94
Schedule of Changes in Long-Term Debt by Individual Issue – Governmental and Business-Type Activities	95
Schedule of Water and Sewer Rates, Tap Fees and Number of Customers	96 – 97
Schedule of Changes in Property Taxes Receivable	98
Analysis of Tax Rates and Assessments	99
 <u>STATISTICAL SECTION</u>	
Schedule of General Government Expenditures by Function	100
Schedule of General Government Revenues by Source	101
Property Tax Levies and Collections	102
Assessed and Estimated Actual Value of Property	103
Property Tax Rates – All Overlapping Governments	104
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	105
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Expenditures	106
Revenue Bond Coverage	107
Demographic Statistics	108
Property Value and Construction	109
Schedule of Principal Taxpayers	110
Miscellaneous Statistics	111

CITY OF JEFFERSON CITY, TENNESSEE

ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2024

TABLE OF CONTENTS (Continued)

	<u>Page</u>
<u>INTERNAL CONTROL AND COMPLIANCE SECTION</u>	
Schedule of Expenditures of Federal Awards and State Financial Assistance	112
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	113
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 <i>Government Auditing Standards</i>	114 – 115
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance and Accompanying Schedule of Findings and Questioned Costs	116 – 119
Summary Schedule of Prior Audit Findings	120

## **INTRODUCTORY SECTION**



# CITY OF JEFFERSON CITY

MITCH CAIN, MAYOR

JAMES A. GALLUP, CITY MANAGER

December 27, 2024

The Honorable Mayor and Members of City Council  
City of Jefferson City  
Jefferson City, Tennessee

The office of the City Recorder and City Manager of the City of Jefferson City, Tennessee is pleased to submit the Annual Financial Report for the fiscal year ended June 30, 2024.

This report is published to provide the City Council, City staff, our citizens, our bondholders and other interested parties with detailed information concerning the financial condition and activities of the City government. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the city management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is organized in a manner designed to fairly present the financial position and results of operations of the City as measured by the financial activity of its various funds. We also believe that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

## THE REPORT

This report is presented in three sections: Introductory, Financial, and Statistical. The introductory section includes this transmittal letter and a listing of the City Officials. The financial section includes a Management's Discussion and Analysis (MD&A), basic financial statements, required supplementary information and other supplementary information, as well as the independent auditor's report on the basic financial statements. The MD&A is a narrative introduction, overview, and analysis to accompany the basic financial statements and can be found immediately following the report of the independent auditors. The statistical section includes financial and demographic information, usually presented on a multi-year basis that is relevant to a financial statement reader.

The Financial Section described above is prepared in accordance with generally accepted accounting principles for governments as prescribed by the Governmental Accounting Standards Board (GASB) and the State of Tennessee Comptroller of the Treasury.

## THE REPORTING ENTITY AND ITS SERVICES

### Location

The City of Jefferson City, Tennessee, with a population of 8,690, is located in the eastern region of the state, between two TVA reservoirs-Cherokee and Douglas Lakes. Carson-Newman University is located in the heart of the town. Jefferson City is only 25 miles from Knoxville and the University of Tennessee and 35 miles from Gatlinburg and the Great Smoky Mountain National Park. Jefferson City is accessible 7 miles via Interstate 40 and 12 miles via Interstate 81. Both U.S. Highway 11-E and State Highway 92 intersect through the center of town. It is 36 miles from McGehee-Tyson Airport and 7 miles from the Morristown Airport.

## City Organization

The City was incorporated in 1901 and operates under a private act charter with the Council-Manager form of government. The City Council is comprised of the Mayor and four Council members, who enact laws, determine policies and adopt the annual budget. The City Manager is appointed by City Council and is responsible for the daily management of the City. The basic financial statements of the City include all government activities, organizations and functions for which the City is financially accountable as defined by the GASB. Based on these criteria no other governmental organizations are included in this report.

## Financial Information

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's utilities are maintained on the accrual basis.

In developing and maintaining the City's accounting system, consideration is given to the adequacy of internal control structure. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognized that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The City charter provides that the City Council shall adopt the annual budget prepared by the City Manager. This budget is reviewed by the City Council and is formally adopted by the passage of a budget ordinance. The City Manager is authorized to transfer budgeted amounts among programs within a department; however, any provisions that alter the total expenditures of any fund must be approved by the City Council.

Budgetary control has been established at the individual fund level. Financial reports are produced showing budget and actual expenditures by line item, and are distributed monthly to the City Manager and the city department heads.

Individual line items are reviewed and analyzed for budgetary compliance. Capital assets are monitored and controlled item by item. Revenue budgets are reviewed monthly.

## Fund Descriptions

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operation of the funds is accounted for by a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, equity, revenues, and, as applicable, expenditures and expenses. The individual funds account for the governmental resources allocated to them for the purpose of carrying on specific activities in accordance with special regulations, restrictions, or limitations. The Funds used by the City are the following:

General Fund – serves as the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Proprietary Fund (Enterprise Fund) – used to account for ongoing activities that are similar to those in the private sector and fees are charged to external users for goods or services that the City provides.

The General Fund and the Water and Sewer Fund are the City's major funds, as determined by a percentage of assets, liabilities, revenues, or expenditures/expenses in relation to the totals of all funds in those categories.

#### Risk Management

The City is exposed to a variety of accidental losses and has established a risk management strategy that attempts to minimize losses and the carrying cost of insurance.

Risk control techniques have been established to reasonably ensure that the City's employees are aware of their responsibilities regarding loss exposures related to their duties. In a similar manner, risk control techniques have been established to reduce possible losses to property owned by or under the control of the City. Furthermore, supervisory personnel are held responsible for monitoring risk control techniques on an operational basis. The primary technique used in risk financing is the purchase of insurance policies from commercial insurers.

#### Independent Audit

The financial records, books of account, and the transactions of the City for the fiscal year ended June 30, 2024, have been audited by a firm of independent Certified Public Accountants, and their opinion is included in the Financial Section of this report.

The financial statements are the responsibility of the City. The responsibility of the Independent Certified Public Accountants is to express an opinion on the City's financial statements based on their audit. An audit is conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in *Government Auditing Standards*. Those standards require that the audit be planned and performed in a manner to obtain a reasonable assurance as to whether the financial statements are free of material misstatement.

#### Acknowledgments

The preparation of this report could not have been accomplished without the services of the entire staff of the City Recorder and the Water Department. Appreciation is expressed to those employees who were instrumental in the successful completion of this report. These individuals are:

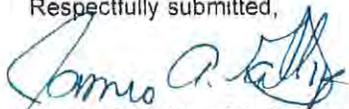
Holly Cox  
Heather Lee  
Porter Massengill

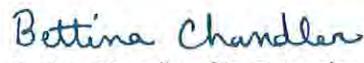
Emma Lawson  
Kim Carmichael  
Amie Hoffman

Amy Ballon  
Liebe Rice  
Robin Shook

We would like to thank the members of the City Council for their interest and support in planning and conducting the financial operation of the City in a responsible and progressive manner.

Respectfully submitted,

  
James A. Gallup, City Manager

  
Bettina Chandler, City Recorder

CITY OF JEFFERSON CITY, TENNESSEE

LIST OF PRINCIPAL OFFICIALS

June 30, 2024

CITY COUNCIL – ELECTED

Mitch Cain, Mayor  
Kevin Bunch, Vice-Mayor  
Ailene Combs  
Dennis "Rocky" Melton  
Shelia Purkey

CITY MANAGER – APPOINTED

James Gallup

CITY RECORDER – APPOINTED

Bettina Chandler (financial oversight responsibility)

**FINANCIAL SECTION**

# BROWN JAKE & McDANIEL, PC

CERTIFIED PUBLIC ACCOUNTANTS  
2607 KINGSTON PIKE, SUITE 110  
KNOXVILLE, TENNESSEE 37919-3336  
865/637-8600 • fax: 865/637-8601  
www.bjmpc.com

JOE L. BROWN, CPA, CGFM, CGMA  
FRANK D. McDANIEL, CPA, CGFM, CGMA  
TERRY L. MOATS, CPA, CGFM, CGMA  
JAMES E. BOOHER, CPA, CGMA  
HALEY S. SLAGLE, CPA, CGMA

MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

## Independent Auditor's Report

Mayor and City Council  
City of Jefferson City, Tennessee  
Jefferson City, Tennessee

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Jefferson City, Tennessee, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Jefferson City, Tennessee's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Jefferson City, Tennessee, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Jefferson City, Tennessee and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the 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 of Jefferson City, Tennessee's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Jefferson City, Tennessee's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we 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 on pages 4 – 14 and the required supplementary information on pages 60 – 63 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 City of Jefferson City, Tennessee's basic financial statements. The other supplementary information in the financial section and schedule of expenditures of federal awards and state financial

assistance, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections 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 December 20, 2024, on our consideration of the City of Jefferson City, Tennessee's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Jefferson City, Tennessee's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Jefferson City, Tennessee's internal control over financial reporting and compliance.

Brown Jake & McDaniel, PC

Knoxville, Tennessee  
December 20, 2024

**CITY OF JEFFERSON CITY, TENNESSEE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2024  
(Unaudited)**

*Our discussion and analysis of the City of Jefferson City, Tennessee's (the City) financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2024. Please read it in conjunction with the transmittal letter beginning on page i and the City's basic financial statements, which begin on page 15.*

**FINANCIAL HIGHLIGHTS**

*The City's net position increased by \$1,717,325 for the fiscal year ended June 30, 2024. Net position from governmental activities increased by \$749,962 or 2.80%; net position of our business-type activities increased by \$967,363 or 5.56%.*

*During the fiscal year ended June 30, 2024, the City's total governmental activities revenues generated through taxes, charges for services and grants and contributions exceeded expenses by \$749,962. For the preceding year, the governmental activities' revenues exceeded expenditures by \$1,186,057. The majority of the change was primarily attributable to the addition of four new employees (police officer, I.T. manager, recreation program coordinator, and street maintenance worker), police department increase in salaries and overtime by \$150,000 due to being understaffed because of job vacancies in the department and employees being out on workers comp, fire department salaries increased by \$100,000 due to employees being out on workers comp, fire department architectural design for the new fire substation costs increase by \$46,000, and street department paving and repairs increase by \$150,000 due to sinkholes.*

*For the City's only business-type activity, the water and sewer fund, revenues exceeded expenses by \$967,363 for the fiscal year ended June 30, 2024, as compared to revenues exceeded expenses by \$654,997 for the previous year. The operating income for the fiscal years ended June 30, 2024 and June 30, 2023 for the water and sewer fund was \$366,390 and \$260,657, respectively. The majority of the change was a result of slightly increased revenue for the rate increases for the wholesale water users for a partial year, increase in water sales due to residential and business development, and an increase in sewer charges due to increased residential development. Expenditures increased at the sewer plant by \$30,000 because of overtime costs due to staff shortages, water distribution water line repairs increased by \$40,000 due to old water line repairs, and water meters increased by \$25,000 due to increased residential development*

*The assets of the City plus deferred outflows of resources less liabilities and deferred inflows of resources equaled net position of \$45,905,579 at the close of*

*fiscal year 2024. Of this amount, \$17,587,031 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.*

*The total cost of all of the City's programs increased by \$3,695,867 or 21.69%. This is primarily attributable to all departments.*

*The resources available for appropriation were \$303,735 more than budgeted for the general fund primarily due to increased property tax collections, local and state sales tax, wholesale beer and liquor taxes, building permit fees and interest earnings. On the expenditure side, the City's management continued to stress controlling costs, and the actual expenditures for the general fund were less than the budgeted amounts by \$1,172,491 primarily due to departments staying within their budgets, salary adjustments for the retirements of the city recorder and the parks and recreation director, salary adjustments due to staff shortages in police and streets departments, and decreased health insurance costs due to staff shortages.*

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

*This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information and other supplemental and statistical information in addition to the basic financial statements themselves.*

### **Government-wide Financial Statements**

*The government-wide financial statements consist of the statement of net position and the statement of activities. They are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.*

*The statement of net position presents information on all the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.*

*The statement of activities presents information showing how the government's net position changed during fiscal year 2024. All changes in net position are reported as soon as the underlying event, giving rise to the change, occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused, vacation leave).*

*Both of these financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental*

activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works/highways and streets, sanitation, health/welfare/social services, culture and recreation and drug investigation and control. The City has only one business-type activity, the water and sewer fund. The government-wide financial statements can be found immediately following this Management's Discussion and Analysis.

### **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. Some funds are required to be established by State law and by bond covenants. However, the City establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories - governmental and proprietary - which use different accounting approaches.

### **Governmental Funds**

Governmental funds are used to account for the City's basic services and functions referred to above. The focus of governmental funds is on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs.

We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in the reconciliation at the bottom of the fund financial statements.

The City's governmental funds include the general fund, sanitation fund, state street aid fund, and drug fund. The general fund is the City's only major governmental fund as determined by a percentage of assets, liabilities, revenues, or expenditures/expenses in relation to the totals of all funds in those categories. All other governmental funds are combined in one column in the balance sheet and statement of revenues, expenditures, and changes in fund balances for governmental funds. Budgetary comparison statements for the City's major fund

*is also provided as part of the City's basic financial statements. Individual fund data for each of the nonmajor governmental funds is provided in the supplemental information section of the financial report.*

*The City adopts an annual appropriated budget for all governmental funds. Budgetary comparison statements for all governmental funds, and a detailed budgetary comparison report for the general fund have been provided to demonstrate budgetary compliance.*

*The basic governmental fund financial statements can be found immediately following the government-wide financial statements.*

### ***Proprietary Funds***

*The City maintains one proprietary fund type, an enterprise fund (water and sewer fund) which is used to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only providing more detail and additional information, such as cash flows. The basic proprietary fund financial statements follow the governmental fund financial statements in this annual financial report. The City adopts an annual budget for the water and sewer fund. A budgetary comparison statement and a schedule of operating expenses have been provided for the water and sewer fund in this report.*

### ***Notes to the Basic 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 basic financial statements can be found after the proprietary fund financial statements.*

### ***Other Information***

*In addition to the basic financial statements and accompanying notes, required supplementary information is included which presents information concerning the City's pension benefits provided to its employees. Required supplementary information can be found following the notes to the financial statements.*

*The combining statements for the nonmajor governmental funds, budgetary comparison statements for each of the governmental funds and the water and sewer fund, schedule of expenditures of federal awards and other schedules and statistical information are presented in the supplemental information section of this report. This supplemental information can be found after the required supplementary information.*

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

At June 30, 2024 and 2023, the City of Jefferson City's net position was as follows:

	Governmental-Type Activities		Business-Type Activities	
	2024	2023	2024	2023
<b><u>ASSETS</u></b>				
Current and other assets	\$ 42,950,371	\$ 41,176,087	\$ 6,445,715	\$ 6,509,629
Capital assets	17,147,585	17,702,203	30,874,597	30,380,131
<b>Total assets</b>	<b>60,097,956</b>	<b>58,878,290</b>	<b>37,320,312</b>	<b>36,889,760</b>
<b><u>DEFERRED OUTFLOWS</u></b>				
Deferred outflows	2,634,882	2,089,638	586,701	368,745
<b><u>LIABILITIES</u></b>				
Long-term liabilities	8,484,564	8,759,453	16,434,200	17,135,456
Other liabilities	587,883	256,785	2,908,667	2,586,497
<b>Total liabilities</b>	<b>9,072,447</b>	<b>9,016,238</b>	<b>19,342,867</b>	<b>19,721,953</b>
<b><u>DEFERRED INFLOWS</u></b>				
Deferred inflows	25,987,345	25,174,379	185,840	125,609
<b><u>NET POSITION</u></b>				
Net investment in capital assets	10,371,251	10,157,403	14,794,700	13,488,476
Restricted	578,204	930,081	2,574,393	2,583,658
Unrestricted	16,577,818	15,689,827	1,009,213	1,338,809
<b>Total net position</b>	<b>\$ 27,527,273</b>	<b>\$ 26,777,311</b>	<b>\$ 18,378,306</b>	<b>\$ 17,410,943</b>

Net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflows exceeded liabilities and deferred inflows by \$45,905,579 at the close of the fiscal year ended June 30, 2024. At the end of fiscal year 2024, the City has positive balances in all categories of net positions, both for the government as a whole, as well as for its separate governmental and business-type activities.

The largest portion of the City's net position reflects its net investment in capital assets, less any debt used to acquire those assets that is still outstanding. The

*City uses these capital assets to provide services to citizens; consequently these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.*

*An additional portion of the City's net position for governmental activities represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position for governmental activities, \$16,577,818, may be used to meet the government's ongoing obligations to citizens and creditors. The unrestricted net position of the water and sewer fund at the end of the year is \$1,009,213.*

*Following is a condensed financial comparison of revenues and expenses for the governmental and business-type activities for the fiscal years ended June 30, 2024 and 2023:*

	Governmental-Type Activities		Business-Type Activities	
	2024	2023	2024	2023
<b>Revenues</b>				
Program revenues				
Charges for services	\$ 1,749,998	\$ 1,686,719	\$ 5,596,655	\$ 5,050,911
Operating grants and contributions	2,680,877	546,086	-	-
Capital grants and contributions	-	75,000	732,600	654,194
General revenues				
Local sales taxes	5,093,262	5,020,928	-	-
Property taxes	2,487,593	2,488,250	-	-
Other	3,904,368	3,279,655	207,338	78,810
<b>Total revenues</b>	<b>15,916,098</b>	<b>13,096,638</b>	<b>6,536,593</b>	<b>5,783,915</b>
<b>Expenses</b>				
General government	2,704,500	2,605,355	-	-
Public safety	7,837,388	5,338,704	-	-
Public works/highways and streets	2,152,985	1,678,664	-	-
Sanitation	926,701	812,665	-	-
Health, welfare and social services	21,141	31,636	-	-
Culture and recreation	1,316,709	1,227,934	-	-
Drug investigation and control	26,901	17,162	-	-
Interest on long-term debt	179,811	198,461	-	-
Water and sewer utility	-	-	5,569,230	5,128,918
<b>Total expenses</b>	<b>15,166,136</b>	<b>11,910,581</b>	<b>5,569,230</b>	<b>5,128,918</b>
<b>Change in net position</b>	<b>749,962</b>	<b>1,186,057</b>	<b>967,363</b>	<b>654,997</b>
<b>Net position - beginning</b>	<b>26,777,311</b>	<b>25,591,254</b>	<b>17,410,943</b>	<b>16,755,946</b>
<b>Net position - ending</b>	<b>\$ 27,527,273</b>	<b>\$ 26,777,311</b>	<b>\$ 18,378,306</b>	<b>\$ 17,410,943</b>

*Major differences in revenues and expenses are explained as follows:*

**Governmental Activities**

*Revenues increased by \$2,819,460, primarily due to an increase in local sales taxes property taxes, building permit fees, interest earnings, and grant revenue (\$1.97M is Police VCIF Grant). Expenses increased by \$3,255,555, primarily due to four new employees (police officer, I.T. manager, recreation program coordinator, and street maintenance worker), police department radio equipment (VCIF Grant), civic engagement and building permit software for administration, architectural design for the new fire substation, and city shop forklift.*

*Accordingly, the change in net position is less than the change in the prior year by \$436,095.*

*To aid in the understanding of the Statement of Activities some additional explanation is given. Of particular interest is the format that is significantly different than a Statement of Revenues, Expenses, and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense) Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the City's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants. Some of the individual line item revenue categories reported for each function are:*

<i>General government – e.g., licenses and permits, charges for services, fines and forfeits, operating grants</i>	<i>\$ 512,812</i>
<i>Public safety – e.g., fire protection fees, accident reports, operating grants</i>	<i>2,648,488</i>
<i>Public Works – e.g., highway and street charges, operating grants</i>	<i>434,697</i>
<i>Sanitation</i>	<i>578,348</i>
<i>Culture and recreation – e.g., recreation service fees</i>	<i>196,244</i>
<i>Drug investigation and control – e.g., fines</i>	<i>60,276</i>

*All other governmental revenues are reported as general. It is important to note that all taxes are classified as general revenue even if restricted for a specific purpose.*

### **Business-type Activities**

*The City's water and sewer fund increased its net position by \$967,363 for the fiscal year ended June 30, 2024. This was because water and sewer rates both had a CPI increase of 3% for the year ended June 30, 2024, wholesale water rate increases for a partial year, increase in water sales due to residential and business development, and an increase in sewer charges due to increased residential development.*

### **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

*Governmental funds – The focus of the City's 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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.*

*At the end of the current fiscal year, the City of Jefferson City's governmental funds reported combined ending unassigned fund balances of \$13,822,642.*

*In the general fund final budget, the City budgeted for a decrease in the fund balance on a budget basis of \$811,870. The actual (budgetary basis) increase was \$664,361.*

*Total general fund actual (budgetary basis) revenue amounts were more than budgeted revenues by \$303,735. The majority of this difference was due to increased property tax and local sales tax revenues, wholesale beer and liquor tax revenues, building permits issued, and interest earnings.*

*The general fund's actual (budgetary basis) expenditures were \$1,172,491 less than budgeted amounts. This difference was spread over all of the City's functional areas as follows:*

<i>General Government</i>	<i>\$ 314,912</i>
<i>Public Safety</i>	<i>375,208</i>
<i>Public Works</i>	<i>192,593</i>
<i>Health, Welfare and Social Services</i>	<i>1,479</i>
<i>Culture and Recreation</i>	<i>288,299</i>

*In the sanitation fund final budget, the City budgeted for an increase in the fund balance on a budget basis of \$730. The actual (budgetary basis) increase was \$29,900. The difference was primarily due to an increase in garbage/recycling fees revenue and decreased expenditures for garbage/recycling, landfill, and fuel costs.*

*The City's state street aid fund's actual amounts showed an increase of revenues over expenditures in the amount of \$18,435; and the final budgeted amount was an*

increase of \$29,560. The difference was primarily due to a decrease in state gas tax collections and an increase in traffic control repair and maintenance.

## CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2024 amounted to \$48,022,182 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, equipment, infrastructure, and construction in progress.

Under the Governmental Accounting Standards Board Statement No. 34, governments were required to report infrastructure assets (roads, bridges, etc.) as capital assets and depreciate them. This requirement was to be implemented in phases by governments, depending on the government's size. Smaller governments, like the City, had the option of retroactively reporting its infrastructure assets or only reporting prospectively, from this point forward. The City decided to prospectively report its infrastructure assets meaning all infrastructure acquired during the fiscal year ended June 30, 2004 and forward is now shown as capital assets.

The capital asset additions in the governmental activities during the fiscal year ended June 30, 2024 include license plate readers, computers, and a sally port heater for the police department, various firefighting equipment, a heater for Nelson Merry Gym, a new gate closer for public works, a 4x4 quad vehicle and snow plow for streets, and a forklift for the city shop.

The water and sewer fund construction in progress included projects as of June 30, 2024, including a water storage tank, water treatment plant expansion and a sewer extension to the Jefferson City Industrial Park, and Chucky Pike intersection improvements (water and sewer utility relocate).

Capital assets of Jefferson City at June 30, 2024 were:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Land	\$ 2,089,376	\$ 245,317	\$ 2,334,693
Construction in Progress	145,773	1,110,932	1,256,705
Buildings and Improvements	23,052,808	41,429,016	64,481,824
Machinery and Equipment	7,874,278	6,678,705	14,552,983
Less: Accumulated Depreciation	<u>(16,014,650)</u>	<u>(18,589,373)</u>	<u>(34,604,023)</u>
<b>Capital Assets, Net</b>	<b><u>\$ 17,147,585</u></b>	<b><u>\$ 30,874,597</u></b>	<b><u>\$ 48,022,182</u></b>

*Additional information on the City's capital assets can be found in Note O in this report.*

### **DEBT ADMINISTRATION**

*At June 30, 2024, the City had a total bonded debt and notes payable of \$22,446,488. Of this amount, \$6,250,000 comprises bonded debt backed by the full faith and credit of the City, and \$15,819,566 represents bonds and notes secured by water and sewer revenues, as well as the full faith and credit of the City.*

#### **Outstanding Debt at June 30, 2024**

##### **Bonds and Notes Payable and Capital Lease Obligations**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<i>Bonds Payable</i>	\$ 6,250,000	\$ 6,745,000	\$ 12,995,000
<i>Notes Payable</i>	<u>376,922</u>	<u>9,074,566</u>	<u>9,451,488</u>
<b>Total</b>	<u>\$ 6,626,922</u>	<u>\$ 15,819,566</u>	<u>\$ 22,446,488</u>

*No new debt was issued during the fiscal year ended June 30, 2024.*

*Additional information of the City of Jefferson City's long-term debt can be found in Note P of this report.*

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

*General Fund Revenues for the year ending June 30, 2025 are budgeted to decrease by approximately \$1,489,000 as compared to the final 2024 budget amounts. Major line item increases/decreases (approximate amounts) include:*

- *Increase in property taxes*
- *Increase in local sales tax*
- *Increase in state shared taxes*
- *Decrease in grant revenue (1.9 M from VCIF grant)*

*General Fund Expenses (excluding transfers out) for the year ending June 30, 2025 are budgeted to decrease by approximately \$1,800,000, or 12.00% as compared to the 2024 budget amounts.*

**Major line item increases/decreases (approximate amounts) include:**

- **Decrease for police department equipment not budgeted**

**The 2025 budget for the Sanitation Fund shows an increase in budgeted transfers from the general fund to cover sanitation fund expenses in the amount of \$107,000. Budgeted expenditures for fiscal 2024 were down approximately \$28,000.**

**State Street Aid Fund revenues for the year ending June 30, 2025 shows a slight increase of \$1,920. Expenditures shows an increase of \$38,000, due to two snow plows, a snow plow attachment, and a salt spreader budgeted.**

**The Drug Fund's budgeted revenues for 2025 shows a slight increase from 2024 in the amount of \$2,720 due to increased revenues for Drug Fines. Expenditures are budgeted to decrease in the amount of \$19,000.**

**The Water/Sewer Fund budget for revenues shows an increase of approximately \$289,590. The majority of this increase is due to a 3% CPI increase in water and sewer rates and increased residential development. The budget for expenditures shows an increase of \$261,320 due to increased overall costs for running the Water Plant and the Wastewater Plant, and repairs to old water and sewer lines.**

**The property tax rate for the fiscal year ending June 30, 2025 is \$1.20 per \$100 of assessed valuation.**

#### **REQUESTS FOR INFORMATION**

**This financial report is designed to present users with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions concerning any of the information provided in this report or need additional financial information, contact the City Recorder's Office, 112 City Center Drive, Jefferson City, Tennessee 37760.**

## **BASIC FINANCIAL STATEMENTS**

The basic financial statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-wide financial statements
- Fund financial statements
  - Governmental funds
  - Budgetary Comparison Statement – General Fund
  - Proprietary (enterprise) fund – Water and Sewer Fund

In addition, the notes to basic financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

## CITY OF JEFFERSON CITY, TENNESSEE

## STATEMENT OF NET POSITION

June 30, 2024

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 15,724,287	\$ 2,967,541	\$ 18,691,828
Receivables:			
Property taxes, net of allowance of \$10,000	4,186,609	-	4,186,609
Customer accounts, net of allowance of \$6,054	-	813,597	813,597
Other	111,722	-	111,722
Leases	21,707,461	-	21,707,461
Due from other governments	590,591	110,393	700,984
Internal balances	20,209	(20,209)	-
Prepayments	314	-	314
Restricted assets:			
Cash and cash equivalents	583,135	2,574,393	3,157,528
Due from other governments	26,043	-	26,043
	<u>42,950,371</u>	<u>6,445,715</u>	<u>49,396,086</u>
Subtotal			
Capital assets:			
Land and construction in progress	2,235,149	1,356,249	3,591,398
Other capital assets, net of depreciation	14,912,436	29,518,348	44,430,784
	<u>17,147,585</u>	<u>30,874,597</u>	<u>48,022,182</u>
Total capital assets			
	<u>60,097,956</u>	<u>37,320,312</u>	<u>97,418,268</u>
<b>TOTAL ASSETS</b>			
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	187,807	-	187,807
Pension related	2,326,327	562,494	2,888,821
OPEB related	120,748	24,207	144,955
	<u>2,634,882</u>	<u>586,701</u>	<u>3,221,583</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>			

(Continued)

## CITY OF JEFFERSON CITY, TENNESSEE

STATEMENT OF NET POSITION  
(Continued)

June 30, 2024

	Governmental Activities	Business-type Activities	Total
<b>LIABILITIES</b>			
Accounts payable	\$ 526,012	\$ 459,915	\$ 985,927
Accrued liabilities	17,750	5,858	23,608
Accrued interest	15,305	12,531	27,836
Accrued payroll	132,250	31,107	163,357
Due to other governments	42,339	38,367	80,706
Revenue collected in advance	-	2,353,193	2,353,193
Customer deposits	-	7,696	7,696
Long-term liabilities:			
Due within one year:			
Bonds payable	485,000	295,000	780,000
Notes payable	108,122	445,077	553,199
Compensated absences	291,970	52,190	344,160
Due in more than one year:			
Bonds payable	5,914,412	6,710,331	12,624,743
Notes payable	268,800	8,629,489	8,898,289
Compensated absences	-	-	-
Net pension liability	367,162	91,790	458,952
Total OPEB liability	<u>1,049,098</u>	<u>210,323</u>	<u>1,259,421</u>
<b>TOTAL LIABILITIES</b>	<u>9,218,220</u>	<u>19,342,867</u>	<u>28,561,087</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unearned revenue - property taxes	3,734,617	-	3,734,617
Unearned revenue - leases	21,707,461	-	21,707,461
Deferred charge on refunding	13,485	-	13,485
Pension related	58,219	90,900	149,119
OPEB related	<u>473,563</u>	<u>94,940</u>	<u>568,503</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>25,987,345</u>	<u>185,840</u>	<u>26,173,185</u>
<b>NET POSITION</b>			
Net investment in capital assets	10,371,251	14,794,700	25,165,951
Restricted for:			
Sanitation	117,353	-	117,353
Street operations, maintenance, and projects	341,810	-	341,810
Drug enforcement	119,041	-	119,041
Capital projects	-	2,499,618	2,499,618
Debt service	-	74,775	74,775
Unrestricted	<u>16,577,818</u>	<u>1,009,213</u>	<u>17,587,031</u>
<b>TOTAL NET POSITION</b>	<u>\$ 27,527,273</u>	<u>\$ 18,378,306</u>	<u>\$ 45,905,579</u>

The accompanying notes to basic financial statements  
are an integral part of these financial statements.

