TRINITY

NORTH CAROLINA

Annual Comprehensive Financial Report

FISCAL YEAR ENDED
JUNE 30, 2023

CITY OF TRINITY

NORTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2023

TRINITY

NORTH CAROLINA

Fiscal Year Ended June 30, 2023

Members of Trinity City Council

Richard McNabb, Mayor

Bob Hicks, Mayor Pro Temp – Ward 1

Ed Lohr – Ward 2
Jack Carico – Ward 3
Tommy Johnson –At Large
Robbie Walker – Ward 4

Principal Officials

Stevie Cox	**City Manager**
Crystal Postell	**Finance Director**
Darien Comer	**City Clerk**
Rodney Johnson	**Public Services Director**
Jill Wood	**Interim Planning Director**

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TRINITY
NORTH CAROLINA

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INTRODUCTORY SECTION

December 18, 2023

To the Honorable Mayor Richard McNabb
Members of the City Council
And the Citizens of the City of Trinity, North Carolina

TRINITY
NORTH CAROLINA

I am pleased to present the Annual Comprehensive Financial Report (ACFR) of the City of Trinity, North Carolina for your review and use. We are extremely proud that this report has been prepared by the City's Finance Department and audited by the independent certified public accounting firm Gibson & Company, P.A. of Winston Salem, North Carolina. The comprehensive publication of the City's financial position and results of operations as of and for the fiscal year ended June 30, 2023. The City, like all other local governments in the State, is required by state law to publish a complete set of financial statements within four months of the close of each fiscal year. A compliance audit on state financial assistance is also required under applicable sections of T*itle 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance),* as described in the Audit Manual for Governmental Auditors in North Carolina, and the State Single Audit Implementation Act.

General Information

The financial statements have been prepared in compliance with the applicable requirements of the General Statutes of North Carolina and are consistent with the standards and guidelines recognized for governmental accounting and reporting contained in both Audits of State and Local Governments, an audit guide prepared by the Committee of Governmental Accounting of the American Institute of Certified Public Accountants (AICPA) and Government Auditing Standards, issued by the Comptroller General of the United States. Among other resources used in the preparation of the Report, the Finance Department has given particular attention to the Governmental Accounting, Auditing and Financial Reporting (GAAFR), issued by the Government Finance Officers Association of the United States and Canada (GFOA), and Governmental Accounting Standards Board (GASB) pronouncements.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it. The auditor's reports and the Schedule of Expenditures of Federal and State awards, required as part of a single audit, are found in the Compliance Section of this report.

Government Profile

History of Trinity, NC

The first settlers in the northwest corner of Randolph County arrived between 1763-1776, settling in what was called the Granville District. The land offices in the Granville District had been closed following the death of the English landowner, John Carteret, Baron Carteret of Hawnes, the second Earl Granville. When independence was declared in 1776, the Granville District was confiscated by the new government, along with all other land owned by persons loyal to the Crown. All the land became public lands and soon thereafter the State of North Carolina was issuing grants for tracts in the former Granville District. Hundreds of former squatters became landowners at last, purchasing the land where they may have lived for several years. The 1779 tax records of Randolph County list 25 families for Trinity Township.

The Town of Trinity, named after Trinity College, was incorporated by Act of the North Carolina General Assembly at its 1868-69 Session. The act, published in *Private Laws of the State of North Carolina, Passed by the General Assembly at its Session 1868-'69* states that "The Town shall be two miles long from north to south, and one mile wide from east to west, the center of the Town to be the center of the principal College Building." Further sections of the act provided for the election of a town magistrate and five commissioners. The town charter was ratified April 12, 1869, but the charter was rescinded in 1924. In this time frame everything in the community came to be measured by the college. Thus, the college was the official as well as the unofficial centerpiece of the town. In 1997 the city was re-incorporated.

Form of Government

The City of Trinity has a Council-Manager form of government. The Council is the legislative body of the City government with the Mayor as a non- voting member. The Mayor is elected for a four-year term. The remainder of City Council is composed of one at-large member and representatives from four voting wards. Council members are elected on a partisan basis and serve four-year terms. Elections are held in November of even-numbered years, every four years. The City Manager, the chief executive officer, is appointed by and serves at the pleasure of the Trinity City Council. They are responsible for carrying out the policies and ordinances of the Council and administering the daily operations of the City through appointed department heads.

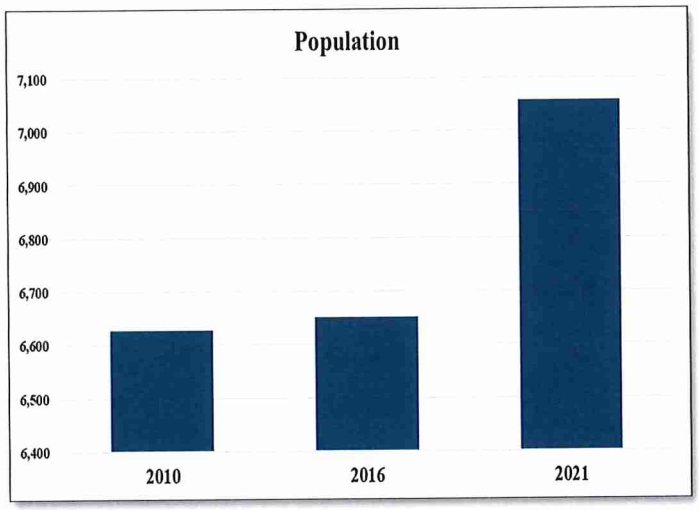
The City of Trinity provides both sewer and solid waste services. However, there is access to water services in Trinity, North Carolina through Davidson Water, Inc and law enforcement is contracted through the Randolph County Sheriff Office located in Asheboro, North Carolina. This report includes all the City's fiscal activities in maintaining these services. The City of Trinity also extends financial support to a variety of boards, agencies and commissions to assist their efforts in serving citizens.

Geography

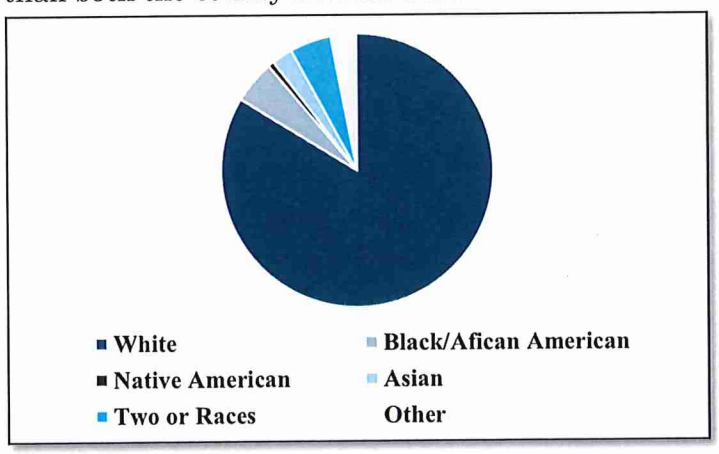
Trinity is in the northwest corner of Randolph County, and its borders run along both Davidson County to the west and Guilford County to the north. The City also shares borders with the municipalities of Archdale and Thomasville. High Point lies directly to Trinity's north, and Asheboro lies about 20 miles to the Southeast. Trinity is located within the Piedmont Triad region, roughly 20 miles from its center. The Piedmont Triad region encompasses the major cities of Winston-Salem, High Point, and Greensboro. Major highways and interstates which cross Trinity include NC Highway 62 and Interstate 85. Interstate 85 Business runs north of Trinity and Interstate 74 runs though Forsyth County and High Point, east of Trinity.

Demographics

In Randolph County there are about 145,172 residents. The City of Trinity 's community makes up about 4.913% (7,132) of Randolph County's total population. The City of Trinity's population has steadily increase since 2010 with an estimated increase of 6.53% from 2016 to 2021.



The population of Trinity is almost evenly split between males and females. The City of Trinity's population is comprised of 83.8% of the City's population is White, 5.1% is Black or African American, and 2.5% is Asian. Residents who are two or more races account for 4.9% of the population. Trinity has a small Hispanic or Latino population, with 5.6% of the population identifying their ethnicity as Hispanic or Latino. Randolph County has a higher proportion of Hispanic or Latino residents than the City. The largest age group in Trinity is 65 to 74 years old, and the median age for the City is 44 years. The median age in North Carolina and Randolph County is 39 and 41.6 years old, respectively, making Trinity's average age higher than both the county and the state.



Long – Term Financial Planning

Each year during the Trinity City Council Budget Workshops, the City priorities and initiatives are discussed that will provide the framework for setting our upcoming fiscal year's budget. During the City Council Workshops, the Finance Department strives to provide insight into the City's current financial position and ways to sustain and improve our financial health within each fund. The Finance Department will use prior budgeting trends, such as historical data from prior expenditures and spending trends. Some new budget trends have been implemented for Department Heads to plan their budgets effectively. These trends include providing them with guidance, insight-driven financial decisions, and access to budget planning tools such as the current year's detailed budget expenditures, budget preparation training, and access to individualized planning sessions with the Finance Department. When planning for anticipated annual revenues, the Finance Department will use data from the Randolph County Tax Department, North Carolina League of Municipalities, UNC Chapel Hill School of Government, and the Government Finance Officers Association.

A complete and accurate Census count is critical to ensure the City of Trinity receives its fair share of revenue, as well as attracting new development. Although it is widely believed that most communities were severely underreported due to COVID19, tremendous local efforts resulted in a reported increase of 430 citizens, a 6.53% growth rate since 2010. This growth rate will secure positive increases in revenue over the next 10 years.

Awards and Acknowledgements

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement in Distinguished Budget Award to City of Trinity for its annual budget document presentation for the fiscal year ended June 30, 2023. This was the City's *first* prestigious award. The Certificate of Achievement is valid for one year only. We believe that the City's Annual Budget Document will continue to meet the Certificate of Achievement Program's requirements.

The preparation of this annual report would not have been possible without the skill, effort, and dedication of the entire staff of the Finance Department. I sincerely appreciate Mrs. Lisa Beam, Payroll Administrator. Mrs. Beam assisted and contributed to the preparation of this report as well as the entire City staff for their cooperation and assistance in prudent financial management throughout the year. Credit is also due to the City Manager, Mayor, and City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Trinity's finances.

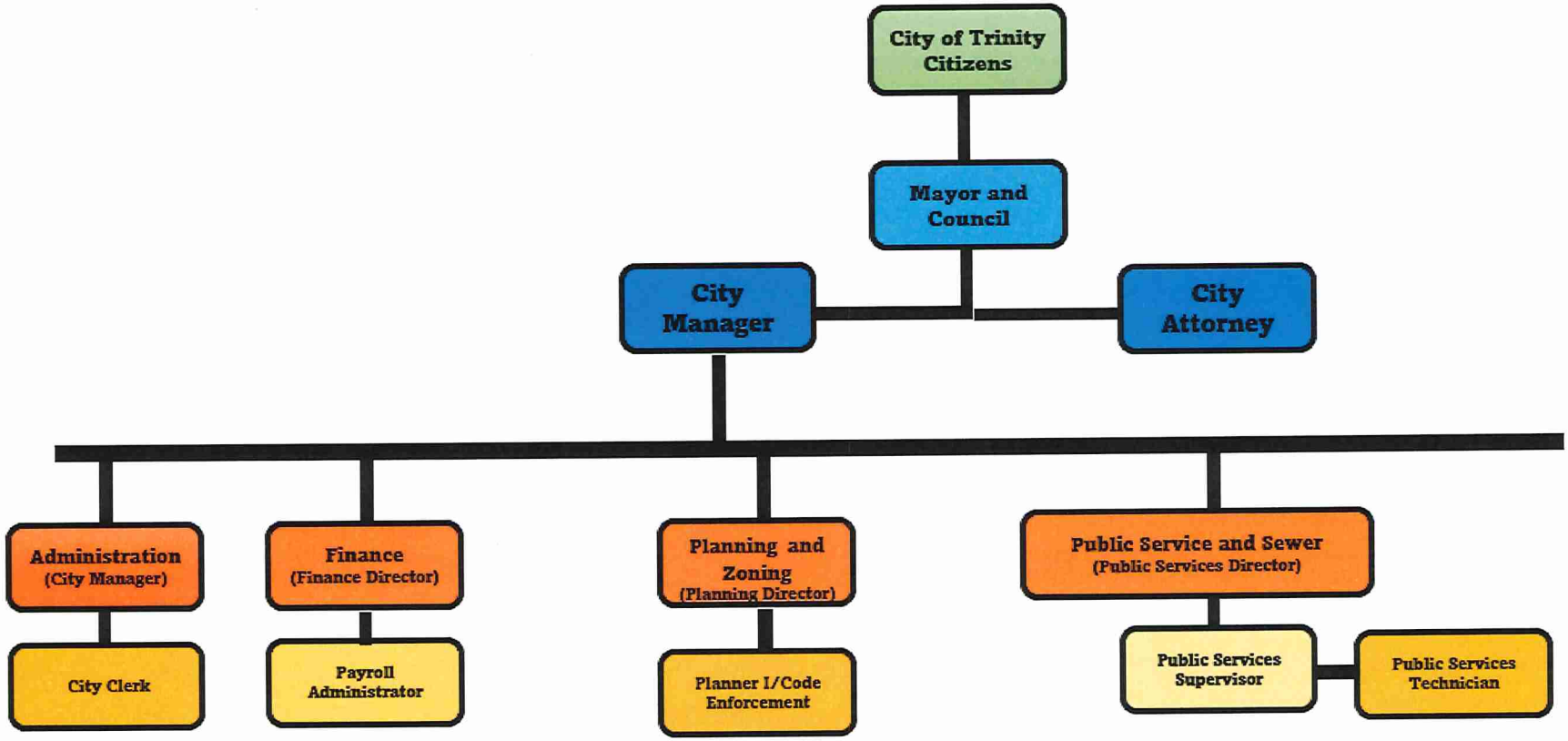
Respectfully Submitted,

Crystal Postell, MBA
Director of Finance

TRINITY

NORTH CAROLINA

Organizational Chart



FINANCIAL SECTION

GIBSON & COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Honorable Mayor
and Members of the City Council
City of Trinity, North Carolina

Report on the Audit of Financial Statements

Opinions

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

In our opinion, based upon our audit, the accompanying 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 City of Trinity as of June 30, 2023, and the respective changes in financial position, and cash flows where applicable thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Trinity 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 Audit of the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 raises substantial doubt about the City of Trinity's ability to continue as a going concern for the twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Winston-Salem, NC 27103

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

In performing an audit in accordance with GAAS and *Governmental Auditing Standards* we:

- exercised professional judgement and maintained 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 responsible to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Trinity's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Trinity's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 13, and the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Asset (Liability) and Contributions, on pages 48 through 49, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management, 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 the 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 consist 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 City of Trinity's basic financial statements. The combining and individual fund financial statements, budgetary schedules, and other schedules, as well as the accompanying schedule of expenditures of expenditures of federal and state awards as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act 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 by us. In our opinion, based on our audit, the procedures performed as described above, the combining and individual fund financial statements, budgetary schedules, other schedules and the schedule of expenditures of federal and state awards 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 information and the statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2023 on our consideration of the City of Trinity'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 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 City of Trinity's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Trinity's internal control over financial reporting and compliance.

