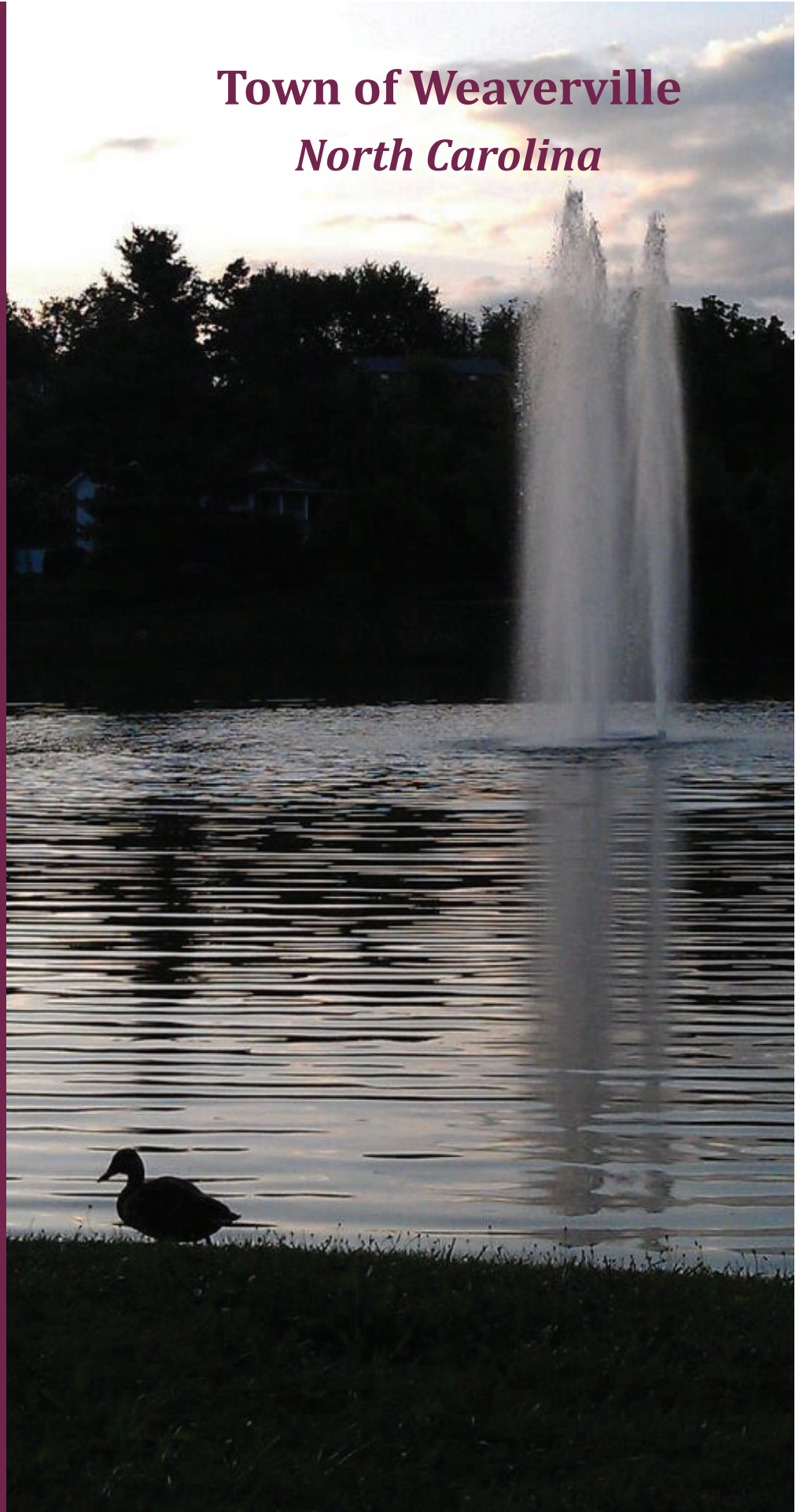


**Annual Comprehensive Financial Report
Fiscal Year Ending June 30, 2022**

Town of Weaverville
North Carolina



Town of Weaverville, North Carolina
Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2022

Town Council
(As of June 30, 2022)

Patrick Fitzsimmons, Mayor
Jeff McKenna, Vice-Mayor
Doug Jackson
John Chase
Catherine Cordell
Michele Wood
Andrew Nagle

Town Manager
Selena D. Coffey

Finance Officer
Tonya Dozier

Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2022
Town of Weaverville, North Carolina

<i>Table of Contents</i>	<i>Exhibit</i>	<i>Page</i>
Introductory Section		
Letter of Transmittal		1
Organizational Charts		7
List of Principal Officials		12
Financial Section		
Independent Auditors' Report		13
Management's Discussion and Analysis		16
Basic Financial Statements		
Government-wide Financial Statements:		
Statement of Net Position	1	25
Statement of Activities	2	26
Fund Financial Statements:		
Balance Sheet – Governmental Funds	3	27
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	4	29
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	5	30
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	6	31
Statement of Net Position – Proprietary Fund	7	32
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Fund	8	33
Statement of Cash Flows – Proprietary Fund	9	34
Notes to Financial Statements		35
Required Supplemental Information		
Law Enforcement Officers' Special Separation Allowance – Schedule of Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll		67
Local Governmental Employees' Retirement System – Town's Proportionate Share of Net Pension Liability (Asset)		68
Local Governmental Employees' Retirement System – Schedule of Town's Contributions		69
Schedule of Changes in the Total OPEB Liability and Related Ratios		70

Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2022
Town of Weaverville, North Carolina

Individual Fund Statements and Schedules

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	71
Schedule of Revenues and Expenditures and Changes in Fund Balance – Budget and Actual – Fire Department Fund	74
Schedule of Revenues and Expenditures and Changes in Fund Balance – Budget and Actual – General Capital Project Fund	75
Schedule of Revenues and Expenditures and Changes in Fund Balance – Budget and Actual – American Rescue Plan Fund	76
Schedule of Revenues and Expenditures and Changes in Fund Balance – Budget and Actual – General Capital Reserve Fund	77
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP) – Water Fund	78
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP) – Water Capital Project Fund—Waterline Extension	80
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP) – Water Capital Project Fund—Water Treatment Plant Expansion	81
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Water Capital Reserve Fund	82

Supplemental Financial Data

Schedule of Ad Valorem Taxes Receivable	83
Analysis of Current Tax Levy	84

Statistical Section

Financial Trends	
Net Position by Component	85
Changes in Net Position	86
Fund Balances of Governmental Funds	88
Changes in Fund Balances of Governmental Funds	89
Revenue Capacity	
General Governmental Revenues by Source	90
Assessed Value of Taxable Property	91
Property Tax Rates – Direct and All Overlapping Governments	92
Principal Property Taxpayers	93
Property Tax Levies and Collections	94
Debt Capacity	
Ratios of Outstanding Debt by Type	95
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total Governmental Expenditures	96
Computation of Direct and Underlying Debt	97
Legal Debt Margin Information	98
Demographic and Economic Information	
Demographic and Economic Statistics	99
Principal Employers	100

Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2022
Town of Weaverville, North Carolina

Operating Information	
Full-Time Equivalent Town Government Employees by Function/Program	101
Operating Indicators by Function/Program	102
Capital Asset Statistics by Function/Program	104

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 <i>Government Auditing Standards</i>	106
Schedule of Findings and Responses	107

INTRODUCTORY SECTION

Patrick Fitzsimmons
Mayor

Jeff McKenna
Vice Mayor

Doug Jackson
Councilmember

Andrew Nagle
Councilmember

The Town of
Weaverville
NORTH CAROLINA

30 South Main Street, Weaverville, N.C. 28787
www.weaverville.org • Phone (828) 645-7116 • Fax (828) 645-4776

John Chase
Councilmember

Catherine Cordell
Councilmember

Michele Wood
Councilmember

Selena D. Coffey
Town Manager

Letter of Transmittal

October 31, 2022

Honorable Mayor Fitzsimmons, Members of Town Council, and 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 November 30 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 Annual Comprehensive Financial Report of the Town of Weaverville, North Carolina for the fiscal year ending June 30, 2022.

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, 2022 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, 2022 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 statements in the Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the 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, approximately 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 approximately 5,400 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 within the Town's public street system; parks and recreation; planning and code enforcement; stormwater management; and 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:

1980	1990	2000	2010	2021 Certified ¹
1,495	2,107	2,968	3,120	4,698

Town staff has estimated the population of the Town to be approximately 5,400 as of June 2022.

Population growth remains a consistent and stable contributor to the local economy. Based on the aforementioned population calculations, the Town's population has increased by 51% since the 2010 census. The Town continues to grow with approximately 25 residential units either approved or in some phase of the development review process at fiscal year-end June 30, 2022. This has the potential to increase the Town's population by another 54 residents or 1%. The Town has an ample water supply, as the Lawrence T. Sprinkle Jr. Water Treatment Facility is operating at approximately 65% capacity (including actual usage and commitments) and can support the minor additional growth in the residential sector that is routinely occurring. Plans are also in the works to keep up with future needs. Elected officials and key staff are exercising due diligence by analyzing available options for expanding the Town's water capacity. Interconnections with other water systems are being studied for emergency and supplemental water as well as an expansion of the Water Treatment Facility itself. Plans regarding the path forward for the Town's water system are expected to solidify over the coming months.

As 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 sustained growth in this sector over the last few years, with several new commercial establishments recently completed and open for business, and several more in the planning phases. However, there continue to be some vacant sites available for commercial development within 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 the Town consisting of a mayor and six council members that

¹ U.S. Census Bureau and N.C. Office of State Budget & Management

serve staggered four-year terms. Recognizing that the Town's leadership should expand to match the growth and diversity of the Town, Town Council adopted a charter amendment that resulted in the addition of a sixth councilmember and voting rights of the mayor after the municipal election in November of 2021. 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 operates as the chief executive officer and 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 established the following "Vision for the Town" in their last strategic planning process:

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.

Strategic Long-Term Planning Goals

Town Council has initiated a process to update its Strategic Plan. While this ongoing process has not shifted the aforementioned vision, it has added a number of new potential goals for the upcoming 3-5 years, including:

- To provide town services to meet the needs of the community.
- To improve regional collaboration.
- To maintain balance in land use planning efforts.
- To promote a successful downtown.
- To increase legislative outreach.

Services Provided by the Town of Weaverville

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

Administration:

Town Management	Town Clerk
Planning & Code Enforcement	Legal Services
Utility Billing and Collections	Budget & Finance
Personnel Administration	

Police:

Administration
Criminal Investigations
Community Policing

Patrol
Auxiliary Force
Community Programs

Fire:

Fire Suppression
Fire Inspections
Public Education

Investigations
First Responders
Training & Safety

Public Works:

Sanitation Division

Garbage Collection
Appliance Collection
Leaf Collection

Recycling
Recycle Collection
Brush Collection

Streets & Stormwater Divisions

Streets & Sidewalks
Asphalt Patching
Right of Way Mowing
Parking Lot Maintenance
Street Lighting

Street Cleaning
Public Facility Landscaping
Snow/Ice Removal
Storm Drainage

Grounds Maintenance Division

Lake Louise Park
Playground/Walking Trails
Special Event Support
Town Hall/Clock Lot Grounds

Lake Equipment/Outdoor Fitness
Main Street Nature Park
Community Center grounds

Recreation:

Community Center Management
Events and Programs

Facility Rentals
Houses the Dry Ridge Museum

Water Resources:

Water Treatment
Water Distribution
Service Installation

Water Production
Meter Reading
Water Operations

Budget Process

The annual budget serves as the foundation of the Town of Weaverville's financial planning and fiscal control. All departments are required to submit requests to the Manager, who serves 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 to be submitted to Town Council by each June 1. The

Council is required to hold at least one public hearing on the proposed budget and must adopt a final budget no later than each June 30, the close of the fiscal year. The Budget Ordinance, as adopted by the governing body, creates a legal limit on spending authorizations. For the Town of Weaverville, the Fiscal Year 2021-2022 Budget was adopted to include the General Fund and Enterprise Fund. Multi-year 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 and growth in the residential and commercial sectors remain consistent and stable contributors to the local economy, and the need for Town services continues to grow as a result. As of fiscal year end, Buncombe County's unemployment rate continues to be less than the state's average. Job growth appears to be rebounding from the effects of the coronavirus pandemic in almost all sectors of the economy in our region.

Two apartment complexes have recently been completed and are now operating at full capacity. This has aided the Town's general revenues through increased tax base and its water revenue through increased water customers. Two more apartment complexes are also proposed in the area.

Although the majority of the Town's recent development growth has been in the residential sector, commercial development has continued to grow. The retail giant Marshall's recently completed construction within the Northridge Commons shopping center in Weaverville. As Marshall's construction was winding up, Highway 55, a fast food restaurant, just began construction within that same shopping center. There is a limited amount of additional commercial space in this center and the Town is excited to see what may develop there in the future. With anticipated development of additional commercial and retail developments in the near future, we believe that these are positive signs of continued growth and positive financial implications for the Town of Weaverville.

Awards and Acknowledgements

We expect the Government Finance Officers Association (GFOA) to award a Certificate of Achievement for Excellence in Financial Reporting to the Town of Weaverville for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. This will be the 26th 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 annual comprehensive 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 Annual Comprehensive Financial Report 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.

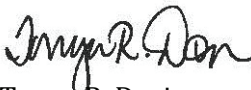
Conclusion

The Asheville region has, in the recent past, greatly profited from a vibrant and growing economy. While we expect accelerated growth, the Town realizes that it must continue to prepare for the potential impacts in our departmental service demands, and balance what will be significant impacts on the Town's finances. We must continue to work to keep our expenses as low as possible while maintaining high levels of the quality services provided to the Town's residents.

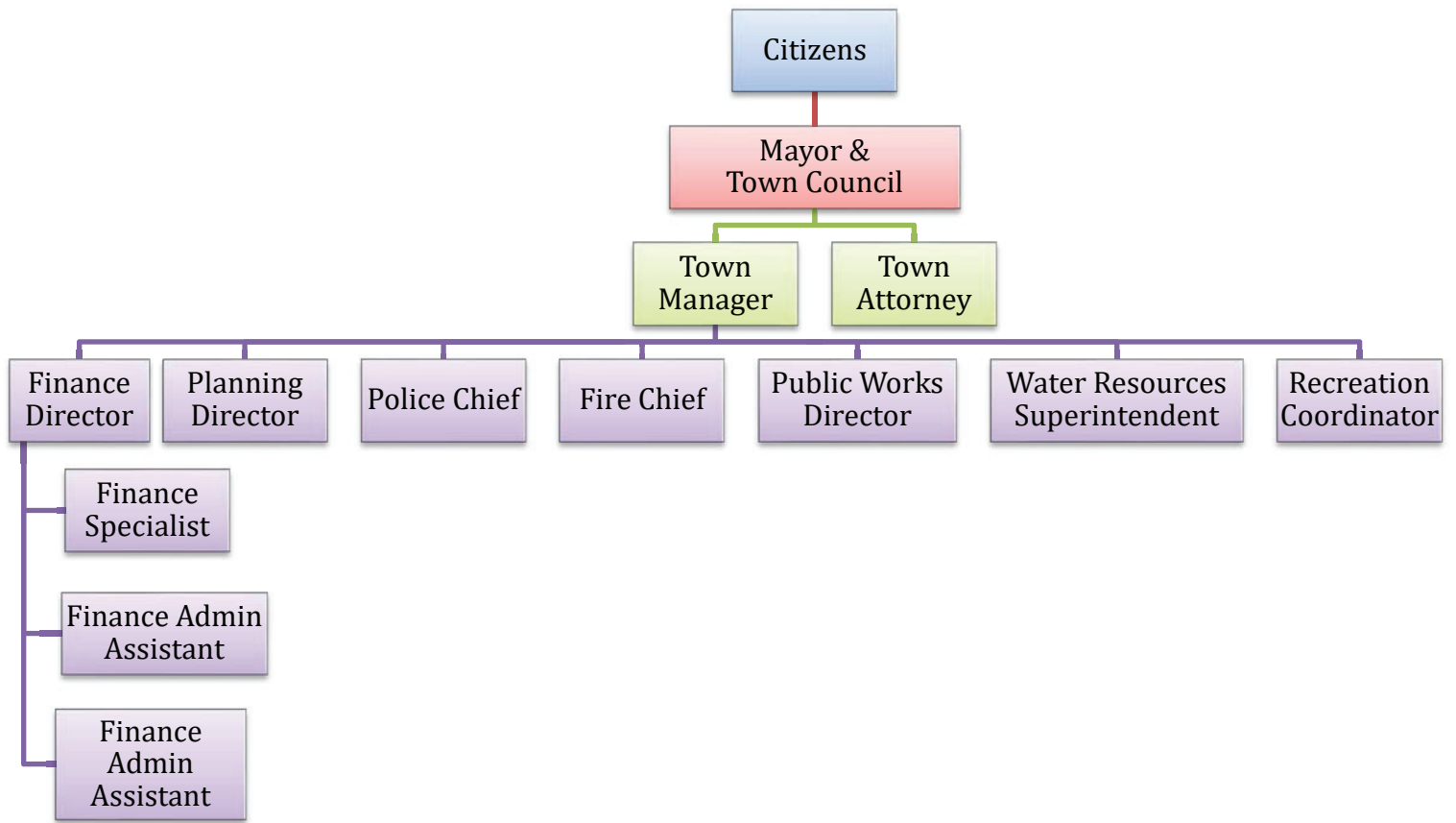
I would like to express appreciation to Finance Director Tonya Dozier for all of her work in compiling the information within this report and her work in monitoring and improving the Town's financial policies and procedures. We would also like to thank all of the Town's staff who assisted in the preparation of this report. Finally, Town Council deserves tremendous accolades for its work in overseeing the Town's finances and ensuring that all Town operations, policies and procedures are completed with the ultimate levels of transparency and financial accountability.

