

# Annual Comprehensive Financial Report Fiscal Year Ending June 30, 2023



**Town of Weaverville, North Carolina**  
**Annual Comprehensive Financial Report**  
**Fiscal Year Ended June 30, 2023**

**Town Council**  
**(As of June 30, 2023)**

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

Town Manager  
Selena D. Coffey

Finance Officer  
Tonya Dozier

Prepared By: Finance Department

**Annual Comprehensive Financial Report**  
**Fiscal Year Ended June 30, 2023**  
**Town of Weaverville, North Carolina**

***Table of Contents*** ***Exhibit*** ***Page***

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**Introductory Section**

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GFOA Certificate of Achievement in Financial Reporting	1	
Letter of Transmittal	2	
Organizational Charts	8	
List of Principal Officials	13	

**Financial Section**

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Independent Auditors' Report		14
Management's Discussion and Analysis		17

**Basic Financial Statements**

Government-wide Financial Statements:

Statement of Net Position	1	26
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
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**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, 2023***  
**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 – Fire Department Fund	76
Schedule of Revenues and Expenditures and Changes in Fund Balance – Budget and Actual – General Capital Project Fund	77
Schedule of Revenues and Expenditures and Changes in Fund Balance – Budget and Actual – American Rescue Plan Fund	78
Schedule of Revenues and Expenditures and Changes in Fund Balance – Budget and Actual – General Capital Reserve 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**

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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	99
Legal Debt Margin Information	100

**Annual Comprehensive Financial Report**  
***Fiscal Year Ended June 30, 2023***  
**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**

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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
Schedule of Findings and Responses	109

## **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, 2022

*Christopher P. Morill*

Executive Director/CEO

**Patrick Fitzsimmons**  
*Mayor*

**Jeff McKenna**  
*Vice Mayor*

**Doug Jackson**  
*Councilman*

**Selena D. Coffey**  
*Town Manager*

THE TOWN OF  
**WEAVERVILLE**  
NORTH CAROLINA

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

**Andrew Nagle**  
*Councilman*

**John Chase**  
*Councilman*

**Michele Wood**  
*Councilwoman*

**Catherine Cordell**  
*Councilwoman*

## ***Letter of Transmittal***

November 8, 2023

### **Honorable Mayor Fitzsimmons, Members of Town Council, and Citizens of the Town of Weaverville:**

The Local Government Commission of the North Carolina State Treasurer's Office requires all general purpose local governments to file with their office by November 30 of each year a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report of the Town of Weaverville, North Carolina for the fiscal year ending June 30, 2023.

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, 2023 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, 2023 concluded that there was reasonable basis for rendering an unmodified opinion of the Town of Weaverville's financial statements and that they are fairly presented in conformity with GAAP.

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



## Town Profile

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

Weaverville prides itself in providing its current population of approximately 5,500 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:

<b>1980</b>	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>2023 Certified <sup>1</sup></b>
<b>1,495</b>	<b>2,107</b>	<b>2,968</b>	<b>3,120</b>	<b>4,726</b>

Town staff has estimated the population of the Town to be approximately 5,500 as of June 2023.

Population growth remains a consistent and stable contributor to the local economy. Based on the aforementioned population calculations, the Town's population has increased by 51% since the 2010 census. The Town continues to grow with approximately 500 residential units either approved or in some phase of the development review process at fiscal year-end June 30, 2023. This has the potential to increase the Town's population by another 1,100 residents or 20%.

The Town currently has enough water supply as the Lawrence T. Sprinkle Jr. Water Treatment Facility is operating at approximately 74% capacity (including actual usage and commitments) and can support the minor additional growth in the residential sector that is routinely occurring. However, a larger than normal number of annexation requests have been received by the Town and plans are also in the works to keep up with future needs. To address those future needs the Town is undertaking capital projects to address the resiliency of the Water Treatment Plant and to expand the capacity of the Plant.

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.

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<sup>1</sup> U.S. Census Bureau and N.C. Office of State Budget & Management

## **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. Recognizing that the Town's leadership should expand to match the growth and diversity of the Town, Town Council adopted a charter amendment that resulted in the addition of a sixth councilmember and voting rights of the mayor after the municipal election in November of 2021. The Town Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the Town Manager and Town Attorney. The Town Manager operates as the chief executive officer and is responsible for carrying out the policies and ordinances of the Town Council and for overseeing the day-to-day operations of the government.

## **Vision for the Town of Weaverville, North Carolina**

The Weaverville Town Council established the following "Vision for the Town" in their last strategic planning process:

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

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

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

## **Strategic Long-Term Planning Goals**

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

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

## Services Provided By the Town of Weaverville

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

### **Administration:**

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

### **Police:**

Administration	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

### **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 2022-2023 Budget was adopted to include the General Fund, Fire Special Revenue Fund, and Enterprise Fund. Multi-year project ordinances are adopted for all Capital Projects funds. For internal accounting purposes, budgetary control is maintained by line item account (object class).

