

Town of Weaverville, North Carolina
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2015





Town of Weaverville, North Carolina
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2015

Town Council
(As of June 30, 2015)

Dottie Sherrill, Mayor
John Penley, Vice-Mayor
Walt Currie
Doug Dearth
Doug Jackson
Gene Knoefel

Interim Town Manager
Michael J. Morgan

Finance Officer
Courtney V. Banks

Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2015
Town of Weaverville, North Carolina

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Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of Weaverville
North Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO



Dottie Sherrill, *Mayor*

Town of Weaverville

A Good Place For Your Home

P.O. BOX 338 • WEAVERVILLE, NC 28787

(828) 645-7116 • Fax (828) 645-4776

Website: www.weavervillenc.org

Walter Currie
Council Member

Doug Dearth
Council Member

Gene Knoefel
Council Member

John Penley
Council Member

Doug Jackson
Council Member

Letter of Transmittal

October 26, 2015

**To the Honorable Mayor Sherrill, members of the Weaverville
Town Council and the Citizens of the Town of Weaverville:**

The Local Government Commission of the North Carolina State Treasurer's Office requires all general purpose local governments to file with their office by October 31 of each year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Town of Weaverville, North Carolina for the fiscal year ending June 30, 2015.

The report consists of management's representations concerning the finances of the Town of Weaverville. Management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient information for the preparation of the Town of Weaverville's financial statements in conformity with GAAP. The Town of Weaverville's internal control framework has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The financial statements contained herein have been audited by Gould Killian CPA Group, P.A., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Weaverville for the fiscal year ended June 30, 2015 are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used; and evaluating the overall financial

statement presentation. The independent audit for the fiscal year ended June 30, 2015 concluded that there was reasonable basis for rendering an unmodified opinion of the Town of Weaverville's financial statements and that they are fairly presented in conformity with GAAP.

The independent auditor's report is presented as the first component of the financial section of this report. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statement in the Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

Town Profile

Weaverville is located in the mountains of Western North Carolina in the northern section of Buncombe County 10 miles north of Asheville. The town is situated on a ridge that borders the picturesque Reems Creek Valley shadowed by the Blue Ridge Mountains. This mountainous area was settled more than two hundred years ago by courageous pioneers who came to build homes and farm the land. In 1875 the town was officially founded.

Weaverville prides itself in providing its current population of 3,800 citizens with convenient and reliable city services while maintaining its small town friendly atmosphere. The full range of services include police and fire protection; garbage and recycling collection; street maintenance; parks and recreation; water production and distribution.

Demographic Characteristics

The United States Department of Commerce, Bureau of the Census, has recorded the population of the Town to be as follows:

<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>2010</u>
1,495	2,107	2,517	3,120

The North Carolina Office of State Budget and Management has estimated the population of the Town to be 3,800 as of July 2014.

Population growth remains a consistent and stable contributor to the local economy. The Town's population has increased by 20.61% since the 2010 census. The Town continues to grow with over 200 residential units either approved or in some phase of the development review process. This has the potential to increase the Town's population by another 450 residents or 11.95%. The Town has an ample water supply, as the Lawrence T. Sprinkle Jr. Water Treatment Facility is operating at less than 50% capacity, which means that the Town can support continued growth in the residential sector.

As these additional residential units are completed and the population grows, Town staff believes that this will lead to further growth in the commercial sector. There has been some modest growth in this sector over the last several years, but there are still a number of vacant sites available in commercial developments in the Town. As our population increases the demand for additional retail should grow which will lead to further development of these projects.

Governmental Structure

The Town of Weaverville has a council/manager form of government. Policy making and legislative authority are vested in the governing Board of Town Council consisting of a mayor and five council members that serve staggered four-year terms. The Town Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the Town Manager and Town Attorney. The Town Manager is responsible for carrying out the policies and ordinances of the Town Council and for overseeing the day-to-day operations of the government.

Vision for the Town of Weaverville, North Carolina

The Weaverville Town Council has established the following "Vision of the Town":

Weaverville will strive to retain its small town atmosphere, while actively managing the growth that is inevitable near a large city.

Our town will be attractive to both young and old with a wide range of housing choices. We will reserve areas for neighborhoods and businesses while buffering one from the other. We seek an attractive town that is well-landscaped and accessible to pedestrians.

We will create a favorable atmosphere for the right types of business and industry, those that are environmentally friendly and provide a good living for our residents.

Services Provided By the Town of Weaverville

The following services were provided by the Town during the past year.

Administration:

- Professional Services
- Zoning and Subdivision Enforcement Water Administration
- Tax Collection
- Finance

Police:

- Patrol
- Criminal Investigation
- Auxiliary Force
- Community Policing

Fire:

- Fire Suppression
- Investigations/Inspections First Responder
- Public Education
- Training/Safety

Public Works:

Sanitation

Curbside Garbage Collection Curbside
Recycling
Appliance Collection
Recycle Collection
Leaf Collection
Brush Collection

Streets:

Street and Sidewalk Construction Asphalt Patching
Street Cleaning
Storm Drainage
Right of Way Mowing
Parking Lot Maintenance
Snow and Ice Removal
Street Lighting

Recreation:

Lake Louise
Park Lake Aeration

Water Department:

Water Treatment
Water System Distribution
Water Service Installation
Water Billing
Water Operation, Administration,
Maintenance Cross-Connection Control

Strategic Long-Term Planning Goals

These Goals were established by the Weaverville Town Council:

- ◆ To provide for orderly government and the provision of high quality services.
- ◆ Promote the stability of existing residential neighborhoods while fostering a diversity of housing opportunities.
- ◆ Promote diverse economic development in keeping with the Town's residential character and the environment.
- ◆ Provide, support and encourage a high quality of life for the Town of Weaverville.

Budget Process

The annual budget serves as the foundation of the Town of Weaverville's financial planning and control. All departments are required to submit requests to the manager, as the budget officer per State law, on or before the last day of April of each year. The manager then uses these requests as the starting point for developing a proposed budget which must be submitted to the Town Council by each June 1. The board is required to hold at least one public hearing on the proposed budget and must adopt a final budget by no later than each June 30, the close of the fiscal year. The appropriated budget ordinance, as amended by the governing body, creates a legal limit on spending authorizations. For the Town of Weaverville, annual budgets are adopted for the General and Enterprise funds. Multiyear project ordinances are adopted for all Capital Projects funds. For internal accounting purposes, budgetary control is maintained by line item

account (Object class).

Factors Affecting Weaverville's Financial Condition

Population growth remains a consistent and stable contributor to the local economy. The Town's population has increased by 20.61% since the 2010 census. The Town continues to grow with over 200 residential units either approved or in some phase of the development review process. This has the potential to increase the Town's population by another 450 residents or 11.95%. The Town has an ample water supply, as the Lawrence T. Sprinkle Jr. Water Treatment Facility is operating at less than 50% capacity, which means that the Town can support continued growth in the residential sector.

As these additional residential units are completed and the population grows, Town staff believes that this will lead to further growth in the commercial sector. There has been some modest growth in this sector over the last several years, but there are still a number of vacant sites available in commercial developments in the Town. As our population increases the demand for additional retail should grow which will lead to further development of these projects.

The Asheville-Buncombe MSA has the lowest unemployment rate of any MSA in NC. We have seen continued year over year job growth in almost all sectors of the economy in our area. In Weaverville we have announcements from a nonprofit and also a grocery store concerning the opening of new facilities. We believe that these are good signs for continued growth.

The Town continues to be concerned about the future of Arvato Digital Services. Arvato is the largest producer of DVD's and CD's in the world, but as more and more people get their music and movies delivered from the cloud this is not a sustainable business model. Arvato is and has been the Town's largest tax payer since their annexation into the Town and so the Town is concerned about their future. For this reason that Town has begun to grow its economic development program and is working to bring more manufacturers to our community.

Conclusion:

The economy in the Asheville region is growing at a much faster pace than the economy of North Carolina in general. This should benefit Weaverville and lead to continued growth in the housing and retail markets. While we expect growth to continue and even accelerate, the Town will have to continue to watch the situation with Arvato as it could have significant impact on the Town's finances. We will continue to work to keep our expenses as low as possible and collect our property taxes at a high rate to avoid reductions in service.

Debt Administration

On May 23, 2005 Moody's Investors Service assigned an initial A2 rating to the Town of Weaverville's general obligation refunding bonds. The A2 rating reflects the small tax base with some concentration in a single taxpayer, the solid local economy, healthy finances with high level of reserves, and a manageable debt burden.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Weaverville for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2014. This was the nineteenth year

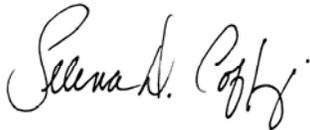
that the Town has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

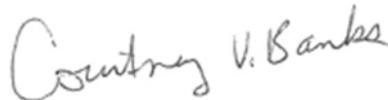
For nineteen consecutive years the Town has received the Government Finance Officers Association Award for Distinguished Budgetary Presentation.

We would like to express our appreciation to each of the Weaverville Town Staff members who assisted in the preparation of this report. We also thank the Weaverville Town Council for their continued support for maintaining the highest standard of professionalism in the management of the Town of Weaverville's finances.