CITY OF JEFFERSON CITY, TENNESSEE

STATEMENT OF ACTIVITIES

Fiscal Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 2,704,500	\$ 432,285	\$ 80,537	\$ -	\$ (2,191,678)	\$ -	\$ (2,191,678)
Public safety	7,837,388	356,863	2,291,625	-	(5,188,900)	-	(5,188,900)
Public works/highways and streets	2,152,985	125,982	308,715	-	(1,718,288)	-	(1,718,288)
Sanitation	926,701	578,348	-	-	(348,353)	-	(348,353)
Health, welfare and social services	21,141	-	-	-	(21,141)	-	(21,141)
Culture and recreation	1,316,709	196,244	-	-	(1,120,465)	-	(1,120,465)
Drug investigation and control	26,901	60,276	-	-	33,375	-	33,375
Debt service	179,811	-	-	-	(179,811)	-	(179,811)
Total governmental activities	15,166,136	1,749,998	2,680,877	-	(10,735,261)	-	(10,735,261)
Business-type activities:							
Water and sewer	5,569,230	5,596,655	-	732,600	-	760,025	760,025
Total government	\$ 20,735,366	\$ 7,346,653	\$ 2,680,877	\$ 732,600	(10,735,261)	760,025	(9,975,236)
General revenues:							
Local sales tax - county trustee					5,093,262	-	5,093,262
Real and personal property taxes					2,487,593	-	2,487,593
State sales tax					1,033,186	-	1,033,186
Wholesale beer and liquor taxes					615,483	-	615,483
Business taxes					355,782	-	355,782
Other taxes					137,660	-	137,660
Lease revenue					440,500	-	440,500
Interest earnings					1,096,927	148,323	1,245,250
Miscellaneous					224,830	59,015	283,845
Total general revenues					11,485,223	207,338	11,692,561
Change in net position					749,962	967,363	1,717,325
Net position - beginning					26,777,311	17,410,943	44,188,254
Net position - ending					\$ 27,527,273	\$ 18,378,306	\$ 45,905,579

The accompanying notes to basic financial statements are an integral part of these financial statements.

CITY OF JEFFERSON CITY, TENNESSEE  
BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2024

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 15,724,287	\$ -	\$ 15,724,287
Receivables:			
Property taxes, net of allowance of \$398,781	3,797,828	-	3,797,828
Other	111,721	-	111,721
Leases	21,707,461	-	21,707,461
Due from other funds	9,024	-	9,024
Due from other governments	590,591	-	590,591
Prepayments	314	-	314
Restricted assets -			
Cash and cash equivalents	-	583,135	583,135
Due from other funds	-	36,818	36,818
Due from other governments	-	26,043	26,043
<b>TOTAL ASSETS</b>	<b><u>\$ 41,941,226</u></b>	<b><u>\$ 645,996</u></b>	<b><u>\$ 42,587,222</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 470,185	\$ 55,827	\$ 526,012
Accrued liabilities	17,113	637	17,750
Accrued payroll	130,503	1,747	132,250
Due to other funds	16,609	9,024	25,633
Due to other governments	41,782	557	42,339
<b>Total liabilities</b>	<b><u>676,192</u></b>	<b><u>67,792</u></b>	<b><u>743,984</u></b>
Deferred inflows of resources:			
Unearned revenue - property taxes	3,734,617	-	3,734,617
Unearned revenue - leases	21,707,461	-	21,707,461
<b>Total deferred inflows of resources</b>	<b><u>25,442,078</u></b>	<b><u>-</u></b>	<b><u>25,442,078</u></b>
Fund balances:			
Nonspendable	314	-	314
Restricted	-	578,204	578,204
Committed	2,000,000	-	2,000,000
Unassigned	13,822,642	-	13,822,642
<b>Total fund balances</b>	<b><u>15,822,956</u></b>	<b><u>578,204</u></b>	<b><u>16,401,160</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b><u>\$ 41,941,226</u></b>	<b><u>\$ 645,996</u></b>	<b><u>\$ 42,587,222</u></b>

The accompanying notes to basic financial statements  
are an integral part of these financial statements.

## CITY OF JEFFERSON CITY, TENNESSEE

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION

June 30, 2024

Total fund balances of governmental funds			\$ 16,401,160
Amounts reported for governmental activities in the statements of net position are different because:			
Revenues are deferred in governmental funds when both the measurable and available criteria are not met under the modified accrual basis of accounting. Under the full accrual basis of accounting these revenues would be recognized when earned regardless of when they are received. In the statement of net position, management has estimated an allowance for doubtful accounts related to property taxes to be \$10,000 rather than the \$398,781 reported in the balance sheet of governmental funds.			
			388,781
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets at June 30, 2024 was \$33,162,235 and the accumulated depreciation was \$16,014,650.			
			17,147,585
Long-term liabilities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in the governmental funds but is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position. Long-term liabilities at June 30, 2024 consisted of:			
Bonds payable	\$ (6,250,000)		
Unamortized bond premiums	(149,412)		
Notes payable	(376,922)		
Compensated absences	(291,970)		
Net pension liability	(367,162)		
Total OPEB liability	(1,049,098)	(8,484,564)	
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in balance sheet of governmental funds.			
			(15,305)
Certain deferred outflows of resources and deferred inflows of resources are not available resources and, therefore, are not reported in the funds:			
Deferred charge on refunding	\$ 174,323		
Pension related	2,268,108		
OPEB related	(352,815)	2,089,616	
Total net position of governmental activities			<u>\$ 27,527,273</u>

The accompanying notes to basic financial statements  
are an integral part of these financial statements.

## CITY OF JEFFERSON CITY, TENNESSEE

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

Fiscal Year Ended June 30, 2024

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ 8,561,848	\$ -	\$ 8,561,848
Licenses and permits	216,421	-	216,421
Intergovernmental revenue	3,458,231	294,244	3,752,475
Charges for services	682,647	578,348	1,260,995
Fines and forfeits	225,561	47,001	272,562
Other income	1,787,074	3,444	1,790,518
Total revenues	<u>14,931,782</u>	<u>923,037</u>	<u>15,854,819</u>
Expenditures:			
General government	3,113,508	-	3,113,508
Public safety	7,806,262	-	7,806,262
Public works/highways and streets	1,682,767	278,434	1,961,201
Sanitation	-	897,688	897,688
Health, welfare and social services	21,141	-	21,141
Culture and recreation	1,297,608	-	1,297,608
Drug investigation and control	-	36,509	36,509
Total expenditures	<u>13,921,286</u>	<u>1,212,631</u>	<u>15,133,917</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,010,496</u>	<u>(289,594)</u>	<u>720,902</u>
Other financing sources (uses):			
Transfers in	-	349,240	349,240
Transfers out	(349,240)	-	(349,240)
Insurance recoveries	<u>3,105</u>	<u>-</u>	<u>3,105</u>
Total other financing sources (uses)	<u>(346,135)</u>	<u>349,240</u>	<u>3,105</u>
Net change in fund balances	664,361	59,646	724,007
Fund balances - beginning	<u>15,158,595</u>	<u>518,558</u>	<u>15,677,153</u>
Fund balances - ending	<u>\$ 15,822,956</u>	<u>\$ 578,204</u>	<u>\$ 16,401,160</u>

The accompanying notes to basic financial statements  
are an integral part of these financial statements.

## CITY OF JEFFERSON CITY, TENNESSEE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Fiscal Year Ended June 30, 2024

Net change in fund balances - governmental funds	\$ 724,007
--	------------

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays expense exceeds depreciation expense:

Depreciation expense	\$(1,353,594)	
Capital outlays	808,410	
Book value of assets disposed	(9,431)	(554,615)

Revenues in the statement of activities are presented on the accrual basis of accounting, when they are earned and measurable. Under the modified accrual basis of accounting used in governmental funds, revenues are recognized when they are earned, measurable and available. Therefore, revenues that do not provide current financial resources are not reported as revenues in governmental funds.

58,170

The issuance of long-term debt (e.g., bonds, notes) 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. Also, governmental funds report the effect of premiums or discounts on the issuance of debt when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

760,861

Bond premiums are amortized as interest income over the life of the debt in the statement of activities.

(2,059)

Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, under the accrual basis of accounting, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.

(35,883)

In the governmental funds, pension contributions are reported as an expenditure when they are due and payable. However, in the statement of activities, pension expense consists of reporting certain changes in the net pension liability (asset) of the government.

(153,551)

In the governmental funds, OPEB contributions are reported as an expenditure when they are due and payable. However, in the statement of activities, OPEB expense consists of reporting certain changes in the total OPEB liability (asset) of the government.

(46,968)

Change in net position - governmental activities	<u>\$ 749,962</u>
--	-------------------

The accompanying notes to basic financial statements  
are an integral part of these financial statements.

CITY OF JEFFERSON CITY, TENNESSEE  
BUDGETARY COMPARISON STATEMENT - GENERAL FUND

Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts		Variance- Favorable (Unfavorable)
	Original	Final	Actual	Adjustments to Budgetary Basis	
Revenues:					
Taxes	\$ 8,278,500	\$ 8,380,760	\$ 8,561,848	\$ -	\$ 181,088
Licenses and permits	188,400	192,260	216,421	-	24,161
Intergovernmental revenues	1,252,430	3,445,880	3,458,231	-	12,351
Charges for services	619,570	629,890	682,647	-	52,757
Fines and forfeits	188,000	206,000	225,561	-	19,561
Other income	1,060,520	1,773,257	1,787,074	-	13,817
<b>Total revenues</b>	<b>11,587,420</b>	<b>14,628,047</b>	<b>14,931,782</b>	<b>-</b>	<b>303,735</b>
Expenditures:					
General government	3,313,900	3,428,420	3,113,508	-	314,912
Public safety	5,635,910	8,181,470	7,806,262	-	375,208
Public works/highways and streets	1,276,160	1,875,360	1,682,767	-	192,593
Health, welfare and social services	21,950	22,620	21,141	-	1,479
Culture and recreation	1,466,230	1,585,907	1,297,608	-	288,299
<b>Total expenditures</b>	<b>11,714,150</b>	<b>15,093,777</b>	<b>13,921,286</b>	<b>-</b>	<b>1,172,491</b>
Revenues over (under) expenditures	(126,730)	(465,730)	1,010,496	-	1,476,226
Other financing sources (uses):					
Transfers out	(208,400)	(349,240)	(349,240)	-	-
Insurance recoveries	-	3,100	3,105	-	5
<b>Total other financing sources (uses)</b>	<b>(208,400)</b>	<b>(346,140)</b>	<b>(346,135)</b>	<b>-</b>	<b>5</b>
Net change in fund balance	(335,130)	(811,870)	664,361	-	1,476,231
Fund balance - beginning	15,158,595	15,158,595	15,158,595	-	-
<b>Fund balance - ending</b>	<b>\$ 14,823,465</b>	<b>\$ 14,346,725</b>	<b>\$ 15,822,956</b>	<b>\$ -</b>	<b>\$ 1,476,231</b>

The accompanying notes to basic financial statements  
are an integral part of these financial statements.

CITY OF JEFFERSON CITY, TENNESSEE  
 STATEMENT OF NET POSITION  
 PROPRIETARY FUND TYPE - WATER AND SEWER FUND

June 30, 2024

ASSETS

Current assets:

Cash and cash equivalents	\$ 2,967,541
Receivables - customer accounts, net of allowance of \$6,054.	813,597
Due from other governments	110,393
Restricted assets - cash and cash equivalents	<u>2,574,393</u>
Total current assets	<u>6,465,924</u>

Noncurrent assets:

Capital assets:

Land and construction in progress	1,356,249
Other capital assets, net of depreciation	<u>29,518,348</u>
Total noncurrent assets	<u>30,874,597</u>

Total assets	<u>37,340,521</u>
--------------	-------------------

DEFERRED OUTFLOWS OF RESOURCES

Pension related	562,494
OPEB related	<u>24,207</u>
Total deferred outflows of resources	<u>586,701</u>

(Continued)

## CITY OF JEFFERSON CITY, TENNESSEE

STATEMENT OF NET POSITION  
PROPRIETARY FUND TYPE - WATER AND SEWER FUND  
(Continued)

June 30, 2024

## LIABILITIES

## Current liabilities:

Accounts payable	\$ 459,915
Accrued liabilities	5,858
Accrued interest	12,531
Accrued payroll	31,107
Due to other governments	38,367
Due to other funds	20,209
Revenue collected in advance	2,353,193
Bonds payable	295,000
Notes payable	445,077
Compensated absences	<u>52,190</u>

Total current liabilities	<u>3,713,447</u>
---------------------------	------------------

## Noncurrent liabilities:

Customer deposits	7,696
Bonds payable	6,710,331
Notes payable	8,629,489
Net pension liability	91,790
Total OPEB liability	<u>210,323</u>

Total noncurrent liabilities	<u>15,649,629</u>
------------------------------	-------------------

Total liabilities	<u>19,363,076</u>
-------------------	-------------------

## DEFERRED INFLOWS OF RESOURCES

Pension related	90,900
OPEB related	<u>94,940</u>

Total deferred inflows of resources	<u>185,840</u>
-------------------------------------	----------------

## NET POSITION

Net investment in capital assets	14,794,700
Restricted for capital projects	2,499,618
Restricted for debt service	74,775
Unrestricted	<u>1,009,213</u>

Total net position	<u>\$ 18,378,306</u>
--------------------	----------------------

The accompanying notes to basic financial statements  
are an integral part of these financial statements.

## CITY OF JEFFERSON CITY, TENNESSEE

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUND TYPE - WATER AND SEWER FUND

Fiscal Year Ended June 30, 2024

Operating revenues:	
Charges for services	\$ 5,596,655
Miscellaneous	<u>59,015</u>
Total operating revenues	<u>5,655,670</u>
Operating expenses:	
Administrative and general	523,275
Insurance	432,040
Customer accounting and collecting	106,834
Purification and disposal	1,594,485
Transmission and collection	1,293,330
Shop and maintenance	19,244
Other operating expenses	55,807
Depreciation	<u>1,264,265</u>
Total operating expenses	<u>5,289,280</u>
Operating Income	<u>366,390</u>
Non-operating revenues (expenses):	
Interest earned	148,323
Interest expense	<u>(279,950)</u>
Total non-operating revenues (expenses)	<u>(131,627)</u>
Income before capital contributions	234,763
Capital contributions	<u>732,600</u>
Change in net position	967,363
Net position - beginning	<u>17,410,943</u>
Net position - ending	<u>\$ 18,378,306</u>

The accompanying notes to basic financial statements  
are an integral part of these financial statements.

## CITY OF JEFFERSON CITY, TENNESSEE

STATEMENT OF CASH FLOWS  
PROPRIETARY FUND TYPE - WATER AND SEWER FUND

Fiscal Year Ended June 30, 2024

Cash flows from operating activities:	
Receipts from customers	\$ 5,682,321
Payments to suppliers	(2,113,344)
Payments to employees	(1,489,511)
Net cash provided by operating activities	<u>2,079,466</u>
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(1,758,731)
Principal payments on long-term debt	(798,007)
Capital contributions	595,197
Interest paid on debt	(294,455)
Net cash used by capital and related financing activities	<u>(2,255,996)</u>
Cash flows from investing activities:	
Cash paid to other funds	(1,800)
Interest earned on short-term investments	148,323
Net cash provided by investing activities	<u>146,523</u>
Net decrease in cash and cash equivalents	(30,007)
Cash and cash equivalents - beginning	<u>5,571,941</u>
Cash and cash equivalents - ending	<u>\$ 5,541,934</u>
Cash and cash equivalents - unrestricted	\$ 2,967,541
Cash and cash equivalents - restricted	<u>2,574,393</u>
Cash and cash equivalents - ending	<u>\$ 5,541,934</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 366,390
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	1,264,265
(Increase) decrease in assets and deferred outflows of resources:	
Accounts receivable	(51,427)
Prepayments	73,838
Net pension asset	72,622
Deferred outflows related to pension and OPEB	(217,956)
Increase (decrease) in liabilities and deferred inflows of resources:	
Accounts payable	378,773
Accrued expenses	5,858
Accrued payroll	4,540
Amount due to other governments	11,831
Compensated absences	562
Net pension liability	91,790
Total OPEB liability	18,149
Deferred inflows related to pension and OPEB	60,231
Net cash provided by operating activities	<u>\$ 2,079,466</u>

The accompanying notes to basic financial statements  
are an integral part of these financial statements.

CITY OF JEFFERSON CITY, TENNESSEE  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction

The City of Jefferson City, Tennessee (the City) was chartered under the laws of the State of Tennessee. The citizens of the City elect the mayor and four council members at large to serve as city council. All legislative powers and duties of the City rest with the city council. The city council appoints the city manager who is the chief administrative officer of the City.

The financial statements of the City are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the city are discussed below.

Financial Reporting Entity

Generally accepted accounting principles require that the financial reporting entity for governments include (1) the primary government, (2) organizations for which the City is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The criteria for including organizations for which the City is financially accountable, also known as component units, within the City's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the City holds the corporate powers of the organization
- the City appoints a voting majority of the organization's board
- the City is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the City
- there is fiscal dependency by the organization on the City

Based on the aforementioned criteria, the management of the City has determined that it has no component units.

Joint Venture/Leases

The City is a participant with Jefferson County in a joint venture to own the property, plant and equipment of the Jefferson Memorial Hospital, a health facility. The City and County entered into an agreement dated February 28, 1997 with Jefferson Memorial Hospital, Inc., a not-for-profit corporation and St. Mary's Health System, Inc., a not-for-profit corporation to lease the property, plant, equipment, and net working capital of Jefferson Memorial Hospital. This lease agreement was subsequently amended on February 5, 1998 and July 20, 1999 due to increases in estimated costs in construction of the new hospital from \$15 Million to \$19.9 Million. Effective October 1, 2011, this lease was assigned by St. Mary's Health Systems, Inc. to Knoxville HMA Holdings, LLC. The lessee has full administrative and operational control of Jefferson Memorial Hospital. The City and Jefferson County have formed a lease oversight board, The Jefferson Healthcare

CITY OF JEFFERSON CITY, TENNESSEE  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Joint Venture/Leases (Continued)

Foundation Board, to oversee the administration of the lease and the hospital in the event of lease termination. The Board consists of seven members, three appointed by the City, three appointed by the County, and one member of the hospital staff.

The lessee was responsible for paying rent to the county trustee in the amount of \$125,000 per month under the terms of the original agreement. Amendments to the original lease agreement provided that the City and County repay the lessee for \$1.7 Million in increased estimated costs on the date of the opening of the hospital. This payment was made from funds held by the county trustee. Also, the lessee is to receive credit of \$1.6 Million against future rental payments due during the initial term of the lease in consideration of the additional \$3.2 Million expenditure for the hospital. In addition, the lessee is paying to the county trustee the principal and interest payments on the outstanding bonds and notes of the hospital. Management of these rental funds rests with the lease oversight board.

Jefferson County and the City of Jefferson City, Tennessee are lessors of a noncancellable lease of ground and hospital located in Jefferson County. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease and all extension options that are expected to be exercised. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

CITY OF JEFFERSON CITY, TENNESSEE  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pension Plan

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

Recently Issued and Adopted Accounting Pronouncements

GASB has issued the following recent pronouncements that are effective in the current year:

Statement No. 100, "Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62."  
Implementation Guide No. 2023-1, "Implementation Guidance Update—2023."

Adoption of these pronouncements has had no effect on the City's financial statements.

NOTE B – BASIC FINANCIAL STATEMENTS - 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 nonfiduciary activities of the government. For the most part, the effect of 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 and indirect costs of a given function, or segment, are offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Indirect expenses* are those costs that are allocated to functions and activities in accordance with the City's indirect cost allocation plan. The "Expenses" column includes both direct and indirect expenses.

*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 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 and proprietary funds. The City has no fiduciary funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements. Reconciliations are provided that convert the results of governmental fund accounting to the government-wide financial statements.

CITY OF JEFFERSON CITY, TENNESSEE  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

NOTE C – MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual – Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements are presented on the accrual basis of accounting. Property taxes are reported in the period for which they are levied. Other nonexchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements have been met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual – The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Property tax revenues are recognized in the period for which levied provided they are also available. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

Government–Wide and Proprietary Fund Net Position

Equity is classified as net position and displayed in the following three components:

Net investment in capital assets – Consists of net capital assets (capital assets reduced by accumulated depreciation) reduced by outstanding balances of any related debt obligations and deferred inflows or resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

Restricted – Consists of net position restricted for a particular purpose. Restrictions are imposed by outside sources or external parties, such as lenders, grantors, contributors, laws, regulations and enabling legislation, including self-imposed legal mandates, less any related liabilities and deferred inflows of resources.

Unrestricted – All other net position that does not meet the description of the above categories and is available for general use by the City.

CITY OF JEFFERSON CITY, TENNESSEE  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

NOTE C – MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (Continued)

Fund Financial Statements

The City's accounts are organized on the basis of funds each of which is considered a separate accounting entity. The transactions of each fund are accounted for with a separate set of self-balancing accounts that include its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

As discussed above, governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting which recognizes revenues when both "measurable and available." Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay liabilities of the current period.

For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Major revenue sources susceptible to accrual include: real and personal property taxes, sales and use taxes, franchise fees, intergovernmental revenues, and investment income.

See "Taxes Receivable / Tax Revenue" below for further property tax information. All other revenue items are considered to be measurable and available only when cash is received by the government.

Governmental Funds

The City classifies fund balances under the provisions of (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Fund balances are displayed in the following five components, if applicable:

Nonspendable – Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Consists of fund balance for which constraints are placed thereon by outside sources or external parties, such as lenders, grantors, contributors, laws, regulations, and enabling legislation, including self-imposed legal mandates, less any related liabilities.

Committed – Amounts that can be used only for specific purposes determined by a formal action of the Jefferson City Council's highest level of decision-making authority (passage of an ordinance).

Assigned – Assignment of fund balances are done by authority of the City Council.

Unassigned – All amounts not included in other spendable classifications.

CITY OF JEFFERSON CITY, TENNESSEE  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 (Continued)

NOTE C – MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (Continued)

Governmental Funds (Continued)

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.

The City's governmental fund types include the following:

*General Fund* – the City's primary operating fund. It is used to account for all financial resources of the general government, except those required to be accounted for in other funds.

*Special Revenue Funds* – used to account for revenues that are legally restricted to expenditures for specific purposes. The City's special revenue funds include the Sanitation Fund, State Street Aid Fund and Drug Fund.

Proprietary funds use the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determination of net income, financial position, and cash flows. All assets and liabilities (including long-term debt) associated with a proprietary fund's activities are included on its balance sheet. Proprietary fund equity is segregated into restricted, unrestricted and reserved for a specific purpose. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

Proprietary Funds

The City has one enterprise fund – the Water and Sewer Fund. The principal operating revenues of the City's enterprise fund are charges to customers for sales. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

Major Funds and Fund Balance

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and business-type activities combined), for the determination of major funds. The governmental entity's general fund is always considered a major fund. Based on the criteria set forth in GASB 34, the City of Jefferson City has two major funds – the General Fund, and the Water and Sewer Fund.

The City adopted a fund balance policy in June of 2013 which established a reserve called "Financial Stabilization Fund" which is a commitment of fund balance for governmental funds as defined by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The amount of this reserve is \$2,000,000. This reserve protects against service

CITY OF JEFFERSON CITY, TENNESSEE  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

NOTE C – MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (Continued)

Major Funds and Fund Balance (Continued)

reductions or tax increases because of temporary revenue shortfalls or unanticipated one-time expenditures. The reserve may be used to address unanticipated revenue shortfalls or unforeseen expenditures, providing a first defense against deficit spending and helping to maintain liquidity when budgeted averages become inevitable. To use these funds, there must be an appropriation by a vote of the City Council. The financial stabilization fund shall not be used to fund new programs or positions added outside of the current year budget.

NOTE D – BUDGET POLICY AND PRACTICE

The city manager submits an annual operating budget for all departments and annual capital budget update to the city council at least 60 days before the beginning of the fiscal year which has to be adopted before the end of the current fiscal year. Adoption of the budget constitutes appropriations of the amounts included as expenditures from the funds indicated and constitutes a levy of the proposed property tax. Once approved, the City Council may amend the legally adopted budget, making supplemental appropriations if excess revenues are available or reducing appropriations if it appears probable that revenues will be insufficient to meet the amount appropriated.

Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department and class. Expenditures may not exceed appropriations. The city manager has the authority to transfer part or all of any unencumbered appropriation balance among programs within a department, office or agency; however, city council must approve transfer of part or all of any unencumbered appropriation balance from one department, office, or agency to another.

Unexpended appropriations for annually budgeted funds lapse at the end of the fiscal year, to the extent that it has not been expended or encumbered. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted revenues first, then unrestricted resources as they are needed.

NOTE E – CASH AND CASH EQUIVALENTS

For purposes of the City's statement of cash flows for the Water and Sewer Fund, cash and cash equivalents include cash on hand, demand deposit accounts, certificates of deposit, money market accounts, deposits in the Local Government Investment Pool and all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

CITY OF JEFFERSON CITY, TENNESSEE  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 (Continued)

NOTE F – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2024 is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Sanitation Fund	Water and Sewer Fund	\$ 20,209
Drug Fund	General Fund	16,609
General Fund	State Street Aid Fund	8,961
General Fund	Sanitation Fund	<u>63</u>
Total due to/from other funds		<u>\$ 45,842</u>

The all of the amounts due above result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur and payments between funds are made.

Interfund transfers for the year ended June 30, 2024 consisted of the following:

<u>Transfers to:</u>	<u>Transfers from:</u>	<u>Total</u>
	<u>General Fund</u>	<u>Transfers</u>
Sanitation Fund	\$ 349,240	\$ 349,240
Total Transfers	<u>\$ 349,240</u>	<u>\$ 349,240</u>

Transfers are to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE G – TAXES RECEIVABLE / TAX REVENUE

Property tax assessments made by the county tax assessor are adopted by the city, and the city council sets the tax rate which is applied to the assessed value. The resulting property taxes become payable on and after October 1 in the year for which assessed and become delinquent on March 1 of the following year. The property taxes, including penalties and interest, create a lien on the assessed property, and the City may foreclose against the property to obtain the amounts due.

