

TOWN OF TRIMBLE, TENNESSEE
INDEPENDENT AUDITOR'S REPORT
June 30, 2023

TOWN OF TRIMBLE, TENNESSEE

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TOWN OF TRIMBLE, TENNESSEE

June 30, 2023

BOARD OF MAYOR AND ALDERMEN

Ben Sturdivant, Mayor
Don Byrd, Alderman
Scotty Funderburk, Alderman
Danny Marshall, Alderman
Heather McFarland, Alderwoman

MANAGEMENT TEAM

David Norsworthy, Public Works Director
Robin Hepler, Recorder
Lora Milligan, Assistant Recorder



Independent Auditor's Report

The Honorable Mayor and Board of Aldermen
Town of Trimble, Tennessee

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Trimble, Tennessee, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Trimble'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 Trimble, Tennessee, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and sanitation fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Trimble, Tennessee's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Trimble, 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 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Trimble, Tennessee's basic financial statements. The combining and individual fund statements and schedules and supporting schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules and supporting schedules 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 the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2024, on our consideration of the Town of Trimble, Tennessee's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Trimble, 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 Trimble, Tennessee's internal control over financial reporting and compliance.

ATA, PLLC

Dyersburg, Tennessee
February 20, 2024

Management's Discussion and Analysis

As management of the Town of Trimble, we offer readers of the Town of Trimble's financial statements this narrative overview and analysis of the financial activities of the Town of Trimble for the fiscal year ended June 30, 2023.

Financial Highlights

- The assets of the Town of Trimble exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$2,987,348 (net position). Of this amount, \$839,118 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$34,356.
- As of the close of the current fiscal year, the Town of Trimble's governmental funds reported combined ending fund balances of \$496,662, a decrease of \$2,808 in comparison with the prior year. \$396,806 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$396,806, or 119% percent of total general fund expenditures.
- The Town of Trimble's total debt decreased by \$12,707 (2.71%) during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Trimble's basic financial statements. The Town of Trimble's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the 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 of Trimble finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Town of Trimble's assets, liabilities and deferred inflows of resources, with the difference 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 of Trimble is improving or deteriorating.

The statement of activities presents information showing how the government'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 and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town of Trimble that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town of Trimble include general government, public safety, highways and streets, sanitation, and public welfare. The business-type activities of the Town of Trimble include a water and sewer distribution operation.

The government-wide financial statements can be found on pages 10 and 11 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Trimble, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Trimble 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. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing 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 government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town of Trimble maintains individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund and sanitation fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Town of Trimble adopts an annual appropriated budget for its general fund and special revenue funds. A budgetary comparison statement has been provided for the general fund and each special revenue fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 12 through 18 of this report.

Proprietary funds. The Town of Trimble maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town of Trimble uses enterprise funds to account for its water and sewer distribution operation.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide information for the water and sewer distribution operation, which is considered to be a major fund of the Town of Trimble.

The basic proprietary funds financial statements can be found on pages 19 through 22 of this report.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23 through 34 of this report.

Other information. The combining statements referred to earlier in connection with nonmajor

governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 35 through 40 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Trimble, assets exceeded liabilities and deferred inflows of resources by \$2,987,348 at the close of the most recent fiscal year.

By far the largest portion of the Town of Trimble's net position (68.57%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The Town of Trimble uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Trimble's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Town of Trimble's Net Position

| | Governmental Activities | | Business-type Activities | | Total | |
|---|----------------------------|---------------------|-----------------------------|---------------------|---------------------|---------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Current and other assets | \$ 757,662 | \$ 695,052 | \$ 499,354 | \$ 344,783 | \$ 1,257,016 | \$ 1,039,835 |
| Capital assets | 570,652 | 616,507 | 1,934,315 | 1,969,577 | 2,504,967 | 2,586,084 |
| Total assets | 1,328,314 | 1,311,559 | 2,433,669 | 2,314,360 | 3,761,983 | 3,625,919 |
| Current liabilities | 172,194 | 110,640 | 78,668 | 25,950 | 250,862 | 136,590 |
| Long-term liabilities outstanding | - | - | 441,343 | 454,720 | 441,343 | 454,720 |
| Total liabilities | 172,194 | 110,640 | 520,011 | 480,670 | 692,205 | 591,310 |
| Unavailable revenue - property taxes | 82,430 | 81,617 | - | - | 82,430 | 81,617 |
| Total deferred inflow of resources | 82,430 | 81,617 | - | - | 82,430 | 81,617 |
| Net position | | | | | | |
| Net investment in capital assets | 570,652 | 616,507 | 1,477,722 | 1,500,277 | 2,048,374 | 2,116,784 |
| Restricted | 99,856 | 109,252 | - | - | 99,856 | 109,252 |
| Unrestricted | 403,182 | 393,543 | 435,936 | 333,413 | 839,118 | 726,956 |
| Total net position | \$ 1,073,690 | \$ 1,119,302 | \$ 1,913,658 | \$ 1,833,690 | \$ 2,987,348 | \$ 2,952,992 |

A portion of the Town of Trimble's net position (3.34%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$839,118) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town of Trimble is able to report positive balances in all three categories of net position.

The government's net position increased by \$34,356 during the current fiscal year. The net position from governmental activities decreased by (\$45,612) while the net position from business-type activities increased by \$79,968.

The following is a summary of financial activities for the Town of Trimble during the fiscal year ended June 30, 2023:

Town of Trimble's Changes in Net Position

| | Governmental Activities | | Business-type Activities | | Total | |
|--|----------------------------|---------------------|-----------------------------|---------------------|---------------------|---------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Revenues | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 102,527 | \$ 89,897 | \$ 243,849 | \$ 201,971 | \$ 346,376 | \$ 291,868 |
| Operating grants & contributions | 30,323 | 29,641 | 47,500 | - | 77,823 | 29,641 |
| Capital grants & contributions | 26,384 | 43,795 | - | - | 26,384 | 43,795 |
| General revenues: | | | | | | |
| Property taxes | 98,598 | 102,349 | - | - | 98,598 | 102,349 |
| Sales tax | 102,749 | 101,068 | - | - | 102,749 | 101,068 |
| Other taxes & intergovernmental | 26,195 | 22,568 | - | - | 26,195 | 22,568 |
| Miscellaneous | 37,292 | 12,867 | - | - | 37,292 | 12,867 |
| Unrestricted investment earnings | 1,581 | 1,068 | 548 | 529 | 2,129 | 1,597 |
| Total revenues | 425,649 | 403,253 | 291,897 | 202,500 | 717,546 | 605,753 |
| Expenses | | | | | | |
| General government | 233,757 | 451,016 | - | - | 233,757 | 451,016 |
| Public safety | 76,996 | 115,751 | - | - | 76,996 | 115,751 |
| Highways & street | 39,585 | 44,944 | - | - | 39,585 | 44,944 |
| Sanitation | 66,922 | 54,570 | - | - | 66,922 | 54,570 |
| Public welfare | 54,001 | 32,901 | - | - | 54,001 | 32,901 |
| Interest on long-term debt | - | 1,665 | - | - | - | 1,665 |
| Water & Sewer | - | - | 211,929 | 266,872 | 211,929 | 266,872 |
| Total expenses | 471,261 | 700,847 | 211,929 | 266,872 | 683,190 | 967,719 |
| Increase (decrease) in net position | (45,612) | (297,594) | 79,968 | (64,372) | 34,356 | (361,966) |
| Net position, beginning | 1,119,302 | 1,416,896 | 1,833,690 | 1,898,062 | 2,952,992 | 3,314,958 |
| Net position, ending | <u>\$ 1,073,690</u> | <u>\$ 1,119,302</u> | <u>\$ 1,913,658</u> | <u>\$ 1,833,690</u> | <u>\$ 2,987,348</u> | <u>\$ 2,952,992</u> |

Governmental activities. Governmental activities decreased the Town of Trimble's net position by \$45,612. The key element of this decrease was governmental expenses exceeding revenues.

Business-type activities. Business-type activities increased the Town of Trimble's net position by \$79,968. The key element of this increase was an increase in charges for services and operating grant revenues.

Financial Analysis of the Town of Trimble's Funds

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

Governmental funds. The focus of the Town of Trimble's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town of Trimble's financing requirements. In particular, unassigned fund

balance may serve as a useful measure of a Town's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Town of Trimble's governmental funds reported combined ending fund balances of \$496,662, a decrease of \$2,808 in comparison with the prior year. Of this amount, \$396,806 constitutes unassigned fund balance, which is available for spending at the Town's discretion. The remainder of fund balance is restricted (\$99,856) to indicate that it is not available for spending at the Town's discretion.

The general fund is the chief operating fund of the Town of Trimble. At the end of the current fiscal year, unassigned fund balance of the general fund was \$396,806, which represents 119% of the total general fund expenditures and transfers out. The fund balance of the Town of Trimble's general fund increased by \$116.

The sanitation fund is also considered to be a major fund of the Town of Trimble. At the end of the current fiscal year, restricted fund balance of the sanitation fund was \$36,953. The fund balance of the Town of Trimble's sanitation fund decreased by \$527 during the current year.

