

**TOWN OF BYRDSTOWN, TENNESSEE**

**Audited Financial Statements**

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**For the Fiscal Year Ended June 30, 2023**

# TOWN OF BYRDSTOWN, TENNESSEE

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## INTRODUCTORY SECTION

**TOWN OF BYRDSTOWN, TENNESSEE  
LIST OF PRINCIPAL OFFICIALS**

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**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Mayor  
Sam Gibson

Aldermen  
Jeff Rich  
Rex Tompkins

Alderwoman  
Barb Mitchell

Certified Municipal Finance Officer  
David Melton, CPA

Recorder  
Johnny Sells

## FINANCIAL SECTION



752 Jim Parker Drive  
Smyrna, Tennessee 37167  
(615) 459-8248  
(615) 459-8610 fax

## INDEPENDENT ACCOUNTANTS' AUDIT REPORT

To the Mayor and Board of Aldermen  
Town of Byrdstown, Tennessee

### **Report on the Financial Statements**

#### *Opinions*

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Byrdstown, Tennessee as of June 30, 2023, the respective changes in its financial position, where applicable cash flows thereof, and the respective budgetary comparisons of the general fund and state street aid 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 the auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Byrdstown, Tennessee and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related 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 doubt about the Town'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 GAAS 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 GAAS 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 of the effectiveness of the Town of Byrdstown, Tennessee's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Byrdstown, 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, pages 5 to 8, the schedule of changes in net pension liability(asset) on page 40, and the schedule of pension contributions on page 41 be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other information we obtained during our audit of the 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 Town of Byrdstown, Tennessee's basic financial statements as a whole. The individual nonmajor fund statements and schedules and financial schedules as listed in the supplemental section of the table of contents, 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.

Such 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, based on our audit, the individual fund financial statements and schedules and financial schedules as listed in the supplemental section of the table of contents, 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 section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on 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 February 28, 2024, on our consideration of the Town of Byrdstown, Tennessee's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Byrdstown, Tennessee's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Town of Byrdstown, Tennessee's internal control over financial reporting and compliance.

***Parks & Company CPAs, PC***

February 28, 2024

# MANAGEMENT'S DISCUSSION & ANALYSIS

For the Fiscal Year ending June 30, 2023

Town of Byrdstown

## **Introduction**

The Management's Discussion and Analysis (MD&A) is a supplementary document, which is a required addition to the Town's annual audit report. In order to comply with the accounting standards established by the Governmental Accounting Standards Board (GASB 34), it has been recommended that the management of the municipality being audited develop the MD&A. The MD&A portion of this audit report has been prepared by the management of the Town of Byrdstown and presents a narrative overview and analysis of the Town's financial performance for the fiscal year ended June 30, 2023.

## **Overview of the Financial Statements**

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

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

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

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

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements.

## **Overview of the Financial Statements (Cont.)**

**Governmental funds (Cont.).** However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**Proprietary funds.** The Town maintains one *enterprise fund* that is used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses an enterprise fund to account for its Water and Sewer Fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the Water and Sewer Fund, which is considered to be a major fund of the Town of Byrdstown.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

## **Condensed financial information**

The following schedule presents a summary of the financial position for the fiscal years ended June 30, 2023, and 2022 and the amount and percentage of increases and decreases in relation to the year ended June 30, 2022.

	<u>FY 23</u>	<u>FY 22</u>	<u>Percentage Inc / (Dec)</u>
Total assets	\$16,712,156	\$16,715,765	0.0
Total deferred outflows of resources	183,311	180,389	1.6
Total liabilities	1,564,865	1,546,746	1.2
Total deferred inflows of resources	81,352	320,732	(74.6)
Net invested in capital assets	10,456,093	10,543,331	(.8)
Restricted net position	<u>28,009</u>	<u>30,154</u>	(7.1)
Unrestricted net position	<u>\$ 4,765,148</u>	<u>\$ 4,455,191</u>	7.0

### **Condensed financial information (Cont.)**

The following schedule presents a summary of changes in financial position for the fiscal years ended June 30, 2023, and 2022 and the amount and percentage of increases and decreases in relation to the year ended June 30, 2022.

	<u>FY 23</u>	<u>FY 22</u>	<u>Percentage Inc / (Dec)</u>
Revenues:			
Charges for services	\$1,932,007	\$1,938,953	(.4)
Operating grants and contributions	69,768	179,382	(61.1)
Capital grants and contributions	590,763	149,563	295.0
General revenues:			
Local taxes	456,614	511,518	(10.7)
State of Tennessee	120,717	111,697	8.1
Other local revenues	<u>46,952</u>	<u>74,876</u>	(37.3)
Total	<u>3,216,821</u>	<u>2,965,989</u>	8.5
Expenses			
General government	228,186	309,376	(26.2)
Public safety	101,663	100,162	1.5
Streets	88,336	71,610	23.4
Sanitation	20,363	18,484	10.2
Recreation	66,816	66,787	0.0
Home rehabilitation	430,450	---	
Interest on long-term debt	---	1,820	(100.0)
Water & sewer	<u>2,060,433</u>	<u>1,880,416</u>	9.6
Total	<u>2,996,247</u>	<u>2,448,655</u>	22.4
Increase (decrease) in net position	220,574	517,334	(57.4)
Net position, beginning	<u>15,028,676</u>	<u>14,511,342</u>	3.6
Net position, ending	<u>\$15,249,250</u>	<u>\$15,028,676</u>	1.5

Operating and Capital grants and contributions increased mainly because most of the federal money for housing rehabilitation was received and spent during 2023.

### **Financial Analysis – General Fund**

Highlights of Governmental Fund Balance sheet include:

Due from Other Governments mainly consists of the Town's share of local sales tax, state sales tax, and income tax and totals \$84,910.

### **General Fund Budgetary Highlights**

The Town adopts an annual budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget. Overall, the Town stayed within its spending guidelines and had a favorable budget variance.

## **Financial Analysis – Proprietary Fund**

Enterprise Operations – The Water and Sewer Fund had total assets of \$14,000,505 on June 30, 2023. Overall, the net position increased by \$31,887 from FY22 to FY23. Operating revenues for FY23 decreased by \$159 compared to FY22.

## **Debt Administration**

As of June 30, 2023, the Town had outstanding Water & Sewer bonds in its proprietary fund totaling \$1,320,000.

## **Economic Issues and Problem Areas:**

Byrdstown has been in good financial shape in the past few years. Our local revenues are staying the same, but our local option sale tax is continuing to increase yearly.

With the help of grants, we have been able to upgrade our system with (RRM) Radio Real meters which will be more efficient and considerably less expensive to read and maintain.

We are in the constructive stage of our water plant backwash and settling basin which once completed will be a big improvement to our water plant. Then with funds left over from the ARP grant funds we will upgrade our sewer pumping stations.

## **Independent Audit**

State statutes require an annual audit by an independent certified public accounting firm. In addition to meeting the requirements set forth in state statutes, the audit is conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States of America. The auditor's report on the basic financial statements and supplementary schedules is included in the financial section of this report.

## **Contacting the Town's Financial Management**

The financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. If you have questions about this report or need additional financial information, contact the Town of Byrdstown, P.O. Box 325, Byrdstown, TN 38549. Our phone number is 833-901-8270.

**TOWN OF BYRDSTOWN, TENNESSEE**

**Statement of Net Position**

**June 30, 2023**

<b>ASSETS</b>	Governmental Activities	Business Activities	Total
Cash and cash equivalents	\$ 1,583,420	\$ 2,175,316	\$ 3,758,736
Investments	-	490,340	490,340
Receivables, net of allowance for uncollectibles			
Taxes	83,501	-	83,501
Utility customers	-	121,160	121,160
Due from other governments	84,910	-	84,910
Other	6,473	-	6,473
Internal balances	(31,400)	31,400	-
Inventories, at cost	-	126,434	126,434
Prepaid expenses	6,581	15,664	22,245
Non depreciable capital assets	69,000	259,858	328,858
Capital assets (net of accumulated depreciation)	909,166	10,538,069	11,447,235
Intangible asset - net of amortization	-	242,264	242,264
Total Assets	<u>\$ 2,711,651</u>	<u>\$ 14,000,505</u>	<u>\$ 16,712,156</u>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	<u>\$ 13,198</u>	<u>\$ 170,113</u>	<u>\$ 183,311</u>
 <b>LIABILITIES</b>			
Accounts payable	6,795	37,284	44,079
Retainage payable	-	58,740	58,740
Accrued liabilities	2,596	39,320	41,916
Customer deposits	-	12,343	12,343
Net pension liability	9,945	77,842	87,787
Long-term liabilities due within one year	-	100,000	100,000
Long-term liabilities due in more than one year	-	1,220,000	1,220,000
Total Liabilities	<u>19,336</u>	<u>1,545,529</u>	<u>1,564,865</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows - property taxes	80,890	-	80,890
Deferred inflows related to pensions	42	420	462
Total Deferred Inflows of Resources	<u>80,932</u>	<u>420</u>	<u>81,352</u>
 <b>NET POSITION</b>			
Net investment in capital assets	978,166	9,477,927	10,456,093
Restricted	28,009	-	28,009
Unrestricted	1,618,406	3,146,742	4,765,148
Total Net Position	<u>\$ 2,624,581</u>	<u>\$ 12,624,669</u>	<u>\$ 15,249,250</u>

