TOWN OF TRYON,
NORTH CAROLINA

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

TOWN OF TRYON, NORTH CAROLINA

LISTING OF PRINCIPAL OFFICIALS AND TOWN STAFF

YEAR ENDED JUNE 30, 2024

Established

1885

TOWN COUNCIL

Alan Peoples, Mayor

Chrelle Booker, Mayor Pro Tempore

Crys Armbrust, Town Commissioner

Bill Crowell, Town Commissioner

Bill Ingham, Town Commissioner

TOWN STAFF

Town Manager – Jim Fatland, NCCLGFO, CPFO

Town Clerk – Susan Bell, CMC

Planning Director – Tim Daniels

TDA Executive Director – Lourdes Gutierrez

Public Works Director – Greg McCool

Police Chief – Scott Holt

Fire Chief – Josh Walton

TOWN OF TRYON, NORTH CAROLINA

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Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Tryon, North Carolina (the Town), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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

We did not audit the financial statements of Tryon Alcoholic Beverage Control Board, North Carolina (the ABC Board), which represent 100%, respectively, of the assets, net position, and revenues of the ABC Board, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for ABC Board, is based solely on the report of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the required supplementary information, 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 Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This 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 February 24, 2025, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

RH CPAs, PLLC

Lexington, North Carolina
February 25, 2025

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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 fiscal year ended June 30, 2024. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

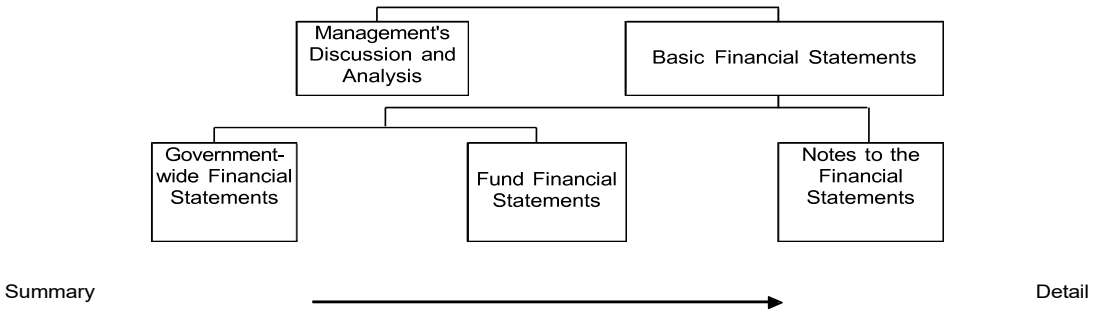
FINANCIAL HIGHLIGHTS

- 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 $9,587,821 (*net position*).
- The Town's total net position for FY 2024 increased by $519,183 over the prior year balance due to a increase in the net position of the governmental activities of $313,768 and an increase in the net position of the business-type activities of $205,415.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of $2,617,022, an increase of $301,872 or 13.04% from the prior year fund balance. The increase is due to revenues and other financing sources of $4,157,928 exceeding expenditures of $3,856,056.
- At the end of the current fiscal year, unassigned fund balance for all governmental funds is $1,902,747. The unassigned fund balance for the General Fund is $1,902,747 which is 84% of total General Fund actual expenditures for the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Required Components of Annual Financial Report
Figure 1



Basic Financial Statements

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 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 for major governmental funds; and 3) the proprietary fund statements.

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

Government-Wide Financial Analysis

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 include most of the Town's basic services such as public safety, culture and recreation, and general administration. Property taxes and intergovernmental 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 services 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. The Town exercises control over the ABC Board by appointing its members and the ABC Board is required to distribute its profits to the Town. Although legally separate from the Town, the Authority is important to the Town. The Town exercises control over the Authority by appointing its members and the Authority is required by North Carolina law to govern the use of the Town's occupancy tax revenue.

Fund Financial Statements

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 those 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 funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if more or fewer financial resources are 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 a part of the fund financial statements.

The Town adopts annual budgets for its General Fund, Fire Department Fund, and the 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 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 are 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.

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. 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.

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.

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	
	2024	2023	2024	2023	2024	2023
Assets:						
Current and Other Assets	$ 2,766,830	$ 2,531,131	$ 877,898	$ 951,457	$ 3,644,728	$ 3,482,588
Capital Assets	3,852,112	3,512,130	5,740,535	5,456,747	9,592,647	8,968,877
Deferred Outflows of Resources	672,662	768,118	302,231	212,363	974,893	980,481
Total Assets and Deferred Outflows of Resources	7,291,604	6,811,379	6,920,664	6,620,567	14,212,268	13,431,946
Liabilities:						
Long-Term Liabilities	1,584,768	1,405,492	2,340,797	2,363,962	3,925,565	3,769,454
Other Liabilities	101,666	94,507	460,871	355,935	562,537	450,442
Deferred Inflows of Resources	121,763	141,741	14,582	1,671	136,345	143,412
Total Liabilities and Deferred Inflows of Resources	1,808,197	1,641,740	2,816,250	2,721,568	4,624,447	4,363,308
Net Position:						
Net Investment in Capital Assets	3,662,666	3,496,264	3,951,492	3,455,087	7,614,158	6,951,351
Restricted	691,274	701,889	-	-	691,274	701,889
Unrestriced	1,129,467	971,486	152,922	443,912	1,282,389	1,415,398
Total Net Position	$ 5,483,407	$ 5,169,639	$ 4,104,414	$ 3,898,999	$ 9,587,821	$ 9,068,638

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Town exceeded liabilities and deferred inflows by $9,587,216 as of June 30, 2024. Current and other assets increased by $162,140 from the prior year. The increase was primarily due to an increase in cash and cash equivalents in governmental activities due to the increase in net position for the current year.

Other liabilities increased by $112,092 from the prior year. The increase was primarily due to an increase in accounts payable in business-type activities for the current year.

Long-term liabilities which include notes, compensated absences, and postemployment obligations of the primary government increased by $156,111. The increase was primarily due to an increase of $191,625 in long-term debt.

By far, the largest portion reflects the Town's net investment in capital assets (e.g. land, buildings, infrastructure, machinery, and equipment). 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 capital assets is reported net of the outstanding related debt, the resources needed to repay the debt must be provided by other sources, since the capital assets cannot be used to liquidate the liabilities.

An additional portion of the Town's net position, $691,274 represents resources that are subject to external restrictions on how they may be used. As of the end of the current fiscal year, the Towns' unrestricted net position was $1,282,389.

Town's Changes in Net Position
Figure 3

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues:						
Charges for Services	$ 139,192	$ 87,037	$ 2,133,807	$ 1,921,398	$ 2,272,999	$ 2,008,435
Operating Grants & Contributions	284,374	370,877	-	-	284,374	370,877
Capital Grants & Contributions	-	-	322,140	160,685	322,140	160,685
General Revenues:						
Property Taxes	2,242,222	2,064,193	-	-	2,242,222	2,064,193
Other Taxes & Fees	895,485	848,202	1,221	1,261	896,706	849,463
Other Revenue	223,048	63,642	124,175	7,647	347,223	71,289
Total Revenues	3,784,321	3,433,951	2,581,343	2,090,991	6,365,664	5,524,942
Expenses:						
General Government	597,959	854,737	-	-	597,959	854,737
Public Safety	1,704,573	1,648,271	-	-	1,704,573	1,648,271
Economic Development	21,902	1,000	-	-	21,902	1,000
Transportation	747,425	653,653	-	-	747,425	653,653
Culture and Recreational	394,724	456,081	-	-	394,724	456,081
Interest on Long-Term Obligations	3,970	626	-	-	3,970	626
Water and Sewer	-	-	2,064,006	1,502,093	2,064,006	1,502,093
Sanitation	-	-	311,922	261,241	311,922	261,241
Total Expenses	3,470,553	3,614,368	2,375,928	1,763,334	5,846,481	5,377,702
Change in Net Position Before Transfers	313,768	(180,417)	205,415	327,657	519,183	147,240
Transfers	-	-	-	-	-	-
Change in Net Position	313,768	(180,417)	205,415	327,657	519,183	147,240
Net Position, Beginning	5,169,639	5,350,056	3,898,999	3,571,342	9,068,638	8,921,398
Net Position, June 30	5,483,407	5,169,639	4,104,414	3,898,999	9,587,821	9,068,638

The Town's overall net position increased by $519,183 from the prior year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Governmental Activities: Governmental activities increased the Town's net position by $313,768. The key element of this increase is due to revenues exceeding expenditures. A detailed explanation for governmental funds financial activity for the current year is provided under the Governmental Funds in the Financial Analysis of the Town's Funds section following.

Business-type Activities: Business-type activities increased the Town's net position by $204,515. The key element of this increase is mostly due to revenues exceeding expenses. A detailed explanation for the utility funds financial activity for the current year 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.

General Fund. The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the Town's fund balance available in the General Fund was $1,902,747, while total fund balance reached $2,283,232. Town Council has determined that the Town should maintain an available fund balance of 25% of general fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the Town. The Town currently has an available fund balance of 84% of General Fund expenditures, and total fund balance represents 101% of the same amount.

At June 30, 2024, governmental funds reported a combined total fund balance of $2,617,022 with a net increase in fund balance of $301,872.

Revenues in the General Fund were $2,408,274 for FY 2024, which was an increase of $370,442, or 18%, over the $2,037,829 reported in FY 2023, primarily due to an increase in Ad Valorem taxes of $158,450 and an increase in investment earnings of $106,008.

Expenditures in the General Fund were $2,154,985 for FY 2024, which was a decrease of $22,201, or 1%, over the $2,177,186 reported in FY 2023, primarily due to lower general government expenditures of $247,933 and offset by higher public safety expenditures of $169,970.

Fire Department Fund. Fund balance for the Fire Department Fund decreased $26,312 to $216,335 at June 30, 2024. Fire Department Fund revenues increased $252,932, or 32%, compared to the prior year primarily due to an increase in ad valorem taxes of $103,946 and an operating grant of $185,745. Fire Department expenditures increased $268,918, or 33%, compared to the prior year primarily due to an increase in public safety salaries, benefits, operating costs and the purchase of fire equipment.

Harmon Field Fund. Fund balance for the Harmon Field Fund increased $15,548 to $117,455 at June 30, 2024. Harmon Field Fund revenues increased $88,852, or 29%, compared to the prior year primarily due to an increase in sales and services of $17,625, Ad Valorem taxes of $15,638 and other revenues of $55,205. Harmon Field Fund expenditures increased $160,065, or 45%, compared to the prior year primarily due to an increase in capital outlay for the purchase of lawn maintenance equipment, parking lot paving and adding EV charging stations.

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 2024 were primarily to (a) cover a capital outlay acquisition, (b) increase operating costs, (c) increase budget for loan proceeds. General Fund actual revenues of $2,408,271 exceeded budgeted revenues by $375,171, or 18%, primarily due to ad valorem tax revenues exceeding budget by $113,389 and unrestricted intergovernmental revenue exceeding budget by $161,385.

Proprietary Funds. The Town's proprietary fund statements provide the same type of information found in the government-wide statements but in more detail.

Water and Sewer Fund. Unrestricted net position for the Water and Sewer Fund at the end of the fiscal year amounted to $232,173. The total change in net position for the Water and Sewer Fund was a decrease of $108,913. The Water and Sewer Fund (modified accrual) had $1,919,852 in revenues for FY 2024. This was an increase of $237,358, or 14% higher than FY 2024, primarily due to an increase in charges for services of $175,017 and water project net funding. The Water and Sewer Fund (modified accrual) had $1,855,932 in expenditures for FY 2024. This was an increase of $379,505, or 26% higher than FY 2023, primarily due to increases in salaries and payroll expenditures, and operating costs..