## **Factors Affecting Weaverville's Financial Condition**

Population growth and growth in the residential and commercial sectors remain positive contributors to the local economy, and the need for Town services continues to grow as a result. As of fiscal year end, Buncombe County's unemployment rate continues to be less than the state's average.

Recent annexation requests include a large residential development of 568 dwelling units, two townhouse projects which are anticipated to include up to 229 units, and an existing single-family subdivision of 134 lots. There are three apartment complexes that have been completed within the last few years and are now operating at full capacity. Three more have been permitted and are in varying states of progress. A townhome project consisting of 139 units has recently been permitted as well. 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.

Although the majority of the Town's recent development growth has been in the residential sector, commercial development has continued to grow. Highway 55, a fast-food restaurant, is nearing completion and is expected to open to customers this month in the Northridge Commons Shopping Center. Taco Bell is looking to occupy a previously vacant fast-food space in that same shopping center. There is a limited amount of additional commercial space in this center and the Town is excited to see what may develop there in the future. In addition, a new free-standing Starbucks is under construction 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, 2022. This was the 27<sup>th</sup> year that the Town has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

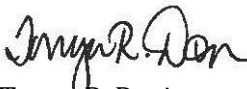
## Conclusion

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

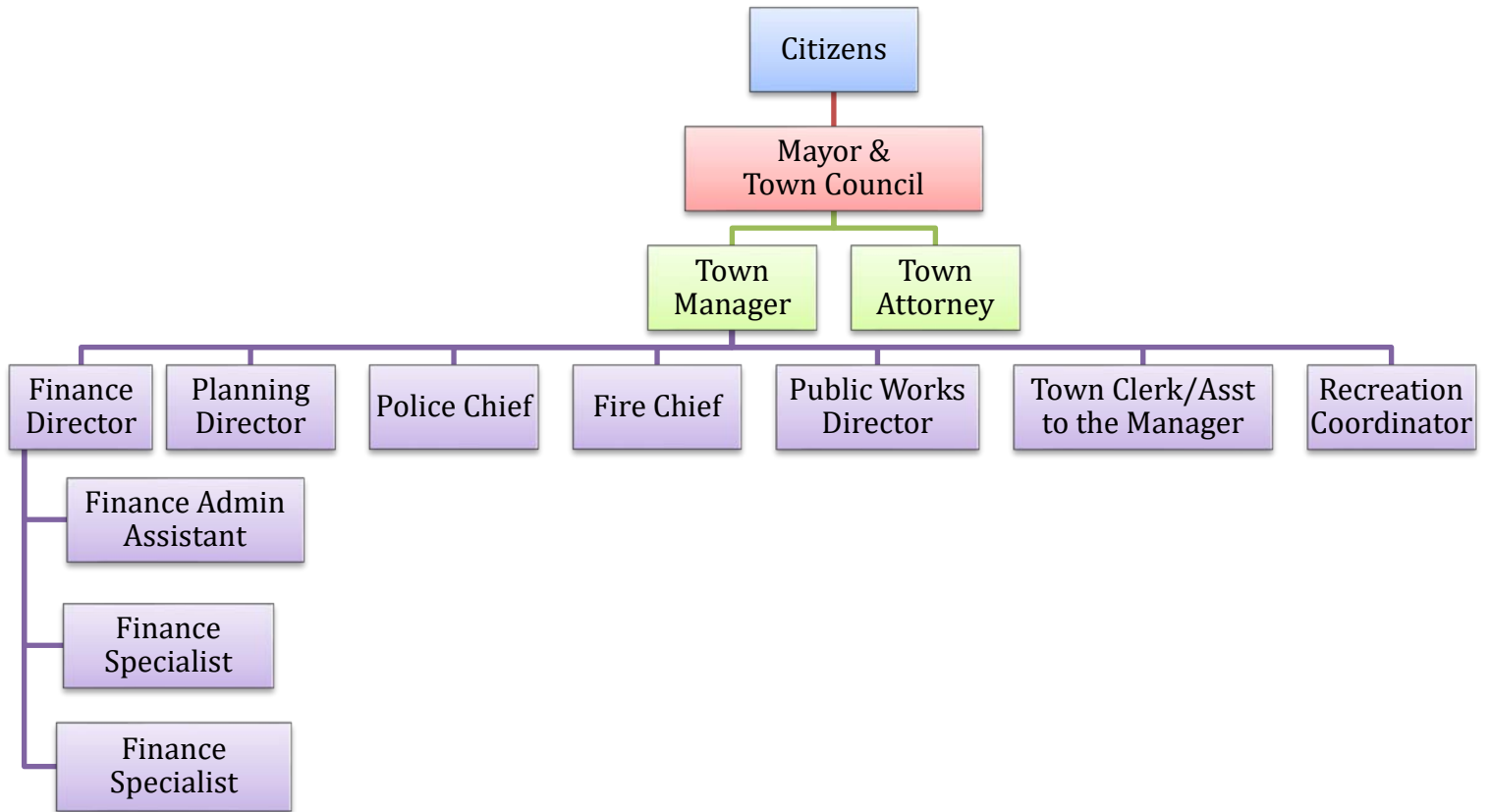
I would like to express appreciation to Finance Director Tonya Dozier for all of her work in compiling the information within this report and her work in monitoring and improving the Town's financial policies and procedures. We would also like to thank all of the Town's staff who assisted in the preparation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