See Accompanying Notes to Financial Statements

**TOWN OF BYRDSTOWN, TENNESSEE**

**Statement of Activities**

**For the Year Ended June 30, 2023**

	Program Revenues		Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions		Primary Government Governmental Activities	Business-type Activities	Total
<b>Functions / Programs:</b>						
<b>Primary Government:</b>						
<b>Governmental Activities:</b>						
General government	\$ 228,186	\$ 584	\$ 430,450	\$ 202,848	\$ -	\$ 202,848
Public safety						
Police	50,000	-	-	(50,000)	-	(50,000)
Fire	51,663	40,000	-	(11,663)	-	(11,663)
Recreation	66,816	-	-	(66,816)	-	(66,816)
Sanitation	20,363	-	-	(20,363)	-	(20,363)
Streets	88,336	29,184	-	(59,152)	-	(59,152)
Home rehabilitation	430,450	-	-	(430,450)	-	(430,450)
Total Government Activities	935,814	69,768	430,450	(435,596)	-	(435,596)
<b>Business-type Activities:</b>						
Water and Sewer	2,060,433	1,932,007	160,313	-	31,887	31,887
Total Business-type Activities	2,060,433	1,932,007	160,313	-	31,887	31,887
Total Primary Government	\$ 2,996,247	\$ 1,932,007	\$ 590,763	\$ (435,596)	\$ 31,887	\$ (403,709)
<b>General Revenues:</b>						
Taxes						
Property taxes				81,401	-	81,401
Sales tax				304,921	-	304,921
Wholesale alcohol beverages tax				64,518	-	64,518
Natural gas franchise tax				1,841	-	1,841
Cable franchise tax				3,933	-	3,933
Intergovernmental						
Payments in lieu of tax				9,595	-	9,595
State sales tax				94,940	-	94,940
Sports betting tax				1,423	-	1,423
State telecom sales tax				1,185	-	1,185
Beer tax				364	-	364
Corporate excise tax				13,210	-	13,210
Other revenues				46,952	-	46,952
Total general revenues				624,283	-	624,283
Change in net position				188,687	31,887	220,574
Net position - beginning of year				2,435,894	12,592,782	15,028,676
Net position - end of year				\$ 2,624,581	\$ 12,624,669	\$ 15,249,250

See Accompanying Notes to Financial Statements

**TOWN OF BYRDSTOWN, TENNESSEE**

**Balance Sheet  
Governmental Funds**

**June 30, 2023**

	Major Fund	Nonmajor Fund	Total
	General	State Street Aid	Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,560,151	\$ 23,269	\$ 1,583,420
Receivables (net of allowances for uncollectibles)			
Taxes	83,501	-	83,501
Due from other governments	80,170	4,740	84,910
Other	6,473	-	6,473
Due from other funds	1,750	-	1,750
Prepaid expenses	6,581	-	6,581
Total assets	\$ 1,738,626	\$ 28,009	\$ 1,766,635
<b>LIABILITIES</b>			
Accounts payable	6,795	-	6,795
Due to other funds	33,150	-	33,150
Total liabilities	39,945	-	39,945
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows - property taxes	83,501	-	83,501
Total deferred inflows of resources	83,501	-	83,501
<b>FUND BALANCES</b>			
Restricted	-	28,009	28,009
Nonspendable: prepaid expenses	6,581	-	6,581
Unassigned	1,608,599	-	1,608,599
Total fund balances	1,615,180	28,009	1,643,189
Total liabilities, deferred inflows of resources and fund balances	\$ 1,738,626	\$ 28,009	\$ 1,766,635

See Accompanying Notes to Financial Statements

**TOWN OF BYRDSTOWN, TENNESSEE**

**Reconciliation of the Balance Sheet to Statement of Net Position  
of Governmental Activities**

**June 30, 2023**

Amounts reported for fund balance - total governmental funds	\$ 1,643,189
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	
Add: land	69,000
Add: property and equipment	1,778,237
Less: accumulated depreciation	(869,071)
Prior period taxes not received within 60 days is not reported as revenue and considered deferred	2,611
Long-term liabilities, including notes and bonds payable are not due and payable in the current period and therefore are not recorded in the governmental funds.	
Employee compensatory time	(2,596)
Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense and other income in future years.	
Add: deferred outflows of resources related to pensions	13,198
Less: deferred inflows of resources related to pensions	(42)
Net pension liability of the cost-sharing plan are not current financial resources and are therefore not reported in the governmental funds	(9,945)
Net position of governmental activities	<u>\$ 2,624,581</u>

See Accompanying Notes to Financial Statements

**TOWN OF BYRDSTOWN, TENNESSEE**

**Statement of Revenues, Expenditures and Changes in  
Fund Balances - Governmental Funds**

**For the Fiscal Year Ended June 30, 2023**

	Major Fund	Nonmajor Fund	Total
	General	State Street Aid	Governmental Funds
Revenues			
Taxes	\$ 458,453	\$ -	\$ 458,453
Intergovernmental	553,213	27,722	580,935
Other revenues	86,952	-	86,952
Total revenues	1,098,618	27,722	1,126,340
Expenditures			
General government	215,780	-	215,780
Public safety			
Police	50,000	-	50,000
Fire	46,657	-	46,657
Recreation	54,901	-	54,901
Sanitation	15,696	-	15,696
Streets	49,569	29,867	79,436
Home rehabilitation	430,450	-	430,450
Total expenditures	863,053	29,867	892,920
Excess (deficiency) of revenues over expenditures	235,565	(2,145)	233,420
Net change in fund balances	235,565	(2,145)	233,420
Fund balances, beginning	1,379,615	30,154	1,409,769
Fund balances, ending	\$ 1,615,180	\$ 28,009	\$ 1,643,189

See Accompanying Notes to Financial Statements

**TOWN OF BYRDSTOWN, TENNESSEE**

**Reconciliation of the Statement of Revenues, Expenses and Changes in  
Fund Balances to the Statement of Activities**

**June 30, 2023**

Net change in fund balances - total governmental funds	\$ 233,420
Amounts reported for governmental activities in the Statement of Activities are different because:	
Property taxes assessed prior to the current year are not considered as revenue unless collected within 60 days after year end.	(1,839)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Cost of assets acquired net of disposals	24,398
Depreciation expense	(62,395)
Employee compensatory time is accrued in governmental activities whereas in governmental funds compensatory time is reported when extinguished:	(372)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds	
Change in net pension liability	(4,525)
Change in net assets of governmental activities	\$ <u><u>188,687</u></u>

See Accompanying Notes to Financial Statements

**TOWN OF BYRDSTOWN, TENNESSEE**

**Statement of Revenues, Expenditures and Changes in  
Fund Balance - Budget (GAAP Basis) and Actual  
General Fund**

**For the Fiscal Year Ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance - Favorable/ (Unfavorable)
	Original	Final		
Revenue				
Taxes				
Property tax	\$ 81,000	\$ 82,900	\$ 82,590	\$ (310)
Interest and penalty on taxes	500	500	650	150
Local sales tax	350,000	310,000	304,921	(5,079)
Wholesale alcoholic beverages tax	70,000	60,000	64,518	4,518
Natural gas franchise tax	3,000	2,300	1,841	(459)
Cable franchise tax	4,000	4,070	3,933	(137)
Total taxes	<u>508,500</u>	<u>459,770</u>	<u>458,453</u>	<u>(1,317)</u>
Intergovernmental				
Federal grants	423,634	423,634	431,034	7,400
Payments in lieu of tax	7,000	7,000	9,595	2,595
State grants	1,500	1,500	1,462	(38)
State sales tax	80,000	94,000	94,940	940
Sports betting tax	800	1,250	1,423	173
State telecom sales tax	1,200	1,200	1,185	(15)
Income tax	1,000	1,000	-	(1,000)
Beer tax	400	360	364	4
Corporate excise tax	-	-	13,210	13,210
Total intergovernmental	<u>515,534</u>	<u>529,944</u>	<u>553,213</u>	<u>23,269</u>
Other revenues				
Grants from county government	40,000	40,000	40,000	-
Other culture and recreation	20,000	36,000	41,074	5,074
Other revenues	100	3,100	3,248	148
Interest earned	1,200	2,100	2,629	529
Rent	-	-	1	1
Miscellaneous income	500	1,900	-	(1,900)
Total other	<u>61,800</u>	<u>83,100</u>	<u>86,952</u>	<u>3,852</u>
Total revenues	<u>1,085,834</u>	<u>1,072,814</u>	<u>1,098,618</u>	<u>25,804</u>

(Continued)

See Accompanying Notes to Financial Statements

**TOWN OF BYRDSTOWN, TENNESSEE**

**Statement of Revenues, Expenditures and Changes in  
Fund Balance - Budget (GAAP Basis) and Actual (Continued)  
General Fund**

