TOWN OF TRYON,
NORTH CAROLINA

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

TOWN OF TRYON, NORTH CAROLINA

LISTING OF PRINCIPAL OFFICIALS AND TOWN STAFF

YEAR ENDED JUNE 30, 2021

Established

1885

TOWN COUNCIL

Mayor – Alan Peoples

Mayor Pro-Tem – Chrelle Booker

Crys Armbrust

Bill Crowell

Bill Ingham

TOWN STAFF

Town Manager – Zach Ollis

Town Clerk – Susan Bell

Planning Director – Tim Daniels

TDDA Executive Director – Paige Henderson

Public Works Director – Jody Morse

Chief of Police – Jeff Arrowood

Fire Chief – Josh Walton

TOWN OF TRYON, NORTH CAROLINA

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of Town Council
Town of Tryon, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, and each major fund of the Town of Tryon, North Carolina (the "Town"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Town of Tryon Board of Alcoholic Control ("ABC Board"), a discretely presented component unit, were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, and each major fund of the Town of Tryon, North Carolina, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, the Fire Department Fund, and the Harmon Field Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Adjustments

As discussed in Note IV.H in the notes to the financial statements, in the year ended June 30, 2021 the Town discovered several errors relating to the reporting of its capital asset balances that impacted its Water and Sewer Fund and government-wide financial statements as of June 30, 2020. As a result, the beginning net position has been restated in the current year financial statements to correct these errors. Our opinion is not modified with respect to these matters.

Change in Accounting Principle

As discussed in Note I.B in the notes to the financial statements, for the year ended June 30, 2021 the Town adopted the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 84 "*Fiduciary Activities"*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the pension plan schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 6, 2022 on our consideration of the Town'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Greene Finney Cauley, LLP

Greene Finney Cauley, LLP
Mauldin, South Carolina
May 6, 2022

As management of the Town of Tryon ("Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the year ended June 30, 2021 ("2021" or "FY 2021") compared to the year ended June 30, 2020 ("2020" or "FY 2020"). The intent of this management's discussion and analysis ("MD&A") is to look at the Town's financial performance as a whole, with an emphasis on the Primary Government (which excludes the Town's discretely presented component units – the Town of Tryon ABC Board ("ABC Board") and the Town of Tryon Tourism Development Authority ("Authority"). We would encourage readers to not only consider the information presented here, but also the information provided in the financial statements and the notes to the financial statements to enhance their understanding of the Town's overall financial performance.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the current fiscal year by approximately $8,306,000 (total net position for the Primary Government).
- The Town's total net position for FY 2021 decreased by approximately $396,000 over the prior year restated balance due to a decrease in the net position of the business-type activities of approximately $560,000, partially offset by an increase in the net position of the governmental activities of approximately $164,000.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of approximately $2,129,000, a decrease of approximately $30,000 or 1% from the restated prior year fund balance. The decrease is due to expenditures of approximately $2,930,000 exceeding revenues and other financing sources of approximately $2,900,000.
- At the end of the current fiscal year, unassigned fund balance for all governmental funds was approximately $908,000. The unassigned fund balance for the General Fund is approximately $908,000 which is 45% of total General Fund actual expenditures for the current fiscal year.
- The Town adopted Governmental Accounting Standards Board ("GASB") Statement No. 84 "*Fiduciary Activities*" ("GASB #84") for the year ended June 30, 2021. The primary objective of GASB #84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB #84 made it clear that the Rogers Park, Cemetery Project, Woodland Park, Greenway Project, St. Luke's Plaza, and Summer Tracks balances and activities should be reported by the Town in either the General Fund or a special revenue fund. The balances and activities were previously recorded in a fiduciary fund (agency fund). The adoption of GASB #84 has resulted in the restatement of the Town's fund balance and net position as of July 1, 2020 for its governmental fund and government-wide financial statements to reflect the reporting of the funds mentioned above in the General Fund. The fund balance of the Town's governmental funds and net position of the Town's governmental activities as of July 1, 2020 was increased by approximately $27,000, reflecting the change in accounting principle related to the adoption of GASB #84.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Town's annual financial statements consist of two parts – the Financial Section (which includes MD&A, the financial statements, the required supplementary information, and the supplementary information) and the Compliance Section.

Financial Statements

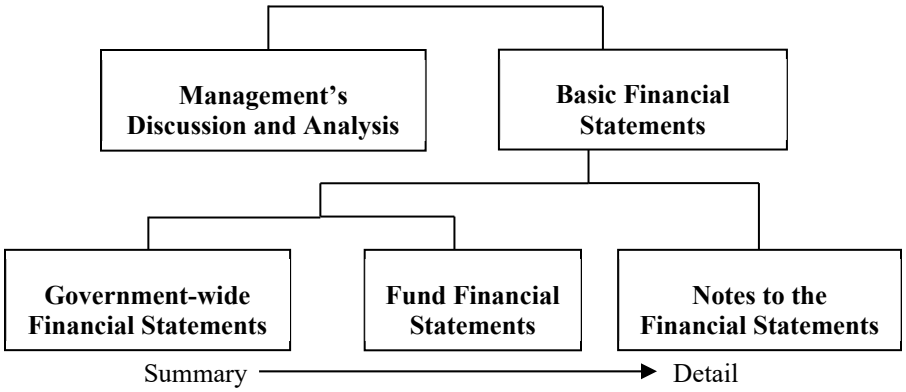
This MD&A is intended to serve as an introduction to the Town's financial statements. The Town's financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The financial statements present two different views of the Town 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 Town.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Statements (Continued)

Required Components of Annual Financial Report

Figure 1



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

The next set of statements are ***Fund Financial Statements***. These statements focus on the activities of the individual parts of the Town'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, **required supplementary information** and **supplementary information** are provided to show details about the Town's retirement plans, and 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 Town'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 Town's financial status as a whole.

The two government-wide statements report the Town's net position and how it has changed. Net position is the difference between the Town'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 Town's financial condition.

The government-wide statements are divided into three categories: (1) governmental activities, (2) business-type activities, and (3) component units. The governmental activities program revenues and general revenues finance most of these activities. The business-type activities are those that the Town charges customers to provide. These include the water and sewer and sanitation activities offered by the Town. The final category is the component units. Although legally separate from the Town, the ABC Board is important to the Town because the Town exercises control over the ABC Board by appointing its members. The ABC Board is required by North Carolina General Statute 18B to distribute its surpluses to the General Fund and Harmon Field Fund of the Town. Although legally separate from the Town, the Authority is important to the Town because the Town exercises control over the Authority's Board by appointing its members. The Authority's Board is required by North Carolina law to govern the use of the Town's Occupancy Tax Revenue.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Fund Financial Statements (Continued)

The fund financial statements provide a more detailed look at the Town'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 Town, 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 Town's budget ordinance. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Most of the Town's basic services are accounted for in governmental funds. These fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financing requirements. Governmental funds are reported using an accounting method called *modified accrual accounting* that 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 Town'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 an integral part of the fund financial statements.

The Town adopts annual budgets for its General Fund, Fire Department Fund, and Harmon Field Fund, as required by the general statutes. Each budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town and the decisions of the Council about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statements provided demonstrate how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budgets were adopted. The budgetary comparison statements use the budgetary basis of accounting and is presented using the same format, language and classifications as the legal budget document. The statements show 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; and 4) the difference or variance between the final budget and the actual resources and charges. If there are any differences between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities would be shown at the end of the budgetary statements.

Proprietary Funds – The Town utilizes one type of proprietary fund known as an enterprise fund. ***Enterprise Funds*** are used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. The Town uses enterprise funds to account for its water and sewer and its sanitation operations. These funds are 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. Note disclosure requirements apply only to material items and should focus on the primary government – specifically its governmental and business-type activities, major funds and non-major funds in the aggregate (if applicable). The ***Notes to the Financial Statements*** can be found as listed in the table of contents of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Town's progress in funding its obligation to provide pension benefits to its employees. Required Supplementary Information ("RSI") is mandated by the GASB and can be found as listed in the table of contents of this report. Supplementary information is presented immediately following the required supplementary information and can be found as listed in the table of contents.

Interdependence with Other Entities – The Town depends on financial resources flowing from, or associated with, both the federal government and the State of North Carolina. Because of this dependency, the Town is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and state laws and federal and state appropriations. It is also subject to changes in investment earnings and asset values associated with U.S. Treasury securities because of actions by foreign governments and other holders of publicly held U.S. Treasury securities.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Town's Net Position

Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2020	2021	2020	2021	2020	2021
Assets:						
Current and Other Assets	$ 2,278,436	2,334,094	628,801	120,355	2,907,237	$ 2,454,449
Capital Assets	2,890,460	3,792,953	5,902,433	5,763,137	8,792,893	9,556,090
Total Assets	5,168,896	6,127,047	6,531,234	5,883,492	11,700,130	12,010,539
Deferred Outflows of Resources	233,076	451,282	140,635	210,013	373,711	661,295
Liabilities:						
Long-Term Liabilities	824,226	1,066,523	2,924,030	2,806,901	3,748,256	3,873,424
Other Liabilities	82,480	116,573	217,528	246,836	300,008	363,409
Total Liabilities	906,706	1,183,096	3,141,558	3,053,737	4,048,264	4,236,833
Deferred Inflows of Resources	168,763	123,283	8,167	5,564	176,930	128,847
Net Position:						
Net Investment in Capital Assets	2,669,236	3,653,000	3,258,156	3,338,594	5,927,392	6,991,594
Restricted	883,318	1,082,328	-	-	883,318	1,082,328
Unrestricted	773,949	536,622	263,988	(304,390)	1,037,937	232,232
Total Net Position	$ 4,326,503	5,271,950	3,522,144	3,034,204	7,848,647	$ 8,306,154

The Town's total assets of approximately $12,011,000 increased approximately $310,000 from the prior year. The increase was primarily due to an increase in capital assets of approximately $763,000, partially offset by a decrease in current and other assets of approximately $453,000 due to the decrease in net position. The Town's total liabilities of approximately $4,237,000 increased by approximately $189,000 from the prior year primarily due to an increase in long-term liabilities related to increases in the State retirement plans, partially offset by principal payments. The changes in deferred outflows of resources and deferred inflows of resources were due to differences between expected and actual liability/investment experience, changes in assumptions, and changes in the percentage of the Town's proportionate share of the net pension liability in the State retirement plans.

The Town's assets and deferred outflows of resources exceeded its liabilities and deferred outflows of resources by approximately $8,306,000 as of June 30, 2021. The largest portion of net position of approximately $6,992,000 (84%) reflects the Town's investment in capital assets (e.g. land, buildings, infrastructure, machinery, equipment, and vehicles); less any related debt still outstanding that was issued to acquire those items. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's net investment in its 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 Town's net position of approximately $1,082,000 (13%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of the Town's total net position of approximately $232,000 (3%) is unrestricted.

The Town's net position decreased by approximately $396,000 for the fiscal year ended June 30, 2021. Please see the discussion following the next table regarding this decrease.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Town's Changes in Net Position

Figure 3

	Governmental Activities		Business-Type Activities		Total	
	2020	2021 * ^	2020	2021 * ^	2020	2021 * ^
Revenues:						
Program Revenues:						
Charges for Services	$ 83,872	66,279	1,786,785	1,831,645	1,870,657	$ 1,897,924
Operating Grants & Contributions	102,180	357,673	-	-	102,180	357,673
Capital Grants and Contributions	2,100	14,527	-	-	2,100	14,527
General Revenues:						
Property Taxes	1,798,992	1,878,487	-	-	1,798,992	1,878,487
Other Taxes and Fees	533,119	604,376	1,360	1,348	534,479	605,724
Other Revenue	57,412	15,510	2,343	2,534	59,755	18,044
Total Revenues	2,577,675	2,936,852	1,790,488	1,835,527	4,368,163	4,772,379
Expenses:						
General Government	588,960	638,785	-	-	588,960	638,785
Public Safety	1,123,850	1,377,158	-	-	1,123,850	1,377,158
Transportation	388,920	424,033	-	-	388,920	424,033
Economic Development	15,110	29,150	-	-	15,110	29,150
Culture and Recreational	258,439	299,878	-	-	258,439	299,878
Interest on Long-Term Obligations	6,362	4,053	-	-	6,362	4,053
Water and Sewer Fund	-	-	1,851,277	2,121,538	1,851,277	2,121,538
Sanitation Fund	-	-	290,589	273,854	290,589	273,854
Total Expenses	2,381,641	2,773,057	2,141,866	2,395,392	4,523,507	5,168,449
Change in Net Position Before Transfers	196,034	163,795	(351,378)	(559,865)	(155,344)	(396,070)
Transfers	(10,000)	-	10,000	-	-	-
Change in Net Position	186,034	163,795	(341,378)	(559,865)	(155,344)	(396,070)
Net Position, Beginning of Year, As Previously Reported	4,140,469	4,326,503	3,863,522	3,522,144	8,003,991	7,848,647
Change in Accounting Principle - GASB #84 *	-	27,248	-	-	-	27,248
Prior Period Adjustments ^	-	754,404	-	71,925	-	826,329
Net Position, Beginning of Year, As Restated	4,140,469	5,108,155	3,863,522	3,594,069	8,003,991	8,702,224
Net Position, End of Year	$ 4,326,503	5,271,950	3,522,144	3,034,204	7,848,647	$ 8,306,154

* The Town adopted GASB #84 in FY 2021. See Financial Highlights section for more details.

^ Certain amounts have been restated due to prior period adjustments - see Note IV.H for more details.

Governmental Activities: Governmental activities increased the Town's net position by approximately $164,000 over the restated prior year. The key element of this increase is due to revenues exceeding expenses. A detailed explanation for the General Fund expenditures exceeding revenues is provided under the Governmental Funds in the Financial Analysis of the Town's Funds section following.

Business-type Activities: Business-type activities decreased the Town's net position by approximately $560,000 mostly due to expenses exceeding revenues. A detailed explanation for the utility funds expenses exceeding revenues is provided under the Proprietary Funds in the Financial Analysis of the Town's Funds section following.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

Governmental Funds

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Town's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was approximately $908,000 with a total fund balance of approximately $1,782,000. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance for the General Fund as of June 30, 2021 represents 45% of total General Fund actual expenditures for the current fiscal year.

At June 30, 2021, the governmental funds of the Town reported a combined total governmental fund balance of approximately $2,129,000, an approximately $30,000 or 1% decrease over the prior year restated balance.

The General Fund's revenues of approximately $2,064,000 during FY 2021, which was an increase of approximately $322,000, or 18% over the approximately $1,741,000 recorded in FY 2020, primarily due to the following:

- Unrestricted intergovernmental revenue increased over the prior fiscal year by approximately $83,000 due to higher local option sales tax revenue.
- Restricted intergovernmental revenue increased over the prior fiscal year by approximately $256,000 due to higher grant revenue.

Expenditures in the General Fund were approximately $2,024,000 for 2021, which was an increase of approximately $314,000, or 18% over the approximately $1,710,000 reported in 2020, primarily due to $91,000 in higher public safety expenditures and $222,000 in higher capital outlay.

General Fund Budgetary Highlights: During the fiscal year, the Town revised the budget on several occasions. In general, 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. The Town's budget amendments in FY 2021 were primarily (a) for the final payment on new accounting software and (b) to recognize state disaster funds for storm damage to a culvert on Carolina Drive.

Several factors contributed to the General Fund actual revenues of approximately $2,064,000 exceeding the budgeted revenues by approximately $23,000 or 1%. These include:

- Unrestricted intergovernmental revenues were approximately $22,000 higher than the amount budgeted due to continued strength in local option sales taxes collected by the State.
- Restricted intergovernmental revenues were approximately $9,000 lower than the amount budgeted due to lower grant revenue.
- Miscellaneous revenues were approximately $7,000 higher than budget.
- Investment earnings were approximately $2,000 higher than budget.