CITY OF JEFFERSON CITY, TENNESSEE  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 (Continued)

NOTE G – TAXES RECEIVABLE / TAX REVENUE (Continued)

The City recognizes property tax revenue in its general fund financial statement during the fiscal year in which the property taxes are levied. The entire amount of the levy is recognized as revenue, and then at year end the amount not collected during the year or within 60 days after the fiscal year-end (but deemed collectible) is reclassified as allowance for uncollectible taxes. The City has \$398,781 in the allowance for uncollectible taxes at June 30, 2024.

The City records a receivable for property taxes that are levied in October following the end of the June 30 fiscal year end. The City does not recognize revenue from these taxes until the next fiscal year; therefore, these amounts are reported as deferred inflows of resources, unearned revenue – property taxes.

NOTE H – RESTRICTED ASSETS

The use of certain assets is restricted by specific provisions of bond resolutions or enabling legislation. Assets so designated are identified as restricted assets on the statement of Net Position since their use is limited. The City's Water and Sewer Fund includes a restricted debt service reserve account and a retainage escrow account which are required by loan agreements. The City's other restricted cash is held in the Sanitation Fund, State Street Aid Fund and Drug Fund.

NOTE I – UTILITY RECEIVABLES

Water and sewer operating revenues are generally recognized on the basis of cycle billings rendered monthly. The City records estimated revenues for services rendered during the current fiscal year which will not be billed until the next fiscal year.

NOTE J – ACCOUNTING FOR CAPITAL ASSETS

Capital assets, including property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Property, plant, and equipment with initial, individual costs that equal or exceed \$5,000 and estimated useful lives of over one year are recorded as capital assets. Capital 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 cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method. When fixed assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

Estimated useful lives, in years, for depreciable assets are as follows:

Buildings	10-40 years
Improvements	20-50 years
Mobile Equipment	5-7 years
Furniture, fixtures, and equipment	5-10 years

CITY OF JEFFERSON CITY, TENNESSEE  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 (Continued)

NOTE J – ACCOUNTING FOR CAPITAL ASSETS (Continued)

The provisions of GASB Statement No. 34 require that the City report all capital assets in the government-wide financial statements. Capital assets include infrastructure assets. Infrastructure assets are distinguished from other capital assets because they normally can be maintained in a condition that will allow them to be used longer than most other capital assets and are stationary in nature. Examples of infrastructure assets include roads, highways and bridges. GASB Statement No. 34 allows small governments (less than \$10 million in revenue) to elect not to implement the retroactive reporting for general infrastructure assets.

The management of the City of Jefferson City decided not to retroactively report infrastructure assets; therefore, the City began reporting infrastructure assets prospectively (from the year ended June 30, 2004 forward).

NOTE K – COMPENSATED ABSENCES

Full-time, permanent employees are granted vacation benefits, which can accumulate to a maximum of thirty days, according to the following schedule:

<u>Term of Full-Time Service</u>	<u>Vacation Benefits</u>
Less than thirty-six months	One day per month
Thirty-six months or more	One and one-half days per month

Employees who have passed their six-month probationary period are vested in their vacation benefits and receive these amounts when terminated from employment.

The cost of vacation leave for City employees is recorded as a liability in the government-wide Statement of Net Position. At June 30, 2024, this amount was \$291,970 for general government employees and \$52,190 for water and sewer employees.

Sick leave accumulates for full-time permanent employees at a rate of eight hours of sick leave for each thirty days of service, not to exceed thirty days. Sick leave does not vest with the employee, and therefore, is not accrued in the government-wide financial statements.

NOTE L – USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

CITY OF JEFFERSON CITY, TENNESSEE  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 (Continued)

NOTE M – CASH

Cash in checking and savings accounts is carried at cost. All of the City's cash at June 30, 2024 was maintained in accounts in financial institutions. The City's cash at June 30, 2024 consisted of the following:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Cash on hand	\$ 3,375	\$ -	\$ 3,375
Interest bearing bank accounts	<u>18,688,453</u>	<u>3,157,528</u>	<u>21,845,981</u>
	<u>\$ 18,691,828</u>	<u>\$ 3,157,528</u>	<u>\$ 21,849,356</u>

The banks were all FDIC insured which provided \$250,000 of coverage; certain of the banks within the State of Tennessee are also participants in the Bank Collateral Pool, which will cover deposits exceeding the FDIC coverage amounts, as long as the bank accounts are designated as accounts of a governmental entity. In addition some banks have securities pledged as collateral to secure the deposits of the City. Jefferson City's deposits at June 30, 2024 are entirely insured or collateralized with securities held by the City or by the City's agent in the City's name.

NOTE N – LEASE RECEIVABLES

The City is reporting leases receivable of \$21,707,461 at June 30, 2024. For the fiscal year ended June 30, 2024, the City reported lease revenue of \$440,500 and interest of \$411,502 in the general fund as follows:

<u>Lease</u>	<u>Lease Receivable</u>	<u>Lease Revenue</u>	<u>Lease Interest Revenue</u>
Hospital	\$ 21,626,236	\$ 440,028	\$ 409,974
Grounds	<u>81,225</u>	<u>472</u>	<u>1,528</u>
Total	<u>\$ 21,707,461</u>	<u>\$ 440,500</u>	<u>\$ 411,502</u>

*Hospital Lease* - On February 28, 1997, the City entered into a lease agreement with an initial term of fourteen years. The lease was subsequently amended to include an additional ten years with three ten-year option periods. The current lessee is Tennova Healthcare for the lease of real property that is part of the Jefferson Memorial Hospital. Based on this agreement, the City is receiving monthly payments through 2031. There are two additional renewal option periods of ten years each through 2051 included in this lease agreement.

CITY OF JEFFERSON CITY, TENNESSEE  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

NOTE N – LEASE RECEIVABLES (Continued)

*Grounds Lease* - On February 3, 2000, the City entered into a lease agreement with an initial term of seventy-five years. The current lessee is Tennova Healthcare for the lease of real property that is part of the Jefferson Memorial Hospital. Based on this agreement, the City is receiving monthly payments through 2075. There is a renewal option period of twenty-five years through 2100 included in this lease agreement.

NOTE O – CAPITAL ASSETS

Changes in Capital Assets

A summary of changes in capital assets for governmental activities follows:

Governmental Activities	Beginning Balance 07/01/2023	Increases	Transfer	Decreases	Ending Balance 06/30/2024
Capital Assets, Not Being Depreciated:					
Land	\$ 2,089,376	\$ -	\$ -	\$ -	\$ 2,089,376
	<u>-</u>	<u>145,773</u>	<u>-</u>	<u>-</u>	<u>145,773</u>
Total Capital Assets, Not Being Depreciated	<u>2,089,376</u>	<u>145,773</u>	<u>-</u>	<u>-</u>	<u>2,235,149</u>
Capital Assets, Being Depreciated:					
Buildings and Improvements	15,348,070	9,608	-	100,000	15,257,678
Improvements other than Buildings	7,795,129	-	-	-	7,795,129
Equipment/Vehicles	7,246,453	653,029	81,500	106,704	7,874,278
Total Capital Assets, Being Depreciated	<u>30,389,652</u>	<u>662,637</u>	<u>81,500</u>	<u>206,704</u>	<u>30,927,085</u>
Less Accumulated Depreciation For:					
Buildings	6,524,951	331,846	-	100,000	6,756,797
Improvements other than Buildings	2,465,039	442,651	-	-	2,907,690
Equipment/Vehicles	5,786,835	579,097	81,500	97,270	6,350,162
Total Accumulated Depreciation	<u>14,776,825</u>	<u>1,353,594</u>	<u>81,500</u>	<u>197,270</u>	<u>16,014,649</u>
Total Capital Assets Being Depreciated, Net	<u>15,612,827</u>	<u>(690,957)</u>	<u>-</u>	<u>9,434</u>	<u>14,912,436</u>
Governmental Activities Capital Assets, Net	<u>\$ 17,702,203</u>	<u>\$ (545,184)</u>	<u>\$ -</u>	<u>\$ 9,434</u>	<u>\$ 17,147,585</u>

The following is a summary of governmental activities depreciation expense by function:

Governmental Activities	
General Government	\$ 69,622
Public Safety	591,143
Public Works/Highways and Streets	491,938
Sanitation	31,061
Culture/Recreation	<u>169,830</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,353,594</u>

CITY OF JEFFERSON CITY, TENNESSEE  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

NOTE O – CAPITAL ASSETS (Continued)

Changes in Capital Assets (Continued)

The following shows the changes in capital assets of business-type activities (Water and Sewer Fund):

Business-type Activities Water and Sewer Fund	Beginning Balance 07/01/2023	Increases	Transfer	Decreases	Ending Balance 06/30/2024
Capital Assets, Not Being Depreciated:					
Land	\$ 245,317	\$ -	\$ -	\$ -	\$ 245,317
Construction in Progress	158,128	952,804	-	-	1,110,932
Total Capital Assets, Not Being Depreciated	403,445	952,804	-	-	1,356,249
Capital Assets, Being Depreciated:					
Buildings and Improvements	41,232,216	196,800	-	-	41,429,016
Machinery and Equipment	6,183,127	609,127	(81,500)	32,049	6,678,705
Total Capital Assets, Being Depreciated	47,415,343	805,927	(81,500)	32,049	48,107,721
Less Accumulated Depreciation For:					
Buildings and Improvements	13,908,964	879,700	-	-	14,788,664
Machinery and Equipment	3,529,693	384,565	(81,500)	32,049	3,800,709
Total Accumulated Depreciation	17,438,657	1,264,265	(81,500)	32,049	18,589,373
Total Capital Assets Being Depreciated, Net	29,976,686	(458,338)	-	-	29,518,348
Water and Sewer Capital Assets, Net	<u>\$ 30,380,131</u>	<u>\$ 494,466</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,874,597</u>

The following is a summary of business-type activities depreciation expense by function:

Business-type activities:

Water/Sewer Fund \$1,264,265

Summary of Capital Assets

The following summarizes "Capital Assets, net" found on the Statement of Net Position for governmental activities and business-type activities:

	Governmental Activities	Business-type Activities	Total
Land	\$ 2,089,376	\$ 245,317	\$ 2,334,693
Construction in Progress	145,773	1,110,932	1,256,705
Buildings and Improvements	23,052,807	41,429,016	64,481,823
Machinery and Equipment	7,874,278	6,678,705	14,552,983
Less: Accumulated Depreciation	(16,014,649)	(18,589,373)	(34,604,022)
Capital Assets, Net	<u>\$ 17,147,585</u>	<u>\$ 30,874,597</u>	<u>\$ 48,022,182</u>

CITY OF JEFFERSON CITY, TENNESSEE  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

NOTE P – LONG-TERM DEBT

The City's outstanding long-term debt, including general obligation bonds and notes payable issued by the City for various municipal improvements, is approved by the city council. These bonds and notes are backed by the full faith and credit of the City. The City is in compliance with all significant requirements of the various bond covenants. In the event of default, outstanding amounts are to become due if the City is unable to cure/remedy the default under the terms of each debt agreement. The notes and bonds payable for the enterprise fund (water and sewer) are collateralized by a pledge of sufficient water and sewer department revenues, after deduction of current operating expenses. The City also has pledged its authority to increase ad valorem taxes to pay any deficit. The notes payable through the Tennessee Health Program are collateralized with a pledge of the City's state shared tax revenues. These loans also require debt service reserve accounts.

Schedule of Changes in Long-Term Debt

The following is a schedule of changes in the City's long-term debt for the fiscal year ended June 30, 2024:

	Balance 7/1/2023	Additions	Reductions	Balance 6/30/2024	Due Within One Year	Long-Term Portion
<b>Governmental Activities:</b>						
Bonds payable	\$ 6,730,000	\$ -	\$ 480,000	\$ 6,250,000	\$ 485,000	\$ 5,765,000
Bond premium	162,455	-	13,043	149,412	-	149,412
Sub-total bonds payable	6,892,455	-	493,043	6,399,412	485,000	5,914,412
Notes payable	652,346	-	275,424	376,922	108,122	268,800
Compensated absences	257,258	296,027	261,315	291,970	291,970	-
<b>Governmental Activities Long-Term Liabilities</b>	<b>\$ 7,800,888</b>	<b>\$ 296,027</b>	<b>\$ 1,029,782</b>	<b>\$ 7,068,304</b>	<b>\$ 885,092</b>	<b>\$ 6,183,212</b>
<b>Business-type Activities:</b>						
<b>Water and Sewer Fund:</b>						
Bonds payable	\$ 7,035,000	\$ -	\$ 290,000	\$ 6,745,000	\$ 295,000	\$ 6,450,000
Bond premium	274,081	-	13,750	260,331	-	260,331
Sub-total bonds payable	7,309,081	-	303,750	7,005,331	295,000	6,710,331
Notes payable	9,582,573	-	508,007	9,074,566	445,077	8,629,489
Compensated absences	51,628	55,812	55,250	52,190	52,190	-
<b>Business-type Activities Long-Term Liabilities</b>	<b>\$ 16,943,282</b>	<b>\$ 55,812</b>	<b>\$ 867,007</b>	<b>\$ 16,132,087</b>	<b>\$ 792,267</b>	<b>\$ 15,339,820</b>

CITY OF JEFFERSON CITY, TENNESSEE  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 (Continued)

NOTE P – LONG-TERM DEBT (Continued)

Bonds and notes payable at June 30, 2024 consisted of individual issues as follows:

Governmental Activities

Bonds payable:

General Obligation Refunding Bonds, Series 2017, due in annual principal installments of \$370,000 to \$485,000 through June 1, 2035. Interest is due semi-annually on June 1 and December 1 at rates ranging from 2.00% to 3.00%.	\$4,670,000
--	-------------

General Obligation Refunding Bonds, Series 2021, due in annual principal installments of \$110,000 to \$115,000 through June 1, 2038. Interest is due semi-annually on June 1 and December 1 at rates ranging from 1.50% to 2.00%.	<u>1,580,000</u>
--	------------------

Sub-total bonds payable	<u>6,250,000</u>
-------------------------	------------------

Notes payable:

Note payable to a bank dated November 29, 2021, for the purchase of three police vehicles. Principal and interest due in annual installments of \$30,901 through November 29, 2024. Interest rate is 2.25%.	30,222
---	--------

Capital Outlay Note payable to the Tennessee Municipal Bond Fund dated September 15, 2022, for the purchase of police vehicles. Principal and interest due in annual installments of \$61,328 through September 1, 2026. Interest rate is 3.66%.	174,000
--	---------

Capital Outlay Note, Series 2022B payable to a bank dated December 16, 2022, interest at 4.03% due semi-annually with principal due annually on June 1 through June 1, 2034.	<u>172,700</u>
--	----------------

Sub-total notes payable	<u>376,922</u>
-------------------------	----------------

Total governmental activities	<u>\$6,626,922</u>
-------------------------------	--------------------

CITY OF JEFFERSON CITY, TENNESSEE  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

NOTE P – LONG-TERM DEBT (Continued)

Business-Type Activities Long-Term Debt

Bonds payable:

\$6,450,000 Water and Sewer General Obligation Refunding Bonds dated December 4, 2020, due in annual payments ranging from \$215,000 to \$255,000 through June 2045. Interest is due semi-annually on June 1, and December 1 at interest rates ranging from 1.25% to 3.00%.	\$ 5,605,000
\$2,315,000 Water and Sewer General Obligation Refunding Bonds dated November 10, 2021, due in annual payments ranging from \$70,000 to \$90,000 through June 2038. Interest is due semi-annually on June 1, and December 1 at interest rates ranging from 1.50% to 2.00%	<u>1,140,000</u>
Sub-total bonds payable	<u>6,745,000</u>

Notes payable:

\$1,353,800 State of Tennessee Public Health Loan, administered by the Tennessee Local Development Authority, due in monthly installments of \$6,290, including interest at 1.10% through July 2024.	6,276
\$5,000,000 State of Tennessee Public Health Loan, administered by the Tennessee Local Development Authority, due in monthly installments of \$22,529, including interest at 0.79% through December 2029.	1,776,578
\$3,065,000 Water and Sewer Revenue and Tax Bonds, Series 2012A via USDA Rural Development dated May 26, 2016, due in monthly installments of \$14,828, including principal and interest at a rate of 2.75% through December 2053.	2,706,487
\$4,483,000 Water and Sewer USDA Rural Development Loan dated May 12, 2021, due in monthly installments of \$12,149, including principal and interest at a rate of 1.375% through May 2061.	4,218,125
\$433,650 Capital Outlay Note, Series 2022B payable to a bank dated December 16, 2022, interest at 4.03% due semi-annually with principal due annually on June 1 through June 1, 2034.	<u>367,100</u>
Sub-total notes payable	<u>9,074,566</u>
Total business-type activities	<u>\$15,819,566</u>

CITY OF JEFFERSON CITY, TENNESSEE  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

NOTE P – LONG-TERM DEBT (Continued)

All enterprise fund bonds and notes payable are collateralized by the City's pledge of sufficient Water and Sewer Fund revenues, after deduction of all current operating expenses. In addition, the City has pledged its authority to increase ad valorem taxes to pay any deficit. The Tennessee Health Program Loans have the additional pledge of the City's state shared tax revenues to meet any deficit. Although these additional tax revenues are pledged to secure these bonds and notes, they are not expected to be relied upon by the City because the enterprise funds are required by Tennessee state law to maintain charges for services at a level sufficient to fund operating expenses and debt service.

General government other long-term liabilities including compensated absences, pension liabilities and OPEB liabilities are liquidated by the City's general fund and sanitation fund. These same liabilities in the business-type activity are liquidated by the City's water and sewer fund.

Future maturities of long-term debt are as follows:

Fiscal Year	Governmental Activities				Total	
	Bonds Payable		Notes Payable (direct borrowings)		Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 485,000	\$ 152,650	\$ 108,122	\$ 12,984	\$ 593,122	\$ 165,634
2026	495,000	142,950	80,700	9,334	575,700	152,284
2027	505,000	132,088	83,600	6,260	588,600	138,348
2028	510,000	121,000	24,600	4,211	534,600	125,211
2029	520,000	109,300	25,600	3,220	545,600	112,520
2030-2034	2,790,000	344,400	54,300	3,304	2,844,300	347,704
2035-2039	945,000	36,975	-	-	945,000	36,975
<b>Total</b>	<b>\$ 6,250,000</b>	<b>\$ 1,039,363</b>	<b>\$ 376,922</b>	<b>\$ 39,313</b>	<b>\$ 6,626,922</b>	<b>\$ 1,078,676</b>
Fiscal Year	Business-type Activities				Total	
	Bonds Payable		Notes Payable (direct borrowings)		Business-type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 295,000	\$ 137,668	\$ 445,077	\$ 142,539	\$ 740,077	\$ 280,207
2026	305,000	129,517	444,716	136,687	749,716	266,204
2027	315,000	121,118	450,589	130,734	765,589	251,852
2028	320,000	112,417	456,733	124,661	776,733	237,078
2029	335,000	103,568	462,936	118,471	797,936	222,039
2030-2034	1,780,000	421,012	1,522,061	506,215	3,302,061	927,227
2035-2039	1,840,000	265,400	926,266	402,194	2,766,266	667,594
2040-2044	1,300,000	105,650	1,008,951	319,510	2,308,951	425,160
2045-2049	255,000	5,355	1,099,411	229,049	1,354,411	234,404
2050-2054	-	-	1,198,406	130,054	1,198,406	130,054
2055-2059	-	-	784,768	44,092	784,768	44,092
2060-2061	-	-	274,652	3,778	274,652	3,778
<b>Total</b>	<b>\$ 6,745,000</b>	<b>\$ 1,401,705</b>	<b>\$ 9,074,566</b>	<b>\$ 2,287,984</b>	<b>\$ 15,819,566</b>	<b>\$ 3,689,689</b>
Fiscal Year	Total Government					
	Principal	Interest				
2025	\$ 1,333,199	\$ 445,841				
2026	1,325,416	418,488				
2027	1,354,189	390,200				
2028	1,311,333	362,289				
2029	1,343,536	334,559				
2030-2034	6,146,361	1,274,931				
2035-2039	3,711,266	704,569				
2040-2044	2,308,951	425,160				
2045-2049	1,354,411	234,404				
2050-2054	1,198,406	130,054				
2055-2059	784,768	44,092				
2060-2061	274,652	3,778				
<b>Total</b>	<b>\$ 22,446,488</b>	<b>\$ 4,768,365</b>				

CITY OF JEFFERSON CITY, TENNESSEE  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 (Continued)

NOTE Q – PENSION PLAN

**Public Employee Retirement Plan of Tennessee Consolidated Retirement System (TCRS Plan)**

General Information about the Pension Plan

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

*Benefits provided.* Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's 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:

Inactive employees or beneficiaries currently receiving benefits	71
Inactive employees entitled to but not yet receiving benefits	92
Active employees	<u>114</u>
	<u>277</u>

CITY OF JEFFERSON CITY, TENNESSEE  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 (Continued)

NOTE Q – PENSION PLAN (Continued)

**Public Employee Retirement Plan of Tennessee Consolidated Retirement System (TCRS Plan) (Continued)**

General Information about the Pension Plan (Continued)

*Contributions.* Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees are non-contributory. The City 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, employer contributions for the City were \$669,252 based on a rate of 9.83 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the City's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution (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 (Asset)

*Pension liability (asset).* The City's 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.

CITY OF JEFFERSON CITY, TENNESSEE  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

NOTE Q – PENSION PLAN (Continued)

**Public Employee Retirement Plan of Tennessee Consolidated Retirement System (TCRS Plan) (Continued)**

Net Pension Liability (Asset) (Continued)

*Actuarial assumptions (continued)*

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

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

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

*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 contributions from the City 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.

CITY OF JEFFERSON CITY, TENNESSEE  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

NOTE Q – PENSION PLAN (Continued)

**Public Employee Retirement Plan of Tennessee Consolidated Retirement System (TCRS Plan) (Continued)**

<u>Changes in the Net Pension Liability (Asset)</u>	<u>Increase (Decrease)</u>		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Beginning balance*	\$ 23,300,788	\$ 23,784,933	\$ (484,145)
Changes for the year:			
Service cost	466,286	-	466,286
Interest	1,578,767	-	1,578,767
Differences between expected and actual experience	1,097,970	-	1,097,970
Changes in assumptions	-	-	-
Contributions - employer	-	617,443	(617,443)
Net investment income	-	1,593,760	(1,593,760)
Benefit payments, including refunds of employee contributions	(755,866)	(755,866)	-
Administrative expense	-	(11,277)	11,277
Net changes	<u>2,387,157</u>	<u>1,444,060</u>	<u>943,097</u>
Ending balance*	<u>\$ 25,687,945</u>	<u>\$ 25,228,993</u>	<u>\$ 458,952</u>

\*The measurement date of the beginning balance was June 30, 2022 and the measurement date of the ending balance was June 30, 2023. The reporting date of the beginning balance is June 30, 2023 and the reporting date of the ending balance is 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 the City 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:

	<u>1% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
City's net pension liability (asset)	\$ 4,316,335	\$ 458,952	\$ (2,699,051)

CITY OF JEFFERSON CITY, TENNESSEE  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

NOTE Q – PENSION PLAN (Continued)

**Public Employee Retirement Plan of Tennessee Consolidated Retirement System (TCRS Plan) (Continued)**

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

*Pension expense (negative pension expense).* For the year ended June 30, 2024, the City recognized pension expense (negative pension expense) of \$838,223.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to the measurement date	\$ 669,252	\$ -
Differences between expected and actual experience	1,008,217	72,774
Net difference between projected and actual earnings on pension plan investments	180,797	-
Changes in assumptions	954,210	-
Change in proportionate share	<u>76,345</u>	<u>76,345</u>
Total	<u>\$ 2,888,821</u>	<u>\$ 149,119</u>

The amount shown above for "Pension contributions subsequent to the measurement date" 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:

<b>Year Ended June 30:</b>	<u>Total</u>
2025	\$ 398,274
2026	273,786
2027	1,022,907
2028	192,485
2029	182,998
Thereafter	-

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

CITY OF JEFFERSON CITY, TENNESSEE  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

NOTE Q – PENSION PLAN (Continued)

**Public Employee Retirement Plan of Tennessee Consolidated Retirement System (TCRS Plan) (Continued)**

Payable to the Pension Plan

At June 30, 2024, the City reported a payable of \$51,357 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2024.

NOTE R – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

**Post Retirement Medical Insurance Plan (USI OPEB Plan)**

General Information about the USI OPEB Plan

*Plan description.* The City provides OPEB for all employees with a minimum of twenty years' service and after the age of sixty-two who retire while employed at the City. The OPEB Plan is a single employer defined benefit OPEB plan administered by the City. City Ordinance 96-29 has authorized this plan and grants the authority to establish and amend the benefit terms to the City Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

*Benefits provided.* The OPEB Plan provides individual and/or family health insurance benefits for retirees and their dependents on the same basis as full-time employees until they reach age 65.

*Employees covered by benefit terms.* At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	0
Active employees	<u>112</u>
	<u>112</u>

Total USI OPEB Liability

The City's total OPEB liability, for this plan, of \$1,148,372 was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2022.

*Actuarial assumptions.* The total OPEB liability for this plan in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 percent
Salary increases	3.50 percent
Discount rate	3.65 percent

CITY OF JEFFERSON CITY, TENNESSEE  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

NOTE R – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

**Post Retirement Medical Insurance Plan (USI OPEB Plan) (Continued)**

Total USI OPEB Liability (Continued)

*Actuarial assumptions (continued)*

Healthcare cost trend rates      It was assumed that non-Medicare eligible health care costs would increase in accordance with the trend rates in the following table:

<u>Year</u>	<u>Current Valuation</u>
2022	7.00%
2023	6.50%
2024	6.00%
2025	5.50%
2026+	5.00%

Retirees' share of costs      The City pays 100% for individual coverage and 85% for family coverage

The discount rate was based on the Bond Buyers 20 Bond Index.

Mortality rates were based on SOA RPH-2014 total dataset headcount-weighted table adjusted to 2006 and then projected generationally using projection scale MP-2021.

Changes in the Total USI OPEB Liability

	Total OPEB Liability
Balance at June 30, 2023	\$ 1,046,153
Changes for the year:	
Service cost	86,110
Interest	40,880
Difference between expected and actual experience	-
Changes in assumptions	-
Benefit payments	(24,771)
Net changes	102,219
Balance at June 30, 2024	\$ 1,148,372

CITY OF JEFFERSON CITY, TENNESSEE  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

NOTE R – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

**Post Retirement Medical Insurance Plan (USI OPEB Plan) (Continued)**

Changes in the Total USI OPEB Liability (Continued)

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the total OPEB liability of the City calculated using the discount rate of 3.65 percent, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65 percent) or 1-percentage-point higher (4.65 percent) than the current rate:

	<u>1% Decrease (2.65%)</u>	<u>Current Discount Rate (3.65%)</u>	<u>1% Increase (4.65%)</u>
City's total OPEB liability	\$ 1,251,498	\$ 1,148,372	\$ 1,050,906

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate.* The following presents the total OPEB liability of the City calculated using the healthcare cost trend rate of 6.00 percent decreasing to 5.00 percent, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (5.00 percent decreasing to 4.00 percent) or 1-percentage-point higher (7.00 percent decreasing to 6.00 percent) than the current rate:

	<u>1% Decrease (5.00% decreasing to 4.00%)</u>	<u>Healthcare Cost Trend Rate (6.00% decreasing to 5.00%)</u>	<u>1% Increase (7.00% decreasing to 6.00%)</u>
City's total OPEB liability	\$ 981,173	\$ 1,148,372	\$ 1,352,129

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to USI OPEB**

*OPEB expense.* For the year ended June 30, 2024, the City recognized OPEB expense of \$86,452.

*Deferred outflows of resources and deferred inflows of resources.* For the year ended June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 385,485
Changes in assumptions	122,542	101,816
Total	<u>\$ 122,542</u>	<u>\$ 487,301</u>

CITY OF JEFFERSON CITY, TENNESSEE  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

NOTE R – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

**Post Retirement Medical Insurance Plan (USI OPEB Plan) (Continued)**

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to USI OPEB (Continued)

*Deferred outflows of resources and deferred inflows of resources (continued)*

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

<b>Year Ended June 30:</b>	Total
2025	\$ (40,538)
2026	(40,538)
2027	(40,538)
2028	(40,538)
2029	(38,991)
Thereafter	(163,616)

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

**Post Retirement Medical Insurance Plan (TN OPEB Plan)**

General Information about the TN OPEB Plan

*Plan description.* The City provides certain retiree health insurance benefits in a single employer defined OPEB Plan through the Tennessee Plan which is administered by the State of Tennessee. All employees hired prior to July 1, 2015 are covered by the OPEB Plan. According to State law in effect on the measurement date, employees first hired on or after July 1, 2015 are not eligible for health insurance coverage under the OPEB Plan after retiring. Any changes to the law will be recognized in future measurements. For eligible employees, some employers provide direct subsidy toward the premium for certain employees; all employers provide an implicit subsidy; and the retiree pays any balance of the required premium remaining.