Respectively submitted,

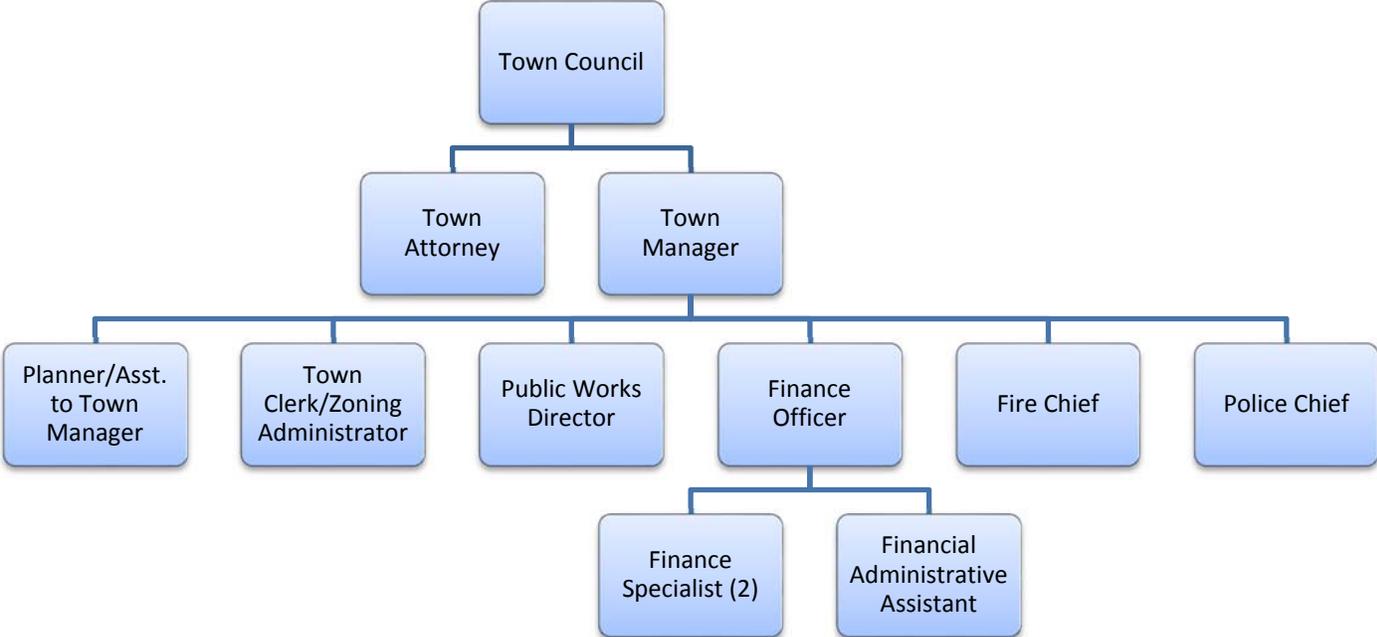


Selena D. Coffey
Town Manager

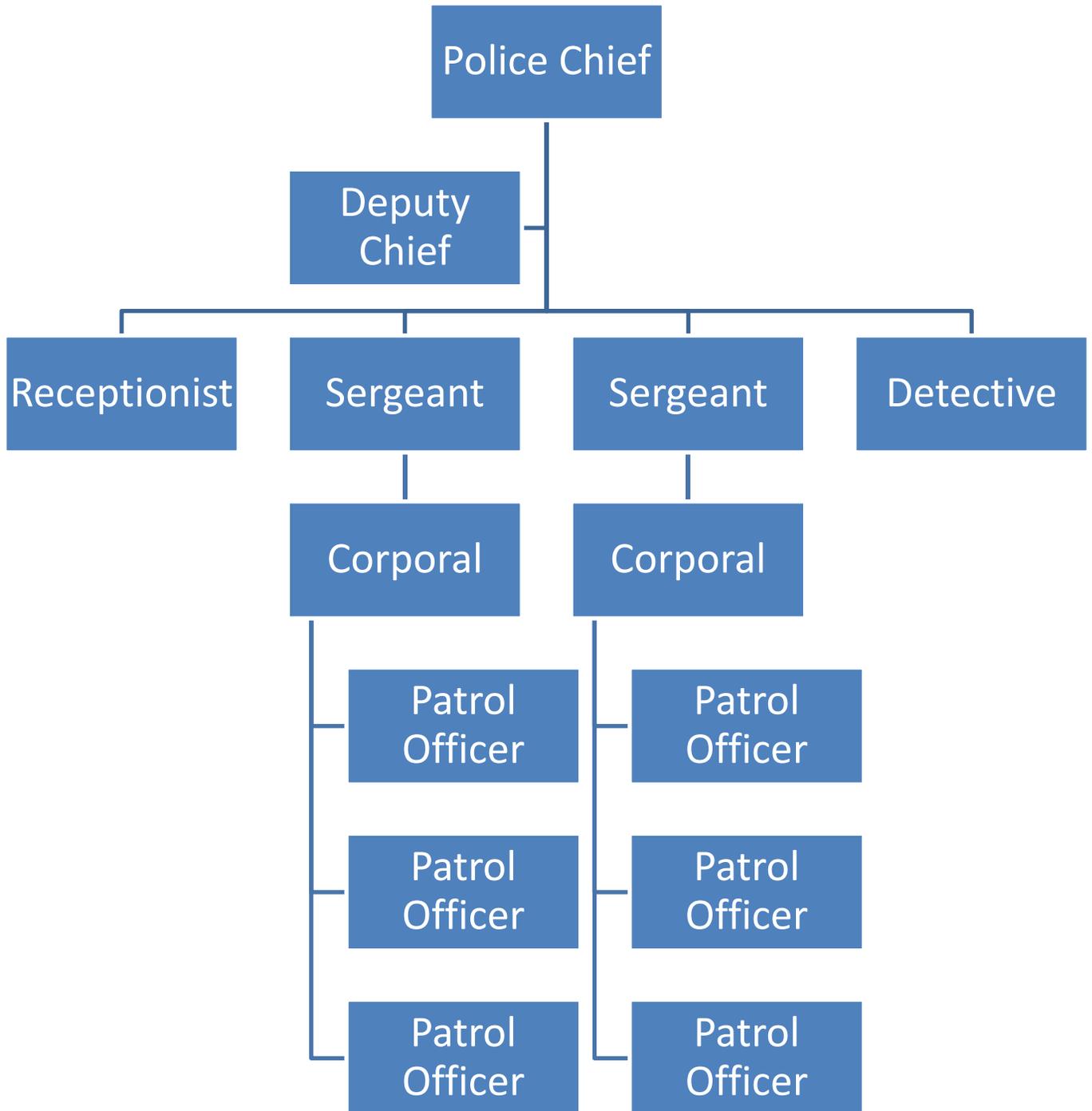


Courtney V. Banks
Finance Officer

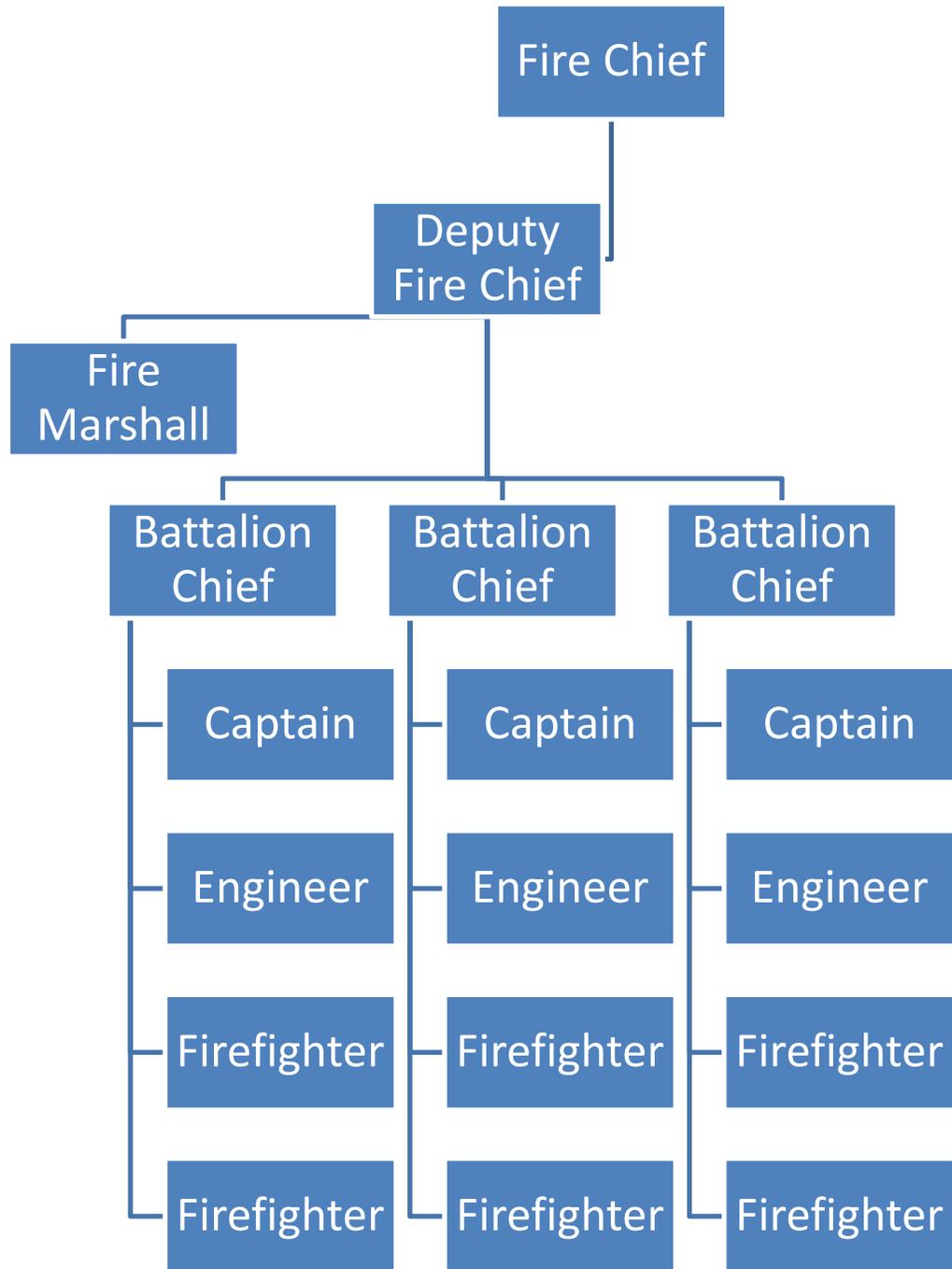
Administration
Organizational Chart



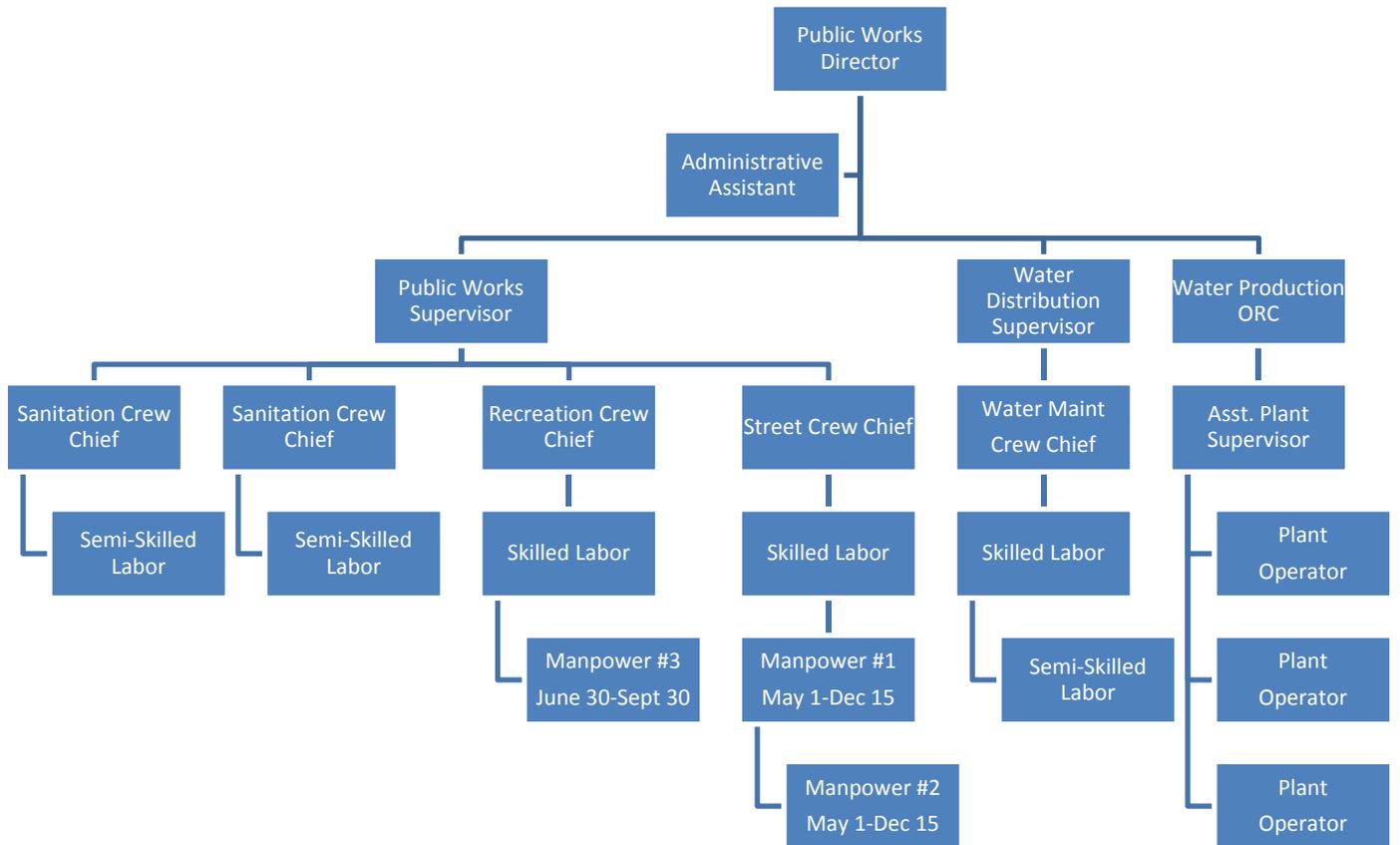
Police Department
Organizational Chart



Fire Department
Organizational Chart



Public Work Department
Organizational Chart



TOWN OF WEAVERVILLE

Principal Officials

TOWN COUNCIL

Dottie Sherrill, Mayor
John Penley, Vice-Mayor
Walt Currie
Gene Knoeful
Doug Dearth
Doug Jackson

TOWN ATTORNEY

Rebecca Reinhardt

TOWN MANAGER

Selena D. Coffey

FINANCE OFFICER

Courtney V. Banks

PUBLIC WORKS DIRECTOR

Anthony Laughter

FIRE DEPARTMENT CHIEF

Terry A. Malone

POLICE DEPARTMENT CHIEF

Gregory Stephens



**GOULD KILLIAN
CPA GROUP, P.A.**
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To the Honorable Mayor
and Members of the Town Council
Weaverville, 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 unit, and each major fund of the Town of Weaverville, North Carolina, as of and for the year ended June 30, 2015, 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 did not audit the financial statements of the Town of Weaverville ABC Board. Those statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Town of Weaverville ABC Board, is based solely on the report of another auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Town of Weaverville ABC Board (a component unit) were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in

the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles 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 and the report of the other auditors, 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 unit, and each major fund of the Town of Weaverville, North Carolina, as of June 30, 2015, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 16-24, the Law Enforcement Officers' Special Separation Allowance's and the Other Postemployment Benefits Schedules of Funding Progress and Schedules of Employer Contributions on pages 61-62 and 63-64, respectively, the Local Government Employees' Retirement System's schedules of the Proportionate Share of the Net Pension Asset and Contributions, on pages 65 and 66 respectively, 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 and the other auditors 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 Weaverville, North Carolina. The introductory information, individual fund financial statements, budgetary schedules, other schedules, and statistical section 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 and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of other auditors, 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.

The introductory information and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2015 on our consideration of the Town of Weaverville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Weaverville's internal control over financial reporting and compliance.

Donald Killian CPA Group, P.A.

Asheville, North Carolina

October 26, 2015

Management's Discussion and Analysis

As management of the Town of Weaverville, we offer readers of the Town of Weaverville's financial statements this narrative overview and analysis of the financial activities of the Town of Weaverville for the fiscal year ended June 30, 2015. 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

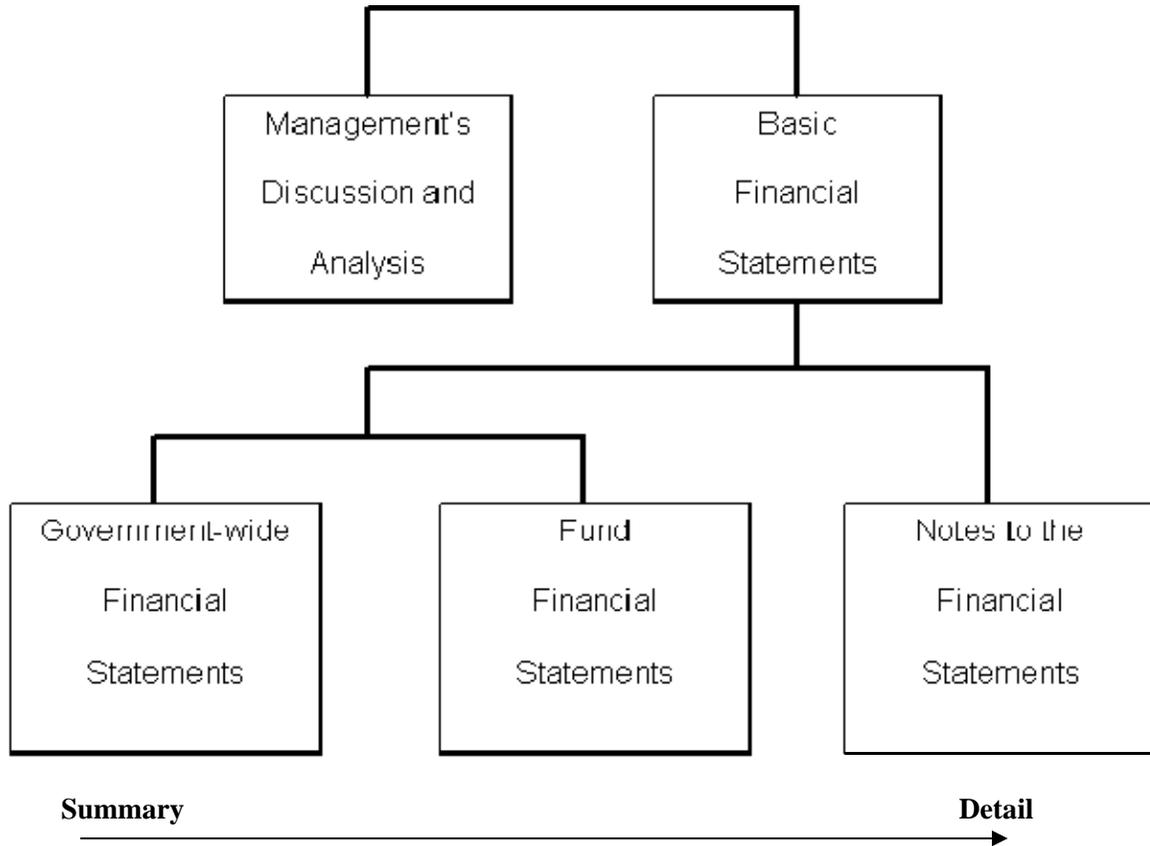
- The assets of the Town of Weaverville exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$20,483,360 (*net position*).
- The government's total net position decreased by \$163,549 which was the net result of a decrease of \$471,655 due to a GASB 68 restatement related to pensions and an increase of \$308,106 from current year activities attributable to a reduction in governmental activities operational expenses.
- As of the close of the current fiscal year, the Town of Weaverville's General Fund reported an ending fund balance of \$5,065,444, with a net increase of \$198,448 in fund balance. Approximately 14.5% of this total amount, or \$736,093, is restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$4,256,578, or 66.31% of total general fund expenditures for the fiscal year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Weaverville'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 Weaverville.

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 three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; and 3) the proprietary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the 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'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, parks and recreation, 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 services offered by the Town of Weaverville. The final category is the component unit. Although legally separate from the Town, the ABC Board is important to the Town. The Town exercises control over the Board by appointing its members and the Board is required to distribute its profits to the Town.

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 Weaverville, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of the Town of Weaverville can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if 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 of Weaverville adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the 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.

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

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 35 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Town of Weaverville’s progress in funding its obligation to provide pension and other postemployment benefits to its employees. Required supplementary information can be found beginning on page 61 of this report.

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.

Government-Wide Financial Analysis

The Town of Weaverville’s Net Position

Figure 2

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	(Restated)		(Restated)		(Restated)	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 5,576,820	\$ 5,038,921	\$ 2,992,835	\$ 2,815,187	\$ 8,569,655	\$ 7,854,108
Capital assets	10,440,978	10,284,249	8,532,813	8,810,078	18,973,791	19,094,327
Deferred outflows of resources	<u>175,795</u>	<u>173,461</u>	<u>40,728</u>	<u>40,187</u>	<u>216,523</u>	<u>213,648</u>
Total assets and deferred outflows of resources	<u>16,193,593</u>	<u>15,496,631</u>	<u>11,566,376</u>	<u>11,665,452</u>	<u>27,759,969</u>	<u>27,162,083</u>
Long-term liabilities outstanding	3,303,553	3,745,670	2,704,226	2,959,551	6,007,779	6,705,221
Other liabilities	155,866	163,580	126,556	111,900	282,422	275,480
Deferred inflows of resources	<u>802,563</u>	<u>6,128</u>	<u>183,845</u>	<u>-</u>	<u>986,408</u>	<u>6,128</u>
Total liabilities and deferred inflows of resources	<u>4,261,982</u>	<u>3,915,378</u>	<u>3,014,627</u>	<u>3,071,451</u>	<u>7,276,609</u>	<u>6,986,829</u>
Net position:						
Net investment in capital assets	8,050,186	7,993,996	5,984,535	6,138,248	14,034,721	14,132,244
Restricted	736,093	619,271	-	-	736,093	619,271
Unrestricted	<u>3,145,332</u>	<u>2,967,986</u>	<u>2,567,214</u>	<u>2,455,753</u>	<u>5,712,546</u>	<u>5,423,739</u>
Total net position	<u>\$ 11,931,611</u>	<u>\$ 11,581,253</u>	<u>\$ 8,551,749</u>	<u>\$ 8,594,001</u>	<u>\$ 20,483,360</u>	<u>\$ 20,175,254</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 Weaverville exceeded liabilities and deferred inflows by \$20,483,360 as of June 30, 2015. The Town’s net position decreased by \$163,549 for the fiscal year ended June 30, 2015, which was the net

result of a decrease of \$471,655 due to a GASB 68 restatement related to pensions and an increase of \$308,106 from current year activities. However, the largest portion (68.52%) reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment). The Town of Weaverville uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Weaverville'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 of Weaverville's net position, \$736,093, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$5,712,546 is unrestricted. Also, the Town of Weaverville implemented GASB Statement 68 this year. With the new reporting change, the Town is allocated its proportionate share of the Local Government Employees' Retirement System's net pension asset, deferred outflows of resources, deferred inflows of resources, and pension expense. A restatement to record the effects of the new reporting guidance decreased beginning net position by \$471,655. Decisions regarding the allocations are made by the administrators of the pension plan, not by the Town of Weaverville's management.

Several particular aspects 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 98.5% which is better than the statewide average of 97.42% for fiscal year 2014.
- Sale of capital assets in the General Fund resulted in an additional \$201,564 of funds.

Town of Weaverville's Changes in Net Position

Figure 3

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues:						
<i>Program revenues:</i>						
Charges for services	\$ 33,707	\$ 45,654	\$ 1,708,014	\$ 1,824,127	\$ 1,741,721	\$ 1,869,781
Operating grants and contributions	42,828	93,407	-	-	42,828	93,407
Capital grants and contributions	106,971	106,054	-	-	106,971	106,054
<i>General revenues:</i>						
Property taxes	2,780,914	2,671,601	-	-	2,780,914	2,671,601
Other taxes	1,108,108	1,097,423	-	-	1,108,108	1,097,423
Grants and contributions, not restricted to specific programs	1,669,515	1,611,206	-	-	1,669,515	1,611,206
Unrestricted investment earnings	4,800	5,953	3,994	6,732	8,794	12,685
Miscellaneous	13,114	105,127	-	-	13,114	105,127
Gain (loss) on sale of property	(58,767)	-	2,474	-	(56,293)	-
<i>Total revenues</i>	<u>5,701,190</u>	<u>5,736,425</u>	<u>1,714,482</u>	<u>1,830,859</u>	<u>7,415,672</u>	<u>7,567,284</u>
Expenses:						
General government	972,373	1,060,919	-	-	972,373	1,060,919
Public safety	3,187,340	3,181,904	-	-	3,187,340	3,181,904
Transportation	411,294	459,368	-	-	411,294	459,368
Environmental protection	545,538	560,224	-	-	545,538	560,224
Culture and recreation	181,046	210,541	-	-	181,046	210,541
Water and sewer	-	-	1,756,734	1,772,760	1,756,734	1,772,760
Interest on long-term debt	53,241	61,303	-	-	53,241	61,303
<i>Total expenses</i>	<u>5,350,832</u>	<u>5,534,259</u>	<u>1,756,734</u>	<u>1,772,760</u>	<u>7,107,566</u>	<u>7,307,019</u>
Increase (decrease) in net position	<u>350,358</u>	<u>202,166</u>	<u>(42,252)</u>	<u>58,099</u>	<u>308,106</u>	<u>260,265</u>
Net position, beginning of year	11,944,585	11,742,419	8,702,324	8,644,225	20,646,909	20,386,644
Net position, beginning restated	11,581,253	-	8,594,001	-	20,175,254	-
Net position, end of year	<u>\$ 11,931,611</u>	<u>\$ 11,944,585</u>	<u>\$ 8,551,749</u>	<u>\$ 8,702,324</u>	<u>\$ 20,483,360</u>	<u>\$ 20,646,909</u>

Governmental activities. Governmental activities increased the Town's net position by \$350,358, thereby accounting for all of the growth in the net position of the Town of Weaverville. Though a recession affected the Town, the increase in net position was the result of a concerted effort to control costs and manage expenditures to minimize the impact of the recession on its citizens. Town management reduced non-essential programs to a minimum and implemented cost saving strategies across Town departments. Certain nonrecurring expenses were either postponed or renegotiated in an attempt to maintain a healthy net position. Management believes healthy investment in the Town will result in additional revenues, and in that vein added to the Town's net position by investing in capital assets through debt issuance and grant funds. Increased efforts to maximize tax collections also contributed to the favorable net position. Town management acknowledges that 2015 was a successful year and plans on improving upon these approaches as a long-term strategy to realize continued fiscal health.

