

TOWN OF TRYON, NORTH CAROLINA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
JUNE 30, 2016

TOWN OF TRYON, NORTH CAROLINA

**LIST OF PRINCIPAL OFFICERS
FOR THE YEAR ENDED JUNE 30, 2016**

Mayor

J. Alan Peoples

Town Council

Bill Ingham, Mayor Pro Tempore

Crys Armbrust

Bill Crowell

Roy Miller

Town Officials

Joey Davis, Town Manager

Susan Bell, Town Clerk

Pamela Justice, Tax Collector

Jeffrey Arrowood, Police Chief

Joey Davis, Fire Chief

Joel Burrell, Public Works Director

Accountant

William Crook

Attorney

A. Bailey Nager

TOWN OF TRYON, NORTH CAROLINA
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CARLAND & ANDERSEN, INC.

CERTIFIED PUBLIC ACCOUNTANTS

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MEMBER - AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
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Ronald G. Carland, CPA
Terry B. Andersen, CPA

ET. Carland, CPA
Trish Cheek, CPA
George B. Lee, CPA
Harold C. Reid, CPA

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, and each major fund of the Town of Tryon, North Carolina, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town of Tryon, North Carolina's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, and each major fund of the Town of Tryon, North Carolina as of June 30, 2016, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the General Fund, the Fire Department Fund, and the Harmon Field Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages four through thirteen, the Law Enforcement Officers' Special Separation Allowance Schedule of Funding Progress on page sixty-five, and the Local Government Employees' Retirement System's Schedules of the Proportionate Share of Net Pension Liability (Asset) and Contributions on pages sixty-six and sixty-seven, be presented to supplement the basic financial statements. Such information, although not a part of the required 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 and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Town of Tryon, North Carolina. The individual fund statements, budgetary schedules, other schedules, and the schedule of expenditures of federal and state awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund statements, budgetary schedules, and other schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion,

based on our audit, the procedures performed as described above, the individual fund statements, budgetary schedules, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Carlinda Anderson, Inc.

Hendersonville, North Carolina
December 14, 2016

Town of Tryon, North Carolina

Management's Discussion and Analysis

As management of the Town of Tryon, we offer readers of the Town of Tryon's financial statements this narrative overview and analysis of the financial activities of the Town of Tryon for the fiscal year ended June 30, 2016. 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 of the Town of Tryon exceeded its liabilities at the close of the fiscal year by \$7,386,070 (*net position*).
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$1,004,893. Approximately 21.5% of this total amount, or \$215,607, is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$210,120, or 13.6% of total general fund expenditures for the fiscal year.
- The Town of Tryon's total debt increased by \$41,400 for the Governmental Funds during the current fiscal year. The Town's total debt decreased by \$152,821 for the Proprietary Funds during the current fiscal year.

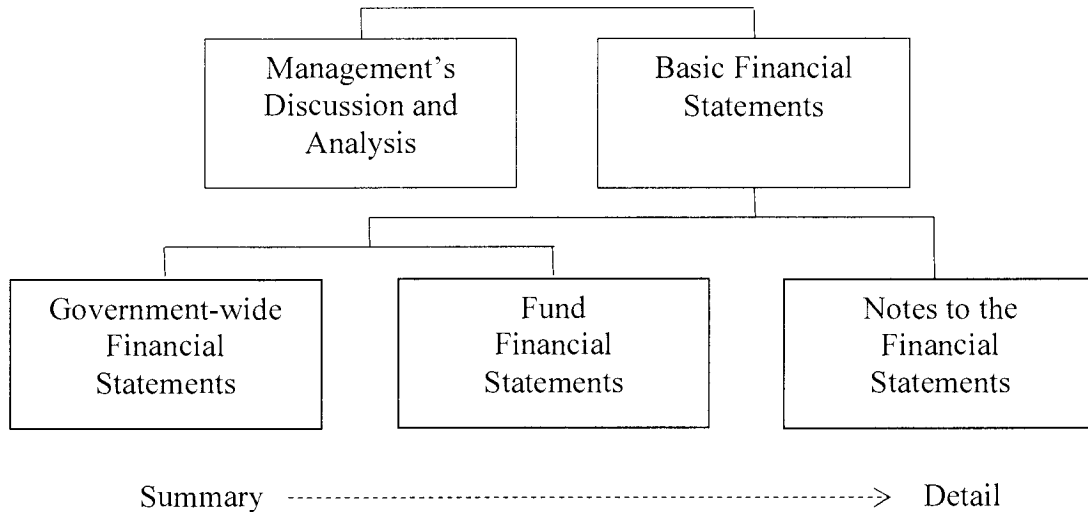
Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Tryon'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 of Tryon.

Town of Tryon, North Carolina Management's Discussion and Analysis

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

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

The next statements (Exhibits 3 through 9) 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 four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the agency fund statement.

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.

Town of Tryon, North Carolina

Management's Discussion and Analysis

Government-wide Financial Statements

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

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

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the Town's basic services such as public safety and general administration. Property taxes and state and federal grant funds 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 of Tryon. The final category are the component units. Although legally separate from the Town, the ABC Board and the Tourism Development Authority are important to the Town. The Town exercises control over the ABC Board by appointing its members and the Board is required to distribute its profits to the Town. The Town also exercises control over the Tourism Development Authority by appointing its members.

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

Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the 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 of Tryon, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or noncompliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of the Town of Tryon can be divided into three categories: governmental funds, proprietary funds, and fiduciary 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 there are more or less financial

Town of Tryon, North Carolina Management's Discussion and Analysis

resources available to finance the Town's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The Town of Tryon adopts an annual budget for its General Fund, as required by the General Statutes. Annual budgets are also adopted for the Fire Department Fund and Harmon Field Fund, which are both Special Revenue Funds. The 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 Town 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 for the governmental funds demonstrate how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was 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. These statements show four columns for: 1) the original budget as adopted by the Town Council; 2) the final budget as amended by the Town Council; 3) the actual resources, charges to appropriations, and ending balances in each of the governmental funds; and 4) the difference or variance between the final budget and the actual resources and charges.

Proprietary Funds - The Town of Tryon has one kind of proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town of Tryon uses enterprise funds to account for its water and sewer activity and for 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.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The Town of Tryon has one fiduciary fund, which is an agency fund.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 30 of this report.

Other Information - In addition to the basic financial statements and accompanying notes, this report includes certain supplementary information concerning the Town of Tryon's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 65 of this report.

Town of Tryon, North Carolina Management's Discussion and Analysis

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

**Table 2
Town of Tryon's Net Position**

	Governmental Activities		Business-type Activities		Total	Total
	2016	2015	2016	2015	2016	2015
Assets						
Current and other assets	\$ 1,238,393	\$ 1,357,736	\$ 1,038,327	\$ 1,086,763	\$ 2,276,720	\$ 2,444,499
Capital assets	2,902,655	2,986,263	6,552,273	6,743,586	9,454,928	9,729,849
Deferred outflows of resources	54,974	68,451	45,864	29,279	100,838	97,730
Total assets and deferred outflows of resources	<u>\$ 4,196,022</u>	<u>\$ 4,412,450</u>	<u>\$ 7,636,464</u>	<u>\$ 7,859,628</u>	<u>\$ 11,832,486</u>	<u>\$ 12,272,078</u>
Liabilities						
Current liabilities	\$ 273,904	\$ 238,186	\$ 420,161	\$ 433,357	\$ 694,065	\$ 671,543
Long-term liabilities	564,881	522,120	3,135,033	3,260,297	3,699,914	3,782,417
Deferred inflows of resources	18,498	231,783	33,939	95,788	52,437	327,571
Total liabilities and deferred inflows of resources	<u>\$ 857,283</u>	<u>\$ 992,089</u>	<u>\$ 3,589,133</u>	<u>\$ 3,789,442</u>	<u>\$ 4,446,416</u>	<u>\$ 4,781,531</u>
Net position						
Net investment in capital assets	\$ 2,486,905	\$ 2,520,244	\$ 3,279,908	\$ 3,286,147	\$ 5,766,813	\$ 5,806,391
Restricted net position	585,088	529,279			585,088	529,279
Unrestricted net position	266,746	370,838	767,423	784,039	1,034,169	1,154,877
Total net position	<u>\$ 3,338,739</u>	<u>\$ 3,420,361</u>	<u>\$ 4,047,331</u>	<u>\$ 4,070,186</u>	<u>\$ 7,386,070</u>	<u>\$ 7,490,547</u>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets of the Town of Tryon exceeded liabilities and deferred inflows by \$7,386,070 as of June 30, 2016. The Town's net position decreased by \$104,477 for the fiscal year ended June 30, 2016. Of the total net assets, the largest portion, \$5,766,813 (78.1%), reflects the Town's net investment in capital assets. The Town of Tryon 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 that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town's net position \$588,088 (7.9%) represents resources that are subject to external restrictions by other governmental agencies on how they may be used. The remaining balance of \$1,034,169 is unrestricted.

Town of Tryon, North Carolina Management's Discussion and Analysis

One particular aspect of the Town's financial operations positively influenced the total unrestricted governmental net position:

- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 98.2%.

**Table 3
Town of Tryon's Changes in Net Position**

	Governmental Activities 2016	Governmental Activities 2015	Business-type Activities 2016	Business-type Activities 2015	Total 2016	Total 2015
Revenues:						
Program revenues						
Charges for services	\$ 82,059	\$ 92,730	\$ 1,822,903	\$ 1,843,210	\$ 1,904,962	\$ 1,935,940
Operating grants	110,826	311,117			110,826	311,117
Capital grants	17,290	19,646		209,161	17,290	228,807
General revenues						
Property taxes	1,404,766	1,348,380			1,404,766	1,348,380
Local option sales tax	261,475	245,150			261,475	245,150
Other taxes and licenses			800	557	800	557
Unrestricted						
Intergovernmental	274,204	259,142			274,204	259,142
Investment earnings	224	17	243	18	467	35
Litigation settlement				300,000		300,000
Miscellaneous			6,341	74,755	6,341	74,755
Total revenues	<u>\$ 2,150,844</u>	<u>\$ 2,276,182</u>	<u>\$ 1,830,287</u>	<u>\$ 2,427,701</u>	<u>\$ 3,981,131</u>	<u>\$ 4,703,883</u>
Expenses:						
Governmental activities						
General government	\$ 100,933	\$ 70,703			\$ 100,933	\$ 70,703
Public safety	1,258,463	1,116,679			1,258,463	1,116,679
Economic development	3,210	4,079			3,210	4,079
Transportation	565,242	486,992			565,242	486,992
Cultural and recreational	294,668	256,061			294,668	256,061
Interest	9,950	9,367			9,950	9,367
Business-type activities						
Water and Sewer Fund			\$ 1,613,927	\$ 1,901,319	1,613,927	1,901,319
Sanitation Fund			239,215	215,322	239,215	215,322
Total Expenses	<u>\$ 2,232,466</u>	<u>\$ 1,943,881</u>	<u>\$ 1,853,142</u>	<u>\$ 2,116,641</u>	<u>\$ 4,085,608</u>	<u>\$ 4,060,522</u>
Increase (decrease) in net position before transfers	\$ (81,622)	\$ 332,301	\$ (22,855)	\$ 311,060	\$ (104,477)	\$ 643,361
Transfer in (out)		(78,000)		78,000		
Increase in net position	<u>\$ (81,622)</u>	<u>\$ 254,301</u>	<u>\$ (22,855)</u>	<u>\$ 389,060</u>	<u>\$ (104,477)</u>	<u>\$ 643,361</u>
Net position, beginning	3,420,361	3,166,060	4,070,186	3,681,126	7,490,547	6,847,186
Net position, ending	<u>\$ 3,338,739</u>	<u>\$ 3,420,361</u>	<u>\$ 4,047,331</u>	<u>\$ 4,070,186</u>	<u>\$ 7,386,070</u>	<u>\$ 7,490,547</u>

Town of Tryon, North Carolina Management's Discussion and Analysis

Governmental activities. Governmental activities decreased the Town's net position by \$81,622.

Business-type activities. Business-type activities decreased the Town's net position by \$22,855.

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 of Tryon'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.

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 \$210,120, while total fund balance reached \$979,383. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 13.6% of total General Fund expenditures, while total fund balance represents 63.2% of that same amount.

At June 30, 2016, the governmental funds of the Town reported a combined fund balance \$1,004,893, a 6.0% decrease from last year.