Sanitation Fund. Unrestricted net position for the Sanitation Fund at the end of the fiscal year amounted to a deficit of $4,585. The total change in net position for the Sanitation Fund was a decrease of $13,329. The Sanitation Fund (modified accrual) had $283,943 in revenues for FY 2024. This was an increase of $36,131, or 14% higher than FY 2023, primarily due to a increase in sanitation fees of $37,853. The Sanitation Fund (modified accrual) had $281,058 in expenditures for FY 2024. This was an increase of $41,331, or 17% higher than FY 2023, primarily due to higher salaries and employee benefits of $51,144, partially offset by lower repairs and maintenance of $9,948.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The Town's capital assets for its governmental and business-type activities as of June 30, 2024, totaled $9,592,649 (net of accumulated depreciation), an increase of approximately 7% over the prior year. These assets include buildings, infrastructure, land, machinery and equipment, park facilities, and vehicles.

The total increase in the Town's capital assets for FY 2024 was $623,794 and consisted of the following:

- Capital asset additions of $583,892 which consisted of:
  - Equipment and furniture of $228,935
  - Vehicles of $199,867
  - Other Improvements of $155,090
- Construction in progress additions of $564,608
- Depreciation expense of $524,732

Town's Net Capital Assets
Figure 4

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	$ 1,406,182	$ 1,406,182	$ 72,469	$ 72,469	$ 1,478,651	$ 1,478,651
Construction in Progress	31,772	-	166,908	295,765	198,680	295,765
Buildings	1,174,884	1,166,051	109,087	105,011	1,283,971	1,271,062
Other Improvements	1,960,872	1,805,782	-	-	1,960,872	1,805,782
Machinery and Equipment	1,834,007	1,631,973	1,598,053	1,584,668	3,432,060	3,216,641
Plant Distribution System	-	-	13,997,408	13,997,408	13,997,408	13,997,408
Vehicles	2,486,943	2,297,891	288,941	278,126	2,775,884	2,576,017
Accumulated Depreciation	(5,042,548)	(4,795,749)	(11,147,609)	(10,876,700)	(16,190,157)	(15,672,449)
Total	$ 3,852,112	$ 3,512,130	$ 5,085,257	$ 5,456,747	$ 8,937,369	$ 8,968,877

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

Long-Term Debt. As of June 30, 2024, the Town had total long-term debt outstanding of $3,925,564.

Town's Outstanding Debt
Figure 5

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revolving Fund Loans	$ -	$ -	$ 1,686,737	$ 1,879,373	$ 1,686,737	$ 1,879,373
Installment Purchase Contracts	189,446	15,866	102,307	122,287	291,753	138,153
Compensated Absences	86,783	84,048	41,196	45,209	127,979	129,257
Net Pension Liability - LGERS	1,014,607	1,038,542	510,557	317,093	1,525,164	1,355,635
Total Pension Liability - LEOSSA	293,932	267,036	-	-	293,932	267,036
Total	$ 1,584,768	$ 1,405,492	$ 2,340,797	$ 2,363,962	$ 3,925,565	$ 3,769,454

The Town's total debt increased by $156,110, or 4%, during the current fiscal year. The key factor was an increase in the net pension liability for the Local Governmental Employees' Retirement System (LGERS) of $169,529, new debt issued of $191,625 and payment on long-term debt of $230,661.

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.

Additional information regarding the Town's long-term obligations can be found in Note III.B in the Notes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Economic Factors. Based on overall economic forecasts for North Carolina and the waning impact of the COVID health pandemic, the Town expects to see a much better environment for the year ended June 30, 2024 ("FY 2024").

Budget Highlights for FY 2025

The FY 2025 original budget totals $7,099,784 for the Town's annually budgeted operating funds. This is $1,342,312 or 23% higher than the FY 2024 original budget of $5,575,472. Other budget highlights include the following:

- General Fund 2.5-cent tax rate increase
- Water and Sewer rate increase of 5%
- Water and Sewer Fund Outstanding Debt – NC State budget appropriation to pay off outstanding debt for interconnect water SRF Loan
- Sanitation Fund - $1 per month increase from $24 to $25 per month
- Fire Department Special Revenue Fund – 1 cent tax increase
- Harmon Field Special Revenue Fund – 1 cent tax increase

REQUESTS FOR INFORMATION

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Town Manager manager@tryonnc.gov, 301 North Trade Street, Tryon, N.C. 28782. Additional information may be found at the Town website: https://tryon-nc.com.

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BASIC FINANCIAL STATEMENTS

TOWN OF TRYON, NORTH CAROLINA

STATEMENT OF NET POSITION

JUNE 30, 2024

	PRIMARY GOVERNMENT			COMPONENT UNITS	
	Governmental Activities	Business-type Activities	Total	ABC Board	Tourism Development Authority
ASSETS					
Cash and Cash Equivalents	$ 2,302,122	$ 543,528	$ 2,845,650	$ 127,451	$ 55,596
Cash and Cash Equivalents, Restricted	63,251	151,301	214,552	-	-
Receivables, Net:					
Property Taxes	48,142	-	48,142	-	-
Accounts	57,000	197,346	254,346	-	-
Intergovernmental Receivables	221,928	6,915	228,843	-	-
Prepaids and Inventories	-	53,195	53,195	85,694	-
Security Deposits	-	-	-	1,200	-
Internal Balances	74,387	(74,387)	-	-	-
Capital Assets:					
Non-Depreciable	1,437,954	901,070	2,339,024	-	-
Depreciable, Net	2,414,158	4,839,465	7,253,623	-	-
Assets Other					95
TOTAL ASSETS	**6,618,942**	**6,618,433**	**13,237,375**	**214,345**	**55,691**
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Pension Charges	672,662	302,231	974,893	-	-
LIABILITIES					
Accounts Payable	35,921	231,239	267,160	51,305	-
Accrued Interest Payable	-	10,096	10,096	-	-
Accrued Salaries and Benefits	65,745	30,676	96,421	1,079	-
Customer Deposits	-	151,301	151,301	-	-
Intergovernmental Payables	-	37,559	37,559	3,049	-
Non-Current Liabilities:					
Due Within One Year	42,750	209,226	251,976	-	-
Due in More Than One Year	1,542,018	2,131,571	3,673,589	-	-
TOTAL LIABILITIES	**1,686,434**	**2,801,668**	**4,488,102**	**55,433**	**-**
DEFERRED INFLOWS OF RESOURCES					
Deferred Pension Credits	121,763	14,582	136,345	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	**121,763**	**14,582**	**136,345**	**-**	**-**
NET POSITION					
Net Investment in Capital Assets	3,662,666	3,951,492	7,614,158	-	-
Restricted For:					
Stabilization by State Statute	323,809	-	323,809	-	-
Streets	570	-	570	-	-
Public Safety	223,435	-	223,435	-	-
Cultural and Recreational	143,460	-	143,460	-	-
Tourism Related Costs	-	-	-	-	55,691
Working Capital	-	-	-	27,230	-
Unrestricted	1,129,467	152,922	1,282,389	131,682	-
TOTAL NET POSITION	**$ 5,483,407**	**$ 4,104,414**	**$ 9,587,821**	**$ 158,912**	**$ 55,691**

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

TOWN OF TRYON, NORTH CAROLINA

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2024

FUNCTIONS/PROGRAMS PRIMARY GOVERNMENT:	Expenses	PROGRAM REVENUES Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION Primary Government Governmental Activities	Business-type Activities	Total	Component Units ABC Board	Tourism Development Authority
Governmental Activities:									
General Government	$ 597,959	53,754	22,500	$ -	$ (521,705)	$ -	$ (521,705)		
Public Safety	1,704,573	1,251	185,745	-	(1,517,577)	-	(1,517,577)		
Economic Development	21,902	8,275	-	-	(13,627)	-	(13,627)		
Transportation	747,425	-	76,129	-	(671,296)	-	(671,296)		
Culture and Recreational	394,724	75,912	-	-	(318,812)	-	(318,812)		
Interest on Long-Term Obligations	3,970	-	-	-	(3,970)	-	(3,970)		
Total Governmental Activities	**3,470,553**	**139,192**	**284,374**	**-**	**(3,046,987)**	**-**	**(3,046,987)**		
Business-Type Activities:									
Water and Sewer	2,064,006	1,849,864	-	322,140	-	107,998	107,998		
Sanitation	311,922	283,943	-	-	-	(27,979)	(27,979)		
Total Business-Type Activities	**2,375,928**	**2,133,807**	**-**	**322,140**	**-**	**80,019**	**80,019**		
TOTAL - PRIMARY GOVERNMENT	**$ 5,846,481**	**$ 2,272,999**	**$ 284,374**	**$ 322,140**	**(3,046,987)**	**80,019**	**(2,966,968)**		
COMPONENT UNITS:									
ABC Board	$ 835,762	$ 841,747	$ -	$ -	-	-	-	$ 5,985	$ -
Tourism Development Authority	31,607	22,400	-	-	-	-	-	-	(9,207)
TOTAL - COMPONENT UNITS	**$ 867,369**	**$ 864,147**	**$ -**	**$ -**	**-**	**-**	**-**	**5,985**	**(9,207)**
General Revenues:									
General Revenues:									
Taxes:									
Property Taxes					2,242,222	-	2,242,222	-	-
Sales Taxes					735,046	-	735,046	-	-
Franchise Taxes					152,814	-	152,814	-	-
Other Taxes					7,625	1,221	8,846	-	-
Investment Income					115,071	7,289	122,360	-	-
Miscellaneous					107,977	116,886	224,863	-	-
Total General Revenues					3,360,755	125,396	3,486,151	-	-
CHANGE IN NET POSITION					**313,768**	**205,415**	**519,183**	**5,985**	**(9,207)**
NET POSITION, Beginning of Year					5,169,639	3,898,999	9,068,638	152,927	64,898
NET POSITION, End of Year					**$ 5,483,407**	**$ 4,104,414**	**$ 9,587,821**	**$ 158,912**	**$ 55,691**

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

TOWN OF TRYON, NORTH CAROLINA

BALANCE SHEET
GOVERNMENTAL FUNDS

JUNE 30, 2024

	MAJOR FUNDS			
	GENERAL FUND	FIRE DEPARTMENT FUND	HARMON FIELD FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and Cash Equivalents	1,965,426	$ 216,094	$ 120,602	$ 2,302,122
Cash and Cash Equivalents, Restricted	63,251	-	-	63,251
Receivables, Net:				
Taxes	27,755	14,097	6,290	48,142
Accounts	22,500	29,500	5,000	57,000
Due From Other Governments	221,928	-	-	221,928
Due From Other Funds	74,380	-	-	74,380
TOTAL ASSETS	**$ 2,375,240**	**$ 259,691**	**$ 131,892**	**$ 2,766,823**
LIABILITIES				
Accounts Payable	$ 32,910	$ 1,763	$ 1,248	$ 35,921
Accrued Liabilities	31,343	27,496	6,899	65,738
TOTAL LIABILITIES	**64,253**	**29,259**	**8,147**	**101,659**
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	27,755	14,097	6,290	48,142
TOTAL DEFERRED INFLOWS OF RESOURCES	**27,755**	**14,097**	**6,290**	**48,142**
FUND BALANCES				
Restricted For:				
Stabilization by State Statute	318,809	-	5,000	323,809
Streets	570	-	-	570
Public Safety	7,100	216,335	-	223,435
Culture and Recreation	31,005	-	112,455	143,460
Assigned For:				
Culture and Recreation	23,001	-	-	23,001
Unassigned	1,902,747	-	-	1,902,747
TOTAL FUND BALANCES	**2,283,232**	**216,335**	**117,455**	**2,617,022**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 2,375,240**	**$ 259,691**	**$ 131,892**	**$ 2,766,823**

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

TOWN OF TRYON, NORTH CAROLINA

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

JUNE 30, 2024

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS		**$ 2,617,022**
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 in the funds. The cost of the capital assets was $8,894,661 and the accumulated depreciation was $5,042,549.		3,852,112
Property taxes receivable that will be collected in the future, but are not available soon enough to pay for the current period's expenditures, and therefore have been deferred in the governmental funds.		48,142
The Town's proportionate shares of the deferred outflows of resources and deferred inflows of resources related to their participation in the Local Government Employees' Retirement System ("LGERS") are not recorded in the governmental funds but are recorded in the Statement of Net Position.		571,630
The Town's deferred outflows of resources and deferred inflows of resources related to its Law Enforcement Officers Special Separation Allowance ("LEOSSA"), a single-employer defined benefit pension plan, are not recorded in the governmental funds but are recorded in the Statement of Net Position.		(20,731)
Long-term liabilities, including bonds payable, are not due or payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consisted of the following:		
Long-Term Debt		(189,446)
Compensated Absences		(86,783)
Net Pension Liability - LGERS		(1,014,607)
Total Pension Liability - LEOSSA		(293,932)
NET POSITION OF GOVERNMENTAL ACTIVITIES		**$ 5,483,407**

