

**REVIEWED**

*By SLGFD at 8:59 am, Jan 04, 2022*



**Financial Statements  
For the Year Ended June 30, 2021**

# **Town of Dillsboro, North Carolina**

## **Mayor**

David Jones

## **Board of Alderpersons**

Jim Cochran

David Gates

Tim Hall

Tim Parris

Beauford Riddle

## **Town Clerk**

Debbie Coffey

**Town of Dillsboro, North Carolina**  
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**BURLESON & EARLEY, P.A.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

**INDEPENDENT AUDITORS' REPORT**

To the Honorable Mayor and Members of the Board of Alderpersons  
Town of Dillsboro  
Dillsboro, North Carolina

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and the major fund of the Town of Dillsboro, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 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, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Town of Dillsboro, North Carolina as of June 30, 2021, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 9 be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary 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 Dillsboro, North Carolina. The budgetary schedule and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

*Burleson & Earley, P.A.*

Certified Public Accountants

November 30, 2021

## **Town of Dillsboro, North Carolina**

### **Management's Discussion and Analysis**

As management of the Town of Dillsboro (the Town), we offer readers of the Town of Dillsboro's financial statements this narrative overview and analysis of the financial activities of the Town of Dillsboro for the fiscal year ended June 30, 2021. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

#### **Financial Highlights**

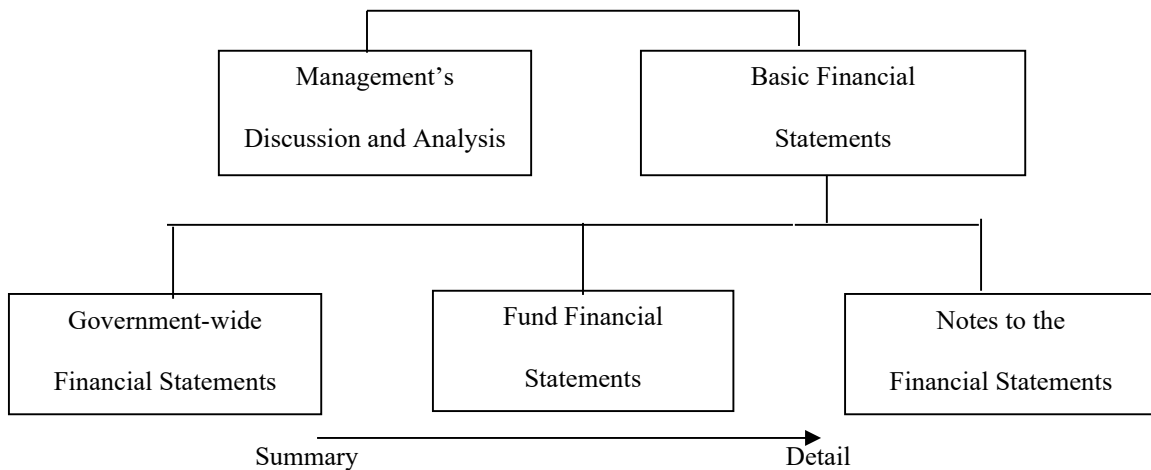
- The assets and deferred outflows of resources of the Town of Dillsboro *exceeded* its liabilities and deferred inflows of resources at the close of the fiscal year by \$1,832,509 (net position).
- The government's total net position *increased* by \$333,169, due to *governmental* activities.
- The Town received funds, under a value engineering proposal, from the contractor for the Haywood Road bridge replacement project, N.C Department of Transportation (NCDOT) project NCDOT B-5905. By agreeing to change some of the original plans, it was estimated to save costs of approximately \$3 million. The contractor was to split the savings with the NCDOT. From their share, the contractor paid the Town thirty percent, which was \$451,988, in August 2020.
- The Town created the "Reopen and Rebuild Dillsboro Plan", which is a multi-phased approach for providing relief to businesses and revitalizing the Town's economy that was affected by the onset of the COVID-19 pandemic and the NCDOT B-5905 project. Grant awards were made through an application process. During this fiscal year, the Town provided grants totaling \$134,000.
- As of the close of the current fiscal year, the Town's reported ending general fund balance of \$1,230,605 represents an *increase* of \$327,294 in comparison with the prior year. Approximately *ninety six* percent of this total amount, or \$1,184,069, is available for spending at the government's discretion (**unassigned fund balance**).

#### **Overview of the Financial Statements**

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

## Required Components of Annual Financial Report

Figure 1



### Basic Financial Statements

The first two statements (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 5) 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 two parts to the Fund Financial Statements: 1) the governmental funds statements and 2) the budgetary comparison statements.