General Fund Budgetary Highlights

During the fiscal year, the Town revised the budget on one occasion. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as federal, state and local grants; and 3) increases in appropriations that become necessary to maintain services. There were several reasons the Town revised its budget. The Town's amendment related to new funding amounts, including higher operating revenues, appropriations of fund balance, grants and loan proceeds to finance capital asset projects and increased operating expenditures.

Town of Tryon, North Carolina

Management's Discussion and Analysis

Proprietary Funds

The Town's Proprietary funds provide the same type of information found in the government-wide statements but in more detail. The unrestricted net position of the Water and Sewer Fund at the end of the fiscal year amounted to \$794,807, an increase of \$11,173. The unrestricted net position of the Sanitation Fund at the end of the fiscal year amounted to a deficit amount of \$27,384. This was a decrease in net position from the prior year in the amount of \$27,789.

Capital Asset and Debt Administration

Capital assets. The Town of Tryon's investment in capital assets for its governmental and business-type activities as of June 30, 2016 totals \$9,454,928 (net of accumulated depreciation). These assets include land, construction in progress, buildings, water and sewer plants, infrastructure, equipment, and vehicles.

Major capital asset transactions during the year include the following:

- Building improvements, vehicle and equipment acquisitions.

Table 4
Tow of Tryon's Capital Assets (Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	Total
	2016	2015	2016	2015	2016	2015
Land	\$ 850,276	\$ 850,276	\$ 544	\$ 544	\$ 850,820	\$ 850,820
Construction in progress	12,560	8,680			12,560	8,680
Buildings	348,872	379,522	23,703	25,277	372,575	404,799
Other improvements	535,584	514,556			535,584	514,556
Equipment and furniture	761,530	797,445	233,499	260,931	995,029	1,058,376
Vehicles	393,833	435,784	48,128		441,961	435,784
Distribution system			6,246,399	6,456,834	6,246,399	6,456,834
Total	<u>\$ 2,902,655</u>	<u>\$ 2,986,263</u>	<u>\$ 6,552,273</u>	<u>\$ 6,743,586</u>	<u>\$ 9,454,928</u>	<u>\$ 9,729,849</u>

Additional information on the Town's capital assets can be found in Note 3.4 of the Basic Financial Statements.

Town of Tryon, North Carolina Management's Discussion and Analysis

Long-term Debt. As of June 30, 2016, the Town of Tryon had total installment debt outstanding of \$3,688,115, all backed by the full faith and credit of the Town.

**Table 5
Town of Tryon's Outstanding Debt**

	Governmental Activities 2016	Governmental Activities 2015	Business-type Activities 2016	Business-type Activities 2015	Total 2016	Total 2015
Installment purchases	<u>\$ 415,750</u>	<u>\$ 466,019</u>	<u>\$ 3,272,365</u>	<u>\$ 3,457,439</u>	<u>\$ 3,688,115</u>	<u>\$ 3,923,458</u>

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. As of June 30, 2016, the legal debt margin for the Town of Tryon was \$14,376,868.

Additional information regarding the Town's long-term debt can be found in Note 3.6 of this report.

Economic Factors and Next Year's Budget and Rates

Economic Factors. The following key economic indicators reflect the state of the Town:

- The Polk County unemployment rate decreased from 5.8% to 4.9%. The unemployment rate for the State of North Carolina also decreased from 5.8% to 4.9%. As of June 30, 2016, Polk County ranks twenty-fourth of the one-hundred counties in North Carolina in terms of the lowest unemployment rate.

Governmental Activities:

- The Town's adopted budget for the fiscal year 2016/17 totals \$2,542,732, which represents a 4.1% decrease from the fiscal year 2015/16 amended budget of \$2,652,568.

Business-type Activities:

- The Town's adopted budget for the fiscal year 2016/17 totaled \$1,827,042, which represents a 7.1% decrease from the fiscal year 2015/16 amended budget of \$1,965,645.

Town of Tryon, North Carolina Management's Discussion and Analysis

Request 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, Town of Tryon, 301 North Trade Street, Tryon, NC 28782.

BASIC FINANCIAL STATEMENTS

TOWN OF TRYON, NORTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2016

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 675,664	\$ 907,994	\$ 1,583,658
Taxes receivable, net	77,547		77,547
Accounts receivable, net	7,896	108,771	116,667
Due from other governments	204,620	271	204,891
Due from component units	14,175		14,175
Internal balances	145,549	(145,549)	
Inventories		36,964	36,964
Prepaid items	19,198	8,753	27,951
Security deposits			
Restricted cash and cash equivalents	93,744	121,123	214,867
Non-current assets:			
Capital assets			
Land and construction in progress	862,836	544	863,380
Other capital assets, net of depreciation	2,039,819	6,551,729	8,591,548
Total capital assets	<u>\$ 2,902,655</u>	<u>\$ 6,552,273</u>	<u>\$ 9,454,928</u>
Total assets	<u><u>\$ 4,141,048</u></u>	<u><u>\$ 7,590,600</u></u>	<u><u>\$ 11,731,648</u></u>
Deferred Outflows of Resources			
Changes in proportion and contributions to pension plan in current fiscal year	<u>\$ 54,974</u>	<u>\$ 45,864</u>	<u>\$ 100,838</u>
Total deferred outflows of resources	<u>\$ 54,974</u>	<u>\$ 45,864</u>	<u>\$ 100,838</u>
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 155,953	\$ 39,236	\$ 195,189
Accrued interest payable	7,284	7,036	14,320
Due to primary government			
Due to other governments		36,792	36,792
Customer deposits		121,123	121,123
Compensated absences	22,593	14,772	37,365
Current portion of long-term liabilities	<u>88,074</u>	<u>201,202</u>	<u>289,276</u>
Total current liabilities	<u>\$ 273,904</u>	<u>\$ 420,161</u>	<u>\$ 694,065</u>
Long-term liabilities:			
Net pension liability	\$ 71,178	\$ 26,300	\$ 97,478
Due in more than one year	<u>493,703</u>	<u>3,108,733</u>	<u>3,602,436</u>
Total liabilities	<u>\$ 838,785</u>	<u>\$ 3,555,194</u>	<u>\$ 4,393,979</u>
Deferred Inflows of Resources			
Pension deferrals	<u>\$ 18,498</u>	<u>\$ 33,939</u>	<u>\$ 52,437</u>
Total deferred inflows of resources	<u>\$ 18,498</u>	<u>\$ 33,939</u>	<u>\$ 52,437</u>
Net Position			
Net investment in capital assets	\$ 2,486,905	\$ 3,279,908	\$ 5,766,813
Restricted for:			
Stabilization by State Statute	477,615		477,615
Streets	87,420		87,420
Public safety	6,324		6,324
Cultural and recreational	13,729		13,729
Tourism development			
Working capital			
Unrestricted	<u>266,746</u>	<u>767,423</u>	<u>1,034,169</u>
Total net position	<u><u>\$ 3,338,739</u></u>	<u><u>\$ 4,047,331</u></u>	<u><u>\$ 7,386,070</u></u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF TRYON, NORTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2016

	Component Units	
	ABC Board	Tourism Development Authority
Assets		
Current assets:		
Cash and cash equivalents	\$ 5,532	\$ 43,749
Taxes receivable, net		
Accounts receivable, net		2,548
Due from other governments		
Due from component unit		
Internal balances		
Inventories	88,435	
Prepaid items	1,581	
Security deposits	1,200	
Restricted cash and cash equivalents		
Non-current assets:		
Capital assets		
Land and construction in progress		
Other capital assets, net of depreciation	13,315	
Total capital assets	<u>\$ 13,315</u>	
Total assets	<u>\$ 110,063</u>	<u>\$ 46,297</u>
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 48,408	
Accrued interest payable		
Due to primary government	10,000	\$ 4,175
Due to other governments		
Customer deposits		
Compensated absences		
Current portion of long-term liabilities	<u>8,886</u>	
Total current liabilities	<u>\$ 67,294</u>	<u>\$ 4,175</u>
Long-term liabilities:		
Due in more than one year	<u>\$ 14,090</u>	
Total liabilities	<u>\$ 81,384</u>	<u>\$ 4,175</u>
Net Position		
Net investment in capital assets	\$ 2,315	
Restricted for:		
Stabilization by State Statute		
Streets		
Public safety		
Cultural and recreational		
Tourism development		\$ 42,122
Working capital	12,176	
Unrestricted	<u>14,188</u>	
Total net position	<u>\$ 28,679</u>	<u>\$ 42,122</u>

The accompanying notes are an integral part of the basic financial statements.

**TOWN OF TRYON, NORTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental Activities:				
General government	\$ 100,933	\$ 35,573	\$ 5,983	
Public safety	1,258,463	5,325	36,129	\$ 17,290
Economic development	3,210	8,775		
Transportation	565,242		68,714	
Cultural and recreational	294,668	32,386		
Interest	9,950			
Total governmental activities	<u>\$ 2,232,466</u>	<u>\$ 82,059</u>	<u>\$ 110,826</u>	<u>\$ 17,290</u>
Business-type activities				
Water and Sewer	\$ 1,613,927	\$ 1,606,739		
Sanitation	239,215	216,164		
Total business-type activities	<u>\$ 1,853,142</u>	<u>\$ 1,822,903</u>		
Total primary government	<u><u>\$ 4,085,608</u></u>	<u><u>\$ 1,904,962</u></u>	<u><u>\$ 110,826</u></u>	<u><u>\$ 17,290</u></u>
Component Units				
ABC Board	<u>\$ 396,847</u>	<u>\$ 419,702</u>		
Tourism Development Authority	<u><u>\$ 16,531</u></u>	<u><u>\$ 21,963</u></u>		

The accompanying notes are an integral part of the basic financial statements.

TOWN OF TRYON, NORTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

Functions/Programs	Net (Expense) Revenue and Changes in Net Position				
	Primary Government			Component Units	
	Governmental Activities	Business- Type Activities	Total	ABC Board	Tourism Development Authority
Primary government					
Governmental Activities:					
General government	\$ (59,377)		\$ (59,377)		
Public safety	(1,199,719)		(1,199,719)		
Economic development	5,565		5,565		
Transportation	(496,528)		(496,528)		
Cultural and recreational	(262,282)		(262,282)		
Interest	(9,950)		(9,950)		
Total governmental activities	<u>\$ (2,022,291)</u>		<u>\$ (2,022,291)</u>		
Business-type activities					
Water and Sewer		\$ (7,188)	\$ (7,188)		
Sanitation		(23,051)	(23,051)		
Total business-type activities		<u>\$ (30,239)</u>	<u>\$ (30,239)</u>		
Total primary government	<u>\$ (2,022,291)</u>	<u>\$ (30,239)</u>	<u>\$ (2,052,530)</u>		
Component Units					
ABC Board				<u>\$ 22,855</u>	
Tourism Development Authority					<u>\$ 5,432</u>
General revenues:					
Taxes					
Property taxes, levied for general purpose	\$ 1,404,766		\$ 1,404,766		
Local option sales tax	261,475		261,475		
Other taxes and licences		\$ 800	800		
Unrestricted intergovernmental	274,204		274,204		
Investment earnings, unrestricted	224	243	467		
Miscellaneous, unrestricted		6,341	6,341		
Total general revenues	<u>\$ 1,940,669</u>	<u>\$ 7,384</u>	<u>\$ 1,948,053</u>		
Changes in net assets	\$ (81,622)	\$ (22,855)	\$ (104,477)	\$ 22,855	\$ 5,432
Net position, beginning previously reported	<u>3,420,361</u>	<u>4,070,186</u>	<u>7,490,547</u>	<u>5,824</u>	<u>36,690</u>
Net position, ending	<u>\$ 3,338,739</u>	<u>\$4,047,331</u>	<u>\$ 7,386,070</u>	<u>\$ 28,679</u>	<u>\$ 42,122</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF TRYON, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	Major Funds			
	General Fund	Fire Department Fund	Harmon Field Fund	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 567,805	\$ 1,995	\$ 105,864	\$ 675,664
Restricted cash	93,744			93,744
Receivables, net:				
Taxes	30,804	28,856	1,804	61,464
Accounts	100		7,796	7,896
Due from other governments	179,895	24,725		204,620
Due from other funds	283,445			283,445
Due from component units	14,175			14,175
Prepaid items	12,904	5,410	884	19,198
Total assets	<u>\$ 1,182,872</u>	<u>\$ 60,986</u>	<u>\$ 116,348</u>	<u>\$ 1,360,206</u>
Liabilities				
Accounts payable and accrued liabilities	\$ 133,619	\$ 15,804	\$ 6,530	\$ 155,953
Due to other funds	39,066	5,429	93,401	137,896
Total liabilities	<u>\$ 172,685</u>	<u>\$ 21,233</u>	<u>\$ 99,931</u>	<u>\$ 293,849</u>
Deferred Inflows of Resources				
Property taxes receivable	\$ 30,804	\$ 28,856	\$ 1,804	\$ 61,464
Fund Balances				
Nonspendable				
Prepaid items	\$ 12,904	\$ 5,410	\$ 884	\$ 19,198
Restricted				
Stabilization by State Statute	477,615			477,615
Streets	87,420			87,420
Public safety	6,324			6,324
Cultural and recreational			13,729	13,729
Assigned				
Subsequent year's expenditures	185,000			185,000
Unassigned	210,120	5,487		215,607
Total fund balances	<u>\$ 979,383</u>	<u>\$ 10,897</u>	<u>\$ 14,613</u>	<u>\$ 1,004,893</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,182,872</u>	<u>\$ 60,986</u>	<u>\$ 116,348</u>	<u>\$ 1,360,206</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF TRYON, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

Amounts reported for governmental activities in the

Statement of Net Position (Exhibit 1) are different because:

Total Fund Balance, Governmental Funds	\$ 1,004,893
--	--------------

Capital assets used in government activities are not financial resources and, therefore, are not reported in the funds.