**For the Fiscal Year Ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance - Favorable/ (Unfavorable)
	Original	Final		
Expenditures				
Current				
General government				
Salaries	\$ 20,400	\$ 20,400	\$ 19,293	\$ 1,107
Regular employee wages	50,000	41,000	39,722	1,278
Payroll tax	5,390	3,390	4,515	(1,125)
Hospital & health insurance	6,000	6,000	6,282	(282)
Retirement - employer	5,000	5,000	4,957	43
Unemployment insurance	100	100	70	30
Publication of legal notices	5,000	5,000	3,260	1,740
Dues & memberships	500	500	-	500
Electricity	12,000	9,500	9,379	121
Telephone and other comm.	4,000	4,650	4,314	336
Legal services	3,000	-	-	-
Accounting & auditing services	7,500	6,700	6,601	99
Data processing services	10,500	3,500	3,273	227
Repair and maintenance service	15,000	5,000	3,455	1,545
Repair and maintenance- vehicles	2,500	500	120	380
Automobile allowance	500	100	-	100
Entertainment expense	-	3,200	3,052	148
Sundry	12,000	16,200	19,897	(3,697)
Office supplies & materials	6,000	8,700	8,681	19
Operating supplies	-	220	192	28
General liability insurance	12,500	17,500	10,186	7,314
Contributions - UCHRA	1,661	1,661	1,661	-
Contributions - senior citizens	1,000	1,000	1,000	-
Contributions - rescue squad	900	900	900	-
Contributions - Chamber of Commerce	13,000	13,000	13,000	-
Contributions - Pacesetters	300	300	-	300
Contributions - other	5,000	3,000	2,600	400
Contributions - special events	25,000	25,600	33,870	(8,270)
Contributions - Streetfest / County Fair	500	-	-	-
Contributions - Hull-York Chapter 5	500	500	500	-
Machinery & equipment	6,000	8,500	15,000	(6,500)
Office machinery & equipment	6,000	-	-	-
Total general government	<u>237,751</u>	<u>211,621</u>	<u>215,780</u>	<u>(4,159)</u>

(Continued)

See Accompanying Notes to Financial Statements

**TOWN OF BYRDSTOWN, TENNESSEE**

**Statement of Revenues, Expenditures and Changes in  
Fund Balance - Budget (GAAP Basis) and Actual (Continued)  
General Fund**

**For the Fiscal Year Ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance - Favorable/ (Unfavorable)
	Original	Final		
Expenditures (Cont.)				
Current (Cont.):				
Public safety				
Police department				
Contributions - county police department	\$ 50,000	\$ 50,000	\$ 50,000	\$ -
Total	50,000	50,000	50,000	-
Fire department				
Contributions - fire department				
Employee education & training	2,000	2,000	254	1,746
Volunteer firemen	25,000	25,000	23,328	1,672
Publication of Legal Notices	300	300	-	300
Electricity	1,500	1,500	1,228	272
Telephone & other comm.	3,000	3,000	2,382	618
Repair & maintenance - vehicles	20,500	20,500	8,851	11,649
Repair & maintenance - other	5,000	5,000	2,627	2,373
Repair & maintenance - grounds	1,500	1,500	300	1,200
Sundry	1,500	1,500	1,461	39
Office supplies & materials	600	600	-	600
Operating supplies	5,000	5,000	1,186	3,814
General liability insurance	2,000	2,000	5,040	(3,040)
Other fixed charges	800	800	-	800
Machinery & equipment	29,560	29,560	-	29,560
Office Machinery and Equipment	1,000	1,000	-	1,000
Total	99,260	99,260	46,657	52,603
Total public safety	149,260	149,260	96,657	52,603
Public service				
Municipal park				
Contract labor	5,000	5,600	7,000	(1,400)
Electricity	4,000	3,200	2,924	276
Repair & maintenance - grounds	2,000	9,000	8,426	574
Operating supplies	1,500	500	393	107
Other health, welfare and cultural recreation	20,000	37,000	36,158	842
Total	32,500	55,300	54,901	399
Sanitation				
Vehicle expense	5,000	6,100	6,292	(192)
Operating Supplies	1,000	200	-	200
Landfill tipping fee	11,000	10,200	9,404	796
Total	17,000	16,500	15,696	804

(Continued)

See Accompanying Notes to Financial Statements

**TOWN OF BYRDSTOWN, TENNESSEE**

**Statement of Revenues, Expenditures and Changes in  
Fund Balance - Budget (GAAP Basis) and Actual (Continued)  
General Fund**

**For the Fiscal Year Ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance - Favorable/ (Unfavorable)
	Original	Final		
Expenditures (Cont.)				
Current (Cont.):				
Public service (Cont.)				
City streets				
Regular employee wages	\$ 24,000	\$ 23,850	\$ 23,196	\$ 654
Payroll tax	1,840	1,840	1,775	65
Unemployment insurance	15	15	10	5
Repair & maintenance - vehicles	4,000	2,500	2,090	410
Repair & maintenance - roads	15,000	9,000	7,146	1,854
Operating supplies	200	300	230	70
Clothing & uniforms	300	300	253	47
Roads, streets and parking lots	25,000	9,000	7,405	1,595
Drainage improvement	-	9,000	7,464	1,536
Total	<u>70,355</u>	<u>55,805</u>	<u>49,569</u>	<u>6,236</u>
Home rehabilitation				
Contractual services	423,634	430,634	430,450	184
Total	<u>423,634</u>	<u>430,634</u>	<u>430,450</u>	<u>184</u>
Total public service	<u>543,489</u>	<u>558,239</u>	<u>550,616</u>	<u>7,623</u>
Total expenditures	<u>930,500</u>	<u>919,120</u>	<u>863,053</u>	<u>56,067</u>
Excess (deficiency) of revenues over expenditures	<u>155,334</u>	<u>153,694</u>	<u>235,565</u>	<u>81,871</u>
Net change in fund balances	155,334	153,694	235,565	81,871
Fund balances, beginning	1,371,016	1,372,656	1,379,615	6,959
Fund balances, ending	<u>\$ 1,526,350</u>	<u>\$ 1,526,350</u>	<u>\$ 1,615,180</u>	<u>\$ 88,830</u>

See Accompanying Notes to Financial Statements

**TOWN OF BYRDSTOWN, TENNESSEE**

**Statement of Net Position  
Proprietary Fund**

**June 30, 2023**

	Business-type Activities <u>Enterprise Fund</u> Water & Sewer <u>Fund</u>
<b>ASSETS</b>	
Current	
Cash and cash equivalents	\$ 2,175,316
Investments	490,340
Receivables	
Utility customers, net of allowance for estimated uncollectibles	121,160
Due from other funds	31,400
Inventories	126,434
Prepaid expenses	15,664
Total current assets	<u>2,960,314</u>
Property, plant and equipment	
Land & land rights	259,858
Plant in service	18,946,347
Allowance for depr. - plant in service	(8,983,449)
Machinery & equipment	1,404,495
Allowance for depr. - mach. & equip.	(829,324)
Total property, plant and equipment	<u>10,797,927</u>
Other assets	
Intangible asset - net of amortization	242,264
Total other assets	<u>242,264</u>
Total assets	<u>\$ 14,000,505</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension changes in contributions after measurement date	\$ <u>170,113</u>
<b>LIABILITIES</b>	
Current	
Accounts payable	37,284
Retainage payable	58,740
Accrued expenses	39,320
Customer deposits	12,343
Net pension liability	77,842
Current portion of long-term debt	100,000
Total current liabilities	<u>325,529</u>
Long-term liabilities	
Bonds payable	1,320,000
Less: current portion	(100,000)
Total long-term liabilities	<u>1,220,000</u>
Total liabilities	<u>1,545,529</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension changes in investment earnings	<u>420</u>
<b>NET POSITION</b>	
Net investment in capital assets	9,477,927
Unrestricted	3,146,742
Total net position	<u>\$ 12,624,669</u>

See Accompanying Notes to Financial Statements

**TOWN OF BYRDSTOWN, TENNESSEE**

**Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Fund**

**For the Fiscal Year Ended June 30, 2023**

		Business-type Activities Enterprise Fund Water & Sewer Fund
Operating revenues		
Charges for services	\$	1,763,570
Penalties and interest		49,908
Service charges		19,463
Corp of Engineers storage fee		73,346
Other operating revenues		5,468
Total operating revenues		<u>1,911,755</u>
Operating expenses		
Salaries		57,479
Regular employee wages		497,659
Payroll taxes		42,318
Hospital & health insurance		50,945
Retirement		31,629
Unemployment insurance		289
Employee education & training		2,120
Contractual services		960
Dues & memberships		10,865
Electricity		276,150
Telephone		5,398
Professional services		16,610
Audit and accounting		5,226
Data processing services		5,664
Consultant's services		1,128
Vehicle repair		47,753
Grounds maintenance		144,534
Travel		1,770
Miscellaneous		1,939
Office supplies		25,339
Operating supplies		105,872
Chemical, lab & medical supplies		111,850
Uniforms		6,001
General liability insurance		51,426
Machine & equipment rental		15,115
Amortization		7,455
Depreciation		491,239
Total operating expenses		<u>2,014,733</u>
Operating loss		(102,978)
Nonoperating revenues (expenses)		
Interest income		6,846
Insurance recoveries		9,421
Gain on disposal of fixed assets		3,985
Interest expense		(45,700)
Total nonoperating revenues (expenses)		<u>(25,448)</u>
Net loss before contributions		(128,426)

(Continued)

See Accompanying Notes to Financial Statements

TOWN OF BYRDSTOWN, TENNESSEE

Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Fund (Continued)

For the Fiscal Year Ended June 30, 2023

	Business-type Activities Enterprise Fund Water & Sewer Fund
Contributions	
Capital contributions - service tap fees	\$ 39,600
CDBG grant proceeds	4,550
ARC grant proceeds	<u>116,163</u>
Total contributions	<u>160,313</u>
Change in net position	31,887
Net position, beginning	<u>12,592,782</u>
Net position, ending	<u>\$ 12,624,669</u>