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

### Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Town's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Town 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 financial statements are on Exhibits 1 and 2 of this report.

### Fund Financial Statements

The fund financial statements provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like all other governmental entities in North

Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. The Town has one governmental fund: the General Fund.

**Governmental Funds** – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. All of the Town's basic services are accounted for in the General fund. The fund focuses 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. The governmental fund is reported using an accounting method called *modified accrual accounting* that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Town's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The Town adopts an annual budget for its General Fund, as required by N.C. General Statutes. 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 Board 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 statement provided for the General Fund demonstrates 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 statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

**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 16 of this report.



## Government-Wide Financial Analysis

### Town of Dillsboro's Net Position

Figure 2

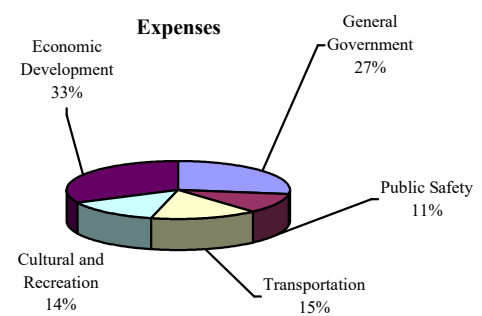
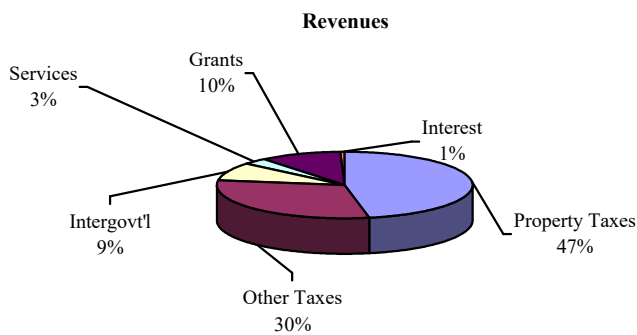
	<b>Governmental Activities</b>	
	<b>2021</b>	<b>2020</b>
Current and other assets	\$ 1,246,719	\$ 928,439
Capital assets, net of accumulated depreciation	597,485	577,465
Total assets	1,844,204	1,505,904
Deferred outflows of resources	-	-
Current liabilities	11,695	6,564
Long-term liabilities	-	-
Total liabilities	11,695	6,564
Deferred inflows of resources	-	-
Total net position	\$ 1,832,509	\$ 1,499,340

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Town exceeded liabilities and deferred inflows by \$1,832,509 as of June 30, 2021. The Town's net position *increased* by \$333,169 for the fiscal year ended June 30, 2021.

One particular aspect of the Town's financial operations which positively influenced the total unrestricted governmental net position is its diligence in the collection of property taxes by maintaining a tax collection percentage of 98.77%, excluding motor vehicles, which is comparable to the 2020 statewide average of 98.63% for municipalities like the Town in populations less than 500.

**Town of Dillsboro Changes in Net Position**  
**Figure 3**

	<b>Governmental Activities</b>	
	<b>2021</b>	<b>2020</b>
Revenues:		
Program Revenues:		
Charges for services	\$ 9,457	\$ 6,508
Operating grants and contributions	30,128	10,589
General Revenues:		
Property taxes	138,744	176,130
Other taxes	89,275	53,414
Unrestricted intergovernmental revenues	26,234	26,105
Unrestricted investment earnings	1,646	1,529
Miscellaneous	100	-
Total Revenues	295,584	274,275
Expenses:		
General government	112,558	77,368
Public safety	46,746	17,876
Transportation	64,141	37,089
Cultural and Recreation	56,958	56,012
Economic development	134,000	-
Total Expenses	414,403	188,345
Special item	451,988	-
Change in net position	333,169	85,930
Net position, July 1	1,499,340	1,413,410
Net position, June 30	<u>\$ 1,832,509</u>	<u>\$ 1,499,340</u>



**Governmental activities.** Governmental activities increased the Town's net position by \$333,169, thereby accounting for 100% of the total increase in the net position of the Town of Dillsboro. Management believes healthy investment in the Town will result in additional revenues, and in that vein add to the Town's net position.

Key elements of fiscal year 2021 are as follows:

- Increases in the revenues from local option sales and utility taxes.
- Receipt of the funds from the bridge contractor under the value engineering proposal in the amount of \$451,988.
- Payments totaling \$134,000 providing relief to businesses and revitalizing the Town's economy due to the COVID-19 pandemic and the NCDOT B-5905 project.