Nonmajor (other) governmental funds have a fund balance of \$55,781. The fund balance of the nonmajor governmental funds decreased by \$2,397 during the current year.

Proprietary funds. The Town of Trimble's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the water and sewer fund at the end of the year was \$435,936. The total increase was \$102,523. Other factors concerning the finances of these funds have been addressed in the discussion of the Town's business-type activities.

Budgetary Highlights

There were no differences between the original and final budgets. Differences between the final budget and actual results can be briefly summarized as follows:

- General fund actual revenue exceeded budgeted revenue by \$63,040 due in part to the receipt of \$31,147 from various federal grants and other miscellaneous income, both of which were not budgeted.
- General fund actual expenditures exceeded budgeted expenditures by \$64,924 due in part to grant-related expenditures of \$35,919 which were not budgeted.
- In Sanitation fund, very little difference existed between actual and budgeted revenues and expenditures.

Capital Assets and Debt Administration

Capital assets. The Town of Trimble's investment in capital assets for its governmental and business-type activities as of June 30, 2023, amounts to \$2,504,967 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements other than buildings, machinery and equipment, infrastructure and construction in progress.

Town of Trimble's Capital Assets
(Net of Depreciation)

| | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
|--|------------------------------------|-------------------------------------|---------------------|
| Land | \$ 14,270 | \$ 94,165 | \$ 108,435 |
| Construction in progress | - | 49,345 | 49,345 |
| Buildings, machinery & Infrastructure | <u>556,382</u> | <u>1,790,805</u> | <u>2,347,187</u> |
| Total capital assets | <u>\$ 570,652</u> | <u>\$ 1,934,315</u> | <u>\$ 2,504,967</u> |

Long-term debt. At the end of the current fiscal year, the Town of Trimble has total debt outstanding of \$456,593. All debt is backed by the full faith and credit of the government.

Town of Trimble's Outstanding Debt

| | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
|-------------------------|------------------------------------|-------------------------------------|-------------------|
| Notes and bonds payable | <u>\$ -</u> | <u>\$ 456,593</u> | <u>\$ 456,593</u> |

The Town of Trimble's total debt decreased by \$12,707 (2.71%) during the current fiscal year. The Town of Trimble is unrated by Moody's Investors Service for its General Obligation Debt.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the municipal service area is currently 3.7%, which is a decrease from a rate of 4.6% a year ago. This compares to the state's average unemployment rate of 3.1% as of June 30, 2023.
- Inflationary trends in the region are comparable to national indices.
- Growth in local sales tax collections is expected to be less than 1% in fiscal year 2023-2024.

All of these factors were considered in preparing the Town of Trimble's budget for the 2023-2024 fiscal year.

The Town of Trimble was able to adopt a balanced general fund budget for fiscal year 2023-2024 without the use of the unassigned fund balance.

Significant variations between budget and actual amounts are primarily the result of unforeseen events that required funding. Each fund has ample fund balances to cover the unforeseen events.

Town management is not aware of any facts, decisions or conditions that are expected to have a significant effect on financial position or results of operations.

Requests for information

This financial report is designed to provide a general overview of the Town of Trimble's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Town of Trimble, City Recorder, P.O. Box 215, Trimble, TN 38259.

TOWN OF TRIMBLE, TENNESSEE
STATEMENT OF NET POSITION
June 30, 2023

| | Primary Government | | |
|---|----------------------------|-----------------------------|----------------------------|
| | Governmental Activities | Business-type Activities | Total |
| ASSETS | | | |
| Cash and cash equivalents | \$ 416,166 | \$ 435,074 | \$ 851,240 |
| Certificates of deposit | 217,000 | - | 217,000 |
| Receivables | 103,637 | 82,993 | 186,630 |
| Internal balances | 20,859 | (20,859) | - |
| Inventories | - | 2,150 | 2,150 |
| Capital assets (net of accumulated depreciation): | | | |
| Land | 14,270 | 94,165 | 108,435 |
| Construction in progress | - | 49,345 | 49,345 |
| Depreciable capital assets | <u>556,382</u> | <u>1,790,805</u> | <u>2,347,187</u> |
| Total assets | <u>1,328,314</u> | <u>2,433,673</u> | <u>3,761,987</u> |
| LIABILITIES | | | |
| Accounts payable and other current liabilities | 12,050 | 61,619 | 73,669 |
| Unavailable revenue - ARPA COVID-19 | 160,144 | - | 160,144 |
| Accrued interest payable | - | 1,799 | 1,799 |
| Noncurrent liabilities: | | | |
| Due within one year | - | 15,250 | 15,250 |
| Due in more than one year | <u>-</u> | <u>441,343</u> | <u>441,343</u> |
| Total liabilities | <u>172,194</u> | <u>520,011</u> | <u>692,205</u> |
| DEFERRED INFLOW OF RESOURCES | | | |
| Unavailable revenue - property taxes | <u>82,430</u> | <u>-</u> | <u>82,430</u> |
| Total deferred inflow of resources | <u>82,430</u> | <u>-</u> | <u>82,430</u> |
| NET POSITION | | | |
| Net investment in capital assets | 570,652 | 1,477,722 | 2,048,374 |
| Restricted | 99,856 | - | 99,856 |
| Unrestricted | <u>403,182</u> | <u>435,936</u> | <u>839,118</u> |
| Total net position | <u>\$ 1,073,690</u> | <u>\$ 1,913,658</u> | <u>\$ 2,987,348</u> |

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

TOWN OF TRIMBLE, TENNESSEE
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in net position | | |
|----------------------------------|-------------------|-------------------------------------|---|---|--|-------------------------------------|---------------------|
| | | Charges for Services | Operating Grants & Contributions | Capital Grants & Contributions | Governmental Activities | Business-Type Activities | Total |
| Governmental activities: | | | | | | | |
| General government | \$ 233,757 | \$ 5,883 | \$ 11,255 | \$ 31,147 | \$ (185,472) | \$ - | \$ (185,472) |
| Public safety | 76,996 | 27,450 | - | - | (49,546) | - | (49,546) |
| Highways and streets | 39,585 | - | 19,068 | - | (20,517) | - | (20,517) |
| Sanitation | 66,922 | 66,197 | - | - | (725) | - | (725) |
| Public welfare | 54,001 | 2,997 | - | - | (51,004) | - | (51,004) |
| Total governmental activities | 471,261 | 102,527 | 30,323 | 31,147 | (307,264) | - | (307,264) |
| Business-type activities: | | | | | | | |
| Water and sewer fund | 211,929 | 243,849 | 47,500 | - | - | 79,420 | 79,420 |
| Total primary government | \$ 683,190 | \$ 346,376 | \$ 77,823 | \$ 31,147 | (307,264) | 79,420 | (227,844) |
| General revenues: | | | | | | | |
| Property taxes | | | | | \$ 98,598 | \$ - | \$ 98,598 |
| Sales taxes | | | | | 102,749 | - | 102,749 |
| Alcoholic beverage taxes | | | | | 8,409 | - | 8,409 |
| Business taxes | | | | | 1,432 | - | 1,432 |
| Franchise and excise taxes | | | | | 6,979 | - | 6,979 |
| Payment in lieu of taxes | | | | | 8,483 | - | 8,483 |
| State sportsbetting | | | | | 892 | - | 892 |
| Miscellaneous | | | | | 32,529 | - | 32,529 |
| Unrestricted investment earnings | | | | | 1,581 | 548 | 2,129 |
| Total general revenues | | | | | 261,652 | 548 | 262,200 |
| Change in net position | | | | | (45,612) | 79,968 | 34,356 |
| Net position - beginning | | | | | 1,119,302 | 1,833,690 | 2,952,992 |
| Net position - ending | | | | | \$ 1,073,690 | \$ 1,913,658 | \$ 2,987,348 |

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

TOWN OF TRIMBLE, TENNESSEE
BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2023

| | General Fund | Sanitation Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|-----------------------|------------------------|------------------------------------|---------------------------------|
| ASSETS | | | | |
| Cash on hand and in bank | \$ 344,732 | \$ 36,126 | \$ 35,308 | \$ 416,166 |
| Certificates of deposit | 200,000 | - | 17,000 | 217,000 |
| Taxes receivable | 99,884 | - | 3,753 | 103,637 |
| Due from Other Fund | 16,396 | 4,463 | - | 20,859 |
| Total assets | \$ 661,012 | \$ 40,589 | \$ 56,061 | \$ 757,662 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 50 | \$ 3,577 | \$ 280 | \$ 3,907 |
| Unearned revenue - ARPA COVID-19 | 160,144 | - | - | 160,144 |
| Payroll taxes withheld and accrued | 8,084 | 59 | - | 8,143 |
| Total liabilities | 168,278 | 3,636 | 280 | 172,194 |
| DEFERRED INFLOW OF RESOURCES | | | | |
| Unavailable revenue - property taxes | 88,806 | - | - | 88,806 |
| Total deferred inflow of resources | 88,806 | - | - | 88,806 |
| FUND BALANCE | | | | |
| Restricted | 7,122 | 36,953 | 55,781 | 99,856 |
| Unassigned | 396,806 | - | - | 396,806 |
| Total fund balance | 403,928 | 36,953 | 55,781 | 496,662 |
| Total liabilities, deferred inflow of resources, and fund balances | \$ 661,012 | \$ 40,589 | \$ 56,061 | \$ 757,662 |