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

TOWN OF TRYON, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2024

	MAJOR FUNDS			
	GENERAL FUND	FIRE DEPARTMENT FUND	HARMON FIELD FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Ad Valorem Taxes	$ 1,223,389	$ 846,287	$ 245,878	$ 2,315,554
Unrestricted Intergovernmental Revenue	895,485	-	-	895,485
Restricted Intergovernmental Revenue	98,629	185,745	-	284,374
Sales and Services	63,280	-	75,912	139,192
Investment Earnings	113,783	106	1,182	115,071
Other Revenue	13,705	20,122	74,150	107,977
TOTAL REVENUES	**2,408,271**	**1,052,260**	**397,122**	**3,857,653**
EXPENDITURES				
Current:				
General Government	555,594	-	-	555,594
Public Safety	879,929	1,074,773	-	1,954,702
Economic Development	21,420	-	-	21,420
Transportation	647,694	-	-	647,694
Culture and Recreation	31,005	-	511,177	542,182
Debt Service:				
Principal Retirement	15,866	-	2,179	18,045
Interest and Other Charges	3,477	-	493	3,970
TOTAL EXPENDITURES	2,154,985	1,074,773	513,849	3,743,607
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**253,286**	**(22,513)**	**(116,727)**	**114,046**
OTHER FINANCING SOURCES (USES)				
Loan Proceeds	168,000	-	23,625	191,625
Sale of Capital Assets	-	(3,799)	-	(3,799)
Transfers In	-	-	108,650	108,650
Transfers Out	(108,650)	-	-	(108,650)
TOTAL OTHER FINANCING SOURCES (USES)	59,350	(3,799)	132,275	187,826
NET CHANGES IN FUND BALANCE	**312,636**	**(26,312)**	**15,548**	**301,872**
FUND BALANCE, Beginning of Year	1,970,596	242,647	101,907	2,315,150
FUND BALANCE, End of Year	**$ 2,283,232**	**$ 216,335**	**$ 117,455**	**$ 2,617,022**

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

TOWN OF TRYON, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2024

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	**$**	**301,872**
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.		(73,332)
Debt proceeds provide current financial resources to governmental funds, but issuing debt also increases long-term liabilities in the Statement of Net Position.		(191,625)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		18,045
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.		(94,491)
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.		16,052
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(2,735)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay of $597,595 exceeded depreciation expense of $253,816 and capital asset transfer out of $3,799 in the current period.		339,982
TOTAL CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES	**$**	**313,768**

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

TOWN OF TRYON, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2024

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
REVENUES				
Ad Valorem Taxes	$ 1,110,000	$ 1,110,000	$ 1,223,389	$ 113,389
Unrestricted Intergovernmental Revenue	734,100	734,100	895,485	161,385
Restricted Intergovernmental Revenue	68,000	100,000	98,629	(1,371)
Sales And Services	21,000	21,000	63,280	42,280
Investment Earnings	-	63,000	113,783	50,783
Other Revenue	-	5,000	13,705	8,705
TOTAL REVENUES	**1,933,100**	**2,033,100**	**2,408,271**	**375,171**
EXPENDITURES				
Current:				
General Government	676,822	676,822	555,594	121,228
Public Safety	888,204	988,511	879,929	108,582
Economic Development	9,864	39,864	21,420	18,444
Transportation	731,899	779,528	647,694	131,834
Culture and Recreation	27,600	47,600	31,005	16,595
Debt Service:				
Principal	15,867	36,867	15,866	21,001
Interest and Other Charges	459	459	3,477	(3,018)
TOTAL EXPENDITURES	**2,350,715**	**2,569,651**	**2,154,985**	**414,666**
REVENUES UNDER EXPENDITURES	**(417,615)**	**(536,551)**	**253,286**	**789,837**
OTHER FINANCING SOURCES (USES)				
Loan Proceeds	227,000	325,307	168,000	(157,307)
Transfers Out	-	(108,650)	(108,650)	-
TOTAL OTHER FINANCING SOURCES	**227,000**	**216,657**	**59,350**	**(157,307)**
Fund Balance Appropriated	190,615	319,894	-	(319,894)
NET CHANGE IN FUND BALANCE	**$ -**	**$ -**	**312,636**	**$ 312,636**
FUND BALANCE, Beginning of Year			1,970,596	
FUND BALANCE, End of Year			**$ 2,283,232**	

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

TOWN OF TRYON, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2024

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
REVENUES				
Ad Valorem Taxes	$ 755,787	$ 795,787	$ 846,287	$ 50,500
Restricted Intergovernmental Revenue	-	252,351	185,745	(66,606)
Investment Earnings	-	2,000	106	(1,894)
Other Revenue	-	15,500	20,122	4,622
TOTAL REVENUES	**755,787**	**1,065,638**	**1,052,260**	**(13,378)**
EXPENDITURES				
Current:				
Public Safety	715,787	1,187,610	1,074,773	112,837
Debt Service:				
Principal	40,000	42,000	-	42,000
TOTAL EXPENDITURES	**755,787**	**1,229,610**	**1,074,773**	**154,837**
REVENUES UNDER EXPENDITURES	**-**	**(163,972)**	**(22,513)**	**141,459**
OTHER FINANCING SOURCES (USES)				
Loan Proceeds	-	12,307	-	(12,307)
Transfer Out	-	-	(3,799)	(3,799)
TOTAL OTHER FINANCING SOURCES (USES)	**-**	**12,307**	**(3,799)**	**(16,106)**
Fund Balance Appropriated	-	151,665	-	(151,665)
NET CHANGE IN FUND BALANCE	**$ -**	**$ -**	**(26,312)**	**$ (26,312)**
FUND BALANCE, Beginning of Year			242,647	
FUND BALANCE, End of Year			**$ 216,335**	

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

TOWN OF TRYON, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2024

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
REVENUES				
Ad Valorem Taxes	$ 221,000	$ 240,600	$ 245,878	$ 5,278
Sales and Services	47,000	47,000	75,912	28,912
Investment Earnings	-	-	1,182	1,182
Other Revenue	-	96,650	74,150	(22,500)
TOTAL REVENUES	**268,000**	**384,250**	**397,122**	**12,872**
EXPENDITURES				
Current:				
Culture and Recreation	278,000	580,183	511,177	69,006
Debt Service:				
Principal	-	2,200	2,179	21
Interest	-	500	493	7
TOTAL EXPENDITURES	**278,000**	**582,883**	**513,849**	**69,034**
REVENUES OVER (UNDER) EXPENDITURES	**(10,000)**	**(198,633)**	**(116,727)**	**81,906**
OTHER FINANCING SOURCES				
Transfers In	-	108,650	108,650	-
Loan Proceeds	-	23,625	23,625	-
TOTAL OTHER FINANCING SOURCES	**-**	**132,275**	**132,275**	**-**
Fund Balance Appropriated (Surplus)	10,000	66,358	-	(66,358)
NET CHANGE IN FUND BALANCE	**$ -**	**$ -**	**15,548**	**$ 15,548**
FUND BALANCE, Beginning of Year			101,907	
FUND BALANCE, End of Year			**$ 117,455**	

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

TOWN OF TRYON, NORTH CAROLINA

STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS

JUNE 30, 2024

	ENTERPRISE FUNDS		
	MAJOR		
	WATER AND SEWER FUND	SANITATION FUND	TOTAL
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$ 462,638	$ 80,890	$ 543,528
Cash and Cash Equivalents, Restricted	151,301	-	151,301
Accounts Receivable	176,966	20,380	197,346
Intergovernmental Receivables	6,915	-	6,915
Due From Other Funds	88,463	-	88,463
Inventories	53,195	-	53,195
Total Current Assets	939,478	101,270	1,040,748
Non-Current Assets:			
Capital Assets:			
Non-Depreciable	901,070	-	901,070
Depreciable, Net	4,799,151	40,314	4,839,465
Total Non-Current Assets	5,700,221	40,314	5,740,535
TOTAL ASSETS	**6,639,699**	**141,584**	**6,781,283**
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Charges	249,696	52,535	302,231
LIABILITIES			
Current Liabilities:			
Accounts Payable	228,008	3,231	231,239
Accrued Interest Payable	8,761	1,335	10,096
Accrued Liabilities	30,676	-	30,676
Customer Deposits	151,301	-	151,301
Due to Other Governments	36,792	767	37,559
Due To Other Funds	103,387	59,463	162,850
Current Portion of Compensated Absences	7,745	494	8,239
Current Portion of Debt	192,637	8,350	200,987
Total Current Liabilities	759,307	73,640	832,947
Non-Current Liabilities:			
Net Pension Liability	421,811	88,746	510,557
Compensated Absences, Less Current Portion	31,137	1,820	32,957
Debt, Less Current Portion	1,494,100	93,957	1,588,057
Total Long-Term Liabilities	1,947,048	184,523	2,131,571
TOTAL LIABILITIES	**2,706,355**	**258,163**	**2,964,518**
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Credits	12,048	2,534	14,582
NET POSITION			
Net Investment in Capital Assets	4,013,485	(61,993)	3,951,492
Unrestricted	157,507	(4,585)	152,922
TOTAL NET POSITION	**$ 4,170,992**	**$ (66,578)**	**$ 4,104,414**

The notes to this statement are an integral part of this statement.

TOWN OF TRYON, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2024

	ENTERPRISE FUNDS		
	MAJOR		
	WATER AND SEWER FUND	SANITATION FUND	TOTAL
OPERATING REVENUES			
Charges for Services	$ 1,826,169	$ 281,305	$ 2,107,474
Water and Sewer Taps	23,695	-	23,695
Other Operating Revenues	-	2,638	2,638
TOTAL OPERATING REVENUES	**1,849,864**	**283,943**	**2,133,807**
OPERATING EXPENSES			
Water Distribution	375,448	-	375,448
Water Plant Operations	556,725	-	556,725
Wastewater Plant Operations	469,444	-	469,444
Wastewater Collections	224,746	-	224,746
Sanitation Operations	-	284,154	284,154
Depreciation	248,022	22,894	270,916
TOTAL OPERATING EXPENSES	**1,874,385**	**307,048**	**2,181,433**
OPERATING INCOME (LOSS)	**(24,521)**	**(23,105)**	**(47,626)**
NON-OPERATING REVENUES (EXPENSES)			
Grant Revenue	322,140	-	322,140
Solid Waste Disposal Tax	-	1,221	1,221
Investment Earnings	7,289	-	7,289
Interest and Other Charges	(103,409)	(4,874)	(108,283)
Other Income	116,886	-	116,886
Other Expenses	(86,212)	-	(86,212)
TOTAL NON-OPERATING REVENUES (EXPENSES)	**256,694**	**(3,653)**	**253,041**
CHANGE IN NET POSITION	**232,173**	**(26,758)**	**205,415**
NET POSITION, Beginning of Year	3,938,819	(39,820)	3,898,999
NET POSITION, End of Year	**$ 4,170,992**	**$ (66,578)**	**$ 4,104,414**

The notes to this statement are an integral part of this statement.