Key elements of this increase are as follows:

- Grant revenues in the transportation area of \$68,216 were used to construct capital assets.
- Tax revenues remained steady.

Business-type activities: Business-type activities decreased the Town of Weaverville's net position by \$42,252. Water rates increased by 5% from the previous fiscal year.

Financial Analysis of the Town's Funds

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

Governmental Funds. The focus of the Town of Weaverville'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 of Weaverville's financing requirements.

The General Fund is the chief operating fund of the Town of Weaverville. At the end of the current fiscal year, the Town of Weaverville's fund balance available in the General Fund was \$4,509,603, while total fund balance reached \$5,065,444. The Governing Body of the Town of Weaverville has determined that the Town should maintain an available fund balance of a minimum 20% of General Fund revenues in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the Town. The Town currently has an available fund balance of 78.82% of General Fund revenues, while total fund balance represents 88.53% of the same amount.

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

Revenues were more than the budgeted amounts primarily because the Town collected more Ad Valorem taxes than anticipated as evidenced by an increased collection rate in the current year. Expenditures were held in check to comply with its budgetary requirements.

Proprietary Funds. The Town of Weaverville's proprietary fund provides the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water and Sewer Fund at the end of the fiscal year amounted to \$2,567,214. The total change in net position for the Water and Sewer Fund was a decrease of \$42,252. The change in net position in the Water and Sewer Fund is mostly a result of small equipment and meter replacement expenses.

Capital Asset and Debt Administration

Capital assets. The Town of Weaverville's investment in capital assets for its governmental and business-type activities as of June 30, 2015, totals \$18,973,791 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, vehicles, furniture, plant and distribution systems, and town infrastructure.

Major capital asset transactions during the year include the following:

- Completion of the Weaver Boulevard sidewalks at a cost of approximately \$68,000.

- Two new vehicles for the public safety department at a cost of approximately \$34,000.
- Two new fire trucks for the public safety department at a cost of approximately \$692,000.
- One new garbage truck for the environmental protection department at a cost of approximately \$147,000.
- Disposal of one vehicle from the general government department with an original basis of approximately \$23,000 and an adjusted basis of \$0.
- One new vehicle for the water department at a cost of approximately \$33,000.
- Disposal of one vehicle by the public safety department at a cost of approximately \$20,000 and an adjusted basis of \$0.
- Disposal of land by the public safety department at a cost of approximately \$260,000 and proceeds of \$180,000.
- Disposal of one garbage truck in the environmental protection department with an original basis of approximately \$69,000 and an adjusted basis of \$0.
- Disposal of one vehicle by the water department with an original basis of approximately \$35,000 and an adjusted basis of \$0.

**Town of Weaverville's Capital Assets
(Net of depreciation)**

Figure 4

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 1,032,109	\$ 1,292,440	\$ 146,035	\$ 146,035	\$ 1,178,144	\$ 1,438,475
Buildings	4,748,948	4,869,358	-	-	4,748,948	4,869,358
Land improvements	398,591	364,560	-	-	398,591	364,560
Furniture, equipment and vehicles	2,263,084	1,779,248	196,590	227,262	2,459,674	2,006,510
Infrastructure	1,998,246	1,978,643	8,154,108	8,436,781	10,152,354	10,415,424
Construction in progress	-	-	36,080	-	36,080	-
Total	\$ 10,440,978	\$ 10,284,249	\$ 8,532,813	\$ 8,810,078	\$ 18,973,791	\$ 19,094,327

Additional information on the Town's capital assets can be found in Note 2.A.4 of the Basic Financial Statements.

Long-term Debt. As of June 30, 2015, the Town of Weaverville had total debt in the form of installment purchase contracts and general obligation bonds outstanding of \$4,939,070.

**Town of Weaverville's Outstanding Debt
General Obligation Bonds and Installment Purchases Payable**

Figure 5

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
General obligation bonds, net	\$ -	\$ -	\$ 2,548,278	\$ 2,671,830	\$ 2,548,278	\$ 2,671,830
Installment purchases payable	2,390,792	2,290,253	-	-	2,390,792	2,290,253
	\$ 2,390,792	\$ 2,290,253	\$ 2,548,278	\$ 2,671,830	\$ 4,939,070	\$ 4,962,083

Town of Weaverville's Outstanding Debt

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the Town of Weaverville is approximately \$45,800,000.

Additional information regarding the Town of Weaverville's long-term debt can be found in Note 2.B.5 of this report.

Economic Factors and Next Year's Budgets and Rates

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

- The Town has seen continued growth in both the housing and retail markets during FY 2015, and we expect that this will continue during FY 2016.
- The Asheville Metropolitan Statistical Area (MSA) is adding jobs at a faster pace than any other MSA in NC. This should encourage growth to continue in the Weaverville area.
- There are roughly 200 residential units that either have been approved or are in the development review process.
- The Town's fund balance continues to remain strong which helps the Town avoid any drastic cut to services and massive rate increases.

Budget Highlights for the Fiscal Year Ending June 30, 2016

Governmental Activities: The Town Council has adopted a budget for Fiscal Year 2015-2016 that sets the tax rate at \$0.420 per \$100 of valuation. The adopted budget includes a cost of living adjustment as well as a merit increase for Town employees and maintains the same level of services that our citizens have come to enjoy and expect from the Town.

Business-type Activities: The Weaverville Water System is operated as an Enterprise Fund. Enterprise Funds are used to account for the operations that are financed and operated in a manner similar to private businesses, where the intent of the governing body is that user charges fund the cost of providing goods and services to the general public on a continuing basis. Each year the Town staff completes an analysis of Water Department finances to determine the financial stability of the department with an eye of future system requirements and changing growth patterns. This review includes an analysis of user charges to determine their adequacy in funding normal operations and capital improvements.

Water revenues from all sources during FY 2015-2016 are estimated at \$1,720,396, or just above the actual amount of \$1,708,014 collected in the 2014-2015 fiscal year. The budget for FY 2015-2016 includes a rate increase and includes funding for a number of capital projects. The Town was able to accomplish this through continued growth in the customer base.

Requests for Information

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to Courtney V. Banks, Finance Officer, Town of Weaverville, P.O. Box 338, Weaverville, NC 28787. You can also call (828) 645-7116, visit our website www.weavervillenc.org or send an email to cbanks@weavervillenc.org for more information.

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION
June 30, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Town of Weaverville ABC Board
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 4,446,796	\$ 2,691,159	\$ 7,137,955	\$ 240,309
Taxes receivable, net	47,807	-	47,807	-
Accounts receivable, net	42,843	213,016	255,859	-
Due from other governments	512,998	-	512,998	-
Inventories	-	-	-	133,961
Prepaid expenses	-	-	-	8,857
Restricted cash and equivalents	212,752	16,000	228,752	-
Total current assets	5,263,196	2,920,175	8,183,371	383,127
Non-current assets:				
Net pension asset	313,624	72,660	386,284	5,839
Capital assets:				
Land and construction in progress	1,032,109	182,115	1,214,224	-
Other capital assets, net	9,408,869	8,350,698	17,759,567	1,219,318
Total capital assets	10,440,978	8,532,813	18,973,791	1,219,318
Total non-current assets	10,754,602	8,605,473	19,360,075	1,225,157
Total assets	16,017,798	11,525,648	27,543,446	1,608,284
DEFERRED OUTFLOWS OF RESOURCES				
Contributions to pension plan in current fiscal year	175,795	40,728	216,523	14,501
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	125,208	85,560	210,768	39,453
Other liabilities	15,710	32,623	48,333	61,738
Accrued interest payable	14,948	8,373	23,321	12,780
Current portion of long-term liabilities	447,182	134,000	581,182	66,107
Total current liabilities	603,048	260,556	863,604	180,078
Long-term liabilities:				
Due in more than one year	2,856,371	2,570,226	5,426,597	1,236,044
Total liabilities	3,459,419	2,830,782	6,290,201	1,416,122
DEFERRED INFLOWS OF RESOURCES				
Prepaid taxes	9,027	-	9,027	-
Pension deferrals	793,536	183,845	977,381	14,230
Total deferred inflows of resources	802,563	183,845	986,408	14,230
NET POSITION				
Net investment in capital assets	8,050,186	5,984,535	14,034,721	(76,015)
Restricted for:				
Stabilization by State statute	555,841	-	555,841	-
Streets	180,252	-	180,252	-
Working capital	-	-	-	72,286
Unrestricted (deficit)	3,145,332	2,567,214	5,712,546	196,162
Total net position	\$ 11,931,611	\$ 8,551,749	\$ 20,483,360	\$ 192,433

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



TOWN OF WEAVERVILLE, NORTH CAROLINA

STATEMENT OF ACTIVITIES

For the year ended June 30, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental Activities:				
General government	\$ 972,373	\$ 15,269	\$ -	\$ -
Public safety	3,187,340	18,438	42,828	-
Transportation	411,294	-	-	106,971
Environmental protection	545,538	-	-	-
Cultural and recreation	181,046	-	-	-
Interest on long-term debt	53,241	-	-	-
Total governmental activities	<u>5,350,832</u>	<u>33,707</u>	<u>42,828</u>	<u>106,971</u>
Business-type activities:				
Water and sewer	<u>1,756,734</u>	<u>1,708,014</u>	-	-
Total business-type activities	<u>1,756,734</u>	<u>1,708,014</u>	-	-
Total primary government	<u>\$ 7,107,566</u>	<u>\$ 1,741,721</u>	<u>\$ 42,828</u>	<u>\$ 106,971</u>
Component unit:				
Town of Weaverville ABC Board	<u>\$ 2,355,234</u>	<u>\$ 2,444,205</u>	<u>\$ -</u>	<u>\$ -</u>
Total component unit	<u>\$ 2,355,234</u>	<u>\$ 2,444,205</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues:

Taxes:

Property taxes, levied for general purpose

Other taxes

Grants and contributions not restricted to specific programs

Gain (loss) on sale of property

Unrestricted investment earnings

Miscellaneous

Total general revenues

Change in net position

Net position, beginning of year as previously reported

Restatement

Net position, beginning of year as restated

Net position, end of year

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

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Town of Weaverville ABC Board
\$ (957,104)	\$ -	\$ (957,104)	\$ -
(3,126,074)	-	(3,126,074)	-
(304,323)	-	(304,323)	-
(545,538)	-	(545,538)	-
(181,046)	-	(181,046)	-
(53,241)	-	(53,241)	-
(5,167,326)	-	(5,167,326)	-
-	(48,720)	(48,720)	-
-	(48,720)	(48,720)	-
(5,167,326)	(48,720)	(5,216,046)	-
-	-	-	88,971
-	-	-	88,971
2,780,914	-	2,780,914	-
1,108,108	-	1,108,108	-
1,669,515	-	1,669,515	-
(58,767)	2,474	(56,293)	-
4,800	3,994	8,794	418
13,114	-	13,114	-
5,517,684	6,468	5,524,152	418
350,358	(42,252)	308,106	89,389
11,944,585	8,702,324	20,646,909	106,548
(363,332)	(108,323)	(471,655)	(3,504)
11,581,253	8,594,001	20,175,254	103,044
\$ 11,931,611	\$ 8,551,749	\$ 20,483,360	\$ 192,433

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

TOWN OF WEAVERVILLE, NORTH CAROLINA

Exhibit 3

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015

	General Fund	Total Governmental Funds
ASSETS		
Cash and cash equivalents	\$ 4,446,796	\$ 4,446,796
Restricted cash and cash equivalents	212,752	212,752
Taxes receivable, net	47,807	47,807
Accounts receivable, net	42,843	42,843
Due from other governments	512,998	512,998
Total assets	\$ 5,263,196	\$ 5,263,196
LIABILITIES		
Accounts payable and accrued liabilities	\$ 125,208	\$ 125,208
Deposits	15,710	15,710
Total liabilities	140,918	140,918
DEFERRED INFLOWS OF RESOURCES		
Property taxes receivable	47,807	47,807
Prepaid taxes	9,027	9,027
Total deferred inflows of resources	56,834	56,834
FUND BALANCES		
Restricted		
Stabilization by State statute	555,841	555,841
Streets	180,252	180,252
Assigned		
Subsequent year's expenditures	72,773	72,773
Unassigned	4,256,578	4,256,578
Total fund balances	5,065,444	5,065,444
Total liabilities, deferred inflows of resources and fund balances	\$ 5,263,196	
Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical cost	\$ 15,681,289	
Accumulated depreciation	5,240,311	10,440,978
Net pension asset		313,624
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position		175,795
Liabilities for earned revenues considered deferred inflows of resources in fund statements.		47,807
Pension related deferrals		(793,536)
Some liabilities, including notes payable and accrued interest, are not due and payable in the current period and therefore are not reported in the funds.		
Installment purchases	(2,390,792)	
Other postemployment benefits	(506,743)	
Compensated absences	(176,419)	
Net pension obligation	(229,599)	
Accrued interest	(14,948)	(3,318,501)
Net position of governmental activities		\$ 11,931,611

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

TOWN OF WEAVERVILLE, NORTH CAROLINA

Exhibit 4

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

For the year ended June 30, 2015

	<u>Major Fund</u>	
	<u>General Fund</u>	<u>Total Governmental Funds</u>
REVENUES		
Ad valorem taxes	\$ 2,744,627	\$ 2,744,627
Other taxes and licenses	1,108,108	1,108,108
Unrestricted intergovernmental	1,669,515	1,669,515
Restricted intergovernmental	126,566	126,566
Permits and fees	18,438	18,438
Investment earnings	4,800	4,800
Miscellaneous	49,594	49,594
Total revenues	<u>5,721,648</u>	<u>5,721,648</u>
EXPENDITURES		
Current:		
General government	947,769	947,769
Public safety	3,561,172	3,561,172
Transportation	406,503	406,503
Environmental protection	621,887	621,887
Culture and recreation	242,398	242,398
Debt service:		
Principal	591,461	591,461
Interest	47,596	47,596
Total expenditures	<u>6,418,786</u>	<u>6,418,786</u>
Deficiency of revenues over expenditures	<u>(697,138)</u>	<u>(697,138)</u>
OTHER FINANCING SOURCES		
Sale of capital assets	201,564	201,564
Insurance recovery	2,022	2,022
Installment purchase obligations issued	692,000	692,000
Total other financing sources	<u>895,586</u>	<u>895,586</u>
Net change in fund balances	198,448	198,448
Fund balances, beginning of year as previously reported	4,762,772	4,762,772
Prior period adjustment	104,224	104,224
Fund balance, beginning of year as restated	<u>4,866,996</u>	<u>4,866,996</u>
Fund balances, end of year	<u>\$ 5,065,444</u>	<u>\$ 5,065,444</u>

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

TOWN OF WEAVERVILLE, NORTH CAROLINA

Exhibit 5

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

For the year ended June 30, 2015

Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:

Net changes in fund balances - total governmental funds	\$	198,448
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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 estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay expenditures which were capitalized	\$ 1,049,345		
Depreciation expense for governmental assets	<u>(632,285)</u>		417,060

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities			175,795
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In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increases financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.