Amounts reported for governmental activities in the statement of net position are different because:

| | |
|---|---------------------|
| Total fund balances of governmental funds. | \$ 496,662 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | 570,652 |
| Receivables not available to pay for current expenditures and, therefore, are deferred in the funds | 6,376 |
| Net position of governmental activities | \$ 1,073,690 |

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

TOWN OF TRIMBLE, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

| | General Fund | Sanitation Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|-------------------|--------------------|-----------------------------------|--------------------------------|
| Revenues | | | | |
| Taxes | \$ 131,667 | \$ - | \$ - | \$ 131,667 |
| Intergovernmental revenues | 137,528 | - | 19,068 | 156,596 |
| Miscellaneous revenues | 28,939 | 161 | - | 29,100 |
| Public contributions | 1,125 | - | - | 1,125 |
| Charges for services | 26,650 | 66,197 | 2,997 | 95,844 |
| Rental income | 5,883 | - | - | 5,883 |
| Interest income | 1,458 | 35 | 88 | 1,581 |
| Fines | 800 | - | - | 800 |
| Total revenues | <u>334,050</u> | <u>66,393</u> | <u>22,153</u> | <u>422,596</u> |
| Expenditures | | | | |
| General government | 233,363 | - | - | 233,363 |
| Police department | 30,573 | - | - | 30,573 |
| Fire department | 24,452 | - | - | 24,452 |
| Public welfare | 45,462 | 66,920 | 3,125 | 115,507 |
| Highway and streets | - | - | 21,509 | 21,509 |
| Total expenditures | <u>333,850</u> | <u>66,920</u> | <u>24,634</u> | <u>425,404</u> |
| Excess of revenues over (under) expenditures | 200 | (527) | (2,481) | (2,808) |
| Other financing sources (uses): | | | | |
| Operating transfers in | - | - | 84 | 84 |
| Operating transfers out | (84) | - | - | (84) |
| Total other financing sources (uses) | <u>(84)</u> | <u>-</u> | <u>84</u> | <u>-</u> |
| Net change in fund balance | 116 | (527) | (2,397) | (2,808) |
| Fund balance-July 1, 2022 | <u>403,812</u> | <u>37,480</u> | <u>58,178</u> | <u>499,470</u> |
| Fund balance-June 30, 2023 | <u>\$ 403,928</u> | <u>\$ 36,953</u> | <u>\$ 55,781</u> | <u>\$ 496,662</u> |

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

TOWN OF TRIMBLE, TENNESSEE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

Amounts reported for governmental activities in the statement of activities (page 11) are different because:

| | |
|--|---------------------------|
| Net change in fund balances-total governmental funds (page 13) | \$ (2,808) |
| 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. This is the amount by which depreciation in the current period exceeded capital outlay. | (45,855) |
| Some taxes will not be collected for several months after the City's fiscal year ends; therefore, they are not considered "available" revenues in the governmental funds. | |
| Deferred revenues increased by this amount this year. | 3,051 |
| Change in net position of governmental activities (page 11) | <u><u>\$ (45,612)</u></u> |

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

TOWN OF TRIMBLE, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2023

| | <u>Original Budget Amounts</u> | <u>Final Budget Amounts</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---------------------------------------|--|-------------------------------------|----------------|---|
| Revenues: | | | | |
| Taxes | | | | |
| Property taxes | 82,000 | 82,000 | \$ 77,493 | \$ (4,507) |
| Property taxes - penalty and interest | 600 | 600 | 1,133 | 533 |
| Local sales tax | 37,100 | 37,100 | 37,949 | 849 |
| Telecommunication sales tax | 1,800 | 1,800 | 1,301 | (499) |
| Wholesale beer tax | 7,200 | 7,200 | 7,449 | 249 |
| Business tax | 700 | 700 | 1,432 | 732 |
| Cable TV franchise tax | 5,600 | 5,600 | 4,910 | (690) |
| Total taxes | <u>135,000</u> | <u>135,000</u> | <u>131,667</u> | <u>(3,333)</u> |
| Intergovernmental revenues | | | | |
| State sales tax | 65,000 | 65,000 | 64,800 | (200) |
| State income tax | 250 | 250 | - | (250) |
| State beer tax | 250 | 250 | 960 | 710 |
| State sportsbetting | - | - | 892 | 892 |
| State excise tax | 1,900 | 1,900 | 2,069 | 169 |
| State salary supplement | 800 | 800 | - | (800) |
| State city streets petroleum special | 1,100 | 1,100 | 1,002 | (98) |
| TVA replacement tax | 5,700 | 5,700 | 6,577 | 877 |
| State utility tax | 19,000 | 19,000 | 16,920 | (2,080) |
| Payment in lieu of taxes | 1,150 | 1,150 | 1,906 | 756 |
| Federal grants | - | - | 31,147 | 31,147 |
| Dyer County appropriations | 9,255 | 9,255 | 11,255 | 2,000 |
| Total intergovernmental revenues | <u>104,405</u> | <u>104,405</u> | <u>137,528</u> | <u>33,123</u> |
| Fines | | | | |
| City court fines and costs | 1,000 | 1,000 | 800 | (200) |
| Total fines | <u>1,000</u> | <u>1,000</u> | <u>800</u> | <u>(200)</u> |
| Miscellaneous revenues | | | | |
| Rental income | 5,000 | 5,000 | 5,883 | 883 |
| Mowing | 2,500 | 2,500 | 3,000 | 500 |
| Public contributions | 1,500 | 1,500 | 1,125 | (375) |
| Interest | 918 | 918 | 1,458 | 540 |
| Fire protection fees | 17,500 | 17,500 | 23,650 | 6,150 |
| Other | 3,187 | 3,187 | 28,939 | 25,752 |
| Total miscellaneous revenues | <u>30,605</u> | <u>30,605</u> | <u>64,055</u> | <u>33,450</u> |
| Total revenues | <u>271,010</u> | <u>271,010</u> | <u>334,050</u> | <u>63,040</u> |

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

TOWN OF TRIMBLE, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2023

| | <u>Original Budget Amounts</u> | <u>Final Budget Amounts</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|----------------------------|--|-------------------------------------|----------------|---|
| Expenditures | | | | |
| General Government | | | | |
| Salaries and wages | \$ 91,950 | \$ 91,950 | \$ 106,466 | \$ (14,516) |
| Insurance | 20,500 | 20,500 | 21,533 | (1,033) |
| Utilities and telephone | 9,100 | 9,100 | 8,652 | 448 |
| Payroll taxes | 10,350 | 10,350 | 9,997 | 353 |
| Gas and oil | 1,000 | 1,000 | 746 | 254 |
| Supplies | 5,500 | 5,500 | 3,847 | 1,653 |
| Professional fees | 5,650 | 5,650 | 17,741 | (12,091) |
| Dues and subscriptions | 1,500 | 1,500 | - | 1,500 |
| Repair and maintenance | 12,000 | 12,000 | 9,019 | 2,981 |
| Miscellaneous | 9,000 | 9,000 | 14,087 | (5,087) |
| Public relations | 400 | 400 | 641 | (241) |
| Travel | 1,500 | 1,500 | 3,789 | (2,289) |
| Reappraisal fee | 1,000 | 1,000 | 1,130 | (130) |
| Rent | 2,675 | 2,675 | 2,725 | (50) |
| Community building expense | 2,300 | 2,300 | 6,619 | (4,319) |
| Mosquito and pest control | 250 | 250 | 275 | (25) |
| Office expense | 6,200 | 6,200 | 4,948 | 1,252 |
| Humane Society fees | 100 | 100 | - | 100 |
| Federal grant | - | - | 21,148 | (21,148) |
| Total general government | <u>180,975</u> | <u>180,975</u> | <u>233,363</u> | <u>(52,388)</u> |
| | | | | |
| Police Department | | | | |
| Wages | 38,500 | 38,500 | 22,866 | 15,634 |
| State salary supplement | 800 | 800 | - | 800 |
| Supplies | 4,000 | 4,000 | 4,413 | (413) |
| Gas | 3,500 | 3,500 | 3,251 | 249 |
| City Court expense | <u>300</u> | <u>300</u> | <u>43</u> | <u>257</u> |
| Total police department | <u>47,100</u> | <u>47,100</u> | <u>30,573</u> | <u>16,527</u> |