*Funding policy.* There are no assets or trust funds accumulating to pre-fund the OPEB obligation. The funding policy is to pay the OPEB obligations as they come due each month on a pay-as-you-go-basis. The total premium rate structure required for the Tennessee plan coverage is established by and may be amended by the Benefits Administration unit of the State Insurance Committee. The local employer sets its own level of subsidy for the designated classification of members.

*Eligibility.* Eligibility for coverage is generally the same as eligibility for retirement under Tennessee Consolidated Retirement System (TCRS). Additional rules apply for OPEB coverage for TCRS-approved disabilities. Alternative conditions are made for any locally sponsored public safety retirement plan or utility board member.

CITY OF JEFFERSON CITY, TENNESSEE  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

NOTE R – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

**Post Retirement Medical Insurance Plan (TN OPEB Plan) (Continued)**

General Information about the TN OPEB Plan (Continued)

*Benefits.* The City may provide a flat dollar or percent subsidy depending on years of service, job classification, health plan option and tier selected. The State does not provide a subsidy for local government participants.

*Employees covered by benefit terms.* At June 30, 2023, the following employees were covered by the benefit terms:

Retirees and beneficiaries	1
Inactive, not yet receiving benefits	9
Active employees	<u>72</u>
	<u>82</u>

Total TN OPEB Liability

The City's total OPEB liability, for this plan, of \$111,049 was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2023.

*Actuarial assumptions and methods.* The following outlines the assumptions and methods used in determining the GASB expense calculations for The Tennessee Plan (Medicare Supplement) for the fiscal year ended June 30, 2024.

Actuarial method	Entry age normal cost method
Normal Cost	Determined for each active employee as the Actuarial Present Value of benefits allocated to the valuation year. The benefit attributed to the valuation year is that incremental portion of the total projected benefit earned during the year in accordance with the plan provisions. This allocation is based on each individual's service between date of hire and date the individual becomes fully eligible for benefits.
Asset Valuation Method	Market value of assets as of the measurement date.
Discount Rate	3.65% based on Bond Buyer GO 20-Bond Municipal Bond Index as of the measurement date.

CITY OF JEFFERSON CITY, TENNESSEE  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 (Continued)

NOTE R – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

**Post Retirement Medical Insurance Plan (TN OPEB Plan) (Continued)**

Total TN OPEB Liability (Continued)

*Actuarial assumptions and methods (continued)*

Mortality Rates	<p>Pre-retirement: PUB-2010 headcount-weighted employee mortality table for general employees projected generationally with MP-2021 from 2010.</p> <p>Post-retirement: Headcount-weighted below median healthy annuitant and adjusted with a 6% load for males and a 14% load for females, projected generationally from 2010 with MP-2021.</p> <p>Disabled: Reflects those used by TCRS and are taken from the gender distinct table published in the IRS Revenue Ruling 96-7 for disabled lives with a 10% load, projected generationally from 2018 with MP-2021.</p>										
Inflation	Long-term price inflation is assumed to be 2.25% per year.										
Salary increases	Assumed salary increase rates are the same as used by the Tennessee Consolidated Retirement System (TCRS): 8.72% at age 20 graded to 3.44% at age 70 (with 4.00% weighted average).										
Health Care Claims	<p>The Local Employer provides a monthly flat dollar subsidy upon attainment of age 65 based on the table below:</p> <table border="0" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left; padding-right: 20px;"><u>Years of Service</u></th> <th style="text-align: left;"><u>Monthly Subsidy</u></th> </tr> </thead> <tbody> <tr> <td>Less than 15</td> <td>\$0.00</td> </tr> <tr> <td>15 through 19</td> <td>\$25.00</td> </tr> <tr> <td>20 through 29</td> <td>\$37.50</td> </tr> <tr> <td>30 and more</td> <td>\$50.00</td> </tr> </tbody> </table>	<u>Years of Service</u>	<u>Monthly Subsidy</u>	Less than 15	\$0.00	15 through 19	\$25.00	20 through 29	\$37.50	30 and more	\$50.00
<u>Years of Service</u>	<u>Monthly Subsidy</u>										
Less than 15	\$0.00										
15 through 19	\$25.00										
20 through 29	\$37.50										
30 and more	\$50.00										
Coverage Acceptance Rates	<p>Following are the assumptions as to future medical coverage acceptance rates. Acceptance rates, presented below, result from an analysis of the choice pattern exhibited by employees retiring in recent years.</p>										

Subsidy Level	Total Acceptance Rate
\$50.00+	60%
\$37.50	40%
\$25.00	30%
None	15%

CITY OF JEFFERSON CITY, TENNESSEE  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 (Continued)

NOTE R – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

**Post Retirement Medical Insurance Plan (TN OPEB Plan) (Continued)**

Total TN OPEB Liability (Continued)

*Actuarial assumptions and methods (continued)*

Healthcare Cost Trends Rates      The health care cost trend assumptions shown below were based on national average information from a variety of sources, including S&P Healthcare Economic Index, NHCE data, plan renewal data, and vendor Rx reports, with adjustments based on the provisions of the benefits sponsored by the State of Tennessee.

<u>Year</u>	<u>Post-65</u>
2024	7.20%
2025	6.70%
2026	6.20%
2027	0.70%
2028	5.20%
2029	4.70%
2030+	4.50%

Premium subsidies provided by the State and employers that adopted Resolution 31 are assumed to remain unchanged for the entire projection.

Full Medicare Supplement Premium      \$146.59 per month

Demographic Assumptions      Unless noted otherwise, demographic assumptions employed in this Actuarial Valuation were the same as those employed as of July 1, 2022 for a Group I employees in the Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS). These demographic assumptions were developed by TCRS from an Actuarial Experience Study (undertaken on behalf of TCRS) and are considered appropriate for use in this OPEB Actuarial Valuation. These include assumed rates of future salary increases, termination, mortality, disability, and retirement.

CITY OF JEFFERSON CITY, TENNESSEE  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 (Continued)

NOTE R – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

**Post Retirement Medical Insurance Plan (TN OPEB Plan) (Continued)**

Total TN OPEB Liability (Continued)

*Actuarial assumptions and methods (continued)*

Future Participation                      Local Government employees are assumed to opt into the plan based on coverage rates below. Covered employees are assumed to remain covered until retirement.

Subsidy Level	Local Government and Local Education
\$50.00+	60%
\$37.50	40%
\$25.00	30%
None	15%

Decrement Timing                      Decrements of all types are assumed to occur at the middle of the year.

Eligibility Testing                      Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.

Decrement Relativity                      Decrement rates are treated as absolute rates of decrement.

*Method changes.* There have been no method changes since the prior year

*Changes of assumptions.* Changes in assumptions and other inputs include the change in the discount rate from 3.54% to 3.65%. The medical and drug trend rate assumptions were updated to reflect more recent experience to reflect more recent information as of the Measurement Date. Given that most participating agencies receive a flat subsidy under the Medicare Supplement Plan, the impact of updated trend assumptions was minimal. Coverage acceptance rates for certain employees were updated to reflect more recent subsidy amounts and recent plan experience.

For each economic and demographic assumption that has a significant effect on the measurement, and that the actuary has determined does not significantly conflict with what, in the actuary's professional judgment, is reasonable for the purpose of the measurement, the information and analysis used to support this determination are described in more detail in the document entitled "OPEB Assumptions for FYE June 30, 2024" and dated April 2024.

CITY OF JEFFERSON CITY, TENNESSEE  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 (Continued)

NOTE R – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

**Post Retirement Medical Insurance Plan (TN OPEB Plan) (Continued)**

Changes in the Total TN OPEB Liability

	Total OPEB Liability
Balance at June 30, 2023	\$ 104,586
Changes for the year:	
Service cost	3,101
Interest	3,808
Differences between expected and actual experience	1,346
Changes in assumptions	(1,582)
Benefit payments	(210)
Net changes	6,463
Balance at June 30, 2024	\$ 111,049

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the total OPEB liability of the City calculated using the discount rate of 3.65 percent, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65 percent) or 1-percentage-point higher (4.65 percent) than the current rate:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
City's total OPEB liability	\$ 129,437	\$ 111,049	\$ 95,808

*Sensitivity of the total OPEB liability to the discount rate assumption.* Regarding the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates, the following represents the plan's total OPEB liability, calculated using the assumed trend rates as well as what the plan's total OPEB liability would be if it were calculated using the trend rate that is one percent lower or one percent higher:

	1% Decrease N/A	Healthcare Cost Trend Rate N/A	1% Increase N/A
City's total OPEB liability	\$ 111,049	\$ 111,049	\$ 111,049

CITY OF JEFFERSON CITY, TENNESSEE  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 (Continued)

NOTE R – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

**Post Retirement Medical Insurance Plan (TN OPEB Plan) (Continued)**

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to TN OPEB

*OPEB expense.* For the year ended June 30, 2023, the City recognized OPEB expense of (\$4,586).

*Deferred outflows of resources and deferred inflows of resources.* For the year ended June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 1,193	\$ 30,579
Changes in assumptions	20,509	50,623
Contributions/benefits paid after the measurement date	711	-
<b>Total</b>	<b>\$ 22,413</b>	<b>\$ 81,202</b>

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

	Total
<b>Year Ended June 30:</b>	
2025	\$ (11,495)
2026	(11,495)
2027	(10,806)
2028	(6,928)
2029	(6,750)
Thereafter	(12,026)

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

NOTE S – CONTINGENT LIABILITIES

Various claims and lawsuits are pending against the City. In the opinion of City management, after consultation with legal counsel, the potential loss on all claims and lawsuits will not materially affect the City's financial position.

CITY OF JEFFERSON CITY, TENNESSEE  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 (Continued)

NOTE T – RISK FINANCING ACTIVITIES

The City maintains a plan of health insurance with commercial insurance carriers. Also, the City is exposed to various risks related to general liability and property and casualty losses. The City carries commercial insurance to cover their risks related to general liability, property and casualty, and worker's compensation. Settled claims have not exceeded their commercial coverage in any of the past three years.

NOTE U – BUDGET-TO-ACTUAL RECONCILIATION

The City prepares its budget on a basis of accounting that differs from generally accepted accounting principles (GAAP) in that encumbrances (orders for goods or services that have not yet been received) are treated as expenditures in the budget. Encumbrances are treated as a reservation of fund balance under GAAP. The budget comparisons in the financial statements are adjusted for the effect of these encumbrances to provide a meaningful comparison of actual results with the budget.

There were no significant encumbrances in the general fund, where the expenditures reported on the budgetary comparison are less than the actual expenditures reported on a GAAP basis.

NOTE V – GOVERNMENTAL FUND BALANCES

Governmental fund balances as of June 30, 2024 consisted of the following:

	General Fund	Other Governmental Funds	Totals
Nonspendable			
Prepayments	\$ 314	\$ -	\$ 314
Restricted			
Sanitation	-	117,353	117,353
Street expenditures	-	341,810	341,810
Drug enforcement	-	119,041	119,041
Committed			
Financial stabilization	2,000,000	-	2,000,000
Unassigned	<u>13,968,415</u>	<u>-</u>	<u>13,968,415</u>
Totals	<u>\$ 15,968,729</u>	<u>\$ 578,204</u>	<u>\$ 16,546,933</u>

## **REQUIRED SUPPLEMENTARY INFORMATION**

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Required supplementary information for the City of Jefferson City, Tennessee includes:

- Schedule of Changes in the City's Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS
- Schedule of the City's Contributions Based on Participation in the Public Employee Pension Plan of TCRS
- Schedules of Changes in the City's Total OPEB Liability and Related Ratios
- Notes to Required Supplementary Information

CITY OF JEFFERSON CITY, TENNESSEE

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS  
 BASED ON PARTICIPATION IN THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS

Last 10 Measurement Periods Ending June 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>										
Service cost	\$ 466,286	\$ 467,038	\$ 369,850	\$ 367,063	\$ 354,327	\$ 352,464	\$ 328,410	\$ 319,913	\$ 320,782	\$ 298,431
Interest	1,578,767	1,492,538	1,387,136	1,289,978	1,224,230	1,151,474	1,110,540	1,043,150	978,362	964,834
Differences between actual and expected experience	1,097,970	48,933	(93,882)	303,101	(155,013)	(52,449)	(339,963)	(59,324)	(15,014)	(712,647)
Changes in assumptions	-	-	1,908,420	-	-	-	359,632	-	-	-
Benefit payments, including refunds of employee contributions	(755,866)	(704,716)	(675,172)	(570,476)	(488,336)	(411,301)	(403,653)	(423,745)	(415,096)	(370,127)
<b>Net change in total pension liability</b>	<b>2,387,157</b>	<b>1,303,793</b>	<b>2,896,352</b>	<b>1,389,666</b>	<b>935,208</b>	<b>1,040,188</b>	<b>1,054,966</b>	<b>879,994</b>	<b>869,034</b>	<b>180,491</b>
<b>Total pension liability - beginning</b>	<b>23,300,788</b>	<b>21,996,995</b>	<b>19,100,643</b>	<b>17,710,977</b>	<b>16,775,769</b>	<b>15,735,581</b>	<b>14,680,615</b>	<b>13,800,621</b>	<b>12,931,587</b>	<b>12,751,096</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 25,687,945</b>	<b>\$ 23,300,788</b>	<b>\$ 21,996,995</b>	<b>\$ 19,100,643</b>	<b>\$ 17,710,977</b>	<b>\$ 16,775,769</b>	<b>\$ 15,735,581</b>	<b>\$ 14,680,615</b>	<b>\$ 13,800,621</b>	<b>\$ 12,931,587</b>
<b>Plan fiduciary net position</b>										
Contributions - employer	\$ 617,443	\$ 269,984	\$ 247,336	\$ 291,787	\$ 427,797	\$ 645,048	\$ 662,752	\$ 602,440	\$ 567,932	\$ 605,174
Net investment income	1,593,760	(954,991)	5,209,766	971,530	1,369,788	1,404,107	1,697,687	381,680	425,190	1,936,098
Benefit payments, including refunds of employee contributions	(755,866)	(704,716)	(675,172)	(570,476)	(488,336)	(411,301)	(403,653)	(423,745)	(415,096)	(370,127)
Administrative expense	(11,277)	(11,472)	(10,097)	(9,612)	(9,650)	(10,545)	(9,546)	(7,777)	(5,146)	(4,199)
<b>Net change in plan fiduciary net position</b>	<b>1,444,060</b>	<b>(1,401,195)</b>	<b>4,771,833</b>	<b>683,229</b>	<b>1,299,599</b>	<b>1,627,309</b>	<b>1,947,240</b>	<b>552,598</b>	<b>572,880</b>	<b>2,166,946</b>
<b>Plan fiduciary net position - beginning</b>	<b>23,784,933</b>	<b>25,186,128</b>	<b>20,414,295</b>	<b>19,731,066</b>	<b>18,431,467</b>	<b>16,804,158</b>	<b>14,856,918</b>	<b>14,304,320</b>	<b>13,731,440</b>	<b>11,564,494</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 25,228,993</b>	<b>\$ 23,784,933</b>	<b>\$ 25,186,128</b>	<b>\$ 20,414,295</b>	<b>\$ 19,731,066</b>	<b>\$ 18,431,467</b>	<b>\$ 16,804,158</b>	<b>\$ 14,856,918</b>	<b>\$ 14,304,320</b>	<b>\$ 13,731,440</b>
<b>Net pension liability (asset) - ending (a)-(b)</b>	<b>\$ 458,952</b>	<b>\$ (484,145)</b>	<b>\$ (3,189,133)</b>	<b>\$ (1,313,652)</b>	<b>\$ (2,020,089)</b>	<b>\$ (1,655,698)</b>	<b>\$ (1,068,577)</b>	<b>\$ (176,303)</b>	<b>\$ (503,699)</b>	<b>\$ (799,853)</b>
<b>Plan fiduciary net position as a percentage of total pension liability</b>	98.21%	102.08%	114.50%	106.88%	111.41%	109.87%	106.79%	101.20%	103.65%	106.19%
<b>Covered payroll</b>	\$ 6,232,050	\$ 5,039,812	\$ 4,818,352	\$ 4,623,623	\$ 4,540,932	\$ 4,471,038	\$ 4,271,501	\$ 3,873,432	\$ 3,661,612	\$ 3,669,612
<b>Net pension liability (asset) as a percentage of covered payroll</b>	7.36%	-9.61%	-66.19%	-28.41%	-44.49%	-37.03%	-25.02%	-4.55%	-13.76%	-21.80%

See independent auditor's report.

CITY OF JEFFERSON CITY, TENNESSEE  
 SCHEDULE OF THE CITY'S CONTRIBUTIONS BASED ON PARTICIPATION  
 IN THE PUBLIC EMPLOYEE PENSION PLAN OF TCRS

Last 10 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	\$ 669,252	\$ 617,443	\$ 269,983	\$ 247,335	\$ 291,787	\$ 427,797	\$ 645,049	\$ 662,752	\$ 602,440	\$ 567,932
Contributions in relation to the actuarially determined contribution	<u>669,252</u>	<u>617,443</u>	<u>269,983</u>	<u>247,335</u>	<u>291,787</u>	<u>427,797</u>	<u>645,049</u>	<u>662,752</u>	<u>602,440</u>	<u>567,932</u>
Contribution deficiency (excess)	<u>\$ -</u>									
Covered payroll	\$ 6,809,958	\$ 6,232,050	\$ 5,039,812	\$ 4,818,352	\$ 4,623,623	\$ 4,540,932	\$ 4,471,038	\$ 4,271,501	\$ 3,873,432	\$ 3,661,612
Contributions as a percentage of covered payroll	9.83%	9.91%	5.36%	5.13%	6.31%	9.42%	14.43%	15.52%	15.55%	15.51%

See independent auditor's report.

CITY OF JEFFERSON CITY, TENNESSEE  
SCHEDULES OF CHANGES IN THE CITY'S  
TOTAL OPEB LIABILITY AND RELATED RATIOS

Last 10 Measurement Periods Ending June 30\*

<u>USI OPEB Plan</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB liability</b>							
Service cost	\$ 86,110	\$ 85,716	\$ 93,574	\$ 90,486	\$ 83,022	\$ 75,684	\$ 78,489
Interest	40,880	36,314	26,315	25,440	43,489	43,198	38,993
Differences between expected and actuarial experience	-	(177,000)	-	(280,690)	(16,238)	(82,640)	-
Changes in assumptions	-	19,493	(124,089)	(242)	122,597	74,913	(24,565)
Benefit payments, including refunds of employee contributions	(24,771)	(11,589)	(54,260)	(58,020)	(35,076)	(29,892)	(15,734)
<b>Net change in total OPEB liability</b>	<b>102,219</b>	<b>(47,066)</b>	<b>(58,460)</b>	<b>(223,026)</b>	<b>197,794</b>	<b>81,263</b>	<b>77,183</b>
<b>Total OPEB liability - beginning</b>	<b>1,046,153</b>	<b>1,093,219</b>	<b>1,151,679</b>	<b>1,374,705</b>	<b>1,176,911</b>	<b>1,095,648</b>	<b>1,018,465</b>
<b>Total OPEB liability - ending (a)</b>	<b>\$ 1,148,372</b>	<b>\$ 1,046,153</b>	<b>\$ 1,093,219</b>	<b>\$ 1,151,679</b>	<b>\$ 1,374,705</b>	<b>\$ 1,176,911</b>	<b>\$ 1,095,648</b>
<b>Covered payroll</b>	<b>\$ 4,981,258</b>	<b>\$ 4,859,764</b>	<b>\$ 3,747,649</b>	<b>\$ 3,656,243</b>	<b>\$ 4,162,178</b>	<b>\$ 4,060,661</b>	<b>\$ 3,681,496</b>
<b>Total OPEB liability as a percentage of covered payroll</b>	<b>23.05%</b>	<b>21.53%</b>	<b>29.17%</b>	<b>31.50%</b>	<b>33.03%</b>	<b>28.98%</b>	<b>29.76%</b>

\* This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

<u>TN OPEB Plan</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB liability</b>							
Service cost	\$ 3,101	\$ 5,234	\$ 6,825	\$ 4,861	\$ 4,653	\$ 6,209	\$ 7,386
Interest	3,808	2,923	3,897	4,874	4,852	5,356	4,573
Differences between expected and actuarial experience	1,346	(7,993)	(12,935)	(6,830)	(7,649)	(24,618)	-
Changes in assumptions	(1,582)	(25,548)	(36,912)	33,132	3,404	(1,140)	(16,393)
Benefit payments, including refunds of employee contributions	(210)	(251)	(370)	(624)	(663)	(663)	(450)
<b>Net change in total OPEB liability</b>	<b>6,463</b>	<b>(25,635)</b>	<b>(39,495)</b>	<b>35,413</b>	<b>4,597</b>	<b>(14,856)</b>	<b>(4,884)</b>
<b>Total OPEB liability - beginning</b>	<b>104,586</b>	<b>130,221</b>	<b>169,716</b>	<b>134,303</b>	<b>129,706</b>	<b>144,562</b>	<b>149,446</b>
<b>Total OPEB liability - ending (a)</b>	<b>\$ 111,049</b>	<b>\$ 104,586</b>	<b>\$ 130,221</b>	<b>\$ 169,716</b>	<b>\$ 134,303</b>	<b>\$ 129,706</b>	<b>\$ 144,562</b>
<b>Covered payroll</b>	<b>\$ 4,981,258</b>	<b>\$ 4,859,764</b>	<b>\$ 3,747,649</b>	<b>\$ 3,656,243</b>	<b>\$ 4,162,178</b>	<b>\$ 4,060,661</b>	<b>\$ 3,681,496</b>
<b>Total OPEB liability as a percentage of covered payroll</b>	<b>2.23%</b>	<b>2.15%</b>	<b>3.47%</b>	<b>4.64%</b>	<b>3.23%</b>	<b>3.19%</b>	<b>3.93%</b>

\* This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

CITY OF JEFFERSON CITY, TENNESSEE  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2024

**Notes to Schedule - Pension Plan**

*Valuation date:* Actuarially determined contribution rates for fiscal year 2024 were calculated based on the June 30, 2023 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 adjustments 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.

**Notes to Schedules - OPEB Plans**

*No assets are being accumulated in a trust that meets the criteria in Paragraph 4 of Statement 75 for either the USI Plan or the TN Plan.*

**USI OPEB Liability**

Changes in assumptions:

In 2017, amounts reported as changes in assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, salary growth and mortality improvements. In 2018, the healthcare cost trend rates were updated, the mortality improvement scale was updated to Scale BB, and the discount rate was changed to 3.50 percent. In 2019, the discount rate was changed to 2.21 percent. In 2020, the discount rate was changed to 2.16 percent. In 2021, the discount rate was changed to 3.54%. In 2022, the discount rate was changed to 3.65% and the healthcare cost trend rate was reset to 7.0%.

**TN OPEB Liability**

Changes in assumptions:

In 2018, the discount rate was changed from 2.92% to 3.56%; in 2019, the discount rate was changed to 3.62% and the plan was closed to new entrants; in 2020, the discount rate was changed to 3.51%; in 2021, the discount rate was changed to 2.21%; in 2022, the discount rate was changed to 2.16%; in 2023, the discount rate was changed to 3.54%, in 2024, the discount rate was changed to 3.65%.

## **OTHER SUPPLEMENTARY INFORMATION**

Other supplementary information includes financial statements, schedules and statistical information not required by the GASB, nor a part of the basic financial statements, but is presented for purposes of additional analysis.

Other supplementary information includes:

- Combining Statements – nonmajor governmental funds
- Budgetary Comparison Statements – nonmajor governmental funds
- Budgetary Comparison Report – general fund
- Budgetary Comparison Statement – water and sewer fund
- Schedule of Operating Expenses – water and sewer fund
- Schedules of Long-Term Principal and Interest Requirements – governmental and business-type activities
- Schedule of Changes in Long-Term Debt by Individual Issue – governmental and business-type activities
- Utility Rate Structure and Numbers of Customers – water and sewer fund
- Schedule of Changes in Property Taxes Receivable
- Analysis of Tax Rates and Assessments

## CITY OF JEFFERSON CITY, TENNESSEE

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2024

	Special Revenue Funds			Nonmajor Funds Total
	Sanitation Fund	State Street Aid Fund	Drug Fund	
<b>Assets:</b>				
Restricted assets -				
Cash and cash equivalents	\$ 105,975	\$ 374,728	\$ 102,432	\$ 583,135
Due from other funds	20,209	-	16,609	36,818
Due from other governments	-	26,043	-	26,043
Total assets	<u>\$ 126,184</u>	<u>\$ 400,771</u>	<u>\$ 119,041</u>	<u>\$ 645,996</u>
<b>Liabilities and fund balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 5,827	\$ 50,000	\$ -	\$ 55,827
Accrued liabilities	637	-	-	637
Accrued payroll	1,747	-	-	1,747
Due to other funds	63	8,961	-	9,024
Due to other governments	557	-	-	557
Total liabilities	<u>8,831</u>	<u>58,961</u>	<u>-</u>	<u>67,792</u>
<b>Fund balances:</b>				
Restricted	<u>117,353</u>	<u>341,810</u>	<u>119,041</u>	<u>578,204</u>
Total fund balances	<u>117,353</u>	<u>341,810</u>	<u>119,041</u>	<u>578,204</u>
Total liabilities and fund balances	<u>\$ 126,184</u>	<u>\$ 400,771</u>	<u>\$ 119,041</u>	<u>\$ 645,996</u>

See independent auditor's report.

## CITY OF JEFFERSON CITY, TENNESSEE

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS

Fiscal Year Ended June 30, 2024

	Special Revenue Funds			Nonmajor Funds Total
	Sanitation Fund	State Street Aid Fund	Drug Fund	
Revenues:				
Intergovernmental revenue	\$ -	\$ 294,244	\$ -	\$ 294,244
Charges for services	578,348	-	-	578,348
Fines and forfeits	-	-	47,001	47,001
Other revenues	-	2,625	819	3,444
Total revenues	<u>578,348</u>	<u>296,869</u>	<u>47,820</u>	<u>923,037</u>
Expenditures:				
Current:				
Public works/Highways and streets	-	278,434	-	278,434
Sanitation	897,688	-	-	897,688
Drug investigation and control	-	-	36,509	36,509
Total expenditures	<u>897,688</u>	<u>278,434</u>	<u>36,509</u>	<u>1,212,631</u>
Revenues over (under) expenditures	<u>(319,340)</u>	<u>18,435</u>	<u>11,311</u>	<u>(289,594)</u>
Other financing sources (uses):				
Transfers in	<u>349,240</u>	<u>-</u>	<u>-</u>	<u>349,240</u>
Total other financing sources (uses)	<u>349,240</u>	<u>-</u>	<u>-</u>	<u>349,240</u>
Net change in fund balance	29,900	18,435	11,311	59,646
Fund balance - beginning	<u>87,453</u>	<u>323,375</u>	<u>107,730</u>	<u>518,558</u>
Fund balance - ending	<u>\$ 117,353</u>	<u>\$ 341,810</u>	<u>\$ 119,041</u>	<u>\$ 578,204</u>

See independent auditor's report.