The Fire Department Fund's, a major fund, fund balance decreased approximately $69,000 to approximately $321,000 at June 30, 2021. This decrease is primarily due to expenditures exceeding revenues for the current year.

Fire Department Fund revenues increased approximately $28,000 or 5% compared to the prior year. Fire Department expenditures increased approximately $241,000 or 58% compared to the prior year primarily due to an increase in public safety salary and benefits and operating expenditures.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS (CONTINUED)

Governmental Funds (Continued)

The Harmon Field Fund's, a major fund, fund balance decreased approximately $1,000 to approximately $27,000 at June 30, 2021. This decrease is due to expenditures exceeding revenues for the current year.

Harmon Field Fund revenues decreased approximately $21,000 or 8% compared to the prior year due to a decrease in sales and services of approximately $18,000 and miscellaneous revenues of approximately $5,000, partially offset by an increase in ad valorem tax revenue of approximately $2,000. Harmon Field Fund expenditures increased approximately $17,000 or 7% compared to prior year primarily due to an increase in salaries and employee benefits of approximately $30,000, partially offset by decreases in capital outlay expenditures of approximately $9,000 and operating expenditures of $4,000.

Proprietary Funds

The Town's proprietary fund statements provide additional detail by fund for the information combined in the government-wide statements.

Water and Sewer Fund

The Water and Sewer Fund (modified accrual) had approximately $1,581,000 in operating revenues for FY 2021. This was an increase of approximately $21,000 or 1% increase over FY 2020, primarily due to the following:

- Charges for services was approximately $1,564,000 for 2021, which was 1% higher than the previous year. Charges for services increased approximately $22,000 or 1% over 2020.
- Water and sewer new tap charges decreased by approximately $1,000.

The Water and Sewer Fund (modified accrual) had approximately $2,028,000 in expenditures for FY 2021. This was approximately $224,000 and 12% higher than FY 2020.

- The primary reasons for the increase in expenditures during FY 2021 was due to higher outside services (repairs and maintenance) of approximately $330,000, partially offset by lower capital outlay of approximately $57,000.

Net position of the Water and Sewer Fund at the end of 2021 totaled approximately $3,164,000 which was a decrease of approximately $538,000 over the restated prior year balance of approximately $3,703,000.

Sanitation Fund

The Sanitation Fund (modified accrual) total net position decreased by approximately $2,000 for FY 2021 due to expenditures exceeding revenues. This decrease was primarily due to the following:

- Operating revenues were approximately $251,000 and increased approximately $24,000 or 10% from the prior year.

- Expenditures in the Sanitation Fund of approximately $255,000 decreased by approximately $13,000 or 5% from the prior year due to lower capital outlay of approximately $13,000.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Town's had approximately $9,556,000 and $9,619,000 in total net capital assets at the close of 2021 and 2020, respectively, as detailed in figure 4 below:

Town's Net Capital Assets

Figure 4

	Governmental Activities		Business-Type Activities		Total	
	2020 *	2021	2020 *	2021	2020 *	2021
Land	$ 1,395,382	1,395,382	72,469	72,469	1,467,851	$ 1,467,851
Buildings	1,166,051	1,166,051	105,011	105,011	1,271,062	1,271,062
Other Improvements	1,418,114	1,681,651	-	-	1,418,114	1,681,651
Machinery and Equipment	1,841,526	1,862,944	1,546,808	1,579,469	3,388,334	3,442,413
Plant Distribution System	-		13,997,408	13,997,408	13,997,408	13,997,408
Vehicles	1,976,452	2,012,427	278,126	278,126	2,254,578	2,290,553
Construction in Progress	-	-	-	47,770	-	47,770
Accumulated Depreciation	(4,152,661)	(4,325,502)	(10,025,464)	(10,317,116)	(14,178,125)	(14,642,618)
Total	$ 3,644,864	3,792,953	5,974,358	5,763,137	9,619,222	$ 9,556,090

* Certain amounts have been restated due to a prior period adjustment. See Note IV. H in the notes to the financial statements for more details.

The total decrease in the Town's capital assets for 2021 was approximately $63,000 and consisted of the following:

- Capital asset additions of approximately $450,000 which consisted of:
  - Other improvements (culvert repair, guard rails, donated dog park) for approximately $264,000
  - Construction in progress on a water and sewer project of approximately $48,000
  - Acquisition of two vehicles of approximately $84,000
  - Acquisition of equipment of approximately $54,000
- Depreciation expense of approximately $513,000

Additional information on the Town's capital assets can be found in Note III.D in the Notes to the Financial Statements

Long-Term Debt

As of June 30, 2021 and 2020, the Town had total debt outstanding of $2,564,000 and $2,866,000, respectively. Figure 5 shows long-term debt balances at the end of 2021 and 2020:

Town's Outstanding Debt

Figure 5

	Governmental Activities		Business-Type Activities		Total	
	2020	2021	2020	2021	2020	2021
Revolving Fund Loans	$ -	-	2,457,284	2,264,647	2,457,284	$ 2,264,647
Installment Purchase Contracts	221,224	139,953	186,993	159,896	408,217	299,849
Total	$ 221,224	139,953	2,644,277	2,424,543	2,865,501	$ 2,564,496

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Long-Term Debt (Continued)

The net decrease in the Town's long-term debt was approximately $301,000 and was due to regularly scheduled principal payments.

North Carolina General Statute 159-55 limits the amount of general obligation debt that a unit of government can issue to eight (8) percent of the total assessed value of taxable property located within that government's boundaries. The Town does not have any general obligation debt.

The Town has other long-term obligations outstanding at year end which consisted of the compensated absences liability and the net pension liability. Additional information regarding the Town's long-term obligations can be found in Note III.E and Note IV.B in the Notes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Economic Factors

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. Management continues to actively monitor the impact from the COVID-19 outbreak on its financial condition, liquidity, operations, and workforce. If the COVID-19 outbreak continues or strengthens due to new variants resulting in state, local, and federal governments recommending or mandating restrictions on business and travel in an effort to curb the COVID-19 outbreak (by changing consumer behavior), the Town expects such restrictions may negatively impact the Town's operations.

Based on overall economic forecasts for North Carolina and the impacts of the COVID health pandemic, the Town expects to see a very challenging environment for the year ended June 30, 2022 ("FY 2022").

Budget Highlights for FY 2022

The FY 2022 operating budget totals approximately $4,371,000 for the Town's budgeted operating funds. This is approximately $225,000 or 5%, higher than the original FY 2021 budget of approximately $4,146,000.

ADDITIONAL INFORMATION

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Additional information may be found at the Town website: https://tryon-nc.com.

Questions concerning any of the information found in this report or requests for additional information should be directed to the Town Manager manager@tryonnc.gov, 301 North Trade Street, Tryon, N.C. 28782.

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BASIC FINANCIAL STATEMENTS

TOWN OF TRYON, NORTH CAROLINA

STATEMENT OF NET POSITION

JUNE 30, 2021

	PRIMARY GOVERNMENT			COMPONENT UNITS	
	Governmental Activities	Business-Type Activities	Totals	ABC Board	Tourism Development Authority
ASSETS					
Cash and Cash Equivalents	$ 932,759	-	932,759	53,017	$ 68,046
Cash and Cash Equivalents, Restricted	559,952	131,007	690,959	-	-
Investments, Restricted	12,710	-	12,710	-	-
Receivables, Net:					
Property Taxes	90,533	-	90,533	-	-
Accounts	3,100	299,043	302,143	-	4,861
Intergovernmental Receivables	176,535	-	176,535	-	-
Due From Component Unit	33,060	-	33,060	-	-
Prepaids and Inventories	23,024	66,316	89,340	90,467	-
Security Deposits	-	-	-	1,200	-
Land Held for Sale/Redevelopment	126,410	-	126,410	-	-
Internal Balances	376,011	(376,011)	-	-	-
Capital Assets:					
Non-Depreciable	1,395,382	120,239	1,515,621	-	-
Depreciable, Net	2,397,571	5,642,898	8,040,469	4,859	-
TOTAL ASSETS	**6,127,047**	**5,883,492**	**12,010,539**	**149,543**	**72,907**
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Pension Charges	451,282	210,013	661,295	-	-
LIABILITIES					
Accounts Payable	74,182	30,210	104,392	23,422	-
Accrued Interest Payable	2,494	11,066	13,560	-	-
Accrued Salaries and Benefits	39,897	31,259	71,156	-	495
Customer Deposits	-	136,742	136,742	-	-
Intergovernmental Payables	-	37,559	37,559	-	-
Due to Primary Government	-	-	-	-	33,060
Due to Other Governments	-	-	-	3,049	-
Non-Current Liabilities:					
Due Within One Year	103,673	235,201	338,874	-	-
Due in More Than One Year	962,850	2,571,700	3,534,550	-	-
TOTAL LIABILITIES	**1,183,096**	**3,053,737**	**4,236,833**	**26,471**	**33,555**
DEFERRED INFLOWS OF RESOURCES					
Deferred Pension Credits	123,283	5,564	128,847	-	-
NET POSITION					
Net Investment in Capital Assets	3,653,000	3,338,594	6,991,594	4,859	-
Restricted For:					
Stabilization by State Statute	673,500	-	673,500	-	-
Public Safety	341,922	-	341,922	-	-
Cultural and Recreational	44,196	-	44,196	-	-
Transportation	22,710	-	22,710	-	-
Tourism Related Costs	-	-	-	-	39,352
Working Capital	-	-	-	16,722	-
Unrestricted	536,622	(304,390)	232,232	101,491	-
TOTAL NET POSITION	**$ 5,271,950**	**3,034,204**	**8,306,154**	**123,072**	**$ 39,352**

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

TOWN OF TRYON, NORTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

FUNCTIONS/PROGRAMS		PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION				
					Primary Government			Component Units	
PRIMARY GOVERNMENT:	Expenses	Charges for Services	Operating Grants and	Capital Contributions	Governmental Activities	Business-Type Activities	Total	ABC Board	Tourism Development Authority
Governmental Activities:									
General Government	$ 638,785	22,971	263,535	-	(352,279)	-	$ (352,279)		
Public Safety	1,377,158	869	16,484	-	(1,359,805)	-	(1,359,805)		
Transportation	424,033	-	63,457	-	(360,576)	-	(360,576)		
Economic Development	29,150	10,775	-	-	(18,375)	-	(18,375)		
Culture and Recreational	299,878	31,664	14,197	14,527	(239,490)	-	(239,490)		
Interest on Long-Term Obligations	4,053	-	-	-	(4,053)	-	(4,053)		
Total Governmental Activities	**2,773,057**	**66,279**	**357,673**	**14,527**	**(2,334,578)**	**-**	**(2,334,578)**		
Business-Type Activities:									
Water and Sewer	2,115,046	1,580,551	-	-	-	(534,495)	(534,495)		
Sanitation	273,854	251,094	-	-	-	(22,760)	(22,760)		
Total Business-Type Activities	**2,388,900**	**1,831,645**	**-**	**-**	**-**	**(557,255)**	**(557,255)**		
TOTAL - PRIMARY GOVERNMENT	**$ 5,161,957**	**1,897,924**	**357,673**	**14,527**	**(2,334,578)**	**(557,255)**	**(2,891,833)**		
COMPONENT UNITS:									
ABC Board	$ 552,218	569,864	-	-	-	-	-	17,646	$ -
Tourism Development Authority	43,649	44,008	-	-	-	-	-	-	359
TOTAL - COMPONENT UNITS	**$ 595,867**	**613,872**	**-**	**-**	**-**	**-**	**-**	**17,646**	**359**
General Revenues:									
Taxes:									
Property Taxes					1,878,487	-	1,878,487	-	-
Sales Taxes					470,086	-	470,086	-	-
Franchise Taxes					134,290	-	134,290	-	-
Other Taxes					-	1,348	1,348	-	-
Investment Income					10,079	34	10,113	-	109
Miscellaneous					3,856	(3,992)	(136)	-	-
Gain on Sale of Assets					1,575	-	1,575	-	-
Total General Revenues					2,498,373	(2,610)	2,495,763	-	109
CHANGE IN NET POSITION					**163,795**	**(559,865)**	**(396,070)**	**17,646**	**468**
NET POSITION, Beginning of Year, As Previously Reported					4,326,503	3,522,144	7,848,647	105,426	38,884
Change in Accounting Principle - GASB #84					27,248	-	27,248	-	-
Prior Period Adjustments					754,404	71,925	826,329	-	-
NET POSITION, Beginning of Year, As Restated					5,108,155	3,594,069	8,702,224	105,426	38,884
NET POSITION, End of Year					**5,271,950**	**3,034,204**	**$ 8,306,154**	**123,072**	**$ 39,352**

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

TOWN OF TRYON, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2021

	GENERAL FUND	FIRE DEPARTMENT FUND	HARMON FIELD FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and Cash Equivalents	$ 932,759	-	-	$ 932,759
Cash and Cash Equivalents, Restricted	195,423	331,339	33,190	559,952
Investments, Restricted	-	12,710	-	12,710
Receivables, Net:				
Taxes	60,935	21,195	8,403	90,533
Accounts	3,100	-	-	3,100
Due From Other Governments	176,535	-	-	176,535
Due From Component Units	33,060	-	-	33,060
Due From Other Funds	460,805	-	-	460,805
Prepaid Items	12,542	9,275	1,207	23,024
Land Held for Sale/Redevelopment	126,410	-	-	126,410
TOTAL ASSETS	**$ 2,001,569**	**374,519**	**42,800**	**$ 2,418,888**
LIABILITIES				
Accounts Payable	$ 49,998	20,742	3,442	$ 74,182
Accrued Liabilities	23,355	11,855	4,687	39,897
Due To Other Funds	84,794	-	-	84,794
TOTAL LIABILITIES	**158,147**	**32,597**	**8,129**	**198,873**
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	60,935	21,195	8,403	90,533
FUND BALANCES				
Nonspendable:				
Prepaid Items	12,542	9,275	1,207	23,024
Land Held for Sale/Redevelopment	126,410	-	-	126,410
Restricted For:				
Stabilization by State Statute	673,500	-	-	673,500
Public Safety	-	311,452	-	311,452
Culture and Recreation	9,525	-	25,061	34,586
Transportation	22,710	-	-	22,710
Assigned For:				
Culture and Recreation	29,635	-	-	29,635
Unassigned	908,165		-	908,165
TOTAL FUND BALANCES	**1,782,487**	**320,727**	**26,268**	**2,129,482**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 2,001,569**	**374,519**	**42,800**	**$ 2,418,888**

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

TOWN OF TRYON, NORTH CAROLINA

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

JUNE 30, 2021

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	**$**	**2,129,482**
Amounts reported for the governmental activities in the Statement of Net Position are different because of the following:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported as assets in governmental funds. The cost of the capital assets was $8,118,455 and the accumulated depreciation was $4,325,502.		3,792,953
Property taxes receivable that will be collected in the future, but are not available soon enough to pay for the current period's expenditures, and therefore have been deferred in the governmental funds.		90,533
Accrued interest on the long-term obligations in governmental accounting is not due or payable in the current period, therefore, they have not been reported as a liability in the funds.		(2,494)
The Town's proportionate shares of the deferred outflows of resources and deferred inflows of resources related to their participation in the Local Government Employees' Retirement System ("LGERS") is not recorded in the governmental funds but is recorded in the Statement of Net Position.		300,785
The Town's deferred outflows of resources and deferred inflows of resources related to its Law Enforcement Officers Special Separation Allowance ("LEOSSA"), a single-employer defined benefit pension plan, is not recorded in the governmental funds but is recorded in the Statement of Net Position.		27,214
Long-term liabilities, including bonds payable, are not due or payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consisted of the following:		
Long-Term Debt		(139,953)
Compensated Absences		(82,903)
Net Pension Liability - LGERS		(471,219)
Total Pension Liability - LEOSSA		(372,448)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	**$**	**5,271,950**