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

TOWN OF TRIMBLE, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2023

| | <u>Original Budget Amounts</u> | <u>Final Budget Amounts</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|--|-------------------------------------|-------------------|---|
| Fire Department | | | | |
| Volunteer firemen | \$ 4,500 | \$ 4,500 | \$ 5,100 | \$ (600) |
| Supplies | 15,000 | 15,000 | 19,352 | (4,352) |
| Total fire department | <u>19,500</u> | <u>19,500</u> | <u>24,452</u> | <u>(4,952)</u> |
| Public welfare | | | | |
| Wages | 11,530 | 11,530 | 13,146 | (1,616) |
| Payroll taxes | 882 | 882 | 1,006 | (124) |
| Supplies | 875 | 875 | 1,215 | (340) |
| Office Supplies | 400 | 400 | 375 | 25 |
| Internet services | 1,549 | 1,549 | 3,856 | (2,307) |
| Summer reading program | 600 | 600 | 570 | 30 |
| Accounting fees | 200 | 200 | - | 200 |
| Telephone | 550 | 550 | 677 | (127) |
| Utilities | 2,500 | 2,500 | 2,847 | (347) |
| Insurance | 1,000 | 1,000 | 1,200 | (200) |
| Repairs & maintenance | 400 | 400 | 290 | 110 |
| Travel | 465 | 465 | 43 | 422 |
| Grant expenses | - | - | 14,771 | (14,771) |
| Miscellaneous | 400 | 400 | 5,466 | (5,066) |
| Total public welfare | <u>21,351</u> | <u>21,351</u> | <u>45,462</u> | <u>(24,111)</u> |
| Total expenditures | <u>268,926</u> | <u>268,926</u> | <u>333,850</u> | <u>(64,924)</u> |
| Excess of revenues over (under) expenditures | 2,084 | 2,084 | 200 | (1,884) |
| Other financing sources (uses): | | | | |
| Operating transfers in (out) | (1,284) | (1,284) | (84) | 1,200 |
| Total other financing sources (uses) | <u>(1,284)</u> | <u>(1,284)</u> | <u>(84)</u> | <u>1,200</u> |
| Net change in fund balance | 800 | 800 | 116 | (684) |
| Fund balance - July 1, 2022 | 529,727 | 529,727 | 403,812 | (56,652) |
| Fund balance - June 30, 2023 | <u>\$ 530,527</u> | <u>\$ 530,527</u> | <u>\$ 403,928</u> | <u>\$ (57,336)</u> |

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

TOWN OF TRIMBLE, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SANITATION FUND
For the Year Ended June 30, 2023

| | Original Budget Amounts | Final Budget Amounts | Actual | Variance with Final Budget Positive (Negative) |
|------------------------------|-------------------------------|----------------------------|------------------|---|
| Revenues | | | | |
| Garbage collection fees | \$ 67,250 | \$ 67,250 | \$ 66,197 | \$ (1,053) |
| Miscellaneous income | - | - | 161 | 161 |
| Interest income | 50 | 50 | 35 | (15) |
| Total revenues | <u>67,300</u> | <u>67,300</u> | <u>66,393</u> | <u>(907)</u> |
| Expenditures | | | | |
| Wages | 11,250 | 11,250 | 12,657 | (1,407) |
| Payroll taxes | 860 | 860 | 945 | (85) |
| Contractual services | 38,000 | 38,000 | 38,088 | (88) |
| Dumpster fee | 6,100 | 6,100 | 3,830 | 2,270 |
| Gas and oil | 2,500 | 2,500 | 2,912 | (412) |
| Repairs | 4,500 | 4,500 | 4,969 | (469) |
| Rent | 1,800 | 1,800 | 1,800 | - |
| Insurance | 1,500 | 1,500 | 1,500 | - |
| Accounting fees | 200 | 200 | - | 200 |
| Miscellaneous | 500 | 500 | 219 | 281 |
| Total expenditures | <u>67,210</u> | <u>67,210</u> | <u>66,920</u> | <u>290</u> |
| Net change in fund balance | 90 | 90 | (527) | (617) |
| Fund balance - July 1, 2022 | <u>36,642</u> | <u>36,642</u> | <u>37,480</u> | <u>5,650</u> |
| Fund balance - June 30, 2023 | <u>\$ 36,732</u> | <u>\$ 36,732</u> | <u>\$ 36,953</u> | <u>\$ 5,033</u> |

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

TOWN OF TRIMBLE, TENNESSEE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2023

| | Water and Sewer |
|---|----------------------------|
| ASSETS | |
| Current assets | |
| Cash and cash equivalents | \$ 435,074 |
| Accounts receivable, customers | 35,489 |
| Grants receivable | 47,500 |
| Inventory | 2,150 |
| Total current assets | 520,213 |
| Capital assets: | |
| Land | 94,165 |
| Plant in service | 3,622,372 |
| Construction in progress | 49,345 |
| Less accumulated depreciation | (1,831,567) |
| Total capital assets (net of accumulated depreciation) | 1,934,315 |
| Total noncurrent assets | 1,934,315 |
| Total assets | 2,454,528 |
| LIABILITIES | |
| Current liabilities | |
| Accounts payable | 50,062 |
| Due to other funds | 20,859 |
| Note payable, current maturity | 15,250 |
| Payroll taxes payable | (79) |
| Customer deposits | 11,636 |
| Accrued interest payable | 1,799 |
| Total current liabilities | 99,527 |
| Noncurrent liabilities | |
| Note payable - long term | 441,343 |
| Total noncurrent liabilities | 441,343 |
| Total liabilities | 540,870 |
| NET POSITION | |
| Net investment in capital assets | 1,477,722 |
| Unrestricted | 435,936 |
| Total net position | \$ 1,913,658 |

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

TOWN OF TRIMBLE, TENNESSEE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2023

| | Water and Sewer |
|--|----------------------------|
| Operating revenues: | |
| Water and sewer sales | 235,223 |
| Penalty and interest income | 5,973 |
| Miscellaneous revenues | 2,653 |
| Total operating revenues | 243,849 |
| Operating expenses: | |
| Wages | 45,086 |
| Depreciation and amortization | 84,607 |
| Insurance | 6,555 |
| Payroll taxes | 3,340 |
| Repair and maintenance | 4,453 |
| Supplies | 10,754 |
| Office expense | 2,166 |
| Travel | 461 |
| Dues and conferences | 2,105 |
| Miscellaneous | 819 |
| Utilities | 16,097 |
| Bank charges | 95 |
| Laboratory expenses | 4,572 |
| Chemicals | 10,460 |
| Gas and oil | 1,141 |
| Total operating expenses | 192,711 |
| Operating income (loss) | 51,138 |
| Non-operating revenue (expense): | |
| Rental income | 3,950 |
| Interest income | 548 |
| Interest expense | (23,168) |
| Total non-operating revenue (expense) | (18,670) |
| Income before capital contributions | 32,468 |
| Capital contributions - grants and allocations | 47,500 |
| Change in net position | 79,968 |
| Net position, July 1, 2022 | 1,833,690 |
| Net position, June 30, 2023 | \$ 1,913,658 |

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

TOWN OF TRIMBLE, TENNESSEE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2023

| | <u>Water and Sewer</u> |
|--|--------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Receipts from customers and users | \$ 191,551 |
| Payments to suppliers | (11,488) |
| Payments to employees | <u>(45,086)</u> |
| Net cash provided (used) by operating activities | <u>134,977</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | |
| Purchases of capital assets/construction in progress | (49,345) |
| Capital contributions - grants | 47,500 |
| Principal paid on capital debt | (12,707) |
| Interest paid on capital debt | <u>(22,741)</u> |
| Net cash provided (used) by capital and related financing activities | <u>(37,293)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Interest received | <u>548</u> |
| Net cash provided (used) by investing activities | <u>548</u> |
| Net increase (decrease) in cash and cash equivalents | 98,232 |
| Cash and cash equivalents at July 1, 2022 | <u>336,842</u> |
| Cash and cash equivalents at June 30, 2023 | <u>\$ 435,074</u> |

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

TOWN OF TRIMBLE, TENNESSEE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2023

| | <u>Water and Sewer</u> |
|--|--------------------------------|
| RECONCILIATION OF OPERATING INCOME (LOSS) | |
| TO NET CASH PROVIDED (USED) BY | |
| OPERATING ACTIVITIES | |
| Operating income (loss) | \$ 51,138 |
| Rental income | 3,950 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | |
| Depreciation and amortization expense | 84,607 |
| (Increase) decrease in accounts receivable | (8,748) |
| (Increase) decrease in grants receivable | (47,500) |
| Increase (decrease) in customer deposits | 2,219 |
| Increase (decrease) in other payables | <u>49,311</u> |
| Total adjustments | <u>79,889</u> |
| Net cash provided (used) by operating activities | <u>\$ 134,977</u> |

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

TOWN OF TRIMBLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting entity

The Town of Trimble (Town) is a municipal corporation governed by an elected mayor and a five member Board of Aldermen. The accompanying financial statements include the accounts of all Town operations.

Based on the criteria included in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, the Town of Trimble has no component units.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary 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 or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the 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. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded

TOWN OF TRIMBLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

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

The government reports the following major governmental fund:

The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The sanitation fund accounts for the activities of the Town's sanitation collection.

The government reports the following major proprietary funds:

The water and sewer fund accounts for the activities of the Town's sewage collection and treatment system and the water distribution system.

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

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

Proprietary funds distinguish operating revenues and expenses from 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 water and sewer enterprise funds are charges to customers for sales and services. The enterprise funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

TOWN OF TRIMBLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS

June 30, 2023

D. Assets, liabilities, deferred inflows of resources, and net position or fund balance

1. Deposits and investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the Town to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool. The Town has no investments.