Respectfully submitted,

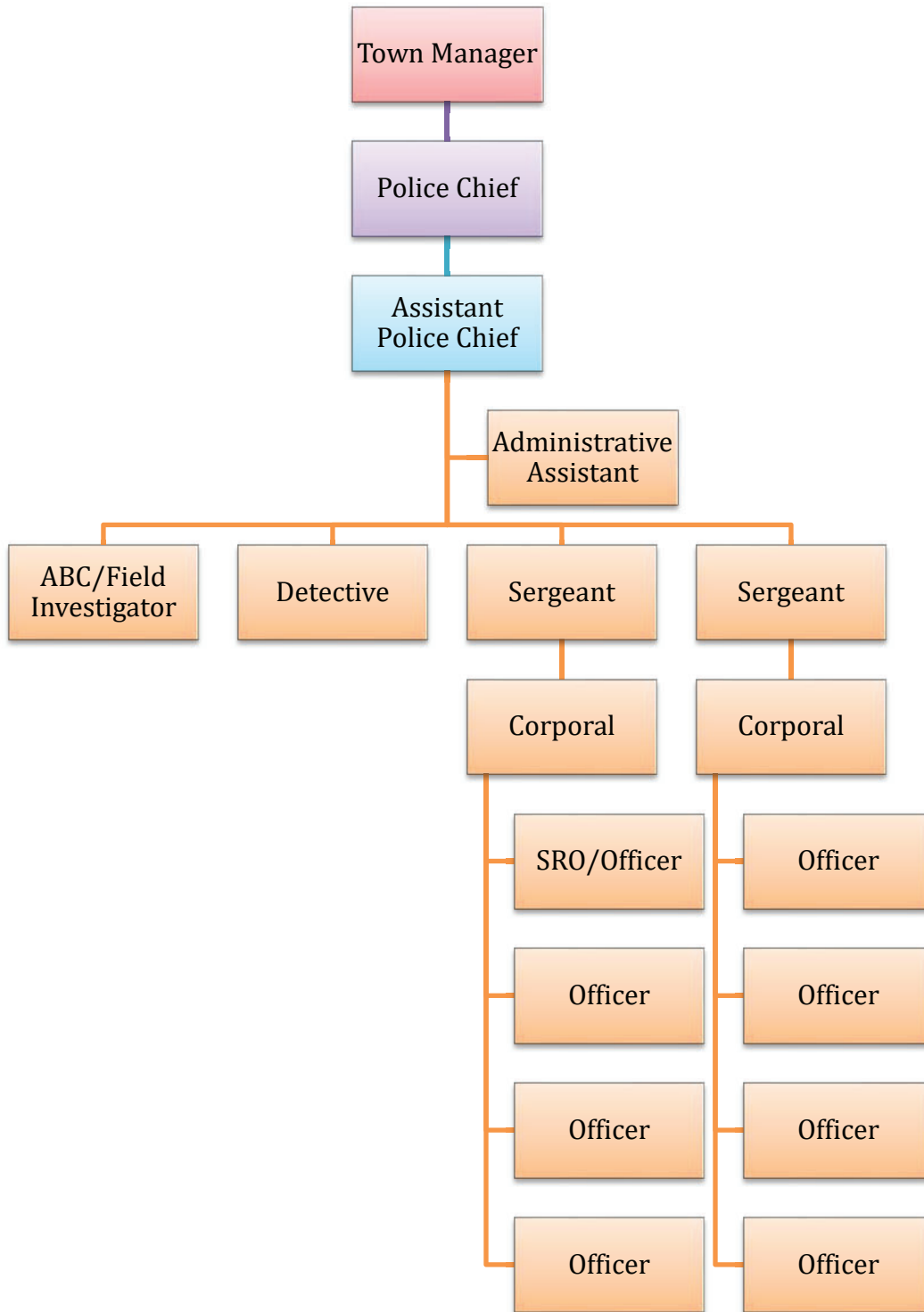

Selena D. Coffey
Town Manager


Tonya R. Dozier
Finance Officer

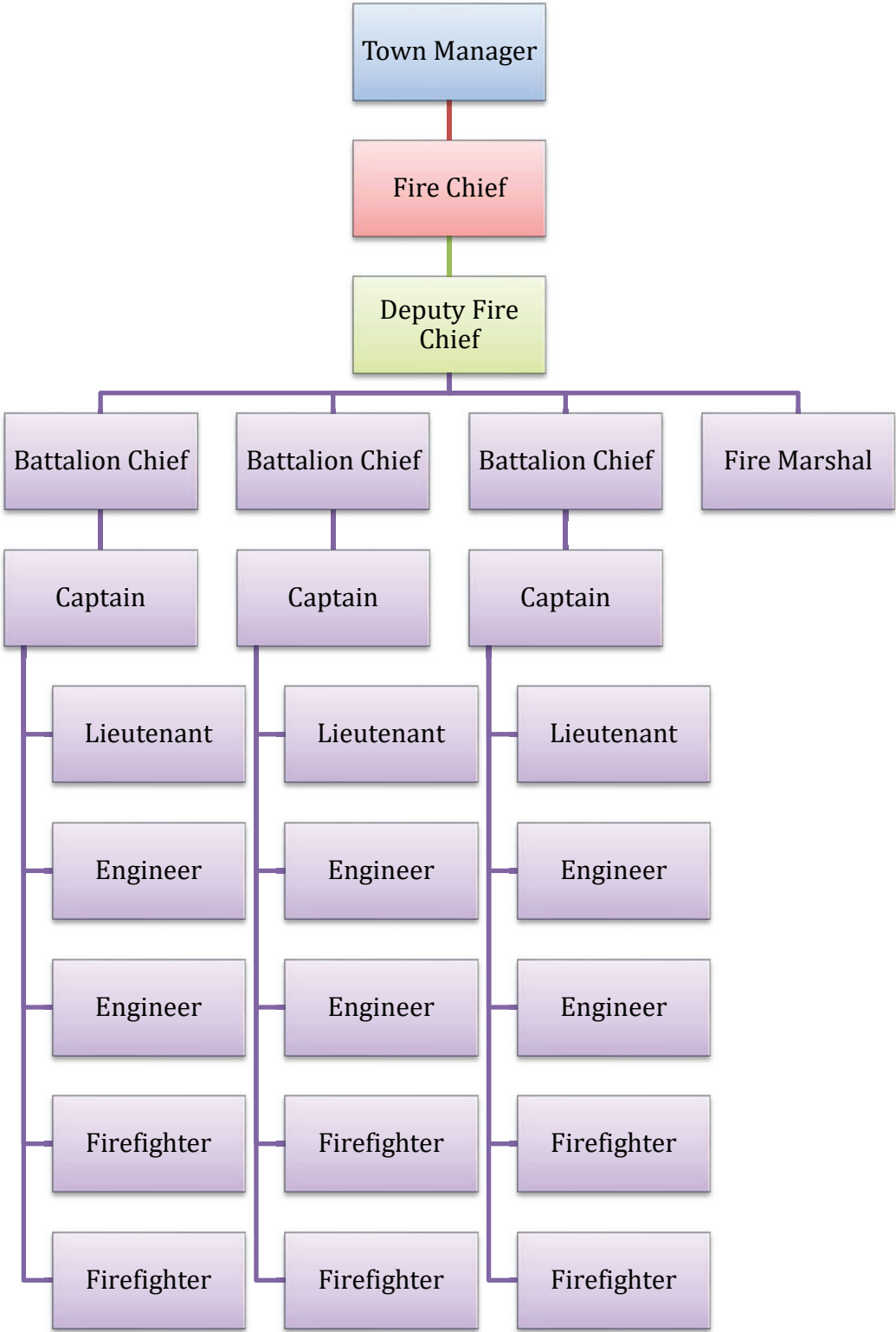
Administration
Organizational Chart



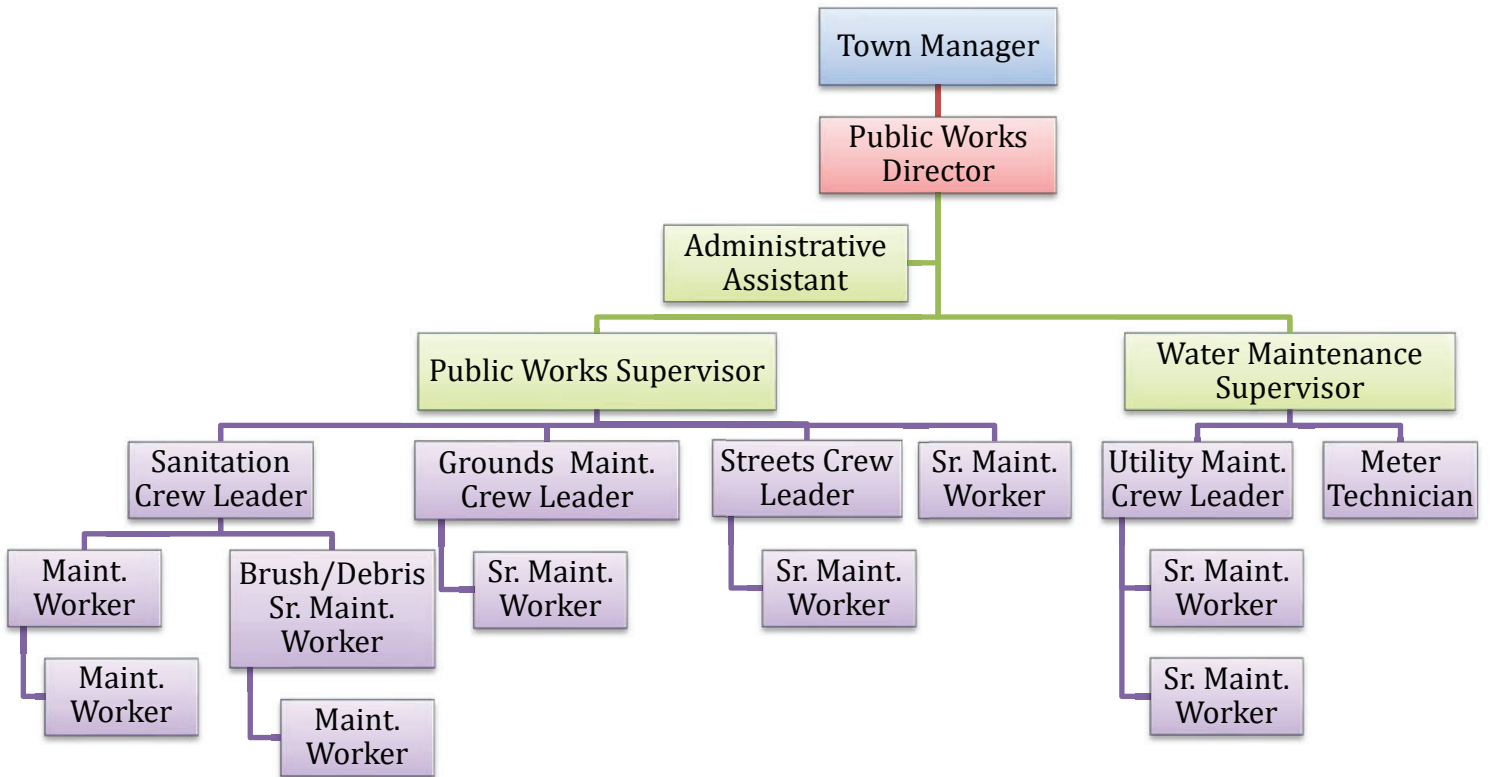
Police Department Organizational Chart



Fire Department
Organizational Chart

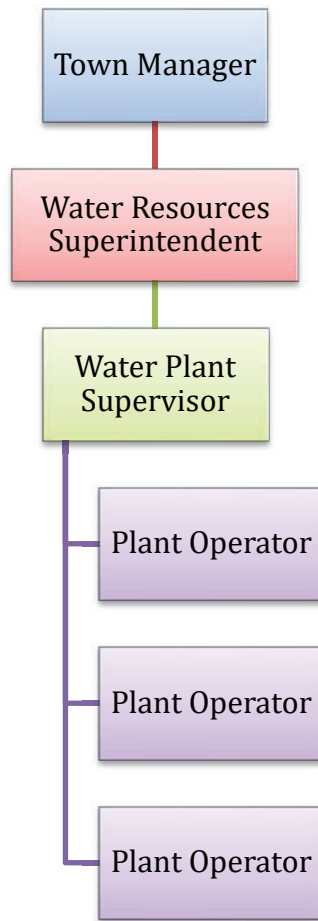


Public Works Department
Organizational Chart



Temporary Workers may or may not be hired out of a contract labor budget line item depending on season and availability

Water Treatment Plant
Organizational Chart



PRINCIPAL OFFICIALS

TOWN COUNCIL

Patrick Fitzsimmons, Mayor
Jeff McKenna, Vice Mayor
Doug Jackson, Council Member
Andrew Nagle, Council Member
John Chase, Council Member
Catherine Cordell, Council Member
Michele Wood, Council Member

TOWN MANAGER

Selena D. Coffey

TOWN ATTORNEY

Jennifer O. Jackson

FINANCE OFFICER

Tonya R. Dozier

POLICE DEPARTMENT CHIEF

Ron Davis

PUBLIC WORKS DIRECTOR

Dale Pennell

FIRE DEPARTMENT CHIEF

Ted Williams

PLANNING DIRECTOR/TOWN CLERK

James Eller

RECREATION COORDINATOR

Shelby Stovall

FINANCIAL SECTION



Independent Auditors' Report

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

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the remaining fund information of the Town of Weaverville as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the remaining fund information of the Town of Weaverville, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a

going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 16-24, the Law Enforcement Officers' Special Separation Allowance Schedules of Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll on page 67, the Local Governmental Employees' Retirement System's schedules of the Town's Proportionate Share of the Net Pension Liability (Asset) and Contributions on pages 68 and 69, respectively, and the Other Postemployment Benefits Schedule of Changes in the Total OPEB Liability and Related Ratios on page 70 be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries,

the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The individual fund financial statements, budgetary schedules, and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 and the report of the other auditors, the individual fund financial statements, budgetary schedules, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2022 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 the Town of Weaverville's internal control over financial reporting and compliance.

Donald Killian CPA Group, P.A.

Asheville, North Carolina
October 31, 2022

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, 2022. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town’s financial statements, which follow this narrative.

Financial Highlights

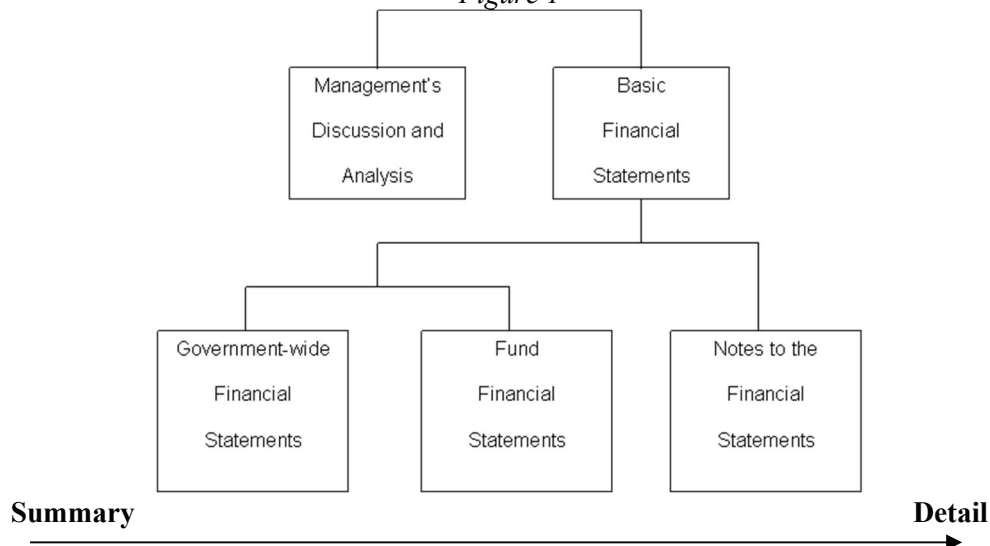
- The assets and deferred outflows of the Town of Weaverville exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$28,820,046 (*net position*).
- The government’s total net position increased by \$2,105,575, which was primarily the result of increased revenues from governmental activities as well as business-type activities.
- As of the close of the current fiscal year, the Town of Weaverville’s General Fund reported an ending fund balance of \$7,012,858, with a net increase of \$778,128 in fund balance. Approximately 14% of this total amount, or \$981,863, is restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$5,283,760, or 94% of total general fund expenditures and transfers 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 with the government-wide statements and the 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 Statement; 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 and Fire Department 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.

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.