### **Financial Analysis of the Town Funds**

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

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

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, Town of Dillsboro fund balance available in the General Fund was \$1,184,069, while total fund balance is \$1,230,605. As a measure of the general fund's liquidity, it may be useful to compare both available fund balance and total fund balance to total fund expenditures. Available fund balance represents 272% of total General Fund expenditures. Total fund balance represents 283% of the same.

At June 30, 2021, the governmental funds of the Town of Dillsboro reported a fund balance of \$1,230,605, an increase from last year of \$327,294. This change in fund balance is a result of the general operations of the Town.

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

Revenues were more than the budgeted amounts in the majority of the categories. Expenditures were less than budgeted amounts in all categories, except for transportation. The most significant budget amendments were related to the revenue received from the bridge contractor and the expenditures for the "Reopen and Rebuild Dillsboro Plan" grant program.

### **Capital Asset and Debt Administration**

**Capital Assets** – The Town's investment in capital assets for its governmental activities as of June 30, 2021, totals \$597,485 (net of accumulated depreciation). These assets include buildings, land, the Monteith Community Park, historical treasures, roads and sidewalks.

Major capital asset transactions during the year included the following additions:

- Repaving Hemlock and Reservoir Streets
- Purchase of the post office boxes from the original Dillsboro postal office as a historical treasure.

**Town of Dillsboro's Capital Assets**  
**(net of accumulated depreciation)**  
**Figure 4**

	<b>Government Activities</b>	
	<b>2021</b>	<b>2020</b>
Land and other non-depreciable assets	\$ 173,886	\$ 173,886
Rental house	60,794	63,689
Streets and easements	52,822	16,773
Historical treasures	10,674	-
Parks	299,309	323,117
Net capital assets, June 30	<u>\$ 597,485</u>	<u>\$ 577,465</u>

### **Long-term Debt**

As of June 30, 2021, the Town had no outstanding debt.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the Town is \$4,020,492.

### **Economic Factors**

The Town of Dillsboro has always been a popular tourism location in Western North Carolina. The business owners work diligently to attract visitors to the Town with special events. The retail shops in the Town contain primarily hand-made crafts and quality gifts. The restaurants are all locally owned and operated. Each year the Town plans to host four special events, with the last being the major event, the Holiday luminaries. Town sponsored events and other festivals held within the Town have been affected by the COVID-19 pandemic, with decreased vendor participation and attendance. However, the Town intends to continue to host the annual events and encourage the festivals, within appropriate precautions.

### **Budget Highlights for the Fiscal Year Ending June 30, 2022**

Governmental Activities: Operational revenues and expenditures for the Town are expected to stay consistent. The fiscal year 2022 budget is \$231,201.

### **Requests for Information**

This report is designed to provide an overview of the Town 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 Clerk, Town of Dillsboro, PO Box 1088, Dillsboro, NC 28725.

## **BASIC FINANCIAL STATEMENTS**

**Town of Dillsboro, North Carolina**  
**Statement of Net Position**  
**June 30, 2021**

**Exhibit 1**

	<u><b>Primary Government Governmental Activities</b></u>
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 1,195,764
Taxes receivable (net)	4,419
Due from other governments	36,951
Restricted cash and cash equivalents	9,585
Total current assets	<u>1,246,719</u>
Capital assets:	
Land and other non-depreciable assets	173,886
Other capital assets, net of depreciation	423,599
Total capital assets	<u>597,485</u>
Total assets	<u>1,844,204</u>
<b>Deferred Outflows of Resources</b>	<u>-</u>
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	11,695
Total liabilities	<u>11,695</u>
<b>Deferred Inflows of Resources</b>	<u>-</u>
<b>Net Position</b>	
Net investment in capital assets	597,485
Restricted for:	
Stabilization by State statute	36,951
Streets	9,585
Unrestricted	1,188,488
Total Net Position	<u><u>\$ 1,832,509</u></u>

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

**Town of Dillsboro, North Carolina**  
**Statement of Activities**  
**For the Year Ended June 30, 2021**

**Exhibit 2**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
<b>Primary government:</b>				
Governmental Activities:				
General government	\$ 112,558	\$ 9,457	\$ 24,359	\$ (78,742)
Public safety	46,746	-	-	(46,746)
Transportation	64,141	-	5,769	(58,372)
Cultural and recreation	56,958	-	-	(56,958)
Economic development	134,000	-	-	(134,000)
Total primary government	<u>\$ 414,403</u>	<u>\$ 9,457</u>	<u>\$ 30,128</u>	<u>(374,818)</u>
General revenues:				
Property taxes, levied for general purpose				138,744
Other taxes				89,275
Unrestricted intergovernmental revenues				26,234
Unrestricted investment earnings				1,646
Miscellaneous				100
Total general revenues, excluding special items				<u>255,999</u>
Special item - payment received under value engineering proposal				<u>451,988</u>
Change in net position				333,169
Net position, beginning				<u>1,499,340</u>
Net position, ending				<u>\$ 1,832,509</u>