See Accompanying Notes to Financial Statements

**TOWN OF BYRDSTOWN, TENNESSEE**

**Statement of Cash Flows  
Proprietary Fund**

**For the Fiscal Year Ended June 30, 2023**

		Business-type Activities <u>Enterprise Fund</u> Water & Sewer Fund
<u>Cash flows from operating activities</u>		
Cash received from customers net of bad debt	\$	1,926,615
Cash paid to employees for services		(539,977)
Cash paid to suppliers of goods and services		(938,971)
Net cash provided by operating activities		<u>447,667</u>
<u>Cash flows from capital and related financing activities</u>		
Acquisition and construction of capital assets		(355,251)
Proceeds from sale of capital assets		3,985
Capital contributed by customers		39,600
Capital contributed from federal grants		120,713
Proceeds from insurance recoveries		9,421
Principal paid on bond maturities		(100,000)
Interest paid on bonds		(45,700)
Net cash used by capital and related financing activities		<u>(327,232)</u>
<u>Cash flows from investing activities</u>		
Interest received		6,846
Net cash provided by investing activities		<u>6,846</u>
Net increase in cash		127,281
Cash, cash equivalents and restricted cash, beginning		2,048,035
Cash, cash equivalents and restricted cash, ending	\$	<u>2,175,316</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities		
Operating loss	\$	(102,978)
Adjustments to reconcile operating loss to net cash provided by operation activities		
Depreciation and amortization		498,694
Pension contributions in excess of actuarially determined pension expense		(13,634)
(Increase) decrease in receivables		15,231
(Increase) decrease in due from other funds		23,142
(Increase) decrease in inventories		5,528
Increase (decrease) in accounts payable		(29,822)
Increase (decrease) in retainage payable		58,740
Increase (decrease) in accrued expenses		204
Increase (decrease) in due to other funds		(7,067)
Increase (decrease) in customer deposits		(371)
Net cash provided by operating activities	\$	<u>447,667</u>
<u>Noncash investing, capital, and financing activities:</u>		
None	\$	<u>-</u>

Investments that are neither cash nor cash equivalents are presented on the balance sheet at fair value. As the Town limits its investments to certificates of deposit, the change in the fair value of its investments is limited to accrued interest. In general, the Town receives its interest income directly and is reported above as a component of investing activities. Periodically, an additional purchase or a withdrawal is made and it, too, is a component of investing activities.

See Accompanying Notes to Financial Statements

# TOWN OF BYRDSTOWN, TENNESSEE

## Notes to Financial Statements

June 30, 2023

### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Town of Byrdstown, Tennessee, have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies.

#### The Reporting Entity

The Town of Byrdstown, Tennessee (the Town) is a municipality created under state statute. The Town is engaged in providing and maintaining various services to its citizens, such as utilities, street maintenance and other general. The Board of Aldermen, through its executive committee (Mayor and Recorder), is the governing body to which each department's management is accountable. The Board of Aldermen approved, on February 8, 2021, to accept through a merger on the effective date of April 7, 2021, the assets, liabilities, net position and future operations of the Chanute/Pall Mall Utility District of Fentress and Pickett Counties, Tennessee.

As of June 30, 2023, the Town had no component units that were required to be included in the 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 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 of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with specific function or segment. Program revenues include (i) charges to customers or applicants (including fines and fees) who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and (ii) 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 even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

## TOWN OF BYRDSTOWN, TENNESSEE

Notes to Financial Statements (Continued)

June 30, 2023

### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

#### Measurement Focus, Basis of Accounting and Financial Statement Presentation

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal period, except for property taxes that are collected within 60 days of year-end. Sales taxes and other shared revenues received through intermediary collecting governments are considered measurable and available if received by the Town within 60 days of year-end. Expenditures are generally recognized when the liability is incurred, as under accrual accounting. However, debt service expenditure, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Property taxes, state shared revenues, and interest associated with the current fiscal period is all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period using the criteria specified in the paragraph above. All other revenue items are considered to be measurable and available only when the government receives cash.

The Town reports the following major governmental fund:

The *General Fund* is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

The Town reports the following major proprietary funds:

The *Water & Sewer Fund* accounts for the water and wastewater services provided to customers.

In general, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions include payments-in-lieu of taxes and other charges between the Town's utilities and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include (i) charges to customer or applicants (including fines and fees) for goods, services or privileges provided, (ii) operating grants and contributions and (iii) capital grants and contributions. General revenues include all taxes and internally dedicated resources.

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. The principal operating revenues of the various utility funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

## TOWN OF BYRDSTOWN, TENNESSEE

### Notes to Financial Statements (Continued)

June 30, 2023

#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

##### Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont.)

When both restricted resources and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, and then unrestricted resources as they are needed. It is also the Town's policy that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications are used.

##### Cash, Cash Equivalents and Investments

Cash and cash equivalents consist of cash, savings and short-term certificates of deposit with an original maturity of three months or less.

The Town is authorized to invest in U.S. Treasury Bills and certificates of deposit in local banks as well as participate in the Local Government Investment Pool administered by the State of Tennessee. The pool contains investments in certificates of deposit, U.S. Treasury securities and repurchase agreements, backed by the U.S. Treasury securities. The Treasurer of the State of Tennessee administers the investment pool.

Town policy dictates that collateral meet certain requirements, such as, be deposited in an institution which participates in the state collateral pool or be deposited in an escrow account in another institution for the benefit of the Town and must be a minimum of 110% of the value of the deposits placed in the institution less the amount protected by federal deposit insurance.

The state collateral pool is administered by the State of Tennessee. Members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional agreement, public fund accounts covered by the pool are considered to be classified as category one insured credit risk in accordance with GASB Statement No. 3, Deposits with financial Institutions, Investments (including repurchase agreements) and reverse repurchase agreements. All investments are stated at fair value.

##### Inventories

Inventories of proprietary funds consist of expendable supplies held for consumption and are valued at cost based on the first-in, first-out method. Inventories are accounted for by the purchase method whereby materials and supplies are charged as expenditures when acquired. Inventory on hand at year-end is recorded as an asset and a reservation of the fund balance is required for governmental funds. Proprietary fund inventories are accounted for in the same manner with the exception that there is no reservation of equity.

##### Receivables and Payables

Receivables are presented net of allowance for uncollectible accounts. The property tax receivable allowance account is equal to approximately 5.0 percent of the gross receivable. Delinquent taxes receivable has been included in the combined balance sheet with offsetting deferred revenue to reflect amounts that were not available at June 30, 2023. Amounts available at June 30, 2023 have been recorded as revenue.

**TOWN OF BYRDSTOWN, TENNESSEE**

Notes to Financial Statements (Continued)

June 30, 2023

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

Receivables and Payables (Cont.)

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds.”

Inter-fund receivables primarily represent unpaid reimbursements to the disbursing fund. There were no inter-fund loans made during the fiscal year, and consequently, no outstanding inter-fund loans at year-end.

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the government-wide financial statements. The Town defines capital assets as assets with an initial, individual cost of \$500 or more and an estimated useful life in excess of five years. All capital assets are valued at historical cost or estimated historical cost, if actual historical cost is not available.

Donated fixed assets are valued at their estimated fair value on the date donated. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation has been calculated using the straight-line method and estimated useful lives as follows:

Buildings	39-60 years
Land improvements	25-50 years
Equipment other than vehicles	5-50 years
Vehicles	5 years

Appropriations

Appropriations to other funds are accounted for as inter-fund transfers in the governmental fund statements, and are eliminated in the government-wide statements. Quasi-external transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as revenues in the fund being reimbursed and expenses in the fund reimbursing.

Accumulated Unpaid Vacation, Sick Pay and Compensatory Time

Each full-time employee accumulates sick pay at a rate of one day per month. Employees are compensated for unused sick pay as of December 31 at one-half rate per day, for all days over ten. Only ten sick days per employee may be carried to future years, but is forfeited upon termination. Earned vacation time is generally required to be used within one year of accrual. Any accumulated vacation time not allowed to be taken due to work related assignments is paid at year-end not to exceed two weeks.

## TOWN OF BYRDSTOWN, TENNESSEE

Notes to Financial Statements (Continued)

June 30, 2023

### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

#### Long-term Obligations

In the government-wide financial statements, and in proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond and note premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable loss on refundings. Bond issue costs are reported net of amortization in other assets and amortized over the term of the related debt.

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

#### Budget

The Town is required by state statute to adopt annual budgets. The General and Special Revenue Fund budgets are prepared on the basis where current available funds must be sufficient to meet current expenditures. The Town periodically monitors the budget and the Board of Aldermen approves supplemental appropriations as necessary to each budgeted fund.

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to June 30, the Mayor/Town Recorder submits to the Board of Aldermen a proposed operating budget for the fiscal year commencing the following July 1. The operating departmental budget establishes the budgetary level of control for the proposed expenditures and the means of financing them.
2. Public hearings are conducted at Town Hall to obtain taxpayer comments.
3. Prior to July 1, the budget is legally enacted on second reading through passage of a resolution. In no event shall the total appropriations for any fund included in the budget exceed the estimated revenues and appropriated fund balance. In case an approved budget is not in place by July 1, the Board of Aldermen approves a continuing budget.
4. The Mayor/Town Recorder is authorized to transfer budgeted amounts within departments within any fund; however, revisions altering total expenditures of any department or fund require approval by the Board of Aldermen.
5. Formal budgetary integration is employed as a management control device during the year for the General and Special Revenue Funds.