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

TOWN OF TRYON, NORTH CAROLINA

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

YEAR ENDED JUNE 30, 2021

	GENERAL FUND	FIRE DEPARTMENT FUND	HARMON FIELD FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Ad Valorem Taxes	$ 914,949	567,966	214,780	$ 1,697,695
Unrestricted Intergovernmental Revenue	762,745	-	-	762,745
Restricted Intergovernmental Revenue	323,905	8,807	-	332,712
Sales and Services	34,615	-	31,664	66,279
Investment Earnings	10,069	5	5	10,079
Miscellaneous	17,285	11,532	-	28,817
TOTAL REVENUES	**2,063,568**	**588,310**	**246,449**	**2,898,327**
EXPENDITURES				
Current:				
General Government	593,238	-	-	593,238
Public Safety	683,887	581,531	-	1,265,418
Transportation	283,511	-	-	283,511
Economic Development	29,150	-	-	29,150
Culture and Recreation	5,375	-	247,848	253,223
Capital Outlay	389,710	28,434	-	418,144
Debt Service:				
Principal Retirement	36,769	44,502	-	81,271
Interest and Other Charges	2,379	3,201	-	5,580
TOTAL EXPENDITURES	2,024,019	657,668	247,848	2,929,535
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**39,549**	**(69,358)**	**(1,399)**	**(31,208)**
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	1,575	-	-	1,575
TOTAL OTHER FINANCING SOURCES (USES)	1,575	-	-	1,575
NET CHANGES IN FUND BALANCES	**41,124**	**(69,358)**	**(1,399)**	**(29,633)**
FUND BALANCES, Beginning of Year, as Previously Reported	1,714,115	390,085	27,667	2,131,867
Change in Accounting Principle - GASB #84	27,248	-	-	27,248
FUND BALANCE, Beginning of Year, Restated	1,741,363	390,085	27,667	2,159,115
FUND BALANCES, End of Year	**$ 1,782,487**	**320,727**	**26,268**	**$ 2,129,482**

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

TOWN OF TRYON, NORTH CAROLINA

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

YEAR ENDED JUNE 30, 2021

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	**$**	**(29,633)**
Amounts reported for the governmental activities in the Statement of Activities are different because of the following:		
Property tax revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. They are considered revenues in the Statement of Activities.		22,423
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		81,271
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		1,527
Contributed infrastructure and other capital assets are not recognized in the governmental funds as no current financial resource has been received, but are recognized in the Statement of Activities as a capital grant.		14,527
Changes in the Town's proportionate share of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to the LGERS for the current year are not reported in the governmental funds but are reported in the Statement of Activities.		(57,116)
Changes in the Town's LEOSSA net pension liability, deferred outflows of resources, and deferred inflows of resources for the current year are not reported in the governmental funds but are reported in the Statement of Activities.		760
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		(3,526)
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, capital outlay expenditures that qualify as capital assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense of $221,068 was exceeded by cash capital asset additions of $354,630 in the current period.		133,562
TOTAL CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	**$**	**163,795**

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

TOWN OF TRYON, NORTH CAROLINA

BUDGETARY COMPARISON STATEMENT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETS AND ACTUAL - GENERAL FUND

YEAR ENDED JUNE 30, 2021

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
REVENUES				
Ad Valorem Taxes	$ 990,000	914,344	914,949	$ 605
Unrestricted Intergovernmental Revenue	618,000	740,188	762,745	22,557
Restricted Intergovernmental Revenue	-	332,712	323,905	(8,807)
Sales And Services	24,000	34,613	34,615	2
Investment Earnings	-	7,951	10,069	2,118
Miscellaneous Revenues	-	10,591	17,285	6,694
TOTAL REVENUES	**1,632,000**	**2,040,399**	**2,063,568**	**23,169**
EXPENDITURES				
Current:				
General Government	663,181	652,984	625,656	27,328
Public Safety	691,263	716,113	683,887	32,226
Economic Development	41,000	98,000	29,150	68,850
Transportation	281,247	638,963	640,803	(1,840)
Culture and Recreation	4,400	4,311	5,375	(1,064)
Debt Service:				
Principal	34,220	36,769	36,769	-
Interest and Bank Fees	2,686	2,379	2,379	-
TOTAL EXPENDITURES	**1,717,997**	**2,149,519**	**2,024,019**	**125,500**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**(85,997)**	**(109,120)**	**39,549**	**148,669**
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	-	1,575	1,575
Transfers In	20,997	32,000	-	(32,000)
Transfers Out	-	(334,959)	-	334,959
TOTAL OTHER FINANCING SOURCES (USES)	**20,997**	**(302,959)**	**1,575**	**304,534**
Fund Balance Appropriated	65,000	412,079	-	(412,079)
NET CHANGE IN FUND BALANCES	**$ -**	**-**	**41,124**	**$ 41,124**
FUND BALANCES, Beginning of Year, As Previously Reported			1,714,115	
Change in Accounting Principle - GASB #84			27,248	
FUND BALANCES, Beginning of Year, As Restated			1,741,363	
FUND BALANCES, End of Year			**$ 1,782,487**	

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

TOWN OF TRYON, NORTH CAROLINA

BUDGETARY COMPARISON STATEMENT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETS AND ACTUAL - FIRE DEPARTMENT FUND

YEAR ENDED JUNE 30, 2021

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
REVENUES				
Ad Valorem Taxes	$ 551,700	557,811	567,966	$ 10,155
Restricted Intergovernmental Revenue	-	-	8,807	8,807
Investment Earnings	-	11,370	5	(11,365)
Miscellaneous Revenues	-	-	11,532	11,532
TOTAL REVENUES	**551,700**	**569,181**	**588,310**	**19,129**
EXPENDITURES				
Current:				
Public Safety	472,827	588,274	609,965	(21,691)
Debt Service:				
Principal	43,910	44,502	44,502	-
Interest and Bank Fees	3,793	3,201	3,201	-
TOTAL EXPENDITURES	**520,530**	**635,977**	**657,668**	**(21,691)**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**31,170**	**(66,796)**	**(69,358)**	**(2,562)**
OTHER FINANCING SOURCES (USES)				
Transfers In	-	8,000	-	(8,000)
Transfers Out	(30,997)	(32,000)	-	32,000
TOTAL OTHER FINANCING SOURCES (USES)	**(30,997)**	**(24,000)**	**-**	**24,000**
Fund Balance Appropriated	(173)	90,796	-	(90,796)
NET CHANGE IN FUND BALANCES	**$ -**	**-**	**(69,358)**	**$ (69,358)**
FUND BALANCES, Beginning of Year			390,085	
FUND BALANCES, End of Year			**$ 320,727**	

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

TOWN OF TRYON, NORTH CAROLINA

BUDGETARY COMPARISON STATEMENT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETS AND ACTUAL - HARMON FIELD FUND

YEAR ENDED JUNE 30, 2021

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
REVENUES				
Ad Valorem Taxes	$ 212,800	238,087	214,780	$ (23,307)
Sales and Services	25,000	31,436	31,664	228
Investment Earnings	-	-	5	5
TOTAL REVENUES	**237,800**	**269,523**	**246,449**	**(23,074)**
EXPENDITURES				
Current:				
Culture and Recreation	237,800	245,690	247,848	(2,158)
TOTAL EXPENDITURES	**237,800**	**245,690**	**247,848**	**(2,158)**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**-**	**23,833**	**(1,399)**	**(25,232)**
OTHER FINANCING SOURCES (USES)				
Transfers In	-	6,000	-	(6,000)
TOTAL OTHER FINANCING SOURCES (USES)	**-**	**6,000**	**-**	**(6,000)**
Fund Balance Appropriated	-	(29,833)	-	29,833
NET CHANGE IN FUND BALANCES	**$ -**	**-**	**(1,399)**	**$ (1,399)**
FUND BALANCES, Beginning of Year			27,667	
FUND BALANCES, End of Year			**$ 26,268**	

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

TOWN OF TRYON, NORTH CAROLINA

STATEMENT OF NET POSITION -
PROPRIETARY FUNDS

JUNE 30, 2021

	ENTERPRISE FUNDS		
	WATER AND SEWER FUND	SANITATION FUND	TOTAL
ASSETS			
Current Assets:			
Cash and Cash Equivalents, Restricted	$ 131,007	-	$ 131,007
Receivable, Net			
Accounts Receivable	260,408	38,635	299,043
Due From Other Funds	144,256	-	144,256
Prepaid Items	10,613	1,670	12,283
Inventories	54,033	-	54,033
Total Current Assets	600,317	40,305	640,622
Non-Current Assets:			
Capital Assets:			
Non-Depreciable	120,239	-	120,239
Depreciable, Net	5,533,524	109,374	5,642,898
Total Non-Current Assets	5,653,763	109,374	5,763,137
TOTAL ASSETS	**6,254,080**	**149,679**	**6,403,759**
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Charges	177,602	32,411	210,013
LIABILITIES			
Current Liabilities:			
Accounts Payable	24,019	6,191	30,210
Accrued Interest Payable	9,648	1,418	11,066
Accrued Liabilities	27,302	3,957	31,259
Customer Deposits	136,742	-	136,742
Due to Other Governments	36,792	767	37,559
Due To Other Funds	399,342	120,925	520,267
Current Portion of Compensated Absences	22,804	1,239	24,043
Current Portion of Debt	203,826	7,332	211,158
Total Current Liabilities	860,475	141,829	1,002,304
Non-Current Liabilities:			
Net Pension Liability	270,863	49,432	320,295
Compensated Absences, Less Current Portion	36,062	1,958	38,020
Debt, Less Current Portion	2,095,461	117,924	2,213,385
Total Long-Term Liabilities	2,402,386	169,314	2,571,700
TOTAL LIABILITIES	**3,262,861**	**311,143**	**3,574,004**
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Credits	4,705	859	5,564
NET POSITION			
Net Investment in Capital Assets	3,354,476	(15,882)	3,338,594
Unrestricted	(190,360)	(114,030)	(304,390)
TOTAL NET POSITION	**$ 3,164,116**	**(129,912)**	**$ 3,034,204**

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

TOWN OF TRYON, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2021

	ENTERPRISE FUNDS		
	WATER AND SEWER FUND	SANITATION FUND	TOTAL
OPERATING REVENUES			
Charges for Services	$ 1,564,388	247,037	$ 1,811,425
Water and Sewer Taps	16,163	-	16,163
Other Operating Revenues	-	4,057	4,057
TOTAL OPERATING REVENUES	**1,580,551**	**251,094**	**1,831,645**
OPERATING EXPENSES			
Water and Sewer Distribution	807,506	-	807,506
Waterplant Operations	564,671	-	564,671
Wastewater Plant Operations	243,537	-	243,537
Water Collections	170,566	-	170,566
Sanitation Operations	-	244,700	244,700
Depreciation	268,265	23,387	291,652
TOTAL OPERATING EXPENSES	**2,054,545**	**268,087**	**2,322,632**
OPERATING INCOME (LOSS)	**(473,994)**	**(16,993)**	**(490,987)**
NON-OPERATING REVENUES (EXPENSES)			
Solid Waste Disposal Tax	-	1,348	1,348
Investment Earnings	34	-	34
Interest and Other Charges	(60,501)	(5,767)	(66,268)
Other	(3,992)	-	(3,992)
TOTAL NON-OPERATING REVENUES (EXPENSES)	**(64,459)**	**(4,419)**	**(68,878)**
CHANGE IN NET POSITION	**(538,453)**	**(21,412)**	**(559,865)**
NET POSITION, Beginning of Year, As Previously Reported	3,630,644	(108,500)	3,522,144
Prior Period Adjustments	71,925	-	71,925
NET POSITION, Beginning of Year. As Restated	3,702,569	(108,500)	3,594,069
NET POSITION, End of Year	**$ 3,164,116**	**(129,912)**	**$ 3,034,204**

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

TOWN OF TRYON, NORTH CAROLINA

STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2021

	ENTERPRISE FUNDS		
	WATER AND SEWER FUND	SANITATION FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	$ 1,623,009	250,990	$ 1,873,999
Payments to Suppliers for Goods and Services	(626,638)	(84,604)	(711,242)
Payments for Personal Services	(1,129,069)	(161,661)	(1,290,730)
Other Receipts (Payments)	(3,992)	-	(3,992)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(136,690)	4,725	(131,965)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
State and Federal Grants	-	1,348	1,348
Transfers from (to) Other Funds	227,168	6,795	233,963
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	227,168	8,143	235,311
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	(80,431)	-	(80,431)
Bond and Revolving Fund Loan Principal Payments	(212,713)	(7,021)	(219,734)
Bond and Revolving Fund Loan Interest Payments	(61,468)	(5,847)	(67,315)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(354,612)	(12,868)	(367,480)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment Earnings	34	-	34
NET CASH PROVIDED BY INVESTING ACTIVITIES	34	-	34
NET DECREASE IN RESTRICTED AND UNRESTRICTED CASH AND CASH EQUIVALENTS	**(264,100)**	**-**	**(264,100)**
RESTRICTED AND UNRESTRICTED CASH AND CASH EQUIVALENTS, Beginning of Year	395,107	-	395,107
RESTRICTED AND UNRESTRICTED CASH AND CASH EQUIVALENTS, End of Year	**$ 131,007**	**-**	**$ 131,007**
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities:			
Operating Income (Loss)	$ (473,994)	(16,993)	$ (490,987)
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities:			
Depreciation Expense	268,265	23,387	291,652
Other Nonoperating Revenue	(3,992)	-	(3,992)
Change in Accounts Representing Operating Activities:			
Accounts Receivable	38,788	(104)	38,684
Prepaids and Inventory	(28,166)	(135)	(28,301)
Accounts Payable	16,680	(2,829)	13,851
Accrued Salaries and Benefits	14,326	(1,492)	12,834
Customer Deposits	3,670	-	3,670
Compensated Absences	(9,473)	(1,468)	(10,941)
Net Pension Liability	101,746	11,800	113,546
Deferred Pension Charges	(62,565)	(6,813)	(69,378)
Deferred Pension Credits	(1,975)	(628)	(2,603)
Net Cash Provided by (Used in) Operating Activities	$ (136,690)	4,725	$ (131,965)

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

The Town of Tryon ("Town") was originally incorporated in 1885 and operates under a Council-Manager form of government with an appointed Town Manager. Town Council ("Council") consists of the Mayor and four other members who are elected by qualified voters of the town. The Mayor and Council are vested with the legislative and policymaking powers of the Town. The Council appoints a Town Manager who serves as the chief executive officer of the Town and is responsible to the Council for proper administration of all affairs of the Town.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Reporting Entity

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America, ("GAAP"), as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below.

As required by GAAP, the financial statements present the Town's financial information with any of its component units. The primary criterion for determining inclusion or exclusion of a legally separate entity (component unit) is financial accountability, which is presumed to exist if the Town both appoints a voting majority of the entity's governing body, and either 1) the Town is able to impose its will on the entity or, 2) there is a potential for the entity to provide specific financial benefits to, or impose specific financial burdens on the Town. If either or both of the foregoing conditions are not met, the entity could still be considered a component unit if it is fiscally dependent on the Town and there is a potential that the entity could either provide specific financial benefits to, or to impose specific financial burdens on the Town.