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

**Balance Sheet**  
**Governmental Funds**  
**June 30, 2021**

	<u><b>Major Funds</b></u> <u><b>General Fund</b></u>
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 1,195,764
Receivables, net:	
Taxes	4,419
Due from other governments	36,951
Restricted cash and cash equivalents	<u>9,585</u>
 Total assets	 <u><u>\$ 1,246,719</u></u>
 <b>Liabilities</b>	
Current liabilities:	
Accounts payable	<u>\$ 11,695</u>
Total current liabilities	<u>11,695</u>
 <b>Deferred Inflows of Resources</b>	
Property taxes receivable	<u>4,419</u>
 <b>Fund Balances</b>	
Restricted:	
Stabilization by State statute	36,951
Streets	9,585
Unassigned	<u>1,184,069</u>
Total fund balances	<u><u>\$ 1,230,605</u></u>
 Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:	
Capital assets use in governmental activities are not financial resources and therefore are not reported in funds.	   597,485
 Liabilities for earned deferred revenues considered deferred inflows in fund statements.	   4,419
	   <u><u>\$ 1,832,509</u></u>

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



**Town of Dillsboro, North Carolina**  
**Statement of Revenue, Expenditures, and Changes in Fund Balance**  
**Governmental Fund**  
**For the Year Ended June 30, 2021**

**Exhibit 4**

	<u><b>Major Funds</b></u>
	<u><b>General Fund</b></u>
<b>Revenues</b>	
Ad valorem taxes	\$ 152,890
Other taxes	89,275
Unrestricted intergovernmental revenues	26,234
Restricted intergovernmental revenues	30,128
Licenses and permits	315
Sales and services	9,142
Investment earnings	1,646
Miscellaneous	100
Total revenues	<u>309,730</u>
<b>Expenditures</b>	
Current:	
General government	120,338
Public safety	46,746
Transportation	100,193
Cultural and recreational	33,147
Economic development	134,000
Total expenditures	<u>434,424</u>
Revenues over (under) expenditures	(124,694)
Other financing sources (uses)	
Payment received from Value Engineering Proposal	<u>451,988</u>
Net change in fund balance	327,294
Fund balances	
Beginning of year, July 1	<u>903,311</u>
End of year, June 30	<u><u>\$ 1,230,605</u></u>

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

**Town of Dillsboro, North Carolina**  
**Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balance**  
**of the Governmental Fund to the Statement of Activities**  
**For the Year Ended June 30, 2021**

**Exhibit 5**

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

Net changes in fund balance - total governmental fund	\$	327,294
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimate useful lives and reported as depreciation expense.

Capital outlay expenditures, which were capitalize	50,014		
Depreciation expense	<u>(29,994)</u>		20,020

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		<u>(14,145)</u>
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Total change in net position of governmental activities	\$	<u><u>333,169</u></u>
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The accompanying notes are an integral part of these financial statements.

**Town of Dillsboro, North Carolina**  
**Statement of Revenue, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2021**

	<b>Original</b>	<b>Final</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
Revenues:				
Ad valorem taxes	\$ 124,447	\$ 124,447	\$ 152,890	\$ 28,443
Other taxes	35,000	35,000	89,275	54,275
Unrestricted intergovernmental revenues	26,000	26,000	26,234	234
Restricted intergovernmental revenues	5,953	29,947	30,128	181
Licenses and permits	200	200	315	115
Sales and services	8,700	8,700	9,142	442
Investment earnings	500	500	1,646	1,146
Miscellaneous	-	-	100	100
Total revenues	<u>200,800</u>	<u>224,794</u>	<u>309,730</u>	<u>84,936</u>
Expenditures:				
General government	74,954	352,135	120,338	231,797
Public safety	30,044	45,144	46,746	(1,602)
Transportation	62,502	111,602	100,193	11,409
Cultural and recreational	33,300	33,900	33,147	753
Economic development	-	134,000	134,000	-
Total expenditures	<u>200,800</u>	<u>676,781</u>	<u>434,424</u>	<u>242,357</u>
Revenues over (under) expenditures	-	(451,987)	(124,694)	327,293
Other financing sources (uses):				
Payment received from Value Engineering Proposal	-	451,987	451,988	1
Fund balance appropriated	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	327,294	<u>\$ 327,294</u>
Fund balances				
Beginning of year, July 1			<u>903,311</u>	
End of year, June 30			<u>\$ 1,230,605</u>	

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

**Town of Dillsboro, North Carolina**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2021**

**Note 1 – Summary of Significant Accounting Policies**

The accounting policies of the Town of Dillsboro, North Carolina (the Town) conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant accounting policies:

**A. Reporting Entity**

The Town is a municipal corporation located in Jackson County, which is governed by an elected mayor and a five-member Board of Alderpersons. There are no agencies, boards, commissions, or authorities controlled by or financially dependent on the Town.