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

	Governmental Activities		Business-Type Activities		Total		Total
	2022	2021	2022	2021	2022	2021	Percentage Change
Current and other assets	\$ 8,748,183	\$ 7,110,100	\$ 5,277,120	\$ 5,201,087	\$ 14,025,303	\$ 12,311,187	14%
Capital assets	13,147,251	12,925,593	9,967,958	10,000,594	23,115,209	22,926,187	1%
Total assets	<u>21,895,434</u>	<u>20,035,693</u>	<u>15,245,078</u>	<u>15,201,681</u>	<u>37,140,512</u>	<u>35,237,374</u>	5%
Deferred outflows of resources	1,949,809	1,715,763	335,966	280,343	2,285,775	1,996,106	
Long-term liabilities	3,315,128	4,278,733	3,868,777	4,568,476	7,183,905	8,847,209	-19%
Other liabilities	1,348,383	1,042,854	361,130	465,232	1,709,513	1,508,086	13%
Total liabilities	<u>4,663,511</u>	<u>5,321,587</u>	<u>4,229,907</u>	<u>5,033,708</u>	<u>8,893,418</u>	<u>10,355,295</u>	-14%
Deferred inflows of resources	1,460,762	139,054	252,061	24,660	1,712,823	163,714	946%
Net position:							
Net investment in capital assets	12,993,922	12,723,493	6,343,849	5,880,594	19,337,771	18,604,087	4%
Restricted	1,248,893	1,049,104	-	-	1,248,893	1,049,104	19%
Unrestricted	3,478,155	2,518,218	4,755,227	4,543,062	8,233,382	7,061,280	17%
Total net position	<u>\$ 17,720,970</u>	<u>\$ 16,290,815</u>	<u>\$ 11,099,076</u>	<u>\$ 10,423,656</u>	<u>\$ 28,820,046</u>	<u>\$ 26,714,471</u>	8%

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 \$28,820,046 as of June 30, 2022. The Town's net position increased by \$2,105,575 for the fiscal year ended June 30, 2022. The largest component of net position (67.1%) reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment less the debt related to those assets). 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 (3.4%), \$981,863, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$8,500,412 (29.5%) is unrestricted.

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, which resulted in a collection rate of 99.8% plus approximately \$48,250 in prior year taxes collected.
- Sales of assets resulted in proceeds of \$13,575.
- Distributions to the Town from the ABC Store were approximately 28% higher than budgeted, as a result of ABC's increased sales revenue during the coronavirus pandemic.
- Grant Revenue for the Public Works Department as well as CARES Act funds totaled approximately \$45,000.

Town of Weaverville's Changes in Net Position

Figure 3

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
<i>Program revenues:</i>						
Charges for services	\$ 33,259	\$ 19,911	\$ 2,856,517	\$ 2,522,887	\$ 2,889,776	\$ 2,542,798
Operating grants and contributions	77,007	207,471	-	-	77,007	207,471
Capital grants and contributions	136,507	139,851	-	-	136,507	139,851
<i>General revenues:</i>						
Property taxes	3,979,654	3,577,985	-	-	3,979,654	3,577,985
Local option sales tax	1,786,030	1,536,284	-	-	1,786,030	1,536,284
Grants and contributions not restricted to specific programs	2,770,850	2,524,278	-	-	2,770,850	2,524,278
Unrestricted investment earnings	9,331	3,641	3,791	-	13,122	3,641
Miscellaneous	38,403	23,974	-	-	38,403	23,974
Gain on sale of property	13,575	21,131	-	26,993	13,575	48,124
<i>Total revenues</i>	<u>8,844,616</u>	<u>8,054,526</u>	<u>2,860,308</u>	<u>2,549,880</u>	<u>11,704,924</u>	<u>10,604,406</u>
Expenses:						
General government	1,057,776	970,726	-	-	1,057,776	970,726
Public safety	4,806,049	4,766,925	-	-	4,806,049	4,766,925
Transportation	503,847	550,460	-	-	503,847	550,460
Environmental protection	607,045	674,755	-	-	607,045	674,755
Culture and recreation	435,927	255,829	-	-	435,927	255,829
Water fund	-	-	2,184,888	1,976,838	2,184,888	1,976,838
Interest on long-term debt	3,817	8,305	-	-	3,817	8,305
<i>Total expenses</i>	<u>7,414,461</u>	<u>7,227,000</u>	<u>2,184,888</u>	<u>1,976,838</u>	<u>9,599,349</u>	<u>9,203,838</u>
Increase in net position	1,430,155	827,526	675,420	573,042	2,105,575	1,400,568
Net position, beginning	16,290,815	15,463,289	10,423,656	9,850,614	26,714,471	25,313,903
Net position, end of year	<u>\$ 17,720,970</u>	<u>\$ 16,290,815</u>	<u>\$ 11,099,076</u>	<u>\$ 10,423,656</u>	<u>\$ 28,820,046</u>	<u>\$ 26,714,471</u>

Governmental activities. Governmental activities increased the Town's net position by \$1,430,155, thereby accounting for approximately 70% of the growth in the net position of the Town of Weaverville. Town management continued to keep non-essential programs to a minimum and implemented cost saving strategies across Town departments. 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, albeit less than in prior years. Continued efforts to maximize tax collections also contributed to the favorable net position, with tax collection now being performed by the county on behalf of the Town. Town management acknowledges that fiscal year 2022 was a successful year and plans on improving upon these approaches as a long-term strategy to realize continued fiscal health.

Business-type activities: Business-type activities increased the Town of Weaverville's net position by \$675,720. Water rates increased by 4% from the previous fiscal year, in order to continue planning for the future expansion of the Town's water system. System Development Fees continue to be a significant revenue source from new construction in both the residential and commercial sectors.

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 for appropriation in the General Fund was \$6,176,542 while total fund balance reached \$7,012,858. The Governing Body of the Town of Weaverville has determined that the Town should maintain an available fund balance of a minimum 40% 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 89% of General Fund revenues, while total fund balance represents 101% 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.

Actual revenues were more than budgeted amounts due to higher than anticipated ad valorem and sales tax collections, as well as increased ABC Store distributions. Expenditures were also held in check to comply with 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 Fund at the end of the fiscal year amounted to \$4,755,227. The total change in net position for the Water Fund was an increase of \$675,420. The change in net position in the Water Fund is primarily a result of the Town's growing customer base, higher water rates, increased System Development Fees on new construction, and continued replacement of manual-read water meters with automated water meters.

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, 2022, totals \$23,115,209 (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:

- Two new Hybrid SUV's for the Police Department at a cost of \$96,274 total.
- Fire Department radios, extrication tools, and other equipment totaling \$123,085.
- Two Utility Terrain Vehicles (UTV's) and other equipment for Public Works totaling \$67,949.
- Completion of the new Community Center at a total cost of \$3,502,605.
- A new trackhoe for the Water Department at a total cost of \$67,806.

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

Figure 4

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land and construction in progress	\$ 1,032,109	\$ 4,074,901	\$ 500,995	\$ 184,965	\$ 1,533,104	\$ 4,259,866
Buildings	7,403,696	4,075,817	-	-	7,403,696	4,075,817
Land improvements	295,105	309,343	-	-	295,105	309,343
Furniture, equipment and vehicles	1,366,727	1,336,186	552,192	564,765	1,918,919	1,900,951
Infrastructure	3,049,614	3,129,346	8,914,771	9,250,864	11,964,385	12,380,210
Total capital assets	<u>\$ 13,147,251</u>	<u>\$ 12,925,593</u>	<u>\$ 9,967,958</u>	<u>\$ 10,000,594</u>	<u>\$ 23,115,209</u>	<u>\$ 22,926,187</u>

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, 2022, the Town of Weaverville had total debt in the form of installment purchase contracts, water revenue bonds, and general obligation bonds outstanding of \$3,777,438.

Town of Weaverville's Outstanding Debt

General Obligation Bonds and Direct Placement Installment Purchases Payable and Bond Anticipation Note

Figure 5

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
General obligation bonds, net	\$ -	\$ -	\$ 1,486,000	\$ 1,660,000	\$ 1,486,000	\$ 1,660,000
Installment purchases payable	153,329	202,100	-	-	153,329	202,100
Water revenue bond	-	-	2,138,109	2,460,000	2,138,109	2,460,000
	<u>\$ 153,329</u>	<u>\$ 202,100</u>	<u>\$ 3,624,109</u>	<u>\$ 4,120,000</u>	<u>\$ 3,777,438</u>	<u>\$ 4,322,100</u>

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 \$86,000,000.

Additional information regarding the Town of Weaverville's long-term debt can be found in Note 2.B.3 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 2022, and we expect that this will continue during FY 2023. In addition to the new Hobby Lobby store, the retail giant Marshall's recently opened next door, and a Highway 55 fast food restaurant just began construction within the same shopping complex.
- There are roughly 25 new residential units that have either been approved or are currently in the development review process.
- The Town's fund balance continues to remain strong, even after paying cash to construct a new Community Center at Lake Louise. Maintaining a substantial fund balance helps the Town avoid any drastic cuts to services and/or massive rate increases.

Budget Highlights for the Fiscal Year Ending June 30, 2023

Governmental Activities: The Town Council has adopted a budget for fiscal year 2022-2023 that sets the tax rate at \$0.35 per \$100 of valuation, which is the same rate from fiscal year 2021-2022. The adopted budget allocates funding for a new position in the Streets Division, which will be the first new position added to the Public Works Department in over 20 years. This new position will help with the newly mandated Stormwater Program. The adopted budget also includes funding for a new position in administration to help with Town Clerk duties and serve as the Communication Coordinator for the Town.

As part of Town Council's desire to continue pace with the Buncombe County living wage as determined by *Just Economic of WNC*, the adopted budget includes a new minimum living wage rate for all employees. Town Council also approved employee pay increases of 3-7% via a tiered merit program, with the highest increases going to those with the lowest annual wages. The adopted budget continues to provide appropriate health insurance for all full-time employees.

Capital expenditures in the budget include \$110,000 for the replacement of two Police patrol vehicles with hybrid sport utility vehicles, in accordance with the Town's vehicle replacement guidelines. Funding of \$543,000 is also included to continue the Town's street paving program, with \$118,000 of this amount offset by Powell Bill funds. The budget also includes funding for improvements to the restrooms at Lake Louise, as well as additional parking near the lake.

The Town continues to address Americans with Disabilities Act (ADA) improvements in the adopted budget as guided by the approved ADA Transition Plan, as well as stormwater management as guided by the Town's draft Stormwater Management Plan. The budget also continues funding of \$75,000 to the Capital Reserve Fund for the future purchase of a fire truck.

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 on future system requirements and changing growth patterns. This review includes an analysis of user charges to determine their adequacy in funding normal operations, capital improvement, and debt service payments, including payments on the USDA revenue bonds which were issued for a waterline extension project that was completed during fiscal year 2020-2021.

Water revenues from all sources during fiscal year 2022-2023 are budgeted at \$2,597,920, slightly lower than the actual amount of \$2,835,367 from the previous fiscal year. The decrease is attributed to lower system development fees expected. The budget for fiscal year 2022-2023 includes a water rate increase of 3% to help cover the cost of needed capital improvements at the water treatment plant, including two new generators, and to prepare for the anticipated expansion of the Town's water system. Continued growth in the Town's customer base has helped to meet the budgetary needs of the Water Department, without excessive rate increases. Water System Development fees have also proven to be a reliable and significant source of revenue for the Water Fund and are used to make debt service payments and fund the Capital Reserve Fund which was established for water related capital projects.

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 Tonya Dozier, Finance Officer, Town of Weaverville, PO Box 338, Weaverville, NC 28787. You can also call (828) 645-7116, visit our website www.weavervillenc.org or send an email to tdozier@weavervillenc.org for more information.

TOWN OF WEAVERVILLE, NORTH CAROLINA

Exhibit 1

STATEMENT OF NET POSITION
June 30, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Town of Weaverville ABC Board
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 6,506,005	\$ 4,726,932	\$ 11,232,937	\$ 582,624
Taxes receivable, net	23,372	-	23,372	-
Accounts receivable, net	-	523,943	523,943	-
Lease receivable	175,848	-	175,848	-
Due from other governments	1,016,575	-	1,016,575	-
Inventories	-	-	-	295,630
Prepaid items	86,763	-	86,763	21,483
Restricted cash and equivalents	939,620	26,245	965,865	-
Total current assets	8,748,183	5,277,120	14,025,303	899,737
Non-current assets:				
Capital assets:				
Land and construction in progress	1,032,109	500,995	1,533,104	-
Other capital assets, net	12,115,142	9,466,963	21,582,105	775,743
Total capital assets	13,147,251	9,967,958	23,115,209	775,743
Total assets	21,895,434	15,245,078	37,140,512	1,675,480
DEFERRED OUTFLOWS OF RESOURCES				
Pension deferrals	1,499,689	233,868	1,733,557	86,173
OPEB deferrals	450,120	102,098	552,218	-
Total deferred outflows of resources	1,949,809	335,966	2,285,775	86,173
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	466,164	51,277	517,441	375,633
Payable from restricted cash:				
Deposits	65,605	26,245	91,850	-
Unearned revenues	641,697	-	641,697	-
Accrued interest payable	2,995	6,608	9,603	7,470
Current portion of long-term liabilities	171,922	277,000	448,922	93,000
Total current liabilities	1,348,383	361,130	1,709,513	476,103
Long-term liabilities:				
Net pension liability (LGERS)	770,122	154,176	924,298	48,462
Total pension liability (LEOSSA)	900,688	-	900,688	-
Total OPEB liability	1,416,837	297,605	1,714,442	-
Due in more than one year	227,481	3,416,996	3,644,477	683,771
Total long-term liabilities	3,315,128	3,868,777	7,183,905	732,233
Total liabilities	4,663,511	4,229,907	8,893,418	1,208,336
DEFERRED INFLOWS OF RESOURCES				
Leases	175,840	-	175,840	-
Pension deferrals	1,229,370	240,393	1,469,763	69,508
OPEB deferrals	55,552	11,668	67,220	-
Total deferred inflows of resources	1,460,762	252,061	1,712,823	69,508
NET POSITION				
Net investment in capital assets	12,993,922	6,343,849	19,337,771	18,599
Restricted for:				
Stabilization by State statute	1,016,575	-	1,016,575	-
Streets	228,149	-	228,149	-
Public safety	4,169	-	4,169	-
Working capital	-	-	-	137,605
Unrestricted	3,478,155	4,755,227	8,233,382	327,605
Total net position	\$ 17,720,970	\$ 11,099,076	\$ 28,820,046	\$ 483,809

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

TOWN OF WEAVERVILLE, NORTH CAROLINA

Exhibit 2

STATEMENT OF ACTIVITIES
For the year ended June 30, 2022

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	Component Unit
					Governmental Activities	Business-type Activities		Town of Weaverville ABC Board
Primary government:								
Governmental Activities:								
General government	\$ 1,057,776	\$ 15,859	\$ -	\$ -	\$ (1,041,917)	\$ -	\$ (1,041,917)	\$ -
Public safety	4,806,049	17,400	77,007	-	(4,711,642)	-	(4,711,642)	-
Transportation	503,847	-	-	136,507	(367,340)	-	(367,340)	-
Environmental protection	607,045	-	-	-	(607,045)	-	(607,045)	-
Cultural and recreation	435,927	-	-	-	(435,927)	-	(435,927)	-
Interest on long-term debt	3,817	-	-	-	(3,817)	-	(3,817)	-
Total governmental activities	7,414,461	33,259	77,007	136,507	(7,167,688)	-	(7,167,688)	-
Business-type activities:								
Water fund	2,184,888	2,856,517	-	-	-	671,629	671,629	-
Total primary government	\$ 9,599,349	\$ 2,889,776	\$ 77,007	\$ 136,507	(7,167,688)	671,629	(6,496,059)	-
Component unit:								
Town of Weaverville ABC Board	\$ 3,525,399	\$ 3,576,653	\$ -	\$ -	-	-	-	51,254
Total component unit	\$ 3,525,399	\$ 3,576,653	\$ -	\$ -	-	-	-	51,254
General revenues:								
Taxes:								
Property taxes, levied for general purpose					3,979,654	-	3,979,654	-
Local option sales tax					1,786,030	-	1,786,030	-
Grants and contributions not restricted to specific programs					2,770,850	-	2,770,850	-
Gain on sale of assets					13,575	-	13,575	-
Unrestricted investment earnings					9,331	3,791	13,122	445
Miscellaneous					38,403	-	38,403	-
Total general revenues					8,597,843	3,791	8,601,634	445
Change in net position					1,430,155	675,420	2,105,575	51,699
Net position, beginning of year					16,290,815	10,423,656	26,714,471	432,110
Net position, end of year					\$ 17,720,970	\$ 11,099,076	\$ 28,820,046	\$ 483,809

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

TOWN OF WEAVERVILLE, NORTH CAROLINA

Exhibit 3

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022

	Major Fund	Major Fund	Major Fund	Non-Major Fund	Total
	General Fund	Fire Department Fund	American Rescue Plan Fund	General Capital Project Fund	Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 6,307,565	\$ 198,440	\$ -	\$ -	\$ 6,506,005
Restricted cash and cash equivalents	297,923	-	641,697	-	939,620
Taxes receivable, net	18,872	-	-	-	18,872
Due from other governments	749,545	267,030	-	-	1,016,575
Lease receivable	175,848	-	-	-	175,848
Prepaid items	86,763	-	-	-	86,763
Total assets	\$ 7,636,516	\$ 465,470	\$ 641,697	\$ -	\$ 8,743,683
LIABILITIES					
Accounts payable and accrued liabilities	\$ 363,341	\$ 102,823	\$ -	\$ -	\$ 466,164
Payable from restricted cash:					
Deposits	65,605	-	-	-	65,605
Unearned revenues	-	-	641,697	-	641,697
Total liabilities	428,946	102,823	641,697	-	1,173,466
DEFERRED INFLOWS OF RESOURCES					
Property taxes receivable	18,872	-	-	-	18,872
Leases	175,840	-	-	-	175,840
Total deferred inflows of resources	194,712	-	-	-	194,712
FUND BALANCES					
Non-Spendable					
Leases	8	-	-	-	8
Prepaid items	86,763	-	-	-	86,763
Restricted					
Stabilization by State statute	749,545	267,030	-	-	1,016,575
Streets	228,149	-	-	-	228,149
Public safety	4,169	-	-	-	4,169
Assigned					
Public safety	-	95,617	-	-	95,617
Subsequent year's expenditures	120,464	-	-	-	120,464
Unassigned	5,823,760	-	-	-	5,823,760
Total fund balances	7,012,858	362,647	-	-	7,375,505
Total liabilities, deferred inflows of resources and fund balances	\$ 7,636,516	\$ 465,470	\$ 641,697	\$ -	\$ 8,743,683

