

Town of Weaverville
Annual Comprehensive Financial Report
Fiscal Year Ending June 30, 2025



Town of Weaverville, North Carolina
Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2025

Town Council
(As of June 30, 2025)

Patrick Fitzsimmons, Mayor
John Chase, Vice-Mayor
Doug Jackson
Peter McGuire
Catherine Cordell
Michele Wood
Dee Lawrence

Town Manager
Scottie Harris

Finance Officer
Tonya Dozier

Prepared By: Finance Department

Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2025
Town of Weaverville, North Carolina

<i>Table of Contents</i>	<i>Exhibit</i>	<i>Page</i>
Introductory Section		
GFOA Certificate of Achievement in Financial Reporting		1
Letter of Transmittal		2
Organizational Charts		8
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	27
Fund Financial Statements:		
Balance Sheet – Governmental Funds	3	28
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	4	30
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	5	31
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	6	32
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Fire Department Fund	7	33
Statement of Net Position – Proprietary Fund	8	34
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Fund	9	35
Statement of Cash Flows – Proprietary Fund	10	36
Notes to Financial Statements		37
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		69
Local Governmental Employees' Retirement System – Town's Proportionate Share of Net Pension Liability (Asset)		70
Local Governmental Employees' Retirement System – Schedule of Town's Contributions		71
Schedule of Changes in the Total OPEB Liability and Related Ratios		72

Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2025
Town of Weaverville, North Carolina

Individual Fund Statements and Schedules

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	73
Schedule of Revenues and Expenditures and Changes in Fund Balance – Budget and Actual – General Capital Reserve Fund	76
Schedule of Revenues and Expenditures and Changes in Fund Balance – Budget and Actual – Fire Department Fund	77
Schedule of Revenues and Expenditures and Changes in Fund Balance – Budget and Actual – Tropical Storm Helene Disaster Response Fund	78
Schedule of Revenues and Expenditures and Changes in Fund Balance – Budget and Actual – General Capital Project Fund	79
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP) – Water Fund	80
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP) – Water Capital Project Fund—Water Resiliency Project	82
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP) – Water Capital Project Fund—Water Treatment Plant Expansion	83
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP) – Water Capital Reserve Fund	84

Supplemental Financial Data

Schedule of Ad Valorem Taxes Receivable	85
Analysis of Current Tax Levy	86

Statistical Section

Financial Trends	
Net Position by Component	87
Changes in Net Position	88
Fund Balances of Governmental Funds	90
Changes in Fund Balances of Governmental Funds	91
Revenue Capacity	
General Governmental Revenues by Source	92
Assessed Value of Taxable Property	93
Property Tax Rates – Direct and All Overlapping Governments	94
Principal Property Taxpayers	95
Property Tax Levies and Collections	96
Debt Capacity	
Ratios of Outstanding Debt by Type	97
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total Governmental Expenditures	98
Computation of Direct and Underlying Debt	100
Legal Debt Margin Information	100

Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2025
Town of Weaverville, North Carolina

Demographic and Economic Information	
Demographic and Economic Statistics	101
Principal Employers	102

Operating Information	
Full-Time Equivalent Town Government Employees by Function/Program	103
Operating Indicators by Function/Program	104
Capital Asset Statistics by Function/Program	106

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>	107
Report On Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; In accordance with OMB Uniform Guidance; And the State Single Audit Implementation Act	109
Schedule of Findings and Responses	112
Summary Schedule of Prior Year Audit Findings	114
Schedule of Expenditures of Federal and State Awards	115

INTRODUCTORY SECTION



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Weaverville
North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

Dee Lawrence
Mayor

John Chase
Vice Mayor

Peter McGuire
Councilman

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

Phil Barnett
Councilman

Jennifer Young
Councilwoman

Mark Endries
Councilman

Andrew Nagle
Councilman

Letter of Transmittal

December 31, 2025

**Honorable Mayor Lawrence, 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 December 31 of each year a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report of the Town of Weaverville, North Carolina for the fiscal year ending June 30, 2025.

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, 2025, 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, 2025, 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 6,000 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	2020	2025 Certified ¹
1,495	2,107	2,968	3,120	4,572	5,116

Town staff has estimated the population of the Town to be approximately 6,000 as of June 2025.

Population growth remains a consistent and stable contributor to the local economy. Based on the aforementioned population calculations, the Town's population has officially increased by 64% since the 2010 census. The Town continues to grow with approximately 500 residential units either approved or in some phase of the development review process at fiscal year-end June 30, 2025. This has the potential to increase the Town's population by another 1,100 residents or 22%.

The impacts of Tropical Storm Helene and the related flooding have underscored the need for the resiliency projects at the Town's Water Treatment Plant. The Town recently received final approval and permits from the NC Department of Environmental Quality for the two generators that are a part of the resiliency efforts, and work on the installation has begun. The Town's Water Treatment Plant expansion project has been fully designed and plans are currently under review by NC Department of Environmental Quality. A project completion date for the expansion of 2028 is expected which will allow development to continue within the Town.

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 are in the planning phases. However, there continues 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 serve staggered four-year terms. The Town Council is responsible, among other things, for passing

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

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 Statement and Mission for the Town of Weaverville

Our vision is to be a resilient and forward-thinking community that thrives in the face of challenge and change. As we grow, we will build a strong foundation by prioritizing sustainability, preparedness, and economic vitality. Through thoughtful planning, collaboration, and a commitment to preserving our Town's unique character, we will create a plan where residents and businesses can flourish, no matter the challenges ahead.

The Town of Weaverville's mission is to guide our Town's growth with resilience, sustainability, and inclusivity at the forefront. We are committed to strengthening our infrastructure, protecting our natural and community resources, and fostering a thriving local economy. By embracing innovation and community-driven solutions, we aim to ensure that our Town remains a safe, vibrant, and adaptable place for current and future generations.

Strategic Long-Term Plan

Town Council recently updated its Strategic Plan, as summarized in the following Policy Goals:

GOAL 1: Sustainable Growth & Development

Ensure responsible urban planning to respond to increases in growth pressures

GOAL 2: Emergency Preparedness & Community Resilience

Plan for emergencies to ensure community resilience

GOAL 3: Downtown Vibrancy, Economic Growth, & Community Character

Promote economic vitality through a vibrant downtown, economic growth, and unique community character

GOAL 4: Public Safety & Neighborhood Resilience

Provide for a safe and secure community that nurtures livable and well-maintained neighborhoods that are family friendly

GOAL 5: Infrastructure & Environmental Resilience

Develop and maintain infrastructure and policies to support new growth, improve the quality of life for residents, and provide for a clean and green environment

GOAL 6: Parks, Recreation, Special Events, & Community Vitality

Establish facilities, special events, and programs that connect the community, promote healthy lifestyle opportunities, and engage citizen and visitors

GOAL 7: Organizational Culture

Build a professional and inclusive Town organization that is fiscally responsible and service oriented, seeks innovative practices, and values the development of staff

GOAL 8: Community Engagement and Communication

Increase community engagement through public outreach efforts and better communication

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	Patrol
Criminal Investigations	Auxiliary Force
Community Policing	Community Programs

Fire:

Fire Suppression	Investigations
Fire Inspections	First Responders
Public Education	Training & Safety

Public Works:

Sanitation Division

Garbage Collection	Recycling
Appliance Collection	Recycle Collection
Leaf Collection	Brush Collection

Streets & Stormwater Divisions

Streets & Sidewalks	Street Cleaning
Asphalt Patching	Public Facility Landscaping
Right of Way Mowing	Snow/Ice Removal
Parking Lot Maintenance	Storm Drainage
Street Lighting	

Grounds Maintenance Division

Lake Louise Park	Lake Equipment/Outdoor Fitness
Playground/Walking Trails	Main Street Nature Park
Special Event Support	Community Center Grounds
Town Hall/Clock Lot Grounds	

Recreation:

Community Center Mgmt	Facility Rentals
Events and Programs	Houses the Dry Ridge Museum
Recreation/Sports Complex	

Water Resources:

Water Treatment	Water Production
Water Distribution	Meter Reading
Service Installation	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 2024-2025 Budget was adopted to include the General Fund, Fire Special Revenue Fund, and Enterprise Fund. Multi-year project ordinances are adopted for all Capital/Grant 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 positive contributors to the local economy, and the need for Town services continues to grow as a result. Unlike previous years, Buncombe County's unemployment rate was slightly higher than the state's average at fiscal year-end. Before Hurricane Helene, Buncombe County had among the lowest unemployment rates in the state. The elevated numbers suggest the region's economy continues to feel the impact from this historic storm.

Recent annexations include an existing single family home subdivision of 134 lots, two additional parcels for the AdventHealth hospital campus, and two parcels to support future residential development. There are three apartment complexes that have been completed within the last few years and are now operating at full capacity. Two townhome developments, totaling 91 dwelling units have also been permitted and are in varying states of progress. This growth in the residential sector of Weaverville's economy has aided the Town's general revenues through increased tax base, sales tax, and water revenue.

AdventHealth has plans to develop a hospital complex on approximately 33 acres within the Town's limits. This proposed healthcare facility will initially include a 67-bed hospital, emergency department, and medical office buildings. A subsequent phase of the project is expected to add an out-patient surgery center, additional medical offices, and a hospital wing with up to 133 additional beds, pending Certificate of Need approval. This healthcare facility is greatly needed in the area and is expected to be an economic driver for medical support businesses and the Town's economy in general.

Although the majority of the Town's recent development growth has been in the residential sector, commercial development has continued to grow. Huey Magoo's and Wing Stop, both fast-food restaurants, were recently completed and now open for business on Weaver Boulevard. Two additional commercial businesses, a retail shoe store and a sub shop, were recently completed in the Northridge Commons 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. In addition, a new free-standing Starbucks was recently completed and now operational in the Weaverville Plaza close to Publix. We believe the anticipated commercial and retail developments expected in the near future is a positive sign of continued growth with positive financial implications for the Town of Weaverville.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Weaverville for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. This was the 29th 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

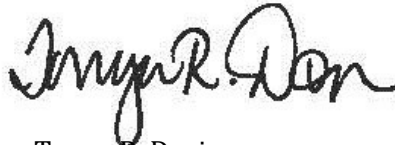
The Asheville region has, in the recent past, greatly profited from a vibrant and growing economy. While we expect accelerated growth, the Town realizes that it must continue to prepare for the potential impacts in our departmental service demands, and balance what will be significant impacts on the 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 and her staff for all their work in compiling the information within this report and their work in monitoring and improving the Town's financial policies and procedures. We would also like to thank all 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,