CITY OF JEFFERSON CITY, TENNESSEE  
BUDGETARY COMPARISON STATEMENT - SANITATION FUND

Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance- Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
Garbage and recycling fees	\$ 480,000	\$ 577,500	\$ 578,348	\$ 848
Total revenues	<u>480,000</u>	<u>577,500</u>	<u>578,348</u>	<u>848</u>
<b>Expenditures:</b>				
<b>Sanitation:</b>				
Salaries - permanent employees - regular	117,430	117,430	113,138	4,292
Terminal pay and sick leave	-	5,900	5,836	64
OASI	8,990	8,990	8,710	280
Retirement - current	10,160	10,660	10,270	390
Workmen's compensation	7,400	7,400	6,134	1,266
Unemployment insurance	110	110	59	51
Vehicle tow-in service	-	400	370	30
Telephone and telegraph	-	500	368	132
Medical, dental, veterinary and vital	100	100	191	(91)
Repair and maintenance - motor vehicles	500	66,940	66,874	66
Landfill services	6,000	6,000	5,827	173
Collection fees	460,000	620,000	617,925	2,075
Clothing and uniforms	3,300	3,300	2,876	424
Other operating supplies	1,000	1,000	-	1,000
Gas, oil, diesel fuel, and grease	25,000	25,000	17,206	7,794
Motor vehicle parts	5,500	5,500	3,672	1,828
Machinery and equipment parts	2,000	2,000	109	1,891
Tires, tubes, etc.	2,000	7,000	3,520	3,480
Consumable tools	200	200	-	200
Total sanitation	<u>649,690</u>	<u>888,430</u>	<u>863,085</u>	<u>25,345</u>
<b>Insurance:</b>				
Hospital and health insurance - employer's share	33,470	33,470	30,783	2,687
Insurance on vehicles	1,700	1,700	1,915	(215)
Liability	2,410	2,410	1,905	505
Total insurance	<u>37,580</u>	<u>37,580</u>	<u>34,603</u>	<u>2,977</u>
Total expenditures	<u>687,270</u>	<u>926,010</u>	<u>897,688</u>	<u>28,322</u>
Revenues over (under) expenditures	<u>(207,270)</u>	<u>(348,510)</u>	<u>(319,340)</u>	<u>29,170</u>
<b>Other financing sources (uses):</b>				
Transfer from general fund	208,400	349,240	349,240	-
Total other financing sources (uses)	<u>208,400</u>	<u>349,240</u>	<u>349,240</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures	1,130	730	29,900	29,170
Fund balance - beginning	87,453	87,453	87,453	-
Fund balance - ending	<u>\$ 88,583</u>	<u>\$ 88,183</u>	<u>\$ 117,353</u>	<u>\$ 29,170</u>

See independent auditor's report.

CITY OF JEFFERSON CITY, TENNESSEE  
 BUDGETARY COMPARISON STATEMENT - STATE STREET AID FUND  
 Fiscal Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
State of Tennessee - gas tax	\$ 300,560	\$ 300,560	\$ 292,978	\$ (7,582)
State of Tennessee - transportation modernization tax	-	600	1,266	(666)
Other revenues	<u>1,500</u>	<u>2,000</u>	<u>2,625</u>	<u>625</u>
<b>Total revenues</b>	<u>302,060</u>	<u>303,160</u>	<u>296,869</u>	<u>(7,623)</u>
<b>Expenditures:</b>				
<b>Traffic control:</b>				
Electric	6,000	6,000	5,511	489
Repair and maintenance - plumbing and heating	<u>4,000</u>	<u>4,000</u>	<u>11,200</u>	<u>(7,200)</u>
<b>Total traffic control</b>	<u>10,000</u>	<u>10,000</u>	<u>16,711</u>	<u>(6,711)</u>
<b>Highways, streets, and roadways:</b>				
Roads, streets and parking lots	50,000	50,000	50,000	-
Other machinery and equipment	<u>10,000</u>	<u>10,000</u>	<u>8,960</u>	<u>1,040</u>
<b>Total highways, streets, and roadways</b>	<u>60,000</u>	<u>60,000</u>	<u>58,960</u>	<u>1,040</u>
<b>Street lighting:</b>				
Electric	165,000	170,000	169,778	222
Repair and maintenance - plumbing and heating	<u>600</u>	<u>600</u>	<u>-</u>	<u>600</u>
<b>Total street lighting</b>	<u>165,600</u>	<u>170,600</u>	<u>169,778</u>	<u>822</u>
<b>Snow and ice removal:</b>				
Gravel and sand	-	-	-	-
Sodium chloride	<u>15,000</u>	<u>33,000</u>	<u>32,985</u>	<u>15</u>
<b>Total snow and ice removal</b>	<u>15,000</u>	<u>33,000</u>	<u>32,985</u>	<u>15</u>
<b>Total expenditures</b>	<u>250,600</u>	<u>273,600</u>	<u>278,434</u>	<u>(4,834)</u>
Revenues over (under) expenditures	51,460	29,560	18,435	(12,457)
Fund balance - beginning	<u>323,375</u>	<u>323,375</u>	<u>323,375</u>	<u>-</u>
Fund balance - ending	<u>\$ 374,835</u>	<u>\$ 352,935</u>	<u>\$ 341,810</u>	<u>\$ (12,457)</u>

See independent auditor's report.

CITY OF JEFFERSON CITY, TENNESSEE  
BUDGETARY COMPARISON STATEMENT - DRUG FUND

Fiscal Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		Actual Amounts	Variance-
	<u>Original</u>	<u>Final</u>	(Budgetary Basis)	Favorable (Unfavorable)
<b>Revenues:</b>				
Drug related fines	\$ 25,000	\$ 25,000	\$ 47,001	\$ 22,001
Other revenues	150	680	819	139
	<u>25,150</u>	<u>25,680</u>	<u>47,820</u>	<u>22,140</u>
<b>Total revenues</b>				
<b>Expenditures:</b>				
Drug investigation and control:				
Memberships, registration fees	1,000	1,000	60	940
Medical, dental, veterinary, and vital	2,000	2,000	2,818	(818)
Out-of-town expense	3,000	3,000	-	3,000
Small items of equipment	5,000	5,000	6,701	(1,701)
Food	2,000	2,000	1,321	679
Clothing and uniforms	1,000	1,000	3,227	(2,227)
Fire arm supplies	2,500	2,500	3,645	(1,145)
Other operating supplies	10,000	10,000	1,535	8,465
Other improvements	9,000	9,000	9,608	(608)
Other machinery and equipment	13,000	13,000	7,594	5,406
	<u>48,500</u>	<u>48,500</u>	<u>36,509</u>	<u>11,991</u>
<b>Total expenditures</b>				
Revenues over (under) expenditures	(23,350)	(22,820)	11,311	34,131
Fund balance - beginning	107,730	107,730	107,730	-
Fund balance - ending	<u>\$ 84,380</u>	<u>\$ 84,910</u>	<u>\$ 119,041</u>	<u>\$ 34,131</u>

See independent auditor's report.

CITY OF JEFFERSON CITY, TENNESSEE  
BUDGETARY COMPARISON REPORT - GENERAL FUND

Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts		Variance- Favorable (Unfavorable)	
	Original	Final	Actual	Adjustments to Budgetary Basis		
<b>Revenues:</b>						
<b>Taxes:</b>						
Real and personal property taxes	\$ 2,310,000	\$ 2,310,000	\$ 2,404,277	\$ -	\$ 2,404,277	\$ 94,277
Property taxes delinquent	80,000	121,800	-	-	-	(121,800)
Penalty and interest	23,000	23,460	25,145	-	25,145	1,685
Local sales tax - county trustee	4,900,000	5,000,000	5,093,262	-	5,093,262	93,262
Wholesale beer tax	320,000	300,000	311,712	-	311,712	11,712
Wholesale liquor tax	260,000	260,000	303,771	-	303,771	43,771
Business taxes	300,000	300,000	355,782	-	355,782	55,782
Cable TV franchise	80,000	60,000	62,011	-	62,011	2,011
Mixed drink taxes	5,500	5,500	5,888	-	5,888	388
<b>Total taxes</b>	<b>8,278,500</b>	<b>8,380,760</b>	<b>8,561,848</b>	<b>-</b>	<b>8,561,848</b>	<b>181,088</b>
<b>Licenses and permits:</b>						
Beer licenses	2,300	2,100	2,100	-	2,100	-
Beer permit application fee	-	2,750	2,750	-	2,750	-
Animal registration	100	100	138	-	138	38
Building permits	185,000	185,000	209,066	-	209,066	24,066
Sign permits	1,000	2,310	2,367	-	2,367	57
<b>Total licenses and permits</b>	<b>188,400</b>	<b>192,260</b>	<b>216,421</b>	<b>-</b>	<b>216,421</b>	<b>24,161</b>
<b>Intergovernmental revenues:</b>						
Other federal grants	-	24,660	24,652	-	24,652	(8)
Housing Authority payments in lieu of taxes	30,900	42,460	42,463	-	42,463	3
TVA payments in lieu of taxes	101,020	103,520	103,608	-	103,608	88
State law enforcement education	20,800	23,200	23,200	-	23,200	-
State fire department education	13,600	13,600	16,800	-	16,800	3,200
VCIF grants	-	1,978,120	1,971,204	-	1,971,204	(6,916)
Fire Department appropriations grant	-	7,480	-	-	-	(7,480)
State grant	-	22,600	22,600	-	22,600	-
Traffic control grant	-	28,160	34,286	-	34,286	6,126
State sales tax	1,010,300	1,010,300	1,033,186	-	1,033,186	22,886
State telecommunications sales tax	6,100	6,100	5,505	-	5,505	(595)
State beer tax	3,880	3,880	3,700	-	3,700	(180)
State gasoline inspection fee	15,410	15,410	15,414	-	15,414	4
State STP project revenue	-	9,500	323	-	323	(9,177)
State corporate excise tax	42,000	43,700	43,660	-	43,660	(40)
Sports betting tax	8,420	11,190	15,630	-	15,630	4,440
PEP and JHFB grants	-	102,000	102,000	-	102,000	-
<b>Total intergovernmental revenues</b>	<b>1,252,430</b>	<b>3,445,880</b>	<b>3,458,231</b>	<b>-</b>	<b>3,458,231</b>	<b>12,351</b>
<b>Charges for services:</b>						
Clerk's fee - business tax	2,500	2,500	3,087	-	3,087	587
Planning commission filing fees	300	330	380	-	380	50
Historic zoning filing fees	100	100	110	-	110	10
Special police service	317,090	317,090	356,863	-	356,863	39,773
Highways and streets charges	125,980	125,980	125,982	-	125,982	2
Community center - passes	38,000	38,000	38,965	-	38,965	965
Community center - entry fees	55,000	55,000	54,156	-	54,156	(844)
Community center - room rental	27,000	28,550	35,730	-	35,730	7,180
Community center - program income	11,000	12,640	15,352	-	15,352	2,712
Pool season passes	4,000	4,000	2,930	-	2,930	(1,070)
Pool admittance fees	30,000	30,000	30,900	-	30,900	900

(Continued)

CITY OF JEFFERSON CITY, TENNESSEE  
 BUDGETARY COMPARISON REPORT - GENERAL FUND  
 (Continued)  
 Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts		Variance- Favorable (Unfavorable)	
	Original	Final	Actual	Adjustments to Budgetary Basis		Actual (Budgetary Basis)
Revenues (continued):						
Charges for services (continued):						
Swimming lessons	\$ -	\$ 4,290	\$ 4,565	\$ -	\$ 4,565	\$ 275
Pool rental	5,000	5,000	7,751	-	7,751	2,751
Basketball gate charges	1,100	1,100	1,104	-	1,104	4
Tee ball entry fees	850	850	490	-	490	(360)
Basketball youth entry fees	850	1,470	1,477	-	1,477	7
Basketball shirts sales	350	540	540	-	540	-
Tee ball shirts sales	450	450	260	-	260	(190)
Festival permits	-	2,000	2,005	-	2,005	5
<b>Total charges for services</b>	<b>619,570</b>	<b>629,890</b>	<b>682,647</b>	<b>-</b>	<b>682,647</b>	<b>52,757</b>
Fines and forfeits:						
City court litigation tax	13,000	14,500	15,937	-	15,937	1,437
City court fines and costs	130,000	142,500	163,813	-	163,813	21,313
Drug related fines	17,000	21,000	13,275	-	13,275	(7,725)
County court fines and costs	25,000	25,000	29,036	-	29,036	4,036
Penalties on city fines	3,000	3,000	3,500	-	3,500	500
<b>Total fines and forfeits</b>	<b>188,000</b>	<b>206,000</b>	<b>225,561</b>	<b>-</b>	<b>225,561</b>	<b>19,561</b>
Other income:						
Other recreation charges	-	20	20	-	20	-
Interest earnings	70,000	670,000	1,093,615	-	1,093,615	423,615
Hospital lease revenue	850,000	850,000	440,028	-	440,028	(409,972)
Rent - water and sewer department	60,000	60,000	60,000	-	60,000	-
MOB lease revenue	2,000	2,000	472	-	472	(1,528)
Contributions - private	-	537	537	-	537	-
Contributions - organizations	-	80,000	80,000	-	80,000	-
Contributions - Jefferson County	74,520	96,880	96,882	-	96,882	2
Other revenue	4,000	13,820	15,520	-	15,520	1,700
<b>Total other income</b>	<b>1,060,520</b>	<b>1,773,257</b>	<b>1,787,074</b>	<b>-</b>	<b>1,787,074</b>	<b>13,817</b>
<b>Total revenues</b>	<b>11,587,420</b>	<b>14,628,047</b>	<b>14,931,782</b>	<b>-</b>	<b>14,931,782</b>	<b>303,735</b>
Expenditures:						
General government:						
Legislative:						
Salaries - permanent employees - regular	20,400	20,400	20,400	-	20,400	-
OASI	4,000	4,470	4,464	-	4,464	6
Retirement - current	1,770	1,770	1,763	-	1,763	7
Postage and box rent	150	150	25	-	25	125
Duplication and printing	1,000	1,000	537	-	537	463
Memberships and registration fees	500	500	20	-	20	480
Public relations	5,000	5,000	6,366	-	6,366	(1,366)
Advertising	1,500	1,500	15	-	15	1,485
Other publicity, subscriptions and dues	11,050	11,050	11,094	-	11,094	(44)
Telephone and telegraph	1,400	1,400	1,431	-	1,431	(31)
Legal services	3,000	13,560	13,560	-	13,560	-
Web site services	6,600	6,600	6,400	-	6,400	200
Other professional services	6,200	6,200	5,000	-	5,000	1,200
Out-of-town expense	1,000	1,000	564	-	564	436
Staff local travel	21,000	21,000	21,000	-	21,000	-
Meals and entertainment	21,000	21,000	21,000	-	21,000	-

(Continued)

CITY OF JEFFERSON CITY, TENNESSEE  
 BUDGETARY COMPARISON REPORT - GENERAL FUND  
 (Continued)  
 Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts			Variance- Favorable (Unfavorable)
	Original	Final	Actual	Adjustments to Budgetary Basis	Actual (Budgetary Basis)	
Expenditures (continued):						
General government (continued):						
Legislative (continued):						
Office supplies and materials	\$ 500	\$ 500	\$ 45	\$ -	\$ 45	455
Food	1,000	1,000	312	-	312	688
Clothing and uniforms	800	800	302	-	302	498
Other operating supplies	100	100	-	-	-	100
Other contributions	54,000	54,000	54,000	-	54,000	-
<b>Total legislative</b>	<b>161,970</b>	<b>173,000</b>	<b>168,298</b>	<b>-</b>	<b>168,298</b>	<b>4,702</b>
Judicial:						
Legal services	20,000	20,000	20,000	-	20,000	-
<b>Total judicial</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>-</b>	<b>20,000</b>	<b>-</b>
City Manager:						
Salaries - permanent employees - regular	75,610	75,610	70,645	-	70,645	4,965
Terminal pay and sick leave	-	-	872	-	872	(872)
OASI	5,790	5,790	5,411	-	5,411	379
Retirement - current	6,530	6,530	6,112	-	6,112	418
Worker's compensation	230	230	206	-	206	24
Unemployment insurance	20	20	15	-	15	5
Employee education and training	2,000	1,000	250	-	250	750
Postage and box rent	150	150	26	-	26	124
Duplication and printing	1,000	1,000	455	-	455	545
Subscriptions to newspapers and periodicals	100	100	52	-	52	48
Memberships and registration fees	1,000	1,000	1,429	-	1,429	(429)
Public relation	5,000	5,000	1,490	-	1,490	3,510
Other publicity, subscriptions and dues	1,000	1,000	1,066	-	1,066	(66)
Telephone and telegraph	2,500	2,500	1,973	-	1,973	527
Repair and maintenance - furniture	1,000	-	-	-	-	-
Out-of-town expense	6,000	6,000	1,533	-	1,533	4,467
Staff local travel	8,400	8,400	8,400	-	8,400	-
Meals and entertainment	600	600	32	-	32	568
Office supplies and materials	600	600	402	-	402	198
Office stationary and forms	300	300	-	-	-	300
Small items of equipment	1,500	2,830	1,336	-	1,336	1,494
Clothing and uniforms	700	700	348	-	348	352
Computer equipment	10,000	10,670	10,658	-	10,658	12
<b>Total city manager</b>	<b>130,030</b>	<b>130,030</b>	<b>112,711</b>	<b>-</b>	<b>112,711</b>	<b>17,319</b>
City recorder:						
Salaries - permanent employees - regular	260,820	260,820	236,153	-	236,153	24,667
Other wages	-	1,470	1,470	-	1,470	-
Terminal pay and sick leave	-	15,350	15,871	-	15,871	(521)
OASI	19,940	20,440	19,087	-	19,087	1,353
Retirement - current	22,520	22,820	21,727	-	21,727	1,093
Worker's compensation	600	600	152	-	152	448
Unemployment insurance	130	130	114	-	114	16
Employee education and training	5,000	5,000	580	-	580	4,420
Postage and box rent	3,000	3,000	64	-	64	2,936
Publication of formal and legal notices	3,000	3,000	1,791	-	1,791	1,209
Subscriptions to newspapers and periodicals	3,500	3,500	1,607	-	1,607	1,893
Memberships and registration fees	200	200	52	-	52	148

(Continued)

CITY OF JEFFERSON CITY, TENNESSEE

BUDGETARY COMPARISON REPORT - GENERAL FUND

(Continued)

Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts		Variance- Favorable (Unfavorable)
	Original	Final	Actual	Adjustments to Budgetary Basis	
Expenditures (continued):					
General government (continued):					
City recorder (continued):					
Other publicity, subscriptions and dues	\$ 700	\$ 700	\$ 952	\$ -	\$ (252)
Telephone and telegraph	1,700	1,700	1,737	-	(37)
Medical, dental	100	100	230	-	(130)
Data processing	32,330	31,030	23,119	-	7,911
Other professional services	1,000	1,000	142	-	858
Repair and maintenance - furniture	500	500	-	-	500
Out-of-town expense	1,000	1,000	56	-	944
Staff local travel	300	300	267	-	33
Office supplies and materials	5,000	5,000	4,190	-	810
Office stationery and forms	3,000	3,000	2,283	-	717
Small items of equipment	4,000	2,800	2,004	-	796
Clothing and uniforms	2,000	2,000	1,514	-	486
Other operating supplies	350	350	-	-	350
Bank service charges	250	250	40	-	210
Bank fees - direct deposit	1,200	1,200	1,167	-	33
Computer equipment	4,470	7,340	5,097	-	2,243
Total city recorder	376,610	394,600	341,466	-	53,134
City attorney:					
Legal services	20,000	20,000	20,000	-	-
Total city attorney	20,000	20,000	20,000	-	-
Accounting and auditing:					
Accounting and auditing services	38,500	46,650	46,623	-	27
Total accounting and auditing	38,500	46,650	46,623	-	27
Tax administration:					
Professional services	3,700	4,700	4,342	-	358
Total tax administration	3,700	4,700	4,342	-	358
Information technology/data processing					
Salaries - permanent employees - regular	29,340	49,340	48,462	-	878
Terminal pay and sick leave	-	220	215	-	5
OASI	2,290	3,790	3,504	-	286
Retirement - current	2,600	4,120	4,113	-	7
Unemployment insurance	20	20	29	-	(9)
Duplication and printing	-	200	147	-	53
Memberships, registration fees and tuition	-	120	117	-	3
Telephone and telegraph	1,050	1,050	197	-	853
Medical, dental, vital stats	110	110	58	-	52
Data processing services	35,520	35,520	29,216	-	6,304
Other professional services	400	400	80	-	320
Repair and maintenance	140	140	240	-	(100)
Office supplies	350	350	318	-	32
Office stationery and forms	210	710	33	-	677
Small equipment items	350	350	828	-	(478)
Clothing and uniforms	210	210	194	-	16
Other operating supplies	-	-	88	-	(88)

(Continued)

## CITY OF JEFFERSON CITY, TENNESSEE

## BUDGETARY COMPARISON REPORT - GENERAL FUND

(Continued)

Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts		Variance-Favorable (Unfavorable)	
	Original	Final	Actual	Adjustments to Budgetary Basis Actual (Budgetary Basis)		
Expenditures (continued):						
General government (continued):						
Information technology/data processing (continued):						
Computer equipment	\$ -	\$ 550	\$ 548	\$ -	\$ 548	\$ 2
Information technology/data processing	72,590	97,200	88,387	-	88,387	8,813
Personnel administration:						
Salaries - permanent employees - regular	45,180	45,180	32,408	-	32,408	12,772
Terminal pay and sick leave	-	-	397	-	397	(397)
OASI	3,450	3,450	2,452	-	2,452	998
Retirement - current	3,900	3,900	2,904	-	2,904	996
Worker's compensation	200	200	123	-	123	77
Unemployment insurance	20	20	14	-	14	6
Postage and box rent	150	150	127	-	127	23
Duplication and printing	350	350	253	-	253	97
Memberships and registration fees	150	150	233	-	233	(83)
Advertising	-	-	60	-	60	(60)
Telephone and telegraph	1,500	1,500	1,834	-	1,834	(334)
Other professional services	-	9,550	6,428	-	6,428	3,122
Out-of-town expense	200	200	157	-	157	43
Staff local travel	1,000	1,000	537	-	537	463
Office supplies and materials	500	500	466	-	466	34
Office stationery and forms	200	200	-	-	-	200
Total personnel administration	56,800	66,350	48,393	-	48,393	17,957
Codes administration:						
Salaries - permanent employees - regular	99,570	99,570	94,579	-	94,579	4,991
Terminal pay and sick leave	-	5,000	4,873	-	4,873	127
OASI	7,620	7,620	7,340	-	7,340	280
Retirement - current	8,600	8,600	8,589	-	8,589	11
Worker's compensation	2,910	2,910	1,746	-	1,746	1,164
Unemployment insurance	60	60	42	-	42	18
Employee education and training	3,500	3,500	2,797	-	2,797	703
Postage and box rent	200	600	808	-	808	(208)
Duplication and printing	1,000	1,000	675	-	675	325
Memberships and registration fees	1,000	1,000	1,175	-	1,175	(175)
Advertising	500	800	806	-	806	(6)
Telephone and telegraph	3,000	3,000	2,368	-	2,368	632
Tennessee state planning office services	10,200	10,200	10,175	-	10,175	25
Repair and maintenance - other	-	-	80	-	80	(80)
Meals and entertainment	200	560	558	-	558	2
Office supplies and materials	1,500	1,700	1,665	-	1,665	35
Office stationery and forms	150	150	30	-	30	120
Small items of equipment	-	1,500	924	-	924	576
Clothing and uniforms	900	900	318	-	318	582
Other operating supplies	-	-	28	-	28	(28)
Gas, oil, diesel fuel, grease	1,200	1,200	1,282	-	1,282	(82)
Motor vehicle parts	1,000	1,000	133	-	133	867
Computer equipment	10,000	8,500	6,950	-	6,950	1,550
Total codes administration	153,110	159,370	147,941	-	147,941	11,429
General government buildings:						
Salaries - permanent employees - regular	139,590	139,590	126,951	-	126,951	12,639

(Continued)

## CITY OF JEFFERSON CITY, TENNESSEE

## BUDGETARY COMPARISON REPORT - GENERAL FUND

(Continued)

Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts		Variance- Favorable (Unfavorable)	
	Original	Final	Actual	Adjustments to Budgetary Basis		Actual (Budgetary Basis)
Expenditures (continued):						
General government (continued):						
General government buildings (continued):						
Salaries - permanent employees - overtime	\$ 410	\$ 410	\$ 219	\$ -	\$ 219	\$ 191
Terminal pay and sick leave	-	4,800	4,415	-	4,415	385
OASI	10,680	10,680	10,057	-	10,057	623
Retirement - current	12,060	12,060	11,584	-	11,584	476
Worker's compensation	7,650	7,650	5,673	-	5,673	1,977
Unemployment insurance	110	110	56	-	56	54
Repair and maintenance - motor vehicles	200	200	-	-	-	200
Small items of equipment	3,500	2,000	719	-	719	1,281
Clothing and uniforms	2,900	2,900	2,889	-	2,889	11
Other operating supplies	200	700	777	-	777	(77)
Gas, oil, diesel fuel and grease	7,000	10,000	10,478	-	10,478	(478)
Motor vehicle parts	800	800	620	-	620	180
Machinery and equipment parts	100	100	117	-	117	(17)
Tires, tubes, and etc.	1,000	2,000	1,772	-	1,772	228
Consumable tools	1,000	1,000	274	-	274	726
Small hardware, wire and nails	50	50	-	-	-	50
<b>Total general government buildings</b>	<b>187,250</b>	<b>195,050</b>	<b>176,601</b>	<b>-</b>	<b>176,601</b>	<b>18,449</b>
City hall buildings:						
Electric	60,000	60,000	45,424	-	45,424	14,576
Water	350	350	185	-	185	165
Sewer	500	500	242	-	242	258
Weekly mat service	910	-	84	-	84	(84)
Other professional services	24,000	24,910	18,712	-	18,712	6,198
Repair and maintenance services	1,000	1,000	552	-	552	448
Repair and maintenance other machines	2,000	4,000	3,166	-	3,166	834
Repair and maintenance - buildings	10,000	10,000	4,022	-	4,022	5,978
Agriculture and horticulture supplies	500	500	33	-	33	467
Food	1,000	1,000	354	-	354	646
Household and janitorial supplies	2,000	2,000	1,149	-	1,149	851
Trustee fees	1,000	1,500	500	-	500	1,000
Retirement of bonds	370,000	370,000	370,000	-	370,000	-
Interest on bonded debt	130,180	130,180	130,175	-	130,175	5
Computer equipment	-	780	775	-	775	5
<b>Total city hall buildings</b>	<b>603,440</b>	<b>606,720</b>	<b>575,373</b>	<b>-</b>	<b>575,373</b>	<b>31,347</b>
Public works buildings:						
Electric	8,500	10,500	8,922	-	8,922	1,578
Water	600	600	538	-	538	62
Gas	6,500	6,500	5,935	-	5,935	565
Other professional services	7,500	7,500	3,380	-	3,380	4,120
Repair and maintenance - machinery and equipment	-	-	34	-	34	(34)
Repair and maintenance - buildings	7,000	7,000	7,306	-	7,306	(306)
Small items of equipment	300	300	465	-	465	(165)
Household and janitorial supplies	1,000	1,000	791	-	791	209
Other operating supplies	800	800	77	-	77	723
Painting and plumbing supplies	300	300	105	-	105	195
Other equipment	5,000	5,300	5,300	-	5,300	-
<b>Total public works buildings</b>	<b>37,500</b>	<b>39,800</b>	<b>32,853</b>	<b>-</b>	<b>32,853</b>	<b>6,947</b>

(Continued)

CITY OF JEFFERSON CITY, TENNESSEE  
 BUDGETARY COMPARISON REPORT - GENERAL FUND  
 (Continued)  
 Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts		Variance- Favorable (Unfavorable)	
	Original	Final	Actual	Adjustments to Budgetary Basis		
Expenditures (continued):						
General government (continued):						
Industrial development board:						
Other operating supplies	\$ 500	\$ 500	\$ 20	\$ -	\$ 20	\$ 480
Other contributions	161,920	170,270	170,262	-	170,262	8
Total industrial development board	162,420	170,770	170,282	-	170,282	488
Beautification Project:						
Agriculture and horticulture supplies	5,000	5,000	397	-	397	4,603
Total beautification project	5,000	5,000	397	-	397	4,603
Insurance:						
Health insurance - employer's share	1,135,380	1,135,380	1,002,339	-	1,002,339	133,041
Other employer contributions	450	450	500	-	500	(50)
Insurance on buildings	29,500	32,850	26,661	-	26,661	6,189
Insurance on vehicles and equipment	51,150	59,900	59,897	-	59,897	3
Liability	48,300	48,300	49,251	-	49,251	(951)
Professional liability	16,700	18,800	18,825	-	18,825	(25)
Surety bonds for officials and employees	3,500	3,500	2,368	-	2,368	1,132
Total insurance	1,284,980	1,299,180	1,159,841	-	1,159,841	139,339
Total general government	3,313,900	3,428,420	3,113,508	-	3,113,508	314,912
Public safety:						
Police:						
Salaries - permanent employees - regular	1,630,170	1,705,170	1,638,181	-	1,638,181	66,989
Salaries - permanent employees - overtime	134,600	144,600	115,577	-	115,577	29,023
Salaries - temporary employees - regular	27,000	15,400	13,421	-	13,421	1,979
Other wages	-	1,800	1,800	-	1,800	-
Terminal pay and sick leave	34,480	45,980	48,903	-	48,903	(2,923)
OASI	139,270	139,270	133,436	-	133,436	5,834
Retirement - current	213,160	213,160	193,614	-	193,614	19,546
Worker's compensation	91,650	91,650	86,615	-	86,615	5,035
Unemployment insurance	1,130	1,130	686	-	686	444
Employee education and training	17,000	5,000	8,321	-	8,321	(3,321)
Postage and box rent	1,100	1,100	874	-	874	226
Automobile licenses and titles	300	300	27	-	27	273
Radio fees	6,500	6,500	5,031	-	5,031	1,469
Vehicle tow-in services	500	1,000	1,145	-	1,145	(145)
Duplication and printing	1,700	1,700	1,365	-	1,365	335
Memberships and registration fees	10,000	10,000	9,772	-	9,772	228
Public relations	3,000	300	335	-	335	(35)
Advertising	1,000	1,000	77	-	77	923
Other publicity, subscriptions and dues	1,500	1,500	886	-	886	614
Electric	1,000	1,000	329	-	329	671
Telephone and telegraph	18,000	25,000	24,980	-	24,980	20
Medical, dental, veterinary	2,500	3,500	3,392	-	3,392	108
Data processing services	30,000	37,800	33,042	-	33,042	4,758
Other professional services	1,000	1,000	227	-	227	773
Repair and maintenance - motor vehicles	9,000	9,000	10,781	-	10,781	(1,781)
Repair and maintenance - other machinery	4,500	4,500	2,480	-	2,480	2,020
Out-of-town expense	8,000	8,000	5,445	-	5,445	2,555
Office supplies and materials	3,000	1,100	330	-	330	770