Gross capital assets at historical cost	\$ 5,861,205	
Accumulated depreciation	<u>(2,958,550)</u>	2,902,655

Deferred outflows of resources related to pensions are not reported in the funds	54,974
---	--------

Other long-term assets (accrued interest receivable from taxes) are not available to pay for current-period expenditures and, therefore, are inflows of resources in the funds.	16,083
---	--------

Earned revenues considered deferred inflows of resources in the fund statements	61,464
--	--------

Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds.

Gross long-term debt, beginning	\$ (634,148)	
Long-term debt included as net position below (includes the addition of long-term debt and principal payments during the year.)	<u>29,778</u>	(604,370)

Net pension liability	(71,178)
-----------------------	----------

Deferred inflows of resources related to pensions are not reported in the funds	(18,498)
--	----------

Other long-term liabilities (accrued interest) are not due and payable in the current period and therefore are not reported in the funds.	<u>(7,284)</u>
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Net position of governmental activities	<u><u>\$ 3,338,739</u></u>
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The accompanying notes are an integral part of the basic financial statements.

TOWN OF TRYON, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

Major Funds

	General Fund	Fire Department Fund	Harmon Field Fund	Total Governmental Funds
Revenues				
Ad valorem taxes	\$ 898,102	\$ 335,153	\$ 168,470	\$ 1,401,725
Unrestricted intergovernmental	535,679			535,679
Restricted intergovernmental	68,714	33,390		102,104
Sales and services	49,670		32,386	82,056
Investment earnings	185		39	224
Miscellaneous	5,983	5,177	14,720	25,880
Total revenues	<u>\$ 1,558,333</u>	<u>\$ 373,720</u>	<u>\$ 215,615</u>	<u>\$ 2,147,668</u>
Expenditures				
Current:				
General government	\$ 115,959			\$ 115,959
Public safety	759,783	\$ 435,859		1,195,642
Economic development	3,210			3,210
Transportation	583,199			583,199
Cultural and recreational	47,612		\$ 206,188	253,800
Debt service:				
Principal	37,656	40,850		78,506
Interest and other charges	2,909	7,015		9,924
Total expenditures	<u>\$ 1,550,328</u>	<u>\$ 483,724</u>	<u>\$ 206,188</u>	<u>\$ 2,240,240</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 8,005</u>	<u>\$ (110,004)</u>	<u>\$ 9,427</u>	<u>\$ (92,572)</u>
Other Financing Sources (Uses)				
Transfers from other funds		\$ 118,641		\$ 118,641
Transfers to other funds	\$ (118,641)			(118,641)
Installment purchase obligations issued	28,237			28,237
Total other financing sources (uses)	<u>\$ (90,404)</u>	<u>\$ 118,641</u>		<u>\$ 28,237</u>
Net change in fund balance	\$ (82,399)	\$ 8,637	\$ 9,427	\$ (64,335)
Fund balance, beginning	1,061,782	2,260	5,186	1,069,228
Fund balance, ending	<u>\$ 979,383</u>	<u>\$ 10,897</u>	<u>\$ 14,613</u>	<u>\$ 1,004,893</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF TRYON, NORTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

Amounts reported for governmental activities in the statements of activities are different because:

Net change in fund balances - total governmental funds	\$ (64,335)
--	-------------

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital outlay expenditures which were capitalized	\$ 163,122	
Depreciation expense for governmental assets	<u>(246,730)</u>	(83,608)

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		71,366
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Change in unavailable revenue for tax revenues		3,041
--	--	-------

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

New long term debt issued	\$ (28,237)	
Principal payments on long-term debt	78,506	
Increase in accrued interest payable	<u>(27)</u>	50,242

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Change in compensated absences	\$ (5,775)	
Pension expense	(37,837)	
Change in net pension obligation (LEO)	<u>(14,716)</u>	<u>(58,328)</u>

Total changes in net position of governmental activities	<u>\$ (81,622)</u>
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TOWN OF TRYON, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ANNUAL BUDGET AND ACTUAL -- GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	General Fund			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Ad valorem taxes	\$ 879,600	\$ 905,773	\$ 898,102	\$ (7,671)
Unrestricted intergovernmental	370,000	420,447	535,679	115,232
Restricted intergovernmental	60,000	71,703	68,714	(2,989)
Sales and services	1,680	43,344	49,670	6,326
Investment earnings	25	25	185	160
Miscellaneous	33,200	7,834	5,983	(1,851)
Total revenues	<u>\$ 1,344,505</u>	<u>\$ 1,449,126</u>	<u>\$ 1,558,333</u>	<u>\$ 109,207</u>
Expenditures:				
Current:				
General government	\$ 511,567	\$ 525,967	\$ 100,876	\$ 425,091
Public safety	739,987	738,487	747,810	(9,323)
Economic development	4,300	3,210	3,210	
Transportation	466,608	536,626	512,421	24,205
Cultural and recreational	8,500	48,500	47,612	888
Debt service:				
Principal retirement	31,296	37,541	37,656	(115)
Interest and fees	1,396	3,026	2,909	117
Capital outlay	23,000	67,073	97,834	(30,761)
Total expenditures	<u>\$ 1,786,654</u>	<u>\$ 1,960,430</u>	<u>\$ 1,550,328</u>	<u>\$ 410,102</u>
Revenues over (under) expenditures	<u>\$ (442,149)</u>	<u>\$ (511,304)</u>	<u>\$ 8,005</u>	<u>\$ 519,309</u>
Other financing sources (uses):				
Transfers from other funds	\$ 444,549	\$ 451,579		\$ (451,579)
Transfers from component unit	4,800	4,800		(4,800)
Transfers to other funds	(10,000)	(145,172)	\$ (118,641)	26,531
Installment purchase obligations issued		28,237	28,237	
Total other financing sources (uses)	<u>\$ 439,349</u>	<u>\$ 339,444</u>	<u>\$ (90,404)</u>	<u>\$ (429,848)</u>
Fund balance appropriated	<u>\$ 2,800</u>	<u>\$ 171,860</u>		<u>\$ (171,860)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (82,399)</u>	<u>\$ (82,399)</u>
Fund balance, beginning			<u>1,061,782</u>	
Fund balance, end of year			<u>\$ 979,383</u>	

The accompanying notes are an integral part of the basic financial statements.

TOWN OF TRYON, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ANNUAL BUDGET AND ACTUAL -- GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Fire Department Fund			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Ad valorem taxes	\$ 265,723	\$ 330,030	\$ 335,153	\$ 5,123
Restricted intergovernmental	59,671	36,500	33,390	(3,110)
Miscellaneous		4,874	5,177	303
Total revenues	<u>\$ 325,394</u>	<u>\$ 371,404</u>	<u>\$ 373,720</u>	<u>\$ 2,316</u>
Expenditures:				
Current:				
Public safety	\$ 196,127	\$ 415,150	\$ 370,572	\$ 44,578
Debt service:				
Principal retirement	47,962	40,850	40,850	
Interest and fees	11,386	7,087	7,015	72
Capital outlay	20,400	26,958	65,287	(38,329)
Total expenditures	<u>\$ 275,875</u>	<u>\$ 490,045</u>	<u>\$ 483,724</u>	<u>\$ 6,321</u>
Revenues over (under) expenditures	<u>\$ 49,519</u>	<u>\$ (118,641)</u>	<u>\$ (110,004)</u>	<u>\$ 8,637</u>
Other financing sources (uses):				
Transfers from other funds	\$ 5,798	\$ 118,641	\$ 118,641	
Transfers to other funds	(55,317)			
Total other financing sources (uses)	<u>\$ (49,519)</u>	<u>\$ 118,641</u>	<u>\$ 118,641</u>	
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,637</u>	<u>\$ 8,637</u>
Fund balance, beginning			<u>2,260</u>	
Fund balance, end of year			<u>\$ 10,897</u>	

The accompanying notes are an integral part of the basic financial statements.

TOWN OF TRYON, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ANNUAL BUDGET AND ACTUAL -- GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Harmon Field Fund			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Ad valorem taxes	\$ 160,550	\$ 167,750	\$ 168,470	\$ 720
Sales and services	25,000	31,737	32,386	649
Investment earnings	2	2	39	37
Miscellaneous		1,000	14,720	13,720
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total revenues	\$ 185,552	\$ 200,489	\$ 215,615	\$ 15,126
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Expenditures:				
Current:				
Cultural and recreational	\$ 159,578	\$ 195,093	\$ 206,188	\$ (11,095)
Capital outlay		7,000		7,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenditures	\$ 159,578	\$ 202,093	\$ 206,188	\$ (4,095)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Revenues over (under) expenditures	\$ 25,974	\$ (1,604)	\$ 9,427	\$ 11,031
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Other financing sources (uses):				
Transfers to other funds	\$ (17,515)			
	<u> </u>			
Fund balance appropriated	\$ (8,459)	\$ 1,604		\$ (1,604)
	<u> </u>	<u> </u>		<u> </u>
Net change in fund balance	\$ -	\$ -	\$ 9,427	\$ 9,427
	<u> </u>	<u> </u>		<u> </u>
Fund balance, beginning			5,186	
			<u> </u>	
Fund balance, end of year			\$ 14,613	
			<u> </u>	

The accompanying notes are an integral part of the basic financial statements.

TOWN OF TRYON, NORTH CAROLINA
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016