2. Receivables and payables

Outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Property taxes are levied on October 1 of each year and attach as an enforceable lien on property as of January 1, and are mailed to property owners the levy date. The Town's property tax rate as of June 30, 2023 is \$1.71. The taxes are due and payable from October through February in the year succeeding the tax levy. An unperfected lien attaches by statute to property on March 1 (delinquent date) for unpaid taxes from the prior year's levy. Taxes uncollected by April 1 of the second year they are due are submitted to Chancery Court for collection. Tax liens become perfected at the time the court enters judgment. The Town bills and collects its own property taxes and tax revenues are recognized when levied to the extent that they result in current receivables. Governmental funds report deferred inflows in connection with taxes receivable for revenues that are not considered to be available to liquidate liabilities of the current period. The Town utilizes the direct charge off method for recognizing uncollectible accounts.

3. Inventories

Inventories of repair and maintenance supplies reported by the Enterprise Funds are reflected at estimated amounts. The value of the inventory is immaterial in relationship to the financial statements taken as a whole. Inventory supplies are charged as expenditures when purchased (purchase method).

4. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The Town has adopted a policy of capitalizing fixed assets with a cost greater than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

TOWN OF TRIMBLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

| <u>Assets</u> | <u>Years</u> |
|------------------------------|--------------|
| Buildings | 50 |
| Building improvements | 20 |
| Public domain infrastructure | 50 |
| System infrastructure | 30 |
| Vehicles | 5 |
| Office equipment | 5 |
| Computer equipment | 5 |

5. Compensated absences

Annual vacation leave and sick leave policies – Employees earn paid annual vacation leave in accordance with the following schedule:

| Years of Continuous Service | |
|-----------------------------|--|
| 1 | 1 week |
| 2-9 | 2 weeks |
| 10 | 3 weeks |
| 11 and above | 3 weeks plus 1 day/year of continuous service above 10 years. Maximum- 6 weeks |

Annual/vacation leave may not be carried to the following year.

All full-time employees shall be given one (1) day of sick leave each month of continuous employment. Unused sick leave of thirty (30) days may be accumulated. Unused sick leave is forfeited by employees upon termination, resignation, or other departure from employment.

6. Long-term obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year incurred. 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 issuances are reported as other financing sources while discounts

TOWN OF TRIMBLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS

June 30, 2023

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.

7. Deferred inflows of resources

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(s) and so will not be recognized as an inflow of resources (revenue) until that time. The item that qualifies for reporting in this category is unavailable revenues – property taxes in the general fund and government-wide statements. See Note 4B for additional information related to this item.

8. Fund balance/Net position

GASB Statement 54 provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. GASB 54 requires the fund balance amounts to be properly reported within one of the following fund balance categories:

Nonspendable: This classification 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. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources that are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed: This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution or ordinance) of the Board of Mayor and Aldermen (the Town's highest level of decision-making authority). These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed.

Assigned: This classification includes spendable amounts that are reported in governmental funds other than the General Fund, that are neither restricted nor committed, and amounts in the General Fund that are intended to be used for a specific purpose in accordance with the provisions of GASB Statement 54. The intent of an assigned fund balance should be expressed by the Board of Mayor and Aldermen.

Unassigned: This classification is the residual fund balance for the General Fund. It also represents the 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

TOWN OF TRIMBLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS

June 30, 2023

The detail of governmental fund balance classifications are as follows:

| | <u>General</u> <u>Fund</u> | <u>Sanitation</u> | <u>Nonmajor</u> <u>Governmental</u> <u>Funds</u> | <u>Total</u> |
|------------------|-------------------------------|-------------------|--|-------------------|
| Restricted: | | | | |
| Cemetery | \$ - | \$ - | \$ 26,562 | \$ 26,562 |
| State Street Aid | - | - | 28,833 | 28,833 |
| Library | 7,122 | - | - | 7,122 |
| Drug | - | - | 386 | 386 |
| Sanitation | - | 36,953 | - | 36,953 |
| Unassigned | 396,806 | - | - | 396,806 |
| Total | <u>\$ 403,928</u> | <u>\$ 36,953</u> | <u>\$ 55,781</u> | <u>\$ 496,662</u> |

Net position in the government-wide statements is categorized as follows:

Net investment in capital assets – consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any payables that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – net position that has third party limitations on their use.

Unrestricted net position – all net position that is not included in the categories identified above.

When fund balance resources are available for a specific purpose in multiple classifications, the Board would use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, it reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

9. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

10. Implementation of New Accounting Standard

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, in May 2020. This Statement improves accounting and financial reporting by state and local governments for SBITAs and is effective for fiscal years beginning after June 15, 2022. This statement increases the usefulness of governments' financial statements by requiring recognition of certain SBITA assets and liabilities for SBITA that previously were recognized as inflows of resources or outflows of resources based on the foundational principle that SBITA are financings of the right to use an underlying subscription-based asset.

TOWN OF TRIMBLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Management has determined that the Town has no arrangements that qualify as SBITAs under the new standard; therefore, it had no impact on the current or prior year financial statements.

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

A. Explanation of certain differences between the governmental funds balance sheet and the government-wide statement of net position

The governmental funds balance sheet includes reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.” The details of this \$570,652 difference are as follows:

| | |
|---|--------------------|
| Governmental funds capital assets | \$ 1,672,984 |
| Less: accumulated depreciation | <u>(1,102,332)</u> |
| Net adjustment to increase fund balance - total governmental funds to arrive at net assets - governmental activities | <u>\$ 570,652</u> |

B. Explanation of certain differences between the governmental funds statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental funds statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this (\$42,804) difference are as follows:

| | |
|--|--------------------|
| Depreciation expense | <u>\$ (45,855)</u> |
| Increase in deferred revenues from taxes | <u>3,051</u> |
| Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities | <u>\$ (42,804)</u> |

TOWN OF TRIMBLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 3 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year-end.

On or before May 15 of each year, the Mayor is to submit to the Board a proposed budget for the next fiscal year. A final budget must be adopted by the Board before the beginning of the next fiscal year.

Under TCA 68-211-874, the Town is required to account for its solid waste collection activities in a separate fund. The Town accounts for these activities in a separate sanitation fund.

The appropriated budget is prepared by fund and department. The Town's department heads may make transfers of appropriations within a department. Transfers between departments require informing the Mayor and Board of Aldermen. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

During fiscal year ending June 30, 2023, expenditures in the general fund exceeded approved appropriations by \$64,924. In all other governmental funds, expenditures were below approved appropriations. Expenditures that exceed appropriations are a violation of state statutes.

NOTE 4 - DETAILED NOTES ON ALL FUNDS

A. Deposits

Legal Provisions

All deposits with financial institutions in excess of FDIC limits are required to be secured by one of two methods. Excess funds can be deposited with financial institutions that participate in the State of Tennessee Bank Collateral Pool administered by the state treasurer. For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits.

Cash Deposits

Cash in bank represents funds on deposit in various depositories.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. None of the Town's deposits were exposed to custodial credit risk because all balances were entirely insured by the FDIC or through the Bank Collateral Pool with the State of Tennessee.

B. Receivables

Receivables as of year-end for the government's individual major funds and nonmajor funds net of uncollectible accounts, are as follows:

TOWN OF TRIMBLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS

June 30, 2023

| | <u>General</u> | <u>State Street Aid</u> | <u>Water and Sewer</u> | <u>Total</u> |
|----------------------|------------------|---------------------------------|--------------------------------|-------------------|
| Receivables: | | | | |
| Taxes, property | \$ 88,873 | \$ - | \$ - | \$ 88,873 |
| Taxes, miscellaneous | 11,011 | 3,753 | - | 14,764 |
| Accounts, users | - | - | 35,489 | 35,489 |
| Grants | - | - | 47,500 | 47,500 |
| Total | <u>\$ 99,884</u> | <u>\$ 3,753</u> | <u>\$ 82,989</u> | <u>\$ 186,626</u> |

The Town utilizes the direct charge off method for recognizing uncollectible accounts.

Governmental funds report *deferred inflows* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, *deferred inflows* reported in the governmental funds were as follows:

| | |
|---|---------------------------------|
| Unavailable revenue - property taxes (General Fund) | <u>Unavailable</u> \$ 88,806 |
| Total | <u>\$ 88,806</u> |

Interfund Receivable/Payable

The composition of interfund balances as of June 30, 2023 is as follows:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------|---------------------|------------------|
| General | Water and Sewer | \$ 16,396 |
| Solid Waste | Water and Sewer | 4,463 |
| Total | | <u>\$ 20,859</u> |

The interfund balances are due to Water and Sewer Fund billing for fire protection fees and solid waste collections. The accounts will be paid and received in the normal course of business during the next audit period.

Interfund transfer

The composition of the interfund transfers as of June 30, 2023 are as follows:

| <u>Transfer From</u> | <u>Transfer To</u> | |
|----------------------|----------------------------------|--------------|
| | <u>State Street Aid Fund</u> | <u>Total</u> |
| General Fund | 84 | 84 |
| | <u>\$ 84</u> | <u>\$ 84</u> |

The transfer from General Fund to State Street Aid Fund occurs on a routine basis and represents a transfer to provide operating funds.