In order to be considered fiscally independent, an entity must have the authority to do all of the following: (a) determine its budget without the Town having the authority to approve or modify that budget; (b) levy taxes or set rates or charges without approval by the Town; and (c) issue bonded debt without approval by the Town. An entity has a financial benefit or burden relationship with the Town if, for example, any one of the following conditions exists: (a) the Town is legally entitled to or can otherwise access the entity's resources, (b) the Town is legally obligated or has otherwise assumed the obligation to finance the deficits or, or provide financial support to, the entity, or (c) the Town is obligated in some manner for the debt of the entity. Finally, an entity could be a component unit even if it met all the conditions described above for being fiscally independent if excluding it would cause the Town's financial statements to be misleading.

Blended component units, although legally separate entities, are in substance, part of the government's operations and data from these units are combined with data of the primary government in the fund financial statements. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the Town. Based on the criteria above, the Town has two discretely presented component units.

Discretely Presented Component Unit – Town of Tryon Board of Alcoholic Control Board ("ABC Board")

The members of the ABC Board's governing body are appointed by the Town. In addition, the ABC Board is required by State statute to distribute its surpluses to the General Fund and Harmon Field Fund of the Town. The ABC Board, which has a June 30th year end, is presented as a business-type activity in the Town's government-wide financial statements. Complete financial statements of the ABC Board may be obtained from its administrative offices at Town of Tryon Alcoholic Control Board, 354 S Trade St, Suite C, Tryon, NC 28782.

Discretely Presented Component Unit – Town of Tryon Tourism Development Authority ("Authority")

The members of the Authority's governing board ("Board") are appointed by the Town. The Authority's Board is required by North Carolina law to govern the use of the Town's Occupancy Tax Revenue. The Authority, which has a June 30th year-end, is presented as a business-type activity in the Town's government-wide financial statements. No separate financial statements for the Authority have been issued.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all activities of the Town (the "Primary Government"). For the most part, the effect of interfund activity (except for interfund services provided and used between functions) has been removed from these financial statements.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely, to a significant extent, on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Town.

The **government-wide financial statements** are reported using the *economic resources measurement focus* and the *accrual basis of accounting,* as are the Proprietary Fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Non-exchange transactions, in which the Town gives or receives value without directly receiving or giving equal value in exchange, includes property taxes, grants and donations. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

The government-wide statements are prepared using a different measurement focus from the manner in which governmental fund financial statements are prepared (see further detail below). Governmental fund financial statements therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental **fund financial statements** are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting.* Revenues are recognized as soon as they are both measurable (susceptible to accrual) and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Town generally recognizes property tax revenues only when received and thus no availability period is used. The Town considers all other revenues to be available if they are generally collected within 90 days after year-end. 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.

Ad valorem taxes receivable are not accrued as a 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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

Sales taxes and certain intergovernmental revenues, such as the beer and wine tax, collected and held by the State at year end on behalf of the Town are recognized as revenue when received/collected by the State. Sales taxes are considered a shared revenue for the Town because the tax is levied by Polk County and then remitted to and distributed by the State. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, capital lease expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payments are due and payable. Capital asset acquisitions are reported as capital outlay expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

Fund financial statements report detailed information about the Town. Separate financial statements for each fund category are presented – governmental and proprietary funds are presented. The focus of fund financial statements is on major governmental and enterprise funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column (if applicable).

When both restricted and unrestricted resources are available for use, it is the Town's practice to use restricted resources first, then unrestricted resources as they are needed.

The accounts of the government are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The following fund types and funds are used by the Town.

Governmental Fund Types are those through which most governmental functions of the Town are financed. The Town's expendable financial resources and related assets, deferred outflows of resources (if any), liabilities, and deferred inflows of resources (if any) (except for those accounted for in the Proprietary Funds) are accounted for through governmental funds. Governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. The Town's governmental funds are as follows:

The ***General Fund, a major fund*** and a budgeted fund**,** is the general operating fund of the Town and accounts for all revenues and expenditures of the Town except those required to be accounted for in other funds. All general tax revenues and other receipts that (a) are not allocated by law or contractual agreement to other funds or (b) that have not been restricted, committed, or assigned to other funds are accounted for in the General Fund.

Fire Department Fund, a major special revenue fund and a budgeted fund**,** accounts for the operations of the Town's Fire Department. Taxes are levied specifically for the Fire Department.

Harmon Field Fund, a major special revenue fund and a budgeted fund, accounts for the operations of Harmon Field. Taxes are levied specifically for Harmon Field.

Proprietary Fund Types are accounted for based on the economic resources measurement focus and use of the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. 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 enterprise funds are primarily charges for services and fees. Operating expenses for enterprise funds include the expense for providing goods and services, administrative expenses, maintenance, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Proprietary funds are made up of one fund type: Enterprise Funds.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises — where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Town has the following major Enterprise Funds:

Water and Sewer Fund, a major fund and a budgeted fund, is used to account for the Town's water and sewer operations.

Sanitation Fund, a major fund and a budgeted fund, is used to account for the Town's sanitation and recycling operations.

Change in Accounting Principle

The Town adopted GASB Statement No. 84 "*Fiduciary Activities"* ("GASB #84") for the year ended June 30, 2021. The primary objective of GASB #84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB #84 made it clear that the Rogers Park, Cemetery Project, Woodland Park, Greenway Project, St. Luke's Plaza, and Summer Tracks balances and activities should be reported by the Town in either the General Fund or a special revenue fund. The balances and activities were previously recorded in a fiduciary fund (agency fund).

The adoption of GASB #84 has resulted in the restatement of the Town's fund balance and net position as of July 1, 2020 for its governmental fund and government-wide financial statements to reflect the reporting of the funds mentioned above in the General Fund. The fund balance of the Town's governmental funds and net position of the Town's governmental activities as of July 1, 2020 was increased by approximately $27,000, reflecting the change in accounting principle related to the adoption of GASB #84.

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

1. Cash and Cash Equivalents

The Town pools money from several funds to facilitate disbursements and investments and to maximize investment income. The Town, the ABC Board, and the Authority consider all highly liquid investments with a maturity of three months or less (from when initially purchased) to be cash and cash equivalents.

2. Deposits and Investments

All deposits of the Town, the ABC Board, and the Authority are made in board-designated official depositories and are secured as required by G.S. 159-31. The Town and the ABC Board may designate, as an official depository, any bank or savings and loan association whose principal office is located in North Carolina. Also, the Town and its discretely presented component units 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 Town, the ABC Board, and the Authority 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 Town's, ABC Board's, and Authority's investments are reported at fair value as determined by quoted market prices. The NCCMT Government Portfolio, a SEC-registered (2a-7) external investment pool, is measured at fair value. The NCCMT-Term Portfolio is a bond fund, has no rating and is measured at fair value. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than one year.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

3. Receivables and Payables

During the course of its operations, the Town has numerous transactions occurring between funds. These transactions include expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers in (out). To the extent that certain transactions between funds had not been paid or received as of year-end, balances of interfund amounts or payables have been recorded.

All trade and property taxes receivable are shown net of an allowance for uncollectible amounts (if material). Trade receivables are comprised of amounts due from entities and individuals for a variety of types of fees, charges, and services, including but not limited to, taxes, intergovernmental revenue, permits and fees, sales and services, water and sewer, sanitation/recycling, and other fees and charges.

4. Inventories and Prepaid Items

Inventories of materials and supplies are valued at cost (first-in, first-out) which approximates market. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaids and inventories of the Town, ABC Board, and Authority are accounted for using the consumption method (expended/expensed when consumed).

5. Capital Assets

General capital assets are those assets not specifically related to activities reported in the Proprietary Funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the Government-Wide Statement of Net Position, but are not reported in the fund financial statements. Capital assets utilized by the Proprietary Funds are reported both in the business-type activities column of the Government-Wide Statement of Net Position and in the respective fund financial statements.

Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost, if not purchased or constructed. Donated capital assets are recorded at estimated acquisition value (as estimated by the Town) at the date of donation. Infrastructure and other improvements consist of the road network (roads, bridges, curbs and gutters, streets, and sidewalks, drainage systems, lighting systems), and water and sewer system assets that were acquired or that received substantial improvements subsequent to July 1, 1980. These assets are reported at estimated historical cost using deflated replacement 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.

The Town's capital assets are depreciated on the straight-line method using the following estimated useful lives:

Buildings and Improvements	20-30 years
Other Improvements	10-30 years
Plant Distribution System Infrastructure	30-50 years
Vehicles	3-15 years
Equipment and Furniture	3-15 years

The ABC Board's capital assets are depreciated on the straight-line method using the following estimated useful lives:

Equipment	3-10 years

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

6. Restricted Assets

In the General Fund, any unspent Powell Bill funds are classified as restricted cash and cash equivalents, because they may only be expended for the purposes of maintaining repairing, construction, reconstruction or widening of local streets per G.S 136-41.1 through 41.4.

In the Water and Sewer Fund, customer deposits held by the Town before any services are supplied are restricted to the service for which the deposit is collected.

In the special revenue funds, unspent revenues and contributions are restricted for a particular purpose.

7. Compensated Absences

The vacation policy of the Town generally provides for the accumulation of up to forty (40) days earned vacation leave with such leave being fully vested when earned. For the Town's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The Town 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 vacation policy of the ABC Board provides for the accumulation of up to twenty days earned vacation leave with such leave being fully vested when earned. Vacation days are earned based on the length of services. Full-time employees do not accumulate sick leave.

The Town'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 Town does not have any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

8. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. Debt premiums and discounts are deferred and amortized over the life of the debt using the straight-line method (as it approximates the effective interest method) if material. Debt is reported net of applicable bond premiums and discounts. Issuance costs are expensed when incurred. In the governmental fund financial statements, bond premiums, discounts, and issuance costs are recognized immediately. The face amount of debt or capital leases issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current financial resources. However, claims and judgments, debt and capital leases, compensated absences, contractually required pension contributions, special termination benefits and other related long-term obligations that will eventually be paid from governmental funds are not reported as a liability in the fund financial statements until due and payable.

9. Deferred Outflows/Inflows of Resources

As defined by GASB Concept Statement No. 4 "*Elements of Financial Statements*", deferred outflows/inflows of resources are the consumption/acquisition of net position by the government that are applicable to a future reporting period.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

9. Deferred Outflows/Inflows of Resources (Continued)

In addition to assets, the Statement of Net Position and the Balance Sheet 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(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town currently has one type of deferred outflows of resources: The Town reports *deferred pension charges* in the Town's Statements of Net Position in connection with the Town's participation in the State's Local Governmental Employees' Retirement System ("LGERS") and Law Enforcement Officers Special Separation Allowance ("LEOSSA"). The *deferred pension charges* are either (a) recognized in the subsequent period as a reduction of the net pension liability or (b) amortized in a systematic and rational method as pension expense in future periods in accordance with GAAP.

In addition to liabilities, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town currently has two types of deferred inflows of resources: (1) The Town reports *unavailable revenue – property taxes* only in the governmental funds balance sheet; it is deferred and recognized as an inflow of resources (tax revenues) in the period the amounts become available. (2) The Town reports *deferred pension credits* in its Statements of Net Position in connection with the Town's participation in the State's LGERS and LEOSSA. These *deferred pension credits* are amortized in a systematic and rational method and recognized as a reduction of pension expense in future periods in accordance with GAAP.

10. Fund Balance

In accordance with GAAP, the Town classifies its governmental fund balances as follows:

Nonspendable – includes amounts that inherently cannot be spent either because it is not in spendable form (i.e. prepaids, inventories, etc.) or because of legal or contractual requirements (i.e. principal on an endowment, etc.).

Restricted – includes amounts that are constrained by specific purposes which are externally imposed by (a) other governments through laws and regulations, (b) grantors or contributions through agreements, (c) creditors through debt covenants or other contracts, or (d) imposed by law through constitutional provisions or enabling legislation. Restricted fund balance for the Town could consists of:

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 Cultural and Recreational - portion of fund balance that is restricted by revenue source for certain cultural and recreational expenditures.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

10. Fund Balance (Continued)

Restricted for Public Safety – portion of fund balance that is restricted by revenue sources for use in public safety activities, due to the sources being primarily from federal and state drug forfeitures and controlled substance tax and amounts donated/received by the Town for specific purposes.

Restricted for Transportation – portion of Powell Bill unexpended funds and other fund balances that are restricted by revenue source for street construction and maintenance expenditures (if any).

Committed – is the portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the Town Council (highest level of decision-making authority). Council 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.

Assigned – includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed and that such assignments are made before the report issuance date. Town Council reserves the right to assign fund balance.

Subsequent Year's Expenditures – portion of fund balance (if any) that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however, the budget ordinance authorizes the manager to modify the appropriations by resource or appropriation within funds.

Unassigned – includes amounts that do not qualify to be accounted for and reported in any of the other fund balance categories. This classification represents the amount of fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

The Town has not formally adopted a revenue spending policy that provides guidance for programs with multiple revenue sources. However, the Town Manager currently uses resources in the following hierarchy: bond proceeds, federal funds, state funds, local non-Town funds, and Town 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 Town Manager has the authority to deviate from this policy if it is in the best interest of the Town.

The Town has adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the Town in such a manner that available fund balance is at least equal to or greater then 25% of budgeted expenditures. Any portion of the General Fund balance in excess of 25% of budgeted expenditures may be appropriated for one-time expenditures and may not be used for any purpose that would obligate the Town in a future budget.

11. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in the Statement of Net Position. Net position is classified as net investment in capital assets; restricted; and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Outstanding debt which has not been spent is included in the same net position component as the unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

12. Pensions

In government-wide and Proprietary Fund financial statements, pensions are required to be recognized and disclosed using the accrual basis of accounting (see Note IV.B and the required supplementary information immediately following the notes to the financial statements for more information), regardless of the amount recognized as pension expenditures on the modified accrual basis of accounting. The Town recognizes a net/total pension liability for each plan in which it participates, which represents the excess of the total pension liability over the fiduciary net position of the plan, or the Town's proportionate share thereof in the case of a cost-sharing multiple-employer plan, measured as of the Town's fiscal year-end. Changes in the net pension liability during the period are recorded as pension expense, or as deferred outflows or inflows of resources depending on the nature of the change, in the period incurred. Those changes in net/total pension liability that are recorded as deferred outflows or inflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and recorded as a component of pension expense beginning with the period in which they are incurred. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred outflows or inflows of resources and amortized as a component of pension expense on a closed basis generally over a five-year period beginning with the period in which the difference occurred.

13. Fair Value

The fair value measurement and disclosure framework provides for a three-tier fair value hierarchy that gives highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Town can access at the measurement date.

Level 2 – Inputs to the valuation methodology, other than quoted prices included in Level 1, that are observable for an asset or liability either directly or indirectly and include:

- Quoted prices for similar assets and liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted market prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology that are unobservable for an asset or liability and include:

- Fair value is often based on developed models in which there are few, if any, observable inputs.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of future net realizable values or reflective of future fair values. The Town believes that the valuation methods used are appropriate and consistent with GAAP. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no significant changes from the prior year in the methodologies used to measure fair value.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

14. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditures are recorded to reflect the use of the applicable spending appropriations, is used by all funds during the year to control expenditures. Encumbrances do not constitute expenditures or liabilities. Encumbrances and unused expenditure appropriations lapse at year end.

15. Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent amounts at the date of the financial statements. In addition, they affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates and assumptions.