	Major Enterprise Funds		
	Water and Sewer Fund	Sanitation Fund	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 875,981	\$ 32,013	\$ 907,994
Accounts receivable, net	94,473	14,298	108,771
Due from other governments		271	271
Due from other funds	98,529		98,529
Inventories	36,964		36,964
Prepaid items	8,016	737	8,753
Restricted Cash	121,123		121,123
Total current assets	<u>\$ 1,235,086</u>	<u>\$ 47,319</u>	<u>\$ 1,282,405</u>
Noncurrent assets:			
Capital assets:			
Land and construction in progress	\$ 544		\$ 544
Other capital assets, net of depreciation	6,546,191	\$ 5,538	6,551,729
Total capital assets, net	<u>\$ 6,546,735</u>	<u>\$ 5,538</u>	<u>\$ 6,552,273</u>
Total noncurrent assets	<u>\$ 6,546,735</u>	<u>\$ 5,538</u>	<u>\$ 6,552,273</u>
Total assets	<u><u>\$ 7,781,821</u></u>	<u><u>\$ 52,857</u></u>	<u><u>\$ 7,834,678</u></u>
Deferred Outflows of Resources			
Changes in proportion and contributions to pension plan	<u>\$ 22,378</u>	<u>\$ 23,486</u>	<u>\$ 45,864</u>
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 31,985	\$ 7,251	\$ 39,236
Due to other governments	36,792		36,792
Due to other funds	180,017	64,061	244,078
Accrued interest payable	7,036		7,036
Customer deposits	121,123		121,123
Compensated absences, current	14,350	422	14,772
Installment obligations, current	201,202		201,202
Total current liabilities	<u>\$ 592,505</u>	<u>\$ 71,734</u>	<u>\$ 664,239</u>
Noncurrent liabilities			
Compensated absences payable	\$ 36,493	\$ 1,077	\$ 37,570
Installment obligations, non-current	3,071,163		3,071,163
Net pension liability	20,130	6,170	26,300
Total noncurrent liabilities	<u>\$ 3,127,786</u>	<u>\$ 7,247</u>	<u>\$ 3,135,033</u>
Total liabilities	<u>\$ 3,720,291</u>	<u>\$ 78,981</u>	<u>\$ 3,799,272</u>
Deferred Inflows of Resources			
Pension deferrals	<u>\$ 14,731</u>	<u>\$ 19,208</u>	<u>\$ 33,939</u>
Net Position			
Net investment in capital assets	\$ 3,274,370	\$ 5,538	\$ 3,279,908
Unrestricted	<u>794,807</u>	<u>(27,384)</u>	<u>767,423</u>
Total net position	<u><u>\$ 4,069,177</u></u>	<u><u>\$ (21,846)</u></u>	<u><u>\$ 4,047,331</u></u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF TRYON, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION--PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Major Enterprise Funds		
	Water and Sewer Fund	Sanitation Fund	Total
Operating revenues:			
Charges for services	\$ 1,600,979	\$ 205,950	\$ 1,806,929
Water and sewer taps	5,760		5,760
Other operating revenues		10,214	10,214
Total operating revenues	\$ 1,606,739	\$ 216,164	\$ 1,822,903
Operating expenses:			
Water and sewer distribution	\$ 396,962		\$ 396,962
Water plant operations	475,810		475,810
Wastewater plant operations	264,081		264,081
Water collection	148,744		148,744
Sanitation operations		\$ 238,712	238,712
Depreciation	243,314	503	243,817
Total operating expenses	\$ 1,528,911	\$ 239,215	\$ 1,768,126
Operating income (loss)	\$ 77,828	\$ (23,051)	\$ 54,777
Nonoperating revenues (expenses):			
Investment earnings	\$ 243		\$ 243
Solid waste disposal tax		\$ 800	800
Other nonoperating revenue	6,341		6,341
Interest and fees	(85,016)		(85,016)
Total nonoperating revenues (expenses)	\$ (78,432)	\$ 800	\$ (77,632)
Change in net position	\$ (604)	\$ (22,251)	\$ (22,855)
Total net position, previously reported	4,069,781	405	4,070,186
Total net position, ending	\$ 4,069,177	\$ (21,846)	\$ 4,047,331

The accompanying notes are an integral part of the basic financial statements.

TOWN OF TRYON, NORTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Major Enterprise Funds</u>		
	<u>Water and Sewer Fund</u>	<u>Sanitation Fund</u>	<u>Total</u>
Cash flows from operating activities			
Cash received from customers	\$ 1,592,389	\$ 215,962	\$ 1,808,351
Cash paid for goods and services	(830,585)	(115,017)	(945,602)
Cash paid to or on behalf of employees	(457,138)	(124,690)	(581,828)
Customer deposits received	2,312		2,312
Net cash provided (used) by operating activities	<u>\$ 306,978</u>	<u>\$ (23,745)</u>	<u>\$ 283,233</u>
Cash flows from noncapital financing activities:			
Solid waste disposal tax		\$ 800	\$ 800
Other nonoperating revenue	\$ 6,341		6,341
(Increase) decrease in due from other funds	(1,228)		(1,228)
Increase (decrease) in due to other funds	75	(2,356)	(2,281)
Net cash provided (used) by noncapital financing activities	<u>\$ 5,188</u>	<u>\$ (1,556)</u>	<u>\$ 3,632</u>
Cash flows from capital and related financing activities:			
Installment purchase obligations issued	\$ 44,534		\$ 44,534
Acquisition and construction of capital assets	(46,462)	\$ (6,041)	(52,503)
Debt principal paid	(229,608)		(229,608)
Interest and fees paid	(86,308)		(86,308)
Net cash (used) by capital and related financing activities	<u>\$ (317,844)</u>	<u>\$ (6,041)</u>	<u>\$ (323,885)</u>
Cash flows provided by investing activities			
Interest on investments	<u>\$ 243</u>		<u>\$ 243</u>
Net (decrease) in cash and cash equivalents	\$ (5,435)	\$ (31,342)	\$ (36,777)
Cash and cash equivalents, beginning of year	<u>1,002,539</u>	<u>63,355</u>	<u>1,065,894</u>
Cash and cash equivalents, end of year	<u><u>\$ 997,104</u></u>	<u><u>\$ 32,013</u></u>	<u><u>\$ 1,029,117</u></u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF TRYON, NORTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Major Enterprise Funds</u>		
	<u>Water and Sewer Fund</u>	<u>Sanitation Fund</u>	<u>Total</u>
Reconciliation of operating income to net cash provided (used) by operating activities			
Operating income (loss)	<u>\$ 77,828</u>	<u>\$ (23,051)</u>	<u>\$ 54,777</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	\$ 243,314	\$ 503	\$ 243,817
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:			
(Increase) in accounts receivable	(14,350)	(202)	(14,552)
(Increase) in inventories	(10,292)		(10,292)
(Increase) decrease in prepaid expenses	791	(85)	706
Decrease in net pension asset	31,510	7,792	39,302
(Increase) decrease in deferred outflows of resources - pensions	487	(17,072)	(16,585)
Increase in net pension liability	20,130	6,170	26,300
Increase (decrease) in deferred inflows of resources - pensions	(62,066)	217	(61,849)
Increase (decrease) in accounts payable and accrued liabilities	11,339	2,005	13,344
Increase in customer deposits	2,312		2,312
Increase (decrease) in compensated absences	<u>5,975</u>	<u>(22)</u>	<u>5,953</u>
Total adjustments	<u>\$ 229,150</u>	<u>\$ (694)</u>	<u>\$ 228,456</u>
Net cash provided (used) by operating activities	<u>\$ 306,978</u>	<u>\$ (23,745)</u>	<u>\$ 283,233</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF TRYON, NORTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
JUNE 30, 2016

ASSETS

Cash and cash equivalents	
Rogers Park	\$ 7,789
Cemetery Project	2,193
Woodland Park	9,525
Greenway Project	265
St. Luke's Plaza	2,030
Summer Tracks	<u>5,023</u>
 Total assets	 \$ <u><u>26,825</u></u>

LIABILITIES

Amounts held for others	
Rogers Park	\$ 7,789
Cemetery Project	2,193
Woodland Park	9,525
Greenway Project	265
St. Luke's Plaza	2,030
Summer Tracks	<u>5,023</u>
 Total liabilities	 \$ <u><u>26,825</u></u>

The accompanying notes are an integral part of the basic financial statements.

NOTES TO THE FINANCIAL STATEMENTS

**TOWN OF TRYON, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Note 1 – Summary of Significant Accounting Policies

The accounting policies of the Town of Tryon and its discretely presented 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 is a municipal corporation that is governed by an elected mayor and a four-member council. 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 presented below are reported in separate columns in the Town's financial statements in order to emphasize that they are legally separate from the Town.

Town of Tryon ABC Board

The members of the Town of Tryon ABC Board's governing board 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 30 year-end, is presented as if it were a proprietary fund (discrete presentation). Complete financial statements for the ABC Board may be obtained from the Town of Tryon ABC Board, 354 South Trade Street, Suite C, Tryon, NC 28782.

Town of Tryon Tourism Development Authority

The members of the Town of Tryon Tourism Development Authority's governing board are appointed by the Town. The Tourism Development Authority, which has a June 30 year-end, is presented as if it were a proprietary fund (discrete presentation). 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 units. 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.

**TOWN OF TRYON, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Note 1 – Summary of Significant Accounting Policies – continued

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 particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

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

The Town reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the Town. The General Fund accounts for all financial resources except those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, sales taxes, federal and state grants, and various other taxes and licenses. The primary expenditures are for general government, public safety, transportation, and cultural and recreational services.

Fire Department Fund - This fund accounts for the operations of the Town's Fire Department. Taxes are levied specifically for the Fire Department.

Harmon Field Fund - This fund accounts for the operations of Harmon Field. Taxes are levied specifically for Harmon Field.

The Town reports the following major enterprise funds:

Water and Sewer Fund - This fund is used to account for the Town's water and sewer operations.

Sanitation Fund - This fund accounts for the Town's sanitation operations.

**TOWN OF TRYON, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Note 1 – Summary of Significant Accounting Policies – continued

The Town reports the following fund type:

Agency Fund – Agency funds are custodial in nature and do not involve the measurement of operating results. An agency fund is used to account for assets the Town holds on behalf of others. The Town maintains agency funds for the following: Rogers Park, an unincorporated association, to address needs and activities of the Park; the Cemetery Project, an unincorporated association, for beautification activities of the Tryon Cemetery; Woodland Park, an unincorporated association, to address needs and activities of the Park; the Greenway Project, an unincorporated association, working to the establishment of a green walkway through the town connecting various parks; St. Luke's Plaza, an agency fund established to account for funds dedicated for improvements at St. Luke's Plaza; and Summer Tracks, an agency fund established to account for funds dedicated to the Summer Tracks program.

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's 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 on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**TOWN OF TRYON, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Note 1 – Summary of Significant Accounting Policies – continued

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

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

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 of Tryon 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 policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then general revenues.

**TOWN OF TRYON, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Note 1 – Summary of Significant Accounting Policies – continued

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. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds. All amendments must be approved by the governing board and the Board must adopt an interim budget that covers that time until the annual ordinance can be adopted. The Agency Fund is not required to be budgeted.

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

1. Deposits and Investments

All deposits of the Town and the ABC Board 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 and the ABC Board 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 and the ABC Board 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 and ABC Board's investments are reported at fair value. Non-participating interest-earning contracts are accounted for at cost. The NCCMT Cash Portfolio, an SEC-registered (2a-7) external investment pool, is measured at amortized cost, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value.

2. Cash and Cash Equivalents

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

**TOWN OF TRYON, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Note 1 – Summary of Significant Accounting Policies – continued

3. Restricted Assets

Customer deposits held by the Town before any services are supplied are restricted to the service for which the deposit is collected.

Powell Bill funds are classified as restricted cash because it can be expended only for the purpose of maintaining, repairing, constructing, reconstruction or widening of local streets per G.S 136-41.1 through 136-41.4.

Law Enforcement seizure funds are also classified as a restricted asset because their use is restricted to benefit the public safety efforts of the Town.

Town of Tryon Restricted Cash

Governmental Activities

General Fund

Streets \$ 87,420

Public Safety 6,324

Total governmental activities \$ 93,744

Business-type Activities

Water and Sewer Fund

Customer Deposits \$ 121,123

Total business-type activities \$ 121,123

Total Restricted Cash \$ 214,867

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 1, 2015. 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. Allowances for Doubtful Accounts

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

**TOWN OF TRYON, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Note 1 – Summary of Significant Accounting Policies – continued

6. Inventories and Prepaid Items

The inventories of the Town's enterprise fund and the ABC Board are valued at cost, (first-in, first-out), which approximates market. The inventories of the Town's General Fund consist of expendable supplies that are recorded as expenditures as used rather than when purchased.

The inventory of the Town's enterprise fund and those of the ABC Board consist of materials and supplies held for consumption or resale. The cost of these inventories are recorded as an expense when consumed or sold 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 a certain cost and an estimated useful life in excess of two years. Minimum capitalization cost is \$5,000. Donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. General infrastructure assets acquired prior July 1, 2003 are not recorded as capital assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings & Improvements	20-30 years
Vehicles	3-15 years
Equipment	5-15 years
Computer Equipment	3-5 years

**TOWN OF TRYON, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Note 1 – Summary of Significant Accounting Policies – continued

Property and equipment of the ABC Board are depreciated over their useful lives on a straight-line basis as follows:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Equipment	5-10 years
Leasehold Improvements	10-20 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. The Town has one item that meets this criterion, contributions made to the pension plan in the 2016 year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town has two items that meets the criterion for this category – property taxes receivable, and deferrals of pension expense that result from the implementation of GASB Statement 68.

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.

In fund financial statements, governmental fund types recognize the face amount of debt issued and is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

10. Compensated Absences

The vacation policies of the Town provide for the accumulation of up to forty 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.

**TOWN OF TRYON, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Note 1 – Summary of Significant Accounting Policies – continued

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.

Both the Town and the ABC Board's sick leave policies 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 neither the Town nor the ABC Board has any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

11. Net Position/Fund Balances

Net Position

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

Fund Balances

In the governmental fund financial statements, fund balance is composed of 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.

Prepaid Items - portion of fund balance that is not an available resource because it represents the year end balance of prepaid items, which are not spendable resources.