## TOWN OF BYRDSTOWN, TENNESSEE

Notes to Financial Statements (Continued)

June 30, 2023

### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

#### Budget (Cont.)

6. Budgets for all governmental fund types are adopted on a basis generally consistent with generally accepted accounting principles (GAAP). These budget appropriations lapse at year-end.

The Town amended the budget of each fund on June 12, 2023, based on expected revenues and expenditures (expenses) through June 30, 2023.

#### Net Position

Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis for State and Local Governments* establishes standards for external financial reporting for state and local governments and requires that resources be classified for accounting reporting purposes into the following three net position groups:

*Net investment in capital assets* – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

*Restricted* – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

*Unrestricted* – All other net position that does not meet the definition of restricted or net invested in capital assets.

#### Fund Balances

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

*Nonspendable Fund Balance* – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

*Restricted Fund Balance* – includes amounts that have constraints placed on the use of the resources that are either (a) externally imposed by creditors, grantors, contributors or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

## TOWN OF BYRDSTOWN, TENNESSEE

Notes to Financial Statements (Continued)

June 30, 2023

### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

*Committed Fund Balance* – includes amounts that can be used only for the specific purposes determined by a formal action of the Town's highest level of decision-making authority. The Board of Aldermen commits resources for specific purposes by passing ordinances.

*Assigned Fund Balance* – includes amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. The Town's Budget Committee is authorized to make assignments.

*Unassigned Fund Balance* – is represented by the residual classification of the General fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General fund.

#### Property Tax

The Town's property tax is levied each October 1 on the assessed value as of the prior January 1 for all real and personal property located in the Town's legal boundaries. All Town taxes on real estate are declared to be a lien on such realty from January 1 of the years assessments are made. Delinquent taxes are maintained by the Town for collection.

Taxes are levied at a rate of \$.498 per \$100 of assessed valuation. Payments may be made during the period October 1 through February 28. Collections of the current tax levy amounted to \$79,449 for the fiscal year ended June 30, 2023 and amounted to approximately 95.5 percent of the tax levy.

#### Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

#### Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Byrdstown's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Byrdstown'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.

**TOWN OF BYRDSTOWN, TENNESSEE**

Notes to Financial Statements (Continued)

June 30, 2023

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

**Risk Financing**

The Town is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town maintains commercial insurance coverage on each area of risk. The Town annually submits for bid all insurance coverage. Exposure is limited to claims in excess of standard policy limitations. The Town annually reviews its insurance needs based on claims and/or potential claims to minimize exposure. There were no claims in excess of insurance coverage during the past three years.

**NOTE 2 – DEPOSITS**

Cash and cash equivalents consist of cash, demand deposits, savings accounts and certificates of deposit with original maturities of three months or less from the date of acquisition. Investments consist of certificates of deposit with maturities of greater than three months. The bank balance was covered by federal depository insurance or by collateral held by the government's agent in the government's name.

**NOTE 3 – CAPITAL ASSETS**

Capital assets activity of the governmental funds for the year ended June 30, 2023 was as follows:

Governmental Activities <b><u>Asset</u></b>	<b><u>Beginning Balance</u></b>	<b><u>Additions</u></b>	<b><u>Retirements</u></b>	<b><u>Ending Balance</u></b>
<b><u>Capital assets not being depreciated:</u></b>				
Land	\$ 69,000	\$ -	\$ -	\$ 69,000
<b><u>Capital assets being depreciated:</u></b>				
Land improvements	279,003	-	-	279,003
Buildings and improvements	323,232	-	-	323,232
Machinery and equipment	815,707	22,542	-	838,249
Infrastructure	275,082	1,856	-	276,938
Vehicles	60,815	-	-	60,815
	<u>1,753,839</u>	<u>24,398</u>	<u>-</u>	<u>1,778,237</u>
Total	<u>\$1,822,839</u>	<u>\$ 24,398</u>	<u>\$ -</u>	<u>\$1,847,237</u>
<b><u>Accumulated depreciation</u></b>				
Land improvements	\$ 78,670	\$ 10,590	\$ -	\$ 89,260
Buildings	142,369	8,644	-	151,013
Machinery and equipment	426,329	27,491	-	453,820
Infrastructure	98,492	11,003	-	109,495
Vehicles	60,816	4,667	-	65,483
Total	<u>806,676</u>	<u>62,395</u>	<u>-</u>	<u>869,071</u>
Governmental capital assets-net	<u>\$ 1,016,163</u>	<u>\$ (37,997)</u>	<u>\$ -</u>	<u>\$ 978,166</u>

**TOWN OF BYRDSTOWN, TENNESSEE**

Notes to Financial Statements (Continued)

June 30, 2023

**NOTE 3 – CAPITAL ASSETS (CONT.)**

Depreciation expense, including depreciation on assets acquired through capital leases, was charged to functions/programs as follows:

General government	\$ 22,509
Public safety - fire	5,006
Recreation	19,457
Sanitation	4,667
Streets	<u>10,756</u>
	<u>\$ 62,395</u>

Capital assets activity of the Water & Sewer fund for the year ended June 30, 2023 was as follows:

<u>Business-type Activities</u> <u>Asset</u>	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
<u>Capital assets not being depreciated:</u>				
Land & land rights	\$ 259,858	\$ -	\$ -	\$ 259,858
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 259,858</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 259,858</u>
<u>Capital assets being depreciated:</u>				
Utility plant and buildings	\$18,762,136	\$ 184,211	\$ -	\$18,946,347
Machinery and equipment	<u>1,252,711</u>	<u>171,040</u>	<u>19,256</u>	<u>1,404,495</u>
Total	<u>20,014,847</u>	<u>355,251</u>	<u>19,256</u>	<u>20,350,842</u>
Less accumulated depreciation	<u>(9,340,791)</u>	<u>(491,238)</u>	<u>(19,256)</u>	<u>(9,812,773)</u>
Total	<u>\$10,674,056</u>	<u>\$(135,987)</u>	<u>\$ -</u>	<u>\$10,538,069</u>
Current year depreciation	<u>\$ 486,249</u>			<u>\$ 491,238</u>

**NOTE 4 – RECEIVABLES**

A summary of receivables totaling \$296,044 as of June 30, 2023 was as follows:

	<u>Proprietary Fund</u>		
	<u>Governmental</u>	<u>Water &amp; Sewer</u>	<u>Total</u>
Property taxes	\$ 86,494	\$ -	\$ 86,494
Other taxes	84,910	-	84,910
Customer charges	-	122,542	122,542
Other charges	6,473	-	6,473
Less: allowance	<u>( 2,993)</u>	<u>( 1,382)</u>	<u>( 4,375)</u>
Total	<u>\$ 174,884</u>	<u>\$121,160</u>	<u>\$296,044</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

**TOWN OF BYRDSTOWN, TENNESSEE**

Notes to Financial Statements (Continued)

June 30, 2023

**NOTE 4 – RECEIVABLES (CONT.)**

Governmental funds also defer revenue recognition in connection with resources that have been received but not earned. The 2023 property taxes are presented as deferred inflows of resources.

**NOTE 5 – INTERFUND RECEIVABLES AND PAYABLES**

Due to/from Other Funds

Interfund receivables and payables are attributable to obligations for transfers between funds. The actual cash transfer had not been made at June 30, 2023. Inter-fund receivables primarily represent unpaid reimbursements to the disbursing fund. The interfund balances at June 30, 2023, were as follows:

<u>Receivable fund</u>		<u>Payable fund</u>	
Water & Sewer Fund	\$ 31,400	General Fund	\$31,400

Interfund Transfers

Interfund transfers for the year ended June 30, 2023, consisted of the following amounts:

<u>Transfer Out</u>		<u>Transfer In</u>
None		None

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**NOTE 6 – LONG-TERM DEBT**

The Town issues general obligation bonds and notes to provide funds for the acquisition and construction of major capital facilities or for other general government purposes. The Town also issues revenue notes and bonds where the Town commits income from the acquired or constructed assets to pay the debt service. These debt issues relate to the Water and Sewer proprietary funds. In event the proprietary fund revenues are insufficient to pay the debt service, the debt is payable from any other non-restricted funds of the Town. A summary follows of changes in long-term liabilities for the year ended June 30, 2023:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Business-type Activities:</u>				
Revenue bonds	\$ <u>1,420,000</u>	\$ <u>      </u> -	\$ <u>100,000</u>	\$ <u>1,320,000</u>

**TOWN OF BYRDSTOWN, TENNESSEE**

Notes to Financial Statements (Continued)

June 30, 2023

**NOTE 6 – LONG-TERM DEBT (CONT.)**

The annual requirements to amortize Water & Sewer revenue bonds outstanding as of June 30, 2023, carrying interest rates ranging from 3.0% to 3.625% including interest payments of \$314,781 are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 100,000	\$ 42,950	142,950
2025	100,000	39,950	139,950
2026	100,000	36,950	136,950
2027	100,000	33,950	133,950
2028	100,000	30,950	130,950
2029-2033	510,000	107,500	617,500
2034-2036	<u>310,000</u>	<u>22,531</u>	<u>332,531</u>
	<u>\$1,320,000</u>	<u>\$314,781</u>	<u>\$1,634,781</u>

On July 12, 2005, the Town issued \$1,310,000 of combined general obligation and special revenue refunding bonds to provide resources to retire select debt service payments amounting to \$135,388 of general obligation debt and \$1,122,586 of Water & Sewer special revenue bonds.