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

TOWN OF WEAVERVILLE, NORTH CAROLINA

Exhibit 3 (cont)

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022

Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:

Total fund balances of governmental funds		\$ 7,375,505
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical cost	\$ 21,877,913	
Accumulated depreciation	<u>(8,730,662)</u>	13,147,251
Deferred outflows of resources related to pensions are not reported in the funds		1,499,689
Deferred outflows of resources related to OPEB are not reported in the funds		450,120
Earned revenues considered deferred inflows of resources in fund statements.		18,872
Other long-term assets are not available to pay for current-period expenditures and, therefore, are inflows of resources in the funds.		4,500
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds.		
Installment purchases	(153,329)	
Other postemployment benefits	(1,416,837)	
Compensated absences	(246,074)	
Total pension liability (LEOSSA)	(900,688)	
Net pension liability (LGRS)	<u>(770,122)</u>	(3,487,050)
Deferred inflows of resources related to pensions are not reported in the funds		(1,229,370)
Deferred inflows of resources related to OPEB are not reported in the funds		(55,552)
Other liabilities (accrued interest payable) are not due and payable in the current period and therefore are not reported in the funds		<u>(2,995)</u>
Net position of governmental activities		<u>\$ 17,720,970</u>

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended June 30, 2022

	<u>Major Fund</u>	<u>Major Fund</u>	<u>Major Fund</u>	<u>Non-Major Fund</u>	
	<u>General Fund</u>	<u>Fire Department Fund</u>	<u>American Rescue Plan Fund</u>	<u>General Capital Project Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Ad valorem taxes	\$ 3,975,822	\$ -	\$ -	\$ -	\$ 3,975,822
Local option sales tax	1,786,030	-	-	-	1,786,030
Unrestricted intergovernmental	878,662	1,846,906	-	-	2,725,568
Restricted intergovernmental	206,449	6,417	-	-	212,866
Permits and fees	21,140	600	-	-	21,740
Sales and services	11,519	-	-	-	11,519
Investment earnings	9,331	-	-	-	9,331
Miscellaneous	83,685	648	-	-	84,333
Total revenues	<u>6,972,638</u>	<u>1,854,571</u>	<u>-</u>	<u>-</u>	<u>8,827,209</u>
EXPENDITURES					
Current:					
General government	1,089,645	-	-	-	1,089,645
Public safety	2,234,294	2,481,603	-	-	4,715,897
Transportation	433,742	-	-	-	433,742
Environmental protection	583,182	-	-	-	583,182
Cultural and recreation	364,190	-	-	-	364,190
Capital outlay	-	-	-	459,812	459,812
Debt service:					
Principal	-	48,771	-	-	48,771
Interest	-	4,770	-	-	4,770
Total expenditures	<u>4,705,053</u>	<u>2,535,144</u>	<u>-</u>	<u>459,812</u>	<u>7,700,009</u>
Revenues over (under) expenditures	<u>2,267,585</u>	<u>(680,573)</u>	<u>-</u>	<u>(459,812)</u>	<u>1,127,200</u>
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	13,575	-	-	-	13,575
Transfer from general fund	-	1,043,220	-	459,812	1,503,032
Transfer to capital project fund	(459,812)	-	-	-	(459,812)
Transfer to fire department fund	(1,043,220)	-	-	-	(1,043,220)
Total other financing sources (uses)	<u>(1,489,457)</u>	<u>1,043,220</u>	<u>-</u>	<u>459,812</u>	<u>13,575</u>
Net change in fund balances	778,128	362,647	-	-	1,140,775
Fund balance, beginning of year	<u>6,234,730</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,234,730</u>
Fund balances, end of year	<u>\$ 7,012,858</u>	<u>\$ 362,647</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,375,505</u>

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
June 30, 2022

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

Net changes in fund balances - total governmental funds \$ 1,140,775

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.	\$ 832,951	
Depreciation expense for governmental assets.	<u>(611,293)</u>	221,658

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities. 422,684

Benefit payments paid for the LEOSSA are not included in the Statement of Activities. 30,289

OPEB benefit payments and administrative costs made in the current fiscal year are not included on the Statement of Activities. 37,578

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 3,832

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.

Principal payments on long-term debt.	48,771	
Decrease in accrued interest payable.	<u>957</u>	49,728

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 used (accrued)	10,009	
Pension expense - LGERS	(295,937)	
Pension expense - LEOSSA	(103,175)	
OPEB expense	<u>(87,286)</u>	(476,389)

Total changes in net position of governmental activities \$ 1,430,155

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, 2022

	General Fund			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Ad valorem taxes	\$ 3,646,056	\$ 3,646,056	\$ 3,975,822	\$ 329,766
Other taxes and licenses	1,476,027	1,476,027	1,786,030	310,003
Unrestricted intergovernmental	2,445,347	751,644	878,662	127,018
Restricted intergovernmental	98,500	162,019	206,449	44,430
Permits and fees	20,500	20,500	21,140	640
Sales and services	20,000	20,000	11,519	(8,481)
Investment earnings	1,400	1,400	9,331	7,931
Miscellaneous	5,000	21,582	83,685	62,103
Total revenues	<u>7,712,830</u>	<u>6,099,228</u>	<u>6,972,638</u>	<u>873,410</u>
EXPENDITURES				
Current:				
General government	1,116,012	1,213,780	1,089,645	124,135
Public safety	4,954,520	2,297,809	2,234,294	63,515
Transportation	956,456	1,046,707	433,742	612,965
Environmental protection	709,158	702,158	583,182	118,976
Cultural and recreation	433,382	443,382	364,190	79,192
Contingency	20,000	20,000	-	20,000
Debt service:				
Principal and interest	53,541	-	-	-
Total expenditures	<u>8,243,069</u>	<u>5,723,836</u>	<u>4,705,053</u>	<u>1,018,783</u>
Revenues over (under) expenditures	<u>(530,239)</u>	<u>375,392</u>	<u>2,267,585</u>	<u>1,892,193</u>
Other financing sources (uses):				
Appropriated fund balance	595,239	1,319,094	-	(1,319,094)
Sale of capital assets	10,000	10,000	13,575	3,575
Transfer to capital project fund	-	(586,266)	(459,812)	126,454
Transfer to fire department fund	-	(1,043,220)	(1,043,220)	-
Transfer to capital reserve	(75,000)	(75,000)	(75,000)	-
Total other financing sources (uses)	<u>530,239</u>	<u>(375,392)</u>	<u>(1,564,457)</u>	<u>(1,189,065)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>703,128</u>	<u>\$ 703,128</u>
Fund balance, beginning			<u>6,159,730</u>	
Fund balance, end of year			<u>6,862,858</u>	
A legally budgeted Capital Reserve Fund is consolidated into the General Fund for reporting purposes:				
Transfer from general fund			75,000	
Fund balance, beginning (Capital Reserve Fund)			75,000	
Fund balance, ending (Exhibit 4)			<u>\$ 7,012,858</u>	

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

TOWN OF WEAVERVILLE, NORTH CAROLINA

Exhibit 7

STATEMENT OF NET POSITION
 PROPRIETARY FUND
 June 30, 2022

	Enterprise Fund
	Water Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 4,726,932
Accounts receivable, net	523,943
Restricted cash and cash equivalents	26,245
Total current assets	5,277,120
Capital assets:	
Land and other non-depreciable assets	500,995
Other capital assets, net of depreciation	9,466,963
Capital assets, net	9,967,958
Total assets	15,245,078
DEFERRED OUTFLOWS OF RESOURCES	
Pension deferrals	233,868
OPEB deferrals	102,098
Total deferred outflows of resources	335,966
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	36,751
Salaries and payroll taxes payable	14,526
Payable from restricted assets:	
Customer deposits	26,245
Accrued interest payable	6,608
Compensated absences, current	60,000
Bonds payable, current	217,000
Total current liabilities	361,130
Noncurrent liabilities:	
Compensated absences, net	9,887
Total OPEB liability	297,605
Bonds payable, net	3,407,109
Net pension liability	154,176
Total noncurrent liabilities	3,868,777
Total liabilities	4,229,907
DEFERRED INFLOWS OF RESOURCES	
Pension deferrals	240,393
OPEB deferrals	11,668
Total deferred inflow of resources	252,061
NET POSITION	
Net investment in capital assets	6,343,849
Unrestricted	4,755,227
Total net position	\$ 11,099,076

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

TOWN OF WEAVERVILLE, NORTH CAROLINA

Exhibit 8

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUND
 For the year ended June 30, 2022

	Enterprise Fund
	Water Fund
OPERATING REVENUES	
Charges for services	\$ 2,443,200
Other operating revenues	413,317
Total operating revenues	2,856,517
OPERATING EXPENSES	
Administration	238,121
Water treatment and distribution	1,400,771
Depreciation	463,666
Total operating expenses	2,102,558
Operating income	753,959
NONOPERATING REVENUES (EXPENSES)	
Investment earnings	3,791
Interest expense	(82,330)
Total nonoperating revenue, net	(78,539)
Change in net position	675,420
Net position, beginning of year	10,423,656
Net position, end of year	\$ 11,099,076

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, 2022

	<u>Enterprise Fund</u> <u>Water Fund</u>
Cash flows from operating activities:	
Cash received from customers	\$ 2,760,300
Cash paid for goods and services	(668,165)
Cash paid to or on behalf of employees for services	(1,101,757)
Net cash provided by operating activities	<u>990,378</u>
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(431,030)
Interest paid on bond maturities	(82,417)
Principal payments on debt	(495,891)
Net cash used for capital and related financing activities	<u>(1,009,338)</u>
Cash flows from investing activities:	
Interest earned	<u>3,791</u>
Net decrease in cash and cash equivalents	(15,169)
Cash and cash equivalents, beginning of year	<u>4,768,346</u>
Cash and cash equivalents, end of year	<u>\$ 4,753,177</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	<u>\$ 753,959</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	463,666
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:	
Increase in accounts receivable	(91,202)
Increase in deferred outflows of resources - pensions	(31,311)
Increase in deferred outflows of resources - OPEB	(24,312)
Increase in deferred inflows of resources - pensions	229,543
Decrease in deferred inflows of resources - OPEB	(2,142)
Decrease in accounts payable and accrued liabilities	(88,038)
Decrease in customer deposits	(5,015)
Decrease in salaries and payroll taxes payable	(27,963)
Increase in accrued compensated absences	845
Decrease in net pension liability	(223,605)
Increase in net OPEB liability	35,953
Total adjustments	<u>236,419</u>
Net cash provided by operating activities	<u>\$ 990,378</u>

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

TOWN OF WEAVERVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the year ended June 30, 2022

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, however interfund services provided and used are not eliminated in the process of consolidation. 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, 2021, the Town of Weaverville did not report any nonmajor governmental funds.

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

The Town reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the Town. The General Fund accounts for all financial resources except those 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. Additionally, the Town has legally adopted a Capital Reserve Fund. Under GASB 54 guidance the Capital Reserve Fund is consolidated in the General Fund. The budgetary comparison for the Capital Reserve Fund has been included in the supplemental information.

Fire Department Fund – This fund is used to account for the Town's fire department operations.

American Rescue Plan Fund – This fund accounts for the transactions related to the American Rescue Plan Funds.

The Town reports the following non-major governmental fund:

General Capital Project Fund – The capital project fund account for the acquisition and construction of major capital facilities.

The Town reports the following major enterprise fund:

Water Fund – This fund is used to account for the Town's water operations. This fund also covers acquisition and construction of major water capital facilities and infrastructure, which are accounted for in the Water Capital Project Funds that are combined with the Water Fund (the operating fund) for financial statement purposes. The non-GAAP budgetary comparison for the capital project funds have been included in the supplementary information. Additionally, the Town has legally adopted a Capital Reserve Fund. Under GASB 54 guidance the Capital Reserve Fund is consolidated in the Water Fund. The budgetary comparison for the Capital Reserve Fund has been included in the supplemental information.

C. Measurement Focus and Basis of Accounting

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

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

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

Proprietary funds distinguish operating revenues and expenses from 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 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. Project ordinances are adopted for the Water Capital Project Fund. The Water Capital Project fund is consolidated with the operating fund for reporting purposes. 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 \$10,000 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 \$10,000 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 department 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 NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. Because the NCCMT Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months.

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 - Powell Bill funds	\$ 228,149
General Fund - developer/rental deposits	65,605
General Fund - Cops for Kids	4,169
American Rescue Plan - Unassigned proceeds	641,697
Total governmental activities	<u>939,620</u>

Business-type activities:

Water Fund - customer deposits	<u>26,245</u>
Total business-type activities	<u>26,245</u>

Total Primary Government	<u><u>\$ 965,865</u></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, 2021.

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. Lease Receivable

The Town's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the Town receives fixed monthly lease payments for a period of time defined in the agreement. The monthly payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

7. 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.

8. 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. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. General infrastructure assets acquired prior to July 1, 2003, consist of the road network and water 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
Land improvements	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

9. 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, 2022, the Town only has two items that meet this criterion, pension and OPEB deferrals for the 2022 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, 2022, the Town has several items that meet the criterion for this category – prepaid taxes, property taxes receivable, leases, and pension and OPEB deferrals.

10. 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.

11. 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.

12. Reimbursement for Pandemic-related Expenditures

In FY 2020/21, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for the eligible state, local, territorial, and tribal governments. The Town was allocated \$1,283,395 of fiscal recovery funds to be paid in two equal installments. The first installment of \$641,697 was received in July 2021. The second installment will be received in early 2022. The Town plans on using the funds for revenue replacement in Fiscal Year 2023. Revenue replacement funds will be transferred to the appropriate funds once the intended use of the funds is determined.

13. 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.

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

Leases – portion of fund balance that is not an available resource because it represents the year-end balance of the lease receivable in excess of the deferred inflow of resources for the lease receivable, which is not a spendable resource.

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

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

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

Restricted for public safety – portion of fund balance that is held on behalf of the Cops for Kids program.

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.

Public safety – portion of fund balance that is intended to be used to provide fire protection services for the Town as well as certain unincorporated areas based on a service agreement with Buncombe County.

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 \$10,000.

Unassigned fund balance – portion of total fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. The General Fund is the only fund that reports a positive unassigned fund balance amount.

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. Defined Benefit Cost-Sharing Plans

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

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, 2022, the Town's deposits had a carrying amount of \$4,198,233 and a bank balance of \$4,642,309. Of the bank balance, \$593,114 was covered by federal depository insurance and \$4,049,195 was covered by collateral held under the pooling method. At June 30, 2022, the Town's petty cash fund totaled \$350.

The carrying amount of deposits for the ABC Board was \$582,624 and the bank balance was \$576,108. The ABC Board's petty cash fund totaled \$2,024. Of the bank balance, \$250,000 was covered by federal depository insurance and \$326,108 was covered by collateral held under the pooling method.

2. Investments

At June 30, 2022, the Town had \$8,000,219 invested with the North Carolina Capital Management Trust's Government 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, 2022 is net of the following allowances for doubtful accounts:

<u>Funds</u>	
General Fund - Taxes Receivable	\$ 1,200
Enterprise Fund - Uncollectible Accounts	<u>24,000</u>
Total	<u><u>\$ 25,200</u></u>

4. Due From Other Governments

Amounts due from other governments at June 30, 2022 consisted of the following:

Local option sales tax	\$ 465,909
Sales tax refunds	92,760
Utilities sales tax	105,000
Fire protection charges	267,030
ABC store distributions	52,050
DMV distribution - registered motor vehicle tax	<u>33,826</u>
	<u><u>\$ 1,016,575</u></u>

5. Lease Receivable

In January 2022, the Town entered into a lease with USCOC Of Greater North Carolina, LLC, a subsidiary of U.S. Cellular. Under the lease, the Company pays the Town \$1,854 per month for sixty months in exchange for the right to place a cell tower on land owned by the Town. The initial lease will automatically extend for an additional term of 5 years and rent shall increase ten percent, resulting in monthly payments of 2,040. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 5%, which management has determined to be the incremental borrowing rate of the Town.

In fiscal year 2022, the City recognized \$11,519 of lease revenue and \$4,432 of interest revenue under the lease.