TOWN OF TRYON, NORTH CAROLINA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	ENTERPRISE FUNDS		
	MAJOR		
	WATER AND SEWER FUND	SANITATION FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	$ 1,849,258	$ 280,096	$ 2,129,354
Payments to Suppliers for Goods and Services	(831,788)	(136,493)	(968,281)
Payments for Personal Services	(681,969)	(133,537)	(815,506)
Other Receipts (Payments)	-	-	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	335,501	10,066	345,567
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Other Revenue	69,988	1,221	71,209
Other Expenses	(86,212)		(86,212)
Transfers from (to) Other Funds	(29,000)	-	(29,000)
Transfers from Other Funds	7	-	7
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	(45,217)	1,221	(43,996)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital Grant Proceeds	475,910	-	475,910
Acquisition of Capital Assets	(465,119)	(608)	(465,727)
Debt Principal Payments	(204,638)	(7,978)	(212,616)
Debt Interest Payments	(103,410)	(4,874)	(108,284)
Meter Fee Revenues	46,898		46,898
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(250,359)	(13,460)	(263,819)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Earnings	7,289	-	7,289
NET CASH PROVIDED BY INVESTING ACTIVITIES	7,289	-	7,289
NET INCREASE IN RESTRICTED AND UNRESTRICTED CASH AND CASH EQUIVALENTS	**47,214**	**(2,173)**	**45,041**
RESTRICTED AND UNRESTRICTED CASH AND CASH EQUIVALENTS, Beginning of Year	566,725	83,063	649,788
RESTRICTED AND UNRESTRICTED CASH AND CASH EQUIVALENTS, End of Year	**$ 613,939**	**$ 80,890**	**$ 694,829**
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities:			
Operating Income (Loss)	$ (24,521)	(23,105)	$ (47,626)
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities:			
Depreciation Expense	248,022	22,894	270,916
Change in Accounts Representing Operating Activities:			
Accounts Receivable	(2,330)	(3,847)	(6,177)
Accounts Payable	15,076	(1,559)	13,517
Accrued Salaries and Benefits	1,590	(871)	719
Customer Deposits	1,724	-	1,724
Compensated Absences	(1,203)	(2,810)	(4,013)
Net Pension Liability	162,478	30,986	193,464
Deferred Pension Charges	10,681	2,230	12,911
Deferred Pension Credits	(76,016)	(13,852)	(89,868)
Net Cash Provided by Operating Activities	$ 335,501	$ 10,066	$ 345,567

The notes to this statement are an integral part of this statement.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Tryon and its component units conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Town of Tryon ("Town") is a municipal corporation that 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. As required by generally accepted accounting principles, these financial statements present the Town and its component units, legally separate entities for which the Town is financially accountable. The discretely presented component units described below are reported in separate columns in the financial statements to emphasize that it is legally separate from the Town.

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 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.

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 in the Town's government-wide financial statements. No separate financial statements for the Authority have been issued.

B. Basis of Presentation

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

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

Fund Financial Statements: The fund financial statements provide information about the Town's funds. Separate statements for each fund category – *governmental and proprietary* – are presented. The Town has no fiduciary funds to report. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

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

The Town reports the following major governmental funds:

The ***General Fund*** is the general operating fund of the Town and accounts for all revenues and expenditures of the Town except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, State grants, and various other taxes and licenses. The primary expenditures are for general government, public safety, street maintenance, and culture and recreation services.

The ***Fire Department Fund*** accounts for the operations of the Town's Fire Department. Ad valorem taxes are levied specifically for the Fire Department.

The ***Harmon Field Fund*** accounts for the operations of Harmon Field. Ad valorem taxes are levied specifically for Harmon Field. The Town has elected to show this fund as a major fund due to its significance to the Town – even when not considered major per GASB quantitative requirements.

The Town reports the following major enterprise funds:

The ***Water and Sewer Fund*** is used to account for the Town's water and sewer operations. Water and Sewer Capital Project Funds have been consolidated into the Water and Sewer Fund for financial reporting purposes. The budgetary comparison for the Water and Sewer Capital Project Funds have been included in the supplemental information.

The ***Sanitation*** Fund is used to account for the Town's sanitation and recycling operations.

C. Measurement Focus and Basis of Accounting

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

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town enterprise funds are charges to customers for sales and services. The Town also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

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

D. Budgetary Data

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 annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the Braewick Road Sewer Rehabilitation Capital Project Fund, the Water System Asset Inventory and Assessment Capital Project Fund, the Sewer System Asset Inventory and Assessment Capital Project Fund, the Water Meter Replacement Project Fund, the Water and Sewer System Improvement Project Fund, and the Lake Lanier Rehabilitation Dam Replacement Project Fund. The enterprise fund capital projects are consolidated with their respective operating fund for reporting purposes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the project level for the multi-year funds. All amendments must be approved by the governing board. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year, or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

1. Deposits and Investments

All deposits of the Town, the ABC Board, and the Authority are made in board-designated official depositories and are secured as required by State law [G.S. 159-31]. The Town and the ABC Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Town, the ABC Board, and the Authority 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 generally reported at fair value. The North Carolina Capital Management Trust (NCCMT) Government Portfolio is an SEC- registered money market mutual fund that is currently certified by the Local Government Commission under the provisions of G.S. 159-30(c)(8) and the North Carolina Administrative Code. The Government Portfolio is a 2a7 fund that invests in treasuries, government agencies, and repurchase agreements collateralized by treasuries. It is rated AAAm by S&P and AAA-mf by Moody's Investor Services and reported at fair value.

2. Cash and Cash Equivalents

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

3. Restricted Assets

Powell Bill funds are classified as restricted cash and cash equivalents because they can be expended only for the purposes outlined in G.S 136-41.1 through 136-41.4. Customer deposits held by the Town before any services are supplied are restricted to the service for which the deposit is collected.

Town of Tryon Restricted Cash		
Governmental Activities		
General Fund		
	Streets	$ 570
	Public Safety	7,100
	Culture & recreation	31,005
Total General Fund		38,675
Business-type Activities		
Water and Sewer Fund	Customer deposits	151,301
Total Restricted Cash		$ 189,976

4. Ad Valorem Taxes Receivable

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. 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.

5. Allowance for Doubtful Accounts

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

6. Inventories and Prepaid Items

The inventories of the Town are valued at cost (first-in, first-out), which approximates market. The inventories of the ABC Board are valued at the lower of cost (first-in, first-out) or market. The inventories of the Town's enterprise funds and those of the ABC Board consist of materials and supplies held for subsequent use. The cost of these inventories is expensed when consumed rather than when purchased. 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 and expensed as the items are used.

7. Capital Assets

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 capitalized at cost and updated for any additions and retirements during the year. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Capital assets are depreciated on the straight-line method using the following estimated useful lives:

Equipment	3-10 years

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. For the 2024 fiscal year the Town has one item that meets this criterion: pension deferrals. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources,* represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town has several items that meet the criterion for this category: property taxes receivable unavailable revenues (reported only on the Balance Sheet of the Governmental Funds) and pension deferrals.

9. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the debt.

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

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.

10. Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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

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

and lease receivables in excess of deferred inflows of resources for leases, as they are classified as nonspendable. Outstanding encumbrances are included within RSS. RSS is included as a component of Restricted net position and Restricted fund balance on the face of the balance sheet.

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

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

Committed Fund Balance – portion of fund balance that can only be used for specific purposes imposed by majority vote by a quorum of the Town Council (highest level of decision-making authority). Town 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 Fund Balance – portion of fund balance that the Town intends to use for specific purposes. Town Council reserves the right to assign fund balance.

Assigned for Culture and Recreation - portion of fund balance that is assigned for certain cultural and recreational expenditures.

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 up to $10,000.

Unassigned Fund Balance – the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds and that has not been reported as nonspendable fund balance.

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 the available fund balance is at least equal to or greater than 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. Defined Benefit Cost-Sharing Plans

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

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

1. Noncompliance with North Carolina General Statutes

North Carolina General Statute 159-34 of the Local Government Budget and Fiscal Control requires Towns to have their accounts audited as soon as possible after the close of fiscal year. The North Carolina Local Government Commission requires the audited financial statement to be submitted within four months of the fiscal year end. The Town was unable to provide timely financial information to the audit firm and provide financial statements by the filing deadline. Management and Town Council will more closely monitor this process in the future.

For the fiscal year ended June 30, 2024, the Finance Officer was not properly bonded in accordance with NC General Statute 15-29(a). The Finance Officer was bonded for $250,000; however, NC General Statute requires the bond to be the greater of fifty thousand dollars ($50,000) or an amount equal to ten percent (10%) of the unit's annually budgeted funds, up to one million dollars ($1,000,000). The Finance Officer bond should have been at a minimum of $556,749. Town Management will ensure that the Finance Officer will be properly bonded going forward.

B. Deficit in Fund Balance of Individual Funds

Due to increased costs of operations, the Sanitation Fund had a deficit fund balance as of June 30, 2024, of $66,576. Management is working to develop a plan (i.e. raising rates, moving sanitation back into the General Fund, etc.) to eliminate this deficit net position in future years.

Several of the Town's Water and Sewer Fund capital project funds ended the year with deficit fund balances. These deficits are due to timing differences. Project ordinances were used to establish these funds. As such, the financing sources for these projects are sufficient to cover the deficit fund balances. The deficit funds and balances are as follows:

Braewick Road Sewer Rehabilitation Capital Project Fund	$ (24,432)
Water Sytem Asset Inventory and Assessment Project Fund	(15,825)
Sewer System Asset Inventory and Assessment Project Fund	(8,420)
Water Meter Replacement Capital Project Fund	(26,066)
Water and Sewer System Improvments Capital Project Fund	(74,606)

III. DETAIL NOTES ON ALL FUNDS

A. Assets

1. 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 agent 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 the entities' names.

(Continued on next page)

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 relies 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 property secured.

At June 30, 2024, the Town's deposits had a carrying amount of $165,577 and a bank balance of $818,143. Of the bank balance, $250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. At June 30, 2024, the Town's petty cash and change funds totaled $445.

At June 30, 2024, the ABC Board's deposits had a carrying amount of approximately $127,000 and a bank balance of approximately $112,000. All of the bank balance was covered by federal depository insurance.

At June 30, 2024, the Authority's deposits had a carrying amount of $55,596 and bank balance of $55,596. All of the bank balance was covered by federal depository insurance.

Investments

At June 30, 2024, the Town had $2,894,180 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAm by Standard and Poor's (S&P). The Town has no policy regarding credit risk.

2. Receivables – Allowances for Doubtful Accounts

The amounts presented in the Balance Sheet and the Statement of Net Position for the year ended June 30, 2024, are net of the following allowances for doubtful accounts:

Governmental Funds:		
General Fund:		
Taxes receivable	$	27,798
Fire Department Fund:		
Taxes receivable		6,177
Harmon Field Fund:		
Taxes receivable		1,758
Total Governmental Funds		35,733
Enterprise Funds		
Water and Sewer Fund - accounts receivable		13,076
Sanitation Fund - accounts receivable		4,555
Total Enterprise Funds		17,631
Total	$	55,122

3. Capital Assets

Primary Government

Capital asset activity for the Primary Government for the year ended June 30, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets, Non-Depreciable:					
Land	$ 1,406,182	$ -	$ -	$ -	$ 1,406,182
Construction In Progress	-	31,772	-	-	31,772
Total Capital Assets, Non-Depreciable	1,406,182	31,772	-	-	1,437,954
Capital Assets, Depreciable:					
Buildings	1,166,051	8,833	-	-	1,174,884
Other Improvements	1,805,782	155,090	-	-	1,960,872
Equipment and Furniture	1,631,973	202,033	-	-	1,834,006
Vehicles	2,297,891	199,867	-	(10,814)	2,486,944
Total Capital Assets, Depreciable	6,901,697	565,823	-	(10,814)	7,456,706
Less: Accumulated Depreciation for:					
Buildings	899,195	38,343	-	-	937,538
Other Improvements	526,113	67,522	-	-	593,635
Equipment and Furniture	1,299,524	67,796	-	-	1,367,320
Vehicles	2,070,917	80,155	-	(7,016)	2,144,056
Total Accumulated Depreciation	4,795,749	253,816	-	(7,016)	5,042,549
Total Capital Assets, Depreciable, Net	2,105,948	312,007	-	(3,798)	2,414,157
Governmental Activities Capital Assets, Net	$ 3,512,130	$ 343,779	$ -	$ (3,798)	$ 3,852,111

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

General Government	$ 20,321
Public Safety	86,323
Transportation	88,219
Culture and Recreation	58,953
Total Depreciation Expense	$ 253,816