**B. Basis of Presentation**

*Government-wide Statements:* The statement of net position and the statement of activities display information about the Town. These statements include the financial activities of the Town. These statements present governmental activities that generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues 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. 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. A separate statement for the governmental fund is presented. The Town has no fiduciary funds to report. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The Town has one major governmental fund, the General Fund. The Town does not have any enterprise funds.

The Town reports the following major governmental fund:

**General Fund.** The General Fund is the general operating fund of the Town. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are advalorem taxes and

State-shared revenues. The primary expenditures are for public safety, transportation, and general government services.

### **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 Financial Statements.* The government-wide financial statements are reported using the economic resources measurement focus and 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. Nonexchange 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.

*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 90 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 utilities franchise 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 Dillsboro because the tax is levied by Jackson 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. 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 are 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.

#### **D. Budgetary Data**

The Town's budget is adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General 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 departmental level for all annually budgeted funds. The governing board must approve any revision of the original budget. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

##### **Deposits and Investments**

All deposits of the Town are made in board-designated official depositories and are secured as required by State law (G.S. 159-31). The Town may designate, as an official depository, any bank or saving association whose principal office is located in North Carolina. Also, the Town 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 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 nonguaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Cash Management Trust (NCCMT). The Town's investments are reported at fair value. Non-participating interest earning contracts are accounted for at cost. The NCCMT Government Portfolio, a SEC-registered (2a-7) external investment pool, is measured at fair value. Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months.

### **Cash and Cash Equivalents**

The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

### **Restricted Assets**

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

<u>Town of Dillsboro Restricted Cash</u>	
Governmental Activities:	
General Fund	
Streets	<u>\$ 9,585</u>

### **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 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however interest does not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2020.

### **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.

### **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 to July 1, 2004, consist of road network and water and sewer system assets that were acquired or that received substantial improvements subsequent to July 1, 1980, and are reported at historical cost using the values as previously reported in the general fixed asset account group. 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:

<b>Asset Class</b>	<b>Estimated Useful Lives</b>
Infrastructure	30
Buildings	50
Rental house	25
Improvements	25
Vehicles	6
Historical Treasures	30
Furniture and equipment	10
Computer equipment	3

### **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 does not have any items that meet this criterion. 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 one item that meets the criterion for this category – property taxes receivable.

### **Net Position**

Net position in government-wide 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.



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

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

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

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

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

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

## **Note 2 – Stewardship, Compliance and Accountability**

### **Excess of Expenditures over Appropriations**

For the fiscal year ended June 30, 2021, the actual expenditures in the Town's general government, public safety, transportation and cultural and recreation departments exceeded the authorized appropriations made by the governing board. Overall total expenditures were less than budget. The Board will more closely review the budget reports for line item variances to ensure compliance in future years.

## **Note 3 – Detail Notes on All Funds**

### **A. Assets**

#### **Deposits**

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

On June 30, 2021, the Town's deposits had a carrying amount of \$1,205,349 and a bank balance of \$1,208,671. Of the bank balance, \$493,938 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method.

## **Receivables – Allowances for Doubtful Accounts**

The amounts in the Balance Sheet and the Statement of Net Position for receivables are net of the following allowances for doubtful accounts:

Taxes receivable \$ 643

## **Capital Assets**

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

	<b><u>Beginning Balances</u></b>	<b><u>Increases</u></b>	<b><u>Decreases</u></b>	<b><u>Ending Balances</u></b>
Governmental activities:				
Capital assets not being depreciated:				
Land	<u>\$ 173,886</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 173,886</u>
Total capital assets not being depreciated	<u>173,886</u>	<u>-</u>	<u>-</u>	<u>173,886</u>
Capital assets being depreciated:				
Improvements	8,200	-	-	8,200
Office furnishings	6,375	-	-	6,375
Historical treasures	-	10,764	-	10,764
Rental house	72,374	-	-	72,374
Sidewalks	24,305	-	-	24,305
Streets and easements	81,222	39,250	-	120,472
Parks	<u>667,964</u>	<u>-</u>	<u>-</u>	<u>667,964</u>
Total capital assets being depreciated	<u>860,440</u>	<u>50,014</u>	<u>-</u>	<u>910,454</u>
Less accumulated depreciation for:				
Improvements	8,200	-	-	8,200
Office furnishings	6,375	-	-	6,375
Historical treasures	-	90	-	90
Rental house	8,685	2,895	-	11,580
Sidewalks	24,303	-	-	24,303
Streets and easements	64,451	3,198	-	67,649
Parks	<u>344,847</u>	<u>23,811</u>	<u>-</u>	<u>368,658</u>
Total accumulated depreciation	<u>456,861</u>	<u>29,994</u>	<u>-</u>	<u>486,855</u>
Total capital assets being depreciated, net	<u>403,579</u>			<u>423,599</u>
Governmental activity capital assets, net	<u>\$ 577,465</u>			<u>\$ 597,485</u>

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

General government	\$ 2,985
Transportation	3,198
Cultural and recreation	<u>23,811</u>
	<u>\$29,994</u>

## **B. Liabilities**

### **Pension Plan Obligations**

The Town does not employ anyone on a full-time basis and, accordingly, does not participate in any of the retirement plans provided through the State of North Carolina.

### **Deferred Inflows of Resources**

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

Source	Amount
Property taxes receivable	\$ 4,419

### **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	<u>\$ 1,230,605</u>
Less:	
Stabilization by State Statute	36,951
Streets-Powell Bill	<u>9,585</u>
Remaining Fund Balance	<u><u>\$ 1,184,069</u></u>

### **Risk Management**

The Town is exposed to various risks of loss related to torts; theft of, damages to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town participates in a self-funded risk-financing pool administered by the North Carolina League of Municipalities. Through the pool, the Town obtains general liability, employment practices liability, employee benefits liability and public officials liability of \$5 million per occurrence and in the aggregate. Also, auto liability for non-owned and hired of \$5 million in coverage. Property coverage and automobile physical damage coverage is up to the total insured values of the property. Computer and media coverage, including fine arts, is up to \$50,000, and workers' compensation coverage up to statutory limits. The liability and property exposures are reinsured through commercial carriers for claims in excess of retentions as selected by the Board of Trustees each year. Stop loss insurance is purchased by the Board of Trustees to protect against large medical claims that exceed certain dollar cost levels. Specific information on the limits of the reinsurance, excess and stop loss policies purchased by the Board of Trustees can be obtained by contacting the Risk Management Services Department of the NC League of Municipalities. The pools are audited annually by certified public accountants, and the audited financial statements are available to the Town upon request. Settled claims have not exceeded coverage in any of the last three fiscal years.

The Town does not carry flood insurance.

In accordance with G.S. 159-29, the Town's employees that have access to \$100 or more of the Town's funds at any given time are performance bonded through the North Carolina League of Municipalities. The finance officer is bonded for \$50,000.

### **State Assisted Programs**

The Town has received proceeds from 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 monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

### **C. Leasing Activities**

In 2010, the Town constructed a single family home with Community Development Block Grant (CDBG) funds in the Town's East Dillsboro Revitalization program. At the time of the home's construction, the homeowner was to receive forgiveness of the debt on the home at the end of ten years. The occupant of the home died in 2013. In 2016, the heirs to the estate conveyed the property to the Town via a deed in lieu of foreclosure. In fiscal year 2020, the Town reach the ten year period for complete forgiveness of the debt. The Town entered into a lease with a tenant on February 1, 2020, that will continue on a month to month basis. The monthly rental amount is \$525. The property has a carrying value of \$94,958 and accumulated depreciation of \$11,580. The Town collected rental income of \$6,677 during fiscal year 2021.

### **D. Agreements with the Appalachian Women's Museum**

On January 25, 2019, the Town transferred, by warranty deed for the sum of \$10, a building and 1.14 acres of land in Monteith Community Park to the Appalachian Women's Museum (the Museum), a nonprofit organization. By terms of the agreement, if the Museum ceases to exist or ceases to use the property for the women's museum, the property will immediately revert back to the Town.

The Town entered into a lease and use agreement with the Museum to lease an additional 2.20 acres of land. The initial term of the lease is for five years, commencing on February 1, 2019 and continuing until January 31, 2024. A five year extension of time is available to the Museum at the end of the initial five year term, giving the ability to extend until January 31, 2029. The annual lease is \$1.

### **E. Contract Commitment**

The Town entered into a contract to develop a land use plan. The estimated contract amount is \$35,165, with \$4,688 incurred as of June 30, 2021, leaving a remaining commitment of \$30,477.