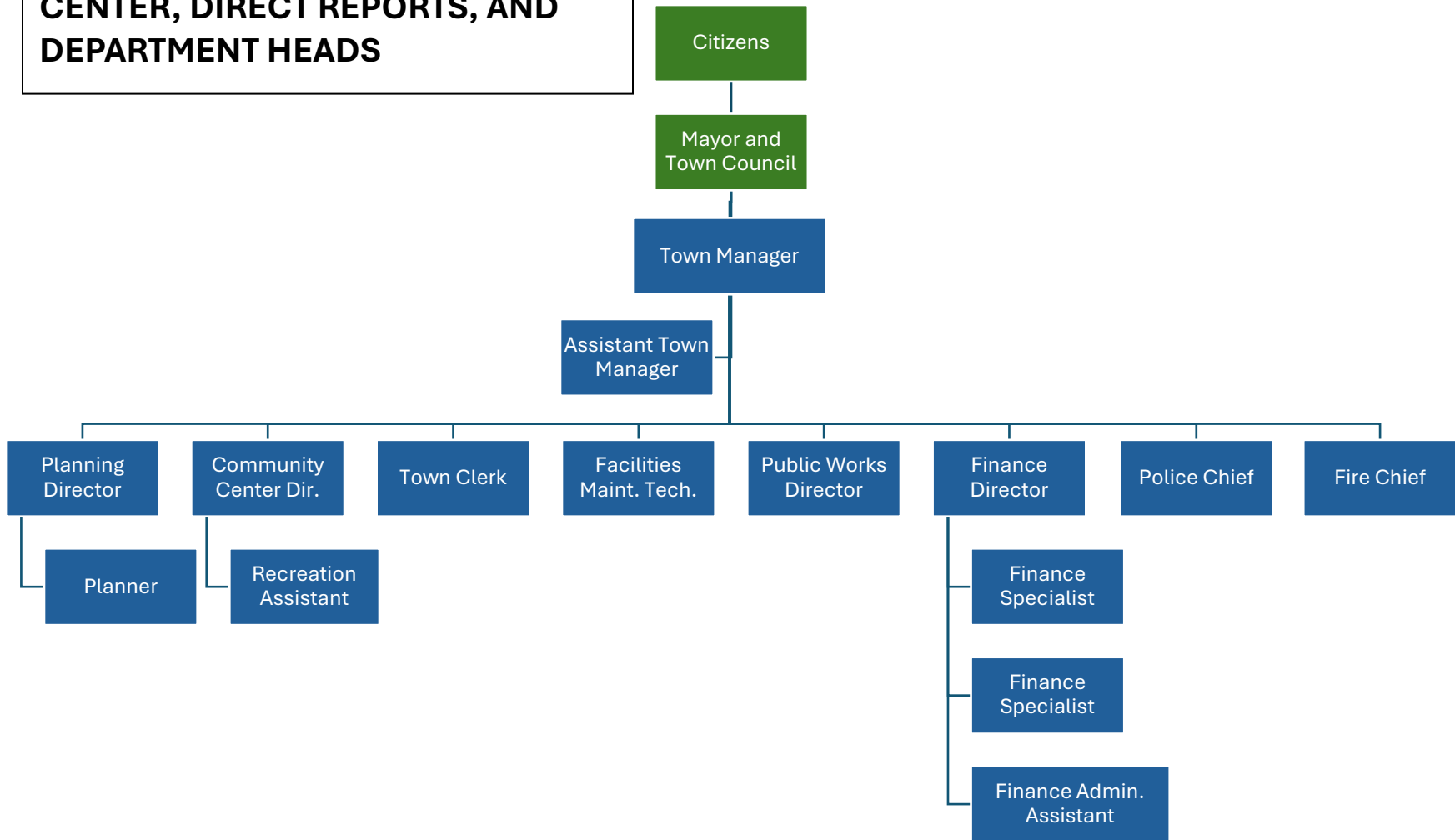


David Scott Harris
Town Manager

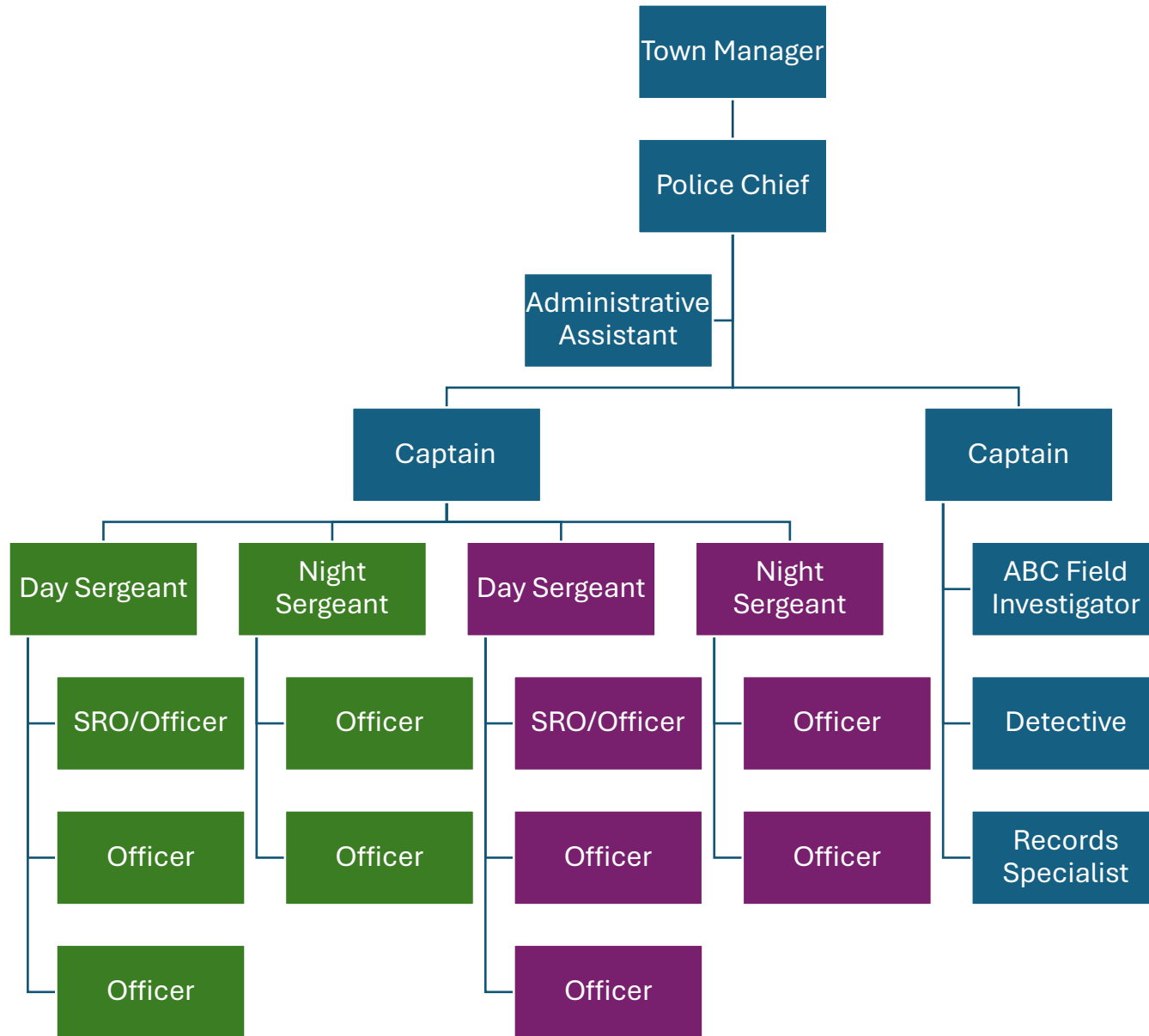


Tonya R. Dozier
Finance Officer

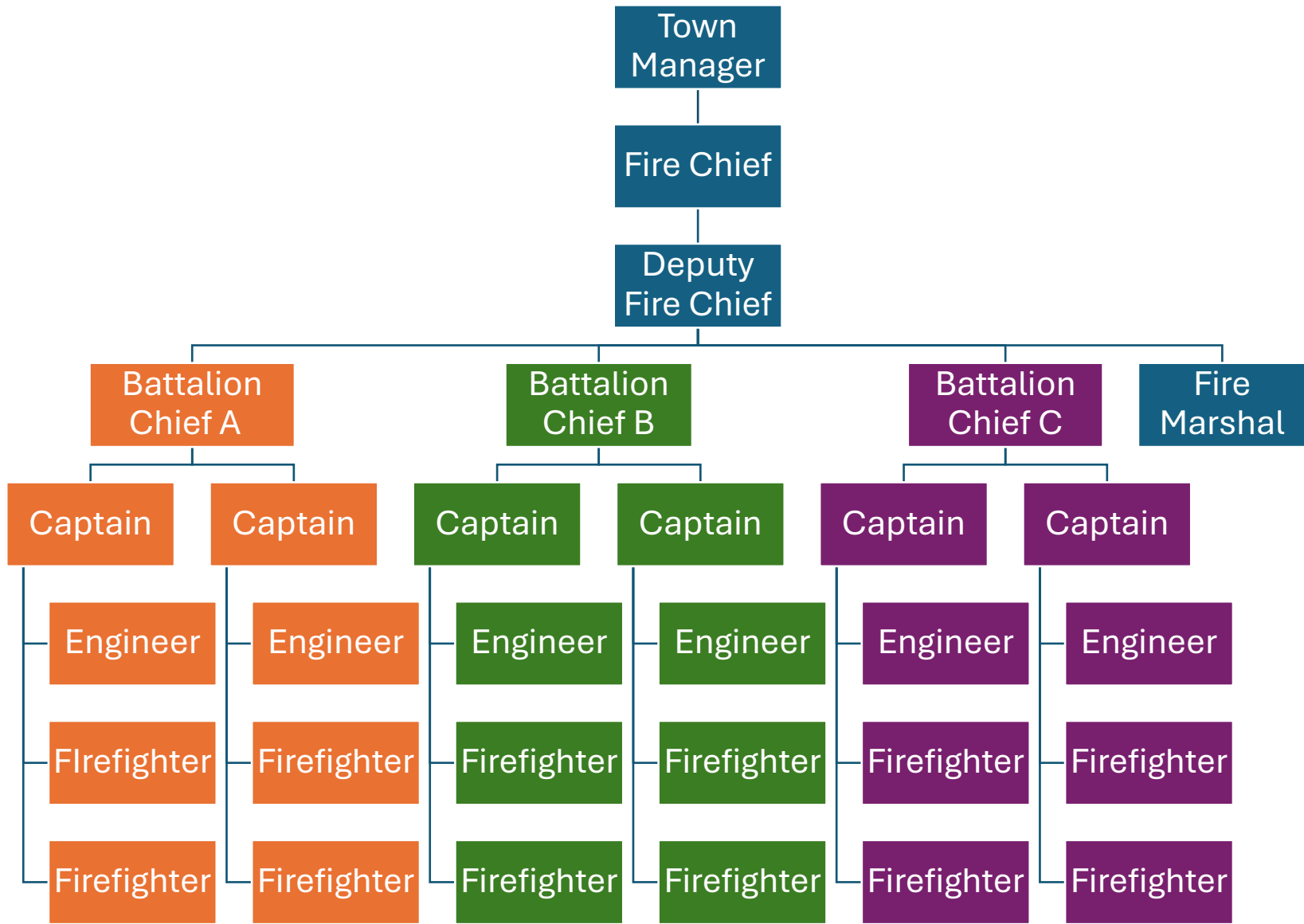
FINANCE, PLANNING, COMMUNITY CENTER, DIRECT REPORTS, AND DEPARTMENT HEADS



POLICE DEPARTMENT



FIRE DEPARTMENT



PUBLIC WORKS DEPARTMENT

Town Manager

Public Works Director

Assistant Public Works Director

Administrative Assistant

Public Works Superintendent

Water Maintenance Superintendent

Water Production Superintendent

Sanitation Crew Leader

Grounds Maintenance Crew Leader

Streets Crew Leader

Brush/Debris Crew Leader

Stormwater Crew Leader

Utility Maintenance Crew Leader

Meter Technician

Chief/Lead Operator

Plant Operator

Plant Operator

Plant Operator

Maintenance Technician

Maintenance Technician

Maintenance Technician

Maintenance Technician

Maintenance Technician

Maintenance Technician

Maintenance Technician

Maintenance Technician

PRINCIPAL OFFICIALS AS OF JUNE 30, 2025

TOWN COUNCIL

Patrick Fitzsimmons, Mayor
John Chase, Vice Mayor
Doug Jackson, Council Member
Catherine Cordell, Council Member
Michele Wood, Council Member
Peter McGuire, Council Member
Dee Lawrence, Council Member

TOWN MANAGER

Scottie Harris

TOWN ATTORNEY

Campbell Shatley, PLLC

FINANCE OFFICER

Tonya Dozier

POLICE DEPARTMENT CHIEF

Somer Oberlin

PUBLIC WORKS DIRECTOR

Dale Pennell

FIRE DEPARTMENT CHIEF

Michael Hunter

PLANNING DIRECTOR

James Eller

**TOWN CLERK/ASSISTANT TO THE
MANAGER Tamara Mercer**

COMMUNITY CENTER MANAGER

Mike Deserio

FINANCIAL SECTION



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

Independent Auditors' Report

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

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, 2025, 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 aggregate remaining fund information of the Town of Weaverville, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund and Fire Department Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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, the Law Enforcement Officers' Special Separation Allowance Schedules of Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, the Local Governmental Employees' Retirement System's schedules of the Town's Proportionate Share of the Net Pension Liability (Asset) and Contributions, and the Other Postemployment Benefits Schedule of Changes in the Total OPEB Liability and Related Ratios 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, other schedules, as well as the accompanying schedule of expenditures of federal and state awards as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act 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, other schedules, and the schedule of expenditures of federal and state awards 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 December 31, 2025 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
December 31, 2025

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, 2025. 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.

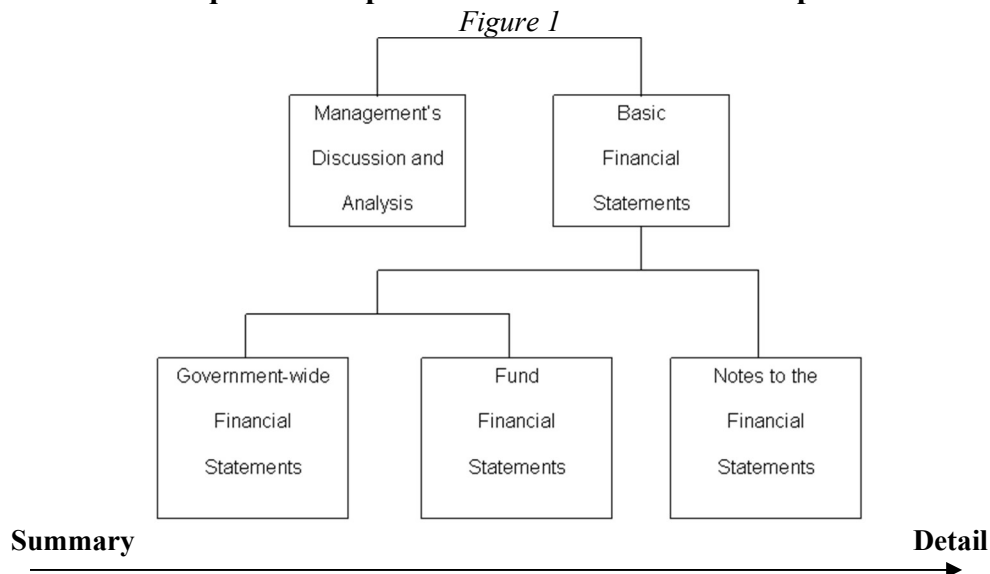
Financial Highlights

- 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 \$33,692,430 (*net position*).
- The government’s total net position increased by \$817,032, 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 \$6,752,029, with a net decrease of \$761,183 in fund balance. Approximately 25% of this total amount, or \$1,719,394, is restricted. The decrease in fund balance resulted from paying cash for all the capital equipment purchased in the fiscal year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,637,098, or 38% 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



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 Percentage Change
	Restated		Restated		Restated		
	2025	2024	2025	2024	2025	2024	
Current and other assets	\$ 9,981,690	\$ 8,848,027	\$ 7,848,826	\$ 7,427,939	\$ 17,830,516	\$ 16,275,966	10%
Capital assets	15,908,827	15,002,607	10,135,054	9,894,283	26,043,881	24,896,890	5%
Total assets	25,890,517	23,850,634	17,983,880	17,322,222	43,874,397	41,172,856	7%
Deferred outflows of resources	2,598,048	2,674,764	467,919	496,772	3,065,967	3,171,536	
Long-term liabilities	6,183,925	5,885,989	3,756,869	3,960,671	9,940,794	9,846,660	1%
Other liabilities	2,252,807	616,856	551,936	397,117	2,804,743	1,013,973	177%
Total liabilities	8,436,732	6,502,845	4,308,805	4,357,788	12,745,537	10,860,633	17%
Deferred inflows of resources	455,437	548,402	46,960	59,959	502,397	608,361	-17%
Net position:							
Net investment in capital assets	15,908,827	14,950,300	7,176,945	6,708,174	23,085,772	21,658,474	7%
Restricted	2,219,833	1,638,026	-	-	2,219,833	1,638,026	36%
Unrestricted	1,467,736	2,885,825	6,919,089	6,693,073	8,386,825	9,578,898	-12%
Total net position	\$ 19,596,396	\$ 19,474,151	\$ 14,096,034	\$ 13,401,247	\$ 33,692,430	\$ 32,875,398	2%

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 \$33,692,430 as of June 30, 2025. The Town's net position increased by \$817,032 for the fiscal year ended June 30, 2025. The largest component of net position (68.5%) 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 (6.6%), \$2,219,833, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$8,386,925 (24.9%) 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 99.87% plus approximately \$4,426 in prior year taxes collected.
- Sales of assets resulted in proceeds of \$13,175.
- Intergovernmental revenues for the Town (primarily ABC store distributions) were approximately 11% higher than budgeted, or \$90,716.

Higher than expected interest rates led to interest income of approximately \$126,158 over budget

Town of Weaverville's Changes in Net Position

Figure 3

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
<i>Program revenues:</i>						
Charges for services	\$ 361,736	\$ 111,614	\$ 3,112,546	\$ 2,888,189	\$ 3,474,282	\$ 2,999,803
Operating grants and contributions	1,803,728	1,393,924	-	-	1,803,728	1,393,924
Capital grants and contributions	163,866	148,440	-	-	163,866	148,440
<i>General revenues:</i>						
Property taxes	4,570,971	4,443,257	-	-	4,570,971	4,443,257
Local option sales tax	2,047,537	2,044,184	-	-	2,047,537	2,044,184
Grants and contributions not restricted to specific programs	3,196,937	2,959,382	-	-	3,196,937	2,959,382
Unrestricted investment earnings	448,515	500,062	179,075	196,311	627,590	696,373
Miscellaneous	19,509	16,690	-	-	19,509	16,690
Gain on insurance recoveries	(15,973)	-	30,776	-	14,803	-
Gain (loss) on sale of property	111,850	32,646	-	-	111,850	32,646
<i>Total revenues</i>	<u>12,708,676</u>	<u>11,650,199</u>	<u>3,322,397</u>	<u>3,084,500</u>	<u>16,031,073</u>	<u>14,734,699</u>
Expenses:						
General government	1,674,617	1,497,083	-	-	1,674,617	1,497,083
Public safety	7,269,561	6,266,391	-	-	7,269,561	6,266,391
Public works	479,275	582,101	-	-	479,275	582,101
Environmental protection	861,232	816,289	-	-	861,232	816,289
Culture and recreation	755,669	604,036	-	-	755,669	604,036
Water fund	-	-	2,627,610	2,529,308	2,627,610	2,529,308
Interest on long-term debt	209	1,446	-	-	209	1,446
<i>Total expenses</i>	<u>11,040,563</u>	<u>9,767,346</u>	<u>2,627,610</u>	<u>2,529,308</u>	<u>13,668,173</u>	<u>12,296,654</u>
Increase in net position, before transfers and extraordinary items	1,668,113	1,882,853	694,787	555,192	2,362,900	2,438,045
Extraordinary item	(1,545,868)	-	-	-	(1,545,868)	-
Transfers	-	(1,283,395)	-	1,283,395	-	-
Increase in net position, after transfers and extraordinary items	122,245	599,458	694,787	1,838,587	817,032	2,438,045
Net position, beginning of year, as previously stated	19,474,151	18,986,394	13,401,247	11,577,312	32,875,398	30,563,706
Restatement (Note 5)	-	(111,701)	-	(14,652)	-	(126,353)
Net position, beginning of year, as restated	<u>19,474,151</u>	<u>18,874,693</u>	<u>13,401,247</u>	<u>11,562,660</u>	<u>32,875,398</u>	<u>30,437,353</u>
Net position, end of year	<u>\$ 19,596,396</u>	<u>\$ 19,474,151</u>	<u>\$ 14,096,034</u>	<u>\$ 13,401,247</u>	<u>\$ 33,692,430</u>	<u>\$ 32,875,398</u>

Governmental activities. Governmental activities increased the Town's net position by \$122,245, thereby accounting for approximately 15% 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 across all departments. Continued efforts to maximize tax collections also contributed to the favorable net position, with tax collection being performed by the county on behalf of the Town. Town management acknowledges that fiscal year 2025 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 \$694,787. Water rates increased by 4% from the previous fiscal year, in order to stay on course with the planned 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 \$5,661,265 while total fund balance reached \$6,752,029. The decrease in fund balance was the result of paying cash for all the capital equipment and capital improvements purchased in the fiscal year, including new police vehicles, a new garbage truck and knuckleboom truck for public works, solar panels at the fire station, a major paving project of town streets and office renovations in the police department. The Governing Body of the Town of Weaverville has determined that the Town should maintain a minimum available fund balance of at least 20% of General Fund expenditures plus transfers out, with a target of 40%, 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 59% of General Fund expenditures, while total fund balance represents 71% 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 utility tax collections, as well as increased ABC Store distributions and interest income earned on investments. The increase in ad valorem taxes was primarily due to an increase in property tax revenue from new residential and commercial developments, including multiple annexations, one of which being a large subdivision with 134 homes already built out and occupied. A large apartment complex was also completed and began leasing to residents. The Town's tax rate remained the same from the prior year and the revaluation of property taxes originally planned for fiscal year 2025 was postponed by the county due to the lingering recovery efforts after Hurricane Helene. 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 \$6,919,089. The total change in net position for the Water Fund was an increase of \$694,787. The change in net position in the Water Fund is primarily a result of the Town’s growing customer base (as described above), increased water rates, System Development Fees on new construction, as well as higher than expected interest earnings on investment accounts.