(260,331)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

36,287

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	(692,000)		
Principal payments on long-term debt	591,461		
Increase in accrued interest payable	<u>(5,645)</u>		(106,184)

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

Compensated absences	1,442		
Pension expense	(12,356)		
Net pension obligation	(31,303)		
Other postemployment benefits	<u>(68,500)</u>		(110,717)

Total changes in net position of governmental activities	\$	<u><u>350,358</u></u>
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The accompanying notes are an integral part of these financial statements.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL – GENERAL FUND
 For the year ended June 30, 2015

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Ad valorem taxes	\$ 2,692,720	\$ 2,692,720	\$ 2,744,627	\$ 51,907
Other taxes and licenses	1,157,000	1,157,000	1,108,108	(48,892)
Unrestricted intergovernmental	1,622,570	1,622,570	1,669,515	46,945
Restricted intergovernmental	109,700	129,295	126,566	(2,729)
Permits and fees	50,000	50,000	18,438	(31,562)
Investment earnings	1,050	1,050	4,800	3,750
Miscellaneous	25,270	48,483	49,594	1,111
Total revenues	<u>5,658,310</u>	<u>5,701,118</u>	<u>5,721,648</u>	<u>20,530</u>
EXPENDITURES				
Current:				
General government	962,420	1,109,552	947,769	161,783
Public safety	3,514,870	3,660,522	3,561,172	99,350
Transportation	419,340	488,884	406,503	82,381
Environmental protection	671,430	676,869	621,887	54,982
Cultural and recreation	229,190	279,720	242,398	37,322
Debt service:				
Principal and interest	419,060	639,060	639,057	3
Contingency	108,000	14,932	-	14,932
Total expenditures	<u>6,324,310</u>	<u>6,869,539</u>	<u>6,418,786</u>	<u>450,753</u>
Revenues over (under) expenditures	<u>(666,000)</u>	<u>(1,168,421)</u>	<u>(697,138)</u>	<u>471,283</u>
Other financing sources:				
Sale of capital assets	2,500	2,500	201,564	199,064
Insurance recovery	-	2,022	2,022	-
Installment purchase obligations issued	455,000	455,000	692,000	237,000
Total other financing sources	<u>457,500</u>	<u>459,522</u>	<u>895,586</u>	<u>436,064</u>
Appropriated fund balance	208,500	708,899	-	(708,899)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>198,448</u>	<u>\$ 198,448</u>
Fund balance, beginning of year as previously reported			<u>4,762,772</u>	
Prior period adjustment			<u>104,224</u>	
Fund balance, beginning of year as restated			<u>4,866,996</u>	
Fund balance, end of year			<u>\$ 5,065,444</u>	

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

STATEMENT OF NET POSITION
 PROPRIETARY FUND
 June 30, 2015

	<u>Enterprise Fund</u> <u>Water and</u> <u>Sewer Fund</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 2,691,159
Accounts receivable, net	213,016
Restricted cash and cash equivalents	16,000
Total current assets	<u>2,920,175</u>
Noncurrent assets:	
Net pension asset	72,660
Capital assets:	
Land and other non-depreciable assets	182,115
Other capital assets, net of depreciation	8,350,698
Capital assets, net	<u>8,532,813</u>
Total noncurrent assets	<u>8,605,473</u>
Total assets	<u>11,525,648</u>
DEFERRED OUTFLOWS OF RESOURCES	
Contributions to pension plan	<u>40,728</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	85,560
Salaries and payroll taxes payable	16,623
Customer deposits	16,000
Accrued interest payable	8,373
Compensated absences, current	4,000
Bonds payable, current	130,000
Total current liabilities	<u>260,556</u>
Noncurrent liabilities:	
Compensated absences	33,014
Other postemployment benefits	118,934
Bonds payable	2,418,278
Total noncurrent liabilities	<u>2,570,226</u>
Total liabilities	<u>2,830,782</u>
DEFERRED INFLOWS OF RESOURCES	
Pension deferrals	<u>183,845</u>
NET POSITION	
Net investment in capital assets	5,984,535
Unrestricted	2,567,214
Total net position	<u>\$ 8,551,749</u>

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

TOWN OF WEAVERVILLE, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
For the year ended June 30, 2015

	Water and Sewer Fund
OPERATING REVENUES	
Charges for services	\$ 1,597,788
Other operating revenues	110,226
Total operating revenues	1,708,014
OPERATING EXPENSES	
Administration	217,071
Water treatment and distribution	1,074,813
Depreciation	359,398
Total operating expenses	1,651,282
Operating income	56,732
NONOPERATING REVENUES (EXPENSES)	
Investment earnings	3,994
Gain on sale of property	2,474
Interest expense	(105,452)
Total nonoperating revenue (expenses)	(98,984)
Change in net position	(42,252)
Net position, beginning of year as previously reported	8,702,324
Restatement	(108,323)
Net position, beginning of year as restated	8,594,001
Net position, end of year	\$ 8,551,749

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

TOWN OF WEAVERVILLE, NORTH CAROLINA

Exhibit 9

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND
 For the year ended June 30, 2015

	<u>Enterprise Fund</u> <u>Water and</u> <u>Sewer Fund</u>
Cash flows from operating activities:	
Cash received from customers	\$ 1,697,283
Cash paid for goods and services	(501,529)
Cash paid to or on behalf of employees for services	(777,186)
Net cash provided by operating activities	<u>418,568</u>
 Cash flows from capital and related financing activities:	
Sale of capital assets	2,474
Acquisition and construction of capital assets	(82,133)
Interest paid on bond maturities	(104,688)
Principal payments on debt	(125,000)
Net cash used by capital and related financing activities	<u>(309,347)</u>
 Cash flows from investing activities:	
Interest earned	3,994
Net cash provided by investing activities	<u>3,994</u>
 Net increase (decrease) in cash and cash equivalents	113,215
Cash and cash equivalents, beginning of year	<u>2,593,944</u>
 Cash and cash equivalents, end of year	<u>\$ 2,707,159</u>
 Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 56,732
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	359,398
Pension expense	2,862
Changes in assets and liabilities:	
Decrease in accounts receivable	8,227
Increase in accounts payable and accrued liabilities	31,906
Increase in salaries and payroll taxes payable	2,393
Increase in accrued compensated absences	861
Increase in deferred outflows of resources for pensions	(40,728)
Increase in other postemployment benefits	15,876
Decrease in customer deposits	(18,959)
Total adjustments	<u>361,836</u>
 Net cash provided by operating activities	<u>\$ 418,568</u>

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

NOTES TO THE FINANCIAL STATEMENTS

TOWN OF WEAVERVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the year ended June 30, 2015

Note 1 – Summary of Significant Accounting Policies

The accounting policies of the Town of Weaverville and its discretely presented component unit 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 Weaverville is a municipal corporation which is governed by an elected mayor and a five member council. As required by generally accepted accounting principles, these financial statements present the Town and its component unit, a legally separate entity for which the Town is financially accountable. The discretely presented component unit presented below is reported in a separate column in the Town's financial statements in order to emphasize that it is legally separate from the Town.

Town of Weaverville ABC Board

The members of the 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 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 entity's administrative offices at Town of Weaverville ABC Board, 7 Northridge Commons, Suite 101, Weaverville, NC 28787.

B. Basis of Presentation

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

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a 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 nonmajor funds. As of June 30, 2015, the Town of Weaverville did not have any nonmajor 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 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 ad valorem taxes, state grants, and various other taxes and licenses. The primary expenditures are for public safety, street maintenance and construction, and sanitation services.

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.

Water and Sewer Capital Projects Fund – Water Line Replacement – This fund is used to account for the Town's water and sewer capital project to replace water lines on South College Street.

Water and Sewer Capital Projects Fund – Water Plant Improvement – This fund is used to account for the Town's water and sewer capital project to make improvements to the water treatment plant.

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 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.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 the 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 nonoperating revenues and expenses.

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

The 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 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 Weaverville because the tax is levied by Buncombe 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. Grant revenues which are unearned at year-end are recorded as unearned revenues.

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 and the Enterprise 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 Town Manager is authorized by the budget ordinance to transfer appropriations between departmental areas within a fund up to \$5,000 without limit and without approval by the governing board; however, any revisions that alter the total expenditures of any fund or that change departmental appropriations by more than \$5,000 must be approved by the governing board. During the year, several amendments to the original budget were necessary, the effects of which were not material. 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. Appropriations are adopted at the line item level.

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

1. Deposits and Investments

All deposits of the Town and of 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 securities of the NCCMT Cash Portfolio, a SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price.

2. 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. 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.

3. Restricted Assets

Customer deposits held by the Town before any services are supplied are restricted to the service for which the deposit was collected. Powell Bill funds are also classified as restricted cash because they can be expended only for the purpose of maintaining, repairing, constructing, reconstructing or widening of local streets per G.S. 136-41.1 through 136-41.4.

Restricted Cash

Governmental activities:

General Fund – Streets	\$ 180,252
General Fund – Customer Deposits	<u>32,500</u>
Total governmental activities	<u>212,752</u>

Business-type activities:

Water & Sewer Fund – Customer Deposits	<u>16,000</u>
Total business-type activities	<u>16,000</u>

Total Primary Government	<u>\$ 228,752</u>
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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, 2014.

5. Allowances for Doubtful Accounts

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

6. Inventories and Prepaid Items

Inventories of the ABC Board are valued at cost (first-in, first-out), which approximates market. The Town of Weaverville does not maintain an inventory of parts and supplies for the enterprise fund. The inventories of the ABC Board consist of materials and supplies held for subsequent sale. The cost of these inventories is expensed when sold rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The ABC Board expenses these items when used.

7. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain amount and an estimated useful life in excess of one year. Minimum capitalization costs are as follows: all land, regardless of value; improvements other than buildings, \$5,000; buildings, improvements, substations, lines, and other plant and distribution systems, \$20,000; furniture and equipment, \$5,000; vehicles, \$5,000; and infrastructure, \$100,000. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. General infrastructure assets acquired prior to July 1, 2003, consist of the road network and water and sewer system assets that were acquired prior to July 1, 1980, and are reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

useful lives:

Asset Class	Estimated Useful Lives
Infrastructure	50
Buildings	50
Vehicles	6 - 15
Furniture and equipment	5 - 10
Computer equipment	3

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

Asset Class	Estimated Useful Lives
Buildings	25
Furniture and equipment	5 – 15
Computer equipment	5

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. As of June 30, 2015, the Town only has one item that meets this criterion, contributions made to the pension plan in the 2015 fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. As of June 30, 2015, the Town has several items that meet the criterion for this category – prepaid taxes, 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. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the debt.

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

10. Compensated Absences

The vacation policy of the Town provides for the accumulation of up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the Town's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The Town has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The Town's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Town has no 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 is 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 – 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.

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 Weaverville's governing body (highest level of decision-making authority.) The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the

limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

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

Subsequent year's expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however the budget ordinance authorizes the manager to modify the appropriation by resource or appropriation within funds up to \$5,000.

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

The Town has not adopted a formal revenue spending policy that provides guidance for programs with multiple revenue sources; however, the Finance Officer will use resources in the following hierarchy: bond proceeds; federal funds; State funds; local non-town funds; town funds. For purposes of fund balance classification, expenditures are typically spent from restricted fund balance first, followed, in order, by committed fund balance, assigned fund balance and, lastly, unassigned fund balance. The Finance Officer has the authority to deviate from this if it is in the best interest of the Town.

The Town has adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the Town in such a manner that available fund balance is at least equal to a minimum of 20%, with a target goal of 40%, of General Fund revenues.

F. Pensions

For purposes of measuring the net pension 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 Employee's 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 Weaverville's employer contributions are recognized when due and the Town of Weaverville 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.

G. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 – Detail Notes on All Funds**A. Assets****1. Deposits**

All of the Town's and the ABC Board's deposits are insured or collateralized using one of two options. Under the Dedicated Method, all deposits over 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, these deposits are considered to be held by the Town's and the 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 amount of collateral pledged for the Town and the ABC Board 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 deposits only in the Pooling Method depositories. 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. The ABC Board has no formal policy regarding custodial credit risk for deposits.

At June 30, 2015, the Town's deposits had a carrying amount of \$4,479,991 and a bank balance of \$4,451,844. Of the bank balance, \$500,000 was covered by federal depository insurance and \$3,951,844 was covered by collateral held under the pooling method. At June 30, 2015, the Town's petty cash fund totaled \$350. The carrying amount of deposits for the ABC Board was \$239,021 and the bank balance was \$316,187. The ABC Board's petty cash fund totaled \$1,288. Of the bank balance, \$250,000 was covered by federal depository insurance and \$66,187 was covered by collateral held under the pooling method.

2. Investments

At June 30, 2015, the Town had \$2,886,366 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 policy regarding credit risk.

3. Receivables – Allowances for Doubtful Accounts

The amount presented in the Balance Sheet and the Statement of Net Position for the year ended June 30, 2015 is net of the following allowances for doubtful accounts:

<u>Funds</u>	
General Fund - Taxes Receivable	\$ 2,323
Enterprise Fund - Uncollectible Accounts	<u>12,288</u>
Total	<u>\$ 14,611</u>

4. Capital Assets

Primary Government

Capital asset activity for the Primary Government for the year ended June 30, 2015 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,292,440	\$ -	\$ 260,331	\$ 1,032,109
Total capital assets not being depreciated	<u>1,292,440</u>	<u>-</u>	<u>260,331</u>	<u>1,032,109</u>
Capital assets being depreciated:				
Buildings	6,024,793	-	-	6,024,793
Land improvements	425,839	51,268	-	477,107
Furniture, equipment, and vehicles	5,029,997	929,860	111,693	5,848,164
Infrastructure	<u>2,230,899</u>	<u>68,217</u>	<u>-</u>	<u>2,299,116</u>
Total capital assets being depreciated	<u>13,711,528</u>	<u>1,049,345</u>	<u>111,693</u>	<u>14,649,180</u>
Less accumulated depreciation for:				
Buildings	1,155,435	120,410	-	1,275,845
Land improvements	61,279	17,237	-	78,516
Furniture, equipment, and vehicles	3,250,749	446,024	111,693	3,585,080
Infrastructure	<u>252,256</u>	<u>48,614</u>	<u>-</u>	<u>300,870</u>
Total accumulated depreciation	<u>4,719,719</u>	<u>632,285</u>	<u>111,693</u>	<u>5,240,311</u>
Total capital assets being depreciated, net	<u>8,991,809</u>			<u>9,408,869</u>
Governmental activities capital assets, net	<u>\$10,284,249</u>			<u>\$10,440,978</u>

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

General government	\$ 58,178
Public safety	394,697
Transportation	93,509
Environmental protection	77,640
Cultural and recreational	<u>8,261</u>
Total depreciation expense	<u>\$ 632,285</u>

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
<i>Water and Sewer Fund</i>				
Capital assets not being depreciated:				
Land	\$ 146,035	\$ -	\$ -	\$ 146,035
Construction in progress	<u>-</u>	<u>36,080</u>	<u>-</u>	<u>36,080</u>
Total capital assets not being depreciated	<u>146,035</u>	<u>36,080</u>	<u>-</u>	<u>182,115</u>
Capital assets being depreciated:				
Plant and distribution systems	13,321,818	-	-	13,321,818
Furniture, equipment, and vehicles	<u>1,098,078</u>	<u>46,053</u>	<u>34,699</u>	<u>1,109,432</u>
Total capital assets being depreciated	<u>14,419,896</u>	<u>46,053</u>	<u>34,699</u>	<u>14,431,250</u>
Less accumulated depreciation for:				
Plant and distribution systems	4,885,037	282,673	-	5,167,710
Furniture, equipment, and vehicles	<u>870,816</u>	<u>76,725</u>	<u>34,699</u>	<u>912,842</u>
Total accumulated depreciation	<u>5,755,853</u>	<u>\$ 359,398</u>	<u>\$ 34,699</u>	<u>6,080,552</u>
Total capital assets being depreciated, net	<u>8,664,043</u>			<u>8,350,698</u>
Business-type activities capital assets, net	<u>\$ 8,810,078</u>			<u>\$ 8,532,813</u>

The Town has active construction projects as of June 30, 2015. At year-end, the Town's commitments with contractors are as follows:

Project	Spent- to-date	Remaining Commitment
Water lines on South College Street	\$ 13,080	\$ 196,534
Water treatment plant improvements	<u>23,000</u>	<u>286,835</u>
Total	<u>\$ 36,080</u>	<u>\$ 483,369</u>

Discretely presented component unit

Activity for the ABC Board for the year ended June 30, 2015, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets being depreciated:				
Buildings	\$ 1,479,898	\$ -	\$ -	\$ 1,479,898
Furniture and equipment	<u>115,031</u>	<u>31,483</u>	<u>10,222</u>	<u>136,292</u>
Total capital assets being depreciated	<u>1,594,929</u>	<u>31,483</u>	<u>10,222</u>	<u>1,616,190</u>
Less accumulated depreciation for:				
Buildings	281,181	59,196	-	340,377
Furniture and equipment	<u>55,668</u>	<u>11,049</u>	<u>10,222</u>	<u>56,495</u>
Total accumulated depreciation	<u>336,849</u>	<u>\$ 70,245</u>	<u>\$ 10,222</u>	<u>396,872</u>
ABC Board capital assets, net	<u>\$ 1,258,080</u>			<u>\$ 1,219,318</u>

B. Liabilities**1. Pension Plan and Postemployment Obligations****a. Local Government Employees' Retirement System****1. Plan Description**

The Town of Weaverville 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.

2. Benefits Provided

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

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

3. Contributions

Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Weaverville 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 Weaverville's contractually required contribution rate for the year ended June 30, 2015, was 7.41% of compensation for law enforcement officers and 7.07% 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 Weaverville were \$216,523 for the year ended June 30, 2015.

4. 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.

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

At June 30, 2015, the Town reported an asset of \$386,284 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension asset was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2014, the Town's proportion was 0.0655%, which was no change from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the Town recognized pension expense of \$15,218. At June 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 42,208
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	899,261
Changes in proportion and differences between Town contributions and proportionate share of contributions	-	35,912
Town contributions subsequent to the measurement date	<u>216,523</u>	<u>-</u>
Total	<u>\$ 216,523</u>	<u>\$ 977,381</u>

\$216,523 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as an increase of the net

pension asset in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2016	\$ (244,394)
2017	(244,394)
2018	(244,394)
2019	(244,199)
2020	-
Thereafter	-

6. Actuarial Assumptions

The total pension liability in the December 31, 2013 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, 2013 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 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 weighing 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 rate of return for each major asset class as of June 30, 2014 and summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	36.0%	2.5%
Global Equity	40.5%	6.1%
Real Estate	8.0%	5.7%
Alternatives	6.5%	10.5%
Credit	4.5%	6.8%
Inflation Protection	4.5%	3.7%
Total	<u>100%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2013 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 3.19%. All rates of return and inflation are annualized.

A new asset allocation policy was finalized during the fiscal year ended June 30, 2014 to be effective July 1, 2014. The new asset allocation policy utilizes different asset classes, changes in the structure of certain asset classes, and adopts new benchmarks. Using the asset class categories in the preceding table, the new long-term expected arithmetic real rates of return are: Fixed Income 2.2%, Global Equity 5.8%, Real Estate 5.2%, Alternatives 9.8%, Credit 6.8% and Inflation Protection 3.4%.

7. 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.

8. 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>
Town's proportionate share of the net pension liability (asset)	\$ 1,311,214	\$ (386,284)	\$ (1,815,522)

9. 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 Weaverville 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 0.85% 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 increase 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, 2014, the Separation Allowance's membership consisted of:

Retirees receiving benefits	-
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>14</u>
Total	<u><u>14</u></u>

A separate report was not issued for the plan.

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 contributions for the current year were determined as part of the December 31, 2014 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 4.25% to 7.85% per year. Both (a) and (b) included an inflation component of 3.00%. The assumptions did not include post-employment benefit increases.