Total refunded debt amounted to \$1,257,974. The refunded bonds are considered to be defeased and the liability has been removed from the Water & Sewer balance sheet and resulting statement of net assets. The refunding will result in approximate savings of \$134,200. Debt refinanced in advance of their maturity consists of:

FHA 91-03	\$ 13,000	FHA 91-18	\$ 210,950	FHA 91-28	\$ 268,252
FHA 91-09	136,000	FHA 91-22	194,241	FHA 92-20	160,437
FHA 91-12	63,000	FHA 91-25	60,706	FHA 97-16	16,000

On December 18, 2014, the Town issued \$2,250,000 of combined general obligation and special revenue refunding bonds to provide resources to retire select debt service payments amounting to \$770,000 of general obligation debt and \$1,122,586 of Water & Sewer special revenue bonds. Total refunded debt amounted to \$2,127,445. The refunded bonds are considered to be defeased and the liability has been removed from the Water & Sewer balance sheet and resulting statement of net assets.

The refunding will result in approximate savings of \$184,433. Debt refinanced in advance of their maturity consists of:

Refunding Bonds, Series 2005 – General Fund	\$ 57,488
Refunding Bonds, Series 2005 – Water & Sewer Fund	712,512
Water & Sewer Revenue, Series 91-05	12,000
Water & Sewer Revenue, Series 91-30	774,098
Water & Sewer Revenue, Series 91-32	275,072
Water Storage Note, Series 2005	<u>295,375</u>
	<u>\$ 2,126,545</u>

## TOWN OF BYRDSTOWN, TENNESSEE

### Notes to Financial Statements (Continued)

June 30, 2023

#### **NOTE 7 – BUDGET OPERATIONS**

The Town is required by state statute to adopt a budget annually. The governmental funds and proprietary fund budgets are prepared on a basis where current available funds must be sufficient to meet current expenditures/expenses. Expenditures/expenses may not legally exceed appropriations authorized by the Board of Directors, including authorized revisions. Appropriations lapse at year-end. Expenditures for the General fund major category General Government exceeded appropriations by \$3,975 due to an oversight in estimating year-end expenses related to special events.

#### **NOTE 8 – MERGER OF CHANUTE/PALL MALL UTILITY DISTRICT**

The Board of Aldermen approved, on February 8, 2021 to accept through a merger on the effective date of April 7, 2021, the assets, liabilities, net position and future operations of Chanute/Pall Mall Utility District of Fentress and Pickett Counties, Tennessee (the District). As of April 7, 2021, the net position of the District was comprised of:

Current and other assets	\$ 50,803
Capital assets	1,565,287
Less: accumulated depreciation	<u>(947,118)</u>
Total assets	\$ <u>668,972</u>
Current liabilities	
Accounts payable	\$ 12,592
Customer deposits	<u>12,735</u>
Total liabilities	<u>25,327</u>
Net position	
Investment in capital assets	618,169
Unrestricted	<u>25,476</u>
Total net position	\$ <u>643,645</u>

The Board of Commissioners of the District voted to approve the merger based on a continuing decline of net position driven by operating losses. For the period July 1, 2020 through April 7, 2021, the District incurred an operating loss of \$30,314, although depreciation expense accounted for \$29,702 of that loss. The District incurred an operating loss of \$93,651 for the fiscal year ending June 30, 2020, and depreciation expense accounted for \$35,785 of that loss. The District would have been unable to maintain its plant in service absent outside funding as it likely could not have adequately funded a debt obligation if it became necessary.

## TOWN OF BYRDSTOWN, TENNESSEE

Notes to Financial Statements (Continued)

June 30, 2023

### **NOTE 9 – PENSION PLAN**

#### **General Information About the Pension Plan**

##### Plan Description

Employees of Byrdstown are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at <https://www.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 five 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 nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten 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 2<sup>nd</sup> of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Employees Covered by Benefit Terms – At the measurement date of June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	9
Inactive employees entitled to but not yet receiving benefits	5
Active employees	<u>14</u>
Total	<u>28</u>

##### Contributions

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute 5% of salary. Byrdstown makes employer contributions at a rate set by the Board of Trustees as determined by an actuarial valuation.

## TOWN OF BYRDSTOWN, TENNESSEE

### Notes to Financial Statements (Continued)

June 30, 2023

#### **NOTE 9 – PENSION PLAN (CONT.)**

##### Contributions (Cont.)

For the year ended June 30, 2023, employer contributions for Byrdstown were \$50,220 based on a rate of 10% of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Byrdstown's state shared taxes if required employee contributions are not remitted. The employer's ADC and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

##### **Net Pension Liability (Asset)**

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

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

Inflation	2.25%
Salary increases	graded salary ranges from 8.72% to 3.44% based on age, including inflation averaging 4.0%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation
Cost of living adjustment	2.125%

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

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

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

**TOWN OF BYRDSTOWN, TENNESSEE**

Notes to Financial Statements (Continued)

June 30, 2023

**NOTE 9 – PENSION PLAN (CONT.)**

The best-estimates of geometric real rates and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Percentage Long-term Expected Real Rate of Return</u>	<u>Percentage Target Allocations</u>
U.S. Equity	4.88%	31%
Developed Market International Equity	5.37%	14%
Emerging Market International Equity	6.09%	4%
Private Equity and Strategic Lending	6.57%	20%
U.S. Fixed Income	1.20%	20%
Real Estate	4.38%	10%
Short-term Securities	0.00%	<u>1%</u>
		100%

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

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

Changes in the Net Pension Liability (Asset)

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (a)-(b)</b>
<b>Balance at June 30, 2021</b>	<u>\$1,985,932</u>	<u>\$2,133,195</u>	(\$147,263)
Service cost	37,210		37,210
Interest	133,330		133,330
Difference between expected and actual experience	54,206		54,206
Changes in Assumptions	-		-
Contributions- employer		48,069	(48,069)
Contributions- employee		24,034	(24,034)
Net investment income		(81,131)	81,131
Benefits payments, including refunds of employee contributions	(95,772)	(95,772)	-
Administrative expense	<u>-</u>	<u>(1,276)</u>	<u>1,276</u>
Net changes	<u>128,974</u>	<u>(106,076)</u>	<u>235,050</u>
<b>Balance at June 30, 2022</b>	<u>\$2,114,906</u>	<u>\$2,027,119</u>	<u>\$ 87,787</u>

**TOWN OF BYRDSTOWN, TENNESSEE**

Notes to Financial Statements (Continued)

June 30, 2023

**NOTE 9 – PENSION PLAN (CONT.)**

Sensitivity of the Net Position Liability (Asset) to Changes in the Discount Rate – The following presents the net pension liability (asset) of Byrdstown calculated using the discount rate of 6.75%, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Byrdstown’s net pension liability (asset)	\$323,465	\$87,787	(\$114,490)

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

Pension Expense – For the year ended June 30, 2023, Byrdstown recognized pension expense of \$41,505.

Deferred Outflows of Resources and Deferred Inflows of Resources – For the year ended June 30, 2023; Byrdstown reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 55,539	\$ 462
Net difference between projected and actual earnings on pension plan investments	3,961	-
Changes in assumptions	73,591	-
Contributions subsequent to the measurement date of June 30, 2022	<u>50,220</u>	<u>N/A</u>
Total	\$ <u>183,311</u>	\$ <u>462</u>

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

**TOWN OF BYRDSTOWN, TENNESSEE**

Notes to Financial Statements (Continued)

June 30, 2023

**NOTE 9 – PENSION PLAN (CONT.)**

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

<u>June 30</u>	<u>Amount</u>
2024	\$45,812
2025	46,888
2026	(4,925)
2027	44,856
2028	-
Thereafter	-

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense. At June 30, 2023, Byrdstown reported a payable of \$0 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2023.

**NOTE 10 – SUBSEQUENT EVENTS**

On August 14, 2023, the Board approved Resolution #23-02 accepting Community Development Block Grant funds of \$630,000 for a water rehabilitation project. Additionally, the Town agreed to commit an additional \$230,000 to complete a previously approved water rehabilitation project.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF BYRDSTOWN, TENNESSEE

Schedule of Changes in Net Pension Liability and Related Ratios  
Based on Participation in the Public Employee Pension Plan of the TCRS  
For the Year Ended June 30,