**TOWN OF TRYON, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Note 1 – Summary of Significant Accounting Policies – continued

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 – portion of fund balance that is restricted by state statute [G.S. 159-8(a)].

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

Restricted for Public Safety – portion of fund balance that is restricted by revenue source for certain public safety expenditures.

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 quorum of the Town's governing body (highest level of decision-making authority). The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (adoption of another ordinance) to remove or revise the limitation.

Assigned Fund Balance – portion of fund balance that the Town of Tryon intends to use for specific purposes.

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

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

The Town of Tryon 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.

**TOWN OF TRYON, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Note 1 – Summary of Significant Accounting Policies – continued

12. Pensions

For purposes of measuring the net pension liability (asset), 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 of Tryon's employer contributions are recognized when due and the Town of Tryon 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.

Note 2 – Stewardship, Compliance and Accountability

A. Deficit in Fund Balance or Net Position of Individual Funds

Due to increased costs of operations, the Sanitation Fund has a deficit net position as of June 30, 2016 of \$21,846. Management has developed a budget and schedule of increased fees for the June 30, 2017 fiscal year to eliminate this deficit net position.

B. Excess of Expenditures over Appropriations

During the fiscal year ended June 30, 2016 the Town reported expenditures within the General, Harmon Field, Water and Sewer, and Sanitation Funds that violated state law [G.S. 115C-441] because they exceeded the amounts appropriated in the budget ordinance.

In the General Fund expenditures exceeded amounts appropriated in the budget by a total of \$50,854. Additional expenditures were recorded in administration, public safety, and transportation, but corresponding budget amendments were not approved prior to the close of the fiscal year.

In the Harmon Field Fund expenditures exceeded amounts appropriated in the budget by a total of \$4,095. Additional expenditures were recorded in cultural and recreational, but corresponding budget amendments were not approved prior to the close of the fiscal year.

In the Water and Sewer Fund expenditures exceeded amounts appropriated in the budget by a total of \$11,260. Additional expenditures were recorded in water plant and wastewater plant operations, but corresponding budget amendments were not approved prior to the close of the fiscal year.

**TOWN OF TRYON, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Note 2 – Stewardship, Compliance and Accountability - continued

In the Sanitation Fund expenditures exceeded amounts appropriated in the budget by a total of \$1,732. Additional expenditures were recorded in sanitation expenditures, but corresponding budget amendments were not approved prior to the close of the fiscal year.

Management and the Board will more closely review the budgetary reports to ensure compliance in future years.

Note 3 – Detail Notes on All Funds

A. Assets

1. Deposits

All the deposits of the Town and the ABC Board are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Town's or the ABC Board's agents in these units' 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 and the ABC Board, these deposits are considered to be held by the Town's and ABC Board's agents in their names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town, the ABC Board, or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town and the ABC Board 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. Neither the Town nor the ABC Board has a 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 and the ABC Board comply with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

**TOWN OF TRYON, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Note 3 – Detail Notes on All Funds – (continued)

At June 30, 2016, the Town's deposits had a carrying amount of \$1,556,489 and a bank balance of \$1,590,315. Of the bank balance, \$253,109 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. At June 30, 2016, the Town of Tryon had \$415 cash on hand.

At June 30, 2016, the Alcoholic Beverage Control Board's deposits had a carrying amount of \$4,372 and a bank balance of \$17,979. At June 30, 2015, the Alcoholic Beverage Control Board had cash on hand of \$1,160.

At June 30, 2016, the Tryon Tourism Development Authority's deposits had a carrying amount and bank balance of \$43,749. At June 30, 2016, the Tryon Tourism Development Authority had no cash on hand.

2. Investments

At June 30, 2016, the Town had \$241,621 invested with the North Carolina Capital Management Trust's Cash Portfolio which carried a credit rating of AAAM by Standard and Poor's. The Town has no formal policy regarding credit risk of its investments.

**TOWN OF TRYON, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Note 3 – Detail Notes on All Funds – (continued)

3. Receivables

Receivables at the government-wide level at June 30, 2016, were as follows:

	<u>Accounts</u>	<u>Taxes and Related Accrued Interest</u>	<u>Due from other Governments</u>	<u>Total</u>
Governmental activities				
Taxes receivable		\$ 111,377		\$ 111,377
Accounts receivable	\$ 7,896			7,896
Other governmental			\$ 204,620	204,620
Total receivables	\$ 7,896	\$ 111,377	\$ 204,620	\$ 323,893
Allowance for doubtful accounts		(33,830)		(33,830)
Total governmental activities	<u>\$ 7,896</u>	<u>\$ 77,547</u>	<u>\$ 204,620</u>	<u>\$ 290,063</u>
Business-type activities				
Water and Sewer	\$ 94,473			\$ 94,473
Sanitation	14,298		\$ 271	14,569
Total business-type activities	<u>\$ 108,771</u>		<u>\$ 271</u>	<u>\$ 109,042</u>

The due from other governments that is owed to the Town consists of the following:

Local option sales tax	\$ 68,527
Grants receivable	24,725
Utility franchise, video, telecommunication, piped natural gas taxes and solid waste disposal tax	39,300
Refundable sales tax	<u>72,068</u>
Total	<u>\$ 204,620</u>

At June 30, 2016, the ABC Board did not have any receivables and the Tourism Development Authority had outstanding receivables for June occupancy taxes in the amount of \$2,548.

TOWN OF TRYON, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Note 3 – Detail Notes on All Funds – (continued)

4. Capital Assets

Capital asset activity for the Primary Government for the year ended June 30, 2016, was as follows:

Note 3A4

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities				
Capital assets not being depreciated				
Land	\$ 850,276			\$ 850,276
Constuction in progress	8,680	\$ 3,880		12,560
Total capital assets not being depreciated	<u>\$ 858,956</u>	<u>\$ 3,880</u>		<u>\$ 862,836</u>
Capital assets being depreciated				
Buildings	\$ 924,078			\$ 924,078
Other improvements	556,254	\$ 40,817		597,071
Equipment and furniture	1,616,621	62,377		1,678,998
Vehicles	1,742,174	56,048		1,798,222
Total capital assets being depreciated	<u>\$ 4,839,127</u>	<u>\$ 159,242</u>		<u>\$ 4,998,369</u>
Less accumulated depreciation for:				
Buildings	\$ 544,556	\$ 30,650		\$ 575,206
Other improvements	41,698	19,789		61,487
Equipment and furniture	819,176	98,292		917,468
Vehicles	1,306,390	97,999		1,404,389
Total accumulated depreciation	<u>\$ 2,711,820</u>	<u>\$ 246,730</u>		<u>\$ 2,958,550</u>
Total capital assets being depreciated, net	<u>\$ 2,127,307</u>			<u>\$ 2,039,819</u>
Governmental activity capital assets, net	<u>\$ 2,986,263</u>			<u>\$ 2,902,655</u>

Depreciation expense was charged to the governmental functions as follows:

General government	\$ 7,628
Public safety	142,730
Transportation	57,138
Cultural and recreation	39,234
Total depreciation expense	<u><u>\$ 246,730</u></u>

**TOWN OF TRYON, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Note 3 – Detail Notes on All Funds

4. Capital Assets – continued

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Business-type activities				
Water and Sewer Fund				
Capital assets not being depreciated				
Land	\$ 544			\$ 544
Total capital assets not being depreciated	\$ 544			\$ 544
Capital assets being depreciated				
Building and improvements	\$ 105,011			\$ 105,011
Plant distribution system	13,851,932			13,851,932
Equipment	1,467,413			1,467,413
Vehicles	124,356	\$ 46,462		170,818
Total capital assets being depreciated	\$ 15,548,712	\$ 46,462		\$ 15,595,174
Less accumulated depreciation for				
Building and improvements	\$ 79,734	\$ 1,574		\$ 81,308
Plant distribution system	7,395,097	210,436		7,605,533
Equipment	1,206,482	27,432		1,233,914
Vehicles	124,356	3,872		128,228
Total accumulated depreciation	\$ 8,805,669	\$ 243,314		\$ 9,048,983
Total capital assets being depreciated, net	\$ 6,743,043			\$ 6,546,191
Total Water and Sewer capital assets, net	\$ 6,743,587			\$ 6,546,735
Sanitation Fund				
Capital assets being depreciated				
Vehicles	\$ 159,992	\$ 6,041		\$ 166,033
Less accumulated depreciation for Vehicles	159,992	503		160,495
Total capital assets being depreciated, net	\$ -	\$ 5,538		\$ 5,538
Total Sanitation capital assets, net	\$ -			\$ 5,538
Business-type activity capital assets, net	\$ 6,743,587			\$ 6,552,273

**TOWN OF TRYON, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Note 3 – Detail Notes on All Funds – continued

4. Capital Assets – continued

Construction Commitments

The Town has one project in progress. Oak Street is a project that is in planning stages with no expected completion or commitment on the project).

Discretely Presented Component Units

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Discretely presented component unit				
ABC Board				
Capital assets being depreciated				
Furniture and equipment	\$ 47,074	\$ 14,559	\$ 18,893	\$ 42,740
Less accumulated depreciation for				
Furniture and equipment	<u>46,676</u>	<u>1,544</u>	<u>18,795</u>	<u>29,425</u>
Total capital assets				
being depreciated, net	<u>\$ 398</u>	<u>\$ 13,015</u>	<u>\$ 98</u>	<u>\$ 13,315</u>
Total ABC Board capital assets, net	<u><u>\$ 398</u></u>			<u><u>\$ 13,315</u></u>

The Tourism Development Authority has no capital assets at June 30, 2016.

**TOWN OF TRYON, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Note 3 – Detail Notes on All Funds – continued

B. Liabilities

1. Pension Plan and Postemployment Obligations

a. Local Governmental Employees' Retirement System

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

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

**TOWN OF TRYON, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Note 3 – Detail Notes on All Funds – continued

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 an LEO and have reached age 50, or have completed five years of creditable service as an LEO and have reached age 55, or have completed 15 years of creditable service as an 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 year ended June 30, 2016, was 7.15% of compensation for law enforcement officers and 6.77% 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 \$99,522 for the year ended June 30, 2016.

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

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

At June 30, 2016, the Town reported a liability of \$97,478 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. The total pension liability was then rolled forward to the measurement date of June 30, 2015 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.

**TOWN OF TRYON, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Note 3 – Detail Notes on All Funds – continued

At June 30, 2015, the Town's proportion was 0.02172%, which was a decrease of 0.00107% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the Town recognized pension expense of \$54,894. At June 30, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		\$ 22,913
Net difference between projected and actual earnings on pension plan investments		27,752
Changes in proportion and differences between Town contributions and proportionate share of contributions	\$ 1,316	1,772
Town contributions subsequent to the measurement date	99,522	
Total	<u>\$ 100,838</u>	<u>\$ 52,437</u>

\$99,522 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, 2017. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2017	\$ (32,379)
2018	(32,379)
2019	(32,348)
2020	<u>45,985</u>
	<u>\$ (51,121)</u>

**TOWN OF TRYON, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Note 3 – Detail Notes on All Funds – continued

Actuarial Assumptions. The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	4.25 to 8.55 percent, including inflation and productivity factor
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2015 are summarized in the following table:

**TOWN OF TRYON, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Note 3 – Detail Notes on All Funds – continued

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	2.2%
Global Equity	42.0%	5.8%
Real Estate	8.0%	5.2%
Alternatives	8.0%	9.8%
Credit	7.0%	6.8%
Inflation Protection	6.0%	3.4%
Total	100%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2014 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.25%. 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.

**TOWN OF TRYON, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Note 3 – Detail Notes on All Funds - continued

Sensitivity of the Town's proportionate share of the net pension asset to changes in the discount rate. The following presents the Town's proportionate share of the net pension asset calculated using the discount rate of 7.25 percent, as well as what the Town's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate:

	<u>1% Decrease (6.25%)</u>	<u>Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
Proportionate share of the net pension liability (asset)	\$ 679,728	\$ 97,478	\$ (393,054)

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

b. Law Enforcement Officers' Special Separation Allowance

1. Plan Description

The Town of Tryon administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the Town's qualified sworn law enforcement officers. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time law enforcement officers of the Town are covered by the Separation Allowance. At December 31, 2015, the Separation Allowance's membership consisted of:

Retirees receiving benefits	0
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	<u>11</u>
Total	<u>11</u>

A separate report was not issued for the plan.