Gibson & Company, P.A.

Winston-Salem, North Carolina
December 18, 2023

Management Discussion
And
Analysis

Management's Discussion and Analysis

As management of the City of Trinity, we offer readers of the City of Trinity's financial statements this narrative overview and analysis of the financial activities of the City of Trinity for the fiscal year ended June 30, 2023. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative.

Financial Highlights

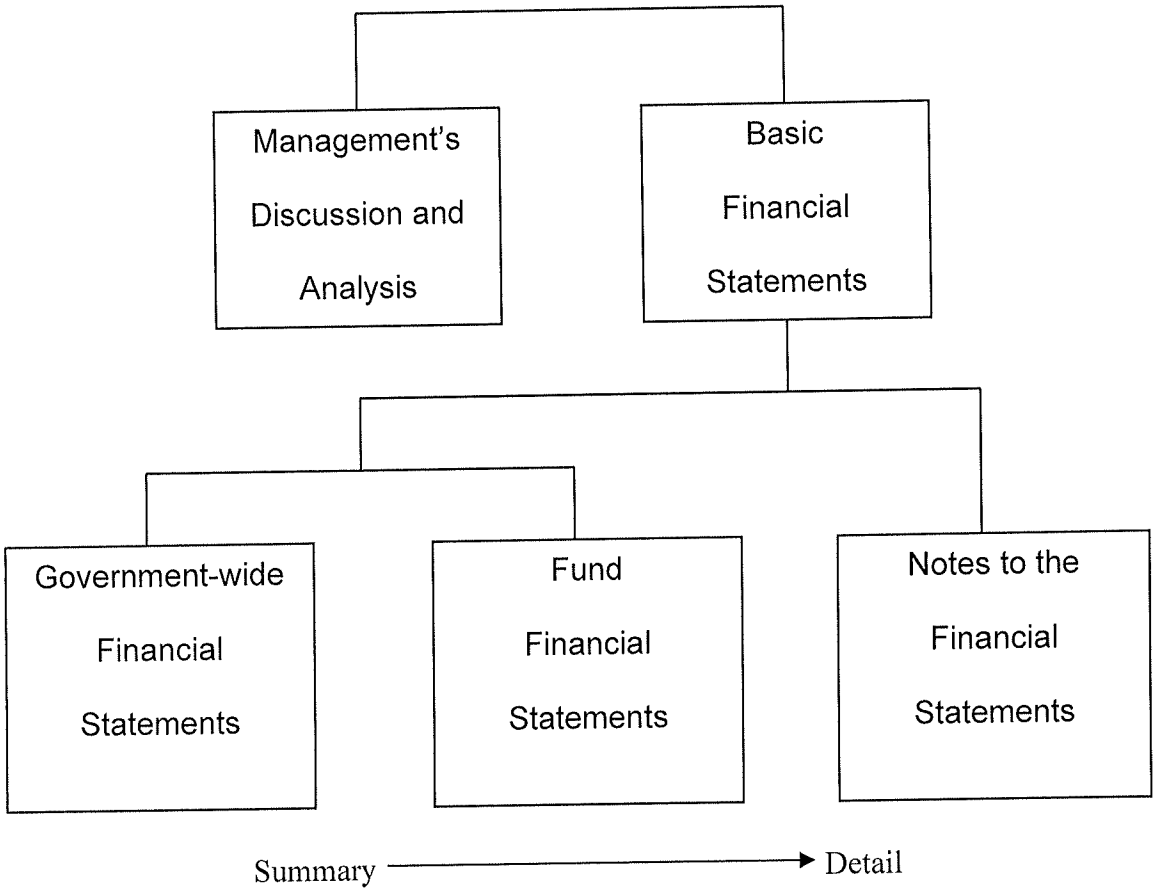
- The assets and deferred outflows of resources of the City of Trinity exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by $26,565,933 *(net position)*.
- The government's total net position increased by $1,032,580, primarily due to increases in the governmental type and business-type activities net position.
- As of the close of the current fiscal year, the City of Trinity's governmental funds reported combined ending fund balances of $11,423,886 with a net increase of $470,337 in fund balance. Approximately 41.31% of this total amount or $4,719,378 is non-spendable or restricted and committed.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was $6,526,290, or 165.13% of total general fund expenditures for the fiscal year.
- The City of Trinity's total debt decreased by $120,742 (0.10%) during the current fiscal year. The key factor in this decrease was the payments on the debt.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Trinity's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the City through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the City of Trinity.

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the City's financial status.

The next statements (Exhibits 3 through 8) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; and 3) the proprietary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the City's individual funds. Budgetary information required by the North Carolina General Statutes also can be found in this part of the statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the City's financial status as a whole.

The two government-wide statements report the City's net position and how it has changed. Net position is the difference between the City's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the City's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities; and 2) business-type activities. The governmental activities include most of the City's basic services such as public safety, public works (streets, sanitation and stormwater), code enforcement, parks and recreation, and general administration. Sales and property taxes and State and federal grant funds finance most of these activities. The business-type activities are those that the City charges customers to provide. These include the sewer services offered by the City of Trinity.

The government-wide financial statements are Exhibits 1 and 2 of this report.

Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the City's most significant activities. 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 City of Trinity, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the City's budget ordinance. All of the funds of City of Trinity can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the City's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The City of Trinity adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the City, the management of the City, and the decisions of the Council about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the City complied with the budget ordinance and whether or not the City succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the council; 2) the final budget as amended by the council; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

Proprietary Fund – The City of Trinity has a proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Trinity uses the enterprise fund to account for its sewer activity. This fund is the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 24 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the City of Trinity's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 48 of this report.

Interdependence with Other Entities: The City depends on financial resources flowing from, or associated with, both the federal government and the State of North Carolina. Because of this dependency, the City is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Government-Wide Financial Analysis

City of Trinity's Net Position

Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	$ 13,709,060	$ 12,085,396	$ 559,918	$ 892,598	$ 14,268,978	$ 12,977,994
Capital assets	3,061,227	2,831,948	23,343,781	22,947,476	26,405,008	25,779,424
Deferred outflows of resources	129,378	86,643	58,127	37,701	187,505	124,344
Total assets and deferred outflows of resources	16,899,665	15,003,987	23,961,826	23,877,775	40,861,491	38,881,762
Long-term liabilities outstanding	181,784	50,652	11,406,754	11,675,694	11,588,538	11,726,346
Other liabilities	2,302,155	1,138,574	400,379	372,400	2,702,534	1,510,974
Deferred inflows of resources	3,095	77,407	1,391	33,682	4,486	111,089
Total liabilities and deferred inflows of resources	2,487,034	1,266,633	11,808,524	12,081,776	14,295,558	13,348,409
Net position:						
Net investment in capital assets	3,061,227	2,831,948	11,690,127	10,975,251	14,751,354	13,807,199
Restricted	4,640,998	2,927,829	-	-	4,640,998	2,927,829
Unrestricted	6,710,406	7,977,577	463,175	820,748	7,173,581	8,798,325
Total net position	$ 14,412,631	$ 13,737,354	$ 12,153,302	$ 11,795,999	$ 26,565,933	$ 25,533,353

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the City of Trinity exceeded liabilities and deferred inflows by $26,565,933 as of June 30, 2023. The City's net position increased by $1,032,580 for the fiscal year ended June 30, 2023. However, the largest portion (55.53%) reflects the City's net investment in capital assets (e.g. land, buildings, machinery, and equipment). The City of Trinity uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Trinity's net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the City of Trinity's net position, $4,640,998 represents resources that are subject to external restrictions on how they may be used. The remaining balance of $7,173,581 is unrestricted.

Some particular aspects of the City of Trinity's financial operations positively influenced the total unrestricted governmental net position:

- Continued diligence in the collection of property taxes by Randolph County in maintaining a tax collection rate of 99.23% in 22-23, which was better than the statewide average of 99.13%.

- Continued diligence in monitoring and evaluating options for reducing expenditures without adversely affecting services.

City of Trinity's Changes in Net Position
Figure 3

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	$ 512,461	$ 507,555	$ 1,220,734	$ 1,137,617	$ 1,733,195	$ 1,645,172
Operating grants and contributions	190,895	285,269	-	7,893	190,895	293,162
Capital grants and contributions	-	-	760,120	293,715	760,120	293,715
General revenues:						
Property taxes	694,792	675,463	-	-	694,792	675,463
Other taxes	44,190	40,380	-	-	44,190	40,380
Grants and contributions not restricted to specific programs	2,918,113	2,621,406	-	-	2,918,113	2,621,406
Other	60,673	8,900	18,320	1,119	78,993	10,019
Total revenues	4,421,124	4,138,973	1,999,174	1,440,344	6,420,298	5,579,317
Expenses:						
General government	1,149,232	767,969	-	-	1,149,232	767,969
Public safety	452,642	171,316	-	-	452,642	171,316
Public services	826,351	909,818	-	-	826,351	909,818
Economic development	13,852	111,000	-	-	13,852	111,000
Special appropriations	17,620	20,126	-	-	17,620	20,126
Interest on long-term debt	-	-	-	-	-	-
Water and sewer	-	-	2,928,021	2,538,717	2,928,021	2,538,717
Total expenses	2,459,697	1,980,229	2,928,021	2,538,717	5,387,718	4,518,946
Increase (decrease) in net position before transfers	1,961,427	2,158,744	(928,847)	(1,098,373)	1,032,580	1,060,371
Transfers	(1,286,150)	(1,377,413)	1,286,150	1,377,413	-	-
Increase (decrease) in net position	675,277	781,331	357,303	279,040	1,032,580	1,060,371
Net position, beginning	13,737,354	12,956,023	11,795,999	11,516,959	25,533,353	24,472,982
Net position, June 30	$ 14,412,631	$ 13,737,354	$ 12,153,302	$ 11,795,999	$ 26,565,933	$ 25,533,353

Governmental activities. Governmental activities increased the City's net position by $675,277. Key elements of this increase are as follows:

- Governmental activities reflect a net increase of $1,961,427 prior to transfers due to increase Randolph County's property tax reevaluation resulting in additional Ad Valorem revenue. The net increase of $675,277 is a result of General Fund savings of revenues collected over expenditures after transfers.

Business-type activities. Business-type activities increased the City of Trinity's net position by $357,303. Key elements of this increase are as follows:

- Increase in sales and services provided to Trinity residents. The net increase of $357,303 is a result of Sewer Fund savings of revenues collected over expenditures.

Financial Analysis of the City's Funds

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

Governmental Funds. The focus of the City of Trinity's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the City of Trinity's financing requirements.

The general fund is the chief operating fund of the City of Trinity. At the end of the current fiscal year, the City of Trinity's fund balance available in the General Fund was $6,526,290, while total fund balance reached $11,345,506. The City currently has an available fund balance of 165.13% of general fund expenditures, and total fund balance represents 287.07% of the same amount.

At June 30, 2023, the governmental funds of the City of Trinity reported a combined fund balance of $11,423,886 with a net increase in fund balance of $470,337. Included in this change in fund balance is an increase in fund balance in the General Fund of $466,873 and an increase in the Parks and Recreation Fund of $1,749.

General Fund Budgetary Highlights. During the fiscal year, the City revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

Proprietary Funds. The City of Trinity's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Sewer Fund at the end of the fiscal year amounted to a $463,175. The total increase in net position for the fund was $357,303. The major changes in net position in the Sewer Fund are a result of increase in charges for services and grants received.

Capital Asset and Debt Administration

Capital assets. The City of Trinity's investment in capital assets for its governmental and business–type activities as of June 30, 2023, totals $26,405,008 (net of accumulated depreciation). These assets include land, construction in progress, buildings, sewer lines, equipment, and vehicles.

Major capital asset transactions during the year include the following:

- Steeplegate Forcemain Project
- Polaris Off-Road Vehicle

City of Trinity's Capital Assets
(net of depreciation)

Figure 4

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	$ 1,023,556	$ 680,672	$ 14,186	$ 14,186	$ 1,037,742	$ 694,858
Building and improvements	915,556	956,225	3,346	3,492	918,902	959,717
Land improvements	55,262	56,904	-	-	55,262	56,904
Furniture and equipment	29,177	57,407	27,996	7,824	57,173	65,231
Sewer system	-	-	22,149,383	22,531,391	22,149,383	22,531,391
Construction in progress	13,665	13,665	1,139,193	379,073	1,152,858	392,738
Vehicles	21,442	28,283	9,677	11,510	31,119	39,793
Infastructure	1,002,569	1,038,792	-	-	1,002,569	1,038,792
Total	$ 3,061,227	$ 2,831,948	$ 23,343,781	$ 22,947,476	$ 26,405,008	$ 25,779,424

Additional information on the City's capital assets can be found in Note II.A.3 of the Basic Financial Statements.

Long-term Debt. As of June 30, 2023, the City of Trinity had total debt outstanding of $28,005 for compensated absences, $11,233,093 for general obligation bonds, $420,561 for a Sewer AARA note payable, and $263,455 of net pension liability. These are backed by the full faith and credit of the City.

City of Trinity's Outstanding Debt

Figure 5

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Compensated absences	$ 28,005	$ 20,939	$ -	$ -	$ 28,005	$ 20,939
Sewer AARA note payable	-	-	420,561	473,132	420,561	473,132
General obligation bond	-	-	1,432,000	1,468,000	1,432,000	1,468,000
General obligation bond	-	-	3,261,919	3,351,919	3,261,919	3,351,919
General obligation bond	-	-	3,937,609	4,027,609	3,937,609	4,027,609
General obligation bond	-	-	2,601,565	2,651,565	2,601,565	2,651,565
Net pension liability	181,784	50,652	81,671	22,040	263,455	72,692
Total	$ 209,789	$ 71,591	$ 11,735,325	$ 11,994,265	$ 11,945,114	$ 12,065,856

City of Trinity's Outstanding Debt

The City of Trinity's total debt decreased by $120,742 (0.10%) during the past fiscal year, primarily due to the payment of bonds.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for City of Trinity is $55,134,079.

Additional information regarding the City of Trinity's long-term debt can be found in Note III.B.5 of this report.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the growth and prosperity of the City.

- Continued residential growth in the City of Trinity.

Budget Highlights for the Fiscal Year Ending June 30, 2024

Governmental Activities: For the eighteenth consecutive year, the property tax rate will remain at $.10/$100 property valuation. The greatest source of revenue comes from sales and use tax which is expected to total $1,892,252.

There will be a 59.06% of sales tax revenue, or about $1,115,544 will be restricted to pay costs and debt service on sewer projects funded in part by GO bonds.