16. Comparative Data

Comparative data (i.e. presentation of prior year totals by fund type) has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the Fire Department Fund, the Harmon Field Fund, the Water and Sewer Fund, and the Sanitation Fund. All appropriations lapse at the fiscal year-end. 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. All amendments must be approved by the governing board and the Council must adopt an interim budget that covers that time until the annual ordinance can be adopted.

B. Significant Violations of Finance-Related Legal and Contractual Provisions

1. Significant Noncompliance with North Carolina General Statutes

During the year, the Town did not always follow its purchasing policy or the State's pre-audit requirements for normal and electronic disbursements. The Town's current policy does not fully note all of the required pre-audit requirements (especially for electronic payments). The Town is in the process of updating its policies and procedures and will work with the NC Local Government Commission and its new accountant to properly address the relevant preaudit requirements.

The Town had investments in equities of approximately $13,000 as of June 30, 2021 that are not allowable per State law (Article 3 of Chapter 159). The Town will work to liquidate its equity investments as soon as economically and practically possible.

The Fire Department Fund expenditures exceeded amounts appropriated in the budget by approximately $22,000. Additional expenditures were recorded in public safety, but corresponding budget amendments were not approved/made. Management and Town Council will more closely review the budgetary reports to ensure compliance in future years.

The Harmon Field Fund expenditures exceeded amounts appropriated in the budget by approximately $2,000. Additional expenditures were recorded in culture and recreation, but corresponding budget amendments were not approved/made. Management and Town Council will more closely review the budgetary reports to ensure compliance in future years.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

C. Deficit Net Position of Individual Fund

Due to increased costs of operations, the Sanitation Fund has a deficit net position as of June 30, 2021 of approximately $130,000. Management is working to develop a plan to eliminate this deficit net position in future years.

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

A. Deposits and Investments

Deposits

Custodial Credit Risk for Deposits: Deposits of the Town, the ABC Board, and the Authority are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage are collateralized with securities held by the Town's, the ABC Board's, or the Authority's agents in these unit's names. 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 Town, ABC Board, and the Authority, these deposits are considered to be held by the Town's, ABC Board's, and Authority's agents in their names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual 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 Town, the ABC Board, the Authority, or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Town, ABC Board, and Authority 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 Town, ABC Board, and Authority have no formal policy regarding custodial credit risk for deposits but rely on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Town complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2021, the Town's deposits had a carrying amount of approximately $1,362,000 and a bank balance of approximately $1,334,000. None of the Town's bank balances were exposed to custodial credit risk.

At June 30, 2021, the ABC Board's deposits had a carrying amount of approximately $53,000 and a bank balance of approximately $73,000. All of the bank balances were covered by federal depository insurance.

At June 30, 2021, the Authority's deposits had a carrying amount of approximately $68,000 and bank balance of approximately $72,000. All of the bank balances were covered by federal depository insurance.

Investments

As of June 30, 2021, the Town had the following investments:

Investment Type	Fair Value Level [1]	Credit Rating ^	Fair Value	Weighted Average Maturity
Equities	N/A	N/A	$ 12,710	N/A
NCCMT - Government Portfolio	Level 1	AAAm/Aaa-mf	261,476	< 1 Year
Total			$ 274,186	

^ If available, credit ratings are for Standard & Poor's and Moody's Investors Service.

[1] See Note I.C.13 for details of the City's fair value hierarchy.

NCCMT - North Carolina Capital Management Trust

N/A - Not Applicable.

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

A. Deposits and Investments (Continued)

Deposits (Continued)

Custodial Credit Risk: For an investment, the custodial risk is the risk that in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments on collateral securities that are in the possession of an outside party. The Town has no formal policy on custodial credit risk, but management procedures are that the Town shall utilize a third-party custodial agent for book entry transactions, all of which shall be held in the Town's name.

Interest Rate Risk: The Town has a formal investment policy that prioritizes the goals of investment activities, within compliance of North Carolina General Statutes, in the order of (1) safety, (2) liquidity and (3) return. The Finance Director is the designated investment officer.

Credit Risk: The Town has no formal policy regarding credit risk but has internal management procedures that limits the Town's investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated.

Concentration of Credit Risk: The Town's Council places no limit on the amount that the Town may invest in any one issuer. The Town held most of its investments in NCCMT – Government Portfolio (95%). The remaining investments (5%) are held in common stock/equities.

Reconciliation to the Financial Statements

A reconciliation of cash and investments for all activities for the Primary Government is as follows:

Description	Amount
Carrying Amount of Deposits	$ 1,362,242
Fair Value of Investments	274,186
Total Deposits and Investments	$ 1,636,428
Statement of Net Position:	
Cash and Cash Equivalents	$ 932,759
Cash and Cash Equivalents, Restricted	690,959
Investments, Restricted	12,710
Total Cash and Investments	$ 1,636,428

B. Property Taxes Receivables and Unavailable, Deferred, and Unearned Revenues

Property Taxes

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Town 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 1st. The Town does not provide for discounts for taxes paid prior to the due date. As allowed by state law, the Town has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the Town's General Fund, Fire Department Fund, and Harmon Field Fund, ad valorem tax revenues are reported net of such discounts. The Town's fiscal year 2021 real and business personal property taxes (which excludes vehicle taxes), which was for tax year 2020, were levied in July 2020 based on a rate of .5028 (same as prior year), .1060 (same as prior year), and .0450 (same as prior year) for the General Fund, Fire Department Fund, and Harmon Field Fund, respectively.

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

B. Property Taxes Receivables and Unavailable, Deferred, and Unearned Revenues (Continued)

Property Taxes (Continued)

Gross property taxes receivable of approximately $122,000 represent current and delinquent real and personal property, less an allowance for amounts estimated to be uncollectible of approximately $31,000. All net property taxes receivable at year end are recorded as unavailable revenue on the governmental fund financial statements and thus not recognized as revenue until collected in the governmental funds.

Effective as of September 1, 2013, 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 (when applicable).

Unavailable, Deferred, and Unearned Revenues

Governmental funds report as a component of deferred inflows of resources (a) revenues that are not considered to be available to liquidate liabilities (unavailable revenue) and (b) revenues that have been received but are intended to finance future periods (deferred revenue). Governmental funds also defer revenue recognition and report liabilities in connection with resources that have been received but not yet earned (unearned revenue).

As of June 30, 2021, the Town had the following deferred inflows of resources in its governmental funds:

Description	Fund(s)	Unavailable
Unavailable Revenue - Property Taxes	General Fund	$ 60,935
Unavailable Revenue - Property Taxes	Fire Department Fund	21,195
Unavailable Revenue - Property Taxes	Harmon Field Fund	8,403
Total		$ 90,533

C. Interfund Balances and Transfers

Balances due to/from other funds at June 30, 2021, consist of the following:

Fund	Receivables	Payables
Major Governmental Funds:		
General Fund	$ 460,805	$ 84,794
Major Enterprise Funds:		
Water and Sewer Fund	144,256	399,342
Sanitation Fund	-	120,925
Totals	$ 605,061	$ 605,061

The interfund balances result from the time lag between when interfund goods and services are provided or reimbursable expenses occur and when transactions are recorded in the accounting system and payments between funds are made. Also, the Sanitation Fund and the Water and Sewer Fund have a negative balance in the pooled cash account and thus these balances of approximately $61,000 and $211,000, respectively, are reflected as an interfund payable in the Sanitation Fund and Water and Sewer Fund and an interfund receivable in the General Fund.

For the year ended June 30, 2021, the Town had no transfers between funds.

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

D. Capital Assets

Capital asset activity for the Town's governmental activities for the year ended June 30, 2021 was as follows:

	Beginning Balance *	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets, Non-Depreciable:					
Land	$ 1,395,382	-	-	-	$ 1,395,382
Total Capital Assets, Non-Depreciable	1,395,382	-	-	-	1,395,382
Capital Assets, Depreciable:					
Buildings	1,166,051	-	-	-	1,166,051
Other Improvements	1,418,114	263,537	-	-	1,681,651
Equipment and Furniture	1,841,526	21,418	-	-	1,862,944
Vehicles	1,976,452	84,202	48,227	-	2,012,427
Total Capital Assets, Depreciable	6,402,143	369,157	48,227	-	6,723,073
Less: Accumulated Depreciation for:					
Buildings	799,469	23,336	-	-	822,805
Other Improvements	282,661	59,083	-	-	341,744
Equipment and Furniture	1,319,518	64,560	-	-	1,384,078
Vehicles	1,751,013	74,089	48,227	-	1,776,875
Total Accumulated Depreciation	4,152,661	221,068	48,227	-	4,325,502
Total Capital Assets, Depreciable, Net	2,249,482	148,089	-	-	2,397,571
Governmental Activities Capital Assets, Net	$ 3,644,864	148,089	-	-	$ 3,792,953

* Certain amounts have been restated due to a prior period adjustment. See Note IV.H for more details.

The Town has no significant construction commitments for its governmental activities as of June 30, 2021.

Capital asset additions and depreciation expense for governmental activities were charged to functions/programs as follows:

Functions/Programs	Capital Asset Additions	Depreciation Expense
General Government	$ 21,418	$ 16,171
Public Safety	28,434	79,231
Transportation	304,778	83,778
Culture and Recreational	14,527	41,888
Total - Governmental Activities	$ 369,157	$ 221,068

During fiscal year 2021, the Town's governmental activities received donated capital assets of approximately $15,000 for a dog park.

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

D. Capital Assets (Continued)

Capital asset activity for the Town's business-type activities for the year ended June 30, 2021, was as follows:

	Beginning Balance *	Increases	Decreases	Transfers	Ending Balance
Business-Type Activities:					
Water and Sewer Fund					
Capital Assets, Non-Depreciable:					
Land	$ 72,469	-	-	-	$ 72,469
Construction In Progress	-	47,770	-	-	47,770
Total Capital Assets, Non-Depreciable	72,469	47,770	-	-	120,239
Capital Assets, Depreciable:					
Buildings and Improvements	105,011	-	-	-	105,011
Plant Distribution System Infrastructure	13,997,408	-	-	-	13,997,408
Equipment	1,532,932	32,661	-	-	1,565,593
Vehicles	133,085	-	-	-	133,085
Total Capital Assets, Depreciable	15,768,436	32,661	-	-	15,801,097
Less: Accumulated Depreciation for:					
Buildings and Improvements	87,604	1,574	-	-	89,178
Plant Distribution System Infrastructure	8,450,117	216,755	-	-	8,666,872
Equipment	1,347,860	44,128	-	-	1,391,988
Vehicles	113,727	5,808	-	-	119,535
Total Accumulated Depreciation	9,999,308	268,265	-	-	10,267,573
Total Capital Assets, Depreciable, Net	5,769,128	(235,604)	-	-	5,533,524
Water and Sewer Fund Capital Assets, Net	$ 5,841,597	(187,834)	-	-	$ 5,653,763

* Certain amounts have been restated due to a prior period adjustment. See Note IV.H for more details.

Sanitation Fund					
Capital Assets, Depreciable:					
Vehicles	$ 145,041	-	-	-	$ 145,041
Equipment	13,876	-	-	-	13,876
Total Capital Assets, Being Depreciated	158,917	-	-	-	158,917
Less: Accumulated Depreciation for:					
Vehicles	23,381	20,612	-	-	43,993
Equipment	2,775	2,775	-	-	5,550
Total Accumulated Depreciation	26,156	23,387	-	-	49,543
Total Capital Assets, Depreciable, Net	132,761	(23,387)	-	-	109,374
Sanitation Fund Capital Assets, Net	132,761	(23,387)	-	-	109,374
Business-Type Activities Capital Assets, Net	$ 5,974,358	(211,221)	-	-	$ 5,763,137

The Town has no significant construction commitments for its business-type activities as of June 30, 2021.

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

D. Capital Assets (Continued)

Capital asset additions and depreciation expense for business-type activities were charged to programs as follows:

Functions/Programs	Capital Asset Additions	Depreciation Expense
Water and Sewer	$ 80,431	$ 268,265
Sanitation	-	23,387
Total - Business-Type Activities	$ 80,431	$ 291,652

Capital asset activity for the ABC Board for the year ended June 30, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
ABC Board (Component Unit)				
Capital Assets, Depreciable:				
Store Equipment	$ 12,618	-	-	$ 12,618
Total Capital Assets, Depreciable	12,618	-	-	12,618
Less: Accumulated Depreciation for:				
Store Equipment	6,028	1,731	-	7,759
Total Accumulated Depreciation	6,028	1,731	-	7,759
Total Capital Assets, Depreciable, Net	6,590	(1,731)	-	4,859
Business-Type Activities Capital Assets, Net	$ 6,590	(1,731)	-	$ 4,859

Capital asset additions and depreciation expense for the ABC Board were as follows:

Capital Asset Additions	Depreciation Expense
$ -	$ 1,731

The Tourism Development Authority has no capital assets as of June 30, 2021.

E. Long-Term Obligations

The Town issues debt to provide funds for the acquisition and/or construction of major capital projects, vehicles, and equipment. These issuances were obtained/issued through direct borrowings or direct placements. General Obligation Bonds ("GOB") are direct obligations and pledge the full faith and credit of the Town. State Revolving Loans ("SRL") are generally loans from the Clean Water State Revolving Fund and Drinking Water State Revolving Fund for costs associated with water/sewer systems improvements. Debt service payments on SRL are generally payable from the revenues of the water/sewer system and any other monies due to the Town from the State may be withheld by the State and applied to the payment if the Town fails to pay any payment of principal or interest. The Installment Purchase Contracts ("IPC") are generally collateralized by the assets being financed, are not secured by the taxing power of the Town, and are subject to acceleration clauses in an event of default (i.e. nonpayment, etc.).

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

E. Long-Term Obligations (Continued)

Details on the Town's outstanding debt issues (none of which are publicly traded) as of June 30, 2021 are as follows:

State Revolving Loans	Balance at June 30, 2021
On July 8, 2009, the Town entered into a revolving loan agreement ("SRL – July 2009") with the North Carolina Water Pollution Control Revolving Fund for the purpose of renovating the Town's water plant. The $3,579,592 financing arrangement requires annual principal installments of $169,141 and semi-annual interest payments at 2.48%, maturing May 1, 2033.	$ 2,029,688
On May 19, 2010, the Town, along with the Towns of Saluda and Columbus, North Carolina, executed a revolving loan ("SRL – May 2010") with the North Carolina Rural Center for the Tryon/Saluda/Columbus joint waterline. Due to construction delays, the first draw on the loan did not take place until September 9, 2010. The $1,430,001 financing arrangement which is shared equally by the Town of Tryon, the Town of Saluda, and the Town of Columbus, requires annual principal installments of $70,488 with interest at 2.5%, maturing May 1, 2031.	234,959
Installment Purchase Contracts	
On July 1, 2008, the Town executed an installment purchase agreement ("IPC – July 2018) with a local bank for $463,405 to acquire a fire engine and equipment for the fire department. The financing arrangement was modified in April 2014 with a reduced interest rate. The agreement requires annual installments of $37,445 with interest at 2.50%, maturing on August 1, 2022.	72,117
On June 25, 2015, the Town executed an installment purchase agreement ("IPC – June 2015") with a local bank for $67,181 to acquire a 2015 Ford Explorer for the fire department and a 2012 Ford Escape for general government. The financing agreement requires annual installments of $14,186 with interest at 1.75%, maturing August 1, 2020.	4,412
On September 21, 2016, the Town executed an installment purchase agreement ("IPC – September 2016") with a local bank for $33,925 to acquire a 2017 Ford Explorer for the police department. The financing agreement requires annual installments of $7,261 with interest at 2.25%, maturing October 1, 2021.	7,117
On November 21, 2016, the Town executed an installment purchase agreement ("IPC – November 2016") with a local bank for $48,000 to acquire a brush truck for the fire department. The financing agreement requires annual installments of $10,258 with interest at 2.25%, maturing November 21, 2021.	10,032
On October 23, 2018, the Town executed an installment purchase agreement ("IPC – October 2018") with a local bank for $75,000 to acquire two 2018 Ford Explorers for the police department. The financing agreement requires annual installments of $16,325 with interest as 2.89%, maturing January 31, 2024.	46,275
On January 3, 2019, the Town executed an installment purchase agreement ("IPC-A – January 2019") with a local bank for $139,000 to acquire a 2018 Freightliner rear loader refuse truck for the sanitation department. The financing agreement requires annual installments of $12,881 with interest at 4.43%, maturing March 29, 2034.	$ 125,256

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

E. Long-Term Obligations (Continued)

Installment Purchase Contracts (Continued)	Balance at June 30, 2021
On January 3, 2019, the Town executed an installment purchase agreement ("IPC-B – January 2019") with a local bank for $56,000 to acquire a Caterpillar mini excavator for the water and sewer departments. The financing agreement requires annual installments of $12,284 with interest at 3.16%, maturing March 29, 2024.	$ 34,640

Interest paid on the certain debt issued by the Town is exempt from federal income tax. The Town sometimes temporarily reinvests the proceeds of such tax-exempt debt in higher-yielding taxable securities, especially during construction projects. The federal tax code refers to this practice as arbitrage. Excess earnings (the difference between the interest on the debt and the investment earnings received) resulting from arbitrage must be rebated to the federal government. The Town does not believe it has any arbitrage liability at June 30, 2021.