6. Capital Assets**Primary Government**

Capital asset activity for the Primary Government for the year ended June 30, 2022 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,032,109	\$ -	\$ -	\$ 1,032,109
Construction in progress	3,042,792	-	3,042,792	-
Total capital assets not being depreciated	<u>4,074,901</u>	<u>-</u>	<u>3,042,792</u>	<u>1,032,109</u>
Capital assets being depreciated:				
Buildings	6,080,833	3,510,363	-	9,591,196
Land improvements	484,046	-	-	484,046
Furniture, equipment, and vehicles	6,701,740	365,380	101,655	6,965,465
Infrastructure	3,805,097	-	-	3,805,097
Total capital assets being depreciated	<u>17,071,716</u>	<u>3,875,743</u>	<u>101,655</u>	<u>20,845,804</u>
Less accumulated depreciation for:				
Buildings	2,005,016	182,484	-	2,187,500
Land improvements	174,703	14,238	-	188,941
Furniture, equipment, and vehicles	5,365,554	334,839	101,655	5,598,738
Infrastructure	675,751	79,732	-	755,483
Total accumulated depreciation	<u>8,221,024</u>	<u>611,293</u>	<u>101,655</u>	<u>8,730,662</u>
Total capital assets being depreciated, net	<u>8,850,692</u>			<u>12,115,142</u>
Governmental activities capital assets, net	<u>\$ 12,925,593</u>			<u>\$ 13,147,251</u>

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

General government	\$ 44,563
Public safety	313,230
Transportation	129,946
Environmental protection	47,501
Cultural and recreational	76,053
Total depreciation expense	<u>\$ 611,293</u>

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
<i>Water Fund</i>				
Capital assets not being depreciated:				
Land	\$ 146,035	\$ -	\$ -	\$ 146,035
Construction in Progress	38,930	316,030	-	354,960
Total capital assets not being depreciated	<u>184,965</u>	<u>316,030</u>	<u>-</u>	<u>500,995</u>
Capital assets being depreciated:				
Plant and distribution systems	16,217,205	17,218	-	16,234,423
Furniture, equipment, and vehicles	1,764,307	97,782	-	1,862,089
Total capital assets being depreciated	<u>17,981,512</u>	<u>115,000</u>	<u>-</u>	<u>18,096,512</u>
Less accumulated depreciation for:				
Plant and distribution systems	6,966,341	353,311	-	7,319,652
Furniture, equipment, and vehicles	1,199,542	110,355	-	1,309,897
Total accumulated depreciation	<u>8,165,883</u>	<u>463,666</u>	<u>-</u>	<u>8,629,549</u>
Total capital assets being depreciated, net	<u>9,815,629</u>			<u>9,466,963</u>
Business-type activities capital assets, net	<u>\$ 10,000,594</u>			<u>\$ 9,967,958</u>

Construction Commitments

The Town had no construction commitments at June 30, 2022.

Discretely presented component unit

Activity for the ABC Board for the year ended June 30, 2022, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets being depreciated:				
Building	\$ 1,479,898	\$ -	\$ -	\$ 1,479,898
Other improvements	43,590	-	-	43,590
Equipment and furniture	109,225	1,985	214	110,996
Computer equipment	30,367	-	-	30,367
Total capital assets being depreciated	<u>1,663,080</u>	<u>1,985</u>	<u>214</u>	<u>1,664,851</u>
Less accumulated depreciation for:				
Building	695,553	59,196	-	754,749
Other improvements	4,863	4,359	-	9,222
Equipment and furniture	91,137	6,073	214	96,996
Computer equipment	27,334	807	-	28,141
Total accumulated depreciation	<u>818,887</u>	<u>70,435</u>	<u>214</u>	<u>889,108</u>
Total capital assets being depreciated, net	<u>\$ 844,193</u>			<u>\$ 775,743</u>

B. Liabilities**1. Pension Plan and Postemployment Obligations****a. Local Governmental 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 Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

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, 2022, was 12.04% of compensation for law enforcement officers, 11.47% for general employees, and 11.47% for 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 \$511,846 for the year ended June 30, 2022.

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, 2022, the Town reported a liability of \$924,298 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the

measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2022, the Town's proportion was 0.06027% (measured as of June 30, 2021), which was a decrease of .00311% from its proportion reported as of June 30, 2021 (measured as of June 30, 2020).

For the year ended June 30, 2022, the Town recognized pension expense of \$359,724. At June 30, 2022, 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	\$ 294,053	\$ -
Changes of assumptions and other inputs	580,695	-
Net difference between projected and actual earnings on pension plan investments	-	1,320,545
Changes in proportion and differences between Town contributions and proportionate share of contributions	15,469	120,630
Town contributions subsequent to the measurement date	511,846	-
Total	<u>\$ 1,402,063</u>	<u>\$ 1,441,175</u>

\$511,846 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2023. 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>	
2023	\$ 44,183
2024	(63,933)
2025	(127,112)
2026	(404,096)
2027	-
	<u>\$ (550,958)</u>

6. Actuarial Assumptions

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 percent to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.5 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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, 2021 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	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	<u>100%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2020 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

7. Discount rate

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

8. Sensitivity of the Town's proportionate share of the net pension liability to changes in the discount rate

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.50 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 (5.50 percent) or one percentage point higher (7.50 percent) than the current rate:

	1% Decrease <u>(5.50%)</u>	Discount Rate <u>(6.50%)</u>	1% Increase <u>(7.50%)</u>
Town's proportionate share of the net pension liability (asset)	\$ 3,588,049	\$ 924,298	\$ (1,267,814)

9. Pension plan fiduciary net position

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

b. Law Enforcement Officers' Special Separation Allowance

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 under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time Town law enforcement officers are covered by the Separation Allowance. At the valuation date of December 31, 2020, the Separation Allowance's membership consisted of:

Retirees receiving benefits	3
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>16</u>
Total	<u>19</u>

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 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 criteria which are outlined in GASB Statement 73.

3. Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2020 valuation. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 7.75 percent, including inflation and productivity factor
Discount rate	2.25 percent

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2020. The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five year period ending December 31, 2019.

Mortality Assumption: All mortality rates use Pub-2010 amount-weighted tables.

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

Deaths after retirement (healthy): Mortality rates are based on the Safety Mortality Table for Retirees. Rates for all members are multiplied by 97% and Set Forward by 1 year.

Deaths before retirements: Mortality rates are based on the Safety Mortality Table for Employees.

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

Deaths after retirement (disabled): Mortality rates are based on the Non-Safety Mortality Table for Disabled Retirees. Rates are Set Back 3 years for all ages.

4. Contributions.

The Town is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The Town's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. The Town paid \$59,809 as benefits came due during the reporting period.

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

At June 30, 2022, the Town reported a total pension liability of \$900,688. The total pension liability was measured as of December 31, 2021 based on a December 31, 2020 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2021 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2022, the Town recognized a pension expense of \$103,175.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 163,838	\$ -
Changes of assumptions or other inputs	137,367	28,587
Benefit payments and administrative expenses made subsequent to the measurement date	30,289	-
Total	<u>\$ 331,494</u>	<u>\$ 28,587</u>

\$30,289 reported as deferred outflows of resources related to pensions resulting from benefit payments made subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2023	\$ 77,681
2024	71,842
2025	64,491
2026	53,951
2027	4,566
Thereafter	87
	<u>\$ 272,618</u>

Sensitivity of the Town's total pension liability to changes in the discount rate. The following presents the Town's total pension liability calculated using the discount rate of 2.25 percent, as well as what the Town's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current rate:

	1% Decrease (1.25%)	Discount Rate (2.25%)	1% Increase (3.25%)
Total pension liability	\$ 974,517	\$ 900,688	\$ 833,129

**Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance**

	2022
Beginning balance	\$ 875,592
Service cost	41,100
Interest on the total pension liability	16,322
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	50,410
Change of assumptions or other inputs	(22,927)
Benefit payments	(59,809)
Other changes	-
Ending balance of the total pension liability	\$ 900,688

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

Following is information related to the proportionate share and pension expense for all pension plans:

	LGERS	LEOSSA	Total
Pension expense	\$ 359,724	\$ 103,175	\$ 462,899
Pension liability	924,298	900,688	1,824,986
Proportionate share of the net pension liability	0.06027%	n/a	

Deferred outflows of resources:

Differences between expected and actual experience	\$ 294,053	\$ 163,838	\$ 457,891
Changes of assumptions and other inputs	580,695	137,367	718,062
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	15,469	-	15,469
Benefit payments paid subsequent to the measurement date	511,846	30,289	542,135
	\$1,402,063	\$ 331,494	\$1,733,557

Deferred inflows of resources:

Differences between expected and actual experience	\$ -	\$ -	\$ -
Changes of assumptions	-	28,588	28,588
Net difference between projected and actual earnings on plan investments	1,320,545	-	1,320,545
Changes in proportion and differences between contributions and proportionate share of contributions	120,630	-	120,630
	\$1,441,175	\$ 28,588	\$1,469,763

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

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.

The Town made contributions of \$216,729 for the reporting year. No amounts were forfeited.

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 hired prior to July 1, 2017, provided they are eligible for unreduced benefits in the North Carolina Local Governmental Employees' Retirement System and have at least twenty 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.

Employees hired after July 1, 2017 are not eligible for postemployment healthcare benefits. 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 June 30, 2020, the date of the latest actuarial valuation:

	General Employees:	Law Enforcement Officers:
Retirees receiving benefits	4	3
Terminated plan members entitled to but not receiving benefits	-	-
Active plan members	<u>28</u>	<u>12</u>
Total	<u>32</u>	<u>15</u>

2. Total OPEB Liability

The Town's total OPEB liability of \$1,714,442 was measured as of June 30, 2021 and was determined by an actuarial valuation as of June 30, 2020.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.5 percent
Salary increases	3.25 percent to 8.41 percent, including inflation
Discount rate	2.16 percent
Healthcare cost trend rates	
Pre-Medicare Medical and Prescription Drug	7.00 percent for 2020 decreasing to an ultimate rate of 4.50% by 2030
Dental	4.0 percent
Vision	2.5 percent

The Town selected a Municipal Bond Index Rate equal to the Bond Buyer 20-year General Obligation Bond Index published at the last Thursday of June by The Bond Buyer, and the Municipal Bond Index Rate as of the measurement date as the discount rate used to measure the TOL.

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LHERS experience and generational mortality improvements using Scale MP-2015.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019, adopted by the LGERS Board.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2020 valuation were based on a review of recent plan experience performed concurrently with the June 30, 2020 valuation.

3. Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2021	\$ 1,507,325
Changes for the year	
Service cost	52,883
Interest	33,510
Changes in benefit terms	-
Differences between expected and actual experience	20,681
Changes in assumptions or other inputs	188,321
Benefit payments	(88,278)
Net changes	<u>207,117</u>
Balance at June 30, 2022	<u>\$ 1,714,442</u>

Changes in assumptions or other inputs reflect a change in the discount rate from 2.21% to 2.16%.

4. Sensitivity of the total OPEB liability to changes in the discount rate.

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current discount rate:

	<u>1% Decrease (1.16%)</u>	<u>Discount Rate (2.16%)</u>	<u>1% Increase (3.16%)</u>
Total OPEB liability	\$ 1,884,397	\$ 1,714,442	\$ 1,561,689

5. Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Total OPEB liability	\$ 1,527,818	\$ 1,714,442	\$ 1,934,561

6. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the Town recognized OPEB expense of \$101,774. At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 146,591	\$ -
Changes of assumptions or other inputs	352,604	67,220
Benefit payments made subsequent to the measurement date	53,022	-
Total	<u>\$ 552,217</u>	<u>\$ 67,220</u>

\$53,022 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2023. 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>	
2023	\$ 64,043
2024	64,043
2025	64,043
2026	64,043
2027	64,043
Thereafter	111,760
	<u>\$ 431,975</u>

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. Because all death benefit payments are made from the Death Benefit Plan and not by the Town, the Town does not determine the number of eligible participants. The Town has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The Town considers these contributions to be immaterial.

2. Deferred Outflows and Inflows of Resources

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

Source	Amount
Contributions to the pension plan in the current fiscal year	\$ 511,846
Benefit payments made for LEOSSA subsequent to measurement date	30,289
Benefit payments made for OPEB subsequent to measurement date	53,023
Differences between expected and actual experience	604,482
Changes in assumptions or other inputs	1,070,666
Changes in proportion and differences between employer contributions and proportionate share of contributions	15,469
	\$ 2,285,775

Deferred inflows of resources at year-end comprises the following:

Source	Statement of Net Position	General Fund Balance Sheet
Taxes receivable, less penalties (General Fund)	\$ -	\$ 18,872
Lease receivable (General Fund)	175,840	175,840
Changes in assumptions or other inputs	95,808	-
Differences between expected and actual experience	1,320,545	-
Changes in proportion and differences between employer contributions and proportionate share of contributions (pension)	120,630	-
	\$ 1,712,823	\$ 194,712

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 \$5 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.

3. Long-Term Obligations

a. Installment Purchase

In September 2014, the Town entered into a direct placement 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 in September 2014 and then annual fixed payments of \$53,541, including interest at 2.36%, beginning in September 2015, through September 2024, and is being paid by the Fire Department Fund. The balance on this installment purchase contract as of June 30, 2022 was \$153,329. The equipment purchased with the debt proceeds is pledged as collateral for the debt.

Annual debt service payments of the installment purchases as of June 30, 2022, including \$7,293 of interest, are as follows:

Year ending June 30	Governmental Activities	
	Principal	Interest
2023	\$ 49,922	\$ 3,619
2024	51,100	2,440
2025	52,307	1,234
	<u>\$ 153,329</u>	<u>\$ 7,293</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 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.

In 2016, the Town refunded the remaining balance of its Series 2005 Water Refunding Bonds, which were payable semiannually until 2030 at an interest rate of 3%. The refunding reduces the interest rate to 2.06%, for an overall savings of \$369,377 in interest payments over the period of repayment.

General obligation bonds payable at June 30, 2022 are comprised of the following individual issue:

General Obligation Bonds

Serviced by the Water Fund:

Water Refunding direct placement bonds, 2016,
\$2,480,000 issue, interest at 2.06%
payable semiannually due
serially to 2030.

\$ 1,486,000

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

Year ending June 30	Business-type Activities	
	Principal	Interest
2023	\$ 176,000	\$ 30,612
2024	178,000	26,986
2025	184,000	23,319
2026	191,000	19,529
2027	192,000	38,687
2028-2032	565,000	-
	<u>\$ 1,486,000</u>	<u>\$ 139,133</u>

c. Water Revenue Bond

During the fiscal year ending June 30, 2021, the \$2,500,000 bond anticipation note issued on February 14, 2020 was paid off with the proceeds of a \$2,500,000 in water revenue bond sold at a private negotiated sale to the United States Department of Agriculture. The bond requires annual payments beginning on June 1, 2021 until maturity in 2060, based on the maturity schedule below, including interest at 2.125% per annum.

Year Ending June, 30	Business-type Activities	
	Principal	Interest
2023	\$ 41,000	\$ 51,425
2024	43,000	50,554
2025	44,000	49,640
2026	45,000	48,705
2027	46,000	47,746
2028-2032	245,000	223,656
2033-2037	270,000	196,563
2038-2042	301,000	166,600
2043-2047	334,000	133,279
2048-2052	371,000	96,220
2053-2057	398,109	55,101
Total	<u>\$ 2,138,109</u>	<u>\$ 1,119,489</u>

At June 30, 2022, the Town of Weaverville had a legal debt margin of approximately \$86,000,000.

d. 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. 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, 2022 was \$732,192.

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, 2022 was \$24,952.

Interest expense for the year ended June 30, 2022 was \$39,008.

Annual debt service payments of the notes payable of the ABC Board as of June 30, 2022, including \$142,042 of interest, are as follows:

Year ending June 30	Discretely-Presented Component Unit	
	Principal	Interest
2023	\$ 93,000	\$ 35,455
2024	97,647	30,808
2025	102,527	25,928
2026	107,650	20,805
2027	113,030	15,425
2028-2029	243,290	13,621
	<u>\$ 757,144</u>	<u>\$ 142,042</u>

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, 2022:

	Balance July 1, 2021	Increase	Decrease	Balance June 30, 2022	Current Portion
Governmental Activities:					
Direct placement					
installment purchases	\$ 202,100	\$ -	\$ 48,771	\$ 153,329	\$ 49,922
Total pension liability (LEOSSA)	875,592	25,096	-	900,688	-
Net pension liability (LGERS)	1,887,056	-	1,116,934	770,122	-
Total OPEB liability	1,245,673	171,164	-	1,416,837	-
Compensated absences	256,083	111,925	121,934	246,074	122,000
Governmental activity long-term liabilities	<u>\$ 4,466,504</u>	<u>\$ 308,185</u>	<u>\$1,287,639</u>	<u>\$ 3,487,050</u>	<u>\$ 171,922</u>
Business-type Activities:					
Direct placement					
general obligation bonds	\$ 1,660,000	\$ -	\$ 174,000	\$ 1,486,000	\$ 176,000
Water revenue bond	2,460,000	-	321,891	2,138,109	41,000
Net pension liability (LGERS)	377,781	-	223,605	154,176	-
Total OPEB liability	261,652	35,953	-	297,605	-
Compensated absences	69,043	60,557	59,713	69,887	60,000
Business-type activity long-term liabilities	<u>\$ 4,828,476</u>	<u>\$ 96,510</u>	<u>\$ 779,209</u>	<u>\$ 4,145,777</u>	<u>\$ 277,000</u>

Compensated absences for governmental activities have typically been liquidated in the General Fund. Pension and OPEB liabilities have also typically been liquidated in the General Fund.

The following table summarizes long-term liability changes for the Weaverville ABC Board for the year ended June 30, 2022:

	Balance July 1, 2021	Increase	Decrease	Balance June 30, 2022	Current Portion
Component Unit:					
Notes payable	\$ 845,717	\$ -	\$ 88,573	\$ 757,144	\$ 93,000
Net pension liability (LGERS)	13,027	19,817	13,217	19,627	-
Compensated absences	101,485	-	53,023	48,462	-
Governmental activity long-term liabilities	<u>\$ 960,229</u>	<u>\$ 19,817</u>	<u>\$ 154,813</u>	<u>\$ 825,233</u>	<u>\$ 93,000</u>

C. 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	\$ 13,147,251	\$ 9,967,958
Less: Long-term debt	153,329	3,624,109
Net investment in capital assets	<u>\$ 12,993,922</u>	<u>\$ 6,343,849</u>

D. 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	\$ 7,012,858
Less:	
Nonspendable items:	
Prepays and leases	86,771
Restricted for:	
Stabilization by state statute	749,545
Streets - Powell Bill	228,149
Public safety - Cops for Kids	4,169
Assigned:	
Appropriated fund balance in 2023 budget	120,464
Unassigned:	
Working capital/fund balance policy - minimum	<u>1,394,528</u>
Remaining fund balance	<u>\$ 4,429,232</u>

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, 2022, 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, 2022. 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 \$1,183,858 during the fiscal year ended June 30, 2022. The Town's income for these collections totaled \$67,222.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF WEAVERVILLE, NORTH CAROLINA

**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
LAST SIX FISCAL YEARS**

Schedule of Changes in Total Pension Liability

	2022	2021	2020	2019	2018	2017
Beginning balance	\$ 875,592	\$ 598,291	\$ 560,099	\$ 551,717	\$ 445,528	\$ 429,610
Service cost	41,100	24,887	19,250	24,728	19,882	20,576
Interest on the total pension liability	16,322	18,492	19,299	16,732	16,852	15,177
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	50,410	113,362	42,147	32,886	56,346	-
Change of assumptions or other inputs	(22,927)	182,669	17,305	(21,518)	31,028	(10,876)
Benefit payments	(59,809)	(62,109)	(59,809)	(44,446)	(17,919)	(8,959)
Other changes	-	-	-	-	-	-
Ending balance of the total pension liability	<u>\$ 900,688</u>	<u>\$ 875,592</u>	<u>\$ 598,291</u>	<u>\$ 560,099</u>	<u>\$ 551,717</u>	<u>\$ 445,528</u>

Schedule of Total Pension Liability as a Percentage of Covered Payroll

Total pension liability	\$ 900,688	\$ 875,592	\$ 598,291	\$ 560,099	\$ 551,717	\$ 445,528
Covered payroll	1,011,637	966,914	789,637	832,533	793,875	809,381
Total pension liability as a percentage of covered payroll	89.03%	90.56%	75.77%	67.28%	69.50%	55.05%

Notes to the schedules:

The Town of Weaverville has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.

The amounts presented for each fiscal year were determined as of the prior year ending December 31.

TOWN OF WEAVERVILLE, NORTH CAROLINA

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

Local Governmental Employees' Retirement System

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Town's proportionate share of the net pension liability (asset) (%)	0.06027%	0.06338%	0.06361%	0.05596%	0.05757%	0.05568%	0.06256%	0.06550%	0.06550%
Town's proportion of the net pension liability (asset) (\$)	\$ 924,298	\$ 2,264,837	\$ 1,737,139	\$ 1,327,563	\$ 879,510	\$ 1,181,716	\$ 280,767	\$ (386,284)	\$ 789,527
Town's covered payroll	4,016,598	3,962,465	3,727,895	3,392,959	3,213,620	3,200,610	3,029,056	3,000,672	2,928,477
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	23.01%	57.16%	46.60%	39.13%	27.37%	36.92%	9.27%	12.87%	26.96%
Plan fiduciary net position as a percentage of the total pension liability	95.51%	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

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

TOWN OF WEAVERVILLE, NORTH CAROLINA

SCHEDULE OF TOWN'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST NINE FISCAL YEARS

Local Governmental Employees' Retirement System

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 511,846	\$ 417,871	\$ 365,452	\$ 297,773	\$ 263,255	\$ 240,416	\$ 220,033	\$ 216,523	\$ 213,648
Contribution in relation to the contractually required contribution	<u>511,846</u>	<u>417,871</u>	<u>365,452</u>	<u>297,773</u>	<u>263,255</u>	<u>240,416</u>	<u>220,033</u>	<u>216,523</u>	<u>213,648</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	\$ 4,410,433	\$ 4,016,598	\$ 3,962,465	\$ 3,727,895	\$ 3,392,959	\$ 3,213,620	\$ 3,200,610	\$ 3,029,056	\$ 3,000,672
Contributions as a percentage of covered payroll	11.61%	10.40%	9.22%	7.99%	7.76%	7.48%	6.87%	7.15%	7.12%

TOWN OF WEAVERVILLE, NORTH CAROLINA

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
REQUIRED SUPPLEMENTARY INFORMATION
LAST FIVE FISCAL YEARS

Schedule of Changes in Total OPEB Liability

Total OPEB Liability	2022	2021	2020	2019	2018
Service cost	\$ 52,883	\$ 55,166	\$ 51,082	\$ 67,686	\$ 72,844
Interest on the total OPEB liability	33,510	44,342	43,884	39,728	33,539
Changes of benefit terms	-	(109,247)	-	-	-
Differences between expected and actual experience in the measurement of the total OPEB liability	20,681	138,682	17,459	18,377	659
Change of assumptions or other inputs	188,321	206,911	44,884	(54,317)	(68,813)
Benefit payments	(88,278)	(79,867)	(67,553)	(51,267)	(22,053)
Other changes	-	-	-	-	-
Net change in total OPEB liability	207,117	255,987	89,756	20,207	16,176
Total OPEB liability - beginning	1,507,325	1,251,338	1,161,582	1,141,375	1,125,199
Total OPEB liability - ending	<u>\$ 1,714,442</u>	<u>\$ 1,507,325</u>	<u>\$ 1,251,338</u>	<u>\$ 1,161,582</u>	<u>\$ 1,141,375</u>
Covered payroll	\$ 2,465,123	\$ 2,465,123	\$ 3,044,266	\$ 3,044,266	\$ 2,903,226
Total OPEB liability as a percentage of covered payroll	69.55%	61.15%	41.10%	38.16%	39.31%

Notes to the schedule:

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period:

<u>Fiscal Year</u>	<u>Rate</u>
2022	2.16%
2021	2.21%
2020	3.50%
2019	3.89%
2018	3.56%

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, 2022

	2022		Variance Positive (Negative)
	Budget	Actual	
REVENUES			
Ad valorem taxes:			
Taxes		\$ 3,962,955	
Penalties and interest		12,867	
	\$ 3,646,056	3,975,822	\$ 329,766
Other taxes and licenses:			
Local option sales tax		1,786,030	
	1,476,027	1,786,030	310,003
Intergovernmental revenues:			
Unrestricted:			
Utilities sales tax		475,935	
Beer and wine tax		18,177	
ABC profit distribution		384,550	
	751,644	878,662	127,018
Restricted:			
Public works grants		136,507	
Police department grants		27,942	
ARC grant - downtown wi-fi project		42,000	
	162,019	206,449	44,430
Sales and services			
Cell tower lease revenue		11,519	
	20,000	11,519	(8,481)
Permits and fees:			
Parking enforcement fees		4,340	
Planning and zoning fees		16,800	
	20,500	21,140	640
Investment earnings	1,400	9,331	7,931
Other:			
Miscellaneous		33,971	
Interest on lease receivable		4,432	
Contributions		45,282	
	21,582	83,685	62,103
Total revenues	6,099,228	6,972,638	873,410
EXPENDITURES			
General government:			
Governing board:			
Salaries and employee benefits		116,477	
Community promotions		56,998	
Professional services		66,828	
Other operating expenses		102,445	
	385,191	342,748	42,443
Administration:			
Salaries and employee benefits		384,899	
Professional services		77,355	
Other operating expenses		169,992	
	701,975	632,246	69,729

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, 2022

	2022		
	Budget	Actual	Variance Positive (Negative)
Planning:			
Salaries and employee benefits		106,809	
Professional services		2,670	
Other operating expenses		5,172	
	126,614	114,651	11,963
Total general government	1,213,780	1,089,645	124,135
Public safety:			
Police:			
Salaries and employee benefits		1,544,762	
Supplies and materials		60,296	
Repairs and maintenance		36,996	
Insurance		49,936	
Other operating expenses		242,550	
Capital outlay		299,754	
Total public safety	2,297,809	2,234,294	63,515
Transportation:			
Streets:			
Salaries and employee benefits		239,506	
Contract services		26,795	
Utilities		46,041	
Supplies and materials		57,524	
Other operating expenses		32,002	
Capital outlay		19,798	
	861,419	421,666	439,753
Powell Bill:			
Salaries and benefits		12,076	
	185,288	12,076	173,212
Total transportation	1,046,707	433,742	612,965
Environmental protection:			
Sanitation:			
Salaries and benefits		360,297	
Supplies and materials		39,480	
Other operating expenses		139,595	
	647,098	539,372	107,726
Stormwater:			
Salaries and benefits		21,802	
Other operating expenses		5,610	
Capital outlay		16,398	
	55,060	43,810	11,250
Total environmental protection	702,158	583,182	118,976

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, 2022

	2022		
	Budget	Actual	Variance Positive (Negative)
Cultural and recreational:			
Recreation:			
Salaries and employee benefits		191,783	
Contract services		3,384	
Other operating expenses		69,651	
	329,260	264,818	64,442
Community Center			
Salaries and employee benefits		55,558	
Other operating expenses		43,814	
	114,122	99,372	14,750
Total cultural and recreational	443,382	364,190	79,192
Contingency	20,000	-	20,000
Total expenditures	5,723,836	4,705,053	1,018,783
Revenues over expenditures	375,392	2,267,585	1,892,193
Other financing sources (uses):			
Appropriated fund balance	1,319,094	-	(1,319,094)
Sale of capital assets	10,000	13,575	3,575
Transfer to capital project fund	(586,266)	(459,812)	126,454
Transfer to fire department fund	(1,043,220)	(1,043,220)	-
Transfer to capital reserve	(75,000)	(75,000)	-
Total other financing sources (uses)	(375,392)	(1,564,457)	(1,189,065)
Net change in fund balance	\$ -	703,128	\$ 703,128
Fund balance, beginning of year		6,159,730	
Fund balance, end of year		\$ 6,862,858	

TOWN OF WEAVERVILLE, NORTH CAROLINA

FIRE DEPARTMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the year ended June 30, 2022

	2022		
	Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental revenues:			
Unrestricted:			
Buncombe Co. - fire protection	\$ 1,693,703	\$ 1,846,906	\$ 153,203
Restricted:			
Fire department grants	-	6,417	6,417
Permits and fees:			
Fire inspection fees	-	600	600
Other:			
Contributions	1,452	648	(804)
Total revenues	1,695,155	1,854,571	159,416
EXPENDITURES			
Public safety:			
Salaries and employee benefits		2,005,318	
Capital outlay		163,354	
Other operating expenses		312,931	
Total public safety	2,684,834	2,481,603	203,231
Debt service:			
Principal		48,771	
Interest		4,770	
Total debt service	53,541	53,541	-
Total expenditures	2,738,375	2,535,144	203,231
Revenues under expenditures	(1,043,220)	(680,573)	362,647
Other financing sources (uses):			
Transfer from general fund	1,043,220	1,043,220	-
Net change in fund balance	\$ -	362,647	\$ 362,647
Fund balance, beginning of year		-	
Fund balance, end of year		\$ 362,647	

TOWN OF WEAVERVILLE, NORTH CAROLINA

GENERAL CAPITAL PROJECT FUND

COMMUNITY CENTER PROJECT

Schedule of Revenues and Expenditures - Budget and Actual

From inception and for the year ended June 30, 2022

	Project Authorization	Actual		Total
		Prior Years	Current Year	
Revenues:	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Architectural fees	257,575	227,335	27,500	254,835
Construction	2,817,680	2,550,986	266,694	2,817,680
Fixtures and equipment	271,103	146,993	124,110	271,103
Engineering and professional services	94,376	4,951	25,213	30,164
Phase 2 expenditures	268,998	-	16,295	16,295
Total expenditures	<u>3,709,732</u>	<u>2,930,265</u>	<u>459,812</u>	<u>3,390,077</u>
Revenues under expenditures	<u>(3,709,732)</u>	<u>(2,930,265)</u>	<u>(459,812)</u>	<u>(3,390,077)</u>
Other Financing Sources:				
Transfer from general fund	<u>3,709,732</u>	<u>2,930,265</u>	<u>459,812</u>	<u>3,390,077</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning of year			-	
Fund balance, end of year			<u>\$ -</u>	

TOWN OF WEAVERVILLE, NORTH CAROLINA

American Rescue Plan Fund
 Schedule of Revenues and Expenditures - Budget and Actual
 From inception and for the year ended June 30, 2022

		Actual		
Project Authorization	Prior Years	Current Year	Total	
Revenues:				
ARP Funds	\$ 1,283,395	\$ -	\$ -	\$ -
Expenditures:				
Unassigned ARP Expenditures	1,283,395	-	-	-
Revenues over expenditures	\$ -	\$ -	-	\$ -
Fund balance, beginning of year			-	
Fund balance, end of year			\$ -	

TOWN OF WEAVERVILLE, NORTH CAROLINA
GENERAL CAPITAL RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the year ended June 30, 2022

	2022		
	Budget	Actual	Variance Positive (Negative)
Other financing sources (uses):			
Transfer from General Fund	\$ -	\$ 75,000	\$ 75,000
Net change in fund balance	\$ -	75,000	\$ 75,000
Fund balance, beginning of year		75,000	
Fund balance, end of year		\$ 150,000	

TOWN OF WEAVERVILLE, NORTH CAROLINA
WATER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
For the year ended June 30, 2022

	2022		
	Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES			
Charges for services		\$ 2,443,200	
Other operating revenues		413,317	
Total operating revenues	\$ 2,443,750	2,856,517	\$ 412,767
NON-OPERATING REVENUES			
Investment earnings	640	3,791	3,151
Total non-operating revenues	640	3,791	3,151
Total revenues	2,444,390	2,860,308	415,918
OPERATING EXPENDITURES			
Water administration:			
Salaries and employee benefits		175,326	
Professional services		31,634	
Supplies and materials		6,289	
Postage		12,949	
Telephone		5,237	
Insurance		9,975	
Other operating expenses		102	
Total water administration	267,338	241,512	25,826
Treatment and distribution:			
Salaries and employee benefits		898,468	
Professional services		24,172	
Contract services		203	
Water testing and maintenance		17,218	
Supplies and materials		201,623	
Training and travel		5,546	
Telephone		8,793	
Utilities		114,615	
Repairs and maintenance		2,666	
Insurance		19,410	
Sludge removal		52,013	
Water system improvement		39,708	
Non-capital equipment		27,974	
Capital outlay		115,000	
Total treatment and distribution	1,567,046	1,527,409	39,637
Debt service:			
Principal retirement		495,891	
Interest		82,417	
Total debt service	582,362	578,308	4,054
Contingency	15,000	-	15,000
Total expenditures	2,431,746	2,347,229	84,517

TOWN OF WEAVERVILLE, NORTH CAROLINA
WATER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
For the year ended June 30, 2022

	2022		
	Budget	Actual	Variance Positive (Negative)
OTHER FINANCING SOURCES (USES)			
Appropriated fund balance	106,473	-	(106,473)
Transfer from capital projects	-	442,462	442,462
Transfer to capital reserve	(119,117)	(119,117)	-
Total other financing sources (uses)	(12,644)	323,345	335,989
Revenues and other sources over expenditures and other uses	\$ -	836,424	\$ 836,424
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling items:			
Payment of debt principal		495,891	
Capital outlay		115,000	
Transfer to Water Line Replacement Fund		(442,462)	
Transfer from Capital Reserve Fund		119,117	
Decrease in accrued interest		87	
Increase in accrued compensated absence liability		(845)	
Increase in deferred outflows of resources - pensions		31,311	
Increase in deferred outflows of resources - OPEB		24,312	
Decrease in net pension liability		223,605	
Increase in net OPEB liability		(35,953)	
Increase in deferred inflows of resources - pensions		(229,543)	
Decrease in deferred inflows of resources - OPEB		2,142	
Depreciation		(463,666)	
Change in net position		\$ 675,420	

TOWN OF WEAVERVILLE, NORTH CAROLINA

WATER CAPITAL PROJECT FUND
WATERLINE EXTENSION PROJECT

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
From inception and for the year ended June 30, 2022

	Project Authorization	Actual		Total
		Prior Years	Current Year	
Revenues:	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Construction	2,063,137	1,803,193	-	1,803,193
Engineering	405,000	368,981	-	368,981
Legal and administration	20,000	20,000	-	20,000
Interest	40,000	35,963	-	35,963
Total expenditures	<u>2,528,137</u>	<u>2,228,137</u>	<u>-</u>	<u>2,228,137</u>
Revenues under expenditures	<u>(2,528,137)</u>	<u>(2,228,137)</u>	<u>-</u>	<u>(2,228,137)</u>
Other Financing Sources:				
Long term debt issued	2,800,000	2,500,000	-	2,500,000
Transfer to water fund	(442,463)	-	(442,463)	(442,463)
Transfer from water capital reserve	170,600	170,600	-	170,600
Total other financing sources	<u>2,528,137</u>	<u>2,670,600</u>	<u>(442,463)</u>	<u>2,228,137</u>
Revenues and other sources over/ (under) expenditures	<u>\$ -</u>	<u>\$ 442,463</u>	<u>\$ (442,463)</u>	<u>\$ -</u>

TOWN OF WEAVERVILLE, NORTH CAROLINA

WATER CAPITAL PROJECT FUND
 WATER TREATMENT PLANT EXPANSION PROJECT
 Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
 From inception and for the year ended June 30, 2022

		Actual		
	Project Authorization	Prior Years	Current Year	Total
Revenues:	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Engineering	339,880	23,850	316,030	339,880
Revenues under expenditures	(339,880)	(23,850)	(316,030)	(339,880)
Other Financing Sources:				
Transfer from water capital reserve	339,880	23,850	316,030	339,880
Revenues and other sources over expenditures	\$ -	\$ -	\$ -	\$ -

TOWN OF WEAVERVILLE, NORTH CAROLINA

WATER CAPITAL RESERVE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP)
 For the year ended June 30, 2022

	2022		
	Budget	Actual	Variance Positive (Negative)
Other financing sources (uses):			
Transfer from Water Fund	\$ 316,030	\$ 119,117	\$ (196,913)
Transfer to Capital Project Fund	(316,030)	(316,030)	-
Net change in fund balance	\$ -	(196,913)	\$ (196,913)
Fund balance, beginning of year		581,067	
Fund balance, end of year		\$ 384,154	

SUPPLEMENTAL FINANCIAL DATA

TOWN OF WEAVERVILLE, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF AD VALOREM TAXES RECEIVABLE
June 30, 2022

Fiscal Year	Uncollected Balance 6/30/2021	Additions	Collections And Credits	Uncollected Balance 6/30/2022
2021-2022	\$ -	\$ 3,917,245	\$ 3,911,161	\$ 6,084
2020-2021	50,535	-	46,861	3,674
2019-2020	6,792	-	574	6,218
2018-2019	1,429	-	770	659
2017-2018	625	-	-	625
2016-2017	47	-	-	47
2015-2016	102	-	70	32
2014-2015	2,047	-	(116)	2,163
2013-2014	570	-	-	570
2012-2013	2,390	-	2,390	-
	\$ 64,537	\$ 3,917,245	\$ 3,961,710	20,072
Less allowance for uncollectible ad valorem taxes receivable				(1,200)
Ad valorem taxes receivable, net				\$ 18,872
Reconcilement with Revenues:				
Taxes - Ad valorem - General Fund				\$ 3,975,822
Reconciling items:				
Amount written off for fiscal year 2012-2013				(2,390)
Interest collected				(12,867)
Other adjustments				1,145
Total collections and credits				\$ 3,961,710

TOWN OF WEAVERVILLE, NORTH CAROLINA

GENERAL FUND
ANALYSIS OF CURRENT TAX LEVY
For the year ended June 30, 2022

	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Original levy	\$ 1,115,504,000	0.00350	\$ 3,904,264	\$ 3,717,653	\$ 186,611
Penalties			-	-	-
Total			<u>3,904,264</u>	<u>3,717,653</u>	<u>186,611</u>
Discoveries:					
Current year taxes and penalties	4,480,287		15,681	15,681	-
Abatements	<u>(771,429)</u>		<u>(2,700)</u>	<u>(2,700)</u>	-
Total property valuation	<u>\$ 1,119,212,858</u>				
Net levy			3,917,245	3,730,634	186,611
Uncollected taxes at June 30, 2022			<u>6,084</u>	<u>6,084</u>	-
Current year's taxes collected			<u>\$ 3,911,161</u>	<u>\$ 3,724,550</u>	<u>\$ 186,611</u>
Current levy collection percentage			<u>99.84%</u>	<u>99.84%</u>	<u>100.00%</u>

STATISTICAL SECTION

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	\$ 7,347,031	\$ 7,993,996	\$ 8,050,186	\$ 7,923,020	\$ 8,223,653	\$ 8,706,197	\$ 9,088,415	\$ 10,264,984	\$ 12,723,493	\$ 12,993,922
Restricted	916,438	619,271	736,093	889,635	651,736	670,368	790,806	792,934	1,049,104	981,863
Unrestricted	<u>3,478,950</u>	<u>3,331,318</u>	<u>3,145,332</u>	<u>3,541,535</u>	<u>4,088,152</u>	<u>4,481,604</u>	<u>5,253,493</u>	<u>4,405,368</u>	<u>2,518,218</u>	<u>3,745,185</u>
Total governmental activities net position	<u>\$ 11,742,419</u>	<u>\$ 11,944,585</u>	<u>\$ 11,931,611</u>	<u>\$ 12,354,190</u>	<u>\$ 12,963,541</u>	<u>\$ 13,858,169</u>	<u>\$ 15,132,714</u>	<u>\$ 15,463,286</u>	<u>\$ 16,290,815</u>	<u>\$ 17,720,970</u>
Business-type activities										
Net investment in capital assets	\$ 6,228,057	\$ 6,138,248	\$ 5,984,535	\$ 6,226,795	\$ 6,048,586	\$ 6,115,213	\$ 6,558,892	\$ 7,170,246	\$ 5,880,594	\$ 6,343,849
Unrestricted	<u>2,416,168</u>	<u>2,564,076</u>	<u>2,567,214</u>	<u>2,339,010</u>	<u>2,812,547</u>	<u>2,899,609</u>	<u>2,954,545</u>	<u>2,680,368</u>	<u>4,553,062</u>	<u>4,755,227</u>
Total business-type activities net position	<u>\$ 8,644,225</u>	<u>\$ 8,702,324</u>	<u>\$ 8,551,749</u>	<u>\$ 8,565,805</u>	<u>\$ 8,861,133</u>	<u>\$ 9,014,822</u>	<u>\$ 9,513,437</u>	<u>\$ 9,850,614</u>	<u>\$ 10,433,656</u>	<u>\$ 11,099,076</u>
Primary government										
Net investment in capital assets	\$ 13,575,088	\$ 14,132,244	\$ 14,034,721	\$ 14,149,815	\$ 14,272,239	\$ 14,821,410	\$ 15,647,307	\$ 17,435,230	\$ 18,604,087	\$ 19,337,771
Restricted	916,438	619,271	736,093	889,635	651,736	670,368	790,806	792,934	1,049,104	981,863
Unrestricted	<u>5,895,118</u>	<u>5,895,394</u>	<u>5,712,546</u>	<u>5,880,545</u>	<u>6,900,699</u>	<u>7,381,213</u>	<u>8,208,038</u>	<u>7,085,736</u>	<u>7,071,280</u>	<u>8,500,412</u>
Total primary government net position	<u>\$ 20,386,644</u>	<u>\$ 20,646,909</u>	<u>\$ 20,483,360</u>	<u>\$ 20,919,995</u>	<u>\$ 21,824,674</u>	<u>\$ 22,872,991</u>	<u>\$ 24,646,151</u>	<u>\$ 25,313,900</u>	<u>\$ 26,724,471</u>	<u>\$ 28,820,046</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
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities										
General government	\$ 871,378	\$ 1,060,919	\$ 972,373	\$ 853,053	\$ 886,828	\$ 915,132	\$ 867,562	\$ 976,437	\$ 970,726	\$ 1,057,776
Public safety	3,164,552	3,181,904	3,187,340	3,444,875	3,490,042	3,737,201	4,177,269	4,641,137	4,766,925	4,806,049
Transportation	443,150	459,368	411,294	377,930	349,808	538,868	573,092	521,481	550,460	503,847
Environmental protection	490,032	560,224	545,538	605,969	711,637	517,387	472,460	632,257	674,755	607,045
Cultural and recreation	165,007	210,541	181,046	223,273	170,249	330,758	279,034	304,842	255,829	435,927
Interest on long term debt	121,910	61,303	53,241	49,720	37,857	30,006	19,602	14,159	8,305	3,817
Total governmental activities expenses	<u>5,256,029</u>	<u>5,534,259</u>	<u>5,350,832</u>	<u>5,554,820</u>	<u>5,646,421</u>	<u>6,069,352</u>	<u>6,389,019</u>	<u>7,090,313</u>	<u>7,227,000</u>	<u>7,414,461</u>
Business-type activities:										
Water fund	1,756,183	1,772,760	1,756,734	1,743,187	1,757,711	1,811,522	1,825,246	2,183,668	1,976,838	2,184,888
Total business-type activities	<u>1,756,183</u>	<u>1,772,760</u>	<u>1,756,734</u>	<u>1,743,187</u>	<u>1,757,711</u>	<u>1,811,522</u>	<u>1,825,246</u>	<u>2,183,668</u>	<u>1,976,838</u>	<u>2,184,888</u>
Total primary government expenses	<u>\$ 7,012,212</u>	<u>\$ 7,307,019</u>	<u>\$ 7,107,566</u>	<u>\$ 7,298,007</u>	<u>\$ 7,404,132</u>	<u>\$ 7,880,874</u>	<u>\$ 8,214,265</u>	<u>\$ 9,273,981</u>	<u>\$ 9,203,838</u>	<u>\$ 9,599,349</u>
Program Revenues										
Governmental activities:										
Charges for services										
General government	\$ 15,270	\$ 15,270	\$ 15,269	\$ 15,270	\$ 26,350	\$ 23,884	\$ 18,500	\$ 19,543	\$ 1,550	\$ 15,859
Public safety	46,268	30,384	18,438	26,465	900	300	800	-	18,361	17,400
Operating grants and contributions	81,131	93,407	42,828	22,548	220,621	38,859	47,858	18,699	207,471	77,007
Capital grants and contributions	105,081	106,054	106,971	106,776	106,302	106,428	104,952	103,879	139,851	136,507
Total governmental activities program revenues	<u>247,750</u>	<u>245,115</u>	<u>183,506</u>	<u>171,059</u>	<u>354,173</u>	<u>169,471</u>	<u>172,110</u>	<u>142,121</u>	<u>367,233</u>	<u>246,773</u>
Business-type activities:										
Charge for services										
Water	1,652,376	1,824,127	1,708,014	1,751,374	1,941,316	1,996,961	2,263,956	2,464,546	2,522,887	2,856,517
Total business-type activities:	<u>1,652,376</u>	<u>1,824,127</u>	<u>1,708,014</u>	<u>1,751,374</u>	<u>1,941,316</u>	<u>1,996,961</u>	<u>2,263,956</u>	<u>2,464,546</u>	<u>2,522,887</u>	<u>2,856,517</u>
Total primary government program revenues	<u>\$ 1,900,126</u>	<u>\$ 2,069,242</u>	<u>\$ 1,891,520</u>	<u>\$ 1,922,433</u>	<u>\$ 2,295,489</u>	<u>\$ 2,166,432</u>	<u>\$ 2,436,066</u>	<u>\$ 2,606,667</u>	<u>\$ 2,890,120</u>	<u>\$ 3,103,290</u>

(Continued on next page)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net (Expense) Revenue										
Governmental activities	\$ (5,008,279)	\$ (5,289,144)	\$ (5,167,326)	\$ (5,383,761)	\$ (5,292,248)	\$ (5,899,881)	\$ (6,216,909)	\$ (6,948,192)	\$ (6,859,767)	\$ (7,167,688)
Business-type activities	(103,807)	51,367	(48,720)	8,187	183,605	185,439	438,710	280,878	546,049	671,629
Total primary government expense	\$ (5,112,086)	\$ (5,237,777)	\$ (5,216,046)	\$ (5,375,574)	\$ (5,108,643)	\$ (5,714,442)	\$ (5,778,199)	\$ (6,667,314)	\$ (6,313,718)	\$ (6,496,059)
General Revenue and Other Changes in Net Position										
Governmental activities:										
Taxes	\$ 3,815,593	\$ 3,769,024	\$ 3,889,022	\$ 3,953,934	\$ 4,127,418	\$ 4,421,892	\$ 4,653,205	\$ 4,737,193	\$ 5,114,269	\$ 5,765,684
Grants and unrestricted contributions	1,470,911	1,611,206	1,669,515	1,751,222	1,828,482	1,941,897	2,324,207	2,381,318	2,524,278	2,770,850
Gain (loss) on sale of property	(7,578.00)	-	(58,767)	51,967	3,885	568,630	338,618	29,140	21,131	13,575
Investment earnings	24,452	5,953	4,800	16,144	27,452	73,589	152,290	90,724	3,641	9,331
Miscellaneous	30,879	105,127	13,114	33,103	27,976	26,166	23,134	40,389	23,974	38,403
Total government activities	5,334,257	5,491,310	5,517,684	5,806,370	6,015,213	7,032,174	7,491,454	7,278,764	7,687,293	8,597,843
Business-type activities:										
Gain on sale of property	14,412.00	-	2,474.00	3,154	-	-	-	3,284	26,993	-
Investment earnings	17,248	6,732	3,994	2,715	13,521	32,937	59,905	53,015	-	3,791
Total business-type activities	31,660	6,732	6,468	5,869	13,521	32,937	59,905	56,299	26,993	3,791
Total primary government	\$ 5,365,917	\$ 5,498,042	\$ 5,524,152	\$ 5,812,239	\$ 6,028,734	\$ 7,065,111	\$ 7,551,359	\$ 7,335,063	\$ 7,714,286	\$ 8,601,634
Change in Net Position										
Governmental activities	\$ 45,113	\$ 323,984	\$ 133,923	\$ 422,579	\$ 722,965	\$ 1,132,293	\$ 1,274,545	\$ 330,572	\$ 827,526	\$ 1,430,155
Business activities	83,027	(41,988)	14,655	14,056	197,126	218,376	498,615	337,177	573,042	675,420
Total primary government	\$ 128,140	\$ 281,996	\$ 148,578	\$ 436,635	\$ 920,091	\$ 1,350,669	\$ 1,773,160	\$ 667,749	\$ 1,400,568	\$ 2,105,575

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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 47,577	\$ 46,921	\$ 22,230	\$ 82,000	\$ 88,492	\$ 86,771
Restricted	916,438	619,271	736,093	889,635	651,736	670,368	790,806	792,934	1,049,104	981,863
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	289,710	240,359	72,773	275,000	323,600	777,504	194,933	238,220	595,239	120,464
Unassigned	3,890,602	3,903,142	4,256,578	4,508,900	5,265,972	5,519,421	6,946,831	6,381,593	4,501,895	5,823,760
Total General Fund	\$ 5,096,750	\$ 4,762,772	\$ 5,065,444	\$ 5,673,535	\$ 6,288,885	\$ 7,014,214	\$ 7,954,800	\$ 7,494,747	\$ 6,234,730	\$ 7,012,858

* 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 Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Revenues										
Ad valorem taxes	\$ 2,731,714	\$ 2,673,180	\$ 2,744,627	\$ 2,852,225	\$ 2,973,623	\$ 3,146,825	\$ 3,322,075	\$ 3,364,052	\$ 3,571,162	\$ 3,975,822
Other taxes and licenses	1,086,231	1,097,423	1,108,108	1,135,729	1,163,041	1,275,968	1,324,253	1,370,946	1,536,284	1,786,030
Unrestricted intergovernmental revenues	1,470,911	1,611,206	1,669,515	1,751,222	1,827,864	1,941,175	2,323,917	2,381,218	2,489,117	2,725,568
Restricted intergovernmental revenues	166,057	173,275	126,566	109,224	326,923	145,287	152,810	122,578	347,322	212,866
Permits and fees	46,268	30,384	18,438	26,465	27,250	24,184	19,300	19,543	19,911	21,740
Sales and services	-	-	-	-	-	-	-	-	-	11,519
Investment earnings	24,452	5,953	4,800	16,114	27,452	73,589	152,290	90,724	3,641	9,331
Other revenues	66,304	146,583	49,594	59,777	25,438	26,888	23,425	40,489	59,135	84,333
Total Revenue	<u>5,591,937</u>	<u>5,738,004</u>	<u>5,721,648</u>	<u>5,950,756</u>	<u>6,371,591</u>	<u>6,633,916</u>	<u>7,318,070</u>	<u>7,389,550</u>	<u>8,026,572</u>	<u>8,827,209</u>
Expenditures										
Current										
General government	800,715	984,899	947,769	793,243	807,586	865,864	828,940	897,329	896,667	1,027,768
Public safety	2,692,509	2,706,134	2,810,037	3,007,254	2,965,402	3,227,198	3,690,123	4,076,515	4,149,537	4,472,585
Transportation	367,624	370,517	321,581	287,505	253,296	433,507	463,827	383,840	407,672	380,843
Environmental protection	423,712	491,741	475,327	524,619	627,195	440,629	397,878	544,056	624,382	568,132
Cultural and recreational	159,244	204,653	175,670	205,993	144,671	305,238	251,015	263,566	224,966	364,190
Capital outlay	345,146	964,804	1,049,345	117,020	549,967	746,875	687,982	1,432,670	2,714,840	832,950
Debt Service										
Principal retirement	747,733	283,614	591,461	417,182	421,632	426,025	356,116	283,404	284,333	48,771
Interest and fees	127,941	65,620	47,596	50,512	41,110	31,881	22,221	15,363	9,564	4,770
Total expenditures	<u>5,664,624</u>	<u>6,071,982</u>	<u>6,418,786</u>	<u>5,403,328</u>	<u>5,810,859</u>	<u>6,477,217</u>	<u>6,698,102</u>	<u>7,896,743</u>	<u>9,311,961</u>	<u>7,700,009</u>
Excess of revenues over (under) expenditures	<u>(72,687)</u>	<u>(333,978)</u>	<u>(697,138)</u>	<u>547,428</u>	<u>560,732</u>	<u>156,699</u>	<u>619,968</u>	<u>(507,193)</u>	<u>(1,285,389)</u>	<u>1,127,200</u>
Other Financing Sources										
Sale of property	-	-	201,564	51,967	3,885	568,630	338,618	29,140	25,372	13,575
Insurance recovery	-	-	2,022	8,696	3,156	-	-	-	-	-
Proceeds from debt	-	-	692,000	-	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>895,586</u>	<u>60,663</u>	<u>7,041</u>	<u>568,630</u>	<u>338,618</u>	<u>29,140</u>	<u>25,372</u>	<u>13,575</u>
Net change in fund balances	<u>\$ 279,952</u>	<u>\$ (72,687)</u>	<u>\$ (333,978)</u>	<u>\$ 198,448</u>	<u>\$ 608,091</u>	<u>\$ 725,329</u>	<u>\$ 958,586</u>	<u>\$ (478,053)</u>	<u>\$(1,260,017)</u>	<u>\$ 1,140,775</u>
Debt service as a percentage of non capital expenditures	15.12%	13.59%	12.90%	16.46%	6.84%	11.90%	6.29%	4.62%	4.45%	0.78%

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>Local Option Sales Tax</u>	<u>Investment Earnings</u>	<u>Other Revenues</u>	<u>Total</u>
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
2016	2,852,225	26,465	1,860,446	1,135,729	16,114	59,777	5,950,756
2017	2,973,623	27,250	2,154,787	1,163,041	27,452	25,438	6,371,591
2018	3,146,825	24,184	2,086,462	1,275,968	73,589	26,888	6,633,916
2019	3,322,075	19,300	2,476,727	1,324,253	152,290	23,425	7,318,070
2020	3,364,052	19,543	2,503,796	1,370,946	90,724	40,489	7,389,550
2021	3,571,162	19,911	2,836,439	1,536,284	3,641	59,135	8,026,572
2022	3,975,822	21,740	2,938,434	1,786,030	9,331	95,852	8,827,209

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

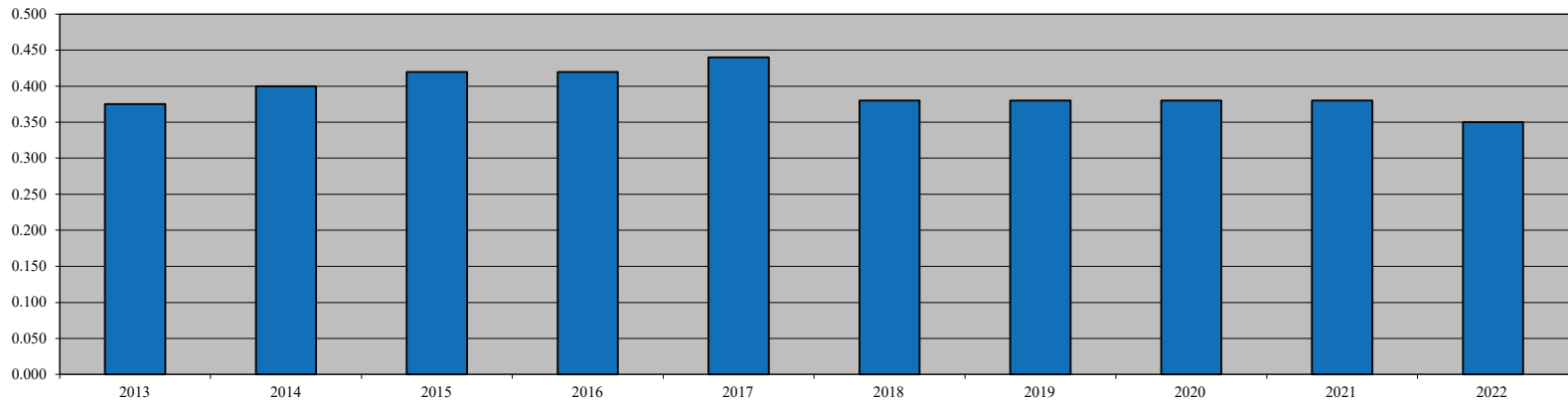
TOWN OF WEAVERVILLE, NORTH CAROLINA
Assessed Value of Taxable Property (Excluding Motor Vehicles)
Last Ten Fiscal Years
(in thousands)

<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>
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
2016	570,750	91,775	5,461	667,986	0.42	2,806
2017	551,067	80,025	5,248	636,340	0.44	2,800
2018	715,013	63,906	5,148	784,067	0.38	2,979
2019	747,444	75,731	4,953	828,128	0.38	3,156
2020	784,173	72,063	5,406	861,642	0.38	3,229
2021	802,016	129,186	5,983	937,185	0.38	3,563
2022	971,184	141,664	6,365	1,119,213	0.35	3,917

Note: Property in the Town of Weaverville is assessed by the Buncombe County Tax Office. The most recent revaluation occurred in 2021. 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. Actual value is assumed to be substantially the same as the assessed value.

TOWN OF WEAVERVILLE, NORTH CAROLINA
Property Tax Rates-Direct And All Overlapping Governments
Last Ten Fiscal Years
Per \$100 of Assessed Value

	FISCAL YEAR									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
County of Buncombe	0.525	0.569	0.604	0.604	0.604	0.539	0.529	0.529	0.529	0.488
City of Asheville	0.420	0.460	0.475	0.475	0.475	0.429	0.429	0.429	0.429	0.403
Town of Biltmore Forest	0.330	0.385	0.385	0.385	0.395	0.330	0.330	0.345	0.345	0.345
Town of Weaverville	0.375	0.400	0.420	0.420	0.440	0.380	0.380	0.380	0.380	0.350
Town of Black Mountain	0.365	0.375	0.375	0.375	0.375	0.333	0.333	0.333	0.333	0.306
Town of Woodfin	0.265	0.305	0.305	0.305	0.305	0.280	0.280	0.330	0.330	0.330
Town of Montreat	0.370	0.410	0.410	0.410	0.410	0.410	0.410	0.430	0.430	0.430
Asheville School District	0.150	0.150	0.150	0.150	0.150	0.120	0.120	0.120	0.120	0.106
Fire Districts (average beginning in 2015)	0.075-0.150	0.090-0.150	0.118	0.118	0.117	0.118	0.132	0.133	0.133	0.130
Maximum Combined Rate	1.095	1.214	1.229	1.229	1.229	1.088	1.078	1.078	1.078	0.997



NOTE: Property was revalued and effective in fiscal years 2014, 2018, and 2022.

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	2021-2022			2012-2013		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Thermo Fisher / Kendro	\$ 38,793,753	1	3.47%	\$ 15,111,730	3	2.19%
CRE Rockwell / Baldor	34,874,659	2	3.12%	26,062,180	2	3.77%
Weaverville Plaza / IRC-MAB Acquisitions	16,491,700	3	1.47%	6,913,900	8	1.00%
Walmart	13,163,200	4	1.18%	13,358,700	4	1.93%
Arvato / Sonopress / King	10,671,200	5	0.95%	11,060,220	6	1.60%
Lowe's Home Centers	9,240,900	6	0.83%	11,093,320	5	1.60%
Brian Center / SMV Weaverville LLC	8,751,200	7	0.78%	55,642,860	1	8.05%
Ingles	8,624,600	8	0.77%			
SCG-Weaverville LLC	4,977,400	9	0.44%			
Hobby Lobby	4,651,500	10	0.42%			
Balcrank / Linter North America Corp.	3,958,000	11	0.35%	4,713,650	10	0.68%
Warrior Golf				5,056,070	9	0.73%
HMVHV				7,643,200	7	1.11%
Totals	\$ 154,198,112		13.78%	\$ 156,655,830		22.66%
Total Overall Valuation	\$1,119,212,858			\$ 691,583,206		

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
2013	\$ 2,702,440	\$ 2,694,813	99.718%	\$ 6,875	\$ 2,701,688	99.91%
2014	2,574,476	2,568,590	99.771%	5,316	2,573,906	99.81%
2015	2,773,162	2,731,523	98.499%	39,476	2,770,999	99.89%
2016	2,805,674	2,801,001	99.833%	4,641	2,805,642	99.97%
2017	2,965,846	2,962,235	99.878%	3,564	2,965,799	99.88%
2018	3,138,242	3,135,107	99.900%	2,510	3,137,617	99.98%
2019	3,317,354	3,307,823	99.713%	8,872	3,316,695	99.98%
2020	3,397,606	3,347,656	98.530%	43,732	3,391,388	99.82%
2021	3,562,586	3,512,051	98.582%	46,861	3,558,912	99.90%
2022	3,917,245	3,911,161	99.845%	-	3,911,161	99.84%

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

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				Total Primary Government (1)	Percentage of Personal Income (2)	Per Capita
		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				
2013	3715	\$ 732,139	\$ 2,574	0.0035	\$ 694	\$ 2,795	-	\$ 753	\$ 5,369	unavailable	\$ 1,447	
2014	3763	652,170	2,290	0.0035	609	2,672	-	711	4,962	unavailable	1,320	
2015	3800	660,277	2,391	0.0036	629	2,548	-	671	4,939	unavailable	1,300	
2016	3833	668,018	1,974	0.0030	515	2,470	-	645	4,444	unavailable	1,160	
2017	3858	784,067	1,552	0.0020	390	2,311	-	581	3,863	unavailable	970	
2018	3911	825,853	1,126	0.0014	288	2,149	-	549	3,275	unavailable	837	
2019	3974	872,987	770	0.0009	194	1,989	-	501	2,759	unavailable	694	
2020	4027	894,106	486	0.0005	121	1,826	-	453	2,312	unavailable	574	
2021	4567	937,185	202	0.0002	44	1,660	-	363	1,862	unavailable	408	
2022	4698	1,119,213	153	0.0001	33	3,624	-	771	3,777	unavailable	804	

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
2013	\$ 748	\$ 128	\$ 876	\$ 5,665	15.463%
2014	284	66	350	6,072	5.764%
2015	591	48	639	6,419	9.955%
2016	417	50	467	5,403	8.643%
2017	422	41	463	5,811	8.643%
2018	426	32	458	6,477	7.071%
2019	356	22	378	6,698	5.643%
2020	283	15	298	7,290	4.088%
2021	284	10	294	9,311	3.158%
2022	48	4	52	7,700	0.675%

(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, 2022

<u>Direct:</u>			
Town of Weaverville			
Governmental Activities Installment Obligations		\$	153,329
	Percent Applicable to the Town (1)		
<u>Underlying:</u>			
Buncombe County			
General Obligation Bonds	<u>\$ 12,877,000</u>	2.71%	<u>348,837</u>
Total direct and underlying bonded debt			<u><u>\$ 502,166</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: Buncombe County Tax Collector, North Carolina Annual Comprehensive Financial Report, Year Ended June 30, 2021.

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Assessed value of property	\$732,139	\$652,170	\$660,277	\$668,018	\$636,340	\$784,067	\$828,128	\$861,642	\$937,185	\$1,119,213
Debt limit, 8% of assessed value	58,571	52,174	52,822	53,441	50,907	62,725	66,250	68,931	74,975	89,537
Total net debt applicable to limit	5,394	4,962	4,939	4,444	3,863	3,275	2,758	4,812	4,322	3,777
Legal debt margin available	53,177	47,189	45,800	48,997	47,044	59,450	63,492	64,119	70,653	85,760
Total net debt applicable to the limit as a percentage of limit	9.21%	9.55%	9.39%	8.32%	7.59%	5.22%	4.16%	6.98%	5.76%	4.22%

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)
2022	4,698	unavailable	\$ 32,481	55.0	521	3.3
2021	4,567	unavailable	\$ 36,517	53.5	594	4.6
2020	4,027	unavailable	36,629	53.2	595	6.5
2019	3,674	unavailable	35,782	52.0	582	3.4
2018	3,911	unavailable	35,582	42.6	592	3.1
2017	3,858	unavailable	30,378	42.6	601	3.9
2016	3,833	unavailable	29,374	46.0	582	4.1
2015	3,800	unavailable	unavailable	unavailable	593	5.0
2014	3,763	unavailable	26,424	41.0	613	5.0
2013	3,715	unavailable	25,665	40.6	620	6.8
2012	3,714	unavailable	25,142	42.5	620	7.9

Sources:

- (1) North Carolina Office of State Planning
- (2) Personal income information is a total for the year
- (3) North Carolina Office of State Planning (Buncombe County)
- (4) NC Department of Public Instruction (Average Daily Membership)
- (5) NC Department of Labor (Buncombe County)

TOWN OF WEAVERVILLE, NORTH CAROLINA

Principal Employers
Current Year and Nine Years Ago

Employer:	2022			2013		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Thermo Fisher	570	1	12.48%	560	2	20.00%
Walmart	315	2	6.90%	300	3	10.71%
Ingles	209	3	4.58%	220	4	7.86%
Lowes	176	4	3.85%	135	6	4.82%
Baldor	160	5	3.50%	147	5	5.25%
Publix	155	6	3.39%			
Brian Center	119	7	2.61%	100	8	3.57%
Buncombe County Schools	108	8	2.36%	116	7	4.14%
Conrad Industries	81	9	1.77%	74	9	2.64%
Town of Weaverville	71	10	1.55%	60	10	2.14%
Arvato / Sonopress			0.00%	625	1	22.32%
Total	1,964		43.00%	2,337		83.45%

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>Administration</u>	5	5	6	6	6	6	6	6	6	7
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	0	0	0	1	1	1
Account Clerk/Tax	1	1	2	2	2	2	2	2	2	2
Zoning/Clerk	1	1	1	1	2	2	2	1	1	1
Recreation Coordinator										1
<u>Police</u>	15	15	15	15	15	15	16	17	17	17
Chief	1	1	1	1	1	1	1	1	1	1
Assistant Chief	1	1	1	0	0	0	1	1	1	1
Detective	1	1	1	2	2	2	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	7	7	7	7	7	7	8	9	9	9
Reception	1	1	1	1	1	1	1	1	1	1
<u>Fire</u>	18	18	18	18	18	21	24	24	24	24
Chief	1	1	1	1	1	1	1	1	1	1
Dept. Chief	1	1	1	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
Lieutenant	0	0	0	0	0	0	3	3	3	3
Engineer	0	0	0	0	0	3	6	6	6	6
Fire Fighter	9	9	9	9	9	9	6	6	6	6
<u>Public Works</u>	22	22	22	23	22	22	22	22	22	22
Director	1	1	1	1	1	1	1	1	1	1
Adm. Assistant	1	1	1	1	0	0	0	0	0	0
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.	4	4	4	5	4	4	4	4	4	3
Meter Reader	1	1	1	1	1	1	1	1	1	1
Skilled Labor	4	4	4	4	6	6	6	6	6	6
Semi-Skilled	3	3	3	3	3	3	3	3	3	3
Water Tr. Supervisor	1	1	1	1	0	0	0	0	0	1
Water Tr. Superintendent	1	1	1	1	1	1	1	1	1	1
Total Employees	60	60	61	62	61	64	68	69	69	70

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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Administration										
Zoning Permits	89	87	47	31	87	120	123	129	120	182
Tax Collection Rate	99%	99%	99%	99%	99%	99%	99%	99%	99%	99%
Tax Rate	0.38	0.4	0.42	0.42	0.44	0.38	0.38	0.38	0.38	0.35
Police										
Dollar Value Stolen	\$ 57,340	\$ 203,724	\$ 180,388	\$ 287,855	\$ 81,539	\$ 367,119	\$ 390,364	\$ 151,002	\$ 450,495	\$ 135,151
Dollar Value Recovered	\$ 41,833	\$ 92,045	\$ 88,272	\$ 87,725	\$ 68,010	\$ 104,668	\$ 43,902	\$ 66,337	\$ 493,026	\$ 95,528
Criminal Activities	297	211	288	379	302	445	578	627	400	384
Total Activities	52,027	67,293	69,289	68,775	67,648	79,640	56,908	57,070	52,137	20,298
Patrol Miles Driven	124,653	123,039	110,448	114,781	120,319	117,992	98,302	104,127	100,708	179,384
Fire										
Vehicle Fires	12	13	6	10	11	8	5	11	7	3
Vehicle Loss	\$ 14,000	\$ 66,350	\$ 16,800	\$ 23,672	\$ 32,800	\$ 11,300	\$ 39,395	\$ 114,800	\$ 59,700	\$ 20,500
Structure Fires	8	15	11	11	40	20	9	8	8	2
Structure Loss	\$ 160,400	\$ 98,470	\$ 93,350	\$ 271,450	\$ 160,300	\$ 517,850	\$ 1,925,400	\$ 433,660	\$ 238,200	\$ 4,000
Total Calls	1,503	1,595	1,679	1,670	1,655	1,979	1,868	1,952	1,972	1,951
Public Works										
Solid Waste/Program Cost	\$ 375,544	\$ 299,625	\$ 312,952	\$ 505,910	\$ 349,462	\$ 597,730	\$ 550,671	\$ 629,319	\$ 526,601	\$ 462,187
Cost per Household	\$ 217.45	\$ 167.58	\$ 175.03	\$ 257.46	\$ 179.86	\$ 302.34	\$274.79	\$314.03	\$256.25	\$208.76
Cost per Ton Recyclables	\$ 224.35	\$ 162.00	\$ 169.21	\$ 273.53	\$ 280.02	\$ 135.65	\$153.48	\$142.86	\$139.43	\$145.62
Recovered Tons	361.1	388.2	407.6	427.9	449.3	457.9	431.0	458.0	531.0	548.0
Street Signs Installed	14	16	10	12	18	15	12	10	8	12
Paving Repairs	12	26	18	28	16	18	22	19	15	24

continued on next page

TOWN OF WEAVERVILLE, NORTH CAROLINA
 Operating Indicators by Function/Program
 Last Ten Calendar Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Water										
Water Mains										
Six inch	106,325	106,325	106,685	106,745	107,578	115,787	118,211	119,030	120,230	120,230
Eight inch	114,089	114,089	114,229	116,806	116,806	118,366	119,032	119,032	119,032	119,032
Ten inch	25,795	25,795	25,795	25,795	25,795	25,795	25,795	25,795	25,795	25,795
Twelve inch	23,805	23,805	23,805	23,805	23,805	23,805	23,805	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

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	15	15	15	15	15	18	18	18	18	18
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	18.18	19.13	19.29	19.36	19.44	19.44	19.87	19.87
Streetlights	301	301	301	301	301	304	306	308	310	310
Traffic signals	12	12	12	12	12	12	12	12	12	12
Water										
Transmission lines (miles)	55.09	55.09	55.18	56.13	56.13	57.97	58	58.5	58.7	61.9
Fire hydrants	402	402	404	410	410	422	433	439	442	442
Storage capacity (thousands of gallons)	3,950	3,950	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 Duke 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, 2022, 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 31, 2022. 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*.

Report on 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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Weaverville, North Carolina's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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.

David Killian CPA Group, P.A.

Asheville, North Carolina
October 31, 2022

TOWN OF WEAVERVILLE, NORTH CAROLINA
SCHEDULE OF FINDINGS AND RESPONSES
For the year ended June 30, 2022

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 no

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

- Noncompliance material to financial
statements noted yes no