**TOWN OF TRYON, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Note 3 – Detail Notes on All Funds – continued

2. Summary of Significant Accounting Policies:

Basis of Accounting. The Town has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits and refunds 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 Statements 67 and 68:

- contributions to the pension plan and earnings on those contributions are irrevocable
- pension plan assets are dedicated to providing benefits to plan members
- pension plan assets are legally protected from the creditors or employers, nonemployer contributing entities, the plan administrator, and plan members.

Method Used to Value Investments. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

3. Contributions.

The Town is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. The Town's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees.

The annual required contribution for the current year was determined as part of the December 31, 2015 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 3.57% investment rate of return (net of administrative expenses) and (b) projected salary increases of 3.5% - 7.35% per year. Both (a) and (b) included an inflation component of 3.0%. The assumptions did not include post-employment benefit increases.

**TOWN OF TRYON, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Note 3 – Detail Notes on All Funds - continued

Annual Pension Cost and Net Pension Obligation. The Town's annual pension cost and net pension obligation to the Separation Allowance for the current year were as follows:

Annual required contribution	\$ 18,468
Interest on net pension obligation	4,952
Adjustment to annual required contribution	<u>(8,704)</u>
Annual pension costs	\$ 14,716
Contributions made	<u>-</u>
Increase (decrease) in net pension obligation	\$ 11,535
Net pension obligation at beginning of year	<u>99,044</u>
Net pension obligation at end of year	<u><u>\$ 113,760</u></u>

Three-year Trend Information

<u>Year Ended June 30</u>	<u>Annual Pension Costs (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2014	\$ 11,535	0%	\$ 85,079
2015	13,965	0%	99,044
2016	14,716	0%	113,760

4. Funded Status and Funding Progress.

As of December 31, 2015, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and the unfunded actuarial accrued liability (UAAL) was \$341,687. The covered payroll (annual payroll of active employees covered by the plan) was \$540,227 and the ratio of the UAAL to the covered payroll was 63.25 %.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**TOWN OF TRYON, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Note 3 – Detail Notes on All Funds - continued

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 Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the Town to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2016 were \$29,374, which consisted of \$22,172 from the Town and \$7,202 from the law enforcement officers. The Town has elected to allow general employees to participate in the Supplemental Retirement Plan and the Town will match up to 2% of the employee's salary, if the employee elects to contribute. Total contributions for the year ended June 30, 2016 were \$36,176, which consisted of \$11,613 from the Town and \$24,563 from the general employees.

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), 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 postemployment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based

**TOWN OF TRYON, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Note 3 – Detail Notes on All Funds – continued

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. Other Postemployment Benefit

Under the terms of a Town resolution, adopted in 1991 and then rescinded in 2004, the Town provides postemployment healthcare benefits to retirees of the Town, provided they have at least thirty years of creditable service with the Town at the time of retirement. The Town pays the full cost of coverage for retired employee's benefits through private insurers. Retirees who qualify for coverage receive the same benefits as active employees. Coverage for all retirees who are eligible for Medicare terminate from the Town's plan at that time. At June 30, 2016, no retired employees had qualified for coverage under the plan.

4. Deferred Outflows and Inflows of Resources

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

Contributions to pension plan in current fiscal year	\$ 99,522
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>1,316</u>
Total	<u><u>\$ 100,838</u></u>

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

Taxes receivable, net (Governmental Funds)	\$ 61,464
Differences between expected and actual experience	22,913
Net difference between projected and actual earnings on pension plan investments	27,752
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>1,772</u>
Total	<u><u>\$ 113,901</u></u>

**TOWN OF TRYON, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Note 3 – Detail Notes on All Funds - continued

4. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town carries commercial insurance to cover property, general liability, and auto liability coverage of \$1,000,000 per occurrence and workmen's compensation coverage of \$500,000 per accident. The Town carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years.

The Town of Tryon is not in a flood plain and does not carry flood insurance.

The ABC Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The ABC Board has property, general liability, workers' compensation and employee health coverage. The ABC Board also has liquor legal liability coverage. Claims have not exceeded coverage in any of the past three fiscal years and there has been no significant reduction in insurance coverage in the prior year.

In accordance with G.S. 159-29, the finance officer of both the Town and the TDA are individually bonded for \$100,000 and the tax collector is individually bonded for \$250,000. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000.

5. Claims, Judgments and Contingent Liabilities

At June 30, 2016, the Town was aware of several cases of threatened litigation. In the opinion of the Town's management and the Town attorney, the ultimate effect of these legal matters will not have a material adverse effect on the Town's financial position.

The Town has a potential contingent liability for retiree healthcare benefits. Previously, under the terms of a Town resolution that was adopted in 1991 and rescinded in 2014, the Town provided healthcare benefits to retirees of the Town, provided they have at least thirty years of creditable service with the Town. This benefit terminates when a retired employee becomes eligible for Medicare. The Town currently has eight employees who may become eligible for this postemployment healthcare benefit, once they have retired after attaining thirty years of creditable service with the Town.

**TOWN OF TRYON, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Note 3 – Detail Notes on All Funds - continued

6. Long-Term Obligations

a. Installment Purchases

On June 15, 2005, the Town executed an installment purchase agreement with a local bank to acquire radio read meters for the water and sewer department. The \$315,000 financing arrangement requires annual installments of \$38,336 with interest at 3.74%, maturing on July 8, 2015.

On July 1, 2008, the Town executed an installment purchase agreement with a local bank to acquire a fire engine and equipment for the fire department. The \$463,405 financing arrangement was modified in April 2014 with a reduced interest rate. The agreement requires annual installments of \$37,445 with interest at 2.50%, maturing on August 1, 2022.

On July 8, 2009, the Town entered into a revolving loan agreement 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.

On May 19, 2010, the Town, along with the Towns of Saluda and Columbus, North Carolina, executed a revolving loan 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.

On March 25, 2012, the Town executed an installment purchase agreement with a local bank to acquire a 2012 Chevrolet Tahoe for the police department. The \$33,907 financing arrangement requires annual installments of \$7,284 with interest at 2.43%, maturing on March 25, 2017.

On April 27, 2012, the Town executed an installment purchase agreement with a local bank to acquire a backhoe for the street department. The \$45,600 financing arrangement requires annual installments of \$9,728 with interest at 2.19%, maturing April 27, 2017.

**TOWN OF TRYON, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Note 3 – Detail Notes on All Funds - continued

On January 20, 2013, the Town executed an installment purchase agreement with a local bank to acquire a 2013 Dodge Charger for the police department. The financing arrangement requires annual installments of \$5,818 with interest at 2.19%, maturing January 20, 2018.

On May 7, 2013, the Town executed an installment purchase agreement with a local bank to acquire a 2013 Dodge Charger for the police department. The financing arrangement requires annual installments of \$6,174 with interest at 2.12%, maturing May 7, 2018.

On June 4, 2013, the Town executed an installment purchase agreement with a local bank to acquire an air compressor and communication equipment for the fire department. The financing arrangement requires annual installments of \$10,421 with interest at 2.09%, maturing June 4, 2016.

On May 19, 2015, the Town executed an installment purchase agreement with a local bank to acquire a backhoe for the transportation department. The financing agreement requires annual installments of \$11,562 with interest at 2.64%, maturing May 1, 2020.

On June 25, 2015, the Town executed an installment purchase agreement with a local bank to acquire a 2015 Ford Explorer for the fire department and a 2012 Ford Escape for general administration. The financing agreement requires annual installments of \$14,186 with interest at 1.75%, maturing August 1, 2020.

On December 15, 2015, the Town executed an installment purchase agreement with a local bank to acquire a 2015 Ford F-150 for general administration and a 2016 Ford F-350 for the water and sewer department. The financing agreement requires annual installments of \$15,351 with interest at 1.75%, maturing January 1, 2021.

**TOWN OF TRYON, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Note 3 – Detail Notes on All Funds - continued

Annual debt service requirements to maturity for the Town's installment purchases are as follows:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2017	\$ 88,074	\$ 9,988	\$ 201,202	\$ 80,950
2018	73,429	7,712	201,393	75,977
2019	63,122	6,027	201,548	71,039
2020	64,589	4,561	201,707	66,099
2021	54,519	3,068	201,867	74,079
2022-2026	72,017	2,753	963,184	233,231
2027-2033			1,301,464	126,262
Total	<u>\$ 415,750</u>	<u>\$ 34,109</u>	<u>\$ 3,272,365</u>	<u>\$ 727,637</u>

At June 30, 2016, the Town of Tryon had a legal debt margin of \$14,376,868.

Changes in long-term liabilities for the fiscal year ended June 30, 2016, were as follows:

	Balance June 30, 2015	Increases	Decreases	Balance June 30, 2016	Current Portion of Balance
Governmental activities					
Installment purchases	\$ 466,019	\$ 28,237	\$ 78,506	\$ 415,750	\$ 88,074
Net pension liability (LGERS)		71,178		71,178	
Net pension obligation (LEO)	99,044	14,716		113,760	
Compensated absences	69,085	23,085	17,310	74,860	22,593
Total governmental activities	<u>\$ 634,148</u>	<u>\$ 137,216</u>	<u>\$ 95,816</u>	<u>\$ 675,548</u>	<u>\$ 110,667</u>
Business-type activities					
Installment purchases	\$ 3,457,439	\$ 44,534	\$ 229,608	\$ 3,272,365	\$ 201,202
Net pension liability (LGERS)		26,300		26,300	
Compensated absences	46,389	11,433	5,480	52,342	14,772
Total business-type activities	<u>\$ 3,503,828</u>	<u>\$ 82,267</u>	<u>\$ 235,088</u>	<u>\$ 3,351,007</u>	<u>\$ 215,974</u>

The LGERS plan had a net pension asset as of June 30, 2015; however the plan had a net pension liability at the end of the fiscal year.

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

**TOWN OF TRYON, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Note 3 – Detail Notes on All Funds - continued

C. Interfund Balances and Activity

Balances due to/from other funds at June 30, 2016, consist of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Water and Sewer Fund	\$ 180,017
	Fire Department Fund	5,429
	Harmon Field Fund	93,401
	Sanitation Fund	<u>4,598</u>
	Total	<u><u>\$ 283,445</u></u>
Water and Sewer Fund	General Fund	\$ 39,066
	Sanitation Fund	<u>59,463</u>
	Total	<u><u>\$ 98,529</u></u>

The interfund balances result from the time lag between when interfund goods and services are provided or reimbursable expenses occur and when transactions are recorded in the accounting system and payments between funds are made.

**TOWN OF TRYON, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Note 3 – Detail Notes on All Funds - continued

Transfers to/from other funds at June 30, 2016, consist of the following:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Description</u>
General Fund	Fire Department Fund	\$ 118,641	To eliminate fund balance deficit.
Fire Department Fund	General Fund	45,317	To allocate administrative services provided by General Fund.
Harmon Field Fund	General Fund	17,515	To allocate administrative services provided by General Fund.
Water and Sewer Fund	General Fund	357,530	To allocate administrative services provided by General Fund.
Sanitation	General Fund	31,217	To allocate administrative services provided by General Fund.
Tourism Development Authority (component unit)	General Fund	<u>4,800</u>	To allocate administrative services provided by General Fund.
	Total	<u><u>\$ 575,020</u></u>	

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

During the 2016 fiscal year, the Town made a one-time transfer from the General Fund of \$118,641 to the Fire Department Fund to eliminate a fund balance deficit as of the prior year-end.

**TOWN OF TRYON, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Note 3 – Detail Notes on All Funds - continued

7. Fund Balance

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

Total fund balance-General Fund	\$ 979,383
Less:	
Prepaid items	\$ 12,904
Stabilization by State Statute	477,615
Streets-Powell Bill	87,420
Public Safety	6,324
Assigned - Subsequent year's expenditures	185,000
Remaining Fund Balance	210,120
	<u>\$ 979,383</u>

Note 4 – Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

The Town has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant moneys to the grantor agencies. Management believes that any required refunds will be immaterial, except for one grant. The Town currently is presenting \$36,792 payable to the state, representing excess reimbursements for grant expenditures on the Howard Street project that was completed in 2002.

Note 6 – Subsequent Events

Subsequent events have been evaluated through December 14, 2016, which is the date the financial statements were available to be issued.

<p>REQUIRED SUPPLEMENTARY FINANCIAL DATA</p>

This section contains additional information required by generally accepted accounting principles.