## **F. Special Item**

In August 2020, the Town received \$451,988 from Wright Brothers Construction Company. These funds are the result of negotiation between the Company and the N.C. Department of Transportation (NCDOT) related to the Haywood Road bridge replacement project (NCDOT B-5905), which is within the Town limits. The Company approached the Town in April 2020 to see if the Town would agree to a Value Engineering Proposal (VEP) related to the project. By changing some of the original plans, it was estimated that approximately \$3 million of the original project cost could be saved. The Company was to split that savings equally with the NCDOT. From the Company share, thirty percent (30%) was to be paid to the Town, by the Company.

Subsequent to the receipt of these funds, the Town created the “Reopen and Rebuild Dillsboro Plan”, which is a multi-phased approach for providing relief to businesses and revitalizing the Town’s economy that has been affected by the onset of the COVID-19 pandemic and the NCDOT B-5905 project. Grant awards were made through an application process and totaled \$134,000 for the year ended June 30, 2021.

## **G. Subsequent Events**

On July 13, 2021, the Town received the first distribution of grant funding in the amount of \$39,519 through the Coronavirus State and Local Fiscal Recovery Fund of H.R. 1316 American Rescue Plan of 2021. The Town expects to receive, at a minimum, a total of \$79,037 from this funding.

Subsequent events have been reviewed through November 30, 2021, which is the date the financial statements were available to be issued.

## **INDIVIDUAL FUND SCHEDULE**

**Town of Dillsboro, North Carolina**  
**Schedule of Revenue, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Ad valorem taxes			
Taxes - current year	\$ 101,427	\$ 105,790	\$ 4,363
Taxes - prior year	3,000	17,655	14,655
Fire tax assessment	19,320	22,441	3,121
Penalties and interest	700	7,004	6,304
Total ad valorem taxes	<u>124,447</u>	<u>152,890</u>	<u>28,443</u>
Other taxes			
Local option sales tax	<u>35,000</u>	<u>89,275</u>	<u>54,275</u>
Total other taxes	<u>35,000</u>	<u>89,275</u>	<u>54,275</u>
Unrestricted intergovernmental revenues			
Franchise/natural gas/telecommunications tax	25,000	25,269	269
Beer and wine tax	<u>1,000</u>	<u>965</u>	<u>(35)</u>
Total unrestricted intergovernmental revenues	<u>26,000</u>	<u>26,234</u>	<u>234</u>
Restricted intergovernmental revenues			
Powell Bill "State Street-Aid" allocation	5,953	5,769	(184)
Grants	<u>23,994</u>	<u>24,359</u>	<u>365</u>
Total restricted intergovernmental revenues	<u>29,947</u>	<u>30,128</u>	<u>181</u>
Licenses and permits			
Other permits	<u>200</u>	<u>315</u>	<u>115</u>
Total licenses and permits	<u>200</u>	<u>315</u>	<u>115</u>
Sales and services			
Rental fees	<u>8,700</u>	<u>9,142</u>	<u>442</u>
	<u>8,700</u>	<u>9,142</u>	<u>442</u>
Investment earnings	<u>500</u>	<u>1,646</u>	<u>1,146</u>
Miscellaneous	<u>-</u>	<u>100</u>	<u>100</u>
Total revenues	<u>224,794</u>	<u>309,730</u>	<u>84,936</u>



**Town of Dillsboro, North Carolina**  
**Schedule of Revenue, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures:			
General government:			
Governing body:			
Professional fees	\$ 14,900	\$ 10,031	\$ 4,869
Board member	2,400	2,130	270
Insurance	9,205	9,205	-
Capital improvements	227,881	-	227,881
Dues and publications	900	786	114
Merchants association	3,500	3,053	447
Christmas lights/luminaires	3,000	2,505	495
Miscellaneous	500	894	(394)
Total	<u>262,286</u>	<u>28,604</u>	<u>233,682</u>
Administration:			
Salaries and wages	25,800	26,944	(1,144)
Payroll taxes	1,974	1,979	(5)
Advertising	675	675	-
Travel	100	-	100
Telephone and postage	2,500	2,350	150
Departmental supplies	4,500	5,070	(570)
Miscellaneous	32,300	36,132	(3,832)
Total	<u>67,849</u>	<u>73,150</u>	<u>(5,301)</u>
Tax department:			
Collection fees	3,100	3,315	(215)
Total	<u>3,100</u>	<u>3,315</u>	<u>(215)</u>
Public buildings:			
Contracted services	4,500	2,470	2,030
Miscellaneous	11,000	10,765	235
Supplies	1,000	735	265
Utilities	2,200	1,299	901
Repairs and maintenance	200	-	200
Total	<u>18,900</u>	<u>15,269</u>	<u>3,631</u>
Total general government	<u>352,135</u>	<u>120,338</u>	<u>231,797</u>