Requests for Information

This report is designed to provide an overview of the City's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to Crystal Postell, Finance Director, City of Trinity, PO Box 50, 5978 NC Highway 62, Trinity, NC 27370; (336) 431-2180; cpostell@trinity-nc.gov ; www.trinity-nc.gov.

Basic Financial Statements

Government-Wide Financial Statements

Exhibit 1

City of Trinity, North Carolina
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 7,514,333	$ 1,934,223	$ 9,448,556
Taxes receivables (net)	11,024	-	11,024
Accounts receivable (net)	-	121,589	121,589
Due from other governments	616,738	1,119,714	1,736,452
Internal balances	2,615,608	(2,615,608)	-
Restricted cash and cash equivalents	2,951,357	-	2,951,357
Total current assets	13,709,060	559,918	14,268,978
Non-current assets:			
Capital assets:			
Land, non-depreciable improvements, and construction in progress	1,037,221	1,153,379	2,190,600
Other capital assets, net of depreciation	2,024,006	22,190,402	24,214,408
Total capital assets	3,061,227	23,343,781	26,405,008
Total assets	16,770,287	23,903,699	40,673,986
DEFERRED OUTFLOWS OF RESOURCES			
Pension deferrals	129,378	58,127	187,505
Total deferred outflows of resources	129,378	58,127	187,505
LIABILITIES			
Current liabilities:			
Accounts payable	179,235	71,808	251,043
Unearned revenue	2,094,915	-	2,094,915
Current portion of long-term liabilities	28,005	328,571	356,576
Total current liabilities	2,302,155	400,379	2,702,534
Long-term liabilities:			
Net pension liability	181,784	81,671	263,455
Due in more than one year	-	11,325,083	11,325,083
Total liabilities	2,483,939	11,807,133	14,291,072
DEFERRED INFLOWS OF RESOURCES			
Pension deferrals	3,095	1,391	4,486
Total deferred inflows of resources	3,095	1,391	4,486
NET POSITION			
Net investment in capital assets	3,061,227	11,690,127	14,751,354
Restricted for:			
Stablilization by State Statute	3,784,704	-	3,784,704
Public Safety	150,000	-	150,000
Streets	706,294	-	706,294
Unrestricted	6,710,406	463,175	7,173,581
Total net position	$ 14,412,631	$ 12,153,302	$ 26,565,933

The notes to the financial statements are an integral part of this statement.

Exhibit 2

City of Trinity, North Carolina
Statement of Activities
For the Year Ended June 30, 2023

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Total**
Governmental Activities:							
General government	$ 1,149,232	$ -	$ 10,400	$ -	$ (1,138,832)	$ -	$ (1,138,832)
Public safety	452,642	-	-	-	(452,642)	-	(452,642)
Public services	826,351	509,161	180,495	-	(136,695)	-	(136,695)
Economic development	13,852	3,300	-	-	(10,552)	-	(10,552)
Special appropriations	17,620	-	-	-	(17,620)	-	(17,620)
Total governmental activities	2,459,697	512,461	190,895	-	(1,756,341)	-	(1,756,341)
Business-type activities:							
Sewer	2,928,021	1,220,734	-	760,120	-	(947,167)	(947,167)
Total business-type activities	2,928,021	1,220,734	-	760,120	-	(947,167)	(947,167)
Total government	$ 5,387,718	$ 1,733,195	$ 190,895	$ 760,120	(1,756,341)	(947,167)	(2,703,508)
General revenues:							
Taxes:							
Property taxes, levied for general purpose					694,792	-	694,792
Other taxes					44,190	-	44,190
Unrestricted intergovernmental revenues					2,918,113	-	2,918,113
Unrestricted investment earnings					57,220	18,320	75,540
Miscellaneous					3,453	-	3,453
Total general revenues not including transfers					3,717,768	18,320	3,736,088
Transfers					(1,286,150)	1,286,150	-
Total general revenues and transfers					2,431,618	1,304,470	3,736,088
Change in net position					675,277	357,303	1,032,580
Net position, beginning					13,737,354	11,795,999	25,533,353
Net position, ending					$ 14,412,631	$ 12,153,302	$ 26,565,933

The notes to the financial statements are an integral part of this statement.

Fund Financial Statements

Exhibit 3

City of Trinity, North Carolina
Balance Sheet
Governmental Funds
June 30, 2023

	Major Funds			
	General	American Rescue Plan Act Special Revenue Fund	Total Non-Major Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 7,389,112	$ 1,715	$ 123,506	$ 7,514,333
Restricted cash and cash equivalents	856,294	2,095,063	-	2,951,357
Receivables, net:				
Taxes	11,024	-	-	11,024
Due from other governments	616,738	-	-	616,738
Due from other funds	3,167,966	-	-	3,167,966
Total assets	12,041,134	2,096,778	123,506	14,261,418
LIABILITIES				
Accounts payable and accrued liabilities	179,235	-	-	179,235
Unearned revenue	-	2,094,915	-	2,094,915
Due to other funds	505,369	-	46,989	552,358
Total liabilities	684,604	2,094,915	46,989	2,826,508
DEFERRED INFLOWS OF RESOURCES				
Property taxes receivable	11,024	-	-	11,024
Total deferred inflows of resources	11,024	-	-	11,024
FUND BALANCES				
Restricted				
Stabilization by State statute	3,784,704	-	-	3,784,704
Public Safety	150,000	-	-	150,000
Streets	706,294	-	-	706,294
Committed				
Parks and Recreation	-	-	76,517	76,517
Special Revenue Funds	-	1,863	-	1,863
Assigned				
Subsequent year's expenditures	178,218	-	-	178,218
Unassigned	6,526,290	-	-	6,526,290
Total fund balances	11,345,506	1,863	76,517	11,423,886
Total liabilities, deferred inflows of resources and fund balances	$ 12,041,134	$ 2,096,778	$ 123,506	

Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical cost	$ 4,309,696	
Accumulated depreciation	(1,248,469)	3,061,227
Deferred outflows of resources related to pensions are not reported in the funds		129,378
Earned revenues considered deferred inflows of resources in fund statements.		11,024
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds.		
Compensated absences		(28,005)
Net pension liability		(181,784)
Deferred inflows of resources related to pensions are not reported in the funds		(3,095)
Net position of governmental activities		$ 14,412,631

The notes to the financial statements are an integral part of this statement.

Exhibit 4

City of Trinity, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2023

	Major Funds			
	General Fund	American Rescue Plan Act Special Revenue Fund	Total Non-Major Funds	Total Governmental Funds
REVENUES				
Ad valorem taxes	$ 697,980	$ -	$ -	$ 697,980
Other taxes and licenses	44,190	-	-	44,190
Unrestricted intergovernmental	2,918,113	-	-	2,918,113
Restricted intergovernmental	180,495	10,400	-	190,895
Sales and services	509,161	-	-	509,161
Investment earnings	55,322	1,715	183	57,220
Miscellaneous	3,453	-	3,300	6,753
Total revenues	4,408,714	12,115	3,483	4,424,312
EXPENDITURES				
Current:				
General government	1,391,848	-	1,734	1,393,582
Public safety	452,642	-	-	452,642
Public services	790,129	-	-	790,129
Economic development	13,852	-	-	13,852
Special appropriations	17,620	-	-	17,620
Total expenditures	2,666,091	-	1,734	2,667,825
Excess (deficiency) of revenues over expenditures	1,742,623	12,115	1,749	1,756,487
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	10,400	-	-	10,400
Transfers to other funds	(1,286,150)	(10,400)	-	(1,296,550)
Total other financing sources (uses)	(1,275,750)	(10,400)	-	(1,286,150)
Net change in fund balance	466,873	1,715	1,749	470,337
Fund balances, beginning	10,878,633	148	74,768	
Fund balances, ending	$ 11,345,506	$ 1,863	$ 76,517	

The notes to the financial statements are an integral part of this statement.

(cont)

City of Trinity, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2023

Amounts reported for governmental activities in the statement of activities are different because:		
Net changes in fund balances - total governmental funds		$ 470,337
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 capital outlays depreciation in the current period.		
Capital outlay expenditures which were capitalized	$ 342,884	
Depreciation expense for governmental assets	(113,605)	229,279
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		37,812
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Change in unavailable revenue for tax revenues		(3,188)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated absences		(7,066)
Pension expense		(51,897)
Total changes in net position of governmental activities		$ 675,277

The notes to the financial statements are an integral part of this statement.

Exhibit 5

City of Trinity, North Carolina
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	General Fund			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Ad valorem taxes	$ 664,250	$ 664,250	$ 697,980	$ 33,730
Other taxes and licenses	23,000	23,000	44,190	21,190
Unrestricted intergovernmental	2,015,478	2,015,478	2,918,113	902,635
Restricted intergovernmental	180,700	180,700	180,495	(205)
Sales and services	485,000	485,000	509,161	24,161
Investment earnings	9,200	9,200	55,322	46,122
Miscellaneous	-	-	3,453	3,453
Total revenues	3,377,628	3,377,628	4,408,714	1,031,086
Expenditures:				
Current:				
General government	1,362,450	1,703,700	1,391,848	311,852
Public safety	189,012	479,712	452,642	27,070
Public services	910,850	910,850	790,129	120,721
Economic development	11,600	13,940	13,852	88
Special appropriations	67,746	67,746	17,620	50,126
Total expenditures	2,541,658	3,175,948	2,666,091	509,857
Revenues over expenditures	835,970	201,680	1,742,623	1,540,943
Other financing sources (uses):				
Transfers from other funds	-	-	10,400	10,400
Transfers to other funds	(1,286,150)	(1,286,150)	(1,286,150)	-
Total other financing sources (uses)	(1,286,150)	(1,286,150)	(1,275,750)	10,400
Fund balance appropriated	450,180	1,084,470	-	(1,084,470)
Net change in fund balance	$ -	$ -	466,873	$ 466,873
Fund balances, beginning			10,878,633	
Fund balances, ending			$ 11,345,506	

The notes to the financial statements are an integral part of this statement.

Exhibit 6

City of Trinity, North Carolina
Statement of Fund Net Position
Proprietary Fund
June 30, 2023

	Major Enterprise Fund	
	Sewer Fund	Total
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,934,223	$ 1,934,223
Accounts receivable, net	121,589	121,589
Due from other governments	1,119,714	1,119,714
Due from other funds	664,658	664,658
Restricted cash and cash equivalents	-	-
Total current assets	3,840,184	3,840,184
Noncurrent assets:		
Capital assets:		
Land and other non-depreciable assets	1,153,379	1,153,379
Other capital assets, net of depreciation	22,190,402	22,190,402
Total capital assets	23,343,781	23,343,781
Total noncurrent assets	23,343,781	23,343,781
Total assets	27,183,965	27,183,965
DEFERRED OUTFLOWS OF RESOURCES		
Pension deferrals	58,127	58,127
Total deferred outflows of resources	58,127	58,127
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	71,808	71,808
Due to other funds	3,280,266	3,280,266
Sewer AARA note payable - current	52,571	52,571
General obligation bonds payable - current	276,000	276,000
Total current liabilities	3,680,645	3,680,645
Noncurrent liabilities:		
Net pension liability	81,671	81,671
Sewer AARA note payable - noncurrent	367,990	367,990
General obligation bonds payable - noncurrent	10,957,093	10,957,093
Total noncurrent liabilities	11,406,754	11,406,754
Total liabilities	15,087,399	15,087,399
DEFERRED INFLOWS OF RESOURCES		
Pension deferrals	1,391	1,391
Total deferred inflows of resources	1,391	1,391
NET POSITION		
Net investment in capital assets	11,690,127	11,690,127
Unrestricted	463,175	463,175
Total net position	$ 12,153,302	$ 12,153,302

The notes to the financial statements are an integral part of this statement.

Exhibit 7

City of Trinity, North Carolina
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
For the Year Ended June 30, 2023

	Major Enterprise Fund	
	Sewer Fund	**Total**
OPERATING REVENUES		
Charges for services	$ 1,086,458	$ 1,086,458
Tap fees	132,000	132,000
Miscellaneous	2,276	2,276
Total operating revenues	1,220,734	1,220,734
OPERATING EXPENSES		
Other operating expenses	1,722,393	1,722,393
Depreciation	788,659	788,659
Total operating expenses	2,511,052	2,511,052
Operating income (loss)	(1,290,318)	(1,290,318)
NONOPERATING REVENUES (EXPENSES)		
Investment earnings	18,320	18,320
Interest and other charges	(416,969)	(416,969)
Total nonoperating revenue (expenses)	(398,649)	(398,649)
Income (loss) before contributions and transfers	(1,688,967)	(1,688,967)
Capital contributions	760,120	760,120
Transfers from other funds	1,286,150	1,286,150
Transfers to other funds	-	-
Change in net position	357,303	357,303
Total net position, beginning	11,795,999	11,795,999
Total net position, ending	$ 12,153,302	$ 12,153,302

The notes to the financial statements are an integral part of this statement.

Exhibit 8

City of Trinity, North Carolina
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2023

	Major Enterprise Fund	
	Sewer Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	$ 1,199,824	$ 1,199,824
Cash paid to suppliers	(1,718,829)	(1,718,829)
Net cash provided (used) by operating activities	(519,005)	(519,005)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Decrease in due to (from) other funds	1,465,699	1,465,699
Transfers from other funds	1,286,150	1,286,150
Transfers to other funds	-	-
Net cash flows provided (used) by noncapital financing activities	2,751,849	2,751,849
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(1,163,636)	(1,163,636)
Principal paid on bond maturities	(266,000)	(266,000)
Principal paid on Sewer AARA note payable	(52,571)	(52,571)
Capital contributions	7,893	7,893
Interest paid on bonds	(416,969)	(416,969)
Net cash provided (used) by capital and related financing activities	(1,891,283)	(1,891,283)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest	18,320	18,320
Net increase (decrease) in cash and cash equivalents	359,881	359,881
Balance, beginning	1,574,342	1,574,342
Balance, ending	$ 1,934,223	$ 1,934,223
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital contributions by accounts receivable	$ 760,120	$ 760,120
Purchases of capital assets by accounts payable	$ 44,461	$ 44,461

cont.

Exhibit 8

City of Trinity, North Carolina
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2023

	Major Enterprise Fund	
	Sewer Fund	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities		
Operating income (loss)	$ (1,290,318)	$ (1,290,318)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	788,659	788,659
Changes in assets and liabilities:		
(Increase) in accounts receivable	(20,910)	(20,910)
(Increase) in deferred outflows of resources - pensions	(20,426)	(20,426)
Increase in net pension liability	59,631	59,631
(Decrease) in deferred inflows of resources - pensions	(32,291)	(32,291)
(Decrease) in accounts payable and accrued liabilities	(3,350)	(3,350)
Total adjustments	771,313	771,313
Net cash provided (used) by operating activities	$ (519,005)	$ (519,005)

The notes to the financial statements are an integral part of this statement.