TOWN OF TRIMBLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

C. Capital assets

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

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|--|------------------------------|--------------------|------------------|---------------------------|
| Governmental activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 14,270 | \$ - | \$ - | \$ 14,270 |
| Construction in progress | - | - | - | - |
| Total capital assets, not being depreciated | <u>14,270</u> | <u>-</u> | <u>-</u> | <u>14,270</u> |
| Capital assets, being depreciated: | | | | |
| Buildings | 146,310 | - | - | 146,310 |
| Improvements other than buildings | 29,044 | - | - | 29,044 |
| Machinery and equipment | 458,759 | - | - | 458,759 |
| Infrastructure | <u>1,024,601</u> | <u>-</u> | <u>-</u> | <u>1,024,601</u> |
| Total capital assets, being depreciated | 1,658,714 | - | - | 1,658,714 |
| Less accumulated depreciation | <u>1,056,477</u> | <u>45,855</u> | <u>-</u> | <u>1,102,332</u> |
| Total capital assets, being depreciated, net | <u>602,237</u> | <u>(45,855)</u> | <u>-</u> | <u>556,382</u> |
| Governmental activities capital assets, net | <u>\$ 616,507</u> | <u>\$ (45,855)</u> | <u>\$ -</u> | <u>\$ 570,652</u> |
| | | | | |
| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
| Business-type activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 94,165 | \$ - | \$ - | \$ 94,165 |
| Construction in progress | - | 49,345 | - | 49,345 |
| Total capital assets, not being depreciated | <u>94,165</u> | <u>49,345</u> | <u>-</u> | <u>143,510</u> |
| Capital assets, being depreciated: | | | | |
| Buildings and system | 3,555,776 | - | - | 3,555,776 |
| Machinery and equipment | <u>66,596</u> | <u>-</u> | <u>-</u> | <u>66,596</u> |
| Total capital assets, being depreciated | 3,622,372 | - | - | 3,622,372 |
| Less accumulated depreciation | <u>1,746,960</u> | <u>84,607</u> | <u>-</u> | <u>1,831,567</u> |
| Total capital assets, being depreciated, net | <u>1,875,412</u> | <u>(84,607)</u> | <u>-</u> | <u>1,790,805</u> |
| Business-type activities capital assets, net | <u>\$ 1,969,577</u> | <u>\$ (35,262)</u> | <u>\$ -</u> | <u>\$ 1,934,315</u> |

TOWN OF TRIMBLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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

| | |
|---|------------------|
| Governmental-type activities: | |
| General government | \$ 394 |
| Public safety | 21,971 |
| Highways and streets, including depreciation of general infrastructure assets | 18,076 |
| Public welfare | 5,414 |
| Total depreciation expense - governmental activities | <u>\$ 45,855</u> |
| | |
| Business-type activities: | |
| Water and Sewer | 84,607 |
| Total depreciation expense - business-type activities | <u>\$ 84,607</u> |

D. Long-Term Debt

Long-term debt obligations of the business – type activities as of June 30, 2023 consist of the following notes payable:

| | |
|---|-------------------|
| USDA Rural Development - Note dated December 13, 2004. Interest rate 4.50%. | \$ <u>456,593</u> |
|---|-------------------|

Changes in long-term liabilities – business-type activities:

Long-term liability activity for the year ended June 30, 2023 is summarized below:

| | <u>Balance</u> <u>6/30/2022</u> | <u>Additions</u> | <u>Retirements</u> | <u>Balance</u> <u>6/30/2023</u> | <u>Due within</u> <u>one year</u> |
|---------------|------------------------------------|------------------|--------------------|------------------------------------|--------------------------------------|
| Notes payable | \$ 469,300 | \$ - | \$ 12,707 | \$ 456,593 | \$ 15,250 |

Annual debt service requirements to maturity for notes payable are as follows:

| <u>Fiscal</u> <u>Year End</u> <u>June 30</u> | <u>Principal</u> | <u>Interest</u> |
|--|-------------------|-------------------|
| 2024 | 15,250 | 19,443 |
| 2025 | 15,951 | 18,742 |
| 2026 | 16,684 | 18,009 |
| 2027 | 17,450 | 17,243 |
| 2028 | 18,252 | 16,441 |
| 2029-2033 | 104,632 | 68,833 |
| 2034-2038 | 130,979 | 42,486 |
| 2039-2043 | 137,395 | 10,683 |
| Total | <u>\$ 456,593</u> | <u>\$ 211,880</u> |

TOWN OF TRIMBLE, TENNESSEE
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 5 – OTHER INFORMATION

A. Concentration of Credit Risk

The Town bills local property owners for property taxes and utility customers for services rendered. At June 30, 2023, these property owners and utility customers are indebted to the Town as noted on the balance sheets of the respective funds. The majority of the property owners and customers are local businesses or individuals. The property is subject to foreclosure in the event of non-payment after certain legal requirements are met. The utility services are sold to the customers without requiring any collateral although deposits are required in certain situations.

B. Risk Management

The Town is exposed to various risks 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 covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant losses to the Town. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

C. Cemetery Trust Fund

The Town became the successor trustee of the Pierce Cemetery Endowment Trust established by the late Will H. Parks. The funds are to be used to provide for the care, supervision, and maintenance of the Cemetery through a municipal Cemetery Commission. The funds were accepted by the Town of Trimble through several agreements and memorandums dated August 5, 1996.

TOWN OF TRIMBLE, TENNESSEE
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

Special Revenue Funds - Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for a particular purpose.

State Street Aid Fund – The fund is used to account for the Town’s share of motor fuel tax revenues that are legally restricted to maintenance and safety of streets and sidewalks.

Drug Fund – The drug fund is a State mandated fund. It receives as operating revenues ½ of drug related fines and 100% from the sale of property seized in drug related arrests. The proceeds are used to combat drug activity and purchase law enforcement equipment.

Other Fund

Cemetery Fund - The fund is used to account for the sale of lots and maintenance of the cemetery property. Expenditures in excess of lot sales may be fed by the Pierce Endowment Cemetery Trust.

TOWN OF TRIMBLE, TENNESSEE
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2023

| | Special Revenue | | | Cemetery Trust Fund | Total Nonmajor Governmental Funds |
|---------------------------------------|------------------------|---------------|------------------|---------------------------|--|
| | State Street Aid | Drug Fund | Total | | |
| ASSETS | | | | | |
| Cash in bank | \$ 25,080 | \$ 386 | \$ 25,466 | \$ 9,842 | \$ 35,308 |
| Certificates of dposit | - | - | - | 17,000 | 17,000 |
| Accounts receivable | <u>3,753</u> | <u>-</u> | <u>3,753</u> | <u>-</u> | <u>3,753</u> |
| Total assets | <u>\$ 28,833</u> | <u>\$ 386</u> | <u>\$ 29,219</u> | <u>\$ 26,842</u> | <u>\$ 56,061</u> |
| LIABILITIES AND FUND BALANCE | | | | | |
| Liabilities: | | | | | |
| Accounts payable | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 280</u> | <u>\$ 280</u> |
| Fund balance: | | | | | |
| Restricted | <u>28,833</u> | <u>386</u> | <u>29,219</u> | <u>26,562</u> | <u>55,781</u> |
| Total liabilities and fund balance | <u>\$ 28,833</u> | <u>\$ 386</u> | <u>\$ 29,219</u> | <u>\$ 26,842</u> | <u>\$ 56,061</u> |

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See independent auditor's report.

TOWN OF TRIMBLE, TENNESSEE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

| | Special Revenue | | | Cemetery Trust Fund | Total Nonmajor Governmental Funds |
|---|------------------------|---------------|------------------|---------------------------|--|
| | State Street Aid | Drug Fund | Total | | |
| Revenues | | | | | |
| Intergovernmental revenues | \$ 19,068 | \$ - | \$ 19,068 | \$ - | \$ 19,068 |
| Charges for services | 147 | - | 147 | 2,850 | 2,997 |
| Interest income | 26 | - | 26 | 62 | 88 |
| Total revenues | <u>19,241</u> | <u>-</u> | <u>19,241</u> | <u>2,912</u> | <u>22,153</u> |
| Expenditures | | | | | |
| Public welfare | - | - | - | 3,125 | 3,125 |
| Highways and streets | 21,509 | - | 21,509 | - | 21,509 |
| Total expenditures | <u>21,509</u> | <u>-</u> | <u>21,509</u> | <u>3,125</u> | <u>24,634</u> |
| Excess of revenues over (under) expenditures | (2,268) | - | (2,268) | (213) | (2,481) |
| Other financing sources: | | | | | |
| Operating transfers from other funds | 84 | - | 84 | - | 84 |
| Net change in fund balance | (2,184) | - | (2,184) | (213) | (2,397) |
| Fund balance - July 1, 2022 | <u>31,017</u> | <u>386</u> | <u>31,403</u> | <u>26,775</u> | <u>58,178</u> |
| Fund balance - June 30, 2023 | <u>\$ 28,833</u> | <u>\$ 386</u> | <u>\$ 29,219</u> | <u>\$ 26,562</u> | <u>\$ 55,781</u> |

See independent auditor's report.