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	\$ 38,139
Interest on net pension obligation	9,915
Adjustment to annual required contribution	<u>(16,751)</u>
Annual pension cost	31,303
Contributions made	<u>-</u>
Increase (decrease) in net pension obligation	31,303
Net pension obligation, beginning of fiscal year	<u>198,296</u>
Net pension obligation, end of fiscal year	<u>\$ 229,599</u>

3 Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2013	\$ 24,199	0.00%	\$ 173,933
6/30/2014	24,363	0.00	198,296
6/30/2015	31,303	0.00	229,599

4. Funded Status and Funding Progress:

As of December 31, 2014, the most recent actuarial valuation date, the plan was not funded. The unfunded actuarial accrued liability is being amortized as a level percentage of pay on a closed basis. The remaining amortization period at December 31, 2014 was 17 years. The actuarial accrued liability for benefits and the unfunded actuarial accrued liability (UAAL) was \$253,949. The covered payroll (annual payroll of active employees covered by the plan) was \$702,088, and the ratio of the UAAL to the covered payroll was 36.17%.

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.

c. **Supplemental Retirement Income Plan for Law Enforcement Officers and General Employees**

1. Plan Description

The Town contributes to the Supplemental Retirement Income Plan (the 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 and general employees 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.

2. Funding Policy

Article 12E of G.S. Chapter 143 requires the Town to contribute each month an amount equal to five percent of each law enforcement officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers and general employees may make voluntary contributions to the plan for which the town will provide matching contributions up to six percent of each employee's salary. Contributions for the year ended June 30, 2015 were \$311,729, which consisted of \$129,155 from the Town and \$182,574 from the law enforcement officers and general employees.

d. Other Postemployment Benefits

Healthcare Benefits

1. Plan Description

Under the terms of a Town resolution, the Town administers a single-employer defined benefit Healthcare Benefits Plan (the HCB Plan). As of February 17, 2003, this plan provides postemployment benefits to retirees of the Town, provided they participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least twelve years of creditable service with the Town. The Town pays for the retiree's group health insurance coverage through private insurers at the same percentage as current full-time employees until one of the following takes place: (1) The retiree is eligible for Medicare or Medicaid, or (2) the retiree goes to work where coverage is otherwise offered and available. Also, the Town's retirees can purchase coverage for their dependents at the Town's group rates.

The Town Council may amend the benefit provisions. A separate report was not issued for the plan.

Membership of the HCB Plan consisted of the following at December 31, 2013, the date of the latest actuarial valuation:

	General Employees:	Law Enforcement Officers:
Retirees receiving benefits	3	-
Terminated plan members entitled to but not receiving benefits	-	-
Active plan members	<u>47</u>	<u>14</u>
Total	<u><u>50</u></u>	<u><u>14</u></u>

2. Funding Policy

The Town pays the full cost of coverage for the healthcare benefits paid to qualified retirees under a Town resolution that can be amended by Town Council. The Town has chosen to fund the healthcare benefits on a pay as you go basis.

The current annual required contribution (ARC) rate is 3.31% of annual covered payroll. The Town obtains healthcare coverage through private insurers. The Town's obligation to contribute to the HCB Plan is established and may be amended by the Town Council.

Contributions to the HCB Plan for the year ended June 30, 2015 were \$13,691.

3. Summary of Significant Accounting Policies

Postemployment expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

4. Annual OPEB Cost and Net OPEB Obligation

The Town's annual OPEB cost (expense) is calculated based on the ARC, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation for the healthcare benefits:

Annual required contribution	\$ 97,100
Interest on net OPEB obligation	21,651
Adjustment to annual required contribution	<u>(20,684)</u>
Annual OPEB cost (expense)	98,067
Contributions made	<u>(13,691)</u>
Increase in net OPEB obligation	84,376
Net OPEB obligation, beginning of year	<u>541,301</u>
Net OPEB obligation, end of year	<u>\$ 625,677</u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of June 30, 2015 were as follows:

Fiscal Year Ended	Annual OPEB June 30 Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2013	\$ 130,576	9.1%	\$ 469,174
6/30/2014	97,939	26.4	541,301
6/30/2015	98,067	14.0	625,677

5. Funded Status and Funding Progress

As of December 31, 2013, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$843,676. The covered payroll (annual payroll of active employees covered by the plan) was \$2,940,231, and the ratio of the UAAL to the covered payroll was 28.7%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. 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 is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

6. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations.

In the December 31, 2013 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4% investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 7.75 % to 5.00% annually. The investment rate included a 3% inflation assumption. The actuarial value of assets, if any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a 5 year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2013, was 30 years.

e. 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. All death benefit payments are made from the Death Benefit Plan. The Town has no liability beyond the payment of monthly contributions.

Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State.

Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Benefits Plan and not by the town, the Town does not determine the number of eligible participants. For the fiscal year ended June 30, 2015, the Town made contributions to the State for death benefits of \$4,015. The Town's required contributions for employees not engaged in law enforcement and for law

enforcement officers represented 0.18% and 0.00% of covered payroll respectively. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amounts.

2. Deferred Outflows and Inflows of Resources

The Town has one deferred outflow of resources and several deferred inflows of resources for the year ended June 30, 2015. Deferred outflows of resources is comprised of the following:

<u>Source</u>	<u>Amount</u>
Contributions to pension plan in current fiscal year	\$ 216,523

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

<u>Source</u>	<u>Amount</u>
Prepaid taxes (General Fund)	\$ 9,027
Taxes Receivable, less penalties (General Fund)	47,807
Pension deferrals	<u>977,381</u>
Total	<u>\$ 1,034,215</u>

3. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town participates in two self-funded risk financing pools administered by the North Carolina League of Municipalities. Through these pools, the Town obtains general liability and auto liability coverage of \$1 million per occurrence, property coverage up to the total insurance values of the property 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. 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.

The Town carries commercial insurance for risks of loss. Settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years and there have been no significant reductions in insurance coverage in the prior year. 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 at any given time of the Town's funds are performance bonded through a commercial surety bond. The finance officer and tax collector are individually bonded for \$250,000 each. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000.

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

4. Claims, Judgments and Contingent Liabilities

At June 30, 2015, the Town was a defendant to a lawsuit. In the opinion of the Town's management and the Town's attorney, the ultimate effect of these legal matters will not have a material adverse effect on the Town's financial position.

5. Long-Term Obligations**a. Installment Purchase**

In June 2006, the Town entered into an installment purchase contract in the amount of \$3,551,000 to finance the construction of a fire department facility. The contract required semi-annual principal payments of \$118,367 beginning in December 2008, with interest at 4.06%, and was being paid by the General Fund. On June 7, 2013, the Town entered into a refinancing agreement. The refinancing contract requires semi-annual principal payments of \$118,367 beginning in December 2013 with interest at 2.06% and is being paid by the General Fund. The balance on this installment purchase contract at June 30, 2015 was \$1,420,400.

In August 2008, the Town entered into an installment purchase contract with a financial institution in the amount of \$1,360,000 to finance the purchase of several fire trucks. The contract required semi-annual principal payments beginning with a fixed \$68,000 principal payment as of August 2008 and initial payment following in February 2009, with interest at 3.66%, and was being paid by the General Fund. On August 8, 2013, the Town entered into a refinancing agreement. The refinancing contract requires semi-annual principal plus interest payments of \$74,706 beginning in February 2014 including interest at 2.45% and is being paid by the General Fund. The balance on this installment purchase contract as of June 30, 2015 was \$498,392.

In September 2014, the Town entered into an installment purchase contract with a financial institution in the amount of \$692,000 to finance the purchase of several fire trucks. The contract required annual principal payments beginning with a \$220,000 principal payment as of September 2014 and then an initial fixed \$53,541 principal payment following in September 2015, with interest at 2.36%, and is being paid by the General Fund. The balance on this installment purchase contract as of June 30, 2015 was \$472,000.

Annual debt service payments of the installment purchases as of June 30, 2015, including \$183,057 of interest, are as follows:

Year Ending <u>June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 417,182	\$ 50,546
2017	421,585	41,267
2018	426,094	31,881
2019	356,171	22,221
2020	283,282	15,527
2021-2025	<u>486,478</u>	<u>21,615</u>
	<u>\$ 2,390,792</u>	<u>\$ 183,057</u>

b. General Obligation Indebtedness

General obligation bonds issued to finance the construction of facilities utilized in the operations of the water system and which are being retired by its resources are reported as long-

term debt in the Water and Sewer Fund. All general obligation bonds are collateralized by the full faith, credit, and taxing power of the Town. Principal and interest requirements are appropriated when due.

Bonds payable at June 30, 2015 are comprised of the following individual issue:

General Obligation Bonds

Serviced by the Water and Sewer Fund:

Water Refunding Bonds, 2005,
\$3,685,000 issue, interest at 3%
payable semiannually due
serially to 2030

\$ 2,570,000

Annual debt service requirements to maturity for long-term obligations are as follows:

Year Ending June 30	Business-type Activities	
	Principal	Interest
2016	\$ 130,000	\$ 100,470
2017	140,000	95,920
2018	145,000	91,020
2019	145,000	85,945
2020	150,000	80,508
2021-2025	850,000	311,381
2026-2030	<u>1,010,000</u>	<u>126,659</u>
	2,570,000	<u>\$ 891,903</u>
Less unamortized discount	<u>(21,722)</u>	
	<u>\$ 2,548,278</u>	

At June 30, 2015 the Town of Weaverville had a legal debt margin of approximately \$45,800,000.

c. Discretely Presented Component Unit

In April 2009, the ABC Board entered into a \$1,500,000 note payable to a banking institution for the purpose of financing the ABC Board's acquisition and construction of the facilities in which it operates. The financing agreement required one interest only payment of \$73,500 beginning in the fiscal year 2010, followed by 19 annual principal and interest payments of \$123,007 with interest of 4.89%. On October 17, 2013, the ABC Board entered into a modification of the loan terms to require quarterly payments instead of annual. No other terms of the loan changed. The required quarterly payment is \$31,038.05. The loan matures in April 2029. The note payable is collateralized by all real and personal property of the ABC Board. The balance of the loan as of June 30, 2015 was \$1,253,228.

During the year ended June 30, 2010, the ABC Board entered into a loan with a banking institution in the amount of \$50,000. Loan payments commenced with interest only payments at 5.39% beginning in April 2010. Annual principal and interest payments of \$4,270 commenced in April 2011. On October 17, 2013, the ABC Board entered into a modification of the loan terms to require quarterly payments instead of annual. No other terms of the loan changed. The required quarterly payment is \$1,076. The loan matures in April 2029. The balance of this loan as of June 30, 2015 was \$42,105.

Interest expense on the obligation for the year ended June 30, 2015 was \$64,969.

Annual debt service payments of the notes payable of the ABC Board as of June 30, 2015, including \$503,039 of interest, are as follows:

Year Ending June 30	Discretely Presented Component Unit	
	Principal	Interest
2016	\$ 66,107	\$ 62,349
2017	69,410	59,045
2018	72,878	55,577
2019	76,520	51,936
2020	80,343	48,112
2021-2025	466,105	176,170
2026-2029	463,970	49,850
	<u>\$ 1,295,333</u>	<u>\$ 503,039</u>

d. Advance Refundings

In prior years, the Town has refunded various bond issues by creating separate irrevocable trust funds. Accordingly, the trust account assets and liabilities are not included in the Town's financial statements. New debt has been issued and the proceeds have been used to purchase qualified government securities that were placed in the trust funds.

e. Changes in Long-Term Liabilities

The following is a summary of changes in the Town's long-term obligations for the year ended June 30, 2015:

	Balance July 1, 2014	Increase	Decrease	Balance June 30, 2015	Current Portion
Governmental activities:					
Installment purchases	\$ 2,290,253	\$ 692,000	\$ 591,461	\$ 2,390,792	\$ 417,182
Net pension obligation (LEO)	198,296	31,303	-	229,599	-
Net pension obligation (LGERS)	641,017	-	641,017	-	-
Other postemployment benefits	438,243	68,500	-	506,743	-
Compensated absences	<u>177,861</u>	<u>237,136</u>	<u>238,578</u>	<u>176,419</u>	<u>30,000</u>
Governmental activity long-term liabilities	<u>\$ 3,745,670</u>	<u>\$ 1,028,939</u>	<u>\$ 1,471,056</u>	<u>\$ 3,303,553</u>	<u>\$ 447,182</u>
Business-type activities:					
General obligation bonds, net	\$ 2,671,830	\$ -	\$ 123,552	\$ 2,548,278	\$ 130,000
Net pension obligation (LGERS)	148,510	-	148,510	-	-
Other postemployment benefits	103,058	15,876	-	118,934	-
Compensated absences	<u>36,153</u>	<u>62,279</u>	<u>61,418</u>	<u>37,014</u>	<u>4,000</u>
Business-type activity long-term liabilities	<u>\$ 2,959,551</u>	<u>\$ 78,155</u>	<u>\$ 333,480</u>	<u>\$ 2,704,226</u>	<u>\$ 134,000</u>

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

Compensated absences for governmental activities have typically been liquidated in the

General Fund.

C. Prior Period Adjustment

During the fiscal year ended June 30, 2015, the Town determined that certain sales tax revenues that were subject to accrual in the General Fund as of June 30, 2014, on a modified accrual basis of accounting, had been omitted. Therefore, an adjustment to beginning fund balance has been recorded to account for those accruals, the net effect of which increased beginning fund balance by \$104,224.

D. Net Investment in Capital Assets

The following schedule provides a calculation of net investment in capital assets:

	<u>Governmental</u>	<u>Business-type</u>
Capital assets	\$ 10,440,978	\$ 8,532,813
Less: Long-term debt	<u>2,390,792</u>	<u>2,548,278</u>
Net investment in capital assets	<u>\$ 8,050,186</u>	<u>\$ 5,984,535</u>

E. Fund Balance

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

Total fund balance – General Fund	\$ 5,065,444
Less:	
Restricted for:	
Stabilization by State statute	555,841
Streets – Powell Bill	180,252
Assigned:	
Appropriated fund balance in 2016 budget	72,773
Unassigned:	
Working capital/fund balance policy – minimum	1,144,330
Remaining fund balance	3,112,248

The Town has adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the Town in such a manner that available fund balance is at least equal to a minimum of 20% with a target goal of 40% of General Fund revenues.

Note 3 – Joint Ventures

The Town and the members of the Town's fire department each appoint two members to the five-member local board of trustees for the Firefighter's Relief Fund. The State Insurance Commissioner appoints one additional member to the local board of trustees. The Firefighter's Relief Fund is funded by a portion of the fire and lightning insurance premiums which insurers remit to the State. The State passes these monies to the local board of the Firefighter's Relief Fund. The funds are used to assist firefighters in various ways. The Town obtains an ongoing financial benefit from the Fund for the on-behalf of payments for salaries and fringe benefits made to members of the Town's fire department by the board of trustees. During the fiscal year ended June 30, 2015, the Town reported no revenues and expenditures made through the Fireman's Relief Fund. The participating governments do not have any equity interest in the joint venture, so no equity has been reflected in the financial statements

at June 30, 2015. The Firefighter's Relief Fund does not issue separate audited financial statements. Instead, the local board of trustees files an annual financial report with the State Firefighter's Association. This report can be obtained from the Association at 323 West Jones Street, Suite 401, Raleigh, North Carolina 27603.

Note 4 – Jointly Governed Organization

The Town, in conjunction with various other municipalities, participates in the Metropolitan Sewerage District. The participating governments established the District to provide sewerage services to the residents of participant communities. The Town appoints one member to the District's governing board. The Town collected and remitted to the District fees of \$687,804 during the fiscal year ended June 30, 2015. The Town's income for these collections totaled \$46,965.