(Continued)

CITY OF JEFFERSON CITY, TENNESSEE  
 BUDGETARY COMPARISON REPORT - GENERAL FUND  
 (Continued)  
 Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts		Variance- Favorable (Unfavorable)	
	Original	Final	Actual	Adjustments to Budgetary Basis		Actual (Budgetary Basis)
Expenditures (continued):						
Public safety (continued):						
Police (continued):						
Office stationery and forms	\$ 2,000	\$ 2,000	\$ 53	\$ -	\$ 53	\$ 1,947
Small items of equipment	10,000	23,440	20,807	-	20,807	2,633
Household and janitorial supplies	-	-	17	-	17	(17)
Food	2,500	2,500	750	-	750	1,750
Clothing and uniforms	26,000	30,100	36,609	-	36,609	(6,509)
Fire arm supplies	15,000	57,800	47,645	-	47,645	10,155
Educational supplies	1,000	1,000	430	-	430	570
Other operating supplies	4,500	4,500	1,603	-	1,603	2,897
Gas, oil, diesel fuel and grease	115,000	115,000	97,311	-	97,311	17,689
Motor vehicle parts	8,000	19,500	18,051	-	18,051	1,449
Machinery and equipment parts	4,000	4,000	1,680	-	1,680	2,320
Tires, tubes, and etc.	12,000	12,000	8,121	-	8,121	3,879
Lumber	1,000	1,000	284	-	284	716
Trustee fees	500	500	-	-	-	500
Retirement of bank notes	122,200	122,200	122,196	-	122,196	4
Interest on bank notes	9,490	9,490	9,496	-	9,496	(6)
Special investigative funds	-	1,437,110	1,438,997	-	1,438,997	(1,887)
Transportation equipment	-	47,900	43,860	-	43,860	4,040
Computer equipment	1,300	12,450	9,338	-	9,338	3,112
Other machinery and equipment	6,000	513,970	519,263	-	519,263	(5,293)
<b>Total police</b>	<b>2,731,550</b>	<b>4,893,920</b>	<b>4,717,583</b>	<b>-</b>	<b>4,717,583</b>	<b>176,337</b>
Carson Newman University Patrol:						
Salaries - permanent employees - regular	196,160	231,160	221,092	-	221,092	10,068
Salaries - permanent employees - overtime	21,600	36,600	33,740	-	33,740	2,860
Terminal pay and sick leave	2,490	4,490	3,680	-	3,680	810
OASI	16,840	19,640	19,042	-	19,042	598
Hospital and health insurance	50,800	50,800	47,133	-	47,133	3,667
Retirement - current	26,150	26,150	24,868	-	24,868	1,282
Worker's compensation	11,500	11,500	8,223	-	8,223	3,277
Unemployment insurance	200	200	80	-	80	120
Clothing and uniforms	5,000	5,000	135	-	135	4,865
Other operating supplies	800	800	78	-	78	722
<b>Total Carson Newman University Patrol</b>	<b>331,540</b>	<b>386,340</b>	<b>358,071</b>	<b>-</b>	<b>358,071</b>	<b>28,269</b>
Records and identification:						
Salaries - permanent employees - regular	84,980	91,980	92,298	-	92,298	(318)
Salaries - permanent employees - overtime	2,910	2,910	1,199	-	1,199	1,711
Salaries - temporary employees	17,470	17,470	12,321	-	12,321	5,149
Terminal pay and sick leave	3,780	3,780	1,414	-	1,414	2,366
OASI	7,870	8,270	8,188	-	8,188	82
Retirement - current	7,380	8,380	8,181	-	8,181	199
Worker's compensation	2,000	2,000	102	-	102	1,898
Unemployment insurance	80	80	63	-	63	17
Memberships and registration fees	300	300	-	-	-	300
Data processing services	19,000	19,000	8,510	-	8,510	10,490
Repair and maintenance - furniture	800	800	-	-	-	800
Out-of-town expense	2,200	2,200	34	-	34	2,166
Office supplies and materials	2,000	3,200	3,417	-	3,417	(217)
Office stationery and forms	1,200	1,200	795	-	795	405
Small items of equipment	1,800	1,800	1,355	-	1,355	445

(Continued)

CITY OF JEFFERSON CITY, TENNESSEE  
 BUDGETARY COMPARISON REPORT - GENERAL FUND  
 (Continued)  
 Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts		Variance- Favorable (Unfavorable)	
	Original	Final	Actual	Adjustments to Budgetary Basis		
Expenditures (continued):						
Public safety (continued):						
Records and identification (continued):						
Other operating supplies	\$ -	\$ -	\$ 6	\$ -	\$ 6	\$ (6)
Computer equipment	1,300	1,300	1,110	-	1,110	190
Other equipment	5,800	5,800	4,389	-	4,389	1,411
<b>Total records and identification</b>	<b>160,870</b>	<b>170,470</b>	<b>143,382</b>	<b>-</b>	<b>143,382</b>	<b>27,088</b>
Police station and buildings:						
Electric	48,000	48,000	39,984	-	39,984	8,016
Water	700	700	412	-	412	288
Sewer	800	800	619	-	619	181
Gas	2,500	2,500	981	-	981	1,519
Other professional services	23,170	23,170	20,195	-	20,195	2,975
Repair and maintenance services	2,000	2,000	474	-	474	1,526
Repair and maintenance - other machinery	3,000	3,000	-	-	-	3,000
Repair and maintenance - buildings	12,000	25,000	27,341	-	27,341	(2,341)
Agriculture and horticulture supplies	-	-	17	-	17	(17)
Household and janitorial supplies	2,800	2,800	1,775	-	1,775	1,025
Other machinery and equipment	6,000	24,000	23,605	-	23,605	395
<b>Total police station and buildings</b>	<b>100,970</b>	<b>131,970</b>	<b>115,403</b>	<b>-</b>	<b>115,403</b>	<b>16,567</b>
Fire protection and control:						
Salaries - permanent employees - regular	1,192,260	1,252,260	1,270,144	-	1,270,144	(17,884)
Salaries - permanent employees - overtime	64,800	114,800	89,780	-	89,780	25,020
Salaries - temporary employees	111,930	111,930	79,941	-	79,941	31,989
Terminal pay and sick leave	32,400	33,400	35,391	-	35,391	(1,991)
OASI	100,170	108,170	109,002	-	109,002	(832)
Retirement - current	133,620	155,620	156,084	-	156,084	(464)
Worker's compensation	31,710	43,710	43,632	-	43,632	78
Unemployment insurance	900	900	565	-	565	335
Employee education and training	40,000	20,000	19,450	-	19,450	550
Volunteer firemen	75,000	35,000	33,949	-	33,949	1,051
Postage and box rent	300	900	801	-	801	99
Automobile licenses and titles	-	25	21	-	21	4
Radio fees	3,700	4,270	4,269	-	4,269	1
Publications, reports, etc.	1,600	205	-	-	-	205
Duplication and printing	750	750	540	-	540	210
Memberships and registration fees	5,000	7,370	1,851	-	1,851	5,519
Public relations	4,000	4,000	3,532	-	3,532	468
Advertising	300	300	62	-	62	238
Telephone and telegraph	9,000	9,000	8,189	-	8,189	811
Medical, dental, veterinary	6,000	6,500	5,259	-	5,259	1,241
Data processing services	8,500	8,500	4,045	-	4,045	4,455
Other professional services	-	-	111	-	111	(111)
Repair and maintenance - motor vehicles	45,000	35,100	21,348	-	21,348	13,752
Repair and maintenance - other machinery	15,000	15,000	9,047	-	9,047	5,953
Out-of-town expense	10,000	15,110	8,009	-	8,009	7,101
Office supplies and materials	2,500	2,500	2,359	-	2,359	141
Office stationary and forms	500	500	12	-	12	488
Small items of equipment	3,000	7,480	8,101	-	8,101	(621)
Chemicals and laboratory	2,500	3,000	4,184	-	4,184	(1,184)
Food	1,200	1,400	1,455	-	1,455	(55)
Clothing and uniforms	77,000	77,000	71,585	-	71,585	5,415

(Continued)

CITY OF JEFFERSON CITY, TENNESSEE  
 BUDGETARY COMPARISON REPORT - GENERAL FUND  
 (Continued)  
 Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts		Variance- Favorable (Unfavorable)	
	Original	Final	Actual	Adjustments to Budgetary Basis		Actual (Budgetary Basis)
Expenditures (continued):						
Public safety (continued):						
Fire protection and control (continued):						
Educational supplies	\$ 2,500	\$ 3,900	\$ 3,602	\$ -	\$ 3,602	\$ 298
Other operating supplies	5,000	5,000	3,798	-	3,798	1,202
Gas, oil, diesel fuel and grease	35,000	35,000	28,193	-	28,193	6,807
Motor vehicle parts	10,000	10,000	7,253	-	7,253	2,747
Machinery and equipment parts	5,000	5,000	334	-	334	4,666
Tires, tubes, and etc.	4,500	4,500	3,426	-	3,426	1,074
Painting and plumbing supplies	1,500	1,500	157	-	157	1,343
Sundry repair and maintenance	6,000	6,000	4,776	-	4,776	1,224
Fire hydrants	5,000	5,000	148	-	148	4,852
Other insurance	2,000	2,000	1,607	-	1,607	393
Retirement of bank notes	132,230	132,230	132,228	-	132,228	2
Interest on bank notes	3,640	3,640	3,636	-	3,636	4
Transportation equipment	11,000	58,230	56,717	-	56,717	1,513
Computer equipment	-	800	800	-	800	-
Other machinery and equipment	-	63,600	65,520	-	65,520	(1,920)
<b>Total fire protection and control</b>	<b>2,202,010</b>	<b>2,411,100</b>	<b>2,304,913</b>	<b>-</b>	<b>2,304,913</b>	<b>106,187</b>
Fire stations and buildings:						
Electric	45,000	45,000	42,283	-	42,283	2,717
Water	1,500	1,500	1,368	-	1,368	132
Sewer	1,500	1,500	1,092	-	1,092	408
Gas	5,000	5,700	5,719	-	5,719	(19)
Architectural design - substation	25,000	91,000	91,000	-	91,000	-
Other professional services	2,470	2,470	3,011	-	3,011	(541)
Repair and maintenance services	5,000	5,000	1,096	-	1,096	3,904
Repair and maintenance other machines	-	-	1,279	-	1,279	(1,279)
Repair and maintenance - buildings	5,000	17,000	17,142	-	17,142	(142)
Agriculture and horticulture supplies	-	-	17	-	17	(17)
Household and janitorial supplies	3,500	3,500	2,903	-	2,903	597
Other machinery and equipment	15,000	15,000	-	-	-	15,000
<b>Total fire stations and buildings</b>	<b>108,970</b>	<b>187,670</b>	<b>166,910</b>	<b>-</b>	<b>166,910</b>	<b>20,760</b>
<b>Total public safety</b>	<b>5,635,910</b>	<b>8,181,470</b>	<b>7,806,262</b>	<b>-</b>	<b>7,806,262</b>	<b>375,208</b>
Public works:						
Administrative expenses:						
Salaries - permanent employees - regular	72,160	72,160	71,330	-	71,330	830
Terminal pay and sick leave	-	1,200	836	-	836	364
OASI	5,520	5,520	5,262	-	5,262	258
Retirement - current	6,230	6,230	6,226	-	6,226	4
Worker's compensation	290	290	159	-	159	131
Unemployment insurance	30	30	21	-	21	9
Postage and box rent	200	200	73	-	73	127
Duplication and printing	600	600	402	-	402	198
Subscriptions to newspapers and periodicals	40	40	-	-	-	40
Memberships and registration fees	1,000	1,000	85	-	85	915
Advertising	100	100	-	-	-	100
Telephone and telegraph	1,500	1,500	1,076	-	1,076	424
Other professional services	5,000	5,000	-	-	-	5,000
Repair and maintenance - furniture and office equipment	200	200	-	-	-	200
Out-of-town expense	500	500	-	-	-	500

(Continued)

CITY OF JEFFERSON CITY, TENNESSEE  
 BUDGETARY COMPARISON REPORT - GENERAL FUND  
 (Continued)  
 Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts		Variance- Favorable (Unfavorable)
	Original	Final	Actual	Adjustments to Budgetary Basis	
Expenditures (continued):					
Public works (continued):					
Administrative expenses (continued):					
Office supplies and materials	\$ 1,800	\$ 1,800	\$ 1,712	\$ -	\$ 88
Office stationary and forms	200	700	600	-	100
Small items of equipment	300	300	-	-	300
Other operating supplies	-	-	42	-	(42)
Architectural, engineering and landscaping services	-	37,000	36,810	-	190
Total administrative expenses	95,670	134,370	124,634	-	9,736
Highways, streets and roadways:					
Salaries - permanent employees - regular	389,130	389,130	352,546	-	36,584
Salaries - permanent employees - overtime	47,200	47,200	49,548	-	(2,348)
Terminal pay and sick leave	-	10,500	10,329	-	171
OASI	29,940	29,940	30,087	-	(147)
Retirement - current	33,820	34,220	35,417	-	(1,197)
Worker's compensation	30,310	30,310	30,134	-	176
Unemployment insurance	300	300	292	-	8
Employee education and training	2,000	2,000	249	-	1,751
Automobile licenses and titles	50	50	83	-	(33)
Advertising	200	200	61	-	139
Electric	1,700	1,700	1,136	-	564
Telephone and telegraph	500	3,000	2,746	-	254
Medical, dental, veterinary	1,000	2,500	2,230	-	270
Architectural, engineering, and landscaping	3,900	9,900	9,810	-	90
Other professional services	10,000	85,000	29,395	-	55,605
Repair and maintenance - motor vehicles	800	1,800	1,606	-	194
Repair and maintenance - other machinery	1,000	1,000	184	-	816
Out-of-town expense	2,000	2,000	-	-	2,000
Office supplies and materials	1,200	1,200	216	-	984
Small items of equipment	1,000	1,000	2,257	-	(1,257)
Agriculture and horticulture supplies	1,300	1,300	1,780	-	(480)
Food	200	200	48	-	152
Household and janitorial supplies	900	1,400	927	-	473
Clothing and uniforms	13,500	14,500	14,830	-	(330)
Other operating supplies	5,000	5,000	4,180	-	820
Gas, oil, diesel fuel and grease	25,000	45,000	42,244	-	2,756
Motor vehicle parts	5,500	9,500	11,507	-	(2,007)
Machinery and equipment parts	20,000	30,500	32,495	-	(1,995)
Tires, tubes, and etc.	5,000	9,000	7,271	-	1,729
Painting and plumbing supplies	1,000	1,000	980	-	20
Consumable tools	4,000	4,000	1,214	-	2,786
Sign parts and supplies	5,500	6,500	9,140	-	(2,640)
Ready mixed concrete	10,000	25,000	20,702	-	4,298
Cement and concrete supplies	10,000	40,000	16,536	-	23,464
Structural steel and iron	400	200	-	-	200
Metal pipe and fittings	500	1,500	1,067	-	433
Metal culverts	4,000	7,000	6,076	-	924
Lumber	1,500	1,500	1,371	-	129
Crushed stone	12,000	82,000	65,685	-	16,315
Gravel and sand	500	500	-	-	500
Asphalt and asphalt filler	25,000	35,000	28,318	-	6,682
Machinery and equipment rental	1,000	1,000	333	-	667
Retirement of bank notes	21,000	21,000	21,000	-	-
Interest on bank notes	7,810	7,810	7,806	-	4

(Continued)

## CITY OF JEFFERSON CITY, TENNESSEE

## BUDGETARY COMPARISON REPORT - GENERAL FUND

(Continued)

Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts		Variance- Favorable (Unfavorable)	
	Original	Final	Actual	Adjustments to Budgetary Basis		Actual (Budgetary Basis)
Expenditures (continued):						
Public works (continued):						
Highways, streets and roadways (continued):						
Roads, streets and parking lots	\$ 150,000	\$ 265,000	\$ 260,345	\$ -	\$ 260,345	\$ 4,655
Transportation equipment	15,000	99,920	99,763	-	99,763	157
Other machinery and equipment	-	79,820	79,815	-	79,815	5
Total highways, streets and roadways	901,660	1,448,100	1,293,759	-	1,293,759	154,341
City garage:						
Salaries - permanent employees - regular	149,530	149,530	142,171	-	142,171	7,359
Salaries - permanent employees - overtime	1,220	1,220	991	-	991	229
Terminal pay and sick leave	-	10,000	6,830	-	6,830	3,170
OASI	11,440	11,550	11,176	-	11,176	374
Retirement - current	12,930	13,380	12,932	-	12,932	448
Worker's compensation	6,800	6,800	5,176	-	5,176	1,624
Unemployment insurance	110	110	63	-	63	47
Memberships, registration fees and tuition	-	-	62	-	62	(62)
Other publicity, subscriptions and dues	-	2,000	1,013	-	1,013	987
Telephone and telegraph	1,100	1,600	1,571	-	1,571	29
Medical, dental, veterinary	200	200	83	-	83	117
Repair and maintenance - other machinery	500	500	316	-	316	184
Repair and maintenance - buildings	1,150	150	28	-	28	122
Office supplies and materials	250	250	167	-	167	83
Small items of equipment	2,000	2,000	944	-	944	1,056
Household and janitorial supplies	1,000	1,000	693	-	693	307
Clothing and uniforms	3,500	4,500	4,178	-	4,178	322
Other operating supplies	1,700	1,700	984	-	984	716
Gas, oil, diesel fuel and grease	600	1,600	1,500	-	1,500	100
Motor vehicle parts	500	500	166	-	166	334
Machinery and equipment parts	2,300	2,300	1,630	-	1,630	670
Consumable tools	2,500	2,500	588	-	588	1,912
Machinery and equipment rental	4,000	4,000	3,770	-	3,770	230
Other machinery and equipment	75,500	75,500	67,342	-	67,342	8,158
Total city garage	278,830	292,890	264,374	-	264,374	28,516
Total public works	1,276,160	1,875,360	1,682,767	-	1,682,767	192,593
Health, welfare and social services:						
Rabies and animal control:						
Donation	15,000	15,000	15,000	-	15,000	-
Total rabies and animal control	15,000	15,000	15,000	-	15,000	-
Senior citizens activities:						
Electric	4,000	4,000	3,244	-	3,244	756
Water	250	250	195	-	195	55
Sewer	400	400	258	-	258	142
Gas	1,500	1,500	1,447	-	1,447	53
Repair and maintenance - buildings	800	1,470	997	-	997	473
Total senior citizens activities	6,950	7,620	6,141	-	6,141	1,479
Total health, welfare and social services	21,950	22,620	21,141	-	21,141	1,479

(Continued)

CITY OF JEFFERSON CITY, TENNESSEE  
 BUDGETARY COMPARISON REPORT - GENERAL FUND  
 (Continued)  
 Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts		Variance- Favorable (Unfavorable)	
	Original	Final	Actual	Adjustments to Budgetary Basis		Actual (Budgetary Basis)
Expenditures (continued):						
Culture and recreation:						
Recreation administration:						
Salaries - permanent employees - regular	\$ 76,730	\$ 79,530	\$ 79,529	\$ -	\$ 79,529	\$ 1
Other wages	-	1,900	1,900	-	1,900	-
OASI	5,880	6,080	6,075	-	6,075	5
Retirement - current	6,630	6,880	6,863	-	6,863	17
Worker's compensation	600	600	209	-	209	391
Unemployment insurance	40	40	21	-	21	19
Memberships and registration fees	500	500	45	-	45	455
Advertising	200	200	80	-	80	120
Architectural, engineering and landscaping services	50,000	50,000	6,290	-	6,290	43,710
Office supplies and materials	200	200	-	-	-	200
Office stationary and forms	50	50	67	-	67	(17)
Small items of equipment	-	150	121	-	121	29
Computer equipment	-	850	837	-	837	13
<b>Total recreation administration</b>	<b>140,830</b>	<b>146,980</b>	<b>102,037</b>	<b>-</b>	<b>102,037</b>	<b>44,943</b>
Mossy Creek Recreation Complex:						
Electric	1,800	1,800	703	-	703	1,097
Water	300	300	442	-	442	(142)
Repair and maintenance - buildings	300	300	26	-	26	274
Household and janitorial supplies	100	100	-	-	-	100
Painting and plumbing supplies	200	200	-	-	-	200
Sundry repair and maintenance	200	200	-	-	-	200
Machinery and equipment rental	950	950	1,631	-	1,631	(681)
<b>Total Mossy Creek Recreation Complex</b>	<b>3,850</b>	<b>3,850</b>	<b>2,802</b>	<b>-</b>	<b>2,802</b>	<b>1,048</b>
Nelson-Merry Complex:						
Electric	3,500	3,500	2,476	-	2,476	1,024
Water	350	1,050	1,067	-	1,067	(17)
Sewer	500	1,350	1,349	-	1,349	1
Gas	4,500	6,000	5,983	-	5,983	17
Telephone and telegraph	500	1,000	1,170	-	1,170	(170)
Repair and maintenance - buildings	500	1,500	1,334	-	1,334	166
Household and janitorial supplies	400	400	9	-	9	391
Recreation supplies	300	300	-	-	-	300
Other operating supplies	200	200	313	-	313	(113)
Painting and plumbing supplies	500	500	-	-	-	500
Other machinery and equipment	7,000	7,000	6,960	-	6,960	40
<b>Total Nelson-Merry Complex</b>	<b>18,250</b>	<b>22,800</b>	<b>20,661</b>	<b>-</b>	<b>20,661</b>	<b>2,139</b>
Swimming pool:						
Salaries - temporary employees	80,000	80,000	52,864	-	52,864	27,136
OASI	6,120	6,120	2,400	-	2,400	3,720
Worker's compensation	1,500	1,900	1,915	-	1,915	(15)
Unemployment insurance	270	270	87	-	87	183
Electric	12,000	12,000	6,035	-	6,035	5,965
Water	9,000	9,000	8,689	-	8,689	311
Telephone and telegraph	600	600	1,209	-	1,209	(609)
Repair and maintenance - other machinery	1,200	1,200	1,240	-	1,240	(40)
Repair and maintenance - buildings	500	500	-	-	-	500
Office supplies and materials	50	50	55	-	55	(5)

(Continued)

## CITY OF JEFFERSON CITY, TENNESSEE

## BUDGETARY COMPARISON REPORT - GENERAL FUND

(Continued)

Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts		Variance-Favorable (Unfavorable)	
	Original	Final	Actual	Adjustments to Budgetary Basis		Actual (Budgetary Basis)
Expenditures (continued):						
Culture and recreation (continued):						
Swimming pool (continued):						
Chemicals and laboratory	\$ 7,000	\$ 7,000	\$ 7,466	\$ -	\$ 7,466	\$ (466)
Household and janitorial supplies	750	750	402	-	402	348
Other operating supplies	1,200	1,200	165	-	165	1,035
Machinery and equipment parts	300	300	-	-	-	300
Painting and plumbing supplies	500	500	328	-	328	172
Machinery and equipment rental	200	200	-	-	-	200
Pool health permit	800	800	680	-	680	120
Total swimming pool	121,990	122,390	83,535	-	83,535	38,855
Community center:						
Salaries - permanent employees - regular	334,900	334,900	238,207	-	238,207	96,693
Salaries - temporary employees	123,400	158,400	160,535	-	160,535	(2,135)
Terminal pay and sick leave	-	8,500	7,435	-	7,435	1,065
OASI	31,870	31,870	30,165	-	30,165	1,705
Retirement - current	25,340	25,340	21,243	-	21,243	4,097
Worker's compensation	14,000	14,000	10,858	-	10,858	3,142
Unemployment insurance	360	560	545	-	545	15
Postage and box rent	400	400	25	-	25	375
Duplication and printing	2,600	2,600	518	-	518	2,082
Memberships and registration fees	600	600	751	-	751	(151)
Public relations	200	200	-	-	-	200
Advertising	750	750	-	-	-	750
Electric	80,000	80,000	55,723	-	55,723	24,277
Water	2,700	2,700	1,635	-	1,635	1,065
Sewer	2,000	2,500	2,651	-	2,651	(151)
Gas	20,000	23,000	25,809	-	25,809	(2,809)
Telephone and telegraph	4,000	4,000	2,065	-	2,065	1,935
Medical, dental, veterinary	80	80	115	-	115	(35)
Repair and maintenance - other machinery	10,000	18,000	11,115	-	11,115	6,885
Repair and maintenance - buildings	6,500	6,500	5,800	-	5,800	700
Out-of-town expense	400	400	-	-	-	400
Other contractual services	800	800	782	-	782	18
Office supplies and materials	1,000	1,000	957	-	957	43
Office stationery and forms	400	400	69	-	69	331
Small items of equipment	1,700	1,700	366	-	366	1,334
Agriculture and horticulture supplies	400	400	493	-	493	(93)
Chemicals and laboratory	10,000	10,000	5,199	-	5,199	4,801
Food	200	200	243	-	243	(43)
Household and janitorial supplies	8,000	8,000	11,285	-	11,285	(3,285)
Recreation supplies	2,500	2,500	574	-	574	1,926
Other operating supplies	1,900	1,900	1,913	-	1,913	(13)
Machinery and equipment	-	-	263	-	263	(263)
Painting and plumbing supplies	600	600	263	-	263	337
Consumable tools	150	150	207	-	207	(57)
Pool health permit	340	340	340	-	340	-
Other machinery and equipment	1,500	26,500	26,442	-	26,442	58
Total community center	689,590	769,790	624,591	-	624,591	145,199

(Continued)

## CITY OF JEFFERSON CITY, TENNESSEE

## BUDGETARY COMPARISON REPORT - GENERAL FUND

(Continued)

Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts		Variance- Favorable (Unfavorable)
	Original	Final	Actual	Adjustments to Budgetary Basis	
Expenditures (continued):					
Culture and recreation (continued):					
Basketball:					
Other wages	\$ 3,000	\$ 3,000	\$ 1,253	\$ -	\$ 1,747
OASI	230	230	-	-	230
Recreation supplies	250	250	-	-	250
Clothing and uniforms	2,250	2,250	1,018	-	1,232
Total basketball	5,730	5,730	2,271	-	3,459
Tee-ball:					
Other wages	2,200	2,200	-	-	2,200
Recreation supplies	500	500	43	-	457
Clothing and uniforms	1,800	1,800	990	-	810
Total tee-ball	4,500	4,500	1,033	-	3,467
Park areas:					
Salaries - permanent employees - regular	113,760	123,760	122,871	-	889
Salaries - temporary employees	14,000	14,000	151	-	13,849
Terminal pay and sick leave	-	5,500	5,017	-	483
OASI	8,700	9,250	9,268	-	(18)
Retirement - current	9,830	11,030	11,003	-	27
Worker's compensation	3,830	3,830	2,604	-	1,226
Unemployment insurance	110	110	63	-	47
Automobile licenses and titles	-	-	21	-	(21)
Architectural, engineering, and landscaping	9,000	18,000	25,200	-	(7,200)
Repair and maintenance - motor vehicles	200	200	-	-	200
Small items of equipment	500	500	84	-	416
Agriculture and horticulture supplies	200	200	54	-	146
Clothing and uniforms	600	600	47	-	553
Other operating supplies	350	350	47	-	303
Gas, oil, diesel fuel and grease	4,500	4,500	4,948	-	(448)
Motor vehicle parts	600	600	272	-	328
Machinery and equipment parts	500	500	1,016	-	(516)
Painting and plumbing supplies	200	200	-	-	200
Consumable tools	500	500	-	-	500
Gravel and sand	400	400	-	-	400
Other machinery and equipment	-	1,120	1,117	-	3
Total park areas	167,780	195,150	183,783	-	11,367
Nelson-Merry Park:					
Electric	800	800	330	-	470
Repair and maintenance - buildings	250	250	172	-	78
Repair and maintenance - plumbing	150	150	-	-	150
Agriculture and horticulture supplies	3,000	3,000	2,095	-	905
Painting or plumbing	200	200	35	-	165
Sign parts and supplies	1,000	1,000	154	-	846
Total Nelson-Merry Park	5,400	5,400	2,786	-	2,614

(Continued)

## CITY OF JEFFERSON CITY, TENNESSEE

## BUDGETARY COMPARISON REPORT - GENERAL FUND

(Continued)

Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts		Variance-Favorable (Unfavorable)
	Original	Final	Actual	Adjustments to Budgetary Basis	
Expenditures (continued):					
Culture and recreation (continued):					
Centennial Park:					
Electric	\$ 800	\$ 800	\$ 771	\$ -	\$ 29
Water	300	300	180	-	120
Sewer	300	300	233	-	67
Repair and maintenance - buildings	250	250	409	-	(159)
Repair and maintenance - plumbing	150	150	-	-	150
Agriculture and horticulture supplies	3,000	3,000	2,000	-	1,000
Household and janitorial supplies	600	600	22	-	578
Other operating supplies	4,000	4,000	-	-	4,000
Total Centennial Park	9,400	9,400	3,615	-	5,785
Little League field:					
Electric	2,000	2,000	872	-	1,128
Water	600	600	176	-	424
Sewer	350	350	227	-	123
Repair and maintenance - other	2,000	2,000	1,645	-	355
Repair and maintenance - buildings	300	300	24	-	276
Other operating supplies	300	300	20	-	280
Sign part and supplies	1,000	1,000	154	-	846
Total Little League field	6,550	6,550	3,118	-	3,432
Mossy Creek Station:					
Electric	2,500	2,500	940	-	1,560
Water	450	450	353	-	97
Sewer	600	600	227	-	373
Repair and maintenance	300	300	-	-	300
Household and janitorial supplies	400	400	-	-	400
Other operating supplies	300	300	26	-	274
Festival	7,500	7,500	1,454	-	6,046
Total Mossy Creek Station	12,050	12,050	3,000	-	9,050
Libraries:					
Contractual services	64,270	64,270	64,265	-	5
Electric	30,000	30,000	23,622	-	6,378
Water	500	500	269	-	231
Sewer	600	600	381	-	219
Gas	1,000	1,000	74	-	926
Other professional services	23,910	23,910	18,898	-	5,012
Repair and maintenance services	1,000	1,000	426	-	574
Repair and maintenance - buildings	10,000	10,000	7,508	-	2,492
Household and janitorial supplies	1,000	1,000	413	-	587
Insurance on buildings	5,200	6,200	6,189	-	11
Insurance on vehicles and equipment	50	57	6	-	51
Trustee fees	700	700	250	-	450
Retirement of bonds	110,000	110,000	110,000	-	-
Interest on bonded debt	32,080	32,080	32,075	-	5
Total libraries	280,310	281,317	264,376	-	16,941
Total culture and recreation	1,466,230	1,585,907	1,297,608	-	288,299

(Continued)

CITY OF JEFFERSON CITY, TENNESSEE  
 BUDGETARY COMPARISON REPORT - GENERAL FUND  
 (Continued)  
 Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts		Variance- Favorable (Unfavorable)	
	Original	Final	Actual	Adjustments to Budgetary Basis		Actual (Budgetary Basis)
Total expenditures	\$ 11,714,150	\$ 15,093,777	\$ 13,921,286	\$ -	\$ 13,921,286	\$ 1,172,491
Revenues over (under) expenditures	(126,730)	(465,730)	1,010,496	-	1,010,496	1,476,226
Other financing sources and (uses):						
Transfer out	(208,400)	(349,240)	(349,240)	-	(349,240)	-
Insurance recoveries	-	3,100	3,105	-	3,105	5
Total other financing sources and (uses)	(208,400)	(346,140)	(346,135)	-	(346,135)	5
Net change in fund balance	(335,130)	(811,870)	664,361	-	664,361	1,476,231
Fund balance - beginning	15,158,595	15,158,595	15,158,595	-	15,158,595	-
Fund balance - ending	\$ 14,823,465	\$ 14,346,725	\$ 15,822,956	\$ -	\$ 15,822,956	\$ 1,476,231

See independent auditor's report.

CITY OF JEFFERSON CITY, TENNESSEE  
BUDGETARY COMPARISON STATEMENT  
WATER AND SEWER FUND

Fiscal Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance-</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary</u> <u>Basis)</u>	<u>Favorable</u> <u>(Unfavorable)</u>
Operating revenues:				
Charges for services:				
Metered water sales	\$ 2,950,000	\$ 2,950,000	\$ 3,305,470	\$ 355,470
Flat rate water sales	100	100	-	(100)
Forfeited discounts and penalties	50,000	63,350	73,349	9,999
Water connection fees	40,000	40,000	35,200	(4,800)
Water tap fees	50,000	50,000	50,900	900
Sewer service charges	2,000,000	2,000,000	2,082,436	82,436
Grease trap inspection fee	11,000	11,000	11,400	400
Sewer tap fees	100,000	50,000	37,900	(12,100)
Total charges for services	<u>5,201,100</u>	<u>5,164,450</u>	<u>5,596,655</u>	<u>432,205</u>
Other income:				
Bad debts collections	1,000	1,000	480	(520)
Miscellaneous - water	20,000	53,460	58,535	5,075
Total other income	<u>21,000</u>	<u>54,460</u>	<u>59,015</u>	<u>4,555</u>
Total operating revenues	5,222,100	5,218,910	5,655,670	436,760
Operating expenses	4,385,130	5,066,710	5,289,280	(222,570)
Operating income	<u>836,970</u>	<u>152,200</u>	<u>366,390</u>	<u>214,190</u>
Non-operating revenues (expenses):				
Interest earned	20,000	114,000	148,323	34,323
Interest expense	(294,470)	(294,470)	(279,950)	14,520
Total non-operating revenues (expenses)	<u>(274,470)</u>	<u>(180,470)</u>	<u>(131,627)</u>	<u>48,843</u>
Income before capital contributions	562,500	(28,270)	234,763	263,033
Capital contributions	<u>879,990</u>	<u>1,043,650</u>	<u>732,600</u>	<u>311,050</u>
Change in net position	1,442,490	1,015,380	967,363	574,083
Net position - beginning	<u>17,410,943</u>	<u>17,410,943</u>	<u>17,410,943</u>	<u>-</u>
Net position - ending	<u>\$ 18,853,433</u>	<u>\$ 18,426,323</u>	<u>\$ 18,378,306</u>	<u>\$ 574,083</u>

See independent auditor's report.

## CITY OF JEFFERSON CITY, TENNESSEE

## SCHEDULE OF OPERATING EXPENSES - WATER AND SEWER FUND

Fiscal Year Ended June 30, 2024

	Water	Sewer	Total
Administrative and general:			
Salaries - permanent	\$ 180,513	\$ 107,665	\$ 288,178
Other wages	420	-	420
Terminal pay and sick leave	7,865	210	8,075
OASI (employer's share)	14,061	3,700	17,761
Retirement - current	18,309	8,278	26,587
Workmen's compensation insurance	343	10,806	11,149
Unemployment insurance	70	198	268
Employee education and training	-	42	42
Postage, box rent, etc.	32	-	32
Automobile licenses and title	24	10	34
Mailing service	23,051	14	23,065
Duplication	813	9,879	10,692
Memberships, registration	2,911	359	3,270
Telephone and telegraph	1,776	1,248	3,024
Medical, dental	-	761	761
Accounting and auditing	7,997	-	7,997
Data processing services	19,006	610	19,616
Other professional services	4,250	7,687	11,937
Repair and maintenance - furniture, office machine	-	8,026	8,026
Office supplies and materials	1,821	1,821	3,642
Office stationery and forms	6,984	-	6,984
Small items of equipment	544	810	1,354
Food	-	2,928	2,928
Clothing and uniforms	954	324	1,278
Other operating supplies	26	728	754
Building and office rental	30,000	12	30,012
Land rental	300	30,000	30,300
Trustee fees	2,500	250	2,750
Bank service charges	1,221	15	1,236
Bank fees - direct	131	89	220
Computer equipment	620	263	883
	<u>326,542</u>	<u>196,733</u>	<u>523,275</u>
Total administrative and general			
Insurance:			
Hospital and health insurance	209,118	138,926	348,044
Other employer contributions	131	131	262
Insurance on buildings	40,363	20,970	61,333
Insurance on vehicles and equipment	4,705	3,221	7,926
Liability insurance	6,612	226	6,838
Professional liability insurance	2,215	1,107	3,322
Surety bonds for officials	2,399	1,916	4,315
	<u>265,543</u>	<u>166,497</u>	<u>432,040</u>
Total insurance			
Customer accounting and collecting:			
Salaries - permanent employees - regular	28,621	19,081	47,702
Salaries - permanent employees - overtime	268	-	268

(Continued)

## CITY OF JEFFERSON CITY, TENNESSEE

SCHEDULE OF OPERATING EXPENSES - WATER AND SEWER FUND  
(Continued)

Fiscal Year Ended June 30, 2024

	Water	Sewer	Total
Customer accounting and collecting (continued):			
Other wages	\$ 1,530	\$ 1,020	\$ 2,550
Terminal pay and sick leave	6,712	4,332	11,044
OASI (employer's share)	2,582	1,698	4,280
Retirement - current	3,462	2,277	5,739
Workmen's compensation	1,396	924	2,320
Unemployment insurance	13	8	21
Vehicle tow-in services	28	12	40
Clothing and uniforms	1,234	529	1,763
Gas, oil, diesel fuel and grease	4,424	1,896	6,320
Motor vehicle parts	1,004	451	1,455
Bad debt expense	23,332	-	23,332
	<u>74,606</u>	<u>32,228</u>	<u>106,834</u>
Total customer accounting and collecting			
Purification and disposal:			
Salaries - permanent employees - regular	241,287	160,379	401,666
Salaries - permanent employees - overtime	28,519	46,354	74,873
Terminal pay and sick leave	5,661	4,158	9,819
OASI (employer's share)	19,975	15,522	35,497
Retirement - current	26,475	20,395	46,870
Worker's compensation insurance	8,975	4,135	13,110
Unemployment insurance	110	75	185
Employee education and training	315	222	537
OPEB expense	9,416	-	9,416
Postage, box rent, etc.	934	61	995
Duplication	529	-	529
Memberships and registration fees	900	400	1,300
Electric	363,212	121,357	484,569
Gas	2,315	60	2,375
Telephone and telegraph	1,690	2,407	4,097
Medical, dental, veterinary, and vital statistics	230	-	230
Architectural, engineering, landscaping	8,100	-	8,100
Other professional services	74,194	125,585	199,779
Repair and maintenance - services	42,231	-	42,231
Repair and maintenance - other machinery	14,588	11,346	25,934
Repair and maintenance - building	3,831	2,582	6,413
Out-of-town expense	-	43	43
Office supplies and materials	70	791	861
Small items of equipment	510	6,007	6,517
Agriculture and horticulture	-	41	41
Chemical, laboratory, etc.	57,071	82,980	140,051
Janitorial supplies	1,170	1,331	2,501
Clothing and uniforms	5,860	5,186	11,046
Other operating supplies	840	3,784	4,624
Gas, oil, diesel fuel and grease	24	1,119	1,143
Motor vehicle parts	359	-	359
Machinery and equipment parts	35,039	1,905	36,944
Tires, tubes, and etc	-	1,230	1,230
Painting and plumbing supplies	92	174	266

(Continued)

## CITY OF JEFFERSON CITY, TENNESSEE

## SCHEDULE OF OPERATING EXPENSES - WATER AND SEWER FUND

(Continued)

Fiscal Year Ended June 30, 2024

	Water	Sewer	Total
Purification and disposal (continued):			
Consumable tools	\$ 32	\$ 198	\$ 230
Machinery and equipment rental	-	685	685
NPDES permit	5,474	9,000	14,474
Other machinery and equipment	-	4,945	4,945
	<hr/>	<hr/>	<hr/>
Total purification and disposal	960,028	634,457	1,594,485
Transmission and collection:			
Salaries - permanent employees - regular	293,928	195,398	489,326
Salaries - permanent employees - overtime	69,812	18,840	88,652
Salaries - temporary	-	99	99
Terminal pay and sick leave	10,097	6,531	16,628
OASI (employer's share)	27,390	16,273	43,663
Retirement - current	36,040	21,439	57,479
Worker's compensation insurance	11,738	7,552	19,290
Unemployment insurance	163	97	260
Employee education	344	-	344
Postage, box rent, etc.	57	-	57
Auto licenses and titles	40	17	57
Vehicle tow-in services	259	111	370
Memberships and registration fees	475	419	894
Electric	167,461	20,310	187,771
Telephone and telegraph	50,478	447	50,925
Medical, dental, veterinary expenses	541	232	773
Architectural, engineering and landscaping	4,406	950	5,356
Other professional service	18,121	2,721	20,842
Repair and maintenance - motor vehicles	2,064	981	3,045
Repair and maintenance - other machinery	10,163	13,387	23,550
Repair and maintenance - building	48	-	48
Office supplies and materials	57	2	59
Agriculture and horticulture supplies	239	64	303
Chemicals and laboratory	70	-	70
Food	34	88	122
Janitorial supplies	682	431	1,113
Clothing and uniforms	13,020	5,943	18,963
Other operating supplies	4,341	1,399	5,740
Gas, oil, diesel fuel and grease	21,754	10,414	32,168
Motor vehicle parts	6,793	2,904	9,697
Machinery and equipment parts	5,518	2,528	8,046
Tires, tubes, and etc.	3,476	1,489	4,965
Painting and plumbing supplies	428	329	757
Electrical supplies	-	132	132
Repair parts for water or sewer	94,377	16,128	110,505
Consumable tools	1,905	87	1,992
Water meters	32,408	-	32,408
Fire hydrants	395	-	395
Ready mix concrete	1,919	822	2,741
Cement and concrete products	5	36	41
Metal pipe and fittings	239	-	239

(Continued)

## CITY OF JEFFERSON CITY, TENNESSEE

## SCHEDULE OF OPERATING EXPENSES - WATER AND SEWER FUND

(Continued)

Fiscal Year Ended June 30, 2024

	Water	Sewer	Total
Transmission and collection (continued):			
Plastic pipe	\$ 1,971	\$ 1,306	\$ 3,277
Crushed stone	21,210	9,090	30,300
Asphalt and asphalt filler	1,891	949	2,840
Premiums on surety bonds	250	15,392	15,642
Other machinery and equipment	970	416	1,386
	<u>917,577</u>	<u>375,753</u>	<u>1,293,330</u>
Total transmission and collection			
Shop and maintenance:			
Electric	6,245	2,676	8,921
Gas	4,155	1,780	5,935
Other professional services	2,184	936	3,120
Repairs and maintenance - building	504	216	720
Janitorial supplies	379	163	542
Other operating supplies	4	2	6
	<u>13,471</u>	<u>5,773</u>	<u>19,244</u>
Total shop and maintenance			
Other operating:			
Salaries - permanent employees - regular	13,846	6,923	20,769
Salaries - temporary	-	92	92
OASI (employer's share)	997	505	1,502
Retirement - current	1,313	665	1,978
Unemployment insurance	8	4	12
Memberships and registration fees	82	35	117
Telephone and telegraph	138	59	197
Medical, dental, veterinary expenses	40	17	57
Data processing	20,171	8,765	28,936
Other professional services	56	24	80
Repair and maintenance furniture, office machines	168	72	240
Office supplies	129	55	184
Office stationary and forms	23	10	33
Small items of equipment	545	232	777
Clothing and uniforms	136	58	194
Other operating supplies	62	29	91
Computer equipment	384	164	548
	<u>38,098</u>	<u>17,709</u>	<u>55,807</u>
Total other operating			
Depreciation	<u>681,775</u>	<u>582,490</u>	<u>1,264,265</u>
Total operating expenses	<u>\$ 3,277,640</u>	<u>\$ 2,011,640</u>	<u>\$ 5,289,280</u>

See independent auditor's report.

CITY OF JEFFERSON CITY, TENNESSEE  
 SCHEDULE OF GENERAL LONG-TERM DEBT  
 PRINCIPAL AND INTEREST REQUIREMENTS

June 30, 2024

Fiscal Year June 30,	General Obligation Bonds Series 2017 City Center		General Obligation Refunding Bonds Series 2021 Library Refunding		Total General Obligation Bonds		Note Payable US Bancorp 2.25% Police Vehicles	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 375,000	\$ 122,775	\$ 110,000	\$ 29,875	\$ 485,000	\$ 152,650	\$ 30,222	\$ 680
2026	385,000	115,275	110,000	27,675	495,000	142,950	-	-
2027	395,000	106,613	110,000	25,475	505,000	132,088	-	-
2028	400,000	97,725	110,000	23,275	510,000	121,000	-	-
2029	410,000	88,225	110,000	21,075	520,000	109,300	-	-
2030	420,000	77,975	110,000	18,875	530,000	96,850	-	-
2031	430,000	67,475	115,000	16,675	545,000	84,150	-	-
2032	445,000	55,650	115,000	14,375	560,000	70,025	-	-
2033	455,000	42,300	115,000	12,075	570,000	54,375	-	-
2034	470,000	28,650	115,000	10,350	585,000	39,000	-	-
2035	485,000	14,550	115,000	8,625	600,000	23,175	-	-
2036	-	-	115,000	6,900	115,000	6,900	-	-
2037	-	-	115,000	4,600	115,000	4,600	-	-
2038	-	-	115,000	2,300	115,000	2,300	-	-
	<u>\$ 4,670,000</u>	<u>\$ 817,213</u>	<u>\$ 1,580,000</u>	<u>\$ 222,150</u>	<u>\$ 6,250,000</u>	<u>\$ 1,039,363</u>	<u>\$ 30,222</u>	<u>\$ 680</u>

(Continued)

CITY OF JEFFERSON CITY, TENNESSEE

SCHEDULE OF GENERAL LONG-TERM DEBT  
PRINCIPAL AND INTEREST REQUIREMENTS

(Continued)

June 30, 2024

Fiscal Year June 30,	Note Payable Capital Outlay Note Series 2022B Street Equipment and Vehicle		Note Payable TM Bond Fund Police Vehicles		Total Notes Payable		Grand Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 21,900	\$ 6,960	\$ 56,000	\$ 5,344	\$ 108,122	\$ 12,984	\$ 593,122	\$ 165,634
2026	22,700	6,077	58,000	3,257	80,700	9,334	575,700	152,284
2027	23,600	5,162	60,000	1,098	83,600	6,260	588,600	138,348
2028	24,600	4,211	-	-	24,600	4,211	534,600	125,211
2029	25,600	3,220	-	-	25,600	3,220	545,600	112,520
2030	26,600	2,188	-	-	26,600	2,188	556,600	99,038
2031	27,700	1,116	-	-	27,700	1,116	572,700	85,266
2032	-	-	-	-	-	-	560,000	70,025
2033	-	-	-	-	-	-	570,000	54,375
2034	-	-	-	-	-	-	585,000	39,000
2035	-	-	-	-	-	-	600,000	23,175
2036	-	-	-	-	-	-	115,000	6,900
2037	-	-	-	-	-	-	115,000	4,600
2038	-	-	-	-	-	-	115,000	2,300
	<u>\$ 172,700</u>	<u>\$ 28,934</u>	<u>\$ 174,000</u>	<u>\$ 9,699</u>	<u>\$ 376,922</u>	<u>\$ 39,313</u>	<u>\$ 6,626,922</u>	<u>\$ 1,078,676</u>

See independent auditor's report.

CITY OF JEFFERSON CITY, TENNESSEE

SCHEDULE OF LONG-TERM DEBT PRINCIPAL AND INTEREST REQUIREMENTS  
WATER AND SEWER FUND

June 30, 2024

Fiscal Year	General Obligation Refunding Bonds Series 2020		General Obligation Refunding Bonds Series 2021		Total General Obligation Bonds		Tennessee Local Development Authority Loan		Tennessee Local Development Authority Loan	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
June 30,										
2025	\$ 225,000	\$ 116,143	\$ 70,000	\$ 21,525	\$ 295,000	\$ 137,668	\$ 6,276	\$ 6	\$ 257,244	\$ 13,104
2026	230,000	109,392	75,000	20,125	305,000	129,517	-	-	259,284	11,064
2027	240,000	102,493	75,000	18,625	315,000	121,118	-	-	261,336	9,012
2028	245,000	95,292	75,000	17,125	320,000	112,417	-	-	263,412	6,936
2029	255,000	87,943	80,000	15,625	335,000	103,568	-	-	265,500	4,848
2030	260,000	80,292	80,000	14,025	340,000	94,317	-	-	267,600	2,748
2031	270,000	77,043	80,000	12,425	350,000	89,468	-	-	202,202	647
2032	275,000	73,667	80,000	10,825	355,000	84,492	-	-	-	-
2033	280,000	70,230	85,000	9,225	365,000	79,455	-	-	-	-
2034	285,000	65,330	85,000	7,950	370,000	73,280	-	-	-	-
2035	290,000	60,343	85,000	6,675	375,000	67,018	-	-	-	-
2036	295,000	55,267	90,000	5,400	385,000	60,667	-	-	-	-
2037	300,000	50,105	90,000	3,600	390,000	53,705	-	-	-	-
2038	300,000	44,105	90,000	1,800	390,000	45,905	-	-	-	-
2039	300,000	38,105	-	-	300,000	38,105	-	-	-	-
2040	300,000	32,105	-	-	300,000	32,105	-	-	-	-
2041	250,000	26,105	-	-	250,000	26,105	-	-	-	-
2042	250,000	20,980	-	-	250,000	20,980	-	-	-	-
2043	250,000	15,855	-	-	250,000	15,855	-	-	-	-
2044	250,000	10,605	-	-	250,000	10,605	-	-	-	-
2045	255,000	5,355	-	-	255,000	5,355	-	-	-	-
2046	-	-	-	-	-	-	-	-	-	-
2047	-	-	-	-	-	-	-	-	-	-
2048	-	-	-	-	-	-	-	-	-	-
2049	-	-	-	-	-	-	-	-	-	-
2050	-	-	-	-	-	-	-	-	-	-
2051	-	-	-	-	-	-	-	-	-	-
2052	-	-	-	-	-	-	-	-	-	-
2053	-	-	-	-	-	-	-	-	-	-
2054	-	-	-	-	-	-	-	-	-	-
2055	-	-	-	-	-	-	-	-	-	-
2056	-	-	-	-	-	-	-	-	-	-
2057	-	-	-	-	-	-	-	-	-	-
2058	-	-	-	-	-	-	-	-	-	-
2059	-	-	-	-	-	-	-	-	-	-
2060	-	-	-	-	-	-	-	-	-	-
2061	-	-	-	-	-	-	-	-	-	-
	<u>\$ 5,605,000</u>	<u>\$ 1,236,755</u>	<u>\$ 1,140,000</u>	<u>\$ 164,950</u>	<u>\$ 6,745,000</u>	<u>\$ 1,401,705</u>	<u>\$ 6,276</u>	<u>\$ 6</u>	<u>\$ 1,776,578</u>	<u>\$ 48,359</u>

(Continued)

CITY OF JEFFERSON CITY, TENNESSEE

SCHEDULE OF LONG-TERM DEBT PRINCIPAL AND INTEREST REQUIREMENTS  
WATER AND SEWER FUND

(Continued)

June 30, 2024

Fiscal Year	Water & Sewer System Rural Development Loan		Note Payable Capital Outlay Note Series 2022B		Water & Sewer System Rural Development Loan		Total Notes Payable		Total Principal Requirements	Total Interest Requirements
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest		
2025	\$ 62,713	\$ 57,191	\$ 30,500	\$ 14,794	\$ 88,344	\$ 57,444	\$ 445,077	\$ 142,539	\$ 740,077	\$ 280,207
2026	64,065	55,838	31,800	13,564	89,567	56,221	444,716	136,687	749,716	266,204
2027	65,447	54,457	33,000	12,283	90,806	54,982	450,589	130,734	765,589	251,852
2028	66,859	53,046	34,400	10,953	92,062	53,726	456,733	124,661	776,733	237,078
2029	68,300	51,604	35,800	9,567	93,336	52,452	462,936	118,471	797,936	222,039
2030	69,774	50,130	37,200	8,124	94,628	51,160	469,202	112,162	809,202	206,479
2031	71,278	48,626	38,700	6,626	95,937	49,851	408,117	105,750	758,117	195,218
2032	72,816	47,088	40,200	5,066	97,265	48,523	210,261	100,677	565,281	185,169
2033	74,386	45,518	41,900	3,446	98,610	47,178	214,896	96,142	579,896	175,597
2034	75,990	43,914	43,600	1,757	99,975	45,813	219,565	91,484	589,565	164,764
2035	77,629	42,275	-	-	101,358	44,430	178,987	86,705	553,987	153,723
2036	79,304	40,600	-	-	102,761	43,027	182,065	83,627	567,065	144,294
2037	81,014	38,890	-	-	104,183	41,605	185,197	80,495	575,197	134,200
2038	82,761	37,143	-	-	105,624	40,164	188,385	77,307	578,385	123,212
2039	84,546	35,358	-	-	107,086	38,702	191,632	74,060	491,632	112,165
2040	86,370	33,534	-	-	108,568	37,221	194,938	70,755	494,938	102,860
2041	88,232	31,672	-	-	110,070	35,718	198,302	67,390	448,302	93,495
2042	90,135	29,769	-	-	111,593	34,195	201,728	63,964	451,728	84,944
2043	92,079	27,825	-	-	113,137	32,651	205,216	60,476	455,216	76,331
2044	94,065	25,839	-	-	114,702	31,086	208,767	56,925	458,767	67,530
2045	96,094	23,810	-	-	116,289	29,499	212,383	53,309	467,383	58,664
2046	98,167	21,737	-	-	117,899	27,889	216,066	49,626	471,066	49,626
2047	100,284	19,620	-	-	119,530	26,258	219,814	45,878	474,814	40,878
2048	102,447	17,457	-	-	121,184	24,604	223,631	42,061	478,631	32,061
2049	104,656	15,248	-	-	122,861	22,927	227,517	38,175	482,517	23,175
2050	106,913	12,991	-	-	124,561	21,227	231,474	34,218	486,474	14,218
2051	109,219	10,685	-	-	126,284	19,504	235,503	30,189	490,503	5,189
2052	111,575	8,329	-	-	128,032	17,756	239,607	26,085	494,607	26,085
2053	113,981	5,923	-	-	129,803	15,985	243,784	21,908	498,784	21,908
2054	116,439	3,465	-	-	131,599	14,189	248,038	17,654	502,938	17,654
2055	98,949	971	-	-	133,420	12,368	232,369	13,339	496,369	13,339
2056	-	-	-	-	135,266	10,522	135,266	10,522	490,266	10,522
2057	-	-	-	-	137,138	8,650	137,138	8,650	484,138	8,650
2058	-	-	-	-	139,036	6,752	139,036	6,752	477,936	6,752
2059	-	-	-	-	140,959	4,829	140,959	4,829	471,959	4,829
2060	-	-	-	-	142,910	2,878	142,910	2,878	465,910	2,878
2061	-	-	-	-	131,742	900	131,742	900	459,742	900
	<u>\$ 2,706,487</u>	<u>\$ 990,553</u>	<u>\$ 367,100</u>	<u>\$ 86,180</u>	<u>\$ 4,218,125</u>	<u>\$ 1,162,886</u>	<u>\$ 9,074,566</u>	<u>\$ 2,287,984</u>	<u>\$ 15,819,566</u>	<u>\$ 3,689,689</u>

See independent auditor's report.