TOWN OF TRIMBLE, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STATE STREET AID FUND
For the Year Ended June 30, 2023

| | <u>Original and Final Budget Amounts</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|--|----------------------|---|
| Revenues | | | |
| Intergovernmental revenues - | | | |
| State of Tennessee | | | |
| Gasoline & Motor Fuel Tax | \$ 27,370 | \$ 9,786 | \$ (17,584) |
| Gas 3 Cent | - | 2,822 | 2,822 |
| Gas 1989 | - | 1,528 | 1,528 |
| Gas 2017 | - | 4,932 | 4,932 |
| Interest income | 30 | 26 | (4) |
| Gravel payments | <u>500</u> | <u>147</u> | <u>(353)</u> |
| Total revenues | <u>27,900</u> | <u>19,241</u> | <u>(8,659)</u> |
| Expenditures | | | |
| Highways and streets - | | | |
| Repair and maintenance | 1,500 | 1,166 | 334 |
| Gravel & sand | 2,000 | 973 | 1,027 |
| Utilities | <u>19,000</u> | <u>19,370</u> | <u>(370)</u> |
| Total expenditures | <u>24,500</u> | <u>21,509</u> | <u>2,991</u> |
| Excess of revenues over (under) expenditures | 3,400 | (2,268) | (5,668) |
| Other financing sources (uses): | | | |
| Operating transfers from other funds | <u>1,430</u> | <u>84</u> | <u>(1,346)</u> |
| Net change in fund balance | 4,830 | (2,184) | (7,014) |
| Fund balance - July 1, 2022 | <u>38,225</u> | <u>31,017</u> | <u>(7,208)</u> |
| Fund balance - June 30, 2023 | <u>\$ 43,055</u> | <u>\$ 28,833</u> | <u>\$ (14,222)</u> |

See independent auditor's report.

**TOWN OF TRIMBLE, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DRUG FUND**

For the Year Ended June 30, 2023

| | Original and Final Budget Amounts | Actual | Variance with Final Budget Positive (Negative) |
|------------------------------|--|---------------|---|
| Revenues | | | |
| Drug Fines | \$ 25 | \$ - | \$ (25) |
| Expenditures | | | |
| Miscellaneous | 25 | - | 25 |
| Net change in fund balance | - | - | - |
| Fund balance - July 1, 2022 | 385 | 386 | 1 |
| Fund balance - June 30, 2023 | \$ 385 | \$ 386 | \$ 1 |

See independent auditor's report.

**TOWN OF TRIMBLE, TENNESSEE
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CEMETERY FUND**

For the Year Ended June 30, 2023

| | Original and Final Budget Amounts | Actual | Variance with Final Budget Positive (Negative) |
|----------------------------------|--|---------------|---|
| Revenues | | | |
| Sale of lots | \$ 2,200 | \$ 2,250 | \$ 50 |
| Grave maintenance fees | 1,300 | 600 | (700) |
| Interest income | 95 | 62 | (33) |
| Total revenues | 3,595 | 2,912 | (683) |
| Expenditures | | | |
| Mowing | 3,000 | 3,125 | (125) |
| Maintenance | 200 | - | 200 |
| Total expenditures | 3,300 | 3,125 | 175 |
| Net change in fund balance | 295 | (213) | (508) |
| Fund balance - July 1, 2022 | 29,175 | 26,775 | (2,400) |
| Fund balance - June 30, 2023 | \$ 29,470 | \$ 26,562 | \$ (2,908) |

See independent auditor's report.

TOWN OF TRIMBLE, TENNESSEE
SCHEDULE OF CHANGES IN PROPERTY TAXES RECEIVABLE
For the Year Ended June 30, 2023

| Year of Levy | Balance 07/01/22 | Assessments and Adjustments | Collections | Balance 06/30/23 |
|-----------------|---------------------|--------------------------------|------------------|---------------------|
| 2013 | - | - | - | - |
| 2014 | - | - | - | - |
| 2015 | - | - | - | - |
| 2016 | - | - | - | - |
| 2017 | 487 | - | - | 487 |
| 2018 | 325 | - | - | 325 |
| 2019 | 51 | - | - | 51 |
| 2020 | 772 | - | 534 | 238 |
| 2021 | 2,104 | - | 1,088 | 1,016 |
| 2022 | - | 81,617 | 77,358 | 4,259 |
| | <u>\$ 3,739</u> | <u>\$ 81,617</u> | <u>\$ 78,980</u> | <u>\$ 6,376</u> |

2023 levy tax due October 1, 2023
considered as unavailable revenue

82,430

\$ 88,806

Schedule of Tax Rates and Assessments

| Assessment Year | Assessed Value | Tax Rate | Assessment |
|--------------------|-------------------|-------------|------------|
| 2013 Dyer | 3,682,362 | 1.56 | 57,447 |
| 2013 Obion | 24,600 | 1.56 | 383 |
| 2014 Dyer | 3,788,473 | 1.56 | 59,100 |
| 2014 Obion | 24,600 | 1.56 | 383 |
| 2015 Dyer | 3,834,679 | 1.56 | 59,821 |
| 2015 Obion | 24,600 | 1.56 | 383 |
| 2016 Dyer | 3,947,628 | 1.56 | 61,583 |
| 2016 Obion | 24,600 | 1.56 | 383 |
| 2017 Dyer | 3,907,918 | 1.56 | 60,960 |
| 2017 Obion | 24,725 | 1.56 | 385 |
| 2018 Dyer | 3,926,334 | 1.56 | 61,247 |
| 2018 Obion | 27,450 | 1.56 | 428 |
| 2019 Dyer | 3,875,910 | 1.71 | 66,218 |
| 2019 Obion | 27,750 | 1.71 | 474 |
| 2020 Dyer | 4,624,453 | 1.71 | 79,091 |
| 2020 Obion | 27,780 | 1.71 | 475 |
| 2021 Dyer | 4,732,788 | 1.71 | 80,935 |
| 2021 Obion | 27,450 | 1.71 | 469 |
| 2022 Dyer | 4,745,195 | 1.71 | 81,148 |
| 2022 Obion | 27,450 | 1.71 | 469 |

See independent auditor's report.

TOWN OF TRIMBLE, TENNESSEE
SCHEDULE OF CURRENT UTILITY RATES IN FORCE
AND UTILITY CUSTOMERS IN SERVICE
 June 30, 2023

Utility rates in force:

| | | | |
|----------|-------------------------|-------|-----------|
| Water: | Base rate-all customers | 22.50 | per month |
| | Each 1,000 gallons | 3.85 | per month |
| | | | |
| Sewer: | Base rate-all customers | 22.50 | per month |
| | Each 1,000 gallons | 3.35 | per month |
| | | | |
| Garbage: | All customers | 20.50 | per month |

Utility customers in service:

| | |
|---------|-----|
| Water | 285 |
| Sewer | 271 |
| Garbage | 269 |

See independent auditor's report.

TOWN OF TRIMBLE, TENNESSEE
SCHEDULE OF BONDS OF PRINCIPAL OFFICIALS
June 30, 2023

| <u>Name</u> | <u>Position</u> | <u>Bond</u> |
|-------------------|-----------------------|-------------|
| Ben Sturdivant | Mayor | 250,000 |
| Don Byrd | Alderman | 250,000 |
| Scotty Funderburk | Alderman | 250,000 |
| Danny Marshall | Alderman | 250,000 |
| Heather McFarland | Alderwoman | 250,000 |
| David Norsworthy | Public Works Director | 250,000 |
| Robin Hepler | Recorder | 250,000 |
| Lora Milligan | Assistant Recorder | 250,000 |

Unless otherwise noted, all officials served for the entire fiscal year.

See independent auditor's report.

TOWN OF TRIMBLE, TENNESSEE
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
For the Year Ended June 30, 2023

| <u>Description of Indebtedness</u> | <u>Original Amount of Issue</u> | <u>Interest Rate</u> | <u>Date of Issue</u> | <u>Last Maturity Date</u> | <u>Outstanding 07/01/22</u> | <u>Issued During Period</u> | <u>Paid and/or Matured During Period</u> | <u>Outstanding 06/30/23</u> |
|--------------------------------------|---|--------------------------|------------------------------|-----------------------------------|---------------------------------|-------------------------------------|--|---------------------------------|
| Business-Type Activities | | | | | | | | |
| NOTES PAYABLE | | | | | | | | |
| Payable through Water and Sewer Fund | | | | | | | | |
| USDA Rural Development | | | | | | | | |
| Loan 91-01 | \$ 643,500 | 4.50% | 12/13/2004 | 9/13/2042 | <u>\$ 469,300</u> | <u>\$ -</u> | <u>\$ 12,707</u> | <u>\$ 456,593</u> |

See independent auditor's report.

TOWN OF TRIMBLE, TENNESSEE
SCHEDULE OF LONG-TERM DEBT REQUIREMENTS
For the Year Ending June 30, 2023

| | <u>Principal Requirements</u> | <u>Interest Requirements</u> | <u>Total Requirements</u> |
|------------------------|-----------------------------------|----------------------------------|-------------------------------|
| Notes payable: | | | |
| USDA Rural Development | | | |
| Loan 91-01 | <u>\$ 15,250</u> | <u>\$ 19,443</u> | <u>\$ 34,693</u> |
| | <u>\$ 15,250</u> | <u>\$ 19,443</u> | <u>\$ 34,693</u> |

See independent auditor's report.