- Law Enforcement Officers' Special Separation Allowance – Schedule of Funding Progress
- Schedule of the Proportionate Share of New Pension Liability (Asset) – Local Government Employees' Retirement System
- Schedule of Contributions – Local Government Employees' Retirement System

TOWN OF TRYON, NORTH CAROLINA
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Projected Unit Credit	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
12/31/2010	-	102,054	102,054	0.00%	335,542	30.41%
12/31/2011	-	95,837	95,837	0.00%	340,919	28.11%
12/31/2012	-	100,050	100,050	0.00%	357,050	28.02%
12/31/2013	-	109,593	109,593	0.00%	383,620	28.57%
12/31/2014	-	121,211	121,211	0.00%	383,229	31.63%
12/31/2015	-	341,687	341,687	0.00%	540,227	63.25%

**TOWN OF TRYON, NORTH CAROLINA
LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM
PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST THREE FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of net pension liability (asset) (%)	0.02172%	0.02279%	0.02310%
Proportion of net pension liability (asset) (\$)	\$ 97,478	\$ (134,403)	\$ 278,444
Covered-employee payroll	\$ 1,341,741	\$ 1,344,301	\$ 1,294,327
Proportionate share of net pension liability (asset) as a percentage of covered-employee payroll	7.27%	(10.00%)	21.51%
Plan fiduciary net position as a percentage of total pension liability	98.09%	102.64%	94.35%

**TOWN OF TRYON, NORTH CAROLINA
LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST THREE FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required contribution	\$ 99,522	\$ 96,052	\$ 95,798
Contributions in relation to the contractually required contribution	<u>99,522</u>	<u>96,052</u>	<u>95,798</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 1,448,826	\$ 1,341,741	\$ 1,344,301
Contributions as a percentage of covered-employee payroll	6.87%	7.16%	7.13%

<p>INDIVIDUAL FUND STATEMENTS AND SCHEDULES</p>
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This section contains additional statements required by the Local Government Commission in North Carolina.

TOWN OF TRYON, NORTH CAROLINA
GENERAL FUND--SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -- BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budget	Actual	Variance Positive (Negative)
Revenues			
Ad valorem taxes:			
Taxes	\$ 905,573	\$ 896,882	\$ (8,691)
Penalties and interest	200	1,220	1,020
Total	<u>\$ 905,773</u>	<u>\$ 898,102</u>	<u>\$ (7,671)</u>
Unrestricted intergovernmental revenue:			
Local option sales taxes	\$ 211,746	\$ 261,475	\$ 49,729
Payments in lieu of taxes (external sources)	91,701	110,494	18,793
Utilities sales tax	117,000	148,657	31,657
Beer and wine tax		15,053	15,053
Total	<u>\$ 420,447</u>	<u>\$ 535,679</u>	<u>\$ 115,232</u>
Restricted intergovernmental revenue:			
Powell Bill allocation	\$ 68,714	\$ 68,714	
Controlled substance tax	2,989		\$ (2,989)
Total	<u>\$ 71,703</u>	<u>\$ 68,714</u>	<u>\$ (2,989)</u>
Sales and services			
Rents, concessions and other services	<u>\$ 43,344</u>	<u>\$ 49,670</u>	<u>\$ 6,326</u>
Investment earnings	<u>\$ 25</u>	<u>\$ 185</u>	<u>\$ 160</u>
Miscellaneous			
Contributions	\$ 400	\$ 400	
Other	7,434	5,583	\$ (1,851)
Total	<u>\$ 7,834</u>	<u>\$ 5,983</u>	<u>\$ (1,851)</u>
Total revenues	<u>\$ 1,449,126</u>	<u>\$ 1,558,333</u>	<u>\$ 109,207</u>

TOWN OF TRYON, NORTH CAROLINA
GENERAL FUND--SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -- BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Expenditures	Budget	Actual	Variance Positive (Negative)
General Government:			
Salaries and employee benefits	\$ 13,600	\$ 12,310	\$ 1,290
Operating expenses	28,100	25,703	2,397
Total	<u>\$ 41,700</u>	<u>\$ 38,013</u>	<u>\$ 3,687</u>
Administration:			
Salaries and employee benefits	\$ 334,467	\$ 347,691	\$ (13,224)
Operating expenses	149,800	171,551	(21,751)
Capital outlay	15,100	15,083	17
Total	<u>\$ 499,367</u>	<u>\$ 534,325</u>	<u>\$ (34,958)</u>
Total general government	<u>\$ 541,067</u>	<u>\$ 572,338</u>	<u>\$ (31,271)</u>
Public safety:			
Police:			
Salaries and employee benefits	\$ 652,087	\$ 642,274	\$ 9,813
Operating expenses	86,400	105,536	(19,136)
Capital outlay	11,973	11,973	
Total public safety	<u>\$ 750,460</u>	<u>\$ 759,783</u>	<u>\$ (9,323)</u>
Economic Development:			
Planning and Zoning:			
Operating expenses	\$ 3,210	\$ 3,210	
Total economic development	<u>\$ 3,210</u>	<u>\$ 3,210</u>	
Transportation:			
Salaries and employee benefits	317,077	\$ 302,712	\$ 14,365
Operating expenses	219,549	209,709	9,840
Capital outlay	40,000	70,778	(30,778)
Total transportation	<u>\$ 576,626</u>	<u>\$ 583,199</u>	<u>\$ (6,573)</u>
Cultural and recreational:			
Parks and recreation:			
Operating expenses	\$ 48,500	\$ 47,612	\$ 888
Total cultural and recreational	<u>\$ 48,500</u>	<u>\$ 47,612</u>	<u>\$ 888</u>
Debt service			
Principal retirement	\$ 37,541	\$ 37,656	\$ (115)
Interest and fees	3,026	2,909	117
Total debt service	<u>\$ 40,567</u>	<u>\$ 40,565</u>	<u>\$ 2</u>
Total expenditures	<u>\$ 1,960,430</u>	<u>\$ 2,006,707</u>	<u>\$ (46,277)</u>

TOWN OF TRYON, NORTH CAROLINA
GENERAL FUND--SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -- BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues over (under) expenditures	<u>\$ (511,304)</u>	<u>\$ (448,374)</u>	<u>\$ 62,930</u>
Other financing sources (uses):			
Transfers from other funds:			
Special Revenue Funds	\$ 62,832	\$ 62,832	
Enterprise Funds	388,747	388,747	
Component Unit	4,800	4,800	
Transfers to other funds:			
Special Revenue Funds	(118,641)	(118,641)	
Enterprise Funds	(26,531)		\$ 26,531
Installment purchase obligations issued	28,237	28,237	
Total other financing sources (uses)	<u>\$ 339,444</u>	<u>\$ 365,975</u>	<u>\$ 26,531</u>
Fund balance appropriated	<u>\$ 171,860</u>		<u>\$ (171,860)</u>
Net change in fund balance	<u>\$ -</u>	\$ (82,399)	<u>\$ (82,399)</u>
Fund balance, beginning of year		<u>1,061,782</u>	
Fund balance, end of year		<u>\$ 979,383</u>	

TOWN OF TRYON, NORTH CAROLINA
FIRE DEPARTMENT FUND--SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -- BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Ad valorem taxes:			
Taxes	\$ 329,880	\$ 334,908	\$ 5,028
Penalties and interest	150	245	95
Total	<u>\$ 330,030</u>	<u>\$ 335,153</u>	<u>\$ 5,123</u>
Restricted intergovernmental revenue:			
Federal grant	\$ 16,100	\$ 16,100	
State grant	20,400	17,290	\$ (3,110)
Total	<u>\$ 36,500</u>	<u>\$ 33,390</u>	<u>\$ (3,110)</u>
Miscellaneous			
Contributions	\$ 4,874	\$ 5,174	\$ 300
Investment earnings		3	3
Total	<u>\$ 4,874</u>	<u>\$ 5,177</u>	<u>\$ 303</u>
Total revenues	<u>\$ 371,404</u>	<u>\$ 373,720</u>	<u>\$ 2,316</u>
Expenditures			
Public safety:			
Salaries and employee benefits	\$ 88,877	\$ 79,631	\$ 9,246
Operating expenses	280,956	245,624	35,332
Capital outlay	26,958	65,287	(38,329)
Total public safety	<u>\$ 396,791</u>	<u>\$ 390,542</u>	<u>\$ 6,249</u>
Debt service			
Principal	\$ 40,850	\$ 40,850	
Interest	7,087	7,015	\$ 72
Total debt service	<u>\$ 47,937</u>	<u>\$ 47,865</u>	<u>\$ 72</u>
Total expenditures	<u>\$ 444,728</u>	<u>\$ 438,407</u>	<u>\$ 6,321</u>
Revenues over (under) expenditures	<u>\$ (73,324)</u>	<u>\$ (64,687)</u>	<u>\$ 8,637</u>

**TOWN OF TRYON, NORTH CAROLINA
FIRE DEPARTMENT FUND--SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -- BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Other financing sources (uses):			
Transfers from other funds:			
General Fund	\$ 118,641	\$ 118,641	
Transfers to other funds:			
General Fund	<u>(45,317)</u>	<u>(45,317)</u>	
Total other financing sources (uses)	<u>\$ 73,324</u>	<u>\$ 73,324</u>	
Net change in fund balance	<u>\$ -</u>	\$ 8,637	<u>\$ 8,637</u>
Fund balance, beginning of year		<u>2,260</u>	
Fund balance, end of year		<u>\$ 10,897</u>	

TOWN OF TRYON, NORTH CAROLINA
HARMON FIELD FUND--SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -- BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Ad valorem taxes:			
Taxes	\$ 167,750	\$ 168,153	\$ 403
Penalties and interest		317	317
Total	<u>\$ 167,750</u>	<u>\$ 168,470</u>	<u>\$ 720</u>
 Sales and services:			
Rents, concessions and other services	<u>\$ 31,737</u>	<u>\$ 32,386</u>	<u>\$ 649</u>
 Investment earnings	<u>\$ 2</u>	<u>\$ 39</u>	<u>\$ 37</u>
 Miscellaneous:			
Contributions	<u>\$ 1,000</u>	<u>\$ 14,720</u>	<u>\$ 13,720</u>
 Total revenues	<u>\$ 200,489</u>	<u>\$ 215,615</u>	<u>\$ 15,126</u>
 Expenditures			
Cultural and recreational:			
Salaries and employee benefits	\$ 102,678	\$ 108,890	\$ (6,212)
Operating expenses	74,900	79,783	(4,883)
Capital outlay	7,000		7,000
Total cultural and recreational	<u>\$ 184,578</u>	<u>\$ 188,673</u>	<u>\$ (4,095)</u>
 Total expenditures	<u>\$ 184,578</u>	<u>\$ 188,673</u>	<u>\$ (4,095)</u>
 Revenues over (under) expenditures	<u>\$ 15,911</u>	<u>\$ 26,942</u>	<u>\$ 11,031</u>

TOWN OF TRYON, NORTH CAROLINA
HARMON FIELD FUND--SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -- BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Other financing sources (uses):			
Transfers to other funds:			
General Fund	<u>\$ (17,515)</u>	<u>\$ (17,515)</u>	
Total other financing sources (uses)	<u>\$ (17,515)</u>	<u>\$ (17,515)</u>	
 Fund balance appropriated	 <u>\$ 1,604</u>		 <u>\$ (1,604)</u>
 Net change in fund balance	 <u><u>\$ -</u></u>	 \$ 9,427	 <u><u>\$ 9,427</u></u>
 Fund balance, beginning of year		 <u>5,186</u>	
 Fund balance, end of year		 <u><u>\$ 14,613</u></u>	

TOWN OF TRYON, NORTH CAROLINA
WATER AND SEWER FUND--SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Water sales:			
Charges for services	\$ 1,073,334	\$ 1,082,399	\$ 9,065
Sewer sales:			
Charges for services	\$ 533,200	\$ 518,580	\$ (14,620)
Water and sewer taps	\$ 3,000	\$ 5,760	\$ 2,760
Total operating revenues	\$ 1,609,534	\$ 1,606,739	\$ (2,795)
Nonoperating revenues:			
Other nonoperating revenue		\$ 6,341	\$ 6,341
Interest income	\$ 80	243	163
Total nonoperating revenues	\$ 80	\$ 6,584	\$ 6,504
Total revenues	\$ 1,609,614	\$ 1,613,323	\$ 3,709
Expenditures:			
Water and sewer distribution:			
Salaries and employee benefits	\$ 134,935	\$ 129,618	\$ 5,317
Outside services	17,200	12,406	4,794
Utilities	4,000	7,936	(3,936)
Telephone	3,500	3,961	(461)
Maintenance and repairs	10,700	16,011	(5,311)
Materials and supplies	79,083	66,240	12,843
Advertising	250	110	140
Uniforms	1,000	1,904	(904)
Professional services	2,100	1,400	700
Insurance	4,000	4,783	(783)
Dues and subscriptions	800	215	585
Travel	500	355	145
Other expenditures		2,687	(2,687)
Total water and sewer distribution	\$ 258,068	\$ 247,626	\$ 10,442
Water plant operations:			
Salaries and employee benefits	\$ 177,083	\$ 170,432	\$ 6,651
Outside services	16,700	20,007	(3,307)
Utilities	52,200	57,527	(5,327)
Telephone	2,500	3,247	(747)
Maintenance and repairs	18,000	19,516	(1,516)
Materials and supplies	75,000	76,180	(1,180)
Advertising	500	168	332
Office supplies and postage	3,500	3,625	(125)
Uniforms	700	1,548	(848)
Insurance	10,400	10,703	(303)
Dues and subscriptions	3,400	580	2,820
Travel	660	401	259
Licenses and permits	2,500	2,175	325
Total water plant operations	\$ 363,143	\$ 366,109	\$ (2,966)