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	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	295,765	532,836	-	-	828,601
Total Capital Assets, Non-Depreciable	368,234	532,836	-	-	901,070
Capital Assets, Depreciable:					
Buildings and Improvements	105,011	4,076	-	-	109,087
Plant Distribution System Infrastructure	13,997,408	-	-	-	13,997,408
Equipment	1,570,792	13,385	-	-	1,584,177
Vehicles	133,085	-	-	10,815	143,900
Total Capital Assets, Depreciable	15,806,296	17,461	-	10,815	15,834,572
Less: Accumulated Depreciation for:					
Buildings and Improvements	91,839	1,154	-	-	92,993
Plant Distribution System Infrastructure	9,096,052	213,763	-	-	9,309,815
Equipment	1,461,341	29,006	-	-	1,490,347
Vehicles	131,151	4,099	-	7,016	142,266
Total Accumulated Depreciation	10,780,383	248,022	-	7,016	11,035,421
Total Capital Assets, Depreciable, Net	5,025,913	(230,561)	-	3,799	4,799,151
Water and Sewer Fund Capital Assets, Net	5,394,147	302,275	-	3,799	5,700,221

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	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-Type Activities (continued):					
Sanitation Fund					
Capital Assets, Depreciable:					
Vehicles	145,041	-	-	-	145,041
Equipment	13,876	608	-	-	14,484
Total Capital Assets, Being Depreciated	158,917	608	-	-	159,525
Less: Accumulated Depreciation for:					
Vehicles	85,217	20,119	-	-	105,336
Equipment	11,100	2,775	-	-	13,875
Total Accumulated Depreciation	96,317	22,894	-	-	119,211
Total Capital Assets, Depreciable, Net	62,600	(22,286)	-	-	40,314
Sanitation Fund Capital Assets, Net	62,600	(22,286)	-	-	40,314
Business-Type Activities Capital Assets, Net	$ 5,456,746	$ 279,991	$ -	$ 3,799	$ 5,740,537

Construction Commitments

The Town has active water and sewer construction projects as of June 30, 2024. On June 30, 2024, the Town's commitment is as follows:

Project	Spent-to-date	Remaining Commitment
Braewick Road Sewer Rehabilitation	$ 248,667	$ 2,394,730
Water System Asset Inventory and Assessment Project	141,030	113,470
Sewer System Asset Inventory and Assessment Project	141,805	119,695
Water Meter Replacement Project	80,253	7,747
Lake Lanier Rehab Dam Replacement Project	61,544	1,533,577

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Discretely presented component units

Capital asset activity for the ABC Board for the year ended June 30, 2024, 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	10,917	1,701	-	12,618
Total Accumulated Depreciation	10,917	1,701	-	12,618
Total Capital Assets, Depreciable, Net	1,701	(1,701)	-	-
Business-Type Activities Capital Assets, Net	$ 1,701	$ (1,701)	$ -	$ -

The Tourism Development Authority had no capital assets as of June 30, 2023.

B. Liabilities

1. Pension Plan Obligations

a. 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 ("LEOs") of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the 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 agency 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 of Tryon 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 of Tryon's contractually required contribution rate for the fiscal year ended June 30, 2024, was 14.10% of compensation for law enforcement officers and 12.85% 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 of Tryon were $245,462 for the year ended June 30, 2024.

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

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

At June 30, 2024, the Town reported a liability of $1,525,164 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023, 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 June 30, 2023 (measurement date), the Town's proportion was 0.02303%, which was a decrease of 0.00100% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the Town recognized pension expense of $456,460. At June 30, 2024, 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	$ 169,948	$ 3,659
Changes in Assumptions	64,811	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	408,201	-
Changes in Proportion and Differences between Town Contributions and Proportionate Share of Contributions	14,417	39,902
Town Contributions Subsequent to the Measurement Date	245,462	-
	$ 902,839	$ 43,561

The $245,462 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, 2025. 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
2025	$ 232,510
2026	103,673
2027	260,372
2028	17,261
Total	$ 613,816

Actuarial Assumptions. The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00 percent
Salary Increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment Rate of Return	6.5 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 and methods used in the December 31, 2022 actuarial valuation were based on the experience study prepared as of December 31, 2019, and adopted by the Board of Trustees on January 28, 2021.

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, 2023, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	33.0%	0.9%
Global Equity	38.0%	6.5%
Real Estate	8.0%	5.9%
Alternatives	8.0%	8.2%
Credit	7.0%	5.0%
Inflation Protection	6.0%	2.7%
Total	100.0%	

The information above is based on 30-year expectations developed with an investment consulting firm's 2024 long term capital market assumptions. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.38%. All rates of return and inflation are annualized figures. Source data provided in the 2023 Annual Comprehensive Financial Report published on website of the NC Office of State Controller.

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

Sensitivity of the Town's proportionate share of the net pension liability to changes in the discount rate. The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.50%, 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 (5.50%) or one percentage point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Town's Proportionate Share of the Net Pension Liability	$ 2,642,288	1,525,164	$ 605,444

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.

b. Law Enforcement Officers Special Separation Allowance

Plan description. The State provides a special separation allowance (SSA), a single-employer, defined benefit pension plan, for sworn law enforcement officers as defined by General Statutes 135-1(11c) or General Statutes 143-166.30(a)(4) that were employed by State agencies and retired on a basic service retirement under the provisions of General Statutes 135-5(a). To qualify for the allowance, each retired officer must: (1) have completed 30 or more years of creditable service or have attained 55 years of age and completed five or more years of creditable service; and (2) not have attained 62 years of age; and (3) have completed at least five years of continuous service as a law enforcement officer immediately preceding a service retirement.

Benefits provided. Each eligible officer is paid an annual separation allowance equal to 0.85% of the officer's most recent base rate of compensation for each year of creditable service. These benefits are funded on a pay-as-you-go basis with each state agency responsible for the benefits to their former employees. The benefits are established in General Statute 143-166.41 and may be amended only by the General Assembly. There is no statewide administration of the SSA. The SSA is not administered through a trust and therefore no assets are accumulated. Funds for this allowance are appropriated annually in the budget of each affected state agency.

All full-time Town law enforcement officers are covered by the Separation Allowance. At December 31, 2022, the valuation date, the Separation Allowance's membership consisted of:

Retirees Receiving Benefits	2
Active Plan Members	7
Total	9

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 Statement 73.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of December 31, 2022, using the following key actuarial assumptions and other inputs:

Valuation Date	December 31, 2022
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	4.00%
Salary Increases	3.25 to 7.75%, including inflation and productivity factor
Inflation	2.50%
Cost-of-Living Adjustments	N/A

The discount rate used to measure the total pension liability is the S&P Municipal Bond 20 Year High Grade Rate Index.

The actuarial assumptions used in the December 31, 2022 valuation were 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.

MORTALITY ASSUMPTION: All mortality rates use Pub-2010 amount-weighted tables.

MORTALITY PROJECTION: All mortality rates are projected from 2010 using generational improvement with Scale MP-2019.

DEATHS AFTER RETIREMENT (Healthy): Mortality rates are based on the Safety Mortality Table for Retirees. Rates for all members are multiplied by 97% and Set Forward by 1 year.

DEATHS AFTER RETIREMENT (Disabled Members at Retirement): Mortality rates are based on the Non-Safety Mortality Table for Disabled Retirees. Rates are Set Back 3 years for all ages.

DEATHS AFTER RETIREMENT (Survivors of Deceased Members): Mortality rates are based on the Below-median Teachers Mortality Table for Contingent Survivors. Rates for male members are Set Forward 3 years. Rates for female members are Set Forward 1 year. Because the contingent survivor tables have no rates prior to age 45, the Below-median Teachers Mortality Table for Employees is used for ages less than 45.

DEATHS PRIOR TO RETIREMENT: Mortality rates are based on the Safety Mortality Table for Employees. All mortality rates use Pub-2010 amount-weighted tables.

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 $29,237 as benefits came due for the reporting period.

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions. At June 30, 2024, the Town reported a total pension liability of $293,932. The total pension liability was measured as of December 31, 2023 based on a December 31, 2022 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2023 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2024, the Town recognized pension expense of $12,028.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 40,422	$ 64,247
Changes of Assumptions and Other Inputs	31,631	28,537
Town Benefit Payments and Plan Administrative Expenses Made Subsequent to the Measurement Date	-	-
Total	$ 72,053	$ 92,784

The $0 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, 2024. 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
2025	$ (2,192)
2026	(2,713)
2027	(16,167)
2028	(5,076)
2029	5,417
Total	$ (20,731)

Sensitivity of the Town's Total Pension Liability to Changes in the Discount Rate. The following presents the Town's total pension liability, calculated using the discount rate of 4.00%, 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 (3.00%) or 1 percentage point higher (5.00%) than the current rate:

	1% Decrease (3.00%)	Discount Rate (4.00%)	1% Increase (5.00%)
Total Pension Liability	$ 313,846	293,932	$ 275,509

Schedule of Changes in Total Pension Liability

Total Pension Liability as of December 31, 2022	$ 267,036
Changes for the Year:	
Service Cost at End of Year	9,205
Interest on the Total Pension Liability	10,904
Differences Between Expected and Actual Experience	29,339
Changes of Assumptions and Other Inputs	5,528
Benefit Payments	(28,080)
Net Changes	26,896
Total Pension Liability as of December 31, 2023	$ 293,932

Total Expense, Liabilities, and Deferred Outflow and Inflows of Resources Related to Pensions
Following is information related to the proportionate share and pension expense for all pension plans:

	LGERS	LEOSSA	Total
Pension Expense	$ 456,460	$ 12,028	$ 468,488
Pension Liability	1,525,164	293,932	1,819,096
Proportionate share of the net pension liability	0.023003%	n/a	
Deferred Outflows of Resources:			
Differences between expected and actual experience	169,948	40,422	201,579
Changes of assumptions	64,811	31,631	96,442
Net differences between projected and actual earnings on plan investments	408,201	-	408,201
Changes in proportion and differences between contributions and proportionate share of contributions	14,417	-	14,417
Benefit payments and administrative costs paid subsequent to the measurement date	245,462	-	245,462
Deferred Inflows of Resources:			
Differences between expected and actual experience	3,659	64,247	67,906
Changes of assumptions and other inputs	-	28,537	28,537
Changes in proportion and difference between contributions and proportionate share of contributions	39,902	-	39,902

c. 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. The law enforcement officers may also make voluntary contributions to the plan. The Town made contributions of $21,388 for the reporting year.

d. Supplemental Retirement Income Plan for Employees Other Than Law Enforcement Officers

The Town has a supplemental plan for Town employees other than law enforcement officers. The Town has no requirement or obligation under State statutes to contribute to the plan; however, the Town has adopted the Supplemental Retirement Plan of North Carolina 401(k) for its non-law enforcement employees. Employees may make voluntary contributions to the plan, and the Town matches up to 2% of the employees' contributions. The Town made contributions of $38,350 for the 2024 reporting year.

2. Other Employment Benefits

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.

3. 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 $5,000,000 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; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The ABC Board has commercial property, general liability, workmen's compensation, and employee health coverage. The ABC Board also has liquor legal liability coverage. There have been no significant reductions in insurance coverage from coverage in the prior year and settled claims have not exceeded coverage in any of the past three fiscal years. In accordance with G.S. 18B-700(i), each board member and the employees designated as the general manager and finance officer are bonded in the amount of $50,000 secured by a corporate surety.

4. Claims, Judgements and Contingent Liabilities

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.

5. 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.).

Details on the Town's outstanding debt issues (none of which are publicly traded) as of June 30, 2024 are as follows:

	Balance at June 30, 2024
State Revolving Loans	
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.	$ 1,522,266
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.	164,471
Installment Purchase Contracts	
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.	$ 102,307

(continued on the next page)

On November 17, 2023, the Town executed an installment purchase agreement ("IPC – November 2023") with a local bank for $23,624.53 to acquire a Lawn Mower and related equipment for Harmon Field. The financing agreement requires annual installments of $5,345 with interest as 4.50%, maturing November 30, 2028.	$ 21,446
On November 17, 2023, the Town executed an installment purchase agreement ("IPC – November 2023") with a local bank for $168,000.00 to acquire 3 2023 Ford Explorers for the police department. The financing agreement requires annual installments of $2,335.23 with interest as 5.04%, maturing January 25, 2031.	$ 168,000

Changes in Long-Term Liabilities

Compensated absences for governmental activities have typically been liquidated in the General Fund.