The Town implemented GASB Statement No. 68 "*Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*" ("GASB #68") in 2015. This statement established standards for the measurement, recognition, and display of pension expenditures/expenses, net pension liabilities, deferred pension outflows/inflows, note disclosures, and required supplementary information in financial reports. For more information on the Town's participation 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 and its related net pension liability (which is shown in the long-term obligation rollforward), see "Note IV.B Retirement/Pension Plans – Local Government Employees' Retirement System" for more details.

The Town implemented GASB Statement No. 73 "*Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension"* in 2017. This statement established standards for the measurement, recognition, and display of pension expenditures/expenses, pension liabilities, deferred pension outflows/inflows, note disclosures, and required supplementary information in financial reports. For more information on the Town's Law Enforcement Officers Special Separation Allowance ("LEOSSA"), a single-employer defined benefit pension plan, which provides retirement benefits to the Town's qualified sworn law enforcement officers and its total pension liability (which is shown in the long-term obligation rollforward), see "Note IV.B Retirement/Pension Plans – Law Enforcement Officers Special Separation Allowance" for more details.

Presented below is a summary of changes in long-term obligations for the Town's governmental activities for the year ended June 30, 2021:

Long-Term Obligations	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Direct Borrowings/Placements:					
Installment Purchase Contracts:					
IPC - July 2008	$ 106,733	-	34,616	72,117	$ 35,617
IPC - June 2015	13,938	-	9,526	4,412	-
IPC - December 2015	5,858	-	5,858	-	-
IPC - September 2016	14,011	-	6,894	7,117	7,071
IPC - November 2016	19,842	-	9,810	10,032	10,032
IPC - October 2018	60,842	-	14,567	46,275	14,988
Total Installment Purchase Contracts	221,224	-	81,271	139,953	67,708
Compensated Absences	79,377	37,961	34,435	82,903	35,965
Net Pension Liability - LGERS	315,403	155,816	-	471,219	-
Total Pension Liability - LEOSSA	208,222	164,226	-	372,448	-
Total Governmental Activities	$ 824,226	358,003	115,706	1,066,523	$ 103,673

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

E. Long-Term Obligations (Continued)

Resources from the General Fund and Fire Department Fund have generally been used to liquidate the Town's governmental activities long-term debt. The Town's compensated absences and the pension liabilities for governmental activities have typically been liquidated in the fund for which the employee salary is charged.

Presented below is a summary of changes in long-term obligations for the Town's business-type activities for the year ended June 30, 2021:

Long-Term Obligations	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-Type Activities:					
Direct Borrowings/Placements:					
State Revolving Loans:					
SRL - July 2019	$ 2,198,829	-	169,141	2,029,688	$ 169,141
SRL - July 2019	258,455	-	23,496	234,959	23,496
Total State Revolving Loans	2,457,284	-	192,637	2,264,647	192,637
Installment Purchase Contracts:					
IPC - December 2015	9,230	-	9,230	-	-
IPC-A - January 2019	132,277	-	7,021	125,256	7,332
IPC-B - January 2019	45,486	-	10,846	34,640	11,189
Total Installment Purchase Contracts	186,993	-	27,097	159,896	18,521
Total Direct Borrowings/Placements	2,644,277	-	219,734	2,424,543	211,158
Compensated Absences	73,004	17,340	28,281	62,063	24,043
Net Pension Liability - LGERS	206,749	113,546	-	320,295	-
Total Business-Type Activities	$ 2,924,030	130,886	248,015	2,806,901	$ 235,201

Resources from the Water and Sewer Fund and the Sanitation Fund have generally been used to liquidate the Town's business-type activities long-term obligations.

Following is a summary of debt service requirements to maturity by year for the Town's governmental and business-type activities as of June 30, 2021:

	Direct Borrowing/Placement Debt		
	Installment Purchase Contracts		
Year Ended June 30,	Principal	Interest	Total
Governmental Activities:			
2022	$ 67,708	3,553	$ 71,261
2023	51,808	1,829	53,637
2024	20,437	459	20,896
Totals	$ 139,953	5,841	$ 145,794

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

E. Long-Term Obligations (Continued)

	Direct Borrowing/Placement Debt				
	State Revolving Loans		Installment Purchase Contracts		
Year Ended June 30,	Principal	Interest	Principal	Interest	Total
Business-Type Activities					
2022	$ 192,637	56,210	18,521	6,644	$ 274,012
2023	192,637	51,428	19,199	5,964	269,228
2024	192,637	46,647	19,904	5,261	264,449
2025	192,637	41,864	8,350	4,531	247,382
2026	192,637	37,082	8,720	4,161	242,600
2027-2031	963,184	113,677	49,747	14,655	1,141,263
2032-2034	338,278	12,584	35,455	3,187	389,504
Totals	$ 2,264,647	359,492	159,896	44,403	$ 2,828,438

IV. OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town carries commercial insurance to cover property, general liability, and auto liability coverage of $1,000,000 per occurrence and workmen's compensation coverage of $500,000 per accident. The Town 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 Town is not in a flood plain and does not carry flood insurance.

The ABC Board 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 ABC Board has property, general liability, workers' compensation and employee health coverage. The ABC Board also has liquor legal liability coverage. Claims have not exceeded coverage in any of the past three fiscal years and there has been no significant reduction in insurance coverage in the prior year.

In accordance with G.S. 159-29, the finance officer of both the Town and the Authority are individually bonded for $250,000 and the tax collector is individually bonded for $250,000. The remaining employees that have access to funds are bonded under a blanket bond for $250,000.

B. Retirement/Pension Plans

Local Governmental Employees' Retirement System

Plan Description

The Town 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 ("LEO") 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.

IV. OTHER INFORMATION (CONTINUED)

B. Retirement/Pension Plans (Continued)

Local Governmental Employees' Retirement System (Continued)

Plan Description (Continued)

The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report 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. Town employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Town's contractually required contribution rate for the year ended June 30, 2021, was 10.84% of compensation for law enforcement officers and 10.32% of compensation for general employees and firefighters, 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 Town and by employees were approximately $110,000 and $190,000 for the year ended June 30, 2021, respectively.

Refunds of Contributions

Town 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.

IV. OTHER INFORMATION (CONTINUED)

B. Retirement/Pension Plans (Continued)

Local Governmental Employees' Retirement System (Continued)

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

At June 30, 2021, the Town reported a liability of approximately $792,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension liability was based on a projection of the Town'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 the June 30, 2020 measurement date, the Town's proportion was 0.02215%, which was an increase of 0.00303% from its proportion of 0.01912% measured as of June 30, 2019.

For the year ended June 30, 2021, the Town recognized pension expense of approximately $289,000. At June 30, 2021, the Town 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	$ 99,954	$ -
Changes in Assumptions	58,904	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	111,384	-
Changes in Proportion and Differences between City Contributions and Proportionate Share of Contributions	58,308	13,750
City Contributions Subsequent to the Measurement Date	190,434	-
	$ 518,984	$ 13,750

Approximately $190,000 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2022	$ 89,645
2023	113,600
2024	78,591
2025	32,964
Total	$ 314,800

IV. OTHER INFORMATION (CONTINUED)

B. Retirement/Pension Plans (Continued)

Local Governmental Employees' Retirement System (Continued)

Actuarial Assumptions

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary Increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment Rate of Return	7.00 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, 2019 valuation were based on the results of an actuarial experience study for the period of January 1, 2010 through December 31, 2014.

Future ad hoc cost of living adjustments ("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, 2020 (measurement date) are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	100.0%	

The information above is based on 30-year expectations developed with the consulting actuary for the 2019 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 3.00%. All rates of return and inflation are annualized.

IV. OTHER INFORMATION (CONTINUED)

B. Retirement/Pension Plans (Continued)

Local Governmental Employees' Retirement System (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. 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 Analysis

The following presents the Town's proportionate share of the net pension asset calculated using the discount rate of 7.00 percent, as well as what the Town'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 (6.00 percent) or one percentage point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Town's Proportionate Share of the Net Pension Liability (Asset)	$ 1,605,895	791,514	$ 114,706

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

Law Enforcement Officers Special Separation Allowance

Plan Description

The Town administers the Law Enforcement Officers Special Separation Allowance ("Separation Allowance" or "LEOSSA"), a single employer defined benefit pension plan that provides retirement benefits to the Town's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time Town law enforcement officers are covered by the Separation Allowance. At December 31, 2019 (actuary valuation date), the Separation Allowance's membership consisted of:

Retirees Receiving Benefits	1
Active Plan Members	7
Total	8

IV. OTHER INFORMATION (CONTINUED)

B. Retirement/Pension Plans (Continued)

Law Enforcement Officers Special Separation Allowance (Continued)

Summary of Significant Accounting Policies

Basis of Accounting

The Town has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meets the following criteria which are outlined in GASB #73.

Actuarial Assumptions

The actuarial assumptions used in the December 31, 2019 actuarial valuation were based on the results of an actuarial experience study for the five-year period ending December 31, 2019. The entry age actuarial cost method was used in the December 31, 2019 valuation. The total pension liability in the December 31, 2019 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 7.75 percent, including inflation at 2.50%
Discount Rate	1.93 percent (3.26% for prior measurement date)
Cost of Living Adjustments	N/A

The discount rate is based on the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2019. Mortality rates are based on the Pub-2010 amount-weighted tables.

Based on the results of an experience study completed by the actuary for the Local Governmental Employees' Retirement System for the five-year period ending December 31, 2019, the following assumptions were updated: mortality rates, salary increase rates, service retirement rates, disability retirement rates, termination rates, real wage growth, and leave conversion service.

Contributions

The Town is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The Town's obligation to contribute to the LEOSSA is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The Town paid approximately $10,000 as benefits came due for the reporting period.

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

At June 30, 2021, the Town reported a total pension liability of approximately $372,000. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the Town recognized pension expense of approximately $9,000.

IV. OTHER INFORMATION (CONTINUED)

B. Retirement/Pension Plans (Continued)

Law Enforcement Officers Special Separation Allowance (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 48,553	$ 108,466
Changes of Assumptions and Other Inputs	88,919	6,631
Town Benefit Payments and Plan Administrative Expenses Made Subsequent to the Measurement Date	4,839	-
Total	$ 142,311	$ 115,097

Approximately $5,000 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2022	$ (8,347)
2023	(5,687)
2024	8,384
2025	14,273
2026	13,752
Total	$ 22,375

The following presents the Town's total pension liability calculated using the discount rate of 1.93 percent, as well as what the Town's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (0.93 percent) or 1-percentage-point higher (2.93 percent) than the current rate:

	1% Decrease (0.93%)	Discount Rate (1.93%)	1% Increase (2.93%)
Total Pension Liability	$ 397,306	372,448	$ 349,120

Schedule of Changes in Total Pension Liability

Schedule of Changes in Total Pension Liability

Total Pension Liability as of December 31, 2019 Measurement Date	$ 208,222
Changes for the Year:	
Service Cost at End of Year	10,263
Interest on the Total Pension Liability	6,630
Differences Between Expected and Actual Experience	59,391
Changes of Assumptions and Other Inputs	97,621
Benefit Payments	(9,679)
Net Changes	164,226
Total Pension Liability as of December 31, 2020 Measurement Date	$ 372,448

IV. OTHER INFORMATION (CONTINUED)

B. Retirement/Pension Plans (Continued)

Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description

The Town contributes to the Supplemental Retirement Income Plan ("Plan"), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the Town. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy

Article 12E of G.S. Chapter 143 requires the Town to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Total contributions from the Town for the year ended June 30, 2021 were approximately $22,000.

C. Other Employment Benefits

Death Benefit Plan

The Town has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System ("Death Benefit Plan" or "System"), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed $50,000 or be less than $25,000. Because all death benefit payments are made from the Death Benefit Plan and not by the Town, the Town does not determine the number of eligible participants. The Town has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The Town considers these contributions to be immaterial.

D. Contingent Liabilities and Commitments

Litigation

The Town is periodically the subject of litigation by a variety of plaintiffs. The Town's management believes that such amounts claimed by these plaintiffs, net of the applicable insurance coverage, are immaterial.

Grants

The Town receives financial assistance from various federal, state, and local governmental agencies in the form of grants. Disbursements of funds received under these programs generally require compliance with the terms and conditions specified in the grant agreements. The disbursements are also subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Town's applicable fund. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements included herein or on the overall financial position of the Town at June 30, 2021.

IV. OTHER INFORMATION (CONTINUED)

D. Contingent Liabilities and Commitments (Continued)

Commitments

In January 2020, the Town signed a three year agreement with Blue Ridge Hunter Jumper Association to rent out the Equestrian Facilities at Harmon Field for $2,500 per year (Harmon Field Fund). Rent payments are due to the Town on or before December 15th of each year (for the succeeding year). As of June 30, 2021, the Town was still scheduled to receive rent payments of $6,250 under this lease.

In November 2020, the Town entered into an agreement for approximately $292,000 with WithersRavenel for professional services related to the Braewick Road Sewer Rehabilitation Project. The Town has incurred costs of approximately $56,000 for fiscal year 2021 with a remaining commitment of approximately $236,000.

E. Related Party Transaction

The Tryon ABC Board is a component unit of the Town. The ABC Board received a $10,000 loan from the Town several years ago. The ABC Board has paid back $10,000 of this loan with the last payment of $3,000 being received in July 2021.

F. Net Investment in Capital Assets

Net Investment in Capital Assets was calculated as follows:

	Governmental Activities	Business-Type Activities
Capital Assets, Net	$ 3,792,953	$ 5,763,137
Long-Term Debt	(139,953)	(2,424,543)
Net Investment in Capital Assets	$ 3,653,000	$ 3,338,594

G. Fund Balance

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

Total Fund Balance - General Fund	$ 1,782,487
Less:	
Prepaid Items	(12,542)
Land Held for Sale/Redevelopment	(126,410)
Stabilization by State Statute	(673,500)
Restricted by Function	(32,235)
Assigned by Function	(29,635)
Unassigned Fund Balance - General Fund	$ 908,165

The Town has adopted an Available Fund Balance policy for the General Fund to be at a minimum of twenty five percent (25%) of the Town's budgeted expenditures.