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total pension liability	\$ 27,326	\$ 23,482	\$ 26,641	\$ 27,428	\$ 28,574	\$ 30,254	\$ 30,944	\$ 32,140	\$ 37,210
Service cost	95,472	99,747	105,536	107,302	116,839	118,584	121,148	125,446	133,330
Interest	-	-	-	-	-	-	-	-	-
Changes in benefit terms	11,724	24,478	(39,593)	68,514	(32,222)	(23,357)	(1,848)	29,771	54,206
Differences between actual & expected experience	-	-	-	58,676	-	-	-	147,181	-
Change of assumptions	(66,069)	(81,288)	(66,070)	(73,583)	(90,803)	(90,803)	(90,803)	(93,507)	(95,772)
Benefit payments, including refunds of employee contributions	68,453	66,419	26,514	188,337	22,388	34,678	59,441	241,031	128,974
Net change in total pension liability	1,278,671	1,347,124	1,413,543	1,440,057	1,628,394	1,650,782	1,685,460	1,744,901	1,985,932
Total pension liability, beginning	1,347,124	1,413,543	1,440,057	1,628,394	1,650,782	1,685,460	1,744,901	1,985,932	2,114,906
Total pension liability, ending (a)									
Plan fiduciary net position									
Contributions - employer	46,270	41,209	39,705	43,291	40,451	41,076	42,438	42,332	48,069
Contributions - employee	23,007	20,028	20,155	21,645	20,225	20,538	21,219	22,960	24,034
Net investment income	184,795	39,757	34,925	152,218	122,432	116,653	82,043	440,451	(81,131)
Benefit payments, including refunds of employee contributions	(66,069)	(81,288)	(66,070)	(73,583)	(90,803)	(90,803)	(90,803)	(93,507)	(95,772)
Administrative expense	(511)	(609)	(908)	(1,050)	(1,140)	(1,068)	(1,063)	(1,051)	(1,276)
Net Change in plan fiduciary net position	187,492	19,097	27,807	142,521	91,165	86,396	53,834	411,185	(106,076)
Plan fiduciary net position, beginning	1,113,698	1,301,190	1,320,287	1,348,094	1,490,615	1,581,780	1,668,176	1,722,010	2,133,195
Plan fiduciary net position, ending (b)	1,301,190	1,320,287	1,348,094	1,490,615	1,581,780	1,668,176	1,722,010	2,133,195	2,027,119
Net pension liability (asset), ending (a) - (b)	\$ 45,934	\$ 93,256	\$ 91,963	\$ 137,779	\$ 69,002	\$ 17,284	\$ 22,891	\$ (147,263)	\$ 87,787
Plan fiduciary net position as a percentage of total pension liability	96.59%	93.40%	93.61%	91.54%	95.82%	98.97%	98.69%	107.42%	95.85%
Covered-employee payroll	\$ 446,626	\$ 418,362	\$ 403,092	\$ 432,909	\$ 404,505	\$ 410,764	\$ 424,381	\$ 423,322	\$ 480,686
Net pension liability (asset) as a percentage of covered-employee payroll	10.28%	22.29%	22.81%	31.83%	17.06%	4.21%	5.39%	-34.79%	18.26%

Changes of assumptions. In 2021, the following assumptions were changed: decreased inflation rate from 2.50% to 2.25%; decreased the investment rate of return from 7.25% to 6.75%; decreased the cost-of-living adjustment from 2.25% to 2.125%; and modified mortality assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.00% to 2.50%; decreased the investment rate of return from 7.50% to 7.25%; decreased cost-of-living adjustment from 2.50% to 2.25%; decreased salary growth graded ranges from an average of 4.25% to an average of 4.00%; and modified mortality assumptions.

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.

TOWN OF BYRDSTOWN, TENNESSEE

Schedule of Contributions  
 Based on Participation in the Public Employee Pension Plan of the TCRS  
 For the Year Ended June 30,

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Actuarially determined contributions	\$ 46,270	\$ 41,209	\$ 39,033	\$ 42,642	\$ 40,451	\$ 41,076	\$ 39,255	\$ 39,157	\$ 44,560	\$ 50,220
Contributions in relation to the actuarially determined contribution	46,270	41,209	39,033	43,291	40,451	41,076	42,438	42,332	48,069	50,220
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ (649)	\$ -	\$ -	\$ (3,183)	\$ (3,175)	\$ (3,509)	\$ -
Covered payroll	\$ 446,626	\$ 418,362	\$ 396,274	\$ 432,909	\$ 404,510	\$ 410,764	\$ 424,381	\$ 423,322	\$ 480,686	\$ 502,200
Contributions as a percentage of covered payroll	10.36%	9.85%	9.85%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively prior to the implementation date.

## Notes to schedule

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	Varies by year
Asset valuation	10-year smoothed within a 20% corridor to market value
Inflation	2.25%
Salary increases	Graded salary ranges from 8.72 to 3.44% based on age, including inflation, averaging 4.0%
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%

### Changes in assumptions

In 2021, the following assumptions were changed: decreased inflation rate from 2.50% to 2.25%; decreased the investment rate of return from 7.25% to 6.75%; decreased the cost-of-living adjustment from 2.25% to 2.125%; and modified mortality assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.00% to 2.50%; decreased the investment rate of return from 7.50% to 7.25%; decrease the cost-of-living adjustment from 2.50% to 2.25%, decreased salary growth graded ranges from an average of 4.25% to an average of 4.00%; and modified mortality assumptions.

OTHER SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUND

State Street Aid -

To account for the receipt and usage of the Town's share of state gasoline taxes. State law requires these gasoline taxes to be used to maintain streets.

**TOWN OF BYRDSTOWN, TENNESSEE**

**Statement of Revenues, Expenditures and Changes in  
Fund Balance - Budget (GAAP Basis) and Actual  
State Street Aid Fund**

**For the Fiscal Year Ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance - Favorable/ (Unfavorable)
	Original	Final		
<u>Revenue</u>				
Intergovernmental				
Gas 3 cents	\$ 2,500	\$ -	\$ 2,225	\$ 2,225
Gas 1989	4,000	-	4,109	4,109
Gas 2017	7,500	-	7,168	7,168
Gasoline & motor fuel tax	15,800	15,800	14,220	(1,580)
Total revenues	29,800	15,800	27,722	11,922
<u>Expenditures</u>				
Current:				
Electricity	30,000	30,000	29,867	133
Total expenditures	30,000	30,000	29,867	133
Excess (deficiency) of revenues over expenditures	(200)	(14,200)	(2,145)	12,055
Other financing sources and (uses)				
Operating transfers in	-	-	-	-
Total other financing sources and (uses)	-	-	-	-
Net change in fund balances	(200)	(14,200)	(2,145)	12,055
Fund balances, beginning	27,797	27,797	30,154	2,357
Fund balances, ending	\$ 27,597	\$ 13,597	\$ 28,009	\$ 14,412

See Accompanying Notes to Financial Statements

## FINANCIAL SCHEDULES

**TOWN OF BYRDSTOWN, TENNESSEE**

**Capital Assets Used in the Operation of Governmental Funds**

**Schedule By Function and Activity**

**June 30, 2023**

	Land						Total
	Land	Improvements	Buildings	Equipment	Infrastructure	Vehicles	
General government	\$ 30,000	\$ 103,135	\$ 198,728	\$ 221,270	\$ 100,592	\$ 22,175	\$ 675,900
Public safety - fire	-	-	697	168,494	-	-	169,191
Entertainment	39,000	85,898	123,807	448,485	-	-	697,190
Sanitation	-	-	-	-	-	38,640	38,640
Streets	-	89,970	-	-	176,346	-	266,316
	<u>\$ 69,000</u>	<u>\$ 279,003</u>	<u>\$ 323,232</u>	<u>\$ 838,249</u>	<u>\$ 276,938</u>	<u>\$ 60,815</u>	<u>\$ 1,847,237</u>

**TOWN OF BYRDSTOWN, TENNESSEE**

**Capital Assets Used in the Operation of Governmental Funds**

**Schedule of Changes by Function and Activity**

**For the Fiscal Year Ended June 30, 2023**

	Beginning			Ending
	Balance	Additions	Retirements	Balance
General government	\$ 660,900	\$ 15,000	\$ -	\$ 675,900
Public safety - fire	169,191	-	-	169,191
Entertainment	689,648	7,542	-	697,190
Sanitation	38,640	-	-	38,640
Streets	264,460	1,856	-	266,316
	<u>\$ 1,822,839</u>	<u>\$ 24,398</u>	<u>\$ -</u>	<u>\$ 1,847,237</u>

**TOWN OF BYRDSTOWN, TENNESSEE**

**Schedule of Changes in Property Tax Receivable**

**For the Fiscal Year Ended June 30, 2023**

<u>Year of Levy</u>	<u>Rate</u>	<u>Total Assessment</u>	<u>Levy</u>	<u>Balance June 30, 2022</u>	<u>Adjustments</u>	<u>Collections</u>	<u>Balance June 30, 2023</u>
2023	\$ 0.3498	\$ 23,502,390	\$ 82,206	\$ -	\$ -	\$ -	\$ 82,206
2022	0.4980	16,145,553	81,645	81,645	(626)	80,055	964
2021	0.4980	16,063,803	79,995	3,018	(80)	2,021	917
2020	0.4980	15,702,001	78,194	585	-	92	493
2019	0.4980	15,605,485	77,714	524	(19)	24	481
2018	0.4980	15,375,884	76,335	567	-	86	481
2017	0.5300	14,322,604	75,925	623	-	386	237
2016	0.5300	14,604,432	77,850	759	-	44	715
2015	0.4775	14,024,739	63,614	-	-	-	-
2014	0.4775	13,322,002	62,089	-	-	-	-
2013	0.4775	13,001,813	62,089	-	-	-	-
2012	0.4775	13,440,291	64,191	-	-	-	-
				\$ <u>87,721</u>	\$ <u>(725)</u>	\$ <u>82,708</u>	\$ <u>86,494</u>

Property taxes unpaid for 2016 through 2022 have not been filed with Pickett County Chancery Court as Town officials maintain the collection of all delinquent taxes through Town Hall. As such, there is no related Schedule of Uncollected Delinquent Taxes Filed in Accordance with Local Laws.