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, 2025, totals \$26,043,881 (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 totaling \$128,254 and major renovations for the Police Department at a total cost of \$174,550
- Solar Panels and new fuel dispensers at the Fire Station totaling \$106,164
- Paving projects of Town streets as well as Town Hall and Public Works parking lots totaling \$1,444,976
- Recreation/Sports Complex at Lake Louise at a cost of \$469,152
- New side loader garbage truck and a knuckleboom loader for the Public Works department at a cost of \$595,884
- Two HVAC units replaced at Town Hall as well as a sound masking system totaling \$36,519
- One new vehicle, one trackhoe, and equipment upgrades in the Water Department totaling \$243,237

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

Figure 4

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land and construction in progress	\$ 1,168,156	\$ 2,359,287	\$ 1,342,240	\$ 858,499	\$ 2,510,396	\$ 3,217,786
Buildings	7,090,332	7,081,473	-	-	7,090,332	7,081,473
Land improvements	866,690	275,832	-	-	866,690	275,832
Furniture, equipment and vehicles	2,659,563	2,388,718	502,341	406,076	3,161,904	2,794,794
Infrastructure	4,124,086	2,897,297	8,290,473	8,629,708	12,414,559	11,527,005
Total capital assets	\$ 15,908,827	\$ 15,002,607	\$ 10,135,054	\$ 9,894,283	\$ 26,043,881	\$ 24,896,890

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, 2025, the Town of Weaverville had total debt in the form of installment purchase contracts, water revenue bonds, and general obligation bonds outstanding of \$2,958,109.

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	
	2025	2024	2025	2024	2025	2024
General obligation bonds, net	\$ -	\$ -	\$ 948,000	\$ 1,132,000	\$ 948,000	\$ 1,132,000
Installment purchases payable	-	52,307	-	-	-	52,307
Water revenue bond	-	-	2,010,109	2,054,109	2,010,109	2,054,109
	<u>\$ -</u>	<u>\$ 52,307</u>	<u>\$ 2,958,109</u>	<u>\$ 3,186,109</u>	<u>\$ 2,958,109</u>	<u>\$ 3,238,416</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 \$101,000,000.

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 2025, and we expect that this will continue during FY 2026. Two new fast-food restaurants, Huey Magoo’s and Wing Stop, have recently been completed and are now open for business. A retail shoe store and a sub shop were also completed and opened for business near the Hobby Lobby and Marshall’s stores built three years ago. In addition, a new free-standing Starbucks recently opened in the Weaverville Plaza near Publix.
- There are roughly 500 new residential units that have either been approved or are currently in the development review process.
- Advent Health has selected the Town of Weaverville in which to locate a new hospital complex that is expected to initially include a 67-bed hospital, emergency department, and medical office building. A subsequent phase of the project is expected to add an out-patient surgery center, additional medical offices, and a hospital wing with up to 133 additional beds, pending Certificate of Need approval. This new, and much needed, healthcare facility is expected to be a significant economic driver for the Town of Weaverville for years to come.
- The Town’s fund balance decreased slightly after paying cash for most of the capital assets purchased in FY 2025 but continues to remain strong. The FY 2026 budget includes approximately \$1.38 million in appropriated fund balance to purchase several capital assets across departments. Maintaining a substantial fund balance has helped the Town avoid any drastic cuts to services and/or massive rate increases.

Budget Highlights for the Fiscal Year Ending June 30, 2026

Governmental Activities: The Town Council has adopted a budget for fiscal year 2025-2026 that sets the tax rate at \$0.38 per \$100 of valuation, which is a three-cent increase from fiscal year 2024-2025. The adopted budget allocates funding for two additional water treatment plant operators, one additional police detective, an Assistant Town Manager position, and some HR consultant services, which are needed to address our growing community and increased service calls.

Capital expenditures in the budget include \$76,600 for the addition of one Police vehicle, and \$20,000 for additional security cameras at Lake Louise. Town Hall is an aging building and \$45,000 was included to continue with HVAC unit replacement and for renovations to address office space needs. Other capital expenditures in the budget include \$110,000 for a new leaf vacuum to help replace equipment that was destroyed during Hurricane Helene. Funding of \$133,000 was also included to continue the Town's street paving program using Powell Bill funds and revenue from one cent of the approved tax rate increase.

For future equipment needs at the Fire Department, another \$300,000 was budgeted (same as the prior two years) as an additional down payment for replacement of Engine 8. Town Council also authorized the ordering of a replacement rescue truck, although that action did not result in any budget impact in fiscal year 2025-2026.

Town Council approved a Cost-of-Living Adjustment (COLA) of 3% for employees, as well as merit pay increases of up to 2%. The adopted budget continues to provide appropriate health insurance for all full-time employees.

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. In FY 2024 a water rate study was undertaken with the assistance of WithersRavenel and a water rate plan was developed in order to ensure the adequacy of funds to provide for normal operations, capital improvements, and debt service payments. The results of this study reflected stated goals of conservation of water and simplification of rate structure. Being mindful of the effect of water rates on residents and businesses, and therefore development, the water system development fees that were adopted at the beginning of FY 2024 were analyzed and reduced in order to reflect the significant funding for the Water System Improvements (\$15 million) that was granted by the North Carolina Legislature in 2024.

In an effort to prevent any major water system failures in the future, the Town has implemented a waterline repair and replacement program to look at needed replacements and/or improvements on an annual basis. For fiscal year 2025-2026, capital expenditures in the budget include an additional \$100,000 for major waterline upgrades in order to address areas of existing and potential water related problems. Additional capital expenditures in the water department include \$106,750 for a generator at one of the pump stations, \$100,000 for cellular water meter upgrades, \$80,000 for fire & security system improvements, and \$95,000 for computer and equipment upgrades.

Water revenues from all sources during fiscal year 2025-2026 are budgeted at \$3,510,644, which is approximately 6% higher than the actual amount of \$3,291,621 from the previous fiscal year. The budget for fiscal year 2025-2026 includes a water rate increase of 5% to help cover the cost of needed capital improvements at the water treatment plant, including SCADA upgrades, turbidimeters, actuators, water meter replacements, and a backup generator for a pump station, as well as to help prepare for the 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.

STATEMENT OF NET POSITION

June 30, 2025

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Town of Weaverville ABC Board
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 6,032,595	\$ 7,327,943	\$ 13,360,538	\$ 692,158
Taxes receivable, net	12,534	-	12,534	-
Accounts receivable, net	27,989	489,623	517,612	-
Lease receivable	132,383	-	132,383	-
Due from other governments	2,431,661	-	2,431,661	-
Inventories	-	-	-	237,291
Prepaid items	-	-	-	54,439
Restricted cash and equivalents	1,344,528	31,260	1,375,788	-
Total current assets	9,981,690	7,848,826	17,830,516	983,888
Non-current assets:				
Capital assets:				
Land and construction in progress	1,168,156	1,342,240	2,510,396	-
Other capital assets, net	14,740,671	8,792,814	23,533,485	585,948
Total capital assets	15,908,827	10,135,054	26,043,881	585,948
Total assets	25,890,517	17,983,880	43,874,397	1,569,836
DEFERRED OUTFLOWS OF RESOURCES				
Pension deferrals	2,045,156	343,376	2,388,532	101,212
OPEB deferrals	552,892	124,543	677,435	-
Total deferred outflows of resources	2,598,048	467,919	3,065,967	101,212
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	341,562	231,179	572,741	444,801
Payable from restricted cash:				
Deposits	220,385	31,260	251,645	-
Accounts payable	107,996	-	107,996	-
Advances from grantors	1,255,864	-	1,255,864	-
Accrued interest payable	-	5,497	5,497	4,743
Current portion of long-term liabilities	327,000	284,000	611,000	107,649
Total current liabilities	2,252,807	551,936	2,804,743	557,193
Long-term liabilities:				
Net pension liability (LGERS)	3,308,847	662,418	3,971,265	201,705
Total pension liability (LEOSSA)	1,051,003	-	1,051,003	-
Total OPEB liability	1,678,290	352,522	2,030,812	-
Due in more than one year	145,785	2,741,929	2,887,714	366,828
Total long-term liabilities	6,183,925	3,756,869	9,940,794	568,533
Total liabilities	8,436,732	4,308,805	12,745,537	1,125,726

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

TOWN OF WEAVERVILLE, NORTH CAROLINA

Exhibit 1

STATEMENT OF NET POSITION

June 30, 2025

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Town of Weaverville ABC Board
DEFERRED INFLOWS OF RESOURCES				
Prepaid taxes	262	-	262	-
Leases	120,312	-	120,312	-
Pension deferrals	212,798	21,322	234,120	9,509
OPEB deferrals	122,065	25,638	147,703	-
Total deferred inflows of resources	455,437	46,960	502,397	9,509
NET POSITION				
Net investment in capital assets	15,908,827	7,176,945	23,085,772	121,978
Restricted for:				
Stabilization by State statute	1,449,730	-	1,449,730	-
Streets	639,585	-	639,585	-
Public safety	130,518	-	130,518	-
Working capital	-	-	-	152,826
Unrestricted	1,467,736	6,919,089	8,386,825	261,009
Total net position	\$ 19,596,396	\$ 14,096,034	\$ 33,692,430	\$ 535,813

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, 2025

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	\$ 1,674,617	\$ 300,819	\$ -	\$ -	\$ (1,373,798)	\$ -	\$ (1,373,798)	\$ -
Public safety	7,269,561	1,440	1,803,728	-	(5,464,393)	-	(5,464,393)	-
Public works	479,275	-	-	163,866	(315,409)	-	(315,409)	-
Environmental protection	861,232	-	-	-	(861,232)	-	(861,232)	-
Cultural and recreation	755,669	59,477	-	-	(696,192)	-	(696,192)	-
Interest on long-term debt	209	-	-	-	(209)	-	(209)	-
Total governmental activities	11,040,563	361,736	1,803,728	163,866	(8,711,233)	-	(8,711,233)	-
Business-type activities:								
Water fund	2,627,610	3,112,546	-	-	-	484,936	484,936	-
Total primary government	\$ 13,668,173	\$ 3,474,282	\$ 1,803,728	\$ 163,866	(8,711,233)	484,936	(8,226,297)	-
Component unit:								
Town of Weaverville ABC Board	\$ 3,901,489	\$ 3,973,483	\$ -	\$ -	-	-	-	71,994
Total component unit	\$ 3,901,489	\$ 3,973,483	\$ -	\$ -	-	-	-	71,994
General revenues:								
Taxes:								
Property taxes, levied for general purpose					4,570,971	-	4,570,971	-
Local option sales tax					2,047,537	-	2,047,537	-
Grants and contributions not restricted to specific programs					3,196,937	-	3,196,937	-
Loss on sale of assets					(15,973)	-	(15,973)	-
Gain on insurance recoveries					111,850	30,776	142,626	-
Unrestricted investment earnings					448,515	179,075	627,590	10,120
Miscellaneous					19,509	-	19,509	-
Total general revenues					10,379,346	209,851	10,589,197	10,120
Extraordinary item:								
Hurricane Helene repair/debris removal costs					(1,545,868)	-	(1,545,868)	-
Change in net position					122,245	694,787	817,032	82,114
Net position, beginning of year, as previously stated					19,585,852	13,415,899	33,001,751	453,699
Restatement (Note 5)					(111,701)	(14,652)	(126,353)	-
Net position, beginning of year, as restated					19,474,151	13,401,247	32,875,398	453,699
Net position, end of year					\$ 19,596,396	\$ 14,096,034	\$ 33,692,430	\$ 535,813

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, 2025

	Major Fund	Major Fund	Major Fund	Non-Major Fund	
	General Fund	Fire Department Fund	Tropical Storm Helene Disaster Response and Recovery Fund	General Capital Project Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 5,274,888	\$ 757,707	\$ -	\$ -	\$ 6,032,595
Restricted cash and cash equivalents	876,727	-	467,801	-	1,344,528
Taxes receivable, net	10,593	-	-	-	10,593
Other receivables	27,989	-	-	-	27,989
Due from other governments	1,050,704	371,037	1,009,920	-	2,431,661
Lease receivable	132,383	-	-	-	132,383
Total assets	\$ 7,373,284	\$ 1,128,744	\$ 1,477,721	\$ -	\$ 9,979,749
LIABILITIES					
Accounts payable and accrued liabilities	\$ 254,162	\$ 87,400	\$ -	\$ -	\$ 341,562
Payable from restricted cash:					
Deposits	220,385	-	-	-	220,385
Accounts payable	15,541	-	92,455	-	107,996
Advances from grantors	-	-	1,255,864	-	1,255,864
Total liabilities	490,088	87,400	1,348,319	-	1,925,807
DEFERRED INFLOWS OF RESOURCES					
Property taxes receivable	10,593	-	-	-	10,593
Leases	120,312	-	-	-	120,312
Prepaid taxes	262	-	-	-	262
Total deferred inflows of resources	131,167	-	-	-	131,167
FUND BALANCES					
Non-Spendable					
Leases	12,071	-	-	-	12,071
Restricted					
Stabilization by State statute	1,078,693	371,037	-	-	1,449,730
Streets	639,585	-	-	-	639,585
Public safety	1,116	-	129,402	-	130,518
Assigned					
Public safety	-	670,307	-	-	670,307
Subsequent year's expenditures	1,383,466	-	-	-	1,383,466
Unassigned	3,637,098	-	-	-	3,637,098
Total fund balances	6,752,029	1,041,344	129,402	-	7,922,775
Total liabilities, deferred inflows of resources and fund balances	\$ 7,373,284	\$ 1,128,744	\$ 1,477,721	\$ -	\$ 9,979,749

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

TOWN OF WEAVERVILLE, NORTH CAROLINA

Exhibit 3

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

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

Total fund balances of governmental funds		\$	7,922,775
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			
Gross capital assets at historical cost	\$	26,423,239	
Accumulated depreciation		<u>(10,514,411)</u>	15,908,828
Deferred outflows of resources related to pensions are not reported in the funds			2,045,156
Deferred outflows of resources related to OPEB are not reported in the funds			552,892
Earned revenues considered deferred inflows of resources in fund statements.			10,593
Other long-term assets are not available to pay for current-period expenditures and, therefore, are inflows of resources in the funds.			1,940
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds.			
Other postemployment benefits		(1,678,290)	
Compensated absences		(472,785)	
Total pension liability (LEOSSA)		(1,051,003)	
Net pension liability (LGERS)		<u>(3,308,847)</u>	(6,510,925)
Deferred inflows of resources related to pensions are not reported in the funds			(212,798)
Deferred inflows of resources related to OPEB are not reported in the funds			<u>(122,065)</u>
Net position of governmental activities		\$	<u>19,596,396</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, 2025