IV. OTHER INFORMATION (CONTINUED)

H. Prior Period Adjustments

In connection with the Town's review of its capital asset balances, capital asset listing, and capital asset rollforward, the Town became aware of a misstatement in its prior year balances in its governmental activities, business-type activities, and proprietary fund financial statements. The Town has corrected these errors by reflecting prior period adjustments of approximately $754,000 and $72,000 for its governmental activities and Water and Sewer Fund, respectively. These errors primarily relate to land and other capital assets which had not been properly recorded in prior years on the government-wide and proprietary fund financial statements.

I. COVID-19 Health Pandemic

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. Management continues to actively monitor the impact from the COVID-19 outbreak on its financial condition, liquidity, operations, and workforce. If the COVID-19 outbreak continues or strengthens due to new variants resulting in state, local, and federal governments recommending or mandating restrictions on business and travel in an effort to curb the COVID-19 outbreak (by changing consumer behavior), the Town expects such restrictions may negatively impact the Town's operations.

J. Subsequent Events

In August 2021, the Town sold the Melrose Avenue property that it was holding as land held for sale for $160,000.

In August 2021, the Town received approximately $257,000 of the approximately $470,000 that they were awarded in American Rescue Plan Act funding. The Town Council has not yet committed the funds for future uses. There are four primary areas that the funding can be used for: (1) water, sewer, and storm drainage infrastructure, (2) premium pay for essential workers, (3) COVID-19 health related concerns, and (4) funding to help businesses recover from the pandemic.

In October 2021, Harmon Field purchased a new mower for approximately $20,000.

In January 2022, the shop at Harmon Field caught fire and the Town received approximately $35,000 in insurance proceeds to help cover the cost of repairs and supplies.

In January 2022, the Town purchased approximately $16,000 in new fire equipment (mostly radios).

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF TRYON, NORTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY

LAST FIVE FISCAL YEARS

	Year Ended June 30,				
	2021 ^	2020	2019	2018	2017
Beginning Balance of the Total Pension Liability	$ 208,222	305,123	339,373	360,676	$ 341,687
Changes for the Year:					
Service Cost	10,263	8,592	9,132	10,320	16,431
Interest on Total Pension Liability	6,630	10,927	10,624	13,921	12,198
Difference Between Expected and Actual Experience in the Measurement of the Total Pension Liability	59,391	(111,526)	(37,371)	(64,796)	-
Changes of Assumptions or Other Inputs	97,621	4,972	(10,307)	19,252	(9,640)
Benefit Payments	(9,679)	(9,866)	(6,328)	-	-
Net Changes	164,226	(96,901)	(34,250)	(21,303)	18,989
Ending Balance of the Total Pension Liability	$ 372,448	208,222	305,123	339,373	$ 360,676

Notes to Schedule:

The amounts presented for each fiscal year were determined as of the prior December 31st.
The Town implemented GASB #73 during the year ended June 30, 2017. Information before 2017 is not available.

The discount rate used for each year was as follows:	1.93%	3.26%	3.64%	3.16%	3.86%

^ Based on the results of an experience study completed by the actuary for the Local Governmental Employees' Retirement System for the five-year period ending December 31, 2019, the following assumptions were updated: mortality rates, salary increase rates, service retirement rates, disability retirement rates, termination rates, real wage growth, and leave conversion service.

TOWN OF TRYON, NORTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL

LAST FIVE FISCAL YEARS

	Year Ended June 30,				
	2021	2020	2019	2018	2017
Total Pension Liability	$ 372,448	208,222	305,123	339,373	$ 360,676
Covered Payroll	$ 388,580	326,600	272,234	372,611	$ 540,227
Total Pension Liability as a Percentage of Covered Payroll	95.85%	63.75%	112.08%	91.08%	66.76%

Notes to Schedule:

The Town has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.
The Town implemented GASB #73 during the year ended June 30, 2017. Information before 2017 is not available.

The discount rate used for each year was as follows:	1.93%	3.26%	3.64%	3.16%	3.86%

TOWN OF TRYON, NORTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

LAST EIGHT FISCAL YEARS

	Year Ended June 30,							
	2021	2020	2019	2018	2017	2016	2015	2014
Town's Proportion of the Net Pension Liability (Asset)	0.022150%	0.019120%	0.018090%	0.023450%	0.023220%	0.021720%	2.279000%	0.023100%
Town's Proportionate Share of the Net Pension Liability (Asset)	$ 791,514	522,152	429,157	358,252	492,806	97,478	(134,403)	$ 278,444
Town's Covered Payroll	$ 1,569,850	1,435,582	1,517,108	1,517,108	1,448,826	1,341,741	1,344,301	$ 1,294,327
Town's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	50.42%	36.37%	28.29%	23.61%	34.01%	7.27%	-10.00%	21.51%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.61%	91.63%	94.18%	91.47%	98.09%	99.07%	102.64%	94.35%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.
The Town implemented GASB #68/71 during the year ended June 30, 2015. Information before 2014 is not available.

TOWN OF TRYON, NORTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF THE CITY'S CONTRIBUTIONS

LAST EIGHT FISCAL YEARS

	Year Ended June 30,							
	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	$ 190,434	144,666	113,811	113,783	109,990	99,522	96,052	$ 95,798
Contributions in Relation to the Contractually Required Contribution:	190,434	144,666	113,811	113,783	109,990	99,522	96,052	95,798
Contribution Deficiency (Excess)	$ -	-	-	-	-	-	-	$ -
Town's Covered Payroll	$ 1,825,390	1,569,850	1,435,582	1,517,108	1,517,108	1,448,826	1,341,741	$ 1,344,301
Contributions as a Percentage of Covered Payroll	10.43%	9.22%	7.93%	7.50%	7.25%	6.87%	7.16%	7.13%

Notes to Schedule:

The Town implemented GASB #68/71 during the year ended June 30, 2015. Information before 2014 is not available.

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SUPPLEMENTARY INFORMATION

TOWN OF TRYON, NORTH CAROLINA

SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - FINAL BUDGET AND ACTUAL - GENERAL FUND

YEAR ENDED JUNE 30, 2021

	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Ad Valorem Taxes:			
Taxes	$ 912,266	912,817	$ 551
Penalties and Interest	2,078	2,132	54
Total	914,344	914,949	605
Unrestricted Intergovernmental Revenue:			
Local Option Sales Taxes	447,214	469,747	22,533
Payment in Lieu of Taxes (External Sources)	151,087	151,111	24
Utility Sales Tax	134,290	134,290	-
Beer and Wine Tax	7,597	7,597	-
Total	740,188	762,745	22,557
Restricted Intergovernmental Revenue:			
Powell Bill Allocation	63,457	63,457	-
CARES Act Grant	125,780	116,973	(8,807)
DHS - FEMA Grant	143,475	143,475	-
Total	332,712	323,905	(8,807)
Sales And Services:			
Rents, Concessions, and Other Services	34,613	34,615	2
Total	34,613	34,615	2
Investment Earnings	7,951	10,069	2,118
Miscellaneous Revenues:			
Miscellaneous	10,591	17,285	6,694
Total	10,591	17,285	6,694
TOTAL REVENUES	**2,040,399**	**2,063,568**	**23,169**
EXPENDITURES			
General Government:			
Governing Body:			
Salaries and Employee Benefits	16,794	15,679	1,115
Operating Expenditures	53,633	51,908	1,725
Total	70,427	67,587	2,840
Administration:			
Salaries and Employee Benefits	325,663	311,415	14,248
Operating Expenditures	181,034	214,236	(33,202)
Capital Outlay	75,860	32,418	43,442
Total	582,557	558,069	24,488
Total General Government	$ 652,984	625,656	$ 27,328

(Continued)

TOWN OF TRYON, NORTH CAROLINA

SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - FINAL BUDGET AND ACTUAL - GENERAL FUND

YEAR ENDED JUNE 30, 2021

	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Public Safety:			
Police:			
Salaries and Employee Benefits	$ 600,690	581,288	$ 19,402
Operating Expenditures	115,423	102,599	12,824
Total Public Safety	716,113	683,887	32,226
Economic Development:			
Planning and Zoning:			
Operating Expenditures	98,000	29,150	68,850
Total Economic Development	98,000	29,150	68,850
Transportation:			
Streets and Highways:			
Salaries and Employee Benefits	136,159	129,925	6,234
Operating Expenditures	416,904	153,586	263,318
Capital Outlay	85,900	357,292	(271,392)
Total Transportation	638,963	640,803	(1,840)
Culture and Recreation:			
Parks and Recreation:			
Operating Expenditures	4,311	5,375	(1,064)
Total Culture and Recreation	4,311	5,375	(1,064)
Debt Service:			
Principal	36,769	36,769	-
Interest and Bank Fees	2,379	2,379	-
Total Debt Service	39,148	39,148	-
TOTAL EXPENDITURES	**2,149,519**	**2,024,019**	**125,500**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**(109,120)**	**39,549**	**148,669**
OTHER FINANCING SOURCES (USES)			
Sale of Capital Assets	-	1,575	1,575
Transfers In	32,000	-	(32,000)
Transfers Out	(334,959)	-	334,959
TOTAL OTHER FINANCING SOURCES (USES)	**(302,959)**	**1,575**	**304,534**
Fund Balance Appropriated	412,079	-	(412,079)
NET CHANGE IN FUND BALANCE	**$ -**	**41,124**	**$ 41,124**
FUND BALANCE, Beginning of Year, As Previously Reported		1,714,115	
Change in Accounting Principle - GASB #84		27,248	
FUND BALANCE, Beginning of Year, As Restated		1,741,363	
FUND BALANCE, End of Year		**$ 1,782,487**	

TOWN OF TRYON, NORTH CAROLINA

SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - FINAL BUDGET AND ACTUAL - FIRE DEPARTMENT FUND

YEAR ENDED JUNE 30, 2021

	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Ad Valorem Taxes:			
Taxes	$ 557,811	567,966	$ 10,155
Total	557,811	567,966	10,155
Restricted Intergovernmental Revenue:			
CARES Act Grant	-	8,807	8,807
Total	-	8,807	8,807
Investment Earnings	-	5	5
Miscellaneous Revenues:			
Miscellaneous	11,370	11,532	162
Total	11,370	11,532	162
TOTAL REVENUES	**569,181**	**588,310**	**19,129**
EXPENDITURES			
Public Safety:			
Salaries and Employee Benefits	349,317	348,223	1,094
Operating Expenditures	210,457	233,308	(22,851)
Capital Outlay	28,500	28,434	66
Total	588,274	609,965	(21,691)
Debt Service:			
Principal	44,502	44,502	-
Interest and Bank Fees	3,201	3,201	-
Total Debt Service	47,703	47,703	-
TOTAL EXPENDITURES	**635,977**	**657,668**	**(21,691)**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**(66,796)**	**(69,358)**	**(2,562)**
OTHER FINANCING SOURCES (USES)			
Transfers In	8,000	-	(8,000)
Transfers Out	(32,000)	-	32,000
TOTAL OTHER FINANCING SOURCES (USES)	**(24,000)**	**-**	**24,000**
Fund Balance Appropriated	90,796		(90,796)
NET CHANGE IN FUND BALANCE	**$ -**	**(69,358)**	**$ (69,358)**
FUND BALANCE, Beginning of Year		390,085	
FUND BALANCE, End of Year		**$ 320,727**	

TOWN OF TRYON, NORTH CAROLINA

SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - FINAL BUDGET AND ACTUAL - HARMON FIELD FUND

YEAR ENDED JUNE 30, 2021

	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Ad Valorem Taxes:			
Taxes	$ 238,087	214,441	$ (23,646)
Penalties and Interest	-	339	339
Total	238,087	214,780	(23,307)
Sales And Services:			
Rent, Concessions, and Other Services	31,436	31,664	228
Total	31,436	31,664	228
Investment Earnings	-	5	5
TOTAL REVENUES	**269,523**	**246,449**	**(23,074)**
EXPENDITURES			
Culture and Recreation:			
Grounds Maintenance:			
Salaries and Employee Benefits	155,844	154,514	1,330
Operating Expenditures	89,846	93,334	(3,488)
Capital Outlay	-	-	-
Total	245,690	247,848	(2,158)
TOTAL EXPENDITURES	**245,690**	**247,848**	**(2,158)**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**23,833**	**(1,399)**	**(25,232)**
OTHER FINANCING SOURCES (USES)			
Transfers In	6,000	-	(6,000)
TOTAL OTHER FINANCING SOURCES (USES)	**6,000**	**-**	**(6,000)**
Fund Balance Appropriated	(29,833)		29,833
NET CHANGE IN FUND BALANCE	**$ -**	**(1,399)**	**$ (1,399)**
FUND BALANCE, Beginning of Year		27,667	
FUND BALANCE, End of Year		**$ 26,268**	

TOWN OF TRYON, NORTH CAROLINA

SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE

SCHEDULE OF REVENUES AND EXPENDITURES - FINAL BUDGET AND ACTUAL (NON-GAAP) - WATER AND SEWER FUND

YEAR ENDED JUNE 30, 2021

	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES			
Operating Revenues:			
Charges for Services			
Water Sales	$ 1,109,187	1,113,979	$ 4,792
Sewer Charges	512,335	450,409	(61,926)
Water and Sewer Taps	21,164	16,163	(5,001)
Total Operating Revenues	**1,642,686**	**1,580,551**	**(62,135)**
Nonoperating Revenues:			
Interest Earned on Investments	32	34	2
Other Non-Operating Revenue	62,415	2,500	(59,915)
Total Nonoperating Revenues	**62,447**	**2,534**	**(59,913)**
TOTAL REVENUES	**1,705,133**	**1,583,085**	**(122,048)**
EXPENDITURES			
Water and Sewer Distribution:			
Salaries and Employee Benefits	328,371	323,482	4,889
Outside Services	364,000	363,355	645
Utilities	7,020	7,003	17
Telephone	6,837	6,836	1
Uniforms	3,200	3,183	17
Professional Services	2,100	4,200	(2,100)
Insurance	4,000	4,970	(970)
Dues and Subscriptions	110	110	-
Materials and Supplies	81,786	73,541	8,245
Repairs and Maintenance	8,480	8,783	(303)
Travel	1,747	1,738	9
Bad Debt Expense	181	181	-
Total	807,832	797,382	10,450
Water Treatment Plant:			
Salaries and Employee Benefits	343,060	331,402	11,658
Outside Services	37,500	37,224	276
Utilities	59,000	54,889	4,111
Uniforms	623	623	-
Materials and Supplies	95,750	87,377	8,373
Office Supplies and Postage	4,050	4,050	-
Repairs and Maintenance	24,054	17,355	6,699
Telephone	5,060	4,864	196
Travel	506	506	-
Licenses and Permits	2,175	2,175	-
Insurance	10,400	15,287	(4,887)
Dues and Subscriptions	710	710	-
Total	582,888	556,462	26,426
Wastewater Plant Operations:			
Salaries and Employee Benefits	161,021	153,920	7,101
Outside Services	36,100	37,325	(1,225)
Telephone	2,296	2,255	41
Utilities	16,600	15,310	1,290
Materials and Supplies	13,272	5,899	7,373
Repairs and Maintenance	6,700	6,029	671
Advertising	395	124	271
Uniforms	811	810	1
Insurance	6,500	9,426	(2,926)
Office Supplies and Postage	$ 2,194	2,194	$ -

(Continued)