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

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 6/30/2023	Issued During Period	Paid and/or Matured During Period	Outstanding 6/30/2024
<b><u>GOVERNMENTAL ACTIVITIES</u></b>								
Bonds Payable:								
General Obligation Refunding Bonds, Series 2017	\$ 6,550,000	2.00% - 3.00%	08/10/2017	06/01/2035	\$ 5,040,000	\$ -	\$ 370,000	\$ 4,670,000
General Obligation Refunding Bonds, Series 2021	1,900,000	1.50% - 2.00%	11/10/2021	06/01/2038	1,690,000	-	110,000	1,580,000
Total bonds payable					6,730,000	-	480,000	6,250,000
Notes Payable:								
For one fire pumper truck	643,921	2.75%	08/30/2019	08/30/2023	132,229	-	132,229	-
For three police vehicles	153,182	2.00%	02/10/2021	02/01/2024	38,667	-	38,667	-
For three police vehicles	119,586	2.25%	11/29/2021	11/29/2024	59,778	-	29,556	30,222
For police vehicles	227,972	3.66%	09/15/2022	09/01/2026	227,972	-	53,972	174,000
Capital Outlay Note, Series 2022B	218,350	4.03%	12/16/2022	06/01/2034	193,700	-	21,000	172,700
Total notes payable					652,346	-	275,424	376,922
Total long-term debt - governmental activities					7,382,346	-	755,424	6,626,922
<b><u>BUSINESS-TYPE ACTIVITIES</u></b>								
Bonds Payable:								
General Obligation Refunding Bonds, Series 2020	6,450,000	1.25% - 3.00%	12/04/2020	06/01/2045	5,825,000	-	220,000	5,605,000
General Obligation Refunding Bonds, Series 2021	1,315,000	1.50% - 2.00%	11/10/2021	06/01/2038	1,210,000	-	70,000	1,140,000
Total bonds payable					7,035,000	-	290,000	6,745,000
Notes Payable:								
TLDA State Loan	1,353,800	1.10%	09/27/2000	07/20/2024	81,240	-	74,964	6,276
TLDA State Loan	5,000,000	0.79%	09/28/2005	09/20/2031	2,031,794	-	255,216	1,776,578
Rural Development, USDA	3,065,000	2.125%	04/12/2018	04/12/2055	2,767,876	-	61,389	2,706,487
Rural Development, USDA	4,483,000	1.38%	05/12/2021	05/12/2061	4,305,263	-	87,138	4,218,125
Capital Outlay Note, Series 2022B	433,650	4.03%	12/16/2022	06/01/2034	396,400	-	29,300	367,100
Total notes payable					9,582,573	-	508,007	9,074,566
Total long-term debt - business-type activities					16,617,573	-	798,007	15,819,566
Grand total long-term debt					\$ 23,999,919	\$ -	\$ 1,553,431	\$ 22,446,488

See independent auditor's report.

## CITY OF JEFFERSON CITY, TENNESSEE

## SCHEDULE OF WATER AND SEWER RATES, TAP FEES AND NUMBER OF CUSTOMERS

June 30, 2024

	<u>Inside City</u>	<u>Outside City</u>
<u>Normal Water Rates (Monthly Usage)</u>		
First 2,000 gallons (minimum)	\$ 14.73	\$ 38.46
All over 2,000 gallons (per thousand)	4.19	12.25
New Market Utility District - per thousand gallons (contract rate)		2.69
Shady Grove Utility District - per thousand gallons (contract rate)		2.45
Dandridge Water Department - per thousand gallons (contract rate)		2.57
<u>Normal Sewer Rates (Monthly Usage)</u>		
First 2,000 gallons (minimum)	18.97	54.64
All over 2,000 gallons (per thousand)	6.96	19.06
<u>Tap Fees</u>		
3/4" water service	1,100.00	1,650.00
1" water service	1,350.00	2,025.00
1 1/2" water service	2,350.00	3,525.00
2" water service	3,350.00	5,025.00
3" water service	4,850.00	7,275.00
4" water service	6,350.00	9,525.00
6" water service	9,350.00	14,025.00
* - all sized sewer taps are equal to water tap fee		
Fire Protection - 4" tap	3,400.00	N/A
Fire Protection - 6" tap	5,100.00	N/A
Fire Protection - 8" tap	6,800.00	N/A
Fire Protection - 10" tap	8,500.00	N/A
<u>Connect Fees</u>		
Residential - owners	60.00	60.00
Residential - renters	60.00	120.00
Apartments - owners	60.00	60.00
Apartments - renters	60.00	120.00
Car Washes	75.00	120.00
Laundromats	75.00	120.00
Dry Cleaners	75.00	120.00
Restaurants	75.00	120.00
Other Commercial	75.00	120.00
Industrial	150.00	300.00
Temporary	30.00	60.00
<b>Re-connect:</b>		
Non-payment	50.00	50.00
After hour turn on	60.00	100.00

(Continued)

CITY OF JEFFERSON CITY, TENNESSEE

SCHEDULE OF WATER AND SEWER RATES, TAP FEES AND NUMBER OF CUSTOMERS

(Continued)  
June 30, 2024

	<u>Inside City</u>	<u>Outside City</u>
<u>Fire Lines</u>		
4" tap	\$ 3,400.00	N/A
6" tap	5,100.00	N/A
8" tap	6,800.00	N/A
10" tap	8,500.00	N/A
<u>Meter Test</u>		
3/4" meter	30.00	35.00
1" meter	30.00	35.00
1 1/2" meter	120.00	180.00
2" meter	120.00	180.00
3" meter	240.00	360.00
4" meter	360.00	480.00
<u>Number of Customers</u>		
Water	3,558	
Sewer	3,376	

See independent auditor's report.

CITY OF JEFFERSON CITY, TENNESSEE  
 SCHEDULE OF CHANGES IN PROPERTY TAXES RECEIVABLE  
 Fiscal Year Ended June 30, 2024

Tax Year	Property Tax Receivable Balance June 30, 2023	Anticipated Current Year Levy	Abatements and Adjustments	Collections	Property Tax Receivable Balance June 30, 2024	Delinquent Taxes Filed in Chancery Court
2024	\$ -	\$ 3,734,617	\$ -	\$ -	\$ 3,734,617	\$ -
2023	2,372,797	80,935	12,989	(2,277,434)	189,287	-
2022	116,023	-	125	(79,659)	36,489	36,489
2021	49,427	-	217	(34,204)	15,440	15,440
2020	14,663	-	-	(4,019)	10,644	10,644
2019	42,312	-	-	(2,920)	39,392	39,392
2018	44,499	-	-	(1,209)	43,290	43,290
2017	72,095	-	-	(2,123)	69,972	69,972
2016	56,743	-	-	(534)	56,209	56,209
2015	1,269	-	-	-	1,269	1,269
<b>Total</b>	<b>\$ 2,769,828</b>	<b>\$ 3,815,552</b>	<b>\$ 13,331</b>	<b>\$ (2,402,102)</b>	<b>\$ 4,196,609</b>	<b>\$ 272,705</b>

See independent auditor's report.

CITY OF JEFFERSON CITY, TENNESSEE  
 ANALYSIS OF TAX RATES AND ASSESSMENTS  
 Last Ten Years

<u>Tax Year</u>	<u>Rate</u>	<u>Assessment</u>
2024	1.20	\$ 311,205,954
2023	1.20	197,720,635
2022	1.20	191,766,927
2021	1.20	187,066,280
2020	1.20	182,396,021
2019	1.20	173,253,168
2018	1.20	159,275,850
2017	1.20	162,590,501
2016	1.20	159,862,011
2015	1.15	159,658,931

See independent auditor's report.

**STATISTICAL SECTION**

CITY OF JEFFERSON CITY, TENNESSEE  
 SCHEDULE OF GENERAL GOVERNMENT EXPENDITURES BY FUNCTION

Last Ten Fiscal Years  
 (Unaudited)

Fiscal Year	General Government	Public Safety	Public Works	Sanitation	Health Welfare and Social Services	Culture - Recreation	Community Development	Drug Investigation and Control	Debt Service*	Total
2024	\$ 3,113,508	\$ 7,806,262	\$ 1,961,201	\$ 897,688	\$ 21,141	\$ 1,297,608	\$ -	\$ 36,509	\$ -	\$ 15,133,917
2023	3,036,896	5,384,077	1,563,497	779,593	31,636	1,259,753	-	17,163	-	12,072,615
2022	3,124,103	4,592,938	1,908,250	649,285	30,147	3,111,233	-	76,963	-	13,492,919
2021	2,178,142	4,109,962	1,939,147	783,421	38,544	762,434	-	11,013	933,921	10,756,584
2020	2,129,123	4,572,364	2,760,457	603,690	22,307	847,919	-	24,503	976,238	11,936,601
2019	2,128,909	3,745,177	1,221,026	571,727	23,364	959,881	5,000,020	73,380	979,839	14,703,323
2018	2,709,953	3,937,009	1,016,697	563,011	48,003	1,077,973	-	60,010	1,089,785	10,502,441
2017	2,549,602	3,686,480	1,457,840	554,786	17,045	899,792	-	41,555	962,815	10,169,915
2016	2,204,530	3,142,015	1,042,476	548,571	26,150	1,738,764	-	29,162	835,030	9,566,698
2015	2,070,169	3,040,656	1,073,282	540,612	26,343	2,823,563	-	27,697	799,472	10,401,794

\* Beginning in 2022, debt service has been included within the appropriate department total.

See independent auditor's report.

CITY OF JEFFERSON CITY, TENNESSEE

SCHEDULE OF GENERAL GOVERNMENT REVENUES BY SOURCE

Last Ten Fiscal Years  
(Unaudited)

<u>Fiscal Year</u>	<u>Taxes</u>	<u>Licenses</u>	<u>Inter-Governmental</u>	<u>Service Charges</u>	<u>Fines and Forfeitures</u>	<u>Interest and Miscellaneous</u>	<u>Total</u>
2024	\$ 8,561,848	\$ 216,421	\$ 3,752,475	\$ 1,260,995	\$ 272,562	\$ 1,790,518	\$15,854,819
2023	8,572,943	305,567	1,659,386	1,151,563	229,590	1,099,833	13,018,882
2022	8,117,724	299,897	2,061,110	1,006,863	204,657	1,034,846	12,725,097
2021	7,640,943	119,781	2,646,032	898,194	125,629	1,062,553	12,493,132
2020	6,898,212	67,653	2,859,656	1,164,746	177,867	989,149	12,157,283
2019	6,313,665	60,036	7,077,260	1,195,438	207,995	1,015,209	15,869,603
2018	6,196,573	34,870	1,354,345	1,184,561	250,137	985,413	10,005,899
2017	6,189,072	36,643	1,529,091	1,129,144	267,863	1,098,309	10,250,122
2016	5,979,543	35,321	1,484,090	921,490	205,994	954,199	9,580,637
2015	5,646,872	47,434	1,341,452	903,103	206,890	1,262,106	9,407,857

See independent auditor's report.

CITY OF JEFFERSON CITY, TENNESSEE  
PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years  
(Unaudited)

Fiscal Year	Total Tax Levy	Total Tax Collections	Percent of Total Tax Collections To Taxes	Outstanding Delinquent Taxes	Percent of Delinquent Taxes To Tax Levy
2024	\$ 2,466,721	\$ 2,277,434	92.33	\$ 189,287	7.67
2023	2,444,819	2,408,330	98.51	36,489	1.49
2022	2,374,139	2,358,699	99.35	15,440	0.65
2021	2,352,470	2,341,826	99.55	10,644	0.45
2020	2,247,314	2,207,922	98.25	39,392	1.75
2019	2,032,081	1,988,791	97.87	43,290	2.13
2018	2,056,950	1,986,978	96.60	69,972	3.40
2017	2,024,661	1,968,452	97.22	56,209	2.78
2016	1,908,084	1,906,815	99.93	1,269	0.07
2015	1,807,795	1,807,795	100.00	-	

See independent auditor's report.

CITY OF JEFFERSON CITY, TENNESSEE  
 ASSESSED AND ESTIMATED ACTUAL VALUE OF PROPERTY

Last Ten Fiscal Years  
 (Unaudited)

<u>Fiscal Year</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>
2024	\$ 311,205,954	\$ 1,015,576,068
2023	197,720,635	667,412,479
2022	191,766,927	618,921,508
2021	187,066,280	602,347,017
2020	182,396,021	572,481,501
2019	173,253,168	541,388,444
2018	159,275,850	500,919,895
2017	162,590,501	507,458,129
2016	159,862,011	496,849,331
2015	159,658,931	484,622,006

See independent auditor's report.

CITY OF JEFFERSON CITY, TENNESSEE  
 PROPERTY TAX RATES - ALL OVERLAPPING GOVERNMENTS  
 (PER \$100 OF ASSESSED VALUE)

Last Ten Fiscal Years  
 (Unaudited)

<u>Fiscal Year</u>	<u>Jefferson City</u>	<u>Jefferson County</u>	<u>Total</u>
2024	1.20	1.43	2.63
2023	1.20	2.30	3.50
2022	1.20	2.19	3.39
2021	1.20	2.19	3.39
2020	1.20	2.19	3.39
2019	1.20	2.35	3.55
2018	1.20	2.35	3.55
2017	1.20	2.35	3.55
2016	1.20	2.35	3.55
2015	1.15	2.35	3.50

See independent auditor's report.

CITY OF JEFFERSON CITY, TENNESSEE

RATIO OF NET GENERAL BONDED DEBT  
TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA

Last Ten Fiscal Years  
(Unaudited)

Fiscal Year	Population	Assessed Value	Gross Bonded Debt	Debt Payable From Enterprise Revenues	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value (%)	Net Bonded Debt Per Capita
2024	8,490	\$ 311,205,954	\$ 23,999,919	\$ 16,617,573	\$ 7,382,346	2.37	\$ 869.53
2023	8,490	197,720,635	25,515,894	17,413,252	8,102,642	4.10	954.37
2022	8,490	191,766,927	24,643,060	17,267,491	7,375,569	3.85	868.74
2021	8,490	187,066,280	25,511,826	17,704,424	7,807,402	4.17	919.60
2020	8,490	182,396,021	26,836,751	18,599,087	8,237,664	4.52	970.28
2019	8,490	173,253,168	23,410,402	14,752,470	8,657,932	5.00	1,019.78
2018	8,490	159,275,850	24,453,713	15,400,518	9,053,195	5.68	1,066.34
2017	8,490	162,590,501	22,892,285	13,840,536	9,051,749	5.57	1,066.17
2016	8,490	159,658,931	23,821,690	14,455,686	9,366,004	5.87	1,103.18
2015	8,490	164,710,096	21,280,457	11,640,241	9,640,216	5.85	1,135.48

See independent auditor's report.

## CITY OF JEFFERSON CITY, TENNESSEE

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR  
GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURESLast Ten Fiscal Years  
(Unaudited)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Expenditures</u>	<u>Ratio of Debt Service to Total Expenditures (Percentage)</u>
2024	\$ 591,094	\$ 183,189	\$ 774,283	\$ 15,133,917	5.12
2023	720,316	194,647	914,963	12,072,615	7.58
2022	703,988	215,269	919,257	13,492,919	6.81
2021	687,660	246,261	933,921	10,756,584	8.68
2020	730,194	246,044	976,238	11,936,601	8.18
2019	720,386	259,453	979,839	14,703,323	6.66
2018	721,198	238,802	960,000	10,502,441	9.14
2017	606,850	341,987	948,837	10,169,915	9.33
2016	484,815	350,215	835,030	9,566,698	8.73
2015	434,899	364,573	799,472	10,401,794	7.69

See independent auditor's report.

CITY OF JEFFERSON CITY, TENNESSEE

REVENUE BOND COVERAGE -  
WATER AND SEWER BONDS

Last Ten Fiscal Years  
(Unaudited)

Fiscal Year	Gross Revenue	Direct Operating Expenses	Net Revenue Available For Debt Service	Debt Service Requirements			Coverage (%)
				Principal	Interest	Total	
2024	\$ 5,655,670	\$ 5,289,280	\$ 366,390	\$ 798,007	\$ 294,455	\$ 1,092,462	0.34
2023	5,103,271	4,842,614	260,657	795,652	299,646	1,095,298	0.24
2022	4,644,826	4,036,482	608,344	726,075	300,108	1,026,183	0.59
2021	4,425,074	3,756,372	668,702	782,901	384,515	1,167,416	0.57
2020	4,323,816	3,699,824	623,992	637,517	330,387	967,904	0.64
2019	4,258,147	3,699,175	558,972	649,182	386,369	1,035,551	0.54
2018	4,100,431	3,612,863	487,568	602,889	321,119	924,008	0.53
2017	3,770,499	3,732,000	38,499	640,525	321,667	962,192	0.04
2016	3,977,643	3,128,710	848,933	598,213	222,627	820,840	1.03
2015	4,478,189	3,031,132	1,447,057	580,338	184,727	765,065	1.89

See independent auditor's report.

## CITY OF JEFFERSON CITY, TENNESSEE

## DEMOGRAPHIC STATISTICS

Last Ten Fiscal Years  
(Unaudited)

<u>Fiscal Year</u>	<u>Population</u>	<u>Unemployment Rate Percentage</u>
2024	8,490	3.8
2023	8,490	4.0
2022	8,490	4.4
2021	8,490	5.4
2020	8,490	9.7
2019	8,490	4.4
2018	8,490	4.4
2017	8,490	4.4
2016	8,490	5.5
2015	8,490	7.0

See independent auditor's report.

CITY OF JEFFERSON CITY, TENNESSEE

PROPERTY VALUE AND CONSTRUCTION

Last Ten Fiscal Years  
(Unaudited)

Fiscal Year	Commercial Construction		Residential Construction		Property Value	
	Number of Units	Value	Number of Units	Value	Commercial	Residential
2024	11	\$ 59,436,000	12	\$ 2,958,410	\$ 260,771,710	\$ 150,381,382
2023	16	13,657,327	157	24,565,031	201,335,710	147,422,972
2022	19	16,652,349	188	24,091,814	187,678,383	112,857,941
2021	6	881,353	75	12,110,319	171,026,034	98,766,128
2020	5	9,995,673	30	2,733,546	170,144,681	86,655,808
2019	7	3,827,683	23	1,983,922	160,149,008	83,922,262
2018	4	1,046,924	15	1,561,640	156,321,325	81,938,340
2017	31	1,387,500	19	1,240,195	155,274,401	80,376,700
2016	16	20,501,000	19	846,404	153,886,901	79,136,505
2015	18	4,131,900	22	1,162,936	133,385,901	78,290,101

See independent auditor's report.

## CITY OF JEFFERSON CITY, TENNESSEE

## SCHEDULE OF PRINCIPAL TAXPAYERS

June 30, 2024  
(Unaudited)

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>Taxes Paid</u>
287 Partnership	Industry	\$ 6,284,333	\$ 75,412
Appalachian Electric Cooperative	Utility	4,087,250	49,047
OshKosh Manufacturing	Industry	3,685,167	44,222
Iconex, LLC	Industry	2,906,917	34,883
Mossy Creek Real Estate	Real Estate	2,828,417	33,941
Lowe's Home Centers, Inc.	Retail	2,680,000	32,160
Matsuo Industries USA, Inc.	Industry	2,593,667	31,124
H. Akston Investments, LLC	Real Estate	2,539,333	30,472
WDW Trustee, LLC	Industry	2,227,917	26,735
Masonite Corporation	Industry	2,104,750	25,257

See independent auditor's report.

## CITY OF JEFFERSON CITY, TENNESSEE

## MISCELLANEOUS STATISTICS

June 30, 2024  
(Unaudited)

Date of incorporation	February 7, 1901
Form of government	Council - Manager
Area	3.94 square miles 2,522 acres
Miles of streets	72
State roads	13
Local roads	59
Number of street lights	1,150
Fire protection:	
Number of stations	1
Number of firemen and officers (exclusive of volunteer firemen)	20
Police protection:	
Number of stations	1
Number of policemen	32
Municipal water department:	
Number of consumers	3,578
Average daily consumption	4,400,000
Miles of water mains	208
Municipal sewer department:	
Miles of sanitary sewers	90
Miles of storm drains	53
Building permits issued	66
Sign permits issued	21
Recreation and culture:	
Parks	6
Libraries	1
Recreation facilities	3
Employees:	
Full-time	117
Part-time	50
City manager and department heads	7
City council	5

See independent auditor's report.

## **INTERNAL CONTROL AND COMPLIANCE SECTION**

Schedule of Expenditures of Federal Awards and State Financial Assistance

Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

Independent Auditors' 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*

Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

Accompanying Schedule of Findings and Questioned Costs

Summary Schedule of Prior Audit Findings

CITY OF JEFFERSON CITY, TENNESSEE  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
 Fiscal Year Ended June 30, 2024

Federal Grantor/ Pass-Through Grantor	Assistance Listing Number	Contract Number	Expenditures
<b>Federal Awards</b>			
U.S. Department of Justice			
Bureau of Justice Assistance			
Patrick Leahy Bulletproof Vest Partnership Program	16.607	2021-BUBX21026969	\$ 6,617
Total Program 10.760			6,617
U.S. Department of Housing and Urban Development			
Pass-through from TN Department Economic and Community Development			
Community Development Block Grant			
Sewer System Improvements	14.228	33004-42022	558,614
Total Program 14.228			558,614
U.S. Department of Transportation			
Pass-through from Tennessee Department of Safety and Homeland Security			
Community-Based Traffic Safety Enforcement & Education	20.600	Z24THS142	19,905
Total Program 20.600			19,905
Pass-through from Tennessee Department of Military, TEMA			
Pass-through from Jefferson County, Tennessee			
Hazardous Materials Emergency Preparedness Grant	20.703	78847-45902	7,480
Total Program 20.703			7,480
Total U.S. Department of Transportation			27,385
Department of Treasury			
Pass-through from Tennessee Department of Finance and Administration			
ARPA - Local Fiscal Recovery Funds	21.027	N/A	78,077
Pass-through from Tennessee Department of Environment and Conservation			
ARPA - Water Infrastructure Investment Plan	21.027	75541	85,521
Total Program 21.027			163,598
Appalachian Regional Commission			
Water System Improvements	23.002	33004-15023	10,389
Total Program 23.002			10,389
Executive Office of the President			
Pass-through from Laurel County Fiscal Court, Kentucky via Appalachian HIDTA			
High Intensity Drug Trafficking Area Program	95.001	G22AP0001A	18,036
Total Program 95.001			18,036
<b>Total Federal Awards</b>			<b>784,639</b>
<b>State Financial Assistance</b>			
Tennessee Department of Commerce and Insurance			
TN Law Enforcement Hiring, Training, and Recruitment Program	N/A	77833-64	22,600
State Fire Marshall's Office			
Rescue Squad Grant Program	N/A	80842-25	14,656
Tennessee Department of Finance and Administration			
Office of Criminal Justice Programs			
Violent Crime Intervention Fund	N/A	52212	80,607
Violent Crime Intervention Fund	N/A	50891	1,890,598
<b>Total State Financial Assistance</b>			<b>2,008,461</b>
<b>Total Federal Awards and State Financial Assistance</b>			<b>\$ 2,793,100</b>

See accompanying notes to schedule of expenditures of federal awards and state financial assistance.

See independent auditor's report.

CITY OF JEFFERSON CITY, TENNESSEE  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE

Fiscal Year Ended June 30, 2024

**NOTE A – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards and state financial assistance (the Schedule) includes federal and state loan and grant award activity of the City under programs of the federal and state governments for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Jefferson City, Tennessee.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A87, Cost Principles for State, Local, and Indian Tribal Governments, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) The City has not elected to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance.

**NOTE C – LOANS OUTSTANDING**

At June 30, 2024, there was an outstanding balance of \$2,706,487 on a loan through the USDA – Rural Utilities Service. The loan was 100% federally funded. There were no loan advances during the fiscal year ended June 30, 2024. Payments totaling \$119,904 were made during the year ended June 30, 2024; of that amount, \$61,389 was a reduction in principal and \$58,515 represented interest.

At June 30, 2024, there was an outstanding balance of \$4,281,125 on a loan through the USDA – Rural Utilities Service. The loan was 100% federally funded. There were no loan advances during the fiscal year ended June 30, 2024. Payments totaling \$145,788 were made during the year ended June 30, 2024; of that amount, \$87,138 was a reduction in principal and \$58,650 represented interest.

**BROWN JAKE & McDANIEL, PC**

CERTIFIED PUBLIC ACCOUNTANTS  
 2607 KINGSTON PIKE, SUITE 110  
 KNOXVILLE, TENNESSEE 37919-3336  
 865/637-8600 • fax: 865/637-8601  
 www.bjmpc.com

JOE L. BROWN, CPA, CGFM, CGMA  
 FRANK D. McDANIEL, CPA, CGFM, CGMA  
 TERRY L. MOATS, CPA, CGFM, CGMA  
 JAMES E. BOOHER, CPA, CGMA  
 HALEY S. SLAGLE, CPA, CGMA

MEMBERS  
 AMERICAN INSTITUTE OF  
 CERTIFIED PUBLIC ACCOUNTANTS

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

Mayor and City Council  
 City of Jefferson City, Tennessee  
 Jefferson City, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Jefferson City, Tennessee as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Jefferson City, Tennessee's basic financial statements, and have issued our report thereon dated December 20, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Jefferson City, Tennessee's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Jefferson City, Tennessee's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Jefferson City, Tennessee's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Jefferson City, Tennessee's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Brown Jake & McDaniel, PC*  
CERTIFIED PUBLIC ACCOUNTANTS

Knoxville, Tennessee  
December 20, 2024

**BROWN JAKE & McDANIEL, PC**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**2607 KINGSTON PIKE, SUITE 110**  
**KNOXVILLE, TENNESSEE 37919-3336**  
**865/637-8600 • fax: 865/637-8601**  
**www.bjmpec.com**

JOE L. BROWN, CPA, CGFM, CGMA  
FRANK D. McDANIEL, CPA, CGFM, CGMA  
TERRY L. MOATS, CPA, CGFM, CGMA  
JAMES E. BOOHER, CPA, CGMA  
HALEY S. SLAGLE, CPA, CGMA

MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Mayor and City Council  
City of Jefferson City, Tennessee

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the City of Jefferson City, Tennessee's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City of Jefferson City, Tennessee's major federal programs for the year ended June 30, 2024. The City of Jefferson City, Tennessee's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Jefferson City, Tennessee complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Jefferson City, Tennessee and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Jefferson City, Tennessee's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Jefferson City, Tennessee's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Jefferson City, Tennessee's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Jefferson City, Tennessee's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City of Jefferson City, Tennessee's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Jefferson City, Tennessee's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Jefferson City, Tennessee's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However,

material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Brown Jake & McDaniel, PC*

CERTIFIED PUBLIC ACCOUNTANTS

Knoxville, Tennessee  
December 20, 2024

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

ACCOMPANYING SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Fiscal Year Ended June 30, 2024

I. SUMMARY OF AUDITOR'S RESULTS

- A. An unmodified opinion was issued on the basic financial statements of the City of Jefferson City, Tennessee for the year ended June 30, 2024.
- B. Internal control over financial reporting:  
Material weakness(es) identified?  yes  no  
Significant deficiency(ies) identified that are not considered to be material weakness(es)?  yes  none reported
- C. Our audit disclosed no instances of noncompliance considered by us to be material to the financial statements.
- D. Internal control over major programs:  
Material weakness(es) identified?  yes  no  
Significant deficiency(ies) identified that are not considered to be material weakness(es)?  yes  none reported
- E. An unmodified opinion was issued on compliance for the City of Jefferson City, Tennessee's major programs.
- F. The audit disclosed no audit findings relating to major programs required to be reported under 2 CFR Section 200.516(a).
- G. We identified the following major federal assistance program:  
CFDA No. 10.760 – U.S. Department of Agriculture – Rural Utilities Services – Water and Waste Disposal Systems for Rural Communities
- H. The threshold for distinguishing between Type A and Type B programs was \$750,000.
- I. The auditee was not determined to be a low risk auditee.

II. SUMMARY OF FINDINGS RELATING TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED BY *GOVERNMENT AUDITING STANDARDS*

None

III. SUMMARY OF FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

CITY OF JEFFERSON CITY, TENNESSEE  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
For the Fiscal Year Ended June 30, 2024

Finding Number	Finding Title	Status
None	N/A	N/A