Notes to the Financial Statements

I. Summary of Significant Accounting Policies

The accounting policies of the City of Trinity conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The City of Trinity is a municipal corporation that is governed by an elected mayor and a five-member council.

B. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds. Separate statements for each fund category – *governmental and proprietary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies result from non-exchange transactions. Other non-operating revenues are ancillary activities such as investment earnings.

The City reports the following major governmental funds:

General Fund. The general fund is the general operating fund of the City. The general fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, State grants, and various other taxes and licenses. The primary expenditures are for public safety, planning and engineering services.

American Rescue Plan Act Special Revenue Fund. This fund accounts for the transactions related to the American Rescue Plan Funds.

The City reports the following non-major governmental fund:

Parks and Recreation Capital Projects Fund. This fund is used to account for funds to be used for the construction of a city park.

The City reports the following major enterprise fund:

Sewer Fund. This fund is used to account for the City's sewer operations. A sewer capital projects fund has been consolidated into the sewer fund for financial reporting purposes. The budgetary comparison for the sewer capital projects fund has been included in the supplemental information.

C. Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the City are maintained during the year using the modified accrual basis of accounting.

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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 non-operating 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 City enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the sewer 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 non-operating revenues and expenses.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The City considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the utilities sales tax, collected and held by the State at year-end on behalf of the City are recognized as revenue. Sales taxes are considered a shared revenue for the City of Trinity because the tax is levied by Randolph County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then general revenues.

D. Budgetary Data

The City's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the general fund, parks and recreation fund and the sewer fund. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the ARPA Special revenue fund and the sewer capital projects fund. The enterprise fund project is consolidated with its respective operating fund for reporting purposes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the project level for the multi-year funds. All amendments must be approved by the governing board and the Board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity

1. Deposits and Investments

All deposits of the City are made in board-designated official depositories and are secured as required by State law [G.S. 159-31]. The City may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the City may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the City to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States, obligations of the State of North Carolina, bonds and notes of any North Carolina local government or public authority, obligations of certain non-guaranteed federal agencies, certain high quality issues of commercial paper and bankers' acceptances, and the North Carolina Capital Management Trust (NCCMT). The City's investments are reported at fair value. Non-participating interest earning contracts are accounted for at cost. The NCCMT Government Portfolio, a SEC-registered (2a-7) external investment pool, is measured at fair value.

2. Cash and Cash Equivalents

The City pools money from several funds to facilitate disbursement and investment and to maximize investment income and considers all cash and investments to be cash and cash equivalents.

3. Restricted Assets

Powell Bill funds are classified as restricted cash because they can be expended only for the purposes outlined in G.S. 136-41.1 through 136-41.4.

City of Trinity Restricted Cash

Governmental Activities		
General Fund	Streets	$ 706,294
General Fund	Public Safety	150,000
ARPA Special Revenue Fund	Unassigned proceeds	2,095,063
Total governmental activities		$ 2,951,357
Business-type Activities		
Water and Sewer Fund		-
Total Business-type Activities		-
Total Restricted Cash		$ 2,951,357

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the City levies ad valorem taxes on property other than motor vehicles on July 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2022. As allowed by State law, the City has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the City's general fund, ad valorem tax revenues are reported net of such discounts.

5. Allowances for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

6. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years.

Minimum capitalization costs are as follows:

Asset Class	Cost
Land	$ 1
Sewer easements, lines and improvements	1
General buildings and improvements	5,000
Computers and equipment	5,000
Furnishings and vehicles	5,000
Sewer buildings and equipment	5,000
Streets and infrastructure	20,000

Donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Sewer easements, lines and improvements	40
General buildings and improvements	30
Computers and equipment	4
Furnishings and vehicles	10
Sewer buildings and equipment	40
Streets and infrastructure	40

7. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The City has one item that meets this criterion, pension deferrals in the 2023 fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The City has two items that meet the criterion for this category - property taxes receivable and pension deferrals.

8. 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. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the debt.

In 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 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.

9. Compensated Absences

The vacation policy of the City provides for the accumulation of up to 240 hours earned vacation leave with such leave being fully vested when earned. For the City's government-wide fund, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The City has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The City's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the City does not have any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

10. Reimbursements for Pandemic-related Expenditures

In FY 2020/21, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for the eligible state, local, territorial, and tribal governments. The Town was allocated $2,105,315 of fiscal recovery funds to be paid in two equal installments. The first installment of $1,052,658 was received in July 2021. The second installment was received in July 2022. The City of Trinity city council has elected to use $10,400 of the ARPA funds for premium pay and $2,094,915 of the funds for a sewer capital project. The City transferred $10,400 to the General fund from the American Rescue Plan Act Special Revenue Fund during the year ended June 30, 2023. As of June 30, 2023, the unused funds of $2,094,915 are classified as unearned revenue.

11. Net Position/Fund Balances

Net Position

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets, restricted, and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

Fund Balances

In the governmental fund financial statements, fund balance is composed of three classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

Restricted Fund Balance – This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for Stabilization by State statute - North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". *Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget.* Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

Restricted for Streets - Powell Bill portion of fund balance that is restricted by revenue source for street construction and maintenance expenditures. This amount represents the balance of the total unexpended Powell Bill funds.

Restricted for Public Safety – portion of fund balance that is restricted by revenue source for public safety. This amount represents the balance of the total unexpended State Capital and Infrastructure (SCIF) grant proceeds.

Committed Fund Balance – portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the City of Trinity's governing body (highest level of decision-making authority). The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Committed for Parks and Recreation – portion of fund balance that has been budgeted by the Board for parks and recreation.

Committed for American Rescue Plan Act Special Revenue Fund – This grant project ordinance accounts for the funds received under the American Rescue Plan Act of 2021 Coronavirus State and Local Fiscal Recovery Funds.

Assigned fund balance – portion of fund balance that City of Trinity intends to use for specific purposes.

Subsequent year's expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed.

Unassigned fund balance – the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

The City of Trinity has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-city funds, city funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the City.

12. Defined Benefit Cost-Sharing Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The City of Trinity's employer contributions are recognized when due and the City of Trinity has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

II. Detail Notes on All Funds

A. Assets

1. Deposits

All the deposits of the City are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the City's agent in the unit's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the City, these deposits are considered to be held by the City's agent in its name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the City, or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the City under the Pooling Method, the potential exists for under-collateralization. This risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The City has no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The City complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2023, the City's deposits had a carrying amount of $10,696,260 and a bank balance of $10,720,232. Of the bank balance, $500,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. At June 30, 2023, the City's petty cash fund totaled $125.

2. Investments

At June 30, 2023, the City of Trinity had $1,703,528 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAm by Standard and Poor's. The City has no policy regarding credit risk.

3. Capital Assets

Primary Government

Capital asset activity for the Primary Government for the year ended June 30, 2023, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 680,672	$ 342,884	$ -	$ 1,023,556
Construction in progress	13,665	-	-	13,665
Total capital assets not being depreciated	694,337	342,884	-	1,037,221
Capital assets being depreciated:				
Buildings and improvements	1,308,854	-	-	1,308,854
Land improvements	65,698	-	-	65,698
Furniture and equipment	371,895	-	4,000	367,895
Vehicles	97,499	-	16,366	81,133
Infastructure	1,448,895	-	-	1,448,895
Total capital assets being depreciated	3,292,841	-	20,366	3,272,475
Less accumulated depreciation for:				
Buildings and improvements	352,629	40,669	-	393,298
Land improvements	8,794	1,642	-	10,436
Furniture and equipment	314,488	28,230	4,000	338,718
Vehicles	69,216	6,841	16,366	59,691
Infastructure	410,103	36,223	-	446,326
Total accumulated depreciation	1,155,230	113,605	20,366	1,248,469
Total capital assets being depreciated, net	2,137,611			2,024,006
Governmental activity capital assests, net	$ 2,831,948			$ 3,061,227

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

General government	$ 77,383
Public Works	36,222
Total depreciation expense	$ 113,605

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
Sewer Fund				
Capital assets not being depreciated:				
Land	$ 14,186	$ -	$ -	$ 14,186
Construction in progress	379,073	760,120	-	1,139,193
Total capital assets not being depreciated	393,259	760,120	-	1,153,379
Capital assets being depreciated:				
Sewer system	30,799,951	391,251	-	31,191,202
Buildings	4,367	-	-	4,367
Equipment	117,980	33,593	4,000	147,573
Vehicles	31,057	-	-	31,057
Total capital assets being depreciated	30,953,355	424,844	4,000	31,374,199
Less accumulated depreciation for:				
Sewer system	8,268,560	773,259	-	9,041,819
Buildings	875	146	-	1,021
Equipment	110,156	13,421	4,000	119,577
Vehicles	19,547	1,833	-	21,380
Total accumulated depreciation	8,399,138	788,659	4,000	9,183,797
Total capital assets being depreciated, net	22,554,217			22,190,402
Sewer Fund capital assets, net	$ 22,947,476			$ 23,343,781

B. Liabilities

1. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

Plan Description. The City of Trinity is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. City of Trinity employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The City of Trinity's contractually required contribution rate for the year ended June 30, 2023, was 12.10% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the City of Trinity were $54,703 for the year ended June 30, 2023.

Refunds of Contributions – City employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2023, the City reported a liability of $263,455 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions. The City's proportion of the net pension liability was based on a projection of the City's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2022, the City's proportion was 0.00467%, which was a decrease of 0.00007% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the City recognized pension expense of $75,703. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 11,352	$ 1,113
Changes of assumptions	26,287	-
Net difference between projected and actual earnings on pension plan investments	87,075	-
Changes in proportion and differences between City contributions and proportionate share of contributions	8,088	3,373
City contributions subsequent to the measurement date	54,703	-
Total	$ 187,505	$ 4,486

$54,703 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2024	$ 40,516
2025	36,444
2026	9,871
2027	41,484
2028	-
Thereafter	-

Actuarial Assumptions. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	33.0%	0.9%
Global Equity	38.0%	6.5%
Real Estate	8.0%	5.9%
Alternatives	8.0%	8.2%
Credit	7.0%	5.0%
Inflation Protection	6.0%	2.7%
Total	100%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2022 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.50%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 6.50 percent, as well as what the City's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50 percent) or one percentage point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
City's proportionate share of the net pension liability (asset)	$ 475,502	$ 263,455	$ 88,716

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

Total Expense, Liabilities, and Deferred Outflows and Inflows of Resources of Related to Pensions

Following is information related to the proportionate share and pension expense for all pension plans:

	LGERS	Total
Pension Expense	$ 75,703	$ 75,703
Pension Liability	263,455	263,455
Proportionate share of the net pension liability	0.00467%	
Deferred of Outflows of Resources		
Differences between expected and actual experience	11,352	11,352
Changes of assumptions	26,287	26,287
Net difference between projected and actual earnings on plan investments	87,075	87,075
Changes in proportion and differences between contributions and proportionate share of contributions	8,088	8,088
Benefit payments and administrative costs paid subsequent to the measurement date	54,703	54,703
Deferred of Inflows of Resources		
Differences between expected and actual experience	1,113	1,113
Changes of assumptions	-	-
Net difference between projected and actual earnings on plan investments	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	3,373	3,373

2. Deferred Outflows and Inflows of Resources

The City has several deferred outflows of resources. Deferred outflows of resources is comprised of the following:

Source	Amount
Contributions to pension plan in current fiscal year	$ 54,703
Differences between expected and actual experience	11,352
Changes of assumptions	26,287
Net difference between projected and actual	87,075
Changes in proportion and differences between employer contributions and proportionate share of contributions	8,088
Total	$ 187,505

Deferred inflows of resources at year-end is comprised of the following:

	Statement of Net Position	General Fund Balance Sheet
Taxes receivable, less penalties (General Fund)	$ -	$ 11,024
Differences between expected and actual experience	1,113	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,373	-
Total	$ 4,486	$ 11,024

3. Risk Management

The City 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 City participates in three self-funded risk-financing pools administered by the North Carolina League of Municipalities. Through these pools, the City obtains general liability and auto liability coverage of $1 million per occurrence, property coverage up to the total insured values of the property policy, workers' compensation coverage up to statutory limits, and employee health coverage. The liability and property exposures are reinsured through commercial carriers for claims in excess of retentions as selected by the Board of Trustees each year. Excess insurance coverage is purchased by the Board of Trustees to protect against large workers' compensation

claims that exceed certain dollar cost levels. Medical stop loss insurance is purchased by the Board of Trustees to protect against large medical claims that exceed certain dollar cost levels. Specific information on the limits of the reinsurance, excess and stop loss policies purchased by the Board of Trustees can be obtained by contacting the Risk Management Services Department of the NC League of Municipalities. The pools are audited annually by certified public accountants, and the audited financial statements are available to the City upon request.

The City carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years.

The City is eligible to and has purchased limited commercial flood insurance for $5,000,000 of maximum coverage.

In accordance with G.S. 159-29, the City's employees that have access to $100 or more at any given time of the City's funds are performance bonded through a commercial surety bond. The finance officer is bonded for $50,000. The remaining employees that have access to funds are bonded under a blanket bond for $125,000.

4. Commitments

The City has entered into an agreement with the City of Thomasville which operates their wastewater system to pay for the cost of a wastewater treatment plant upgrade. The City of Trinity's payment (which is approximately 29.3% of the total debt service cost) began in May 2009 and will be approximately $500,000 annually for 20 years. Total payments to the City of Thomasville for the year were $498,168.

The City has entered into an agreement with the City of High Point which operates their wastewater system to pay for the cost of a wastewater treatment plant upgrade. The City of Trinity's payment (which is approximately 10% of the total debt service cost) began in October 2023 and will be approximately $366,500 annually for 20 years and required an Initial Capital Contribution of 10% of the total cost of $560,000. Total payments to the City of High Point for the year were $274,872 for debt service costs and $560,000 for the Initial Capital Contribution.

The City has entered into an agreement for solid waste collection expiring in December 2025 for approximately $335,000 per year.

5. Long-Term Obligations

a. Sewer AARA Note Payable

In November 2009, the City issued a $2,403,400 promissory note to the Clean Water Revolving Fund as part of the American Recovery and Reinvestment Act of 2009 (AARA) to help with construction of its sanitary sewer project. As part of the AARA, the unpaid principal (total of $2,102,823) was immediately reduced at the completion of the project by one-half of the loan amount. The amount of principal forgiveness was $1,051,412 bringing the unpaid amount of the

note to $1,051,411. Interest accrues at the rate of 0% on the unpaid principal. The principal is being repaid in 20 annual installments of $52,571 beginning May 1, 2012. $420,561

Year Ending June 30	Principal	Interest
2024	$ 52,571	$ -
2025	52,571	-
2026	52,571	-
2027	52,571	-
2028	52,571	-
2029-2031	157,706	-
Total	$ 420,561	$ -

b. General Obligation Indebtedness

$14,877,000 of the City's general obligation bonds have been issued to finance the construction of the sewer system and will be retired by its resources and will be reported as long-term debt in the sewer fund. All general obligation bonds are collateralized by the full faith, credit, and taxing power of the City. Principal and interest payments will be appropriated when due.