TOWN OF TRYON, NORTH CAROLINA

SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE

SCHEDULE OF REVENUES AND EXPENDITURES - FINAL BUDGET AND ACTUAL (NON-GAAP) - WATER AND SEWER FUND

YEAR ENDED JUNE 30, 2021

	FINAL BUDGET	ACTUAL	VARIANCE
Wastewater Plant Operations: (Continued)			
Dues and Subscriptions	$ 400	310	$ 90
Travel	141	141	-
Licenses and Permits	5,660	5,660	-
Total	252,090	239,403	12,687
Wastewater Collection:			
Salaries and Employee Benefits	142,281	138,684	3,597
Outside Services	49,360	13,590	35,770
Utilities	1,000	656	344
Telephone	640	639	1
Uniforms	500	503	(3)
Professional Services	1,100	2,200	(1,100)
Insurance	5,000	5,970	(970)
Dues and Subscriptions	100	100	-
Materials and Supplies	7,000	(1,026)	8,026
Repairs and Maintenance	3,800	3,732	68
Travel	100	100	-
Other Departmental Expense	151	151	-
Total	211,032	165,299	45,733
Debt Service:			
Principal Retirement	253,019	203,826	49,193
Interest and Other Charges	86,703	61,468	25,235
Total Debt Service	339,722	265,294	74,428
Capital Outlay	29,150	4,560	24,590
TOTAL EXPENDITURES	**2,222,714**	**2,028,400**	**194,314**
REVENUES OVER (UNDER) EXPENDITURES	**(517,581)**	**(445,315)**	**72,266**
OTHER FINANCING SOURCES (USES)			
Transfers In	300,000	-	(300,000)
TOTAL OTHER FINANCING SOURCES (USES)	**300,000**	**-**	**(300,000)**
Fund Balance Appropriated	217,581		(217,581)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	$ -	(445,315)	$ (445,315)
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Payment of Debt Principal		203,826	
Capital Outlay		4,560	
Other		(6,492)	
Change in Accrued Interest		967	
Depreciation		(268,265)	
Change in Net Pension Asset (Liability) and Deferred Items Related to Pensions		(37,206)	
Change in Compensated Absences		9,472	
CHANGE IN NET POSITION		**$ (538,453)**	

TOWN OF TRYON, NORTH CAROLINA

SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE

SCHEDULE OF REVENUES AND EXPENDITURES - FINAL BUDGET AND ACTUAL (NON-GAAP) - SANITATION FUND

YEAR ENDED JUNE 30, 2021

	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES			
Operating Revenues:			
Charges for Services			
Sanitation Fees	$ 246,000	247,037	$ 1,037
Other Operating Revenues	4,057	4,057	-
Total Operating Revenues	250,057	251,094	1,037
Nonoperating Revenues:			
Solid Waste Disposal Tax	1,350	1,348	(2)
TOTAL REVENUES	**251,407**	**252,442**	**1,035**
EXPENDITURES			
Sanitation:			
Salaries and Employee Benefits	172,150	155,794	16,356
Outside Services	500	504	(4)
Telephone	915	915	-
Materials and Supplies	14,539	15,514	(975)
Office Supplies and Postage	1,857	1,856	1
Tipping Charges	45,000	42,060	2,940
Repairs and Maintenance	16,969	16,966	3
Uniforms	1,465	1,465	-
Professional Services	2,100	3,000	(900)
Insurance	2,200	3,735	(1,535)
Total	257,695	241,809	15,886
Debt Service:			
Principal Retirement	7,005	7,021	(16)
Interest and Other Charges	5,847	5,847	-
Total Debt Service	12,852	12,868	(16)
TOTAL EXPENDITURES	**270,547**	**254,677**	**15,870**
REVENUES OVER (UNDER) EXPENDITURES	**(19,140)**	**(2,235)**	**16,905**
OTHER FINANCING SOURCES (USES)			
Transfers In	20,059	-	(20,059)
TOTAL OTHER FINANCING SOURCES (USES)	**20,059**	**-**	**(20,059)**
Fund Balance Appropriated	(919)	-	919
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	**$ -**	**(2,235)**	**$ (2,235)**
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Payment of Debt Principal		7,021	
Depreciation		(23,387)	
Change in Accrued Interest		80	
Change in Net Pension Asset (Liability) and Deferred Items Related to Pensions		(4,359)	
Change in Compensated Absences		1,468	
CHANGE IN NET POSITION		**$ (21,412)**	

TOWN OF TRYON, NORTH CAROLINA

SUPPLEMENTARY INFORMATION - COMPONENT UNIT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - TOURISM DEVELOPMENT AUTHORITY

YEAR ENDED JUNE 30, 2021

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Other Taxes and Licenses:			
Occupancy Taxes	$ 41,533	44,008	$ 2,475
Investment Earnings	49	109	60
TOTAL REVENUES	**41,582**	**44,117**	**2,535**
EXPENDITURES			
Economic Development:			
Operating Expenditures	53,300	43,649	9,651
Total	53,300	43,649	9,651
TOTAL EXPENDITURES	**53,300**	**43,649**	**9,651**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**(11,718)**	**468**	**12,186**
OTHER FINANCING SOURCES (USES)			
Transfers In	900	-	(900)
TOTAL OTHER FINANCING SOURCES (USES)	**900**	**-**	**(900)**
Fund Balance Appropriated	10,818		(10,818)
NET CHANGE IN FUND BALANCE	**$ -**	**468**	**$ 468**
FUND BALANCE, Beginning of Year		38,884	
FUND BALANCE, End of Year		**$ 39,352**	

TOWN OF TRYON, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE - GENERAL FUND

YEAR ENDED JUNE 30, 2021

Fiscal Year	Uncollected Balance June 30, 2020	Additions	Collections and Credits	Other Adjustments	Uncollected Balance June 30, 2021
2020-2021	$ -	912,942	884,480	-	$ 28,462
2019-2020	18,923	-	15,411	12,978	16,490
2018-2019	2,825	-	3,373	11,687	11,139
2017-2018	1,652	-	3,681	6,543	4,514
2016-2017	172	-	140	3,246	3,278
2015-2016	508	-	225	2,302	2,585
2014-2015	348	-	66	1,621	1,903
2013-2014	489	-	152	2,281	2,618
2012-2013	2	-	49	2,831	2,784
2011-2012	3	-	49	2,428	2,382
2011 and prior	1,326	-	1,326	-	-
Totals	$ 26,248	912,942	908,952	45,917	$ 76,155
	Plus: Collections by State in June 2021 but not Remitted to Town until July 2021				9,789
	Less: Allowance for Uncollectible Ad Valorem Taxes Receivable				(25,009)
	Ad Valorem Taxes Receivable, Net				$ 60,935

Reconciliation to Revenues:	
Ad Valorem and Vehicle Taxes - General Fund	$ 914,949
Reconciling Items:	
Interest Collected	(2,132)
Other	(3,865)
Subtotal	(5,997)
Total Collections and Credits	$ 908,952

TOWN OF TRYON, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY - TOWN-WIDE - GENERAL FUND

YEAR ENDED JUNE 30, 2021

	Town-Wide			Total Levy	
Original Levy:	**Property Valuation**	**Rate**	**Total Levy**	**Property Excluding Registered Motor Vehicles**	**Registered Motor Vehicles**
Property at Current Year's Rate	$ 181,735,985	0.5028	$ 913,769	807,448	$ 106,320
Total	181,735,985		913,769	807,448	106,320
Releases:					
Current Year Taxes	(164,479)	0.5028	(827)	(827)	-
Total Property Valuation	$ 181,571,506				
Net Levy			912,942	806,621	106,320
Uncollected Taxes at June 30, 2021			28,462	28,462	-
Current Year's Taxes Collected			$ 884,480	778,159	$ 106,320
Current Levy Collection Percentage			96.88%	96.47%	100.00%

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COMPLIANCE SECTION

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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 Town Council
Town of Tryon, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, and each major fund, of the Town of Tryon, North Carolina (the "Town"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated May 6, 2022. The financial statements of the ABC Board, a discretely presented component unit, were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal controls, described in the accompanying schedule of findings and responses as items 2021-001, 2021-002, 2021-003, and 2021-004 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2021-004, 2021-005, and 2021-006.

Town's Responses to the Findings

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

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.

Greene Finney Cauley, LLP

Greene Finney Cauley, LLP
Mauldin, South Carolina
May 6, 2022

TOWN OF TRYON, NORTH CAROLINA

SCHEDULE OF FINDINGS AND RESPONSES

YEAR ENDED JUNE 30, 2021

Financial Statement Findings

2021-001: YEAR END CLOSING PROCESS

Condition: During the 2021 audit, it was noted that several items, such as prepaids, inventories, land held for sale, receivables, accounts payable, liability accounts, etc. were not properly reviewed and adjusted prior to us arriving for the audit.

Criteria: The Town should have reviewed and adjusted these items during the year end closing process prior to the year end audit work.

Context, Cause and Effect: It appears the prior auditors assisted the Town with a lot of these adjustments in the past. The Town's prior outside accountant was not in the state of North Carolina which made it difficult for things to be reviewed and closed out since the work was all done remotely. The Town has switched outside accountants to a firm in North Carolina which they believe will improve the process significantly.

Recommendation: We recommend that the Town develop and implement appropriate internal controls to ensure that all year end closing items are correctly reviewed and completed prior to year end audit work.

Response: The Town agrees with this finding and will adhere to the corrective action plan on pages 80-81 in this audit report.

2021-002: MONTHLY REVIEW/RECONCILIATION OF UTILITY COLLECTIONS

Condition: During the 2021 audit, it was noted that the client is not reviewing/reconciling their utility collections with their aged utility receivables.

Criteria: Revenue collections should be reconciled to the ledger monthly to ensure items are recorded properly and all outstanding receivables are being investigated timely.

Context, Cause and Effect: The Town does not usually review its receivable collections and revenues in detail.

Recommendation: We recommend the Town develop and implement appropriate internal controls to ensure that all revenue and receivable balances are reconciled to the ledger monthly to ensure money is being collected timely and recorded appropriately.

Response: The Town agrees with this finding and will adhere to the corrective action plan on pages 80-81 in this audit report.

Financial Statement Findings (Continued)

2021-003: PRIOR PERIOD ADJUSTMENTS – CAPITAL ASSETS

Condition:	During the 2021 audit, the Town wanted to ensure that its capital asset listing was correct and obtained a property tax listing from the County. In obtaining this listing, the Town noted numerous properties that had never been included in the Town's capital asset listing for both the governmental activities and the Water and Sewer Fund. The Town added these capital assets in the current year, which resulted in a prior period adjustment for governmental activities of approximately $754,000 and for the Water and Sewer Fund of approximately $72,000.
Criteria:	The Town should have appropriate internal controls in place to ensure that capital assets are being tracked and recorded properly.
Context, Cause and Effect:	If capital assets are not properly reviewed and recorded, there is a risk of material misstatement as assets and expenses could be misstated on the government-wide and enterprise fund financial statements.
Recommendation:	We recommend that the Town develop and implement appropriate internal controls to ensure that all capital assets are being tracked and properly recorded to the appropriate accounting period.
Response:	The Town agrees with this finding and will adhere to the corrective action plan on pages 80-81 in this audit report.

2021-004: TOWN PURCHASING AND STATE PREAUDIT REQUIREMENTS

Condition:	During the 2021 audit, we noted a number of transactions where the Town's purchasing and the preaudit requirements from the State were not followed. The Town also does not have a written policy for outlining procedures for preauditing obligations that will be incurred by electronic payments.
Criteria:	The Town should be adhering to its own and the State's preaudit requirements.
Context, Cause and Effect:	It is difficult for the Town to follow all the State's preaudit requirements due to the size of the Town and the available staff to help meet these requirements.
Recommendation:	We know that the State preaudit requirements are extremely difficult to follow for small entities. We would encourage the Town to work with its new accountant and the NC Local Government Commission to design a way to properly reduce state compliance risk and one that would be reasonable for the Town's size and complexity.
Response:	The Town agrees with this finding and will adhere to the corrective action plan on pages 80-81 in this audit report.

Financial Statement Findings (Continued)

2021-005: UNALLOWABLE INVESTMENTS

Condition:	During the 2021 audit, it was noted that the Town had investments in equities of approximately $13,000 as of June 30, 2021. Investments in equities are not an allowable investment per Article 3 of Chapter 159.
Criteria:	The Town should only invest its funds in those items as noted in Article 3 of Chapter 159 of the North Carolina Statutes.
Context, Cause and Effect:	The Town was not aware of the unique investment requirements related to equities.
Recommendation:	We would encourage the Town to liquidate its equity investments as soon as it is economically and practically possible.
Response:	The Town agrees with this finding and will adhere to the corrective action plan on pages 80-81 in this audit report.

2021-006: EXPENDITURES IN EXCESS OF APPROPRIATIONS

Condition:	During the 2021 audit, it was noted the Fire Department Fund and the Harmon Field Fund had expenditures in excess of the appropriated budget amount by approximately $22,000 and $2,000. Additional expenditures were recorded in public safety and culture and recreation, but a corresponding budget amendment was not made and approved by Council.
Criteria:	The Town should not expend more than what is budgeted (original or as amended) for each fund.
Context, Cause and Effect:	The Town did not realize they were going to exceed the budget for the current year and did not review budget to actual information to realize an amendment was needed.
Recommendation:	We would encourage the Board and management to review actual to budget reports regularly to ensure compliance in future years.
Response:	The Town agrees with this finding and will adhere to the corrective action plan on pages 80-81 in this audit report.

TOWN OF TRYON
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TOWN OF TRYON, NORTH CAROLINA

CORRECTIVE ACTION PLAN

YEAR ENDED JUNE 30, 2021

Financial Statement Findings

Finding: 2021-001

Contact Person: Zach Ollis, Town Manager, manager@tryonnc.gov

Corrective Action: Going forward, the Town will provide additional training on year-end procedures and stress the importance of following the internal controls and procedures that are in place. The Town is also in the process of implementing a new accounting system that should provide additional improvements in invoice processing and reporting. The town will rely on Greg Isley for guidance in doing this correctly.

Proposed Completion Date: December 31, 2022

Finding: 2021-002

Contact Person: Zach Ollis, Town Manager, manager@tryonnc.gov

Corrective Action: In the future, the Town will develop and implement appropriate internal controls to ensure that all revenue and receivable balances are reconciled to the ledger monthly to ensure money is being collected timely and recorded appropriately.

Proposed Completion Date: December 31, 2022

Finding: 2021-003

Contact Person: Zach Ollis, Town Manager, manager@tryonnc.gov

Corrective Action: In the future, the Town will develop and implement appropriate internal controls to ensure that all capital assets are being tracked and properly recorded to the appropriate accounting period.

Proposed Completion Date: December 31, 2022

TOWN OF TRYON, NORTH CAROLINA

CORRECTIVE ACTION PLAN

YEAR ENDED JUNE 30, 2021

Financial Statement Findings (Continued)

Finding:	2021-004
Contact Person:	Zach Ollis, Town Manager, manager@tryonnc.gov
Corrective Action:	In the future, the Town will work with its new accountant and NC Local Government Commission to design a way to properly reduce state compliance risk and will develop a written policy for outlining procedures for preaudit requirements (which will also address preauditing obligations that will be incurred by electronic payments).
Proposed Completion Date:	December 31, 2022

Finding:	2021-005
Contact Person:	Zach Ollis, Town Manager, manager@tryonnc.gov
Corrective Action:	The Town liquidated investment accounts on 9/28/21. The check was received 10/20/21 for an amount of $30,156.29.
Proposed Completion Date:	December 31, 2022

Finding:	2021-006
Contact Person:	Zach Ollis, Town Manager, manager@tryonnc.gov
Corrective Action:	In the future, the Town will amend their budget for any expenditures in excess of the appropriated budget amount.
Proposed Completion Date:	December 31, 2022