Note 5 – Change in Accounting Principles/Restatement

The Town implemented Governmental Accounting Standards Board (GASB) statement 68, *Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27)*, in the fiscal year ending June 30, 2015. The implementation of the statement required the Town to record beginning net pension liability and the effects on net position of contributions made by the Town during the measurement period (fiscal year ending June 30, 2014). As a result, net position for the governmental and business-type activities decreased by \$467,556 and \$108,323, respectively.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

TOWN OF WEAVERVILLE, NORTH CAROLINA

**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b - a)/c)
12/31/2005	-	\$ 50,761	\$ 50,761	0%	\$ 415,778	12.21%
12/31/2006	-	60,838	60,838	0%	475,342	12.80%
12/31/2007	-	86,726	86,726	0%	515,689	16.82%
12/31/2008	-	119,578	119,578	0%	626,884	19.07%
12/31/2009	-	195,244	195,244	0%	651,874	29.95%
12/31/2010	-	167,172	167,172	0%	687,920	24.30%
12/31/2011	-	190,223	190,223	0%	681,504	27.91%
12/31/2012	-	219,107	219,107	0%	727,595	30.11%
12/31/2013	-	257,837	257,837	0%	709,694	36.33%
12/31/2014	-	253,949	253,949	0%	702,088	36.17%

TOWN OF WEAVERVILLE, NORTH CAROLINA

**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2006	\$ 7,733	0.0%
2007	8,468	0.0%
2008	9,546	0.0%
2009	13,942	0.0%
2010	18,462	0.0%
2011	26,644	0.0%
2012	23,530	0.0%
2013	26,030	0.0%
2014	29,837	0.0%
2015	38,139	0.0%

TOWN OF WEAVERVILLE, NORTH CAROLINA

OTHER POSTEMPLOYMENT BENEFITS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b - a)/c)
12/31/2009	\$ -	\$ 778,800	\$ 778,800	0%	\$ 2,849,772	27.3%
12/31/2010	-	836,271	836,271	0%	2,887,322	29.0%
12/31/2013	-	843,676	843,676	0%	2,940,231	28.7%

TOWN OF WEAVERVILLE, NORTH CAROLINA

**OTHER POSTEMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2010	\$ 119,519	0.0%
2011	120,175	4.2%
2012	124,001	7.5%
2013	128,651	9.3%
2014	97,939	26.4%
2015	98,067	14.0%

TOWN OF WEAVERVILLE, NORTH CAROLINA

TOWN OF WEAVERVILLE'S PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
 REQUIRED SUPPLEMENTARY INFORMATION
 LAST TWO FISCAL YEARS*

LOCAL GOVERNMENT EMPLOYEE'S RETIREMENT SYSTEM

	2015	2014
Weaverville's proportion of the net pension liability (asset) (%)	0.06550%	0.06550%
Weaverville's proportion of the net pension liability (asset) (\$)	\$ (386,284)	\$ 789,527
Weaverville's covered-employee payroll	\$ 3,000,672	\$ 2,928,477
Weaverville's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(12.75%)	26.96%
Plan fiduciary net position as a percentage of the total pension liability**	102.64%	94.35%

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

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

TOWN OF WEAVERVILLE, NORTH CAROLINA

**TOWN OF WEAVERVILLE'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST TWO FISCAL YEARS**

LOCAL GOVERNMENT EMPLOYEE'S RETIREMENT SYSTEM

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 216,523	\$ 213,648
Contributions in relation to the contractually required contribution	<u>(216,523)</u>	<u>(213,648)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Weaverville's covered-employee payroll	\$ 3,029,056	\$ 3,000,672
Contributions as a percentage of covered- employee payroll	7.15%	7.12%



INDIVIDUAL FUND STATEMENTS AND SCHEDULES

TOWN OF WEAVERVILLE, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the year ended June 30, 2015

	2015		
	Budget	Actual	Variance Positive (Negative)
REVENUES			
Ad valorem taxes:			
Taxes		\$ 2,595,975	
DMV state collections		139,618	
Penalties and interest		9,034	
	\$ 2,692,720	2,744,627	\$ 51,907
Other taxes and licenses:			
Privilege licenses		101,760	
Local option sales tax		1,006,348	
	1,157,000	1,108,108	(48,892)
Intergovernmental revenues:			
Unrestricted:			
Utilities sales tax		481,956	
Beer and wine tax		17,947	
Buncombe Co. - Fire Protection		1,145,612	
ABC profit distribution		24,000	
	1,622,570	1,669,515	46,945
Restricted:			
Powell Bill		106,971	
Police Department grant		14,687	
ABC revenue for law enforcement		4,908	
	129,295	126,566	(2,729)
Permits and fees:			
Zoning inspection fees		17,188	
Fire inspection fees		1,250	
	50,000	18,438	(31,562)
Investment earnings			
Investment earnings	1,050	4,800	3,750
Other:			
Miscellaneous		26,361	
Contributions		1,078	
Cops For Kids		22,155	
	48,483	49,594	1,111
 Total revenues	 5,701,118	 5,721,648	 20,530

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TOWN OF WEAVERVILLE, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the year ended June 30, 2015

	2015		
	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
EXPENDITURES			
General government:			
Governing board:			
Salaries and employee benefits		20,669	
Community promotions		55,844	
Professional services		101,619	
Other operating expenses		76,630	
Total governing board	291,600	254,762	36,838
Administration:			
Salaries and employee benefits		439,757	
Professional services		65,322	
Equipment purchases		17,583	
Other operating expenses		88,096	
Total administration	656,142	610,758	45,384
Planning:			
Salaries and employee benefits		28,720	
Professional services		41,914	
Equipment purchases		40	
Other operating expenses		11,575	
Total planning	161,810	82,249	79,561
Total general government	1,109,552	947,769	161,783
Public safety:			
Police:			
Salaries and employee benefits		1,026,465	
Supplies and materials		47,030	
Equipment purchases		49,013	
Repairs and maintenance		32,930	
Insurance		37,462	
Other operating expenses		91,067	
Capital outlay		52,940	
Total police	1,387,549	1,336,907	50,642
Fire:			
Salaries and employee benefits		1,252,807	
Insurance		39,250	
Repairs and maintenance		58,609	
Other operating expenses		175,403	
Capital outlay		698,196	
Total fire	2,272,973	2,224,265	48,708
Total public safety	3,660,522	3,561,172	99,350

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TOWN OF WEAVERVILLE, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the year ended June 30, 2015

	2015		Variance Positive (Negative)
	Budget	Actual	
EXPENDITURES (CONTINUED)			
Transportation:			
Streets:			
Salaries and employee benefits		144,542	
Contract services		36,904	
Utilities		57,105	
Supplies and materials		35,291	
Other operating expenses		28,093	
Capital outlay		16,706	
Total streets	387,100	318,641	68,459
Powell Bill:			
Salaries and benefits		10,855	
Other operating expenditures		8,791	
Capital outlay		68,216	
Total Powell Bill	101,784	87,862	13,922
Total transportation	488,884	406,503	82,381
Environmental protection:			
Sanitation:			
Salaries and benefits		308,935	
Contract services		36,650	
Supplies and materials		25,004	
Other operating expenses		104,738	
Capital outlay		146,560	
Total environmental protection	676,869	621,887	54,982
Cultural and recreational:			
Recreation:			
Salaries and employee benefits		108,668	
Contract services		14,181	
Other operating expenses		52,821	
Capital outlay		66,728	
Total cultural and recreational	279,720	242,398	37,322
Debt service:			
Principal		591,461	
Interest		47,596	
Total debt service	639,060	639,057	3
Contingency	14,932	-	14,932
Total expenditures	6,869,539	6,418,786	450,753

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TOWN OF WEAVERVILLE, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the year ended June 30, 2015

	<u>2015</u>		
	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues over (under) expenditures	(1,168,421)	(697,138)	471,283
Other financing sources:			
Sale of capital assets	2,500	201,564	199,064
Insurance recovery	2,022	2,022	-
Installment purchase obligations issued	455,000	692,000	237,000
Total other financing sources	<u>459,522</u>	<u>895,586</u>	436,064
Appropriated fund balance	708,899	-	(708,899)
Net change in fund balance	<u>\$ -</u>	198,448	<u>\$ 198,448</u>
Fund balance, beginning of year as previously reported		4,762,772	
Prior period adjustment		<u>104,224</u>	
Fund balance, beginning of year as restated		4,866,996	
Fund balance, end of year		<u>\$ 5,065,444</u>	

TOWN OF WEAVERVILLE, NORTH CAROLINA
WATER AND SEWER FUND

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

For the year ended June 30, 2015

	2015		
	Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES			
Charges for services		\$ 1,597,788	
Other operating revenues		110,226	
Total operating revenues	\$ 1,736,990	1,708,014	\$ (28,976)
NON-OPERATING REVENUES			
Investment earnings		3,994	
Sale of property		2,474	
Total non-operating revenues	4,000	6,468	2,468
Total revenues	1,740,990	1,714,482	(26,508)
OPERATING EXPENDITURES			
Water and sewer administration:			
Salaries and employee benefits		180,584	
Professional services		10,819	
Supplies and materials		4,021	
Postage		12,056	
Training and travel		1,223	
Telephone		2,803	
Insurance		7,028	
Other operating expenses		3,238	
Total water and sewer administration	249,667	221,772	27,895
Treatment and distribution:			
Salaries and employee benefits		594,602	
Professional services		21,558	
Contract services		598	
Water testing and maintenance		21,643	
Supplies and materials		139,577	
Training and travel		5,319	
Telephone		9,604	
Utilities		114,319	
Repairs and maintenance		23,172	
Insurance		14,613	
Sludge removal		22,772	
Water system improvement		63,592	
Non-capital equipment		59,872	
Capital outlay		46,053	
Total treatment and distribution	1,299,361	1,137,294	162,067

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TOWN OF WEAVERVILLE, NORTH CAROLINA
WATER AND SEWER FUND

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

For the year ended June 30, 2015

	2015		Variance Positive (Negative)
	Budget	Actual	
EXPENDITURES (CONTINUED)			
Debt service:			
Principal retirement		125,000	
Interest		105,452	
Total debt service	233,750	230,452	3,298
Contingency	11,412	-	11,412
Total expenditures	1,794,190	1,589,518	204,672
Revenues over expenditures	(53,200)	124,964	178,164
Other financing sources (uses):			
Transfers From (to) Water Line			
Replacement Capital Project Fund	-	(13,080)	(13,080)
Transfers from (to) Water Plant			
Improvement Capital Project Fund	-	(23,000)	(23,000)
Total other financing sources (uses)	-	(36,080)	(36,080)
Appropriated net position	53,200	-	(53,200)
Revenues and other sources over (under) expenditures	\$ -	88,884	\$ 88,884
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling items:			
Payment of debt principal		125,000	
Deferred outflows of resources for contributions made to pension plan in current fiscal year		40,728	
Pension expenses		(2,862)	
Increase in accrued vacation pay		(861)	
Increase in accrued OPEB liability		(15,876)	
Transfers to Capital Project Funds, net		36,080	
Capital outlay		46,053	
Depreciation expense		(359,398)	
Change in net position		\$ (42,252)	

TOWN OF WEAVERVILLE, NORTH CAROLINA
WATER AND SEWER CAPITAL PROJECTS FUND - WATER LINE REPLACEMENT

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

From inception and for the fiscal year ended June 30, 2015

	<u>Actual</u>			Variance Positive (Negative)
	Project Author- ization	Prior Years	Current Year	
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Design and permitting	8,600	-	8,600	8,600
Informal bidding and award	3,500	-	3,500	3,500
Construction administration	9,800	-	980	980
Construction cost	187,714	-	-	-
Contingency	16,000	-	-	-
Total expenditures	<u>225,614</u>	<u>-</u>	<u>13,080</u>	<u>13,080</u>
Revenues under expenditures	<u>(225,614)</u>	<u>-</u>	<u>(13,080)</u>	<u>(13,080)</u>
Other financing sources (uses):				
Transfers from (to) Water and Sewer Fund	225,614	-	13,080	13,080
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning of year			<u>-</u>	
Fund balance, end of year			<u>\$ -</u>	

TOWN OF WEAVERVILLE, NORTH CAROLINA
WATER AND SEWER CAPITAL PROJECTS FUND - WATER PLANT IMPROVEMENT

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

From inception and for the fiscal year ended June 30, 2015

	Project Author- ization	<u>Actual</u>			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES					
Design and permitting	19,500	-	19,500	19,500	-
Informal bidding and award	3,500	-	3,500	3,500	-
Construction administration	8,500	-	-	-	8,500
Construction cost	278,335	-	-	-	278,335
Contingency	16,000	-	-	-	16,000
Total expenditures	<u>325,835</u>	-	<u>23,000</u>	<u>23,000</u>	<u>302,835</u>
Revenues under expenditures	<u>(325,835)</u>	-	<u>(23,000)</u>	<u>(23,000)</u>	<u>(302,835)</u>
Other financing sources (uses):					
Transfers from (to) Water and Sewer Fund	<u>325,835</u>	-	<u>23,000</u>	<u>23,000</u>	<u>302,835</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning of year			<u>-</u>		
Fund balance, end of year			<u>\$ -</u>		

SUPPLEMENTAL FINANCIAL DATA

TOWN OF WEAVERVILLE, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF AD VALOREM TAXES RECEIVABLE
June 30, 2015

Fiscal Year	Uncollected Balance 6/30/2014	Additions	Collections And Credits	Uncollected Balance 6/30/2015
2014-2015	\$ -	\$ 2,773,162	\$ 2,731,523	\$ 41,639
2013-2014	5,886	-	4,716	1,170
2012-2013	2,541	-	905	1,636
2011-2012	2,088	108	-	2,196
2010-2011	200	966	-	1,166
2009-2010	809	-	-	809
2008-2009	383	-	-	383
2007-2008	482	-	-	482
2006-2007	474	-	-	474
2005-2006	175	-	-	175
2004-2005	183	-	183	-
	\$ 13,221	\$ 2,774,236	\$ 2,737,327	50,130
Less allowance for uncollectible ad valorem taxes receivable				2,323
Ad valorem taxes receivable, net				\$ 47,807
Reconciliation with Revenues:				
Taxes - Ad valorem - General Fund				\$ 2,744,627
Reconciling items:				
Amount written off for fiscal year 2004-2005				183
Other adjustments				1,551
Subtotal				2,746,361
Interest Collected				(9,034)
Total collections and credits				\$ 2,737,327

TOWN OF WEAVERVILLE, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
Town-Wide Levy
For the Year Ended June 30, 2015

	Town - Wide		Total Levy		
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current rate	<u>\$ 638,145,333</u>	0.00420	\$ 2,680,210	\$ 2,540,592	\$ 139,618
Discoveries:					
Current year taxes	29,376,457	0.00420	123,381	123,381	-
Abatements	<u>(7,245,119)</u>	0.00420	<u>(30,429)</u>	<u>(30,429)</u>	<u>-</u>
Total property valuation	<u><u>\$ 660,276,671</u></u>				
Net levy			2,773,162	2,633,544	139,618
Uncollected taxes at June 30, 2015			<u>(41,639)</u>	<u>(41,639)</u>	<u>-</u>
Current year's taxes collected			<u><u>\$ 2,731,523</u></u>	<u><u>\$ 2,591,905</u></u>	<u><u>\$ 139,618</u></u>
Current levy collection percentage			<u><u>98.50%</u></u>	<u><u>98.42%</u></u>	<u><u>100.00%</u></u>

**TOWN OF WEAVERVILLE, NORTH CAROLINA
STATISTICAL SECTION**

TOWN OF WEAVERVILLE, NORTH CAROLINA
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net investment in capital assets	\$ 2,851,325	\$ 3,224,278	\$ 4,627,661	\$ 4,939,506	\$ 6,347,885	\$ 6,742,401	\$ 6,842,752	\$ 7,347,031	\$ 7,993,996	\$ 8,050,186
Restricted	4,187,323	1,628,070	679,431	751,036	584,509	1,010,927	940,151	916,438	619,271	736,093
Unrestricted	<u>(4,925)</u>	<u>3,703,667</u>	<u>4,438,275</u>	<u>4,990,309</u>	<u>4,186,043</u>	<u>3,377,333</u>	<u>3,633,538</u>	<u>3,478,950</u>	<u>3,331,318</u>	<u>3,145,332</u>
Total governmental activities	\$ 7,033,723	\$ 8,556,015	\$ 9,745,367	\$ 10,680,851	\$ 11,118,437	\$ 11,130,661	\$ 11,416,441	\$ 11,742,419	\$ 11,944,585	\$ 11,931,611
Business-type activities										
Net investment in capital assets	\$ 6,773,602	\$ 6,632,727	\$ 6,696,012	\$ 6,912,065	\$ 6,752,882	\$ 6,541,109	\$ 6,389,448	\$ 6,228,057	\$ 6,138,248	\$ 5,984,535
Unrestricted	<u>2,529,385</u>	<u>2,759,188</u>	<u>2,627,010</u>	<u>2,133,136</u>	<u>2,145,974</u>	<u>2,247,995</u>	<u>2,326,924</u>	<u>2,416,168</u>	<u>2,564,076</u>	<u>2,567,214</u>
Total business-type activities	\$ 9,302,987	\$ 9,391,915	\$ 9,323,022	\$ 9,045,201	\$ 8,898,856	\$ 8,789,104	\$ 8,716,372	\$ 8,644,225	\$ 8,702,324	\$ 8,551,749
Primary government										
Net investment in capital assets	\$ 9,624,927	\$ 9,857,005	\$ 11,323,673	\$ 11,851,571	\$ 13,100,767	\$ 13,283,510	\$ 13,232,200	\$ 13,575,088	\$ 14,132,244	\$ 14,034,721
Restricted	4,187,323	1,628,070	679,431	751,036	584,509	1,010,927	940,151	916,438	619,271	736,093
Unrestricted	<u>2,524,460</u>	<u>6,462,855</u>	<u>7,065,285</u>	<u>7,123,445</u>	<u>6,332,017</u>	<u>5,625,328</u>	<u>5,960,462</u>	<u>5,895,118</u>	<u>5,895,394</u>	<u>5,712,546</u>
Total primary government	\$ 16,336,710	\$ 17,947,930	\$ 19,068,389	\$ 19,726,052	\$ 20,017,293	\$ 19,919,765	\$ 20,132,813	\$ 20,386,644	\$ 20,646,909	\$ 20,483,360

Note: The Town began to report net position classification in accordance with GASB Statements 63 and 65 in 2013.