	Major Fund	Major Fund	Major Fund	Non-Major Fund	
	General Fund	Fire Department Fund	Tropical Storm Helene Disaster Response and Recovery Fund	General Capital Project Fund	Total Governmental Funds
REVENUES					
Ad valorem taxes	\$ 4,571,222	\$ -	\$ -	\$ -	\$ 4,571,222
Local option sales tax	2,047,537	-	-	-	2,047,537
Unrestricted intergovernmental	950,377	2,234,255	-	-	3,184,632
Restricted intergovernmental	256,856	35,145	1,675,270	-	1,967,271
Permits and fees	282,311	1,440	-	-	283,751
Sales and services	77,985	-	-	-	77,985
Investment earnings	448,515	-	-	-	448,515
Miscellaneous	31,814	323	-	-	32,137
Total revenues	<u>8,666,617</u>	<u>2,271,163</u>	<u>1,675,270</u>	<u>-</u>	<u>12,613,050</u>
EXPENDITURES					
Current:					
General government	1,603,926	-	1,136,292	-	2,740,218
Public safety	3,450,853	3,550,702	409,576	-	7,411,131
Public works	924,217	-	-	-	924,217
Environmental protection	1,311,518	-	-	-	1,311,518
Cultural and recreation	618,037	-	-	-	618,037
Capital outlay	-	-	-	44,274	44,274
Debt service:					
Principal	-	52,307	-	-	52,307
Interest	-	1,234	-	-	1,234
Total expenditures	<u>7,908,551</u>	<u>3,604,243</u>	<u>1,545,868</u>	<u>44,274</u>	<u>13,102,936</u>
Revenues over (under) expenditures	<u>758,066</u>	<u>(1,333,080)</u>	<u>129,402</u>	<u>(44,274)</u>	<u>(489,886)</u>
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	13,175	-	-	-	13,175
Insurance recoveries	111,850	-	-	-	111,850
Transfer from general fund	-	1,600,000	-	44,274	1,644,274
Transfer to capital project fund	(44,274)	-	-	-	(44,274)
Transfer to water fund	-	-	-	-	-
Transfer to fire department fund	(1,600,000)	-	-	-	(1,600,000)
Total other financing sources (uses)	<u>(1,519,249)</u>	<u>1,600,000</u>	<u>-</u>	<u>44,274</u>	<u>125,025</u>
Net change in fund balances	(761,183)	266,920	129,402	-	(364,861)
Fund balance, beginning of year	<u>7,513,212</u>	<u>774,424</u>	<u>-</u>	<u>-</u>	<u>8,287,636</u>
Fund balances, end of year	<u>\$ 6,752,029</u>	<u>\$ 1,041,344</u>	<u>\$ 129,402</u>	<u>\$ -</u>	<u>\$ 7,922,775</u>

TOWN OF WEAVERVILLE, NORTH CAROLINA

Exhibit 5

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
June 30, 2025

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

Net changes in fund balances - total governmental funds \$ (364,861)

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

Capital outlay expenditures which were capitalized.	\$ 1,811,323	
Cost of capital asset disposed of during the year, not recognized on modified accrual basis	(29,148)	
Depreciation expense for governmental assets.	<u>(875,954)</u>	906,221

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.		676,913
---	--	---------

Benefit payments paid for the LEOSA are not included in the Statement of Activities.		29,912
--	--	--------

OPEB benefit payments and administrative costs made in the current fiscal year are not included on the Statement of Activities.		55,944
---	--	--------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(251)
--	--	-------

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.	52,307	
Decrease in accrued interest payable.	<u>1,025</u>	53,332

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)	(19,255)	
Pension expense - LGERS	(931,300)	
Pension expense - LEOSA	(128,540)	
OPEB expense	<u>(155,870)</u>	<u>(1,234,965)</u>

Total changes in net position of governmental activities		<u>\$ 122,245</u>
--	--	-------------------

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, 2025

	General Fund			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Ad valorem taxes	\$ 4,494,658	\$ 4,494,658	\$ 4,571,222	\$ 76,564
Other taxes and licenses	2,167,560	2,167,560	2,047,537	(120,023)
Unrestricted intergovernmental	859,661	859,661	950,377	90,716
Restricted intergovernmental	148,440	227,213	256,856	29,643
Permits and fees	21,400	283,960	282,311	(1,649)
Sales and services	98,070	98,070	77,985	(20,085)
Investment earnings	322,357	322,357	448,515	126,158
Miscellaneous	8,000	20,305	31,814	11,509
Total revenues	<u>8,120,146</u>	<u>8,473,784</u>	<u>8,666,617</u>	<u>192,833</u>
EXPENDITURES				
Current:				
General government	1,709,616	1,796,328	1,603,926	192,402
Public safety	3,264,223	3,599,539	3,450,853	148,686
Public works	705,800	1,814,350	924,217	890,133
Environmental protection	1,053,708	1,536,592	1,311,518	225,074
Cultural and recreation	721,202	742,839	618,037	124,802
Contingency	10,000	10,000	-	10,000
Total expenditures	<u>7,464,549</u>	<u>9,499,648</u>	<u>7,908,551</u>	<u>1,591,097</u>
Revenues over (under) expenditures	<u>655,597</u>	<u>(1,025,864)</u>	<u>758,066</u>	<u>1,783,930</u>
Other financing sources (uses):				
Appropriated fund balance	1,216,788	3,109,983	-	(3,109,983)
Sale of capital assets	10,000	10,000	13,175	3,175
Insurance recoveries	-	134,263	111,850	(22,413)
Transfer to water fund	-	(18,503)	-	18,503
Transfer to capital project fund	-	(52,634)	(44,274)	8,360
Transfer to fire department fund	(1,882,385)	(1,894,685)	(1,600,000)	294,685
Transfer to capital reserve fund	-	(262,560)	(262,560)	-
Total other financing sources (uses)	<u>(655,597)</u>	<u>1,025,864</u>	<u>(1,781,809)</u>	<u>(2,807,673)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(1,023,743)</u>	<u>\$ (1,023,743)</u>
Fund balance, beginning			<u>6,988,212</u>	
Fund balance, end of year			<u>5,964,469</u>	
A legally budgeted Capital Reserve Fund is consolidated into the General Fund for reporting purposes:				
Transfer from general fund			262,560	
Fund balance, beginning (Capital Reserve Fund)			525,000	
Fund balance, ending (Exhibit 4)			<u>\$ 6,752,029</u>	

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

TOWN OF WEAVERVILLE, NORTH CAROLINA

Exhibit 7

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL – FIRE DEPARTMENT FUND
 For the year ended June 30, 2025

	Fire Department Fund			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Unrestricted intergovernmental	\$ 2,227,144	\$ 2,227,144	\$ 2,234,255	\$ 7,111
Restricted intergovernmental	-	35,145	35,145	-
Permits and fees	500	500	1,440	940
Miscellaneous	-	323	323	-
Total revenues	<u>2,227,644</u>	<u>2,263,112</u>	<u>2,271,163</u>	<u>8,051</u>
EXPENDITURES				
Current:				
Public safety	4,056,488	4,756,940	3,550,702	1,206,238
Debt service:				
Principal and interest	53,541	53,541	53,541	-
Total expenditures	<u>4,110,029</u>	<u>4,810,481</u>	<u>3,604,243</u>	<u>1,206,238</u>
Revenues under expenditures	<u>(1,882,385)</u>	<u>(2,547,369)</u>	<u>(1,333,080)</u>	<u>1,214,289</u>
Other financing sources:				
Appropriated fund balance	-	127,684	-	(127,684)
Transfer from general fund	1,882,385	2,419,685	1,600,000	(819,685)
Total other financing sources	<u>1,882,385</u>	<u>2,547,369</u>	<u>1,600,000</u>	<u>(947,369)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>266,920</u>	<u>\$ 266,920</u>
Fund balance, beginning			<u>774,424</u>	
Fund balance, end of year			<u>\$ 1,041,344</u>	

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

TOWN OF WEAVERVILLE, NORTH CAROLINA

Exhibit 8

STATEMENT OF NET POSITION
 PROPRIETARY FUND
 June 30, 2025

	Enterprise Fund
	Water Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 7,327,943
Accounts receivable, net	489,623
Restricted cash and cash equivalents	31,260
Total current assets	7,848,826
Capital assets:	
Land and other non-depreciable assets	1,342,240
Other capital assets, net of depreciation	8,792,814
Capital assets, net	10,135,054
Total assets	17,983,880
DEFERRED OUTFLOWS OF RESOURCES	
Pension deferrals	343,376
OPEB deferrals	124,543
Total deferred outflows of resources	467,919
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	198,686
Salaries and payroll taxes payable	32,493
Payable from restricted assets:	
Customer deposits	31,260
Accrued interest payable	5,497
Compensated absences, current	48,000
Current portion of long-term debt	236,000
Total current liabilities	551,936
Noncurrent liabilities:	
Compensated absences, net	19,820
Total OPEB liability	352,522
Long-term debt	2,722,109
Net pension liability	662,418
Total noncurrent liabilities	3,756,869
Total liabilities	4,308,805
DEFERRED INFLOWS OF RESOURCES	
Pension deferrals	21,322
OPEB deferrals	25,638
Total deferred inflow of resources	46,960
NET POSITION	
Net investment in capital assets	7,176,945
Unrestricted	6,919,089
Total net position	\$ 14,096,034

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

TOWN OF WEAVERVILLE, NORTH CAROLINA

Exhibit 9

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUND
 For the year ended June 30, 2025

	Enterprise Fund
	Water Fund
OPERATING REVENUES	
Charges for services	\$ 2,638,434
Other operating revenues	474,112
Total operating revenues	3,112,546
OPERATING EXPENSES	
Administration	283,509
Water treatment and distribution	1,815,519
Depreciation	461,994
Total operating expenses	2,561,022
Operating income	551,524
NONOPERATING REVENUES (EXPENSES)	
Investment earnings	179,075
Gain on disposal of capital assets	30,776
Interest expense	(66,588)
Total nonoperating revenue, net	143,263
Change in net position	694,787
Net position, beginning of year, as previously stated	13,415,899
Restatement (Note 5)	(14,652)
Net position, as restated	13,401,247
Net position, end of year	\$ 14,096,034

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

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND
 For the year ended June 30, 2025

	Enterprise Fund
	Water Fund
Cash flows from operating activities:	
Cash received from customers	\$ 3,158,252
Cash paid for goods and services	(661,761)
Cash paid to or on behalf of employees for services	(1,253,372)
Net cash provided by operating activities	1,243,119
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(726,979)
Cash received from insurance proceeds	54,990
Interest paid on bond maturities	(66,967)
Principal payments on debt	(228,000)
Net cash used for capital and related financing activities	(966,956)
Cash flows from investing activities:	
Interest earned	179,075
Net increase in cash and cash equivalents	455,238
Cash and cash equivalents, beginning of year	6,903,965
Cash and cash equivalents, end of year	\$ 7,359,203
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 551,524
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	461,994
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:	
Decrease in accounts receivable	34,351
Increase in deferred outflows of resources - pensions	48,752
Decrease in deferred outflows of resources - OPEB	(19,899)
Increase in deferred inflows of resources - pensions	(6,032)
Decrease in deferred inflows of resources - OPEB	(6,966)
Increase in accounts payable and accrued liabilities	108,886
Decrease in customer deposits	11,355
Decrease in salaries and payroll taxes payable	12,956
Decrease in accrued compensated absences	(11,392)
Increase in net pension liability	8,207
Increase in net OPEB liability	49,383
Total adjustments	691,595
Net cash provided by operating activities	\$ 1,243,119

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, 2025

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 six 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, 2025, the Town of Weaverville reported one nonmajor governmental fund.

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, which are funded through the collection of payments from Buncombe County in accordance with an agreement to provide fire service to certain unincorporated areas and transfers from the general fund.

Tropical Storm Helene Disaster Response and Recovery Fund– This fund accounts for the grant funding and related expenditures for the disaster response necessitated by Tropical Storm Helene.

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, the Fire Department 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, the North Carolina Capital Management Trust (NCCMT), and the North Carolina Investment Pool (NCIP) Liquid Portfolio. 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. The NCIP Liquid Portfolio has a weighted average maturity of less than 60 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	\$ 639,585
General Fund - developer/rental deposits	220,385
General Fund - Cops for Kids	1,116
General Fund - police evidence	15,641
Unspent grant funds - FEMA/Hurricane Helene	467,801
Total governmental activities	<u>1,344,528</u>

Business-type activities:

Water Fund - customer deposits	<u>31,260</u>
Total business-type activities	<u>31,260</u>

Total Primary Government	<u>\$ 1,375,788</u>
--------------------------	---------------------

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, 2024.

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

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

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 assets that applies to a future period and so will not be recognized as an expense or expenditure until then. As of June 30, 2025, the Town only has two items that meet this criterion, pension and OPEB deferrals for the 2025 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 assets that applies to a future

period and so will not be recognized as revenue until then. As of June 30, 2025, 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. In accordance with GASB Statement No. 101 for the Town's government-wide funds, an expense and liability for sick leave is recognized using the "practical expedient approach" allowed by the Standard for the portion of sick leave expected to be used and paid by the Town.

12. 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. The Town had no prepaid items as of June 30, 2025.

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 and Hurricane Helene disaster recovery efforts.

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 expenditures plus transfers out.

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, 2025, the Town's deposits had a carrying amount of \$3,195,956 and a bank balance of \$3,349,438. Of the bank balance, \$593,234 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. At June 30, 2025, the Town's petty cash fund totaled \$350.

The carrying amount of deposits for the ABC Board was \$690,134 and the bank balance was \$776,109. The ABC Board's petty cash fund totaled \$2,024. Of the bank balance, \$250,000 was covered by federal depository insurance and \$276,326 was covered by collateral held under the pooling method.

2. Investments

At June 30, 2025, the Town had the following investments:

Investment Type	Valuation Measurement Method	Book Value	Rating
NC Capital Management Trust - Government Portfolio	Fair Value	\$ 5,660,456	AAAm
NC Investment Pool	Fair Value	5,879,564	AAAm
		\$ 11,540,020	

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, 2025 is net of the following allowances for doubtful accounts:

<u>Funds</u>	
General Fund - Taxes Receivable	\$ 6,000
Enterprise Fund - Uncollectible Accounts	46,000
Total	\$ 52,000

4. Due From Other Governments

Amounts due from other governments at June 30, 2025 consisted of the following:

Local option sales tax	\$ 532,804
Sales tax refunds	154,909
Utilities sales tax	119,047
Fire protection charges	371,037
ABC store distributions	193,043
DMV distribution - registered motor vehicle tax	46,168
FEMA reimbursements	1,009,920
Miscellaneous	4,733
	\$ 2,431,661

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 2025, the City recognized \$18,508 of lease revenue and \$7,034 of interest revenue under the lease. These amounts are recorded as part of miscellaneous revenue in the general fund.

6. Capital Assets

Primary Government

Capital asset activity for the Primary Government for the year ended June 30, 2025 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	1,327,178	801,175	1,992,306	136,047
Total capital assets not being depreciated	<u>2,359,287</u>	<u>801,175</u>	<u>1,992,306</u>	<u>1,168,156</u>
Capital assets being depreciated:				
Buildings	9,664,231	217,914	-	9,882,145
Land improvements	490,846	606,011	-	1,096,857
Furniture, equipment, and vehicles	8,540,660	859,571	248,205	9,152,026
Infrastructure	3,805,097	1,318,958	-	5,124,055
Total capital assets being depreciated	<u>22,500,834</u>	<u>3,002,454</u>	<u>248,205</u>	<u>25,255,083</u>
Less accumulated depreciation for:				
Buildings	2,582,758	209,055	-	2,791,813
Land improvements	215,014	15,153	-	230,167
Furniture, equipment, and vehicles	6,151,942	559,577	219,056	6,492,463
Infrastructure	907,800	92,169	-	999,969
Total accumulated depreciation	<u>9,857,514</u>	<u>875,954</u>	<u>219,056</u>	<u>10,514,412</u>
Total capital assets being depreciated, net	<u>12,643,320</u>			<u>14,740,671</u>
Governmental activities capital assets, net	<u>\$ 15,002,607</u>			<u>\$ 15,908,827</u>

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

General government	\$ 74,057
Public safety	439,620
Public works	130,835
Environmental protection	118,220
Cultural and recreational	113,222
Total depreciation expense	<u>\$ 875,954</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	712,464	483,741	-	1,196,205
Total capital assets not being depreciated	<u>858,499</u>	<u>483,741</u>	<u>-</u>	<u>1,342,240</u>
Capital assets being depreciated:				
Plant and distribution systems	16,640,594	14,312	-	16,654,906
Furniture, equipment, and vehicles	1,969,983	228,926	101,819	2,097,090
Total capital assets being depreciated	<u>18,610,577</u>	<u>243,238</u>	<u>101,819</u>	<u>18,751,996</u>
Less accumulated depreciation for:				
Plant and distribution systems	8,010,886	353,547	-	8,364,433
Furniture, equipment, and vehicles	1,563,907	108,447	77,605	1,594,749
Total accumulated depreciation	<u>9,574,793</u>	<u>461,994</u>	<u>77,605</u>	<u>9,959,182</u>
Total capital assets being depreciated, net	<u>9,035,784</u>			<u>8,792,814</u>
Business-type activities capital assets, net	<u>\$ 9,894,283</u>			<u>\$ 10,135,054</u>

Construction Commitments

The Town had no construction commitments at June 30, 2025.