TOWN OF TRIMBLE, TENNESSEE
SCHEDULE OF DEBT SERVICE REQUIREMENTS
BY INDIVIDUAL ISSUE
June 30, 2023

| Name | Fiscal Year End | Principal | Interest | Total |
|------------------------|--------------------|-------------------|-------------------|-------------------|
| Water and Sewer Fund: | | | | |
| USDA Rural Development | | | | |
| Loan 91-01 | 6/30/2024 | 15,250 | 19,443 | 34,693 |
| | 6/30/2025 | 15,951 | 18,742 | 34,693 |
| | 6/30/2026 | 16,684 | 18,009 | 34,693 |
| | 6/30/2027 | 17,450 | 17,243 | 34,693 |
| | 6/30/2028 | 18,252 | 16,441 | 34,693 |
| | 6/30/2029 | 19,090 | 15,603 | 34,693 |
| | 6/30/2030 | 19,967 | 14,726 | 34,693 |
| | 6/30/2031 | 20,884 | 13,809 | 34,693 |
| | 6/30/2032 | 21,844 | 12,849 | 34,693 |
| | 6/30/2033 | 22,847 | 11,846 | 34,693 |
| | 6/30/2034 | 23,897 | 10,796 | 34,693 |
| | 6/30/2035 | 24,995 | 9,698 | 34,693 |
| | 6/30/2036 | 26,143 | 8,550 | 34,693 |
| | 6/30/2037 | 27,344 | 7,349 | 34,693 |
| | 6/30/2038 | 28,600 | 6,093 | 34,693 |
| | 6/30/2039 | 29,914 | 4,779 | 34,693 |
| | 6/30/2040 | 31,288 | 3,405 | 34,693 |
| | 6/30/2041 | 32,726 | 1,967 | 34,693 |
| | 6/30/2042 | 34,229 | 464 | 34,693 |
| | 6/30/2043 | 9,238 | 68 | 9,306 |
| | | <u>\$ 456,593</u> | <u>\$ 211,880</u> | <u>\$ 668,473</u> |

See independent auditor's report.

TOWN OF TRIMBLE, TENNESSEE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
For the Year Ended June 30, 2023

| Grantor Agency/ Pass-through Agency/ Program Name | ALN # | Grant Number | Expenditures |
|--|--------------|-------------------------|---------------------|
| US Department of Treasury / TN Department of Transportation Coronavirus State and Local Fiscal Recovery Funds COVID-19 - American Rescue Plan Act | 21.027 | Unknown | \$ 21,148 |
| National Endowment for the Humanities TN State Library and Archives Library Grant - ARPA | 45.310 | Unknown | 5,404 |
| National Endowment for the Humanities TN State Library and Archives Library Grant - TSLA (Tech) | 45.310 | Unknown | <u>4,595</u> |
| Total Federal Awards | | | <u>\$ 31,147</u> |
| Rural Development Infrastructure Planning Dept of Economic and Community Development | Unknown | Unknown | <u>47,500</u> |
| Total State Financial Assistance | | | <u>\$ 47,500</u> |

Basis of Presentation:

Note 1: The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance summarizes the expenditures of the Town of Trimble under programs of the federal and state governments for the year ended June 30, 2023. The schedule is presented using the modified accrual basis of accounting.

See independent auditor's report.



**Independent Auditor's Report on Internal Control over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

The Honorable Mayor and Board of Aldermen
Town of Trimble, 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 Trimble, Tennessee, (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 20, 2024.

Report on 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 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 a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies 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. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings, recommendations, and responses as item 2023-001 that we consider to be a significant deficiency.

Report on 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 three instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings, recommendations, and responses as items 2023-002, 2023-003, and 2023-004.

Town of Trimble's Response to Findings

The Town's responses to the findings identified in our audit are described in the accompanying schedule of findings, recommendations, and responses. The Town's responses were 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

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

ATA, PLLC

Dyersburg, Tennessee

February 20, 2024

TOWN OF TRIMBLE, TENNESSEE
SCHEDULE OF FINDINGS, RECOMMENDATIONS, AND RESPONSES
For the Year Ended June 30, 2023

Findings – Financial Statement Audit

2023-001 – Segregation of Duties – Significant Deficiency

Condition: The Town has one employee who is responsible for maintaining all financial records and who also performs the day-to-day accounting and bookkeeping functions.

Criteria: Management of the Town is responsible for establishing adequate internal controls.

Cause: The Town does not have enough employees to properly segregate duties.

Effect: Lack of sufficient internal controls could jeopardize the integrity of the accounting system.

Recommendation: We recommend that the Town try to segregate as many accounting and bookkeeping duties as possible.

Response: We will review our situation and see if we can realign responsibilities to strengthen internal controls. We have budgetary limitations and feel that the cost of additional personnel would exceed the benefits derived.

2023-002 Closing of Books – Non-Compliance

Condition: During the course of our audit we had proposed material adjustments to general ledger accounts in the general, state street aid, and sewer funds that do not allow the Town to properly close its books within two months of the close of its fiscal year.

Criteria: Tennessee Code Annotated Section 9-2-102 requires all local governments to close their official accounting records and to have those records available for audit no later than two months after the close of their fiscal year end.

Cause: Due to proposed material adjustments that were needed the Town was not able to close books in required time.

Effect: Failure to close books within two months after the close of the fiscal year end can lead to undetected errors, irregularities, and material misstatements in financial reporting.

Recommendation: To detect errors or irregularities promptly, municipal officials should ensure that accounts are properly adjusted and the Town's books are closed no later than two months p. 50after the close of their fiscal year end.

Response: We will work toward detecting errors more promptly so the books can be closed within the required time after year end.

2023-003 Expenditures in Excess of Appropriations in General Fund – Non-Compliance

Condition: During the year ended June 30, 2023, expenditures exceeded appropriations in the general fund by \$64,924.

Criteria: Tennessee Code Annotated Section 6-56-205 states that "the governing body shall not make any appropriations in excess of estimated available funds, except to provide for an actual emergency threatening the

health, property, or lives of inhabitants of the municipality and declared by two-thirds (2/3) vote of all members of the governing body present, when there is a quorum.”

Cause: Expenditures exceeded budgeted amounts without proper amendments.

Effect: Expenditures were not properly authorized by the Town’s board and state law was not followed relating to the budgeting of expenditures.

Recommendation: We recommend that the Town closely monitor expenditures. If it appears during the course of the year that actual expenditures will exceed budgeted expenditures, the Board should amend the budget or provide supplemental appropriations.

Response: We concur and will more closely monitor budget and actual expenditures in the future.

2023-004 Cyber Security – Non-Compliance

Condition: The Town had neither prepared nor implemented a cyber security plan as of June 30, 2023.

Criteria: Tennessee Code Annotated Section 7-51-2302 requires utilities, including municipal-owned utilities, to prepare and implement a cyber security plan “to provide for the protection of the utility’s facilities from unauthorized use, alteration, or destruction of electronic data.”

Cause: The Town failed to comply with this requirement.

Effect: Failure to prepare and implement a cyber security plan could result in unmitigated risk toward the utility’s facilities.

Recommendation: The Town should prepare and implement a cyber security plan to address these risks and comply with state requirements.

Response: We concur and will work to develop and implement a cyber security plan.

TOWN OF TRIMBLE, TENNESSEE
SCHEDULE OF DISPOSITION OF PRIOR YEAR FINDINGS
For the Year Ended June 30, 2023

Findings – Financial Statement Findings

| <u>Finding Number</u> | <u>Finding Title</u> | <u>Status</u> |
|-----------------------|---|----------------------|
| 2022-001 | Segregation of Duties (Original finding # 2007-002) | Repeated as 2023-001 |
| 2022-002 | Closing of Books (Original finding # 2019-002) | Repeated as 2023-002 |
| 2022-003 | Expenditures in Excess of Appropriations (Original finding # 2022-003) | Repeated as 2023-003 |

**TOWN OF TRIMBLE
PO BOX 215
TRIMBLE, TN 38259**

Management's Corrective Action Plan

The Town of Trimble respectfully submits the following corrective action plan for the year ended June 30, 2023.

Name and address of independent public accounting firm:

ATA, PLLC
185 North Church Street
Dyersburg, TN 38024

Responsible officials for corrective action:

Robin Hepler, Recorder
Town of Trimble

Signature: _____



Audit period:

June 30, 2023

The findings from the June 30, 2023, schedule of findings, recommendations and responses are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

2023-001 – Segregation of Duties

Corrective Action Taken or Planned: We will review our situation and see if we can realign responsibilities to strengthen internal controls. We have budgetary limitation and feel that the cost of additional personnel would exceed the benefits derived.

Anticipated Completion Date: December 31, 2023

2023-002 – Closing of Books

Corrective Action Taken or Planned: We will work toward detecting errors more promptly so the books can be closed within the required time.

Anticipated Completion Date: December 31, 2023

2023-003 – Expenditures in Excess of Appropriations

Corrective Action Taken or Planned: We concur and will more closely monitor budget and actual expenditures in the future.

Anticipated Completion Date: December 31, 2023

2023-004 – Cyber Security – Non-Compliance

Corrective Action Taken or Planned: We concur and will work to develop and implement a cyber security plan.

Anticipated Completion Date: December 31, 2023