General Obligation Bonds outstanding at June 30, 2023

$1,824,000 2008 USDA Sanitary Sewer Bond issued April 21, 2008, and due in annual installments plus interest at 4.375%. $1,432,000

Year Ending June 30	Principal	Interest
2024	$ 38,000	$ 62,650
2025	40,000	60,988
2026	41,000	59,238
2027	43,000	57,444
2028	45,000	55,563
2029-2033	256,000	246,531
2034-2038	317,000	185,413
2039-2043	391,000	109,769
2044-2047	261,000	23,623
Total	$ 1,432,000	$ 861,219

$5,000,000 2010 USDA Sanitary Sewer Bond issued February 22, 2010, and due in annual installments plus interest at 4.00%. $3,261,919

Year Ending June 30	Principal	Interest
2024	$ 94,000	$ 164,840
2025	97,000	161,080
2026	101,000	157,200
2027	105,000	153,160
2028	110,000	148,960
2029-2033	617,000	675,320
2034-2038	751,000	257,799
2039-2043	913,000	-
2044-2046	473,919	-
Total	$ 3,261,919	$ 1,718,359

$4,953,000 Sanitary Sewer Bond, Series 2013 issued March 25, 2013, and due in annual installments plus interest at 3.125%. $3,937,609

Year Ending June 30	Principal	Interest
2024	$ 92,000	$ 132,406
2025	95,000	129,531
2026	98,000	126,563
2027	101,000	123,500
2028	104,000	120,344
2029-2033	574,000	550,688
2034-2038	670,000	455,156
2039-2043	781,000	343,770
2044-2048	909,000	-
2049-2051	513,609	-
Total	$ 3,937,609	$ 1,981,958

$3,100,000 2014 USDA Sanitary Sewer Bond issued October 20, 2014, and due in annual installments plus interest at 3.50%. $2,601,565

Year Ending June 30	Principal	Interest
2024	$ 52,000	$ 97,475
2025	53,000	95,655
2026	55,000	93,800
2027	57,000	91,875
2028	59,000	89,880
2029-2033	328,000	416,920
2034-2038	390,000	355,285
2039-2043	462,000	282,240
2044-2048	550,000	88,638
2049-2053	595,565	-
Total	$ 2,601,565	$ 1,611,768

c. Changes in Long-Term Liabilities

Compensated absences for governmental activities have typically been liquidated in the general fund.

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion of Balance
Governmental activities:					
Compensated absences	$ 20,939	$ 7,066	$ -	$ 28,005	$ 28,005
Net pension liability (LGERS)	50,652	131,132	-	181,784	-
Governmental activity long-term liabilities	$ 71,591	$ 138,198	$ -	$ 209,789	$ 28,005
Business-type activities:					
General obligation bond - USDA 2008	$ 1,468,000	$ -	$ 36,000	$ 1,432,000	$ 38,000
General obligation bond - USDA 2010	3,351,919	-	90,000	3,261,919	94,000
General obligation bond - Series 2013	4,027,609	-	90,000	3,937,609	92,000
General obligation bond - USDA 2014	2,651,565	-	50,000	2,601,565	52,000
Sewer AARA note payable	473,132	-	52,571	420,561	52,571
Net pension liability (LGERS)	22,040	59,631	-	81,671	-
Business-type activity long-term liabilities	$ 11,994,265	$ 59,631	$ 318,571	$ 11,735,325	$ 328,571

At June 30, 2023, the City of Trinity had a legal debt margin of $55,134,079.

C. Interfund Balances and Activity

Balances due to/from other funds at June 30, 2023, consist of the following:

Due to the general fund for expenditures paid on behalf of the sewer fund	$ 2,615,608
Due to the general fund for expenditures paid on behalf of the Parks and Recreation Fund	(46,989)
Due from the Parks and Recreation Fund for expenditures paid by the general fund	46,989
Total	$ 2,615,608

Transfers to/from other funds at June 30, 2023, consist of the following:

From the General Fund to the Sewer Fund for operating expenditures	$ 1,286,150
Total	$ 1,286,150

Transfers are used to move unrestricted revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided matching funds for various grant programs.

D. Net Investment in Capital Assets

	Governmental	Business-type
Capital assets	$ 3,061,227	$ 23,343,781
less: long-term debt	-	11,653,654
Net investment in capital asset	$ 3,061,227	$ 11,690,127

E. Fund Balance

The following schedule provides management and citizens with information on the portion of general fund balance that is available for appropriation:

Total fund balance - General Fund	$ 11,345,506
Less:	
Stabilization by State Statute	3,784,704
Public Safety - SCIF grant	150,000
Streets - Powell Bill	706,294
Appropriated Fund Balance in 2023/2024 Budget	178,218
Working Capital/Fund Balance Policy	-
Remaining Fund Balance	6,526,290

III. Jointly Governed Organization

The City, in conjunction with twelve counties and sixty-one other municipalities, participates in the Piedmont Triad Regional Council. The participating governments established the Council to coordinate various funding received from federal and State agencies. The City paid membership fees of $1,471 to the Council during the fiscal year ended June 30, 2023.

IV. Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

The City has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant moneys to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys.

V. Subsequent Events

Subsequent events have been evaluated through December 18, 2023, which is the date the financial statements were available to be issued.

Required Supplementary Information

City of Trinity, North Carolina
City of Trinity's Proportionate Share of Net Pension Liability (Asset)
Required Supplementary Information
Last Ten Fiscal Years *

Local Government Employees' Retirement System

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Trinity's proportion of the net pension liability (asset) (%)	0.00467%	0.00474%	0.00424%	0.00533%	0.00440%	0.00516%	0.00439%	0.00320%	0.00410%	0.00330%
Trinity's proportion of the net pension liability (asset) ($)	$ 263,455	$ 72,692	$ 151,513	$ 145,558	$ 104,383	$ 78,831	$ 93,171	$ 14,361	$ (24,180)	$ 39,778
Trinity's covered payroll	$ 412,006	$ 346,433	$ 373,473	$ 354,525	$ 345,793	$ 344,967	$ 299,753	$ 226,148	$ 281,949	$ 275,839
Trinity's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	63.94%	20.98%	40.57%	41.06%	30.19%	22.85%	31.08%	6.35%	(8.58%)	14.42%
Plan fiduciary net position as a percentage of the total pension liability**	84.14%	95.51%	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

** This will be the same percentage for all participant employers in the LGERS plan.

City of Trinity, North Carolina
City of Trinity's Contributions
Required Supplementary Information
Last Ten Fiscal Years

Local Government Employees' Retirement System

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 54,703	$ 42,813	$ 35,519	$ 32,220	$ 27,411	$ 25,935	$ 24,399	$ 18,909	$ 15,989	$ 19,758
Contributions in relation to the contractually required contribution	54,703	42,813	35,519	32,220	27,411	25,935	24,399	18,909	15,989	19,758
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Trinity's covered-employee payroll	$ 452,092	$ 412,006	$ 346,433	$ 373,473	$ 354,525	$ 345,793	$ 344,967	$ 299,753	$ 226,148	$ 281,949
Contributions as a percentage of covered-employee payroll	12.10%	10.39%	10.25%	8.63%	7.73%	7.50%	7.07%	6.31%	7.07%	7.01%

Combining and Individual Fund Statement and Schedules

City of Trinity, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes:			
Taxes	$	$ 697,148	$
Penalties and interest		832	
Total	664,250	697,980	33,730
Other taxes and licenses:			
Permits and fees		44,190	
Total	23,000	44,190	21,190
Unrestricted intergovernmental:			
Local option sales taxes		2,576,976	
Beer and wine tax		31,989	
Telecommunications sales tax		13,441	
Utility sales tax		258,751	
Video franchise fee		36,956	
Total	2,015,478	2,918,113	902,635
Restricted intergovernmental:			
Powell Bill allocation		174,805	
Powell Bill assessment revenue		-	
Solid waste disposal tax		5,690	
Total	180,700	180,495	(205)
Sales and services:			
Solid waste fees		509,161	
Total	485,000	509,161	24,161
Investment earnings	9,200	55,322	46,122
Miscellaneous:			
Other		3,453	
Total	-	3,453	3,453
Total revenues	3,377,628	4,408,714	1,031,086
Expenditures:			
General government:			
Governing body:			
Salaries and employee benefits		11,303	
Professional services		20,631	
Travel and training		1,245	
Dues and subscription		10,705	
Insurance		5,076	
Contributions and donations		893	
Elections		-	
Materials and supplies		4,074	
Total	54,510	53,927	583

cont.

City of Trinity, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
Administration:			
Salaries and employee benefits		240,578	
Professional services		39,609	
Supplies and materials		27,930	
Telephone and postage		14,584	
Information technology		36,274	
Utilities		14,836	
Travel and training		8,081	
Leases		10,535	
Newsletter		6,433	
Dues and subscription		2,595	
Insurance		16,182	
Capital outlay		-	
Total	482,400	417,637	64,763
Governmental buildings:			
Supplies		1,273	
Professional services		34,821	
Miscellaneous		10,613	
Capital outlay		342,884	
Total	499,550	389,591	109,959
Finance:			
Salaries and employee benefits		185,228	
Professional services		25,020	
Travel and training		3,815	
Supplies and materials		2,136	
Dues and subscription		1,824	
Tax collection fees		-	
Total	280,940	218,023	62,917
Planning and zoning:			
Salaries and employee benefits		-	
Supplies		3,559	
Professional services		302,800	
Travel and training		-	
Leases		5,196	
Advertising		1,115	
Capital outlay		-	
Total	386,300	312,670	73,630
Total general government	1,703,700	1,391,848	311,852
Public safety:			
Police and animal control:			
Contract services		442,522	
Total	453,335	442,522	10,813
Fire inspection:			
Contract services		10,120	
Total	26,377	10,120	16,257
Total public safety	479,712	452,642	27,070

cont.

City of Trinity, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
Public services:			
Streets			
Salaries and employee benefits		-	
Professional services		4,928	
Supplies and materials		198,718	
Capital outlay		-	
Total	272,700	203,646	69,054
Stormwater			
Salaries and employee benefits		44,680	
Supplies and materials		5	
Professional services		27,842	
Contract services		22,635	
Travel and training		704	
Total	119,950	95,866	24,084
Sanitation			
Billing fees		36,770	
Tipping fees		89,550	
Contract services		364,052	
Supplies and materials		245	
Total	518,200	490,617	27,583
Total public works	910,850	790,129	120,721
Economic development	13,940	13,852	88
Special appropriations			
Library contributions		5,000	
Archdale/Trinity Chamber		5,000	
RC Seniors		7,620	
Total special appropriations	67,746	17,620	50,126
Total expenditures	3,175,948	2,666,091	509,857
Revenues over (under) expenditures	201,680	1,742,623	1,540,943
Other financing sources (uses):			
Transfers from other funds:			
Parks and Recreation fund	-	-	-
American Rescue Plan Act Special Revenue Fund	-	10,400	10,400
Sewer Fund	-	-	-
Transfers to other funds:			
Parks and Recreation fund	-	-	-
Sewer Capital Projects fund	-	-	-
Sewer fund	(1,286,150)	(1,286,150)	-
Total other financing uses	(1,286,150)	(1,275,750)	10,400
Fund balance appropriated	1,084,470	-	(1,084,470)
Net change in fund balance	$ -	466,873	$ 466,873
Fund balances, beginning		10,878,633	
Fund balances, ending		$ 11,345,506	

City of Trinity, North Carolina
American Rescue Plan Act Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Inception and for the Year Ended June 30, 2023

	Project Author - ization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Revenues:					
American Rescue Plan Act funds	$ 2,105,315	$ -	$ 10,400	$ 10,400	$ (2,094,915)
Investment earnings	-	148	1,715	1,863	1,863
Total revenues	2,105,315	148	12,115	12,263	(2,093,052)
Expenditures:					
Unassigned ARPA funding	-	-	-	-	-
Total expenditures	-	-	-	-	-
Reveneus over (under) expenditures	2,105,315	148	12,115	12,263	(2,093,052)
Other financing sources (uses):					
Transfers to other funds:					
General Fund	(10,400)	-	(10,400)	(10,400)	-
Sewer Capital Project Fund	(2,094,915)	-	-	-	2,094,915
Total other financing sources (uses)	(2,105,315)	-	(10,400)	(10,400)	2,094,915
Fund balance appropriated	-	-	-	-	-
Net change in fund balance	$ -	$ 148	1,715	$ 1,863	$ 1,863
Fund balance, beginning			148		
Fund balance, ending			$ 1,863		

Non-Major
Governmental Funds

City of Trinity, North Carolina
Balance Sheet
Non-Major Governmental Fund
June 30, 2023

	Parks and Recreation Fund	Total Non-Major Governmental Fund
Assets		
Cash and cash equivalents	$ 123,506	$ 123,506
Due from other funds	-	-
Total assets	$ 123,506	$ 123,506
Liabilities and Fund Balances		
Liabilities:		
Accounts payable	$ -	$ -
Due to other funds	46,989	46,989
Total liabilities	46,989	46,989
Fund balances:		
Committed for Parks and Recreation	76,517	76,517
Total liabilities and fund balances	$ 123,506	$ 123,506

City of Trinity, North Carolina
Parks and Recreation Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Non-Major Governmental Fund
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Open space fees	$ -	$ -	$ -
Rental income	3,300	3,300	-
Investment earnings	100	183	83
Total revenues	3,400	3,483	83
Expenditures:			
Capital outlay	-	-	-
Other operating expenditures	3,400	1,734	1,666
Total expenditures	3,400	1,734	1,666
Revenues over (under) expenditures	-	1,749	1,749
Other financing sources (uses):			
Transfer from other funds:			
General Fund	-	-	-
Total	-	-	-
Fund balance appropriated	-	-	-
Net change in fund balance	$ -	1,749	$ 1,749
Fund balance, beginning		74,768	
Fund balance, ending		$ 76,517	

Major
Enterprise Funds

City of Trinity, North Carolina
Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non - GAAP)
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating revenues:			
Charges for services		$ 1,086,458	
Tap fees		132,000	
Miscellaneous		2,276	
Total	$ 1,571,746	1,220,734	$ (351,012)
Nonoperating revenues:			
Interest	600	18,320	17,720
Total revenues	1,572,346	1,239,054	(333,292)
Expenditures:			
Other operating expenditures	1,809,742	1,715,479	94,263
Capital Outlay	424,373	424,844	(471)
	2,234,115	2,140,323	93,792
Debt service:			
Interest and other charges	467,069	416,969	50,100
Principal retirement	318,571	318,571	-
Total Debt service	785,640	735,540	50,100
Total Expenditures	3,019,755	2,875,863	143,892
Revenues over (under) expenditures	(1,447,409)	(1,636,809)	(189,400)
Other financing sources (uses):			
Transfers to other funds:			
Sewer Fund	-	-	-
Transfers from other funds:			
General Fund	1,286,150	1,286,150	-
Total other financing sources (uses)	1,286,150	1,286,150	-
Fund balance appropriated	161,259	-	(161,259)
Revenues and other sources over (under) expenditures and other uses	$ -	(350,659)	$ (350,659)