Discretely presented component unit

Activity for the ABC Board for the year ended June 30, 2025, 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	112,796	3,044	-	115,840
Computer equipment	21,685	1,808	-	23,493
Total capital assets being depreciated	<u>1,657,969</u>	<u>4,852</u>	<u>-</u>	<u>1,662,821</u>
Less accumulated depreciation for:				
Building	873,140	59,196	-	932,336
Other improvements	15,349	4,359	-	19,708
Equipment and furniture	110,411	2,705	-	113,116
Computer equipment	7,957	3,756	-	11,713
Total accumulated depreciation	<u>1,006,857</u>	<u>70,016</u>	<u>-</u>	<u>1,076,873</u>
Total capital assets being depreciated, net	<u>\$ 651,112</u>			<u>\$ 585,948</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, 2025, was 15.04% of compensation for law enforcement officers, 13.69% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Town of Weaverville were \$812,428 for the year ended June 30, 2025.

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, 2025, the Town reported a liability of \$3,971,265 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024 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, 2025, the Town's proportion was 0.05891% (measured as of June 30, 2024), which was a decrease of .00031% from its proportion reported as of June 30, 2024 (measured as of June 30, 2023).

For the year ended June 30, 2025, the Town recognized pension expense of \$1,117,744. At June 30, 2025, 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	\$ 695,916	\$ 4,679
Changes of assumptions and other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	539,891	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	10,343	123,151
Town contributions subsequent to the measurement date	812,428	-
Total	<u>\$ 2,058,578</u>	<u>\$ 127,830</u>

\$812,428 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, 2026. 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>	
2026	\$ 333,080
2027	731,868
2028	114,419
2029	(61,047)
	<u>\$ 1,118,320</u>

6. Actuarial Assumptions

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

Inflation	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, 2023 valuation were based on the results of an actuarial experience study as of December 31, 2019.

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	33.0%	2.4%
Global Equity	38.0%	6.9%
Real Estate	8.0%	6.0%
Alternatives	8.0%	8.6%
Credit	7.0%	5.3%
Inflation Protection	6.0%	4.3%
Total	<u>100%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2023 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 2.50%. 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)	\$ 7,037,200	\$ 3,971,265	\$ 1,449,114

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, 2023, the Separation Allowance's membership consisted of:

Retirees receiving benefits	2
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>18</u>
Total	<u>20</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, 2023 valuation. The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 7.75 percent, including inflation and productivity factor
Discount rate	4.28 percent

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index. The actuarial assumptions used in the December 31, 2023 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 \$55,089 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, 2025, the Town reported a total pension liability of \$1,051,003. The total pension liability was measured as of December 31, 2024 based on a December 31, 2023 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2024 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2025, the Town recognized a pension expense of \$128,540.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 255,840	\$ 13,147
Changes of assumptions or other inputs	44,202	93,143
Benefit payments and administrative expenses made subsequent to the measurement date	29,912	-
Total	<u>\$ 329,954</u>	<u>\$ 106,290</u>

\$29,912 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, 2026. 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>	
2026	\$ 72,925
2027	23,540
2028	19,061
2029	42,270
2030	32,661
Thereafter	3,295
	<u>\$ 193,752</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 4.28 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 (3.28 percent) or 1-percentage-point higher (5.28 percent) than the current rate:

	1% Decrease (3.28%)	Discount Rate (4.28%)	1% Increase (5.28%)
Total pension liability	\$ 1,136,692	\$ 1,051,003	\$ 972,156

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

	2025
Beginning balance	\$ 876,424
Service cost	40,264
Interest on the total pension liability	33,955
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	178,739
Change of assumptions or other inputs	(23,290)
Benefit payments	(55,089)
Other changes	-
Ending balance of the total pension liability	\$ 1,051,003

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	\$1,117,744	\$ 128,540	\$1,246,284
Pension liability	3,971,265	1,051,003	5,022,268
Proportionate share of the net pension liability	0.05891%	n/a	

Deferred outflows of resources:

Differences between expected and actual experience	\$ 695,916	\$ 255,840	\$ 951,756
Changes of assumptions and other inputs	-	44,202	44,202
Net difference between projected and actual earnings on plan investments	539,891	-	539,891
Changes in proportion and differences between contributions and proportionate share of contributions	10,343	-	10,343
Benefit payments paid subsequent to the measurement date	812,428	29,912	842,340
	\$2,058,578	\$ 329,954	\$2,388,532

Deferred inflows of resources:

Differences between expected and actual experience	\$ 4,679	\$ 13,147	\$ 17,826
Changes of assumptions	-	93,143	93,143
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	123,151	-	123,151
	\$ 127,830	\$ 106,290	\$ 234,120

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 \$286,165 for the reporting year. Of this amount, \$79,786 were for law enforcement officers and \$206,379 were for general employees. 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, 2024, the date of the latest actuarial valuation:

Retirees receiving benefits	7
Terminated plan members entitled to but not receiving benefits	-
Active plan members	<u>28</u>
Total	<u><u>35</u></u>

2. Total OPEB Liability

The Town's total OPEB liability of \$2,030,812 was measured as of June 30, 2024 and was determined by an actuarial valuation as of June 30, 2024.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2024 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	3.65 percent
Healthcare cost trend rates	
Pre-Medicare Medical and Prescription Drug	7.00 percent for 2024 decreasing to an ultimate rate of 4.50% by 2034
Dental	3.5 percent
Vision	2.0 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, 2024 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, 2024 valuation were based on a review of recent plan experience performed concurrently with the June 30, 2024 valuation.

3. Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2024	\$ 1,746,324
Changes for the year	
Service cost	46,950
Interest	63,895
Changes in benefit terms	-
Differences between expected and actual experience	246,696
Changes in assumptions or other inputs	13,160
Benefit payments	(86,213)
Net changes	284,488
Balance at June 30, 2025	<u>\$ 2,030,812</u>

Changes in assumptions or other inputs reflect a change in the discount rate from 3.65% to 3.93%.

This liability will be satisfied on a pay-as-you-go basis, as no assets are set aside in a GASB 75 compliant trust.

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 (2.93 percent) or 1-percentage-point higher (4.3 percent) than the current discount rate:

	1% Decrease (2.93%)	Discount Rate (3.93%)	1% Increase (4.93%)
Total OPEB liability	\$ 2,222,526	\$ 2,030,812	\$ 1,858,640

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:

	1% Decrease	Current Rate	1% Increase
Total OPEB liability	\$ 1,839,504	\$ 2,030,812	\$ 2,252,215

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

For the year ended June 30, 2025, the Town recognized OPEB expense of \$218,901. At June 30, 2025, 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	\$ 397,812	\$ -
Changes of assumptions or other inputs	203,518	147,703
Benefit payments made subsequent to the measurement date	76,105	-
Total	<u>\$ 677,435</u>	<u>\$ 147,703</u>

\$76,105 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, 2026. 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>	
2026	\$ 103,102
2027	103,102
2028	108,689
2029	81,189
2030	37,881
Thereafter	19,664
	<u>\$ 453,627</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	\$ 812,428
Benefit payments made for LEOSSA subsequent to measurement date	29,912
Benefit payments made for OPEB subsequent to measurement date	76,105
Differences between expected and actual experience	1,349,568
Changes in assumptions or other inputs	247,720
Net differences between projected and actual earnings	539,891
Changes in proportion and differences between employer contributions and proportionate share of contributions	10,343
	\$ 3,065,967

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

Source	Statement of Net Position	General Fund Balance Sheet
Prepaid taxes (General Fund)	\$ 262	\$ 262
Taxes receivable, less penalties (General Fund)	-	10,593
Lease receivable (General Fund)	120,312	120,312
Changes in assumptions or other inputs	240,846	-
Differences between expected and actual experience	17,826	-
Changes in proportion and differences between employer contributions and proportionate share of contributions (pension)	123,151	-
	\$ 502,397	\$ 131,167

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 \$1,000,000 and \$100,000, respectively. 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. 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, 2025 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.

\$ 948,000

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

Year ending June 30	Business-type Activities	
	Principal	Interest
2026	\$ 191,000	\$ 19,529
2027	192,000	15,594
2028	193,000	11,639
2029	188,000	7,663
2030	184,000	3,790
	<u>\$ 948,000</u>	<u>\$ 58,215</u>

b. 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 is collateralized by the net revenues of the Town's water and sewer systems. 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. The balance of bonds outstanding as of June 30, 2025 was \$2,010,109

Year Ending June, 30	Business-type Activities	
	Principal	Interest
2026	\$ 45,000	\$ 48,705
2027	46,000	47,746
2028	47,000	46,771
2029	48,000	45,753
2030	49,000	44,753
2031-2035	260,000	207,719
2036-2040	288,000	178,970
2041-2045	320,000	147,028
2046-2050	356,000	111,520
2051-2055	395,000	72,058
2056-2060	156,109	26,351
Total	<u>\$ 2,010,109</u>	<u>\$ 977,374</u>

At June 30, 2025, the Town of Weaverville had a legal debt margin of approximately \$101,300,000.

c. Discretely Presented Component Unit

In April 2009, the ABC Board entered into a \$1,500,000 note payable to a banking institution for the purpose of financing the ABC Board's acquisition and construction of the facilities in which it operates. The financing agreement required one interest only payment of \$73,500 beginning in the fiscal year 2010, followed by 19 annual principal and interest payments of \$123,007 with interest of 4.89%. On October 17, 2013, the ABC Board entered into a modification of the loan terms to require quarterly payments instead of annual. No other terms of the loan changed. The required quarterly payment is \$31,038. 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, 2025 was \$448,581.

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, 2025 was \$15,389.

Interest expense for the year ended June 30, 2025 was \$25,080.

Annual debt service payments of the notes payable of the ABC Board as of June 30, 2025 are as follows:

Year ending June 30	Discretely-Presented Component Unit	
	Principal	Interest
2026	\$ 107,649	\$ 20,805
2027	113,030	15,425
2028	118,679	9,776
2029	124,612	3,845
	<u>\$ 463,970</u>	<u>\$ 49,851</u>

d. 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, 2025:

	Restated Balance July 1, 2024	Increase	Decrease	Balance June 30, 2025	Current Portion
Governmental Activities:					
Direct placement					
installment purchases	\$ 52,307	\$ -	\$ 52,307	\$ -	\$ -
Total pension liability (LEOSSA)	876,424	174,579	-	1,051,003	-
Net pension liability (LGERS)	3,267,849	40,998	-	3,308,847	-
Total OPEB liability	1,443,185	235,105	-	1,678,290	-
Compensated absences	453,531	19,254	-	472,785	327,000
Governmental activity long-term liabilities	<u>\$ 6,093,296</u>	<u>\$ 469,936</u>	<u>\$ 52,307</u>	<u>\$ 6,510,925</u>	<u>\$ 327,000</u>
Business-type Activities:					
Direct placement					
general obligation bonds	\$ 1,132,000	\$ -	\$ 184,000	\$ 948,000	\$ 191,000
Water revenue bond	2,054,109	-	44,000	2,010,109	45,000
Net pension liability (LGERS)	654,211	8,207	-	662,418	-
Total OPEB liability	303,139	49,383	-	352,522	-
Compensated absences	79,212	-	11,392	67,820	48,000
Business-type activity long-term liabilities	<u>\$ 4,222,671</u>	<u>\$ 57,590</u>	<u>\$ 239,392</u>	<u>\$ 4,040,869</u>	<u>\$ 284,000</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, 2025:

	Balance July 1, 2024	Increase	Decrease	Balance June 30, 2025	Current Portion
Component Unit:					
Notes payable	\$ 566,497	\$ -	\$ 102,527	\$ 463,970	\$ 107,649
Compensated absences	12,817	-	2,310	10,507	-
Net pension liability (LGERS)	217,966	-	16,261	201,705	-
Governmental activity long-term liabilities	<u>\$ 797,280</u>	<u>\$ -</u>	<u>\$ 121,098</u>	<u>\$ 676,182</u>	<u>\$ 107,649</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	\$ 15,908,827	\$ 10,135,054
Less: Long-term debt	<u>-</u>	<u>2,958,109</u>
Net investment in capital assets	<u>\$ 15,908,827</u>	<u>\$ 7,176,945</u>

D. Interfund Balances and Activity

Interfund transfers for the year ended June 30, 2025 consisted of the following:

	<u>Purpose</u>	<u>Amount</u>
To the Capital Project Fund from the General Fund	To fund capital projects	\$ 44,274
To the Fire Department Fund from the General Fund	To support operations	<u>1,600,000</u>
		<u>\$ 1,644,274</u>

E. Fund Balance

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

Total fund balance - General Fund	\$ 6,752,029
Less:	
Nonspendable items:	
Leases	12,071
Restricted for:	
Stabilization by state statute	1,078,693
Streets - Powell Bill	639,585
Public safety - Cops for Kids	1,116
Assigned:	
Appropriated fund balance in 2025 budget	1,383,466
Unassigned:	
Working capital/fund balance policy - minimum	<u>1,910,565</u>
Remaining fund balance	<u>\$ 1,726,533</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, 2025, 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, 2025. 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 sanitary sewer 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 \$1,428,530 during the fiscal year ended June 30, 2025. The Town's income for these collections totaled \$83,789.

Note 5 – Restatement of Beginning Balances – Change in Accounting Principle

The Town implemented GASB Statement No. 101, Compensated Absences in the current fiscal year. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The implementation of this Statement required a prior period adjustment to reduce governmental activities and business-type activities net positions by \$111,701 and \$14,652, respectively, to record the estimated liability for sick leave at June 30, 2024.

Note 6 – Extraordinary Item

In September 2024, Western North Carolina was severely impacted by Hurricane Helene leading to a Federal disaster area declaration which included the Town of Weaverville, as well as all surrounding counties and municipalities. Because it is unusual for a non-coastal area to have severe damage from the effects of a Hurricane and the event was not under the control of management, these financial statements include an extraordinary item for repairs related to Hurricane Helene in the amount of \$1,545,868. The most significant of these costs were for debris removal from streets and waterways, water line repairs, and repairs at the raw water pump station. Management does not believe any of these repairs involve a temporary or permanent impairment to any capital asset.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF WEAVERVILLE, NORTH CAROLINA

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

Schedule of Changes in Total Pension Liability

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Beginning balance	\$ 876,424	\$ 742,187	\$ 900,688	\$ 875,592	\$ 598,291	\$ 560,099	\$ 551,717	\$ 445,528	\$ 429,610
Service cost	40,264	31,602	37,619	41,100	24,887	19,250	24,728	19,882	20,576
Interest on the total pension liability	33,955	30,892	19,593	16,322	18,492	19,299	16,732	16,852	15,177
Differences between expected and actual experience in the measurement of the total pension liability	178,739	102,177	(25,912)	50,410	113,362	42,147	32,886	56,346	-
Change of assumptions or other inputs	(23,290)	20,415	(129,992)	(22,927)	182,669	17,305	(21,518)	31,028	(10,876)
Benefit payments	(55,089)	(50,849)	(59,809)	(59,809)	(62,109)	(59,809)	(44,446)	(17,919)	(8,959)
Ending balance of the total pension liability	<u>\$ 1,051,003</u>	<u>\$ 876,424</u>	<u>\$ 742,187</u>	<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	\$ 1,051,003	\$ 876,424	\$ 742,187	\$ 900,688	\$ 875,592	\$ 598,291	\$ 560,099	\$ 551,717	\$ 445,528
Covered employee-payroll	1,372,898	1,174,084	976,489	1,011,637	966,914	789,638	832,533	793,875	809,381
Total pension liability as a percentage of covered employee-payroll	76.55%	74.65%	76.01%	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.

This schedule originated in FY2017 with the implementation of GASB Statement No. 73. Information for additional years will continue to be added until 10 years of information is presented.