Long-Term Obligations	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Direct Borrowings/Placements:					
Installment Purchase Contracts:					
IPC - October 2018	$ 15,866	$ -	$ 15,866	$ -	$ -
IPC - November 2023	-	23,625	2,179	21,446	4,503
IPC - November 2023	-	168,000	-	168,000	20,890
Total Installment Purchase Contracts	15,866	191,625	18,045	189,446	25,393
Compensated Absences	84,048	51,673	48,938	86,783	17,357
Net Pension Liability - LGERS	1,038,542	-	23,935	1,014,607	-
Total Pension Liability - LEOSSA	267,036	26,896	-	293,932	-
Total Governmental Activities	$ 1,405,492	$ 270,194	$ 90,918	$ 1,584,768	$ 42,750

Long-Term Obligations	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-Type Activities:					
Direct Borrowings/Placements:					
State Revolving Loans:					
SRL - July 2009	$ 1,691,406	$ -	$ 169,140	$ 1,522,266	$ 169,140
SRL - May 2010	187,967	-	23,496	164,471	23,496
Total State Revolving Loans	1,879,373	-	192,636	1,686,737	192,636
Installment Purchase Contracts:					
IPC-A - January 2019	110,285	-	7,978	102,307	8,351
IPC-B - January 2019	12,002	-	12,002	-	-
Total Installment Purchase Contracts	122,287	-	19,980	102,307	8,351
Total Direct Borrowings/Placements	2,001,660	-	212,616	1,789,044	200,987
Compensated Absences	45,209	16,754	20,767	41,196	8,239
Net Pension Liability - LGERS	317,093	193,464	-	510,557	-
Total Business-Type Activities	$ 2,363,962	$ 210,218	$ 233,383	$ 2,340,797	$ 209,226

Following is a summary of direct borrowing/placement debt service requirements to maturity by year for the Town's governmental and business-type activities as of June 30, 2024:

Year Ended June 30,	Direct Borrowing/Placement Debt Principal	Interest	Total
Governmental Activities:			
2025	$ 25,393	7,975	$ 33,368
2026	26,552	6,816	33,368
2027	27,764	5,603	33,367
2028	29,031	4,336	33,367
2029-2031	80,706	6,034	86,740
Total Governmental Activites	$ 189,446	30,764	$ 220,210
Business-type Activities:			
2025	$ 200,987	46,395	$ 247,382
2026	201,357	41,243	242,600
2027	201,743	36,073	237,816
2028	202,146	30,889	233,035
2029-2034	982,810	77,141	1,059,951
Total Business-type Activities	$ 1,789,043	231,741	$ 2,020,784

C. Interfund Balances and Activity

Balances due to/from other funds at June 30, 2024, consist of the following:

Fund	Receivables	Payables
Major Governmental Funds:		
General Fund	$ 74,387	$ -
Major Enterprise Funds:		
Water and Sewer Fund	-	74,387
Totals	$ 74,387	$ 74,387

The interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenses occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Transfers to/from other funds at June 30, 2024, consist of the following:

Fund	Transfers In	Transfers Out
Major Governmental Funds		
General Fund	$ -	$ 108,650
Harmon Field	108,650	-
Totals	$ 108,650	$ 108,650

D. Net Investment in Capital Assets

Net Investment in Capital Assets was calculated as follows:

	Governmental Activities	Business-Type Activities
Capital Assets, Net	$ 3,852,112	$ 5,740,537
Long-Term Debt	(189,446)	(1,789,044)
Net Investment in Capital Assets	$ 3,662,666	$ 3,951,493

E. 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	$ 2,283,232
Less:	
Stabilization by State Statute	(318,809)
Restricted by Function	(38,675)
Assigned by Function	(23,001)
Unassigned Fund Balance - General Fund	$ 1,902,747

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. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Federal and State Assisted Programs

The Town has received 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, 2024.

V. SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 31, 2024.

August 2024

In August 2024, the Town Board approved a Resolution Authorizing Application to purchase a new fire engine. The application was approved by the LGC in September with Home Trust Bank providing a 15-year loan in the amount of $852,459 at an interest rate of 4.99%. The first loan payment is due in August 2025.

The Town Board approved a Resolution Authorizing a State Revolving Loan for Braewick Sewer Rehab Project. The application was approved by the LGC in September providing for a twenty-year loan in the amount of $612,355 at an interest rate of 0.18%.

September 2024

Hurricane Helene brought catastrophic damage to Western North Carolina in September. The Town of Tryon suffered significant damage from wind with several down trees and localized flooding, impacting Town operations. Power was out in the Town for over 10 days. Significant damage was incurred to the water lines servicing the Pacolet Valley in the Tryon Township. The water system was repaired; however, additional infrastructure improvements are needed. An estimated cost has not yet been determined.

Harmon Field, a 46-acre park, received significant flooding and wind damage. Most of the park remains closed. The Town of Tryon has appropriated $300,000 from the General Fund Balance for restoration, mud and debris clean-up and will seek FEMA reimbursement. The damage to Harmon Field is estimated at $1 million.

The Town has received an insurance reimbursement totaling $31,206 net of a $1,000 deductible for wind damage. The Town is seeking funding from FEMA for the restoration, mud and debris clean-up and replacement of damaged and destroyed structures. FEMA met with Town officials on December 6, 2024, and requested an inventory of all damages within 90 days.

As of December 27, 2024, the Town of Tryon has encumbered over $265,000 in restoration expenditures.

October 2024

The Town of Tryon received funds totaling $768,292 from State Budget Appropriation to retire the entire debt for the water interconnect loan. The interconnect loan was shared equally be the municipalities of Tryon, Saluda and Columbus. Excess funds totaling $600,000 will be applied toward principal reduction on the Town's Water Plant SRF Loan with NCDEQ.

December 2024

The Town received a State Budget Grant Award totaling $2,223,500 for Hidden Hill, Oak Street and Markham/Grady Avenues sewer and water projects. The Town Board awarded contract for the Grady Avenue Water Line totaling $496,042 and authorized construction advertisement for bids for Hidden Hill, Oak Street and Markham/Grady Sewer Rehab Projects.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF TRYON, NORTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT FISCAL YEARS*

	Year Ended June 30,			
	2024	**2023**	**2022**	**2021**
Beginning Balance of the Total Pension Liability	$ 267,036	$ 352,099	$ 372,448	$ 208,222
Changes for the Year:				
Service Cost	9,205	13,912	17,847	10,263
Interest on Total Pension Liability	10,904	7,766	7,095	6,630
Difference Between Expected and Actual Experience in the Measurement of the Total Pension Liability	29,339	(54,732)	(27,774)	59,391
Changes of Assumptions or Other Inputs	5,528	(38,084)	(7,838)	97,621
Benefit Payments	(28,080)	(13,925)	(9,679)	(9,679)
Net Changes	26,896	(85,063)	(20,349)	164,226
Ending Balance of the Total Pension Liability	$ 293,932	$ 267,036	$ 352,099	$ 372,448

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

* The amounts presented for each fiscal year were determined as of the prior year ending December 31st. This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

TOWN OF TRYON, NORTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT FISCAL YEARS

	Year Ended June 30,			
	2024	**2023**	**2022**	**2021**
Total Pension Liability	$ 293,932	$ 267,036	$ 352,099	$ 372,448
Covered Payroll	$ 367,077	$ 344,955	$ 429,814	$ 388,580
Total Pension Liability as a Percentage of Covered Payroll	80.07%	77.41%	81.92%	95.85%

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

Notes to the 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.
This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

TOWN OF TRYON, NORTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF TRYON'S PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM

LAST TEN FISCAL YEARS

	Year Ended June 30,				
	2024	**2023**	**2022**	**2021**	**2020**
Town's Proportion of the Net Pension Liability (Asset)	0.02303%	0.02403%	0.02388%	0.02215%	0.01912%
Town's Proportionate Share of the Net Pension Liability	$ 1,525,164	$ 1,355,635	$ 366,223	$ 791,514	$ 522,152
Town's Covered Payroll	$ 1,871,185	$ 1,794,672	$ 1,825,390	$ 1,569,850	$ 1,435,582
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	81.51%	75.54%	20.06%	50.42%	36.37%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability*	82.49%	84.14%	95.51%	88.61%	90.86%

	Year Ended June 30,				
	2019	**2018**	**2017**	**2016**	**2015**
Town's Proportion of the Net Pension Liability (Asset)	0.01809%	0.02345%	0.02322%	0.02172%	0.02279%
Town's Proportionate Share of the Net Pension Liability	$ 429,157	$ 358,252	$ 492,806	$ 97,478	$ (134,403)
Town's Covered Payroll	$ 1,517,108	$ 1,517,108	$ 1,448,826	$ 1,341,741	$ 1,344,301
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	28.29%	23.61%	34.01%	7.27%	-10.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability*	91.63%	94.18%	91.47%	98.09%	102.64%

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

TOWN OF TRYON, NORTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF TRYON'S CONTRIBUTIONS
LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM

LAST TEN FISCAL YEARS

	Year Ended June 30,				
	2024	**2023**	**2022**	**2021**	**2020**
Contractually Required Contribution	$ 245,462	$ 221,727	$ 207,436	$ 190,434	$ 144,666
Contributions in Relation to the Contractually Required Contribution	245,462	221,727	207,436	190,434	144,666
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Town's Covered Payroll	$ 1,871,185	$ 1,794,672	$ 1,793,290	$ 1,825,390	$ 1,569,850
Contributions as a Percentage of Covered Payroll	13.12%	12.35%	11.57%	10.43%	9.22%

	Year Ended June 30,				
	2019	**2018**	**2017**	**2016**	**2015**
Contractually Required Contribution	$ 113,811	$ 113,783	$ 109,990	$ 99,522	$ 96,052
Contributions in Relation to the Contractually Required Contribution	113,811	113,783	109,990	99,522	96,052
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Town's Covered Payroll	$ 1,435,582	$ 1,517,108	$ 1,517,108	$ 1,448,826	$ 1,341,741
Contributions as a Percentage of Covered Payroll	7.93%	7.50%	7.25%	6.87%	7.16%

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SUPPLEMENTAL INFORMATION

TOWN OF TRYON, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2024

	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES			
Ad Valorem Taxes:			
Taxes	$ 1,105,000	$ 1,215,348	$ 110,348
Penalties and Interest	5,000	8,041	3,041
Total	1,110,000	1,223,389	113,389
Unrestricted Intergovernmental Revenue:			
Local Option Sales Taxes	450,000	571,318	121,318
Payment in Lieu of Taxes (External Sources)	138,000	163,728	25,728
Utility Sales Tax	140,000	152,814	12,814
Beer and Wine Tax	6,100	7,625	1,525
Total	734,100	895,485	161,385
Restricted Intergovernmental Revenue:			
Powell Bill Allocation	100,000	98,629	(1,371)
Sales And Services:			
Rents, Concessions, and Other Services	21,000	63,280	42,280
Investment Earnings	63,000	113,783	50,783
Other Revenue:			
Contributions	5,000	5,000	-
Miscellaneous	-	8,705	8,705
Total	5,000	13,705	8,705
TOTAL REVENUES	**2,033,100**	**2,408,271**	**375,171**
EXPENDITURES			
General Government:			
Governing Body:			
Salaries and Employee Benefits	16,793	15,448	1,345
Operating Expenditures	49,800	35,256	14,544
Total	66,593	50,704	15,889
Administration:			
Salaries and Employee Benefits	324,964	279,771	45,193
Operating Expenditures	275,265	223,565	51,700
Capital Outlay	10,000	1,554	8,446
Total	610,229	504,890	105,339
Total General Government	676,822	555,594	121,228