Reconciliation from budgetary basis (modified accrual) to full accrual:

Reconciling items:	
Capital outlay	424,844
Increase in deferred outflows of resources - pensions	20,426
Increase in net pension liability	(59,631)
Decrease in deferred inflows of resources- pensions	32,291
Principal retirement	318,571
Depreciation	(788,659)
Capital Contributions	760,120
Total reconciling items	707,962
Change in net position	$ 357,303

City of Trinity, North Carolina
Sewer Capital Projects Fund - Steeplegate Lift Station
Schedule of Revenues and Expenditures - Budget and Actual (Non - GAAP)
From Inception and for the Year Ended June 30, 2023

	Project Author - ization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Revenues - Sewer Project:					
Restricted intergovernmental:					
ARPA - Coronavirus State and Local Fiscal Recovery Funds	$ 2,094,915	$ -	$ -	$ -	$ (2,094,915)
ARPA - State Fiscal Recovery Funds	5,994,000	349,704	760,120	1,109,824	(4,884,176)
Total restricted intergovernmental revenues	8,088,915	349,704	760,120	1,109,824	(6,979,091)
Expenditures:					
Steeplegate Lift Station					
Construction	7,620,440	-	-	-	7,620,440
Technical and engineering	500,000	330,832	20,601	351,433	148,567
Administration	308,475	18,872	179,519	198,391	110,084
Construction contingency	400,000	-	-	-	400,000
Total	8,828,915	349,704	200,120	549,824	8,279,091
Total expenditures	8,828,915	349,704	200,120	549,824	8,279,091
Excess of revenues over (under) expenditures	(740,000)	-	560,000	560,000	1,300,000
Other financing sources (uses):					
Transfers from other funds:					
From Sewer Fund	-	-	-	-	-
Initial Capital contribution - City of High Point	(560,000)	-	(560,000)	(560,000)	-
State Revolving Loan	1,300,000	-	-	-	(1,300,000)
Total other sources	740,000	-	(560,000)	(560,000)	(1,300,000)
Revenues and other sources over (under) expenditures	$ -	$ -	$ -	$ -	$ -

Supplemental Financial Data

City of Trinity, North Carolina
Schedule of Ad Valorem Taxes Receivable
June 30, 2023

Fiscal Year	Uncollected Balance June 30, 2022	Additions	Collections And Credits	Uncollected Balance June 30, 2023
2022-2023	$ -	$ 694,433	$ 689,115	$ 5,318
2021-2022	4,646		2,869	1,777
2020-2021	1,989		790	1,199
2019-2020	1,474		695	779
2018-2019	931		498	433
2017-2018	858		461	397
2016-2017	905		384	521
2015-2016	585		371	214
2014-2015	487		365	122
2013-2014	1,122		858	264
2012-2013	1,215		1,215	-
	14,212	694,433	697,621	11,024

Less: allowance for uncollectible accounts:	
General Fund	-
Ad valorem taxes receivable - net	$ 11,024

Reconcilement to revenues:

Ad valorem taxes - General Fund	$ 697,980
Reconciling items:	
Penalties and interest collected	(832)
Taxes written off	1,215
Adjustments	(742)
Subtotal	(359)
Total collections and credits	$ 697,621

City of Trinity, North Carolina
Analysis of Current Tax Levy
City - Wide Levy
June 30, 2023

	City - Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current rate	$ 705,624,000	.10	$ 705,624	$ 619,307	$ 86,317
Discoveries - current and prior years	-	.10	-	-	-
Releases	(11,191,000)		(11,191)	(11,191)	-
Total property valuation	$ 694,433,000				
Net levy			694,433	608,116	86,317
Unpaid (by taxpayer) taxes at June 30, 2022			(5,318)	(5,318)	-
Current year's taxes collected			$ 689,115	$ 602,798	$ 86,317
Current levy collection percentage			99.23%	99.13%	100.00%

STATISCAL SECTION

STATISTICAL SECTION

This section of the City of Trinity's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the City's overall financial health. This information has not been audited by the independent auditor.

Contents

Financial Trends
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity
These schedules contain information to help the reader assess the City's most significant local revenue sources: property taxes and major enterprise fund revenues.

Debt Capacity
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

Financial Trends

Table 1

City of Trinity, North Carolina
Changes in Fund Balances of Governmental Funds - General
Last Ten Fiscal Years
(modified accrual basic accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Ad Valorem Taxes	$ 555,561	$ 538,191	$ 555,183	$ 555,394	$ 566,134	$ 582,939	$ 627,303	$ 660,504	$ 676,787	$ 697,980
Other Taxes and Licenses	12,161	8,309	16,398	11,222	14,670	17,020	22,725	23,935	40,380	44,190
Unrestricted Intergovernmental	1,422,234	1,542,611	1,617,147	1,791,985	1,845,093	1,925,004	1,979,575	2,241,195	2,621,406	2,918,113
Restricted Intergovernemental	218,075	257,841	154,033	189,324	291,352	190,812	182,238	299,095	285,269	180,495
Sales and Services	458,482	465,995	465,839	462,677	470,932	473,730	480,809	496,930	504,255	509,161
Investment Earnings	12,628	11,176	8,687	11,253	20,909	25,997	30,467	3,765	3,889	55,322
Miscellaneous	9,419	6,943	6,925	16,555	4,702	4,328	3,636	4,116	8,311	3,453
Total Revenues	$ 2,688,560	$2,831,066	$ 2,824,212	$3,038,410	$3,213,792	$3,219,830	$3,326,753	$ 3,729,540	$ 4,140,297	$ 4,408,714
Expenditures										
General Government	$ 500,280	$ 768,944	$ 492,779	$ 536,327	$ 872,020	$ 823,970	$ 614,722	$ 591,343	$ 717,439	$ 1,391,548
Public Safety	70,749	69,693	74,576	77,779	85,147	82,813	142,268	166,271	171,316	452,942
Public Services	931,279	931,094	1,170,251	895,458	703,197	935,611	662,516	697,773	873,596	790,129
Economic Development	5,000	77,875	-	5,000	5,000	6,000	6,000	6,000	111,000	13,852
Special Appropriations	47,832	37,356	36,042	42,701	23,605	26,006	26,806	23,165	20,126	17,620
Total Expenditures	$ 1,555,140	$1,884,962	$ 1,773,648	$1,557,265	$1,688,969	$1,874,400	$1,452,312	$ 1,484,552	$ 1,893,477	$ 2,666,091
xcess of Revenues Over (Under) Expenditures	$ 1,133,420	$ 946,104	$ 1,050,564	$1,481,145	$1,524,823	$1,345,430	$1,874,441	$ 2,244,988	$ 2,246,820	$ 1,742,623
Other Financing Sources (Uses)										
Transfers from Other Funds	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,400.00
Transfers to Other Funds	(1,551,666)	(915,972)	(835,500)	(1,103,913)	(1,144,641)	(1,207,238)	(1,255,355)	(1,097,775)	(1,377,413)	(1,286,150)
Total Other Financing Sources (Uses)	($1,551,666)	($915,972)	($835,500)	($1,103,913)	($1,144,641)	($1,207,238)	($1,255,355)	($1,097,775)	($1,377,413)	($1,275,750)
Net Change in Fund Balance	$ (418,246)	$ 30,132	$ 215,064	$ 377,232	$ 380,182	$ 138,192	$ 619,086	$ 1,147,213	$ 869,407	$ 466,873

Table 2

City of Trinity, North Carolina
Fund Balances of Governmental Funds - General
Last Ten Fiscal Years
(modified accrual basic accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Spendable										
Restricted	3,155,687	3,496,065	3,131,283	2,125,550	2,439,383	2,142,807	2,456,634	2,791,392	2,927,829	4,640,998
Committed	-	-	-	-	-	-	-	-	-	
Assigned	-	-	-	-	-	-	-	-	450,180	178,218
Unassigned	3,767,634	3,648,534	4,226,932	5,607,824	5,673,001	6,105,722	6,409,043	7,219,785	7,500,624	6,526,290
Total General Fund	$ 6,923,321	$ 7,144,599	$ 7,358,215	$ 7,733,374	$ 8,112,384	$ 8,248,529	$ 8,865,677	$ 10,011,177	$ 10,878,633	$11,345,506
All other governemental funds										
Restricted	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Committed	253,720	62,574	64,022	66,095	67,267	69,314	71,252	72,965	74,916	78,380
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	0
Total all other governmental fun	$ 253,720	$ 62,574	$ 64,022	$ 66,095	$ 67,267	$ 69,314	$ 71,252	$ 72,965	$ 74,916	$ 78,380

Table 3

City of Trinity, North Carolina
Changes in Net Position
Last Ten Fiscal Years
(accrual basic accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Government Activities										
General Government	$531,678	$519,323	$544,873	$536,327	$585,923	$634,681	$665,087	$677,887	$767,969	$1,391,848
Public Safety	70,749	69,693	74,576	77,779	85,147	82,813	142,268	166,271	171,316	452,642
Public Services	957,343	779,298	781,971	895,458	669,045	964,232	668,929	733,995	909,818	790,129
Economic Development	5,000	77,875	0	5,000	5,000	6,000	6,000	6,000	111,000	13,852
Special Appropriations	47,832	37,356	36,042	42,701	23,605	26,006	26,806	23,165	20,126	17,620
Transfers to Other Funds	1,551,666	915,972	835,500	1,103,913	1,144,641	1,207,238	1,255,355	1,097,775	1,377,413	1,286,150
Total Governmental Activities Expenses	$3,164,268	$2,399,517	$2,272,962	$2,661,178	$2,513,361	$2,920,970	$2,764,445	$2,705,093	$3,357,642	$3,952,241
Business-Type Activities										
Sewer	$1,639,140	$1,692,390	$1,861,969 #	$1,919,431 #	$1,927,128 #	$2,048,868 #	$2,302,572 #	$2,201,763	$2,112,338	$2,174,161
Interest on Long-Term Debt	425,843	484,310	439,114	472,310	462,873	454,348	444,685	435,378	426,379	735,540
Total Business-Type Activities Expenses	$2,064,983	$2,176,700	$2,301,083	$2,391,741	$2,390,001	$2,503,216	$2,747,257	$2,637,141	$2,538,717	$2,909,701
Total Primary Government Expenses	$5,229,251	$4,576,217	$4,574,045	$5,052,919	$4,903,362	$5,424,186	$5,511,702	$5,342,234	$5,896,359	$6,861,942
Program Revenues										
Government Activities										
General Government	$2,467,314	$2,574,489	$2,666,026 #	$2,769,084	$2,922,669	$3,029,663	$3,147,508 #	$3,428,613	$3,853,704	$4,436,623
Public Safety										
Public Services										
Economic Development										
Special Appropriations										
Operating Grants and Contributions	218,075	257,841	154,033	189,324	191,352	190,812	182,238	299,095	285,269	190,895
Capital Grants and Contributions					100,000				0	
Total Governmental Activities Program Rev	$2,685,389	$2,832,330	$2,820,059	$2,958,408	$3,214,021	$3,220,475	$3,329,746	$3,727,708	$4,138,973	$4,627,518
Business-Type Activities										
Sewer										
Charges for Services	$567,389	$580,347	$645,893	$812,511	$813,675	$783,707	$875,286	$950,086	$1,138,736	$1,220,734
Operating Grants and Contributions						0	86,428	62,061	7,893	-
Capital Grants and Contributions	28,300	50,227	274,757	0	0	0	0	0	293,715	760,120
Other Financing Sources	1,551,666	915,972	$35,500 0	1,103,913	1,144,641	1,207,238	1,255,355	1,097,775	1,377,413	1,286,150
Total Business-Type Ativities Program Rev	$2,147,355	$1,546,546	$1,756,150	$1,916,424	$1,958,316	$1,990,945	$2,217,069	$2,109,922	$2,817,757	$3,267,004
Total Primary Governement Program Rever	$4,832,744	$4,378,876	$4,576,209	$4,874,832	$5,172,337	$5,211,420	$5,546,815	$5,837,630	$6,956,730	$7,894,522
Net (Expenses)/revenue										
Governemental Activities	-$478,879	$432,813	$547,097 #	$297,230	$700,660	$299,505	$565,301	$1,022,615 #	$781,331	$675,277
Business-Type Activities	82,372	-630,154	-544,933 0	-475,317	-431,685	-512,271	-530,188	-527,219 0	279,040	357,303
Total Primary Government Net Expenses	-$396,507	-$197,341	$2,164	-$178,087	$268,975	-$212,766	$35,113	$495,396	$1,060,371	$1,032,580
General Revenues and Other Changes in Net Positions										
Governmental Activities										
Sales and Services	$458,482	$465,995	$465,839	$462,677	$470,932	$473,730	$480,809	$496,930	$504,255	$509,161
Property Taxes	555,561	538,191	555,183	555,394	566,134	582,939	627,303	660,504	676,787	697,792
Other Taxes	12,161	8,309	16,398	11,222	14,670	17,020	22,725	23,935	40,380	44,190
Unrestricted Intergovernmental Revenues	1,422,234	1,542,611	1,617,147	1,791,985	1,845,093	1,925,004	1,979,575	2,241,195	2,621,406	2,918,113
Restricted Intergovernmental	218,075	257,841	154,033	189,324	291,352	190,812	182,238	299,095	285,269	180,495
Unrestricted Investment Earnings	12,283	10,857	8,527	11,058	20,740	25,830	30,296	3,595	3,537	55,322
Unrestricted Miscellaneous	5,819	3,343	3,325	12,955	1,102	728	61	816	5,011	3,453
Total Governmental Activities	$2,684,615	$2,827,147	$2,820,452	$3,034,615	$3,210,023	$3,216,063	$3,323,007	$3,726,070	$4,136,645	$4,408,526
Business-Type Activities										
Unrestricted Investment Earnings	$5,433	$2,852	$7,508	$8,408	$7,706	$12,131	$7,397	$546	$1,119	$18,320
Transfers	1,551,666	915,972	835,500	1,103,913	1,144,641	1,207,238	1,255,355	1,097,775 #	1,377,413	1,286,150
Total Business-Type Activities	$1,557,099	$918,824	$843,008	$1,112,321	$1,152,347	$1,219,369	$1,262,752	$1,098,321	$1,378,532	$1,304,470
Change in Net Position										
Governmental Activities	-$478,879	$432,813	$547,097	$297,230	$700,660	$299,505	$565,301	$1,022,615	$781,331	$675,277
Business-Type Activities	82,372	-630,154	-544,933	-475,317	-431,685	-512,271	-530,188	-527,219	279,040	357,303
Total Primary Government	-$396,507	-$197,341	$2,164	-$178,087	$268,975	-$212,766	$35,113	$495,396	$1,060,371	$1,032,580