TOWN OF WEAVERVILLE, NORTH CAROLINA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities										
General government	\$ 582,728	\$ 599,262	\$ 642,607	\$ 738,741	\$ 723,016	\$ 762,486	\$ 745,832	\$ 871,378	\$ 1,060,919	\$ 972,373
Public safety	1,873,061	2,164,280	2,303,242	2,684,782	3,060,692	3,237,380	3,192,377	3,164,552	3,181,904	3,187,340
Transportation	392,561	293,145	500,872	366,130	366,789	410,923	431,241	443,150	459,368	411,294
Environmental protection	277,293	450,786	335,703	365,498	399,436	519,617	525,647	490,032	560,224	545,538
Cultural and recreation	101,022	86,646	117,045	136,389	146,737	153,234	151,913	165,007	210,541	181,046
Interest on long term debt	74,857	187,703	166,510	194,368	180,010	159,685	135,861	121,910	61,303	53,241
Total governmental activities expenses	<u>3,301,522</u>	<u>3,781,822</u>	<u>4,065,979</u>	<u>4,485,908</u>	<u>4,876,680</u>	<u>5,243,325</u>	<u>5,182,871</u>	<u>5,256,029</u>	<u>5,534,259</u>	<u>5,350,832</u>
Business-type activities:										
Water and Sewer	1,549,374	1,596,762	1,666,533	1,801,610	1,685,708	1,759,921	1,698,261	1,756,183	1,772,760	1,756,734
Total business-type activities	<u>1,549,374</u>	<u>1,596,762</u>	<u>1,666,533</u>	<u>1,801,610</u>	<u>1,685,708</u>	<u>1,759,921</u>	<u>1,698,261</u>	<u>1,756,183</u>	<u>1,772,760</u>	<u>1,756,734</u>
Total primary government expenses	<u>\$ 4,850,896</u>	<u>\$ 5,378,584</u>	<u>\$ 5,732,512</u>	<u>\$ 6,287,518</u>	<u>\$ 6,562,388</u>	<u>\$ 7,003,246</u>	<u>\$ 6,881,132</u>	<u>\$ 7,012,212</u>	<u>\$ 7,307,019</u>	<u>\$ 7,107,566</u>
Program Revenues										
Governmental activities:										
Charges for services										
General government	\$ 12,000	\$ 13,705	\$ 13,705	\$ 13,705	\$ 13,705	\$ 13,705	\$ 15,377	\$ 15,270	\$ 15,270	\$ 15,269
Public safety	60,391	54,443	47,573	67,236	27,568	24,205	31,788	46,268	30,384	18,438
Operating grants and contributions	91,952	136,293	147,574	135,889	168,531	167,142	24,561	81,131	93,407	42,828
Capital grants and contributions	-	-	43,370	129,816	-	-	120,661	105,081	106,054	106,971
Total governmental activities program revenues	<u>164,343</u>	<u>204,441</u>	<u>252,222</u>	<u>346,646</u>	<u>209,804</u>	<u>205,052</u>	<u>192,387</u>	<u>247,750</u>	<u>245,115</u>	<u>183,506</u>
Business-type activities:										
Charge for services										
Water	1,539,136	1,619,147	1,527,942	1,451,782	1,492,997	1,629,857	1,604,755	1,652,376	1,824,127	1,708,014
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities:	<u>1,539,136</u>	<u>1,619,147</u>	<u>1,527,942</u>	<u>1,451,782</u>	<u>1,492,997</u>	<u>1,629,857</u>	<u>1,604,755</u>	<u>1,652,376</u>	<u>1,824,127</u>	<u>1,708,014</u>
Total primary government program revenues	<u>\$ 1,703,479</u>	<u>\$ 1,823,588</u>	<u>\$ 1,780,164</u>	<u>\$ 1,798,428</u>	<u>\$ 1,702,801</u>	<u>\$ 1,834,909</u>	<u>\$ 1,797,142</u>	<u>\$ 1,900,126</u>	<u>\$ 2,069,242</u>	<u>\$ 1,891,520</u>

(Continued on next page)

TOWN OF WEAVERVILLE, NORTH CAROLINA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net (Expense) Revenue										
Governmental activities	\$ (3,137,179)	\$ (3,577,381)	\$ (3,813,757)	\$ (4,139,262)	\$ (4,666,876)	\$ (5,038,273)	\$ (4,990,484)	\$ (5,008,279)	\$ (5,289,144)	\$ (5,167,326)
Business-type activities	(10,238)	22,385	(138,591)	(349,828)	(192,711)	(130,064)	(93,506)	(103,807)	51,367	(48,720)
Total primary government expense	<u>\$ (3,147,417)</u>	<u>\$ (3,554,996)</u>	<u>\$ (3,952,348)</u>	<u>\$ (4,489,090)</u>	<u>\$ (4,859,587)</u>	<u>\$ (5,168,337)</u>	<u>\$ (5,083,990)</u>	<u>\$ (5,112,086)</u>	<u>\$ (5,237,777)</u>	<u>\$ (5,216,046)</u>
General Revenue and Other Changes in Net Position										
Governmental activities:										
Taxes	\$ 2,498,617	\$ 3,250,447	\$ 3,267,797	\$ 3,367,389	\$ 3,286,044	\$ 3,505,269	\$ 3,711,461	\$ 3,815,593	\$ 3,769,024	\$ 3,889,022
Grants and unrestricted contributions	1,202,026	1,431,568	1,462,731	1,506,704	1,399,863	1,485,907	1,490,077	1,470,911	1,611,206	1,669,515
Loss on sale of property	-	-	-	-	-	-	-	(7,578)	-	(58,767)
Investment earnings	220,801	386,222	261,064	161,795	52,001	27,664	28,139	24,452	5,953	4,800
Miscellaneous	34,613	31,436	11,517	38,858	366,554	31,658	46,587	30,879	105,127	13,114
Total government activities	<u>3,956,057</u>	<u>5,099,673</u>	<u>5,003,109</u>	<u>5,074,746</u>	<u>5,104,462</u>	<u>5,050,498</u>	<u>5,276,264</u>	<u>5,334,257</u>	<u>5,491,310</u>	<u>5,517,684</u>
Business-type activities:										
Gain on sale of property	-	-	-	-	-	-	-	14,412	-	2,474
Investment earnings	48,780	66,543	69,698	72,007	46,367	20,312	20,774	17,248	6,732	3,994
Total business-type activities	<u>48,780</u>	<u>66,543</u>	<u>69,698</u>	<u>72,007</u>	<u>46,367</u>	<u>20,312</u>	<u>20,774</u>	<u>31,660</u>	<u>6,732</u>	<u>6,468</u>
Total primary government	<u>\$ 4,004,837</u>	<u>\$ 5,166,216</u>	<u>\$ 5,072,807</u>	<u>\$ 5,146,753</u>	<u>\$ 5,150,829</u>	<u>\$ 5,070,810</u>	<u>\$ 5,297,038</u>	<u>\$ 5,365,917</u>	<u>\$ 5,498,042</u>	<u>\$ 5,524,152</u>
Change in Net Position										
Governmental activities	\$ 818,878	\$ 1,522,292	\$ 1,189,352	\$ 935,484	\$ 437,586	\$ 12,225	\$ 285,780	\$ 325,978	\$ 202,166	\$ 350,358
Business activities	38,542	88,928	(68,893)	(277,821)	(146,344)	(109,752)	(72,732)	(72,147)	58,099	(42,252)
Total primary government	<u>\$ 857,420</u>	<u>\$ 1,611,220</u>	<u>\$ 1,120,459</u>	<u>\$ 657,663</u>	<u>\$ 291,242</u>	<u>\$ (97,527)</u>	<u>\$ 213,048</u>	<u>\$ 253,831</u>	<u>\$ 260,265</u>	<u>\$ 308,106</u>

Note: The Town began to report net position classification in accordance with GASB Statements 63 and 65 in 2013.

TOWN OF WEAVERVILLE, NORTH CAROLINA
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2006	2007	2008	2009	2010	2011*	2012	2013	2014	2015
General Fund										
Reserved	\$ 805,862	\$ 624,910	\$ 759,513	\$ 869,972	\$ 919,236	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	3,015,075	3,621,609	4,314,587	4,920,744	4,215,711	-	-	-	-	-
Total General Fund	<u>\$ 3,820,937</u>	<u>\$ 4,246,519</u>	<u>\$ 5,074,100</u>	<u>\$ 5,790,716</u>	<u>\$ 5,134,947</u>	<u>\$ -</u>				
All other government funds										
Reserved	\$ -	\$ 45,968	\$ 21,816	\$ 65	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Capital projects funds	3,632,967	1,234,451	237,691	249,272	-	-	-	-	-	-
Total all other government funds	<u>\$ 3,632,967</u>	<u>\$ 1,280,419</u>	<u>\$ 259,507</u>	<u>\$ 249,337</u>	<u>\$ -</u>					
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	1,010,927	940,151	916,438	619,271	736,093
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	371,470	213,340	289,710	240,359	72,773
Unassigned	-	-	-	-	-	3,507,088	4,015,946	3,890,602	3,903,142	4,256,578
Total General Fund	<u>\$ -</u>	<u>\$ 4,889,485</u>	<u>\$ 5,169,437</u>	<u>\$ 5,096,750</u>	<u>\$ 4,762,772</u>	<u>\$ 5,065,444</u>				

* Note: The Town began to report fund balance classification in accordance with GASB Statement 54 in 2011.

TOWN OF WEAVERVILLE, NORTH CAROLINA
Changes in Fund Balance of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenues										
Ad valorem taxes	\$1,811,049	\$2,384,773	\$2,319,419	\$2,403,512	\$2,485,116	\$2,603,095	\$2,733,026	\$2,731,714	\$2,673,180	\$2,744,627
Other taxes and licenses	684,799	868,890	946,809	962,049	787,446	910,695	979,761	1,086,231	1,097,423	1,108,108
Unrestricted intergovernmental revenues	1,202,026	1,431,568	1,462,731	1,506,704	1,399,863	1,485,907	1,490,077	1,470,911	1,611,206	1,669,515
Restricted intergovernmental revenues	89,380	94,506	153,862	234,123	150,201	144,494	106,580	166,057	173,275	126,566
Permits and fees	60,391	54,443	47,573	67,236	27,568	24,205	31,788	46,268	30,384	18,438
Sales and services	-	14,893	-	-	-	-	-	-	-	-
Investment earnings	220,801	418,824	280,013	170,571	52,001	27,664	28,139	24,452	5,953	4,800
Other revenues	49,185	39,984	43,355	75,369	398,589	68,011	81,806	66,304	146,583	49,594
Total Revenue	<u>4,117,631</u>	<u>5,307,881</u>	<u>5,253,762</u>	<u>5,419,564</u>	<u>5,300,784</u>	<u>5,264,071</u>	<u>5,451,177</u>	<u>5,591,937</u>	<u>5,738,004</u>	<u>5,721,648</u>
Expenditures										
Current										
General government	546,100	567,427	687,513	777,854	689,602	725,898	696,877	800,715	984,899	947,769
Public safety	1,832,766	2,027,437	2,203,336	3,529,242	2,557,761	2,660,279	2,680,297	2,692,509	2,706,134	2,810,037
Transportation	556,550	254,009	538,368	558,820	303,150	345,948	354,636	367,624	370,517	321,581
Environmental protection	319,270	420,553	296,124	352,906	348,171	451,412	465,371	423,712	491,741	475,327
Cultural and recreational	125,110	81,766	110,838	128,291	136,237	143,256	145,181	159,244	204,653	175,670
Capital outlay	200,460	3,298,563	1,041,124	11,670	1,452,112	502,278	185,867	345,146	964,804	1,049,345
Debt Service										
Principal retirement	655,715	397,448	397,448	533,448	533,448	515,590	497,733	747,733	283,614	591,461
Interest and fees	72,638	187,644	172,342	180,887	185,408	164,872	145,263	127,941	65,620	47,596
Total expenditures	<u>4,308,609</u>	<u>7,234,847</u>	<u>5,447,093</u>	<u>6,073,118</u>	<u>6,205,889</u>	<u>5,509,533</u>	<u>5,171,225</u>	<u>5,664,624</u>	<u>6,071,982</u>	<u>6,418,786</u>
Excess of revenues over (under) expenditures	<u>(190,978)</u>	<u>(1,926,966)</u>	<u>(193,331)</u>	<u>(653,554)</u>	<u>(905,105)</u>	<u>(245,462)</u>	<u>279,952</u>	<u>(72,687)</u>	<u>(333,978)</u>	<u>(697,138)</u>
Other Financing Sources										
Transfers in	723,455	-	-	-	-	-	-	-	-	-
Transfers out	(723,455)	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	201,564
Insurance recovery	-	-	-	-	-	-	-	-	-	2,022
Proceeds from debt	3,551,000	-	-	1,360,000	-	-	-	-	-	692,000
Total other financing sources	<u>3,551,000</u>	<u>-</u>	<u>-</u>	<u>1,360,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>895,586</u>
Net change in fund balances	<u>\$ 3,360,022</u>	<u>\$ (1,926,966)</u>	<u>\$ (193,331)</u>	<u>\$ 706,446</u>	<u>\$ (905,105)</u>	<u>\$ (245,462)</u>	<u>\$ 279,952</u>	<u>\$ (72,687)</u>	<u>\$ (333,978)</u>	<u>\$ 198,448</u>
Debt service as a percentage of non capital expenditures	17.73%	14.86%	12.93%	11.78%	15.12%	13.59%	12.90%	16.46%	6.84%	11.90%

TOWN OF WEAVERVILLE, NORTH CAROLINA
General Governmental Revenues By Source
General, Special Revenue and Capital Project Funds
Last Ten Fiscal Years

<u>Year Ended June 30:</u>	<u>Property Taxes</u>	<u>Permits and Fees</u>	<u>Inter- Governmental</u>	<u>Other Taxes and Licenses</u>	<u>Sales and Services</u>	<u>Investment Earnings</u>	<u>Other Revenues</u>	<u>Total</u>
2006	\$ 1,811,049	\$ 60,391	\$ 1,291,406	\$ 684,799	\$ -	\$ 220,801	\$ 49,185	\$ 4,117,631
2007	2,384,773	54,443	1,526,074	868,890	14,893	418,824	39,984	5,307,881
2008	2,319,419	47,573	1,616,593	946,809	-	280,013	43,355	5,253,762
2009	2,403,512	67,236	1,740,827	962,049	-	170,571	75,369	5,419,564
2010	2,485,116	27,568	1,550,064	787,446	-	52,001	398,589	5,300,784
2011	2,603,095	24,205	1,630,401	910,695	-	27,664	68,011	5,264,071
2012	2,733,026	31,788	1,596,657	979,761	-	28,139	81,806	5,451,177
2013	2,731,714	46,268	1,636,968	1,086,231	-	24,452	66,304	5,591,937
2014	2,673,180	30,384	1,784,481	1,097,423	-	5,953	146,583	5,738,004
2015	2,744,627	18,438	1,796,081	1,108,108	-	4,800	49,594	5,721,648

Source: Audited annual financial reports of the Town of Weaverville, North Carolina

TOWN OF WEAVERVILLE, NORTH CAROLINA
Assessed Value of Taxable Property
Last Ten Fiscal Years
(in thousands)

<u>Fiscal Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Public Service</u>	<u>Total</u>	<u>Tax Rate</u>	<u>Levy</u>
2006	\$ 265,524	\$ 131,057	\$ 2,216	\$ 398,797	0.43	1,715
2007	390,336	130,465	8,268	529,069	0.43	2,275
2008	430,779	146,763	4,063	581,605	0.43	2,210
2009	460,439	165,411	4,145	629,995	0.38	2,299
2010	508,170	154,379	4,495	667,044	0.37	2,368
2011	558,749	140,051	4,991	703,791	0.36	2,498
2012	571,098	121,819	5,036	697,953	0.36	2,617
2013	577,789	116,986	4,874	699,649	0.38	2,624
2014	533,001	96,066	4,875	633,942	0.40	2,536
2015	538,431	91,105	4,743	634,279	0.42	2,680

Note: Property in the Town of Weaverville is assessed by the Buncombe County Tax Office. The most recent revaluation occurred in 2013. Tax exempt property is not assessed by Buncombe County for tax purposes. Tax rates are per \$100 of assessed value and are the weighted average of all the individual direct rates applied.

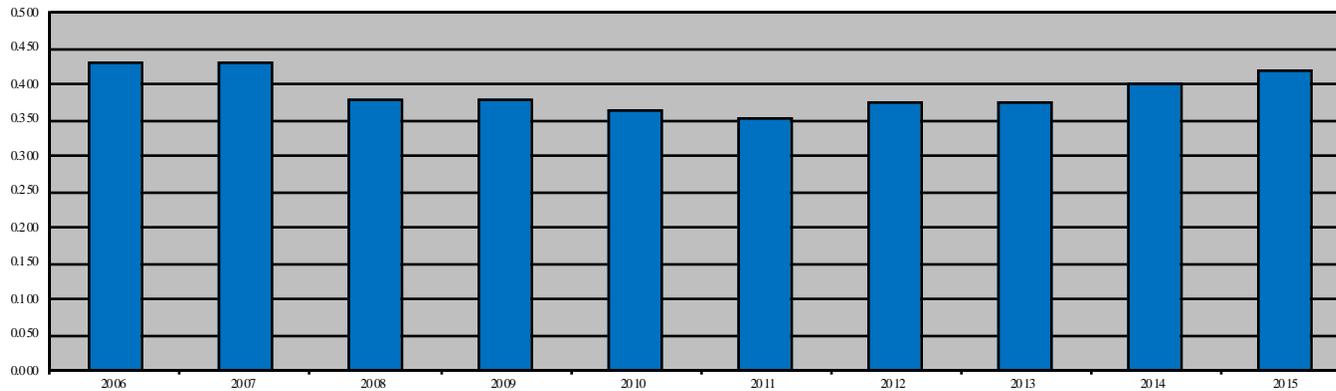
TOWN OF WEAVERVILLE, NORTH CAROLINA

Property Tax Rates-Direct And All Overlapping Governments

Last Ten Fiscal Years

Per \$100 of Assessed Value

	FISCAL YEAR									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
County of Buncombe	0.590	0.590	0.530	0.525	0.525	0.525	0.525	0.525	0.569	0.604
City of Asheville	0.530	0.530	0.424	0.420	0.420	0.420	0.420	0.420	0.460	0.475
Town of Biltmore Forest	0.360	0.360	0.295	0.295	0.300	0.320	0.330	0.330	0.385	0.385
Town of Weaverville	0.430	0.430	0.380	0.380	0.365	0.355	0.375	0.375	0.400	0.420
Town of Black Mountain	0.385	0.385	0.320	0.320	0.320	0.365	0.365	0.365	0.375	0.375
Town of Woodfin	0.285	0.285	0.265	0.265	0.265	0.265	0.265	0.265	0.305	0.305
Town of Montreat	0.370	0.370	0.370	0.370	0.370	0.370	0.370	0.370	0.410	0.410
Asheville School District	0.200	0.200	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150
Fire Districts (average beginning in 2015)	0.150	0.150	0.075-0.125	0.075-0.125	0.075-0.150	0.075-0.150	0.075-0.150	0.075-0.150	0.090-0.150	0.118
Maximum Combined Rate	1.320	1.320	1.104	1.095	1.095	1.095	1.095	1.095	1.214	1.229



NOTE: Property was revalued and effective in fiscal years 2003 and 2007.