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 TEN FISCAL YEARS *

Local Governmental Employees' Retirement System

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Town's proportionate share of the net pension liability (asset) (%)	0.05891%	0.05922%	0.06209%	0.06027%	0.06338%	0.06361%	0.05596%	0.05757%	0.05568%	0.06256%
Town's proportion of the net pension liability (asset) (\$)	\$ 3,971,265	\$ 3,922,060	\$ 3,502,763	\$ 924,298	\$ 2,264,837	\$ 1,737,139	\$ 1,327,563	\$ 879,510	\$ 1,181,716	\$ 280,767
Town's covered payroll	5,120,351	4,578,890	4,410,433	4,016,598	3,962,465	3,727,895	3,392,959	3,213,620	3,200,610	3,029,056
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	77.56%	85.66%	79.42%	23.01%	57.16%	46.60%	39.13%	27.37%	36.92%	9.27%
Plan fiduciary net position as a percentage of the total pension liability	83.30%	82.49%	84.14%	95.51%	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%

* 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 TEN FISCAL YEARS

Local Governmental Employees' Retirement System

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 812,428	\$ 676,747	\$ 568,198	\$ 511,846	\$ 417,871	\$ 365,452	\$ 297,773	\$ 263,255	\$ 240,416	\$ 220,033
Contribution in relation to the contractually required contribution	<u>812,428</u>	<u>676,747</u>	<u>568,198</u>	<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>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	\$ 5,789,450	\$ 5,120,351	\$ 4,578,890	\$ 4,410,433	\$ 4,016,598	\$ 3,962,465	\$ 3,727,895	\$ 3,392,959	\$ 3,213,620	\$ 3,200,610
Contributions as a percentage of covered payroll	14.03%	13.22%	12.41%	11.61%	10.40%	9.22%	7.99%	7.76%	7.48%	6.87%

TOWN OF WEAVERVILLE, NORTH CAROLINA

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

Schedule of Changes in Total OPEB Liability

Total OPEB Liability	2025	2024	2023	2022	2021	2020	2019	2018
Service cost	\$ 46,950	\$ 46,579	\$ 58,219	\$ 52,883	\$ 55,166	\$ 51,082	\$ 67,686	\$ 72,844
Interest on the total OPEB liability	63,895	61,585	37,337	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	246,696	1,177	190,671	20,681	138,682	17,459	18,377	659
Change of assumptions or other inputs	13,160	(17,489)	(180,929)	188,321	206,911	44,884	(54,317)	(68,813)
Benefit payments	(86,213)	(76,589)	(88,679)	(88,278)	(79,867)	(67,553)	(51,267)	(22,053)
Other changes	-	-	-	-	-	-	-	-
Net change in total OPEB liability	284,488	15,263	16,619	207,117	255,987	89,756	20,207	16,176
Total OPEB liability - beginning	1,746,324	1,731,061	1,714,442	1,507,325	1,251,338	1,161,582	1,141,375	1,125,199
Total OPEB liability - ending	<u>\$ 2,030,812</u>	<u>\$ 1,746,324</u>	<u>\$ 1,731,061</u>	<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-employee payroll	\$ 2,139,903	\$ 2,125,532	\$ 2,125,532	\$ 2,465,123	\$ 2,465,123	\$ 3,044,266	\$ 3,044,266	\$ 2,903,226
Total OPEB liability as a percentage of covered-employee payroll	94.90%	82.16%	81.44%	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:

Fiscal Year	Rate
2025	3.93%
2024	3.65%
2023	3.54%
2022	2.16%
2021	2.21%
2020	3.50%
2019	3.89%
2018	3.56%

This schedule originated in FY2018 with the implementation of GASB Statement No. 75. Information for additional years will continue to be added until 10 years of information is presented.

The Town of Weaverville has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75 to pay related benefits.

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, 2025

	2025		
	Budget	Actual	Variance Positive (Negative)
REVENUES			
Ad valorem taxes:			
Taxes		\$ 4,562,877	
Penalties and interest		8,345	
	\$ 4,494,658	4,571,222	\$ 76,564
Other taxes and licenses:			
Local option sales tax		2,047,537	
	2,167,560	2,047,537	(120,023)
Intergovernmental revenues:			
Unrestricted:			
Utilities sales tax		570,760	
Beer and wine tax		19,172	
ABC profit distribution		360,445	
	859,661	950,377	90,716
Restricted:			
Public works grants		163,866	
Police department grants		92,990	
	227,213	256,856	29,643
Sales and services			
Community center rentals		59,477	
Cell tower lease revenue		18,508	
	98,070	77,985	(20,085)
Permits and fees:			
Parking enforcement fees		3,250	
Fees in lieu of sidewalks		262,560	
Planning and zoning fees		16,501	
	283,960	282,311	(1,649)
Investment earnings	322,357	448,515	126,158
Other:			
Miscellaneous		12,475	
Interest on lease receivable		7,034	
Contributions		12,305	
	20,305	31,814	11,509
Total revenues	8,473,784	8,666,617	192,833

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, 2025

	<u>2025</u>		
	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
EXPENDITURES			
General government:			
Governing board:			
Salaries and employee benefits		75,911	
Community promotions		70,968	
Professional services		157,215	
Other operating expenses		97,856	
	459,238	401,950	57,288
Administration:			
Salaries and employee benefits		658,434	
Professional services		100,419	
Other operating expenses		246,470	
	1,092,660	1,005,323	87,337
Planning:			
Salaries and employee benefits		171,628	
Professional services		17,098	
Other operating expenses		5,191	
Capital outlay		2,736	
	244,430	196,653	47,777
Total general government	1,796,328	1,603,926	192,402
Public safety:			
Police:			
Salaries and employee benefits		2,450,096	
Supplies and materials		86,017	
Repairs and maintenance		68,336	
Professional services		217,539	
Other operating expenses		176,959	
Capital outlay		451,906	
Total public safety	3,599,539	3,450,853	148,686
Public works:			
Streets:			
Salaries and employee benefits		265,856	
Contract services		17,089	
Utilities		72,706	
Supplies and materials		23,676	
Other operating expenses		42,515	
Capital outlay		396,248	
	1,255,966	818,090	437,876
Powell Bill:			
Salaries and benefits		13,032	
Capital outlay		93,095	
	558,384	106,127	452,257
Total public works	1,814,350	924,217	890,133

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, 2025

	<u>2025</u>		
	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Environmental protection:			
Sanitation:			
Salaries and benefits		422,618	
Contract services		8	
Supplies and materials		47,091	
Other operating expenses		155,276	
Capital outlay		597,914	
	<u>1,297,677</u>	<u>1,222,907</u>	74,770
Stormwater:			
Salaries and benefits		63,092	
Other operating expenses		14,679	
Capital outlay		10,840	
	<u>238,915</u>	<u>88,611</u>	150,304
Total environmental protection	<u>1,536,592</u>	<u>1,311,518</u>	225,074
Cultural and recreational:			
Recreation:			
Salaries and employee benefits		277,290	
Contract services		938	
Other operating expenses		65,088	
Capital outlay		40,308	
	<u>475,227</u>	<u>383,624</u>	91,603
Community Center			
Salaries and employee benefits		156,218	
Other operating expenses		78,195	
	<u>267,612</u>	<u>234,413</u>	33,199
Total cultural and recreational	<u>742,839</u>	<u>618,037</u>	124,802
Contingency	10,000	-	10,000
Total expenditures	<u>9,499,648</u>	<u>7,908,551</u>	1,591,097
Revenues over (under) expenditures	<u>(1,025,864)</u>	<u>758,066</u>	1,783,930
Other financing sources (uses):			
Appropriated fund balance	3,109,983	-	(3,109,983)
Sale of capital assets	10,000	13,175	3,175
Insurance recoveries	134,263	111,850	(22,413)
Transfer to water fund	(18,503)	-	18,503
Transfer to capital project fund	(52,634)	(44,274)	8,360
Transfer to fire department fund	(1,894,685)	(1,600,000)	294,685
Transfer to capital reserve fund	(262,560)	(262,560)	-
Total other financing sources (uses)	<u>1,025,864</u>	<u>(1,781,809)</u>	(2,807,673)
Net change in fund balance	<u>\$ -</u>	<u>(1,023,743)</u>	<u>\$ (1,023,743)</u>
Fund balance, beginning of year		<u>6,988,212</u>	
Fund balance, end of year		<u>\$ 5,964,469</u>	

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, 2025

	2025		
	Budget	Actual	Variance Positive (Negative)
Other financing sources (uses):			
Transfer from General Fund	\$ -	\$ 262,560	\$ 262,560
Net change in fund balance	\$ -	262,560	\$ 262,560
Fund balance, beginning of year		525,000	
Fund balance, end of year		\$ 787,560	

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, 2025

	2025		Variance Positive (Negative)
	Budget	Actual	
REVENUES			
Intergovernmental revenues:			
Unrestricted:			
Buncombe Co. - fire protection	\$ 2,227,144	\$ 2,234,255	\$ 7,111
Restricted:			
Fire department grants	35,145	35,145	-
Permits and fees:			
Fire inspection fees	500	1,440	940
Miscellaneous:			
Contributions	323	323	-
Total revenues	2,263,112	2,271,163	8,051
EXPENDITURES			
Public safety:			
Salaries and employee benefits		2,769,557	
Capital outlay		271,129	
Other operating expenses		510,016	
Total public safety	4,756,940	3,550,702	1,206,238
Debt service:			
Principal		52,307	
Interest		1,234	
Total debt service	53,541	53,541	-
Total expenditures	4,810,481	3,604,243	1,206,238
Revenues under expenditures	(2,547,369)	(1,333,080)	1,214,289
Other financing sources:			
Appropriated fund balance	127,684	-	(127,684)
Transfer from general fund	2,419,685	1,600,000	(819,685)
Total other financing sources	2,547,369	1,600,000	(947,369)
Net change in fund balance	\$ -	266,920	\$ 266,920
Fund balance, beginning of year		774,424	
Fund balance, end of year		\$ 1,041,344	

TOWN OF WEAVERVILLE, NORTH CAROLINA

TROPICAL STORM HELENE DISASTER RESPONSE AND RECOVERY FUND

Schedule of Revenues and Expenditures - Budget and Actual

From inception and for the year ended June 30, 2025

	Project Authorization	Prior Years	Actual Current Year	Total
Revenues:				
FEMA Funds	\$ 3,708,140	\$ -	\$ 1,675,270	\$ 1,675,270
Expenditures:				
General government	3,290,426	-	1,136,292	1,136,292
Public works	417,714	-	409,576	409,576
Total expenditures	3,708,140	-	1,545,868	1,545,868
Revenues over expenditures	\$ -	\$ -	129,402	\$ 129,402
Fund balance, beginning of year			-	
Fund balance, end of year			\$ 129,402	

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, 2025

		Actual		
	Project Authorization	Prior Years	Current Year	Total
Revenues:				
Donations	\$ 11,499	\$ -	\$ -	\$ -
Expenditures:				
Architectural fees	257,575	254,835	-	254,835
Construction	2,817,680	2,817,680	-	2,817,680
Fixtures and equipment	271,103	271,103	-	271,103
Engineering and professional services	94,377	30,164	-	30,164
Phase 2 expenditures	480,130	441,173	44,274	485,447
Total expenditures	3,920,865	3,814,955	44,274	3,859,229
Revenues under expenditures	(3,909,366)	(3,814,955)	(44,274)	(3,859,229)
Other Financing Sources:				
Transfer from general fund	3,909,366	3,814,955	44,274	3,859,229
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance, beginning of year			-	
Fund balance, end of year			\$ -	

TOWN OF WEAVERVILLE, NORTH CAROLINA
WATER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
For the year ended June 30, 2025

	<u>2025</u>		
	Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES			
Charges for services		\$ 2,638,434	
Other operating revenues		474,112	
Total operating revenues	\$ 3,123,451	3,112,546	\$ (10,905)
NON-OPERATING REVENUES			
Investment earnings	130,153	179,075	48,922
Total revenues	3,253,604	3,291,621	38,017
OPERATING EXPENDITURES			
Water administration:			
Salaries and employee benefits		206,355	
Professional services		34,215	
Supplies and materials		4,343	
Postage		17,753	
Telephone		7,661	
Insurance		9,110	
Other operating expenses		6,377	
Total water administration	354,592	285,814	68,778
Treatment and distribution:			
Salaries and employee benefits		1,059,973	
Professional services		26,936	
Contract services		2,190	
Water testing and maintenance		16,325	
Supplies and materials		331,737	
Training and travel		9,164	
Telephone		8,460	
Utilities		129,224	
Repairs and maintenance		58,207	
Insurance		23,695	
Sludge removal		67,445	
Water system improvement		194,852	
Non-capital equipment		131,768	
Total treatment and distribution	3,136,310	2,059,976	1,076,334
Debt service:			
Principal retirement		228,000	
Interest		66,969	
Total debt service	300,959	294,969	5,990
Contingency	5,000	-	5,000
Total expenditures	3,796,861	2,640,759	1,156,102

TOWN OF WEAVERVILLE, NORTH CAROLINA
WATER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
For the year ended June 30, 2025

	2025		
	Budget	Actual	Variance Positive (Negative)
Revenues over (under) expenditures	(543,257)	650,862	1,194,119
OTHER FINANCING SOURCES			
Appropriated fund balance	492,179	-	(492,179)
Insurance recoveries	32,575	54,990	22,415
Transfer from general fund	18,503	-	(18,503)
Total other financing sources	543,257	54,990	(488,267)
Revenues and other sources over expenditures	\$ -	705,852	\$ 705,852
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling items:			
Payment of debt principal		228,000	
Capital outlay		308,815	
Net book value of capital asset disposals		(24,214)	
Decrease in accrued interest		381	
Decrease in accrued compensated absence liability		11,392	
Decrease in deferred outflows of resources - pensions		(48,752)	
Increase in deferred outflows of resources - OPEB		19,899	
Increase in net pension liability		(8,207)	
Increase in net OPEB liability		(49,383)	
Decrease in deferred inflows of resources - pensions		6,032	
Decrease in deferred inflows of resources - OPEB		6,966	
Depreciation		(461,994)	
Change in net position		\$ 694,787	

TOWN OF WEAVERVILLE, NORTH CAROLINA

WATER CAPITAL PROJECT FUND

WATER RESILIENCY PROJECT

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)

From inception and for the year ended June 30, 2025

	Project Authorization	Actual		Total
		Prior Years	Current Year	
Revenues:				
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Construction	403,600	-	-	-
Capital equipment purchase	1,196,400	20,418	266,675	287,093
Engineering	98,500	42,250	13,750	56,000
Total expenditures	<u>1,698,500</u>	<u>62,668</u>	<u>280,425</u>	<u>343,093</u>
Revenues under expenditures	<u>(1,698,500)</u>	<u>(62,668)</u>	<u>(280,425)</u>	<u>(343,093)</u>
Other Financing Sources:				
Transfer from water fund	<u>1,698,500</u>	-	-	-
Revenues and other sources under expenditures	<u>\$ -</u>	<u>\$ (62,668)</u>	<u>\$ (280,425)</u>	<u>\$ (343,093)</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, 2025

	Project Authorization	Actual		Total
		Prior Years	Current Year	
Revenues:				
Restricted intergovernmental	\$ 15,775,000	\$ -	\$ -	\$ -
Expenditures:				
Construction	18,634,000	-	-	-
Engineering	1,068,740	591,719	137,739	729,458
Contingencies	497,035	-	-	-
Total expenditures	<u>20,199,775</u>	<u>591,719</u>	<u>137,739</u>	<u>729,458</u>
Revenues under expenditures	<u>(4,424,775)</u>	<u>(591,719)</u>	<u>(137,739)</u>	<u>(729,458)</u>
Other Financing Sources:				
Transfer from water fund	2,200,737	-	-	-
Loan from general fund	1,500,000	-	-	-
Transfer from water capital reserve	724,038	339,880	-	339,880
Total other financing sources	<u>4,424,775</u>	<u>339,880</u>	<u>-</u>	<u>339,880</u>
Revenues and other sources under expenditures	<u>\$ -</u>	<u>\$ (251,839)</u>	<u>\$ (137,739)</u>	<u>\$ (389,578)</u>