Table 4

City of Trinity, North Carolina
Net Position by Component
Last Ten Fiscal Years
(accrual basic accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net Investment in Capital Assets	$1,941,165	$2,329,651	$2,661,865	$2,587,486	$2,907,160	$3,081,066	$3,045,041	$2,947,172	$2,831,948	$3,061,227
Restricted	3,155,687	3,496,065	3,131,283	2,125,550	2,439,383	2,142,807	2,456,634	2,791,392	2,927,829	4,640,998
Unrestricted	4,010,502	3,697,899	4,277,564	5,654,906	5,722,059	6,144,234	6,431,733	7,217,459	7,977,577	6,710,406
Total Governmental Activities Net Position	$9,107,354	$9,523,615	$10,070,712	$10,367,942	$11,068,602	$11,368,107	$11,933,408	$12,956,023	$13,737,354	$14,412,631
Business-Type Activities										
Net Investment in Capital Assets	$12,131,210	$12,429,087	$12,490,245	$12,729,791	$12,374,249	$11,873,832	$11,524,576	$11,151,927	$10,975,251	$11,690,127
Unrestricted	3,040,984	2,109,485	1,503,394	788,531	712,388	700,534	519,602	365,032	820,748	463,175
Total Business-Type Activities Net Position	$15,172,194	$14,538,572	$13,993,639	$13,518,322	$13,086,637	$12,574,366	$12,044,178	$11,516,959	$11,795,999	$12,153,302
Primary Government										
Net Investment in Capital Assets	$14,072,375	$14,758,738	$15,152,110	$15,317,277	$15,281,409	$14,954,898	$14,569,617	$14,099,099	$13,807,199	$14,751,354
Restricted	3,155,687	3,496,065	3,131,283	2,125,550	2,439,383	2,142,807	2,456,634	2,791,392	2,927,829	4,640,998
Unrestricted	7,051,486	5,807,384	5,780,958	6,443,437	6,434,447	6,844,768	6,951,335	7,582,491	8,798,325	7,173,581
Total Primary Governmental Activities Net Positio	$24,279,548	$24,062,187	$24,064,351	$23,886,264	$24,155,239	$23,942,473	$23,977,586	$24,472,982	$25,533,353	$26,565,933

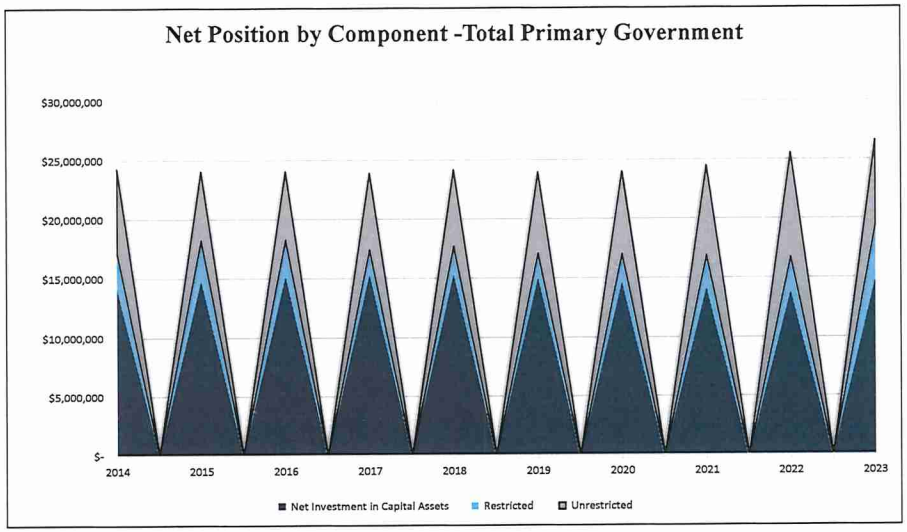


Table 5

City of Trinity, North Carolina
Ad Valoerm Taxes, Governmental Funds
Last Ten Fiscal Years
(modified accrual basic accounting)

Fiscal Year	General Ad Valorem Tax
2014	$ 486,376
2015	477,127
2016	492,404
2017	497,599
2018	504,743
2019	519,896
2020	569,572
2021	586,472
2022	596,809
2023	619,307

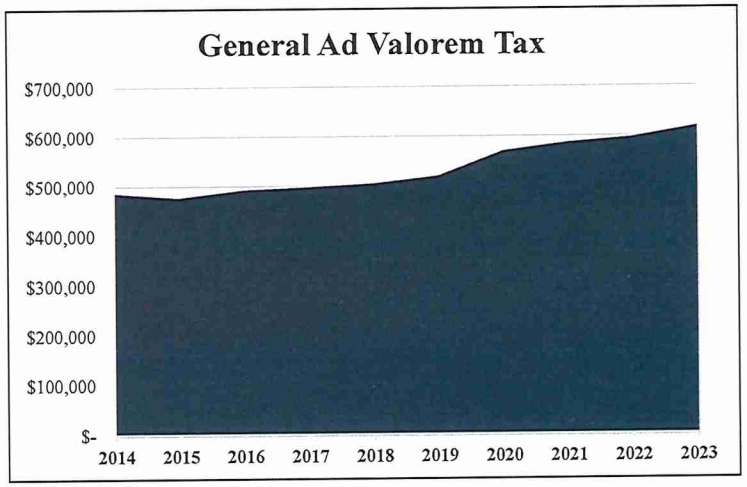


Table 6

City of Trinity, North Carolina
Other Taxes and Liscenses by Source
Last Ten Fiscal Years
(modified accrual basic accounting)

Fiscal Year	Municpal Vehicle Tax
2014	$ 70,983
2015	55,400
2016	59,130
2017	61,958
2018	63,289
2019	66,827
2020	66,124
2021	78,625
2022	84,233
2023	86,317

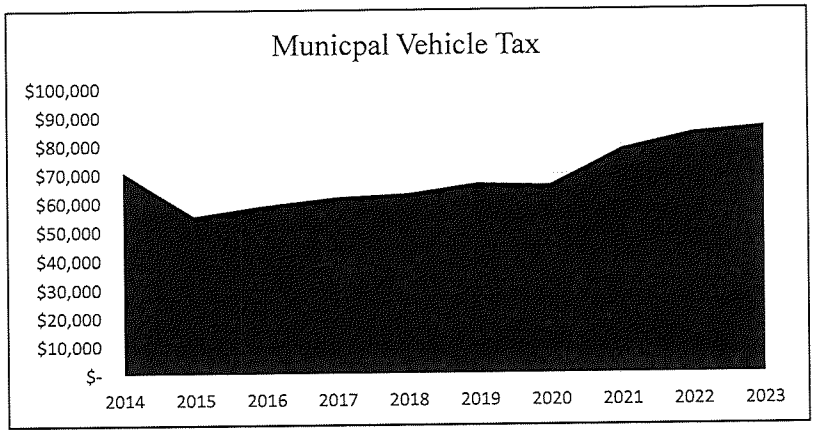
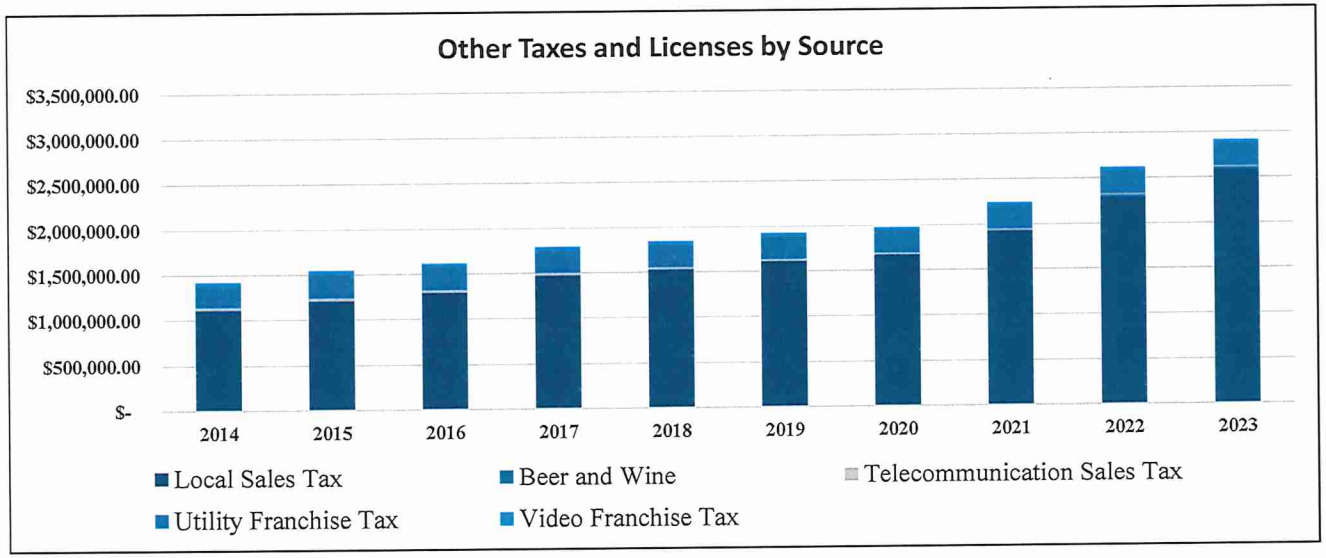


Table 7

City of Trinity, North Carolina
Unrestricted Intergovernmental Revenues
Last Ten Fiscal Years
(modified accrual basic accounting)

Fiscal Year	Local Sales Tax	Beer and Wine	Telecommunication Sales Tax	Utility Franchise	Video Franchise Tax
2014	$ 1,110,330	$ -	$ 33,046	$ 231,761	$ 47,097
2015	1,207,296	-	31,568	255,534	48,213
2016	1,289,852	-	27,817	254,283	45,195
2017	1,471,903	-	26,406	248,228	45,448
2018	1,526,188	-	24,212	250,890	43,803
2019	1,609,650	-	22,024	252,785	40,545
2020	1,673,807	-	17,346	249,448	38,974
2021	1,922,558	11,295	17,132	251,921	38,289
2022	2,285,594	27,841	12,887	254,978	40,106
2023	2,576,976	31,989	13,441	258,751	36,956



Revenue Capacity

Table 8

City of Trinity, North Carolina
Property Tax Rates
Last Ten Fiscal Years

Fiscal Year	Tax Rate
2014	$ 0.10
2015	0.10
2016	0.10
2017	0.10
2018	0.10
2019	0.10
2020	0.10
2021	0.10
2022	0.10
2023	0.10

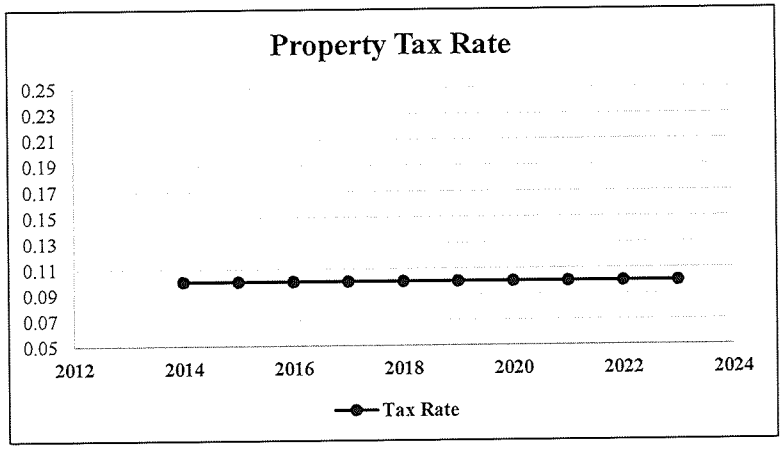


Table 9

City of Trinity, North Carolina
Top Ten Principal Property Taxpayers

	Company	Personal Property	Real Property	Total Property Value	Collected Municipal Tax
1	Jowat Corporation	$ 17,498,778	$ -	$ 17,498,778	$ 17,499
2	Duke Energy Carolinas, LLC	$ 14,526,035	$ -	$ 14,526,035	$ 14,526
3	DFKK, LLC	$ -	$ 7,840,640	$ 7,840,640	$ 7,841
4	D R Horton, Inc.	$ -	$ 5,976,240	$ 5,976,240	$ 5,976
5	Wright of Thomasville	$ 3,166,459	$ 2,354,200	$ 5,520,659	$ 5,521
6	Hood Industries, Inc.	$ 1,667,871	$ 2,955,830	$ 4,623,701	$ 4,624
7	Eastwood Constructions Partners, LLC	$ -	$ 4,324,510	$ 4,324,510	$ 4,325
8	Keystone Group, Inc.	$ -	$ 4,271,720	$ 4,271,720	$ 4,272
9	Colonial County Club, Inc.	$ 466,022	$ 3,670,400	$ 4,136,422	$ 4,136
10	Ennis Flint, Inc.	$ 2,003,987	$ 1,593,040	$ 3,597,027	$ 3,597

Table 10

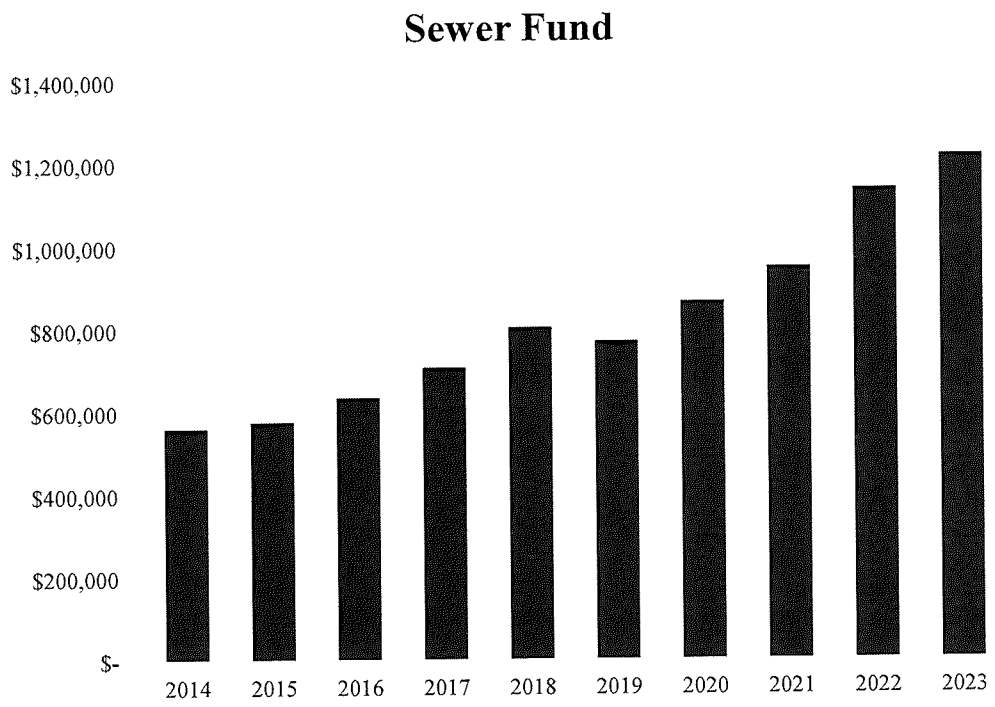
City of Trinity, North Carolina
Property Tax Levies and Collections - General Levy
Last Ten Fiscal Years