Source: Buncombe County Tax Department
Graph is Town of Weaverville data.

TOWN OF WEAVERVILLE, NORTH CAROLINA

Principal Property Taxpayers Current Year and Nine Years Ago

Taxpayer	2014-2015			2005-2006		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Arvado / Sonopress	\$ 35,066,438	1	5.50%	\$ 109,580,456	1	27.63%
Reliance / Baldor	16,854,040	2	2.64%	15,832,877	2	3.99%
Thermo-Kendro	19,413,426	3	3.04%	13,985,830	3	3.53%
Walmart	15,071,648	4	2.36%			
Ingles	10,334,216	5	1.62%	6,043,270	6	1.52%
Monticello Commons/Development	6,862,500	6	1.08%			
HMVHV	5,320,300	7	0.83%			
Weaverville Plaza	4,371,000	8	0.68%	6,913,900	5	1.74%
Balcrank	4,208,304	9	0.66%	3,917,790	8	0.99%
Warrior Golf	2,034,123	10	0.32%			
Shorewood Packaging				6,998,260	4	1.76%
Brian Center				3,760,300	10	0.95%
Kenmure Enterprises				3,853,240	9	0.97%
Montocello Commons				4,507,000	7	1.14%
Totals	\$ 119,535,995		18.73%	\$ 175,392,923		44.23%
 Total Overall Valuation	 \$ 638,145,333			 \$ 396,580,884		

Source: Weaverville Tax Department

TOWN OF WEAVERVILLE, NORTH CAROLINA
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collection within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	\$ 1,820,476	\$ 1,812,431	99.558%	\$ 3,166	\$ 1,815,597	99.73%
2007	2,383,557	2,379,553	99.832%	3,394	2,382,947	99.97%
2008	2,317,521	2,312,159	99.769%	2,614	2,314,773	99.88%
2009	2,394,721	2,386,448	99.655%	6,060	2,392,508	99.91%
2010	2,455,125	2,439,501	99.364%	2,974	2,442,475	99.48%
2011	2,600,070	2,589,260	99.584%	9,491	2,598,751	99.95%
2012	2,722,961	2,713,116	99.638%	-	2,713,116	99.64%
2013	2,702,440	2,694,813	99.718%	-	2,694,813	99.72%
2014	2,574,476	2,568,590	99.771%	-	2,568,590	99.77%
2015	2,773,162	2,731,523	98.499%	-	2,731,523	98.50%

Source: Audited annual financial reports of the Town of Weaverville, North Carolina.

Note: 2011 collections in subsequent years has been adjusted for penalty and interest charges that were previously included in the balance.

TOWN OF WEAVERVILLE, NORTH CAROLINA
Ratios of Outstanding Debt by Type
Debt Per Capita
Last Ten Fiscal Years
(dollars in thousands)

Year Ended June 30	Population (Est.)	General Bonded Debt				Business-type Activities						
		Assessed Value of Taxable Property	Installment Purchases	Ratio of General Bonded Debt (Net) to Assessed Value of Taxable Property	Per Capita	General Obligation Bonds	Installment Purchase	General Bonded Debt (Net) Per Capita	Total Primary Government (1)	Percentage of Personal Income (2)	Per Capita	
2006	2.84	\$ 423,367	\$ 4,837	0.0114	\$ 1,703	\$ 3,555	\$ 161	\$ 1,308	\$ 8,553	7.315%	\$ 3,012	
2007	2.84	554,315	4,439	0.0080	1,563	3,457	125	1,261	8,021	unavailable	2,824	
2008	3.22	609,874	4,042	0.0066	1,255	3,358	89	1,070	7,489	unavailable	2,326	
2009	3.22	656,088	4,868	0.0074	1,512	3,255	54	1,028	8,177	12.515%	2,539	
2010	3.22	691,584	4,335	0.0063	1,346	3,146	18	983	7,499	8.846%	2,329	
2011	3.67	731,399	3,819	0.0052	1,041	3,060	-	834	6,879	6.709%	1,874	
2012	3.71	727,379	3,322	0.0046	895	2,914	-	785	6,236	unavailable	1,681	
2013	3.71	732,139	2,574	0.0035	694	2,795	-	753	5,369	unavailable	1,447	
2014	3.76	652,170	2,290	0.0035	609	2,672	-	711	4,962	unavailable	1,320	
2015	3.80	660,277	2,391	0.0036	629	2,548	-	671	4,939	unavailable	1,300	

Notes: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

- (1) Includes general bonded debt and business-type activities debt.
- (2) Personal income data can be found in the Demographic and Economic Statistics Schedule.

TOWN OF WEAVERVILLE, NORTH CAROLINA
Ratio of Annual Debt Service Expenditures For
General Bonded Debt to Total General Government Expenditures
Last Ten Fiscal Years
(dollars in thousands)

Year Ended June 30:	Principal	Interest	Total Debt Service Expenditures	Total General Government Expenditures (1)	Percentage of Debt Service to Total General Government Expenditures
2006	\$ 197	\$ 71	\$ 268	\$ 3,648	7.346%
2007	397	188	585	4,742	12.337%
2008	397	172	569	4,406	12.914%
2009	533	181	714	6,061	11.780%
2010	533	185	718	6,206	11.569%
2011	516	165	681	5,510	12.359%
2012	498	145	643	5,171	12.435%
2013	748	128	876	5,665	15.463%
2014	284	66	350	6,072	5.764%
2015	591	48	639	6,419	9.955%

(1) Expenditures shown here include all governmental fund type expenditures.

Note: Excludes bond issuance and other costs and general obligation bonds reported in the enterprise funds.

TOWN OF WEAVERVILLE, NORTH CAROLINA
Computation of Direct and Underlying Debt
General Obligation Bonds
June 30, 2015

<u>Direct:</u>			
Town of Weaverville			
Installment Debt		Percent Applicable to the Town (1)	\$ 2,390,792
<u>Underlying:</u>			
Buncombe County			
General Obligation Bonds	<u>30,119,000</u>	2.29%	<u>690,776</u>
Total direct and underlying bonded debt			<u><u>\$ 3,081,568</u></u>

(1) Percent applicable to the Town of Weaverville calculated using assessed valuation of Town divided by assessed valuation of the County taxing district.

Source: Town of Weaverville tax collector and County of Buncombe, North Carolina Comprehensive Annual Financial Report, Year Ended June 30, 2015.

TOWN OF WEAVERVILLE, NORTH CAROLINA
Legal Debt Margin Information
Last Ten Fiscal Years
(dollars in thousands)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Assessed value of property	\$423,367	\$554,315	\$609,874	\$656,088	\$691,584	\$731,399	\$727,379	\$732,139	\$652,170	\$ 660,277
Debt limit, 8% of assessed value	33,869	44,345	48,790	52,487	55,327	58,512	58,190	58,571	52,174	52,822
Total net debt applicable to limit	8,553	8,021	7,489	8,177	7,499	6,879	6,262	5,394	4,985	4,961
Legal debt margin available	25,316	36,324	41,301	44,310	47,828	51,633	51,928	53,177	47,189	45,800
Total net debt applicable to the limit as a percentage of limit	25.25%	18.09%	15.35%	15.58%	13.55%	11.76%	10.76%	9.21%	9.55%	9.39%

Note: NC Statute GS159-55 limits the Town's outstanding debt to 8% of the appraised value of property subject to taxation.

TOWN OF WEAVERVILLE, NORTH CAROLINA

Demographic and Economic Statistics

Last Ten Fiscal Years as of June 30

June 30	Population (1)	Personal Income (thousands) (2)	Per Capita Personal Income (3)	Median Age (3)	Public School Enrollment (4)	Unemployment Rate (5)
2015	3,800	unavailable	unavailable	unavailable	3,802	4.7
2014	3,763	unavailable	\$ 26,424	41.0	3,615	4.8
2013	3,715	unavailable	\$ 25,665	40.6	3,660	6.7
2012	3,714	unavailable	\$ 25,142	42.5	3,660	7.0
2011	3,673	\$ 102,528	\$ 27,914	44.3	3,660	7.7
2010	3,216	\$ 84,771	\$ 26,359	50.0	3,660	7.4
2009	3,220	\$ 65,636	\$ 20,384	39.2	3,660	8.5
2008	3,216	unavailable	unavailable	38.9	3,800	3.7
2007	2,840	unavailable	unavailable	39.6	3,589	3.7
2006	2,840	\$ 116,920	\$ 41,169	39.6	3,680	3.2

Sources:

- (1) North Carolina Office of State Planning (Annexations occurred on 6/30/06 & 7/1/10)
- (2) Personal income information is a total for the year
- (3) North Carolina Office of State Planning (Buncombe County)
- (4) Buncombe County Schools-North Buncombe District (Average Daily Membership)
- (5) North Carolina Employment Security Commission (Buncombe County)

TOWN OF WEAVERVILLE, NORTH CAROLINA

Principal Employers

Current Year and Nine Years Ago

Employer:	2015			2006		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Thermo Fisher	560	1	20.00%	900	1	32.14%
Arvado / Sonopress	415	2	14.82%	650	2	23.21%
Ingles	250	3	8.93%	175	3	6.25%
Walmart	187	4	6.68%			
Reliance				154	4	5.50%
Brian Center	175	5	6.25%	132	5	4.71%
Lowe's	160	6	5.71%			
Shorewood				127	6	4.54%
Dodge Rockwell	146	7	5.21%			
Buncombe County Schools	116	8	4.14%	95	7	3.39%
Conrad Industries	84	9	3.00%	71	8	2.54%
Balcrank				62	9	2.21%
Town of Weaverville	60	10	2.14%	56	10	2.00%
Total	2,153		76.89%	2,422		86.50%

The employers in Weaverville provide jobs for individuals from Buncombe, Madison, Yancey and Mitchell Counties in North Carolina and from Unicoi County in Tennessee.

TOWN OF WEAVERVILLE, NORTH CAROLINA

Full-time Equivalent Town Government Employees by Function/Program

Last Ten Fiscal Years

Function/Program	Full-time Equivalent Employees as of June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Administration	5	5	5	5	5	5	5	5	5	5
Manager	1	1	1	1	1	1	1	1	1	1
Finance Officer	1	1	1	1	1	1	1	1	1	1
Adm. Assistant	1	1	1	1	1	1	1	1	1	1
Account Clerk/Tax	1	1	1	1	1	1	1	1	1	1
Zoning/Clerk	1	1	1	1	1	1	1	1	1	1
Police	14	14	14	14	14	15	15	15	15	15
Chief	1	1	1	1	1	1	1	1	1	1
Lieutenant	1	1	1	1	1	1	1	1	1	1
Detective	1	1	1	1	1	1	1	1	1	1
Sergeant	2	2	2	2	2	2	2	2	2	2
Corporal	2	2	2	2	2	2	2	2	2	2
Officer	6	6	6	6	6	7	7	7	7	7
Reception	1	1	1	1	1	1	1	1	1	1
Fire	17	17	17	18	18	18	18	18	18	18
Chief	1	1	1	1	1	1	1	1	1	1
Dept. Chief	0	0	0	1	1	1	1	1	1	1
Fire Marshal	1	1	1	1	1	1	1	1	1	1
Battalion Chief	3	3	3	3	3	3	3	3	3	3
Captain	3	3	3	3	3	3	3	3	3	3
Fire Fighter	9	9	9	9	9	9	9	9	9	9
Public Works	20	20	20	20	20	22	22	22	22	22
Director	1	1	1	1	1	1	1	1	1	1
Adm. Assistant	1	1	1	1	1	1	1	1	1	1
Supervisor	2	2	2	2	2	2	2	2	2	2
Equipment II	1	1	1	1	1	1	1	1	1	1
Equipment I	3	3	3	3	3	3	3	3	3	3
Water Treat.	3	3	3	3	3	4	4	4	4	4
Meter Reader	1	1	1	1	1	1	1	1	1	1
Skilled Labor	4	4	4	4	4	4	4	4	4	4
Semi-Skilled	2	2	2	2	2	3	3	3	3	3
Water Tr. Sup.	1	1	1	1	1	1	1	1	1	1
Water Tr. A Sup.	1	1	1	1	1	1	1	1	1	1
Total Employees	56	56	56	57	57	60	60	60	60	60

Source: Town Budget Office

Notes: A full-time employee is scheduled to work the following hours:

Administration: 1,950 hours annual

Police: 2,184 hours annual

Fire: 2,756 hours annual

Public Works: 2,080 hours annual

TOWN OF WEAVERVILLE, NORTH CAROLINA

Operating Indicators by Function/Program

Last Ten Calendar Years

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Administration										
Zoning Permits	176	144	145	106	96	79	60	89	87	64
Tax Collection Rate	99.545%	99.558%	99.980%	99.770%	99%	99%	99%	99%	99%	99%
Tax Rate	0.43	0.43	0.43	0.37	0.355	0.355	0.375	0.375	0.4	0.42
Police										
*Dollar Value Stolen	\$ 99,029	\$ 138,454	\$ 76,915	\$ 48,443	\$ 45,313	\$ 138,054	\$ 125,829	\$ 57,340	\$ 203,724	\$ 180,388
*Dollar Value Recovered	\$ 10,908	\$ 69,197	\$ 50,483	\$ 6,020	\$ 25,505	\$ 68,908	\$ 35,210	\$ 41,833	\$ 92,045	\$ 88,272
Criminal Activities	141	96	98	72	97	136	213	297	211	288
Total Activities	24,414	23,311	22,556	23,347	26,468	33,516	46,701	52,027	67,293	69,289
Patrol Miles Driven	93,023	110,439	134,579	127,907	124,067	114,598	127,476	124,653	123,039	110,448
Fire										
Vehicle Fires	8	12	7	6	6	6	7	12	13	6
Vehicle Loss	\$ 170,175	\$ 22,500	\$ 17,750	\$ 65,000	\$ 119,150	\$ 100,600	\$ 14,750	\$ 14,000	\$ 66,350	\$ 16,800
Structure Fires	28	15	20	14	7	12	13	8	15	11
Structure Loss	\$ 448,720	\$ 90,620	\$ 560,120	\$ 988,415	\$ 294,650	\$ 350,000	\$ 331,780	\$ 160,400	\$ 98,470	\$ 93,350
Total Calls	1,458	1,588	1,558	1,602	1,727	1,571	1,666	1,503	1,595	1,679
Public Works										
Solid Waste/Program Cost	\$ 292,025	\$ 332,363	\$ 330,838	\$ 352,905	\$ 494,921	\$ 576,988	\$ 365,203	\$ 375,544	\$ 299,625	\$ 312,952
Cost per Household	\$ 272.35	\$ 259.05	\$ 201.63	\$ 245.27	\$ 299.95	\$ 349.69	\$ 202.89	\$ 217.45	\$ 167.58	\$ 175.03
Cost per Ton Recyclables	\$ 335.06	\$ 164.03	\$ 158.15	\$ 153.83	\$ 143.88	\$ 121.30	\$ 240.45	\$ 224.35	\$ 162.00	\$ 169.21
Recovered Tons	179.10	200.57	219.52	263.34	271.58	330.18	357.98	361.06	388.15	407.56
Street Signs Installed	31	20	9	13	12.00	44.00	88.00	14.00	16.00	10.00
Paving Repairs	25	-	34	26	13	10	20	12	26	18

continued on next page

TOWN OF WEAVERVILLE, NORTH CAROLINA

Operating Indicators by Function/Program

Last Ten Calendar Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Water										
Water Mains										
Six inch	103,150	104,550	104,550	106,325	106,325	106,325	106,325	106,325	106,325	106,685
Eight inch	97,280	98,680	100,325	110,462	110,462	110,462	111,592	114,089	114,089	114,229
Ten inch	25,795	25,795	25,795	25,795	25,795	25,795	25,795	25,795	25,795	25,795
Twelve inch	17,300	17,300	17,300	21,855	21,855	21,855	21,855	23,805	23,805	23,805
Twenty inch	21,400	21,400	21,400	21,400	21,400	21,400	21,400	21,400	21,400	21,400

Source: Various Town departments

TOWN OF WEAVERVILLE, NORTH CAROLINA

Capital Asset Statistics by Function/Program

Last Ten Calendar Years

<u>Function/Program</u>	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	14	15	15	15	15	15	15	15	15	15
Fire stations	1	1	1	1	1	1	1	1	1	1
Refuse collection										
Collection trucks	2	2	2	2	2	2	2	2	2	2
Other public works										
Streets (miles)	18.03	18.03	18.03	18.03	18.03	18.03	18.03	18.03	18.03	18.18
Streetlights	301	301	301	301	301	301	301	301	301	301
Traffic signals	5	7	7	7	7	7	7	12	12	12
Water										
Transmission lines (miles)	50.36	50.71	51.01	54.14	54.14	54.14	54.14	55.09	55.09	55.18
Fire hydrants	276	281	284	389	389	389	389	402	402	404
Storage capacity (thousands of gallons)	2,700	2,700	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950

Sources: Various Town Departments

Notes:

Traffic signals are maintained by North Carolina Department of Transportation.

Streetlights are provided by Progress Energy.

Town street total includes gravel and hard surface.

Police vehicles include support vehicles.

COMPLIANCE SECTION



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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, and each major fund of the Town of Weaverville, North Carolina, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprises the Town of Weaverville's basic financial statements, and have issued our report thereon dated October 26, 2015. Our report includes a reference to other auditors who audited the financial statements of the Town of Weaverville ABC Board, as described in our report on the Town of Weaverville's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the Town of Weaverville ABC Board were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Weaverville's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material

effect on the determination of the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Donald Killian CPA Group, P.A.

Asheville, North Carolina
October 26, 2015

TOWN OF WEAVERVILLE, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2015

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____yes _X_no

- Significant deficiency(s) identified that are not considered to be material weaknesses? _____yes _X_ none reported

- Noncompliance material to financial statements noted _____yes _X_no

TOWN OF WEAVERVILLE, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2015

No findings reported in prior year.