**TOWN OF BYRDSTOWN, TENNESSEE**

**Schedule of Changes in All Long-Term Notes and Bonds**

**For the Fiscal Year Ended June 30, 2023**

Description of Debt	Original Amount of Issue	Interest Rate	Date of Issue	Final Maturity Date	Outstanding Beginning	Issued During Period	Paid and/or Matured During Period	Outstanding Ending
Revenue bonded debt Payable through Water & Sewer Fund Series 2014 refunding	2,190,000	2.0-3.625	12-18-14	6-30-36	\$ 1,420,000	\$ -	\$ 100,000	\$ 1,320,000

**TOWN OF BYRDSTOWN, TENNESSEE**

**Schedule of Maturities of Bond Indebtedness  
and Interest Requirements**

**Water & Sewer Fund**

**June 30, 2023**

Year Ending June 30,	Series 2014		Total
	Principal	Interest	
2024	\$ 100,000	\$ 42,950	\$ 142,950
2025	100,000	39,950	139,950
2026	100,000	36,950	136,950
2027	100,000	33,950	133,950
2028	100,000	30,950	130,950
2029	100,000	27,950	127,950
2030	100,000	24,950	124,950
2031	105,000	21,700	126,700
2032	105,000	18,288	123,288
2033	100,000	14,612	114,612
2034	100,000	11,112	111,112
2035	105,000	7,612	112,612
2036	105,000	3,807	108,807
Total	\$ 1,320,000	\$ 314,781	\$ 1,634,781

**TOWN OF BYRDSTOWN, TENNESSEE**

**Schedule of Expenditure Federal Awards and State Financial Assistance (1)(2)**

**For the Fiscal Year Ended June 30, 2023**

Federal Grantor/Pass-Through Grantor	Program	Assistance Listing Number	Contract Number	Passed Through to Subrecipients	Expenditures
<b>Federal Awards</b>					
<b>Pass-through Funding:</b>					
U.S. Department of Treasury	Corona Virus Relief Fund	21.019	(3)	\$ -	\$ 116,163
Appalachian Regional Commission	Sewer System Improvement	23.002	(3)	-	4,550
Federal Emergency Management Agency through Tennessee Department of Military	Public Assistance Grant	97.036	(3)	-	584
Total federal awards				-	<u>121,297</u>
<b>State Financial Assistance</b>					
THDA	Home Rehabilitation	-	(3)	-	430,450
Total federal awards and state financial assistance				\$ -	<u>551,747</u>

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.

(2) Byrdstown did not elect to use the 10% de minimus cost rate permitted in the Uniform Guidance.

(3) Information not available

**TOWN OF BYRDSTOWN, TENNESSEE**

Notes to the Schedule of Expenditure of Federal Awards

For the Year Ended June 30, 2023

**Note 1 – Basis of Presentation**

The accompanying schedule of expenditure of federal awards is presented in accordance with accounting principles generally accepted in the United States of America, which is the same basis of accounting as the basic financial statements.

**TOWN OF BYRDSTOWN**

**Schedule of Utility Data**

**June 30, 2023**

Water Rates

Corps of Engineers Storage / O&M Fee	\$2.00 per meter per month
Residential (in Town)	
First 3,000 gallons	\$19.99
Above 3,000 gallons	\$6.43/1,000 gallons
Residential (out of Town)	
First 2,000 gallons	\$27.79
Above 2,000 gallons	\$11.66/1,000 gallons
Commerical (in Town)	
First 3,000 gallons	\$25.16
Above 3,000 gallons	\$8.01/1,000 gallons
Commerical (out of Town)	
First 2,000 gallons	\$34.48
Above 2,000 gallons	\$14.61/1,000 gallons
Industrial	
First 100,000 gallons	\$8.77/1,000 gallons
Above 100,000 gallons	\$6.43/1,000 gallons
Raw Water	
First 10,000 gallons	\$21.38
10,001 - 1,000,000	\$2.15/1,000 gallons
Above 1,000,000	\$3.57/1,000 gallons
Agricultural	
First 2,000 gallons	\$34.74
2,001 - 100,000	\$14.61/1,000 gallons
Above 100,000	\$6.43/1,000 gallons

Sewer Rates

Residential	
First 1,000 gallons	\$14.41
1,001 - 1,999 gallons	\$15.91
2,000 - 3,000 gallons	\$18.42
Above 3,000 gallons	\$5.69/1,000 gallons
Commercial	
First 1,000 gallons	\$18.01
1,001 - 1,999 gallons	\$19.89
2,000 - 3,000 gallons	\$22.26
Above 3,000 gallons	\$7.12/1,000 gallons
Industrial	
First 50,000 gallons	\$6.55/1,000 gallons
Above 50,000 gallons	\$4.94/1,000 gallons

**INTERNAL CONTROL & COMPLIANCE SECTION**

**INDEPENDENT ACCOUNTANTS' 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**

The Honorable Mayor and Board of Aldermen  
Byrdstown, 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 Town of Byrdstown, Tennessee (the Town), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated February 28, 2024.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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 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 over financial reporting 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified.

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 may exist that have not been identified. We did identify one deficiency in internal control, described in the accompanying schedule of findings, recommendations, and management response as item 2023-001 that we consider to be a significant deficiency.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town's financial statements are free of 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 determination of financial statement amounts. 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*.

We noted one certain other matter that we reported to management of the Town in a separate letter dated February 28, 2024.

## **Town's Responses to Finding**

The Town's response to the finding identified in our audit are described in the accompanying schedule of findings and responses. The Town's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

## **Purpose of this Report**

This 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.

*Parks & Company CPAs, PC*

February 28, 2024

## TOWN OF BYRDSTOWN, TENNESSEE

### Schedule of Finding, Recommendation and Management Response

June 30, 2023

#### Finding Number 2023-001 – Segregation of Duties

*Condition:* A lack of segregation of duties exists in the areas of issuing cash receipts, preparing bank deposits, posting accounting records, preparing bank reconciliations, preparing checks and approving purchases.

*Cause:* This condition is a result of a limited number of personnel available.

*Criteria:* Sound internal controls include the division of accounting responsibilities to help mitigate the possibility of fraud, misappropriation of assets and improper financial reporting.

*Effect or potential effect:* A lack of segregation of duties could result in misappropriation of assets or fraudulent financial reporting.

*Recommendation:* Accounting duties should be divided among existing personnel to ensure proper segregation of duties. Town officials should consider the cost and benefit of adding additional staff members to ensure that proper segregation of duties exists.

*Management Response:* We concur and will divide the duties among the existing personnel to the extent possible.

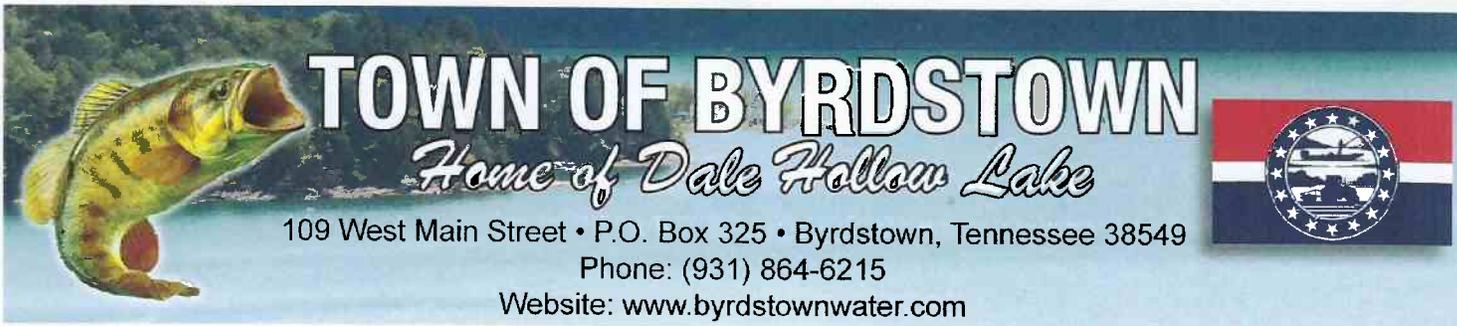
**TOWN OF BYRDSTOWN, TENNESSEE**

Prior Year Findings

June 30, 2023

<u>Finding</u>	<u>Subject</u>	<u>Status</u>
2022-001	Segregation of Duties (Original finding #2016-001)	Repeated

**MANAGEMENT'S CORRECTIVE ACTION PLAN**



## MANAGEMENT'S CORRECTIVE ACTION PLAN

The Town of Byrdstown submits the following corrective action plan for the year ended June 30, 2023. The finding from the June 30, 2023 schedule of finding, recommendation and management response is discussed below. Questions concerning the information provided in this corrective action plan or requests for additional information should be addressed to the Town of Byrdstown Board of Alderman.

Sam Gibson, Mayor  
Town of Byrdstown  
PO Box 325  
Byrdstown, TN 38549  
Telephone (931) 864-6215

Finding Number 2023-001 – Significant Deficiency – Segregation of Duties  
(Repeated due to limited staff)

*Recommendation:* Accounting duties should be divided among existing personnel to ensure proper segregation of duties. Town officials should consider the cost and benefit of adding additional staff members to ensure that proper segregation of duties exists.

*Action Taken:* At this time the Town of Byrdstown does not have the additional employees needed to meet this deficiency or the funds to add employees. However, a discussion with office staff will be held on or before March 31, 2024 to address, to the extent possible, further separation of duties among the office staff and others.

A handwritten signature in black ink, appearing to read 'Sam Gibson', is written over a faint horizontal line.

Sam Gibson, Mayor  
Town of Byrdstown