		Collected within the Fiscal Year of the Levy	
Fiscal Year	Total Tax Levy	Amount	Percentage of Levy
2014	$ 557,359,000	$ 549,890,389	98.66%
2015	532,527,000	525,763,907	98.73%
2016	551,534,000	548,004,182	99.36%
2017	559,557,000	555,136,500	99.21%
2018	568,032,000	564,510,202	99.38%
2019	586,723,000	582,263,905	99.24%
2020	635,696,000	628,703,344	98.90%
2021	665,097,000	660,707,360	99.34%
2022	681,042,000	676,342,810	99.31%
2023	705,624,000	700,190,695	99.23%

Table 11

City of Trinity, North Carolina
Major Enterprize Funds Charges for Sales and Services
Last Ten Fiscal Years

Fiscal Year	Sewer
2014	$ 561,956
2015	577,270
2016	636,360
2017	709,294
2018	805,969
2019	771,576
2020	867,889
2021	950,086
2022	1,137,617
2023	1,218,458



Debt Capacity

Table 12

City of Trinity, North Carolina
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities			Business-type Activities					
Fiscal Year	General Obligation Bonds	Installment Purchases	Lease Liabilities	General Obligation Bonds	Installment Purchases	Lease Liabilities	Total Outstanding Debt	Percentage of Personal Income (1)	Debt Per Capita (1)
2014	$ -	$ -	$ -	$ 13,860,083	$ 893,698	$ -	$ 14,753,781	2.94%	$ 2,180
2015	-	-	-	13,424,038	841,127	-	14,265,165	2.45%	2,111
2016	-	-	-	13,001,683	788,558	-	13,790,241	3.27%	2,030
2017	-	-	-	12,741,409	735,987	-	13,477,396	4.34%	1,974
2018	-	-	-	12,519,409	683,416	-	13,202,825	3.77%	1,923
2019	-	-	-	12,289,409	630,845	-	12,920,254	3.95%	1,862
2020	-	-	-	12,002,093	578,274	-	12,580,367	4.30%	1,794
2021	-	-	-	11,756,093	525,703	-	12,281,796	4.29%	1,740
2022	-	-	-	11,499,093	473,132	-	11,972,225	4.99%	1,686
2023	-	-	-	11,233,093	420,561	-	11,653,654	5.94%	1,634

Notes:
Details regarding the City's outstanding debt can be found in the notes to the financial statements.
(1) Personal income and population data can be found in the Demographics and Economic Statistics table.

Table 13

City of Trinity, North Carolina
Legal Debt Margin Information
Last Ten Fiscal Years

Fiscal Year	Debt Limit	Less: Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2014	$ 44,588,720	$ 14,753,781	$ 29,834,939	33.09%
2015	$ 42,602,160	$ 14,265,165	$ 28,336,995	33.48%
2016	$ 44,122,720	$ 13,790,241	$ 30,332,479	31.25%
2017	$ 44,764,560	$ 13,477,396	$ 31,287,164	30.11%
2018	$ 45,442,560	$ 13,202,825	$ 32,239,735	29.05%
2019	$ 46,937,840	$ 12,920,254	$ 34,017,586	27.53%
2020	$ 50,855,680	$ 12,580,367	$ 38,275,313	24.74%
2021	$ 53,207,760	$ 12,281,796	$ 40,925,964	23.08%
2022	$ 54,483,360	$ 11,972,225	$ 42,511,135	21.97%
2023	$ 56,449,920	$ 11,653,654	$ 44,796,266	20.64%

Legal Debt Margin Calcuation for Fiscal Year 2023

Total Assessed Valuation	$ 705,624,000
Debt Limit (8 percent of total assessed value)	56,449,920
Debt applicable to Limit (gross debt)	-
Authorized and Outstanding G.O. Bonded Debt	-
Outstanding Debt not Evidenced by Bonds	-
Direct Placement Installment purchases	11,653,654
Less: Statutory Deductions for Sewer Bonds	-
Total Net Debt Applicable to Limit	11,653,654
Legal Debt Margin Available to the City Under North Carolina General Statue 159-55©.	44,796,266

Note:
Under state finance law, the City of Trinity's outstanding general obligation debt and installment purchase debt should not exceed 8 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Table 14

City of Trinity, North Carolina
Sewer Fund
General Obligation Bond Coverage
Last Ten Fiscal Years

Fiscal Year	Sewer & Other Charges and Other (1)	Less: Operating Expenses	Net Revenues Available for Debt Service	Debt Service			Coverage
				Principal	Interest	Total	
2014	$ 2,119,055	$ 1,078,305	$ 1,040,750	$ 859,488	$ 425,843	$ 1,285,331	0.81
2015	1,040,819	1,035,932	4,887	488,616	484,310	972,926	0.01
2016	1,470,893	1,157,807	313,086	474,924	439,114	914,038	0.34
2017	1,276,229	1,237,057	39,172	312,843	472,310	785,153	0.05
2018	1,809,452	1,145,901	663,551	274,571	462,873	737,444	0.90
2019	1,990,945	1,267,285	723,660	282,571	454,348	736,919	0.98
2020	2,130,641	1,601,213	529,428	339,888	444,685	784,573	0.67
2021	2,048,407	1,474,360	574,047	298,571	435,378	733,949	0.78
2022	2,516,149	1,328,506	1,187,643	309,571	426,379	735,950	1.61
2023	2,875,863	2,140,323	735,540	318,571	416,969	735,540	1.00

Notes:
Details regarding the City's outstanding debt can be found in the notes to the financial statements.
(1) Sewer charges and other includes non-operating revenues and expenses excluding bond interest.
(2) Operating expenses exclude depreciation

Table 15

City of Trinity, North Carolina
Direct and Overlapping Governmental Activities Debt
As of June 30, 2023

Government Unit	Debt Outstanding	Percentage Applicable to City of Trinity (1)	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes: Randolph County	$ 11,735,325	5.68%	$ 666,566
			666,566
City of Trinity, Direct Debt			$ 11,233,093
Total Direct and Overlapping Debt			$ 11,899,659

Source:
Randolph County debt outstanding data prvoided by Randolp County which includes General Obligation Bonds and Installment Financing.
Assessed value data used to estimate applicable percentage provided by Randolph County Tax Department.

Notes:
Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. The process recognizes that, when considering the government's abilitiy to issue and repay long-term debt, the entire dbet burden borne by residents and businesses should be taken into account.

(1) The percentage appplicable to City of Trinity is a ratio of the City's assessed valuation of $705,624,000 divided by the County's assessed valuation of $12,415,000,000.

Demographic and Economic Information

Table 16

City of Trinity, North Carolina
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Median Age (1)	Personal Income	Per Capita Personal Income (2)	Unemployment Rate (3)
2014	6,767	43.2	$ 173,289,336	$ 25,608	6.4
2015	6,758	43.6	175,167,360	25,920	5.6
2016	6,793	43.8	181,909,747	26,779	4.9
2017	6,828	43.8	192,023,844	28,123	4.4
2018	6,865	43.8	202,215,440	29,456	3.8
2019	6,938	44.2	213,572,454	30,783	3.8
2020	7,012	44.2	224,334,916	31,993	7.2
2021	7,058	44.2	241,447,122	34,209	4.8
2022	7,103	44.3	387,809,594	54,598	3.6
2023	7,132	44.3	461,269,232	64,676	4.3

Sources:
(1) NC Office of State Budget and Management
(2) United States Census Bureau
(3) NC Department of Commerce Labor and Economic Analysis Division (Randolph County)

Table 17

City of Trinity
Schedule of Top Ten Sewer Customers
Fiscal Year Ended June 30, 2023

Customers	Type of Business	Consumption (Gallons)	Amount Billed	Percentage of Total Operating Revenue
Trinity High School	Education	2,033,000	$ 30,554	2.66%
NRDC of WFU	Medical	1,602,249	26,098	2.28%
Wheatmore High School	Education	1,030,030	24,848	2.17%
Hopewell Elementary School	Education	1,166,300	16,844	1.47%
Sheetz	Retail	850,220	12,436	1.08%
Trinity Elementary	Education	689,500	9,816	0.86%
Housand Corp DBA BBQ Joes	Restaurant	516,530	9,041	0.79%
Trinity Furniture	Manufacture	114,690	1,665	0.15%
Carolina Sandwich Group, LLC	Restaurant	73,230	1,156	0.10%
AJA Knapp	Restaurant	39,060	895	0.08%

Note: Percentage of operating revenues includes sewer billing, sewer tap fees, and investment earnings.
The total operating revenues are in the sum of $1,146,845.

Operating Information

Table 18

City of Trinity, North Carolina
Full-Time Equivalent City Governement Employees by Function
Last Ten Fiscal Years

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government	4.00	4.00	5.00	5.00	5.00	5.00	4.00	4.00	4.00	4.00
Public Services										
Streets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Stormwater	2.00	1.00	1.00	1.00	1.00	1.00	0.50	0.50	0.50	1.50
Sanitation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sewer	0.00	2.00	2.00	2.00	2.00	2.00	2.50	2.50	2.50	1.50
Total	6.00	7.00	8.00	8.00	8.00	8.00	7.00	7.00	7.00	7.00

Source:
City of Trinity Finance Department

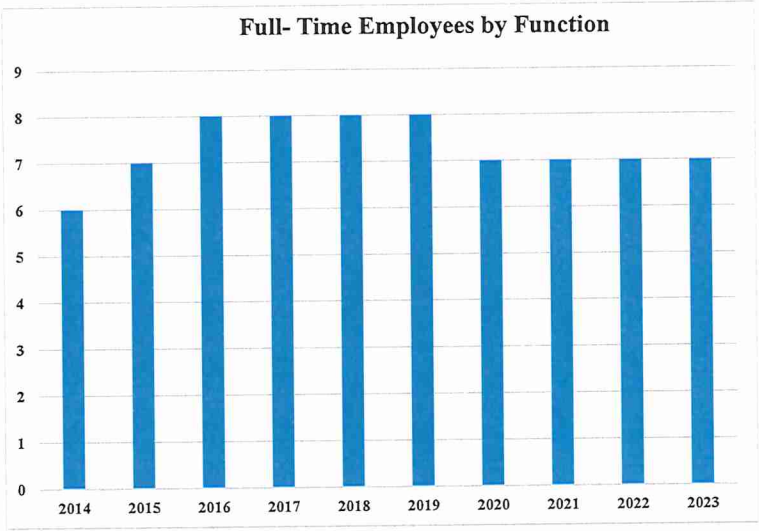


Table 19

City of Trinity, North Carolina
Operating Indicators by Function
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Function										
General Activities										
Finance										
Number of Accounts Payable (checks)	629	643	569	547	547	534	609	558	596	654
Planning and Zoning										
Number of Permits	11	106	112	104	112	133	69	131	180	116
Business-type Activities										
Sewer										
Number of Customers	1,170	1,474	1,497	1,663	1,736	1,745	1,910	2,277	2,330	2,650

Source:
Various City Departments

Table 20

City of Trinity, North Carolina
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
General Government										
Motor Vehicles	1	1	1	1	1	1	1	1	1	1
Public Buildings	1	1	1	1	2	2	2	2	2	2
Public Services										
Motor Vehicles	2	2	2	2	2	2	4	4	3	3
Motor Equipment	6	6	6	6	6	6	6	6	7	6
Business-type Activities										
Sewer										
Sewer Infrastructure (miles)	49.00	50.00	53.00	55.00	80.00	80.20	80.52	82.35	83.50	83.75

Source:
Various City of Trinity Departments

COMPLIANCE SECTION

GIBSON & COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

Report On Internal Control Over Financial Reporting And On Compliance and Other Matters Based On An Audit Of Financial Statements Performed In Accordance With *Government Auditing Standards*

Independent Auditor's Report

To the Honorable Mayor
and Members of the City Council
City of Trinity, North Carolina

We have audited, 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, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Trinity, North Carolina, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprises the City of Trinity's basic financial statements, and have issued our report thereon dated December 18, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Trinity'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 City of Trinity's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Trinity'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider material weaknesses. However, material weaknesses may exist that have not been identified.

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Winston-Salem, NC 27103

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Trinity's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

Gilson & Company, P.A.

Winston-Salem, North Carolina
December 18, 2023

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; With OMB Uniform Guidance and the State Single Audit Implementation Act

Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council
City of Trinity, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Trinity, North Carolina, compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the City of Trinity's major federal programs for the year ended June 30, 2023. The City of Trinity's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Trinity complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provides a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Trinity's compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to City of Trinity federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Trinity's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Trinity's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Trinity's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of City of Trinity's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Trinity's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency *in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.
Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies or material weaknesses in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Gibson & Company, P.A.

Winston-Salem, North Carolina
December 18, 2023

CITY OF TRINITY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2023

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures
Federal Grants:				
U.S. Dept. of Treasury				
Coronavirus State and Fiscal Recovery Fund	21.027	SRP-W-ARP-0064	$ 760,120	$ -
Coronavirus State and Fiscal Recovery Fund	21.027		10,400	-
Total assistance - federal programs			770,520	-
State Grants:				
Cash Assistance:				
N.C. Department of Transportation:				
Powell Bill		32570	-	106,151
Total assistance - State programs			-	106,151
Total assistance			$ 770,520	$ 106,151

Notes to the Schedule of Expenditures of Federal and State Financial Awards:

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the City of Trinity under the programs of the federal government and the State of North Carolina for the year ended June 30, 2023. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of the City of Trinity, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Trinity.

Note 2: Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3: Indirect Cost Rate

The City of Trinity has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

City of Trinity, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section I. Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance to GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ____yes __X__no
- Significant Deficiency(s) ____ yes __X__none reported

Noncompliance material to financial statements noted ____yes __X__no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ____yes __X__no
- Significant Deficiency(s) identified ____yes __X__none reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ____yes __X__no

Identification of major federal programs:

CFDA Number	Names of Federal Program or Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B Programs $ 750,000

Auditee qualified as low-risk auditee? ____yes __X__no

City of Trinity, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section II – Financial Statement Findings

None reported.

Section III - Federal Award Findings & Questioned Costs

None reported.

TRINITY

NORTH CAROLINA

Corrective Action Plan
For the Fiscal Year Ended June 30, 2023

Section II – Financial Statement Findings

None reported.

Section III - Federal Award Findings & Questioned Costs

None reported.

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City of Trinity, North Carolina
Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2023

None reported.