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, 2025

	2025		
	Budget	Actual	Variance Positive (Negative)
Other financing sources (uses):			
Transfer from Water Fund	\$ -	\$ -	\$ -
Transfer to Capital Project Fund	-	-	-
Net change in fund balance	\$ -	-	\$ -
Fund balance, beginning of year		384,154	
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, 2025

Fiscal Year	Uncollected Balance 6/30/2024	Additions	Collections And Credits	Uncollected Balance 6/30/2025
2024-2025	\$ -	\$ 4,561,754	\$ 4,556,270	\$ 5,484
2023-2024	3,844	-	2,146	1,698
2022-2023	1,481	-	320	1,161
2021-2022	3,050	-	118	2,932
2020-2021	1,027	-	2	1,025
2019-2020	5,337	-	1,842	3,495
2018-2019	659	-	-	659
2017-2018	60	-	-	60
2016-2017	47	-	-	47
2015-2016	32	-	-	32
2014-2015	2,048	-	2,048	-
	\$ 17,585	\$ 4,561,754	\$ 4,562,746	16,593
Less allowance for uncollectible ad valorem taxes receivable				(6,000)
Ad valorem taxes receivable, net				\$ 10,593
Reconcilement with Revenues:				
Taxes - Ad valorem - General Fund				\$ 4,571,222
Reconciling items:				
Amount written off for fiscal year 2014-2015				2,048
Interest collected				(8,345)
Releases and other adjustments				(2,179)
Total collections and credits				\$ 4,562,746

TOWN OF WEAVERVILLE, NORTH CAROLINA

GENERAL FUND
ANALYSIS OF CURRENT TAX LEVY
For the year ended June 30, 2025

	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Original levy	\$ 1,302,104,286	0.00350	\$ 4,557,365	\$ 4,297,291	\$ 260,074
Total			<u>4,557,365</u>	<u>4,297,291</u>	<u>260,074</u>
Discoveries:					
Current year taxes and penalties	2,372,000		8,302	8,302	-
Abatements	<u>(1,118,000)</u>		<u>(3,913)</u>	<u>(3,913)</u>	<u>-</u>
Total property valuation	<u>\$ 1,303,358,286</u>				
Net levy			4,561,754	4,301,680	260,074
Uncollected taxes at June 30, 2025			<u>5,484</u>	<u>5,484</u>	<u>-</u>
Current year's taxes collected			<u>\$ 4,556,270</u>	<u>\$ 4,296,196</u>	<u>\$ 260,074</u>
Current levy collection percentage			<u>99.88%</u>	<u>99.87%</u>	<u>100.00%</u>

STATISTICAL SECTION

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the governments most significant local revenue source, property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Net investment in capital assets	\$ 7,923,020	\$ 8,223,653	\$ 8,706,197	\$ 9,088,415	\$ 10,264,984	\$ 12,723,493	\$ 12,993,922	\$ 12,978,327	\$ 14,950,300	\$ 15,908,827
Restricted	889,635	651,736	670,368	790,806	792,934	1,049,104	981,863	1,431,780	1,638,026	2,219,833
Unrestricted	<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>	<u>4,576,287</u>	<u>2,997,526</u>	<u>1,467,736</u>
Total governmental activities net position	<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>	<u>\$ 18,986,394</u>	<u>\$ 19,585,852</u>	<u>\$ 19,596,396</u>
Business-type activities										
Net investment in capital assets	\$ 6,226,795	\$ 6,048,586	\$ 6,115,213	\$ 6,558,892	\$ 7,170,246	\$ 5,880,594	\$ 6,343,849	\$ 6,493,113	\$ 6,708,174	\$ 7,176,945
Unrestricted	<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>	<u>5,084,199</u>	<u>6,707,725</u>	<u>6,919,089</u>
Total business-type activities net position	<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>	<u>\$ 11,577,312</u>	<u>\$ 13,415,899</u>	<u>\$ 14,096,034</u>
Primary government										
Net investment in capital assets	\$ 14,149,815	\$ 14,272,239	\$ 14,821,410	\$ 15,647,307	\$ 17,435,230	\$ 18,604,087	\$ 19,337,771	\$ 19,471,440	\$ 21,658,474	\$ 23,085,772
Restricted	889,635	651,736	670,368	790,806	792,934	1,049,104	981,863	1,431,780	1,638,026	2,219,833
Unrestricted	<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>	<u>9,660,486</u>	<u>9,705,251</u>	<u>8,386,825</u>
Total primary government net position	<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>	<u>\$ 30,563,706</u>	<u>\$ 33,001,751</u>	<u>\$ 33,692,430</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)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities										
General government	\$ 853,053	\$ 886,828	\$ 915,132	\$ 867,562	\$ 976,437	\$ 970,726	\$ 1,057,776	\$ 1,298,548	\$ 1,497,083	\$ 1,674,617
Public safety	3,444,875	3,490,042	3,737,201	4,177,269	4,641,137	4,766,925	4,806,049	5,285,987	6,266,391	7,269,561
Public works	377,930	349,808	538,868	573,092	521,481	550,460	503,847	594,434	582,101	479,275
Environmental protection	605,969	711,637	517,387	472,460	632,257	674,755	607,045	805,068	816,289	861,232
Cultural and recreation	223,273	170,249	330,758	279,034	304,842	255,829	435,927	560,808	604,036	755,669
Interest on long term debt	49,720	37,857	30,006	19,602	14,159	8,305	3,817	2,644	1,146	209
Total governmental activities expenses	<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>	<u>8,547,489</u>	<u>9,767,046</u>	<u>11,040,563</u>
Business-type activities:										
Water fund	1,743,187	1,757,711	1,811,522	1,825,246	2,183,668	1,976,838	2,184,888	2,377,320	2,529,308	2,627,610
Total business-type activities	<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>	<u>2,377,320</u>	<u>2,529,308</u>	<u>2,627,610</u>
Total primary government expenses	<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>	<u>\$ 10,924,809</u>	<u>\$ 12,296,354</u>	<u>\$ 13,668,173</u>
Program Revenues										
Governmental activities:										
Charges for services										
General government	\$ 15,270	\$ 26,350	\$ 23,884	\$ 18,500	\$ 19,543	\$ 1,550	\$ 15,859	\$ 21,155	\$ 38,317	\$ 300,819
Public safety	26,465	900	300	800	-	18,361	17,400	12,290	640	1,440
Cultural and recreation	-	-	-	-	-	-	-	59,314	72,657	59,477
Operating grants and contributions	22,548	220,621	38,859	47,858	18,699	207,471	77,007	85,860	1,393,924	1,803,728
Capital grants and contributions	106,776	106,302	106,428	104,952	103,879	139,851	136,507	134,558	148,440	163,866
Total governmental activities program revenues	<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>	<u>313,177</u>	<u>1,653,978</u>	<u>2,329,330</u>
Business-type activities:										
Charge for services										
Water	1,751,374	1,941,316	1,996,961	2,263,956	2,464,546	2,522,887	2,856,517	2,734,606	2,888,189	3,112,546
Total business-type activities:	<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>	<u>2,734,606</u>	<u>2,888,189</u>	<u>3,112,546</u>
Total primary government program revenues	<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>	<u>\$ 3,047,783</u>	<u>\$ 4,542,167</u>	<u>\$ 5,441,876</u>

(Continued on next page)

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net (Expense) Revenue										
Governmental activities	\$ (5,383,761)	\$ (5,292,248)	\$ (5,899,881)	\$ (6,216,909)	\$ (6,948,192)	\$ (6,859,767)	\$ (7,167,688)	\$ (8,234,312)	\$ (8,113,068)	\$ (8,711,233)
Business-type activities	8,187	183,605	185,439	438,710	280,878	546,049	671,629	357,286	358,881	484,936
Total primary government expense	<u>\$ (5,375,574)</u>	<u>\$ (5,108,643)</u>	<u>\$ (5,714,442)</u>	<u>\$ (5,778,199)</u>	<u>\$ (6,667,314)</u>	<u>\$ (6,313,718)</u>	<u>\$ (6,496,059)</u>	<u>\$ (7,877,026)</u>	<u>\$ (7,754,187)</u>	<u>\$ (8,226,297)</u>
General Revenue and Other Changes in Net Position										
Governmental activities:										
Taxes	\$ 3,953,934	\$ 4,127,418	\$ 4,421,892	\$ 4,653,205	\$ 4,737,193	\$ 5,114,269	\$ 5,765,684	\$ 6,140,275	\$ 6,487,441	\$ 6,618,508
Grants and unrestricted contributions	1,751,222	1,828,482	1,941,897	2,324,207	2,381,318	2,524,278	2,770,850	2,833,547	2,959,382	3,196,937
Gain (loss) on sale of property	51,967	3,885	568,630	338,618	29,140	21,131	13,575	45,975	23,164	(15,973)
Investment earnings	16,144	27,452	73,589	152,290	90,724	3,641	9,331	307,231	500,062	448,515
Miscellaneous	33,103	27,976	26,166	23,134	40,389	23,974	38,403	136,904	26,172	131,359
Extraordinary items	-	-	-	-	-	-	-	-	-	(1,545,868)
Transfers to other funds	-	-	-	-	-	-	-	-	(1,283,395)	-
Total government activities	<u>5,806,370</u>	<u>6,015,213</u>	<u>7,032,174</u>	<u>7,491,454</u>	<u>7,278,764</u>	<u>7,687,293</u>	<u>8,597,843</u>	<u>9,463,932</u>	<u>8,712,826</u>	<u>8,833,478</u>
Business-type activities:										
Gain on sale of property	3,154	-	-	-	3,284	26,993	-	-	-	-
Gain on insurance recovery	-	-	-	-	-	-	-	35,804	-	30,776
Investment earnings	2,715	13,521	32,937	59,905	53,015	-	3,791	120,950	196,311	179,075
Transfers from other funds	-	-	-	-	-	-	-	-	1,283,395	-
Total business-type activities	<u>5,869</u>	<u>13,521</u>	<u>32,937</u>	<u>59,905</u>	<u>56,299</u>	<u>26,993</u>	<u>3,791</u>	<u>156,754</u>	<u>1,479,706</u>	<u>209,851</u>
Total primary government	<u>\$ 5,812,239</u>	<u>\$ 6,028,734</u>	<u>\$ 7,065,111</u>	<u>\$ 7,551,359</u>	<u>\$ 7,335,063</u>	<u>\$ 7,714,286</u>	<u>\$ 8,601,634</u>	<u>\$ 9,620,686</u>	<u>\$ 10,192,532</u>	<u>\$ 9,043,329</u>
Change in Net Position										
Governmental activities	\$ 422,609	\$ 722,965	\$ 1,132,293	\$ 1,274,545	\$ 330,572	\$ 827,526	\$ 1,430,155	\$ 1,229,620	\$ 599,758	\$ 122,245
Business activities	14,056	197,126	218,376	498,615	337,177	573,042	675,420	514,040	1,838,587	694,787
Total primary government	<u>\$ 436,665</u>	<u>\$ 920,091</u>	<u>\$ 1,350,669</u>	<u>\$ 1,773,160</u>	<u>\$ 667,749</u>	<u>\$ 1,400,568</u>	<u>\$ 2,105,575</u>	<u>\$ 1,743,660</u>	<u>\$ 2,438,345</u>	<u>\$ 817,032</u>

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

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	\$ -	\$ 47,577	\$ 46,921	\$ 22,230	\$ 82,000	\$ 88,492	\$ 86,771	\$ 108,984	\$ 132,416	\$ 12,071
Restricted	889,635	651,736	670,368	790,806	792,934	1,049,104	981,863	1,265,805	1,473,096	1,719,394
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	275,000	323,600	777,504	194,933	238,220	595,239	120,464	1,883,903	1,216,788	1,383,466
Unassigned	4,508,900	5,265,972	5,519,421	6,946,831	6,381,593	4,501,895	5,823,760	5,393,262	4,690,912	3,637,098
Total General Fund	5,673,535	6,288,885	7,014,214	7,954,800	7,494,747	6,234,730	7,012,858	8,651,954	7,513,212	6,752,029
All other government funds										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	267,030	165,975	164,930	500,439
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	95,617	328,832	609,494	670,307
Unassigned	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Total all other government funds	-	-	-	-	-	-	362,647	494,807	774,424	1,170,746
Total Governmental Funds	\$ 5,673,535	\$ 6,288,885	\$ 7,014,214	\$ 7,954,800	\$ 7,494,747	\$ 6,234,730	\$ 7,375,505	\$ 9,146,761	\$ 8,287,636	\$ 7,922,775

* 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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenues										
Ad valorem taxes	\$ 2,852,225	\$ 2,973,623	\$ 3,146,825	\$ 3,322,075	\$ 3,364,052	\$ 3,571,162	\$ 3,975,822	\$ 4,215,832	\$ 4,443,549	\$ 4,571,222
Other taxes and licenses	1,135,729	1,163,041	1,275,968	1,324,253	1,370,946	1,536,284	1,786,030	1,934,738	2,044,184	2,047,537
Unrestricted intergovernmental revenues	1,751,222	1,827,864	1,941,175	2,323,917	2,381,218	2,489,117	2,725,568	2,815,693	2,945,152	3,184,632
Restricted intergovernmental revenues	109,224	326,923	145,287	152,810	122,578	347,322	212,866	220,342	1,542,364	1,967,271
Permits and fees	26,465	27,250	24,184	19,300	19,543	19,911	21,740	14,935	20,447	283,751
Sales and services	-	-	-	-	-	-	11,519	77,824	91,167	77,985
Investment earnings	16,114	27,452	73,589	152,290	90,724	3,641	9,331	307,231	500,062	448,515
Other revenues	59,777	25,438	26,888	23,425	40,489	59,135	84,333	154,834	30,920	32,137
Total Revenue	<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>	<u>9,741,429</u>	<u>11,617,845</u>	<u>12,613,050</u>
Expenditures										
Current										
General government	793,243	807,586	865,864	828,940	897,329	896,667	1,027,768	1,236,484	1,420,943	2,703,699
Public safety	3,007,254	2,965,402	3,227,198	3,690,123	4,076,515	4,149,537	4,472,585	4,795,808	5,856,071	6,859,358
Public works	287,505	253,296	433,507	463,827	383,840	407,672	380,843	400,547	1,260,739	341,345
Environmental protection	524,619	627,195	440,629	397,878	544,056	624,382	568,132	709,107	1,023,842	715,634
Cultural and recreational	205,993	144,671	305,238	251,015	263,566	224,966	364,190	480,085	825,941	618,037
Capital outlay	117,020	549,967	746,875	687,982	1,432,670	2,714,840	832,950	386,010	785,144	1,811,322
Debt Service										
Principal retirement	417,182	421,632	426,025	356,116	283,404	284,333	48,771	49,922	51,100	52,307
Interest and fees	50,512	41,110	31,881	22,221	15,363	9,564	4,770	3,619	2,441	1,234
Total expenditures	<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>	<u>8,061,582</u>	<u>11,226,221</u>	<u>13,102,936</u>
Revenues over (under) expenditures	<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>	<u>1,679,847</u>	<u>391,624</u>	<u>(489,886)</u>
Other Financing Sources (uses)										
Sale of property	51,967	3,885	568,630	338,618	29,140	25,372	13,575	55,575	23,164	13,175
Insurance recovery	8,696	3,156	-	-	-	-	-	35,804	9,482	111,850
Transfer to enterprise funds	-	-	-	-	-	-	-	-	(1,283,395)	-
Total other financing sources (uses)	<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>	<u>91,379</u>	<u>(1,250,749)</u>	<u>125,025</u>
Net change in fund balances	<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>	<u>\$ 1,771,226</u>	<u>\$ (859,125)</u>	<u>\$ (364,861)</u>
Debt service as a percentage of non capital expenditures	16.46%	6.84%	11.90%	6.29%	4.62%	4.45%	0.78%	0.70%	0.63%	0.47%

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>
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
2023	4,215,832	14,935	3,036,035	1,934,738	307,231	232,658	9,741,429
2024	4,443,549	20,447	4,487,516	2,044,184	500,062	122,087	11,617,845
2025	4,571,222	283,751	5,151,903	2,047,537	448,515	110,122	12,613,050