TOWN OF TRYON, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2024

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
REVENUES				
Ad Valorem Taxes	$ 1,110,000	$ 1,110,000	$ 1,223,389	$ 113,389
Unrestricted Intergovernmental Revenue	734,100	734,100	895,485	161,385
Restricted Intergovernmental Revenue	68,000	100,000	98,629	(1,371)
Sales And Services	21,000	21,000	63,280	42,280
Investment Earnings	-	63,000	113,783	50,783
Other Revenue	-	5,000	13,705	8,705
TOTAL REVENUES	**1,933,100**	**2,033,100**	**2,408,271**	**375,171**
EXPENDITURES				
Current:				
General Government	676,822	676,822	555,594	121,228
Public Safety	888,204	988,511	879,929	108,582
Economic Development	9,864	39,864	21,420	18,444
Transportation	731,899	779,528	647,694	131,834
Culture and Recreation	27,600	47,600	31,005	16,595
Debt Service:				
Principal	15,867	36,867	15,866	21,001
Interest and Other Charges	459	459	3,477	(3,018)
TOTAL EXPENDITURES	**2,350,715**	**2,569,651**	**2,154,985**	**414,666**
REVENUES UNDER EXPENDITURES	**(417,615)**	**(536,551)**	**253,286**	**789,837**
OTHER FINANCING SOURCES (USES)				
Loan Proceeds	227,000	325,307	168,000	(157,307)
Transfers Out	-	(108,650)	(108,650)	-
TOTAL OTHER FINANCING SOURCES	**227,000**	**216,657**	**59,350**	**(157,307)**
Fund Balance Appropriated	190,615	319,894	-	(319,894)
NET CHANGE IN FUND BALANCE	**$ -**	**$ -**	**312,636**	**$ 312,636**
FUND BALANCE, Beginning of Year			1,970,596	
FUND BALANCE, End of Year			**$ 2,283,232**	

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

TOWN OF TRYON, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2024

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
REVENUES				
Ad Valorem Taxes	$ 755,787	$ 795,787	$ 846,287	$ 50,500
Restricted Intergovernmental Revenue	-	252,351	185,745	(66,606)
Investment Earnings	-	2,000	106	(1,894)
Other Revenue	-	15,500	20,122	4,622
TOTAL REVENUES	**755,787**	**1,065,638**	**1,052,260**	**(13,378)**
EXPENDITURES				
Current:				
Public Safety	715,787	1,187,610	1,074,773	112,837
Debt Service:				
Principal	40,000	42,000	-	42,000
TOTAL EXPENDITURES	**755,787**	**1,229,610**	**1,074,773**	**154,837**
REVENUES UNDER EXPENDITURES	**-**	**(163,972)**	**(22,513)**	**141,459**
OTHER FINANCING SOURCES (USES)				
Loan Proceeds	-	12,307	-	(12,307)
Transfer Out	-	-	(3,799)	(3,799)
TOTAL OTHER FINANCING SOURCES (USES)	**-**	**12,307**	**(3,799)**	**(16,106)**
Fund Balance Appropriated	-	151,665	-	(151,665)
NET CHANGE IN FUND BALANCE	**$ -**	**$ -**	**(26,312)**	**$ (26,312)**
FUND BALANCE, Beginning of Year			242,647	
FUND BALANCE, End of Year			**$ 216,335**	

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

TOWN OF TRYON, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2024

	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES			
Ad Valorem Taxes:			
Taxes	$ 240,600	$ 245,878	$ 5,278
Sales And Services:			
Rent, Concessions, and Other Services	47,000	75,912	28,912
Investment Earnings	-	1,182	1,182
Other Revenue:			
Contributions	96,650	74,150	(22,500)
TOTAL REVENUES	**384,250**	**397,122**	**12,872**
EXPENDITURES			
Culture and Recreation:			
Grounds Maintenance:			
Salaries and Employee Benefits	163,863	156,879	6,984
Operating Expenditures	158,637	156,381	2,256
Capital Outlay	257,683	197,917	59,766
Total Culture and Recreation	580,183	511,177	69,006
Debt Service:			
Debt Payment	2,200	2,179	21
Interest Payment	500	493	7
	2,700	2,672	28
TOTAL EXPENDITURES	**582,883**	**513,849**	**69,034**
REVENUES UNDER EXPENDITURES	**(198,633)**	**(116,727)**	**81,906**
OTHER FINANCING SOURCES (USES)			
Transfers In	108,650	108,650	-
Loan Proceeds	23,625	23,625	-
TOTAL OTHER FINANCING SOURCES (USES)	**132,275**	**132,275**	
Fund Balance Appropriated	66,358	-	(66,358)
NET CHANGE IN FUND BALANCE	**$ -**	**15,548**	**$ 15,548**
FUND BALANCE, Beginning of Year		101,907	
FUND BALANCE, End of Year		**$ 117,455**	

TOWN OF TRYON, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2024

	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES			
Operating Revenues:			
Charges for Services			
Water Sales	$ 1,260,200	$ 1,275,236	$ 15,036
Sewer Charges	515,000	550,933	35,933
Water and Sewer Taps	13,000	23,695	10,695
Total Operating Revenues	**1,788,200**	**1,849,864**	**61,664**
Nonoperating Revenues:			
Interest Earned on Investments	3,900	-	(3,900)
Other Non-Operating Revenue	171,390	69,988	(101,402)
Total Nonoperating Revenues	**175,290**	**69,988**	**(105,302)**
TOTAL REVENUES	**1,963,490**	**1,919,852**	**(43,638)**
EXPENDITURES			
Water Distribution:			
Salaries and Employee Benefits	215,485	207,553	7,932
Outside Services	29,000	39,604	(10,604)
Utilities	3,000	1,872	1,128
Telephone	3,000	1,395	1,605
Uniforms	1,800	1,670	130
Insurance	18,500	18,500	-
Dues and Subscriptions	100	30	70
Materials and Supplies	40,500	54,247	(13,747)
Travel	500	34	466
Repairs and Maintenance	12,500	14,928	(2,428)
Other Departmental Expense	25,000	33,388	(8,388)
Bad Debt Expense	-	2,227	(2,227)
Total	349,385	375,448	(26,063)
Water Plant Operations:			
Salaries and Employee Benefits	255,241	230,453	24,788
Outside Services	40,000	32,029	7,971
Utilities	75,000	75,583	(583)
Telephone	5,000	5,833	(833)
Uniforms	1,800	2,223	(423)
Insurance	42,100	42,100	-
Dues and Subscriptions	800	905	(105)
Materials and Supplies	151,000	125,549	25,451
Travel	1,800	1,370	430
Office Supplies and Postage	5,100	5,887	(787)
Licenses and Permits	3,000	2,660	340
Repairs and Maintenance	48,000	32,133	15,867
Capital Outlay	102,044	-	102,044
Total	730,885	556,725	174,160
Wastewater Plant Operations:			
Salaries and Employee Benefits	232,788	190,813	41,975
Outside Services	58,531	105,979	(47,448)
Utilities	21,000	27,137	(6,137)
Telephone	2,400	2,698	(298)

(Continued)

TOWN OF TRYON, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2024

	FINAL BUDGET	ACTUAL	VARIANCE
Wastewater Plant Operations:			
Advertising	$ 500	$ 264	$ 236
Uniforms	1,800	914	886
Insurance	12,800	12,800	-
Dues and Subscriptions	300	570	(270)
Materials and Supplies	38,200	19,268	18,932
Travel	500	2,889	(2,389)
Office Supplies and Postage	2,500	2,913	(413)
Repairs and Maintenance	15,500	7,260	8,240
Total	386,819	373,505	13,314
Wastewater Collections:			
Salaries and Employee Benefits	146,969	151,310	(4,341)
Outside Services	75,000	45,365	29,635
Utilities	1,000	722	278
Telephone	900	538	362
Advertising	-	91	(91)
Uniforms	600	955	(355)
Insurance	1,600	1,600	-
Dues and Subscriptions	100	50	50
Materials and Supplies	11,000	6,774	4,226
Travel	100	0	100
Licenses and Permits	7,000	7,665	(665)
Repairs and Maintenance	6,000	9,585	(3,585)
Other Departmental Expense	-	91	(91)
Total	250,269	224,746	25,523
Debt Service:			
Principal Retirement	204,447	204,638	(192)
Interest and Other Charges	103,409	103,409	-
Total Debt Service	307,856	308,047	(192)
Capital Outlay	28,276	17,461	10,815
TOTAL EXPENDITURES	**2,053,490**	**1,855,932**	**197,557**
REVENUES OVER (UNDER) EXPENDITURES	**(90,000)**	**63,920**	**153,919**
OTHER FINANCING SOURCES (USES)			
Transfers Out	(143,220)	(143,220)	-
TOTAL OTHER FINANCING SOURCES (USES)	**(143,220)**	**(143,220)**	**-**
Fund Balance Appropriated	233,220	-	(233,220)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	**$ -**	(79,300)	**$ (79,301)**
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Payment of Debt Principal		204,638	
Capital Outlay		17,461	
Depreciation		(248,022)	
Change in Net Pension Asset (Liability) and Deferred Items Related to Pensions		(97,142)	
Change in Compensated Absences		1,203	
Water and Sewer Capital Project Funds:			
Grant Revenue in Enterprise Capital Project Funds		322,140	
Meter Fee Revenue		46,898	
Investment Earning		7,289	
Miscellaneous Expense in Capital Project Funds		(86,212)	
Transfers Out to Enterprise Capital Project Funds		143,220	
CHANGE IN NET POSITION		**$ 232,173**	

TOWN OF TRYON, NORTH CAROLINA

WATER AND SEWER CAPITAL PROJECT FUND - BRAEWICK ROAD SEWER REHABILITATION PROJECT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)

FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

		ACTUAL			
	PROJECT AUTHORIZATION	PRIOR YEAR	CURRENT YEAR	TOTAL TO DATE	VARIANCE
REVENUES					
ARPA Grant Proceeds	$ 1,643,397	$ 160,685	$ 63,550	$ 224,235	$ (1,419,162)
Principal Forgiveness Loan	1,000,000	-	-	-	(1,000,000)
TOTAL REVENUES	**2,643,397**	**160,685**	**63,550**	**224,235**	**(2,419,162)**
EXPENDITURES					
Construction Rehabilitation	2,452,113	-	-	-	2,452,113
Professional Services, Engineering	191,284	34,737	213,930	248,667	(57,383)
TOTAL EXPENDITURES	**2,643,397**	**34,737**	**213,930**	**248,667**	**2,394,730**
REVENUES OVER EXPENDITURES	**$ -**	**$ 125,948**	**$ (150,380)**	**$ (24,432)**	**$ (24,432)**

TOWN OF TRYON, NORTH CAROLINA

WATER AND SEWER CAPITAL PROJECT FUND - WATER METER REPLACEMENT PROJECT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)

FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

		ACTUAL			
	PROJECT AUTHORIZATION	PRIOR YEAR	CURRENT YEAR	TOTAL TO DATE	VARIANCE
REVENUES					
Meter Fees	$ 88,000	$ -	46,898	$ 46,898	$ (41,102)
Investment Earnings	-	-	7,289	7,289	7,289
TOTAL REVENUES	**88,000**	**-**	**54,187**	**54,187**	**(33,813)**
EXPENDITURES					
Automated Meters, Registers	88,000	-	80,253	80,253	7,747
TOTAL EXPENDITURES	**88,000**	**-**	**80,253**	**80,253**	**7,747**
REVENUES (UNDER) EXPENDITURES	**$ -**	**$ -**	**$ (26,066)**	**$ (26,066)**	**$ (26,066)**

TOWN OF TRYON, NORTH CAROLINA

WATER AND SEWER CAPITAL PROJECT FUND - WATER SYSTEM ASSET INVENTORY AND ASSESSMENT PROJECT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)

FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

		ACTUAL			
	PROJECT AUTHORIZATION	PRIOR YEAR	CURRENT YEAR	TOTAL TO DATE	VARIANCE
REVENUES					
ARP AIA Grant Proceeds	$ 254,500	$ -	$ 125,205	$ 125,205	$ (129,295)
TOTAL REVENUES	**254,500**	**-**	**125,205**	**125,205**	**(129,295)**
EXPENDITURES					
Professional Services, Engineering	254,500	36,720	104,310	141,030	113,470
TOTAL EXPENDITURES	**254,500**	**36,720**	**104,310**	**141,030**	**113,470**
REVENUES (UNDER) EXPENDITURES	**$ -**	**$ (36,720)**	**$ 20,895**	**$ (15,825)**	**$ (15,825)**

TOWN OF TRYON, NORTH CAROLINA

WATER AND SEWER CAPITAL PROJECT FUND - SEWER SYSTEM ASSET INVENTORY AND ASSESSMENT PROJECT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)

FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	PROJECT AUTHORIZATION	ACTUAL PRIOR YEAR	ACTUAL CURRENT YEAR	ACTUAL TOTAL TO DATE	VARIANCE
REVENUES					
ARP AIA Grant Proceeds	$ 261,500	$ -	$ 133,385	$ 133,385	$ (128,115)
TOTAL REVENUES	**261,500**	**-**	**133,385**	**133,385**	**(128,115)**
EXPENDITURES					
Professional Services, Engineering	261,500	57,400	84,405	141,805	119,695
TOTAL EXPENDITURES	**261,500**	**57,400**	**84,405**	**141,805**	**119,695**
REVENUES (UNDER) EXPENDITURES	**$ -**	**$ (57,400)**	**$ 48,980**	**$ (8,420)**	**$ (8,420)**

TOWN OF TRYON, NORTH CAROLINA

WATER AND SEWER CAPITAL PROJECT FUND - LAKE LANIER REHAB DAM REPLACEMENT PROJECT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)

FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

		ACTUAL			
	PROJECT AUTHORIZATION	PRIOR YEAR	CURRENT YEAR	TOTAL TO DATE	VARIANCE
REVENUES					
Restricted Revenue	$ 1,595,121	$ -	$ -	$ -	$ (1,595,121)
TOTAL REVENUES	**1,595,121**	**-**	**-**	**-**	**(1,595,121)**
EXPENDITURES					
Professional Services, Engineering	$ 1,595,121	$ -	$ 55,585	$ 55,585	$ 1,539,536
Grant Application Fees	-	-	5,959	5,959	(5,959)
TOTAL EXPENDITURES	**1,595,121**	**-**	**61,544**	**61,544**	**1,533,577**
REVENUES OVER (UNDER) EXPENDITURES	**-**	**-**	**(61,544)**	**(61,544)**	**(61,544)**
OTHER FINANCING SOURCES					
Transfers In	-	-	143,220	143,220	143,220
	-	-	**143,220**	**143,220**	143,220
REVENUES (UNDER) EXPENDITURES	**$ -**	$ -	$ 81,676	$ 81,676	$ 81,676

TOWN OF TRYON, NORTH CAROLINA

WATER AND SEWER CAPITAL PROJECT FUND - WATER & SEWER SYSTEM IMPROVEMENT PROJECT
SCHEDULE OF REVENUES AND EXPENDITURES - WATER AND SEWER SYSTEM IMPROVEMENT PROJECT
BUDGET AND ACTUAL (NON-GAAP)

FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

		ACTUAL			
	PROJECT AUTHORIZATION	PRIOR YEAR	CURRENT YEAR	TOTAL TO DATE	VARIANCE
REVENUES					
Restricted Revenues	$ 74,606	$ -	$ -	$ -	$ (74,606)
TOTAL REVENUES	**74,606**	**-**	**-**	**-**	**(74,606)**
EXPENDITURES					
Project Expenditures	74,606	-	74,606	74,606	-
TOTAL EXPENDITURES	**74,606**	**-**	**74,606**	**74,606**	**-**
REVENUES (UNDER) EXPENDITURES	**$ -**	**$ -**	**$ (74,606)**	**$ (74,606)**	**$ (74,606)**

TOWN OF TRYON, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2024

	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES			
Operating Revenues:			
Charges for Services			
Sanitation Fees	$ 278,395	$ 281,305	$ 2,910
Other Operating Revenues	450	2,638	2,188
Total Operating Revenues	278,845	283,943	5,098
Nonoperating Revenues:			
Solid Waste Disposal Tax	650	1,221	571
Total Nonoperating Revenues	650	1,221	571
TOTAL REVENUES	**279,495**	**285,164**	**5,669**
EXPENDITURES			
Sanitation:			
Salaries and Employee Benefits	122,822	149,220	(26,398)
Outside Services	-	1,124	(1,124)
Telephone	1,020	1,435	(415)
Materials and Supplies	27,000	23,315	3,685
Tipping Charges	54,000	48,228	5,772
Uniforms	1,800	2,179	(379)
Professional Services	2,500	975	1,525
Insurance	17,000	17,000	-
Travel	-	50	(50)
Office Supplies and Postage	2,500	2,913	(413)
Repairs and Maintenance	43,000	21,667	21,333
Other Departmental Expense	-	(508)	508
Total	271,642	267,598	4,044
Debt Service:			
Principal Retirement	7,979	7,978	1
Interest and Other Charges	4,874	4,874	-
Total Debt Service	12,853	12,852	1
Capital Outlay	-	608	-
TOTAL EXPENDITURES	**284,495**	**281,058**	**4,045**
REVENUES OVER (UNDER) EXPENDITURES	**(5,000)**	**4,106**	**9,714**
Fund Balance Appropriated	5,000	-	(5,000)
REVENUES OVER EXPENDITURES	**$ -**	**4,106**	**$ 4,714**
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Payment of Debt Principal		7,978	
Capital Outlay		608	
Depreciation		(22,894)	
Change in Net Pension Asset (Liability) and Deferred Items Related to Pensions		(19,365)	
Change in Compensated Absences		2,809	
CHANGE IN NET POSITION		**$ (26,758)**	

TOWN OF TRYON, NORTH CAROLINA

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

FOR THE YEAR ENDED JUNE 30, 2024

	BUDGET	ACTUAL	VARIANCE
REVENUES			
Other Taxes and Licenses:			
Occupancy Taxes	$ 28,000	$ 22,400	$ (5,600)
TOTAL REVENUES	**28,000**	**22,400**	**(5,600)**
EXPENDITURES			
Economic Development:			
Operating Expenditures	30,500	31,607	(1,107)
TOTAL EXPENDITURES	**30,500**	**31,607**	**(1,107)**
REVENUES OVER EXPENDITURES	**(2,500)**	**(9,207)**	**(6,707)**
Fund Balance Appropriated (Surplus)	**2,500**	-	**(2,500)**
NET CHANGE IN FUND BALANCE	**$ -**	**(9,207)**	**$ (9,207)**
FUND BALANCE, Beginning of Year		64,898	
FUND BALANCE, End of Year		**$ 55,691**	

Town of Tryon, North Carolina
Schedule of Ad Valorem Taxes Receivable
June 30, 2024

Fiscal Year	Uncollected Balance June 30, 2023	Additions	Collections And Credits	Uncollected Balance June 30, 2024
2023-2024	$ -	$ 1,223,389	1,195,607	$ 27,782
2022-2023	47,170	-	40,475	6,695
2021-2022	13,272	-	11,694	1,578
2020-2021	12,110	-	10,681	1,429
2019-2020	10,348	-	8,425	1,923
2018-2019	8,929	-	4,260	4,669
2017-2018	1,909	-	-	1,909
2016-2017	2,470	-	-	2,470
2015-2016	1,506	-	-	1,506
2014-2015	1,135	-	-	1,135
	$ 98,849	$ 1,223,389	$ 1,271,142	$ 51,096

Less: allowance for uncollectible ad valorem taxes receivable: General Fund	(27,798)
Ad valorem taxes receivable - net	$ 23,298

Reconciliation with revenues:

Ad valorem taxes - General Fund	$ 1,223,389
Interest collected	(10,857)
Early pay discount	12,074
Taxes written off	9,788
Other	36,748
Total collections and credits	$ 1,271,142

Town of Tryon, North Carolina
Analysis of Current Tax Levy - Town-Wide Levy
For the Fiscal Year Ended June 30, 2024

	Town - Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current rate	$ 231,258,757	0.531	$ 1,227,984	$ 1,105,212	$ 122,772
Total	231,258,757		1,227,984	1,105,212	122,772
Releases	(865,348)	0.531	(4,595)	(4,595)	-
Total property valuation	$ 230,393,409				
Net Levy			1,223,389	1,100,617	122,772
Uncollected taxes at June 30, 2024			(27,782)	(27,782)	-
Current Year's Taxes Collected			$ 1,195,607	$ 1,072,835	$ 122,772
Current Levy Collection Percentage			97.73%	97.48%	100.00%

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COMPLIANCE SECTION

Report On Internal Control Over Financial Reporting And On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

To the Honorable Mayor and Members of the 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Tryon, North Carolina (the Town), as of and for the year ended June 30, 2024, and the related notes to the financial statement, which collectively comprises the Town's basic financial statements, and have issued our report thereon dated on February 25, 2025. Our report includes a reference to other auditors who audited the financial statements of the Town of Tryon Alcoholic Beverage Control Board (Tryon ABC Board), as described in our report on the Town's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the Tryon ABC Board, a discretely presented component unit, were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Tryon, North Carolina (the Town) as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the Town's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002 that we consider to be significant deficiencies.

Report on 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 2024-001 and 2024-002.

Town's Responses to Findings

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

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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 Standard*s in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RH CPAs, PLLC

Lexington, North Carolina
February 25, 2025

TOWN OF TRYON, NORTH CAROLINA
Schedule of Findings and Responses
Year Ended June 30, 2024

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

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

Internal control over financial reporting:

Material weaknesses identified?		Yes	X	No
Significant deficiency(s) identified that are not considered to be material weaknesses?	X	Yes		No
Noncompliance material to financial statements noted?		Yes	X	No

SECTION II - FINANCIAL STATEMENT FINDINGS

Significant Deficiencies

2024-002 Year-end Closing Processes

Criteria:

The town should ensure that balances have been properly recorded in accordance with generally accepted accounting principles.

Condition:

There were several adjustment prepared by the audit team to adjust receivables, revenue, accumulated depreciation, debt service, accrued absence liabilities, and pension liabilities.

Effect:

The Town does not process a formal year end close process or checklist to ensure account balances are properly reconciled at year-end. There are approximately 13 current year audit adjustments to adjust the Town's accounting records.

Cause:

There were several accounts that required adjustments to ensure the balances were materially correct for the financial statements.

Draft

SECTION II - FINANCIAL STATEMENT FINDINGS (continued)

Recommendation:

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

Views of responsible officials and planned corrective actions:

The Town agrees with this finding and will adhere to the corrective action plan outlined in this annual report.

2024-002 Town Purchasing and State Preaudit Requirements

Criteria:

Town should be adhering to the State's preaudit requirements.

Condition:

During the 2024 audit, we noted expenses and transactions where the Town's purchasing and the preaudit requirements from the State of North Carolina were not followed.

Effect:

The Town is not compliant with the State's preaudit requirements for processing expenses and certain transactions.

Cause:

The Town's limited resources and staffing make it difficult for the Town to be fully compliant with the State's preaudit requirements.

Recommendation:

We understand the challenges of maintaining full compliance due to limited resources and staff. We recommend the Town review their internal staff and resource to ensure the Town administrative has sufficient resources to comply with any and all aspects of the State's rules, regulations, and requirements for local governments.

Views of responsible officials and planned corrective actions:

The Town agrees with this finding and will adhere to the corrective action plan outlined in this annual report.

Draft

Schedule 11

TOWN OF TRYON, NORTH CAROLINA
Summary Schedule of Prior Year Audit Findings
Year Ended June 30, 2024

Finding Number	Description	Status
2023-001	Year-end Closing Processes	Finding 2024-001
2023-002	Town Purchasing and State Preaudit Requirements	Finding 2024-002
2023-003	Fund Balance Rollforward	Corrected

Draft

Placeholder for Corrective Action Plan