**Town of Dillsboro, North Carolina**  
**Schedule of Revenue, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Public safety:			
Fire contracted services	\$ 28,444	\$ 28,444	\$ -
Equipment	100	-	100
Contracted services-public safety	16,000	17,775	(1,775)
Supplies-public safety	600	527	73
Total public safety	<u>45,144</u>	<u>46,746</u>	<u>(1,602)</u>
Transportation:			
Utilities	16,000	14,915	1,085
Repairs and maintenance	5,200	141	5,059
Powell Bill	22,853	22,400	453
Parking lot rental	10,000	-	10,000
Departmental supplies	349	43	306
Contracted services	57,000	62,551	(5,551)
Miscellaneous	200	143	57
Total transportation	<u>111,602</u>	<u>100,193</u>	<u>11,409</u>
Cultural and recreational:			
Parks and recreation:			
Supplies	3,000	5,773	(2,773)
Contracted services	27,000	23,892	3,108
Utilities	3,900	3,482	418
Total cultural and recreational	<u>33,900</u>	<u>33,147</u>	<u>753</u>
Economic Development			
Reopen and Rebuild Dillsboro Grants	<u>134,000</u>	<u>134,000</u>	<u>-</u>
Total expenditures	<u>676,781</u>	<u>434,424</u>	<u>242,357</u>
Revenues over (under) expenditures	<u>(451,987)</u>	<u>(124,694)</u>	<u>327,293</u>
Other financing sources (uses):			
Payment received from Value Engineering Proposal	451,987	451,988	1
Fund balance appropriated	-	-	-
Total other financing sources (uses)	<u>451,987</u>	<u>451,988</u>	<u>1</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	327,294	<u>\$ 327,294</u>
Fund balances:			
Beginning of year, July 1		<u>903,311</u>	
End of year, June 30		<u>\$ 1,230,605</u>	

## **OTHER SCHEDULES**

**Town of Dillsboro, North Carolina**  
**General Fund**  
**Schedule of Ad Valorem Taxes Receivable**  
**June 30, 2021**

<b>Fiscal year</b>	<b>Uncollected Balance June 30, 2020</b>	<b>Additions</b>	<b>Collections and Credits</b>	<b>Uncollected Balance June 30, 2021</b>
2020-2021	\$ -	\$ 126,326	\$ 124,836	\$ 1,490
2019-2020	8,220		6,239	1,981
2018-2019	5,444		4,496	948
2017-2018	4,902		4,476	426
2016-2017	4,518	-	4,518	-
2015-2016	3,771	-	3,657	114
2014-2015	197	-	189	8
2013-2014	66	-	7	59
2012-2013	11	-	4	7
2011-2012	44	-	15	29
2010-2011	11	-	11	-
	<u>\$ 27,184</u>	<u>\$ 126,326</u>	<u>\$ 148,448</u>	<u>\$ 5,062</u>
Less: allowance for uncollectible accounts - general fund				<u>643</u>
Ad valorem taxes receivable - net				<u>\$ 4,419</u>
<u>Reconcilement with revenues</u>				
Ad valorem taxes - general fund				\$ 152,890
Less: Interest collected				(7,004)
Writeoffs				29
Refunds				2,533
Total collections and credits				<u>\$ 148,448</u>

**Town of Dillsboro, North Carolina**  
**Analysis of Current Tax Levy**  
**For the Year Ended June 30, 2021**

	Town-Wide Levy			Total Levy	
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxes at current year's rate	50,560,629	\$ 0.21	\$ 106,177	\$ 101,497	\$ 4,680
Fire tax at current year's rate		\$ 0.04	20,149	19,258	891
Total	<u>50,560,629</u>		<u>126,326</u>	<u>120,755</u>	<u>5,571</u>
Releases	<u>-</u>		<u>-</u>	<u>-</u>	<u>-</u>
Total property valuation	<u><u>50,560,629</u></u>				
Net levy			126,326	120,755	5,571
Uncollected taxes at June 30, 2021			<u>(1,490)</u>	<u>(1,490)</u>	<u>-</u>
Current year's taxes collected			<u>\$ 124,836</u>	<u>\$ 119,265</u>	<u>\$ 5,571</u>
Current levy collection percentage			<u>98.82%</u>	<u>98.77%</u>	<u>100.00%</u>