TOWN OF TRYON, NORTH CAROLINA
WATER AND SEWER FUND--SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budget	Actual	Variance Positive (Negative)
Wastewater plant operations:			
Salaries and employee benefits	\$ 81,037	\$ 91,303	\$ (10,266)
Outside services	57,200	43,705	13,495
Utilities	18,000	20,686	(2,686)
Telephone	1,000	1,757	(757)
Maintenance and repairs	5,810	8,154	(2,344)
Materials and supplies	13,700	19,565	(5,865)
Office supplies and postage	1,600	1,825	(225)
Advertising	200	184	16
Uniforms	600	612	(12)
Insurance	6,500	6,689	(189)
Dues and subscriptions	1,800	185	1,615
Travel	110	816	(706)
Licenses and permits	8,000	8,370	(370)
Total wastewater plant operations	<u>\$ 195,557</u>	<u>\$ 203,851</u>	<u>\$ (8,294)</u>
Wastewater collection:			
Salaries and employee benefits	\$ 73,272	\$ 75,899	\$ (2,627)
Outside services	15,000	10,956	4,044
Utilities	1,750	1,491	259
Telephone	1,700	674	1,026
Maintenance and repairs	8,600	6,388	2,212
Materials and supplies	16,900	10,914	5,986
Advertising	175		175
Uniforms	660	890	(230)
Professional services	1,100	1,100	
Insurance	5,000	5,812	(812)
Dues and subscriptions	1,420	141	1,279
Travel	200	179	21
Total wastewater collections	<u>\$ 125,777</u>	<u>\$ 114,444</u>	<u>\$ 11,333</u>
Debt Service:			
Principal	\$ 258,819	\$ 229,608	\$ 29,211
Interest and fees	114,558	85,016	29,542
Total debt service	<u>\$ 373,377</u>	<u>\$ 314,624</u>	<u>\$ 58,753</u>
Capital Outlay:			
Water and sewer distribution	\$ 23,231	\$ 23,231	
Wastewater collection	23,231	23,231	
Total capital outlay	<u>\$ 46,462</u>	<u>\$ 46,462</u>	
Total expenditures	<u>\$ 1,362,384</u>	<u>\$ 1,293,116</u>	<u>\$ 69,268</u>

TOWN OF TRYON, NORTH CAROLINA
WATER AND SEWER FUND--SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues over (under) expenditures	<u>\$ 247,230</u>	<u>\$ 320,207</u>	<u>\$ 72,977</u>
Other financing source (uses):			
Transfers from other governments	\$ 65,789		\$ (65,789)
Transfers to other funds:			
General Fund	(357,530)	\$ (357,530)	
Installment purchase obligations issued	<u>44,534</u>	<u>44,534</u>	
Total other financing sources (uses)	<u>\$ (247,207)</u>	<u>\$ (312,996)</u>	<u>\$ (65,789)</u>
Fund balance appropriated	<u>\$ (23)</u>		<u>\$ 23</u>
Revenues and other financing sources over (under) expenditures and other uses	<u><u>\$ -</u></u>	<u>\$ 7,211</u>	<u><u>\$ 7,211</u></u>

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

Reconciling items:

Installment purchase obligations issued	(44,534)
Principal retirement	229,608
Capital outlay	46,462
Increase in compensated absences	(5,975)
Decrease in net pension asset	(31,510)
Decrease in deferred outflows of resources - pensions	(94)
Increase in net pension liability	(20,130)
Decrease in deferred inflows of resources - pensions	61,672
Depreciation	<u>(243,314)</u>

Change in net position	<u><u>\$ (604)</u></u>
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TOWN OF TRYON, NORTH CAROLINA
SANITATION FUND--SCHEDULE OF REVENUE AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Sanitation fees			
Charges for services	\$ 215,000	\$ 205,950	\$ (9,050)
Other operating revenues	\$ 6,200	\$ 10,214	\$ 4,014
Nonoperating revenues:			
Solid waste disposal tax	\$ 1,000	\$ 800	\$ (200)
Total revenues	\$ 222,200	\$ 216,964	\$ (5,236)
Expenditures:			
Sanitation:			
Salaries and employee benefits	\$ 121,693	\$ 121,217	\$ 476
Outside services	2,600	839	1,761
Utilities	1,700	904	796
Telephone	940	880	60
Maintenance and repairs	25,800	27,401	(1,601)
Materials and supplies	21,200	17,538	3,662
Office supplies and postage	1,300	1,813	(513)
Uniforms	1,000	1,535	(535)
Professional services	2,100	2,100	
Tipping charges	27,090	33,080	(5,990)
Recycling bin leases	350	350	
Insurance	2,200	2,415	(215)
Travel	500	133	367
Total sanitation expenditures	\$ 208,473	\$ 210,205	\$ (1,732)
Capital outlay	\$ 6,041	\$ 6,041	
Total expenditures	\$ 214,514	\$ 216,246	\$ (1,732)
Revenues over (under) expenditures	\$ 7,686	\$ 718	\$ (6,968)
Other financing source (uses):			
Transfers from other funds:			
General Fund	\$ 26,531		\$ (26,531)
Transfers to other funds:			
General Fund	(31,217)	\$ (31,217)	
Total other financing sources (uses)	\$ (4,686)	\$ (31,217)	\$ (26,531)
Fund balance appropriated	\$ (3,000)		\$ 3,000
Revenues and other financing sources over (under) expenditures and other uses	\$ -	\$ (30,499)	\$ (30,499)

TOWN OF TRYON, NORTH CAROLINA
SANITATION FUND--SCHEDULE OF REVENUE AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

Sanitation Fund - Revenues and other financing sources	
over (under) expenditures and other uses	\$ (30,499)

Reconciling items:

Capital outlay	6,041
Decrease in net pension asset	(7,792)
Increase in deferred outflows of resources - pensions	83
Increase in net pension liability	(6,170)
Decrease in deferred inflows of resources - pensions	16,567
Decrease in compensated absences	22
Depreciation	<u>(503)</u>

Change in net position	<u><u>\$ (22,251)</u></u>
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TOWN OF TRYON, NORTH CAROLINA
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016
Rogers Park				
Assets				
Cash and cash equivalents	\$ 5,411	\$ 2,378	\$ -	\$ 7,789
Liabilities				
Amounts held for others	\$ 5,411	\$ 2,378	\$ -	\$ 7,789
Cemetery Project				
Assets				
Cash and cash equivalents	\$ 2,193	\$ -	\$ -	\$ 2,193
Liabilities				
Amounts held for others	\$ 2,193	\$ -	\$ -	\$ 2,193
Woodland Park				
Assets				
Cash and cash equivalents	\$ 9,525	\$ -	\$ -	\$ 9,525
Liabilities				
Amounts held for others	\$ 9,525	\$ -	\$ -	\$ 9,525
Greenway Project				
Assets				
Cash and cash equivalents	\$ 265	\$ -	\$ -	\$ 265
Liabilities				
Amounts held for others	\$ 265	\$ -	\$ -	\$ 265
St. Luke's Plaza				
Assets				
Cash and cash equivalents	\$ -	\$ 6,805	\$ 4,775	\$ 2,030
Liabilities				
Amounts held for others	\$ -	\$ 6,805	\$ 4,775	\$ 2,030
Summer Tracks				
Assets				
Cash and cash equivalents	\$ 3,373	\$ 15,174	\$ 13,524	\$ 5,023
Liabilities				
Amounts held for others	\$ 3,373	\$ 15,174	\$ 13,524	\$ 5,023
Total - All Agency Funds				
Assets				
Cash and cash equivalents	\$ 20,767	\$ 24,357	\$ 18,299	\$ 26,825
Liabilities				
Amounts held for others	\$ 20,767	\$ 24,357	\$ 18,299	\$ 26,825

TOWN OF TRYON, NORTH CAROLINA
TOURISM DEVELOPMENT AUTHORITY--SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE -- BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Other taxes and licenses:			
Occupancy taxes	\$ 19,115	\$ 21,963	\$ 2,848
Total revenues	<u>\$ 19,115</u>	<u>\$ 21,963</u>	<u>\$ 2,848</u>
Expenditures			
Economic Development:			
Operating expenses	\$ 10,912	\$ 11,732	\$ (820)
Total economic development	<u>\$ 10,912</u>	<u>\$ 11,732</u>	<u>\$ (820)</u>
Total expenditures	<u>\$ 10,912</u>	<u>\$ 11,732</u>	<u>\$ (820)</u>
Revenues over (under) expenditures	<u>\$ 8,203</u>	<u>\$ 10,231</u>	<u>\$ 2,028</u>
Other financing sources (uses):			
Transfers to other funds:			
General Fund	\$ (4,800)	\$ (4,800)	
Total other financing sources (uses)	<u>\$ (4,800)</u>	<u>\$ (4,800)</u>	
Fund balance appropriated	<u>\$ (3,403)</u>		<u>\$ 3,403</u>
Net change in fund balance	<u><u>\$ -</u></u>	\$ 5,431	<u><u>\$ 5,431</u></u>
Fund balance, beginning of year		<u>36,691</u>	
Fund balance, end of year		<u><u>\$ 42,122</u></u>	

OTHER SCHEDULES

This section contains additional statements required on property taxes.

- Schedule of Ad Valorem Taxes Receivable
- Analysis of Current Tax Levy – Town Wide Levy

TOWN OF TRYON, NORTH CAROLINA
SCHEDULE OF AD VALOREM TAXES RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2016

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2015</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2016</u>
2015-2016		\$ 903,586	\$ 887,298	\$ 16,288
2014-2015	\$ 14,876		11,281	3,595
2013-2014	12,557		1,826	10,731
2012-2013	2,069		1,921	148
2011-2012	127			127
2010-2011	7,161		1,847	5,314
2009-2010	5,129		927	4,202
2008-2009	4,351		264	4,087
2007-2008	3,911		117	3,794
2006-2007	2,873		212	2,661
2005-2006	1,982		1,982	-
	<u>\$ 55,036</u>	<u>\$ 903,586</u>	<u>\$ 907,675</u>	\$ 50,947
Less: Allowance for uncollectible accounts				<u>(20,143)</u>
Ad valorem taxes receivable - net				<u>\$ 30,804</u>
Reconciliation with revenues:				
Ad valorem taxes -- general fund				\$ 898,102
Reconciling items:				
Interest collected				(1,220)
Discounts allowed				8,811
Taxes written off				<u>1,982</u>
Total collections and credits				<u>\$ 907,675</u>

TOWN OF TRYON, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY -- TOWN -WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Property Valuation</u>	<u>Rate</u>	<u>Total Levy</u>	<u>Property Excluding Registered Motor Vehicles</u>	<u>Registered Motor Vehicles</u>
Original levy					
Property taxed at current year's rate	\$ 179,797,713	0.5028	\$ 904,023	\$ 824,200	\$ 79,823
Discoveries:					
Current year	423,407	0.5028	2,129	2,129	
Abatements	<u>(510,270)</u>	0.5028	<u>(2,566)</u>	<u>(2,566)</u>	
Total property valuation	<u><u>\$ 179,710,850</u></u>				
Net levy			\$ 903,586	\$ 823,763	\$ 79,823
Uncollected tax at June 30, 2016			<u>16,288</u>	<u>15,641</u>	<u>647</u>
Current year's taxes collected			<u>\$ 887,298</u>	<u>\$ 808,122</u>	<u>\$ 79,176</u>
Current levy collection percentage			<u><u>98.20%</u></u>	<u><u>98.10%</u></u>	<u><u>99.19%</u></u>