Respectfully submitted,

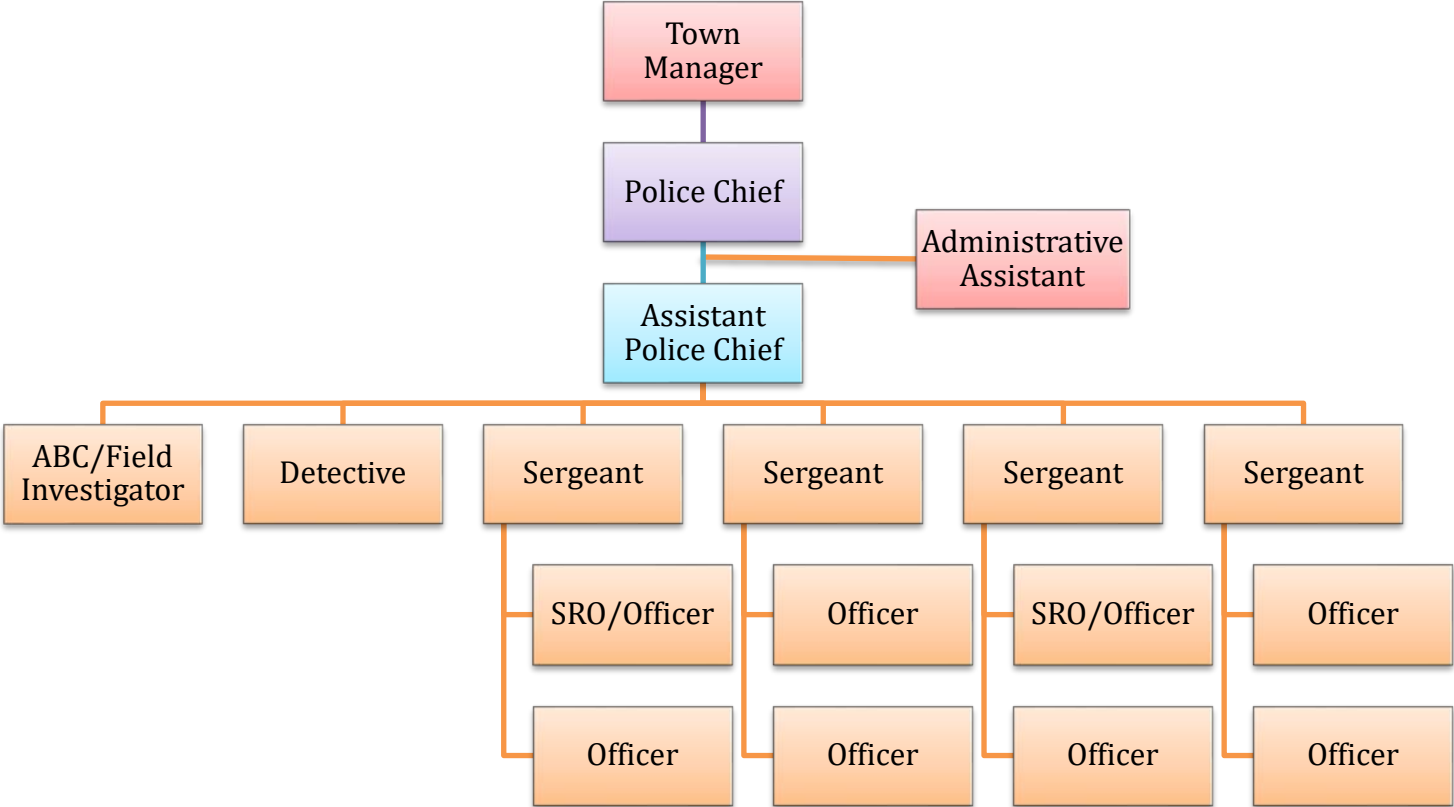
  
Selena D. Coffey  
Town Manager

  
Tonya R. Dozier  
Finance Officer