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

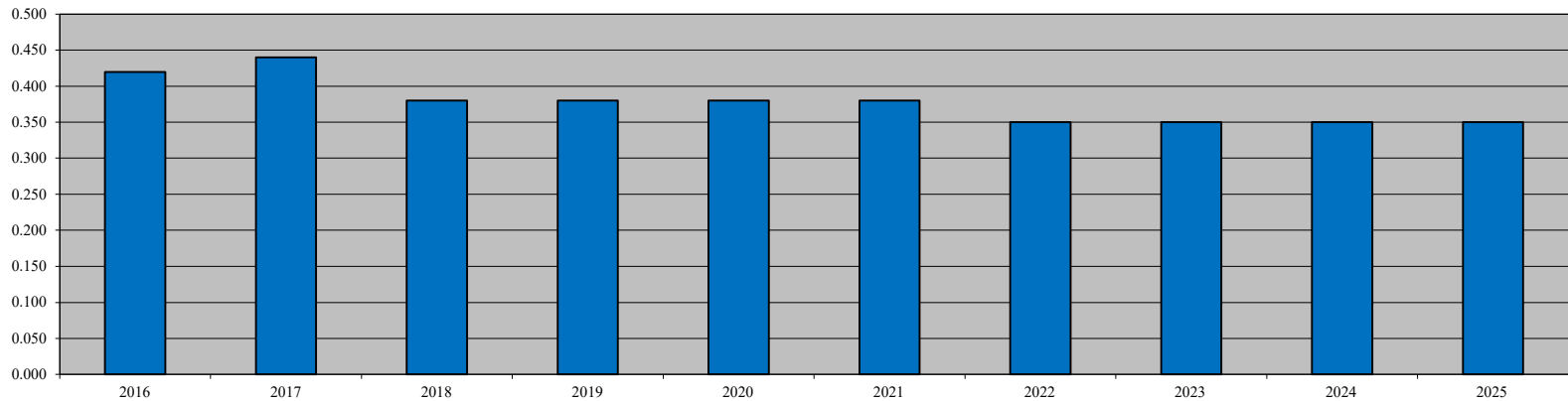
TOWN OF WEAVERVILLE, NORTH CAROLINA
Assessed Value of Taxable Property (Excluding Motor Vehicles)
Last Ten Fiscal Years
(in thousands)

<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>
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
2023	1,042,155	152,036	6,597	1,200,788	0.35	4,203
2024	1,080,772	110,824	9,502	1,201,098	0.35	4,204
2025	1,107,413	106,270	141,729	1,355,411	0.35	4,744

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

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
County of Buncombe	0.604	0.604	0.539	0.529	0.529	0.529	0.488	0.488	0.498	0.5176
City of Asheville	0.475	0.475	0.429	0.429	0.429	0.429	0.403	0.403	0.403	0.409
Town of Biltmore Forest	0.385	0.395	0.330	0.330	0.345	0.345	0.345	0.345	0.345	0.345
Town of Weaverville	0.420	0.440	0.380	0.380	0.380	0.380	0.350	0.350	0.350	0.350
Town of Black Mountain	0.375	0.375	0.333	0.333	0.333	0.333	0.306	0.306	0.321	0.321
Town of Woodfin	0.305	0.305	0.280	0.280	0.330	0.330	0.330	0.330	0.330	0.330
Town of Montreat	0.410	0.410	0.410	0.410	0.430	0.430	0.430	0.430	0.430	0.430
Asheville School District	0.150	0.150	0.120	0.120	0.120	0.120	0.106	0.106	0.106	0.106
Fire Districts (average beginning in 2015)	0.118	0.117	0.118	0.132	0.133	0.133	0.130	0.131	0.138	0.139
Maximum Combined Rate	1.229	1.229	1.088	1.078	1.078	1.078	0.997	0.997	1.007	1.033



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	2024-2025			2015-2016		
	Taxable Assessed	Rank	Percentage of Total Taxable Assessed	Taxable Assessed	Rank	Percentage of Total Taxable Assessed
	Value		Value	Value		Value
Thermo Fisher / Kendro	\$ 49,974,376	1	3.83%	\$ 15,380,577	3	2.44%
CRE Rockwell / Baldor	29,445,296	2	2.26%	16,341,809	2	2.59%
Weaverville Plaza / IRC-MAB Acquisitions	16,491,700	3	1.27%	8,550,500	7	1.35%
Walmart	13,163,200	4	1.01%	14,781,906	4	2.34%
Arvato / Sonopress / King	10,671,200	5	0.82%	28,533,372	1	4.52%
Lowe's Home Centers	9,240,900	6	0.71%	11,581,680	5	1.83%
Brian Center / SMV Weaverville LLC	9,200,407	7	0.71%	-		
Ingles	8,624,600	8	0.66%	10,377,988	6	1.64%
SCG-Weaverville LLC	4,977,400	9	0.38%	-		
Hobby Lobby	4,768,600	10	0.37%	-		
Balcrank / Linter North America Corp.				5,109,975	8	0.81%
Warrior Golf				2,062,795	10	0.33%
Monticello Commons/ Dev				2,959,000	9	0.47%
Totals	\$ 156,557,679		12.01%	\$ 115,679,602		18.32%
Total Overall Valuation	\$1,303,358,286			\$ 631,311,246		

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
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%	2,997	3,914,158	99.92%
2023	4,202,757	4,200,883	99.955%	393	4,201,276	99.96%
2024	4,432,433	4,428,589	99.913%	2,146	4,430,735	99.96%
2025	4,561,754	4,556,270	99.880%	-	4,556,270	99.88%

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				
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	
2023	4726	1,200,787	103	0.0001	22	3,407	-	721	3,510	unavailable	743	
2024	4807	1,266,409	52	0.0000	11	3,186	-	663	3,238	unavailable	674	
2025	5116	1,303,358	-	-	-	2,958	-	578	2,958	unavailable	578	

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
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%
2023	49	3	52	8,062	0.645%
2024	51	2	53	11,226	0.472%
2025	52	1	53	13,102	0.405%

(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, 2025

Direct:

Town of Weaverville

Governmental Activities Installment Obligations		\$ -
	Percent Applicable to the Town (1)	

Underlying:

Buncombe County

General Obligation Bonds	<u>\$ 16,390,000</u>	2.53%	<u>415,270</u>
--------------------------	----------------------	-------	----------------

Total direct and underlying bonded debt		<u><u>\$ 415,270</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
 Comprehensive Financial Report, Year Ended June 30, 2023

Annual

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Assessed value of property	\$668,018	\$636,340	\$784,067	\$828,128	\$861,642	\$937,185	\$1,119,213	\$1,200,787	\$1,266,409	\$ 1,303,358
Debt limit, 8% of assessed value	53,441	50,907	62,725	66,250	68,931	74,975	89,537	96,063	101,313	104,269
Total net debt applicable to limit	4,444	3,863	3,275	2,758	4,812	4,322	3,777	3,511	3,238	2,958
Legal debt margin available	48,997	47,044	59,450	63,492	64,119	70,653	85,760	92,552	98,075	101,311
Total net debt applicable to the limit as a percentage of limit	8.32%	7.59%	5.22%	4.16%	6.98%	5.76%	4.22%	3.65%	3.20%	2.84%

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)
2025	5,116	unavailable	\$ 49,464	56.1	544	3.3
2024	4,807	unavailable	41,549	53.5	516	2.7
2023	4,726	unavailable	37,666	50.5	505	2.8
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

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:	2025			2016		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Thermo Fisher	524	1	10.24%	574	1	14.98%
Walmart	300	2	5.86%	240	3	6.26%
Ingles	190	3	3.71%	275	2	7.17%
Lowes	176	4	3.44%	145	7	3.78%
Publix	170	5	3.32%	0		0.00%
Baldor	136	6	2.66%	153	5	3.99%
Buncombe County Schools	120	7	2.35%	118	8	3.08%
Conrad Industries	105	8	2.05%	102	9	2.66%
Town of Weaverville	85	9	1.66%	62	10	1.62%
Brian Center	73	10	1.43%	150	6	3.91%
Arvato / Sonopress	0			223	4	5.82%
Total	1,879		36.73%	2,042		53.27%

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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<u>Administration</u>	6	6	6	6	6	6	7	8	10	11
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	0	0	0	1	1	1	1	2	2
Account Clerk/Tax	2	2	2	2	2	2	2	2	2	2
Zoning	1	2	2	2	1	1	1	1	2	2
Recreation Coordinator	0	0	0	0	0	0	1	1	1	1
Town Clerk	0	0	0	0	0	0	0	1	1	1
Facilities Maint Tech	0	0	0	0	0	0	0	0	0	1
<u>Police</u>	15	15	15	16	17	17	17	17	20	22
Chief	1	1	1	1	1	1	1	1	1	1
Assistant Chief	0	0	0	1	1	1	1	1	0	0
Captain	0	0	0	0	0	0	0	0	2	2
Detective	2	2	2	1	1	1	1	1	2	2
Sergeant	2	2	2	2	2	2	2	4	4	4
Corporal	2	2	2	2	2	2	2	0	0	0
Officer	7	7	7	8	9	9	9	9	9	11
Records Specialist	0	0	0	0	0	0	0	0	1	1
Reception	1	1	1	1	1	1	1	1	1	1
<u>Fire</u>	18	18	21	24	24	24	24	24	24	30
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	6
Lieutenant	0	0	0	3	3	3	3	3	3	0
Engineer	0	0	3	6	6	6	6	6	6	6
Fire Fighter	9	9	9	6	6	6	6	6	6	12
<u>Public Works</u>	23	22	22	22	22	22	22	24	25	25
Director	1	1	1	1	1	1	1	1	1	1
Assist. Director	0	0	0	0	0	0	0	0	0	1
Adm. Assistant	1	0	0	0	0	0	0	0	1	1
Supervisor	2	2	2	2	2	2	2	2	2	2
Equipment II	1	1	1	1	1	1	1	3	3	6
Equipment I	3	3	3	3	3	3	3	3	3	0
Water Treat.	5	4	4	4	4	4	3	4	4	3
Meter Reader	1	1	1	1	1	1	1	1	1	1
Skilled Labor	4	6	6	6	6	6	6	6	6	8
Semi-Skilled	3	3	3	3	3	3	3	3	3	0
Water Tr. Supervisor	1	0	0	0	0	0	1	1	0	1
Water Tr. Superintendent	1	1	1	1	1	1	1	0	1	1
Total Employees	62	61	64	68	69	69	70	73	79	88

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	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Administration										
Zoning Permits	31	87	120	123	129	120	182	98	117	116
Tax Collection Rate	99%	99%	99%	99%	99%	99%	99%	99%	99%	99%
Tax Rate	0.42	0.44	0.38	0.38	0.38	0.38	0.35	0.35	0.35	0.35
Police										
Dollar Value Stolen	\$ 287,855	\$ 81,539	\$ 367,119	\$ 390,364	\$ 151,002	\$ 450,495	\$ 135,151	\$ 235,716	\$ 155,426	\$ 211,949
Dollar Value Recovered	\$ 87,725	\$ 68,010	\$ 104,668	\$ 43,902	\$ 66,337	\$ 493,026	\$ 95,528	\$ 377,669	\$ 59,573	\$ 47,420
Criminal Activities	379	302	445	578	627	400	384	160	818	307
Total Activities	68,775	67,648	79,640	56,908	57,070	52,137	20,298	7,374	6,656	6,547
Patrol Miles Driven	114,781	120,319	117,992	98,302	104,127	100,708	179,384	159,670	157,307	154,564
Fire										
Vehicle Fires	10	11	8	5	11	7	3	7	4	12
Vehicle Loss	\$ 23,672	\$ 32,800	\$ 11,300	\$ 39,395	\$ 114,800	\$ 59,700	\$ 20,500	\$ 123,410	\$ 30,500	\$ 69,449
Structure Fires	11	40	20	9	8	8	2	14	7	6
Structure Loss	\$ 271,450	\$ 160,300	\$ 517,850	\$ 1,925,400	\$ 433,660	\$ 238,200	\$ 4,000	\$ 735,000	\$ 549,000	\$ 928,175
Total Calls	1,670	1,655	1,979	1,868	1,952	1,972	1,951	2,112	2,073	2,288
Public Works										
Solid Waste/Program Cost	\$ 505,910	\$ 349,462	\$ 597,730	\$ 550,671	\$ 629,319	\$ 526,601	\$ 462,187	\$ 533,808	\$ 710,339	\$ 706,793
Cost per Household	\$ 257.46	\$ 179.86	\$ 302.34	\$274.79	\$314.03	\$256.25	\$208.76	\$225.90	\$299.72	\$287.31
Cost per Ton Recyclables	\$ 273.53	\$ 280.02	\$ 135.65	\$153.48	\$142.86	\$139.43	\$145.62	\$185.00	\$247.22	\$267.87
Recovered Tons	427.9	449.3	457.9	431.0	458.0	531.0	548.0	521.9	436.0	503.78
Street Signs Installed	12	18	15	12	10	8	12	15	30	25
Paving Repairs	28	16	18	22	19	15	24	28	25	35

continued on next page

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Water										
Water Mains										
Six inch	106,745	107,578	115,787	118,211	119,030	120,230	120,230	120,750	120,750	122,282
Eight inch	116,806	116,806	118,366	119,032	119,032	119,032	119,032	119,100	119,100	119,100
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	35,945	35,945	35,945
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	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	15	15	18	18	18	18	18	19	19	19
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)	19.13	19.29	19.36	19.44	19.44	19.87	19.87	19.87	19.87	19.87
Streetlights	301	301	304	306	308	310	310	316	316	316
Traffic signals	12	12	12	12	12	12	12	12	12	12
Water										
Transmission lines (miles)	56.1	56.1	57.97	58.0	58.5	58.7	61.9	68	68.2	68.2
Fire hydrants	410	410	422	433	439	442	442	471	472	476
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***

To the Honorable Mayor
and Members of the Town Council
Town of Weaverville
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 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, and each major fund of the Town of Weaverville, North Carolina, as of and for the year ended June 30, 2025, which collectively comprise the Town of Weaverville's basic financial statements, and have issued our report thereon dated December 31, 2025.

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 are 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 of Weaverville'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting 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 to be 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 that are required to be reported under *Government Auditing Standards*.

Purpose of the Report

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

Donald Killian CPA Group, P.A.

Asheville, North Carolina
December 31, 2025



Report On Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; In accordance with OMB Uniform Guidance; and the State Single Audit Implementation Act

Independent Auditors' Report

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Weaverville, North Carolina's compliance with the types of compliance requirements described in the *OMB Compliance Supplement and Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Town of Weaverville's major federal programs for the year ended June 30, 2025. The Town of Weaverville's major federal program are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town of Weaverville complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance 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 relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provides a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town of Weaverville's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Town of Weaverville's federal program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Town of Weaverville's compliance based on our audit. 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 GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Town of Weaverville's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 Town of Weaverville's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Town of Weaverville's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town of Weaverville's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies or material weaknesses in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Donald Killian CPA Group, P.A.

Asheville, North Carolina
December 31, 2025

TOWN OF WEAVERVILLE, NORTH CAROLINA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

II. Financial Statement Findings

None reported.

III. Federal Award Findings and Questioned Costs

None reported.

TOWN OF WEAVERVILLE, NORTH CAROLINA

Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2025

No findings reported for the fiscal year ending June 30, 2024.

TOWN OF WEAVERVILLE, NORTH CAROLINA

Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2025

	Federal Assistance Listing	State/Pass-Through Grantor's Number	Federal Expenditures	State Expenditures
Federal Grants:				
<u>U.S. Department of Homeland Security</u>				
Passed through the N.C. Department of Public Safety				
Emergency Management Performance Grant - Hurricane Helene	97.036		\$ 1,875,313	\$ 65,630
Total Federal awards			1,875,313	65,630
State Awards				
<u>N. C. Department of Transportation:</u>				
Powell Bill		DOT-4; 32570	-	107,764
Total State awards			-	173,394
Total Federal and State awards			\$ 1,875,313	\$ 173,394

Notes to the Schedule of Expenditures of Federal and State Financial Awards:

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal and State Awards (SEFSA) includes the federal and State grant activity of the Town of Weaverville under the programs of the federal government and the State of North Carolina for the year ended June 30, 2025. The information in this SEFSA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of the Town of Weaverville, it is not intended to and does not present the financial position, changes in net position or cash flows of the Town of Weaverville.

2. Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Town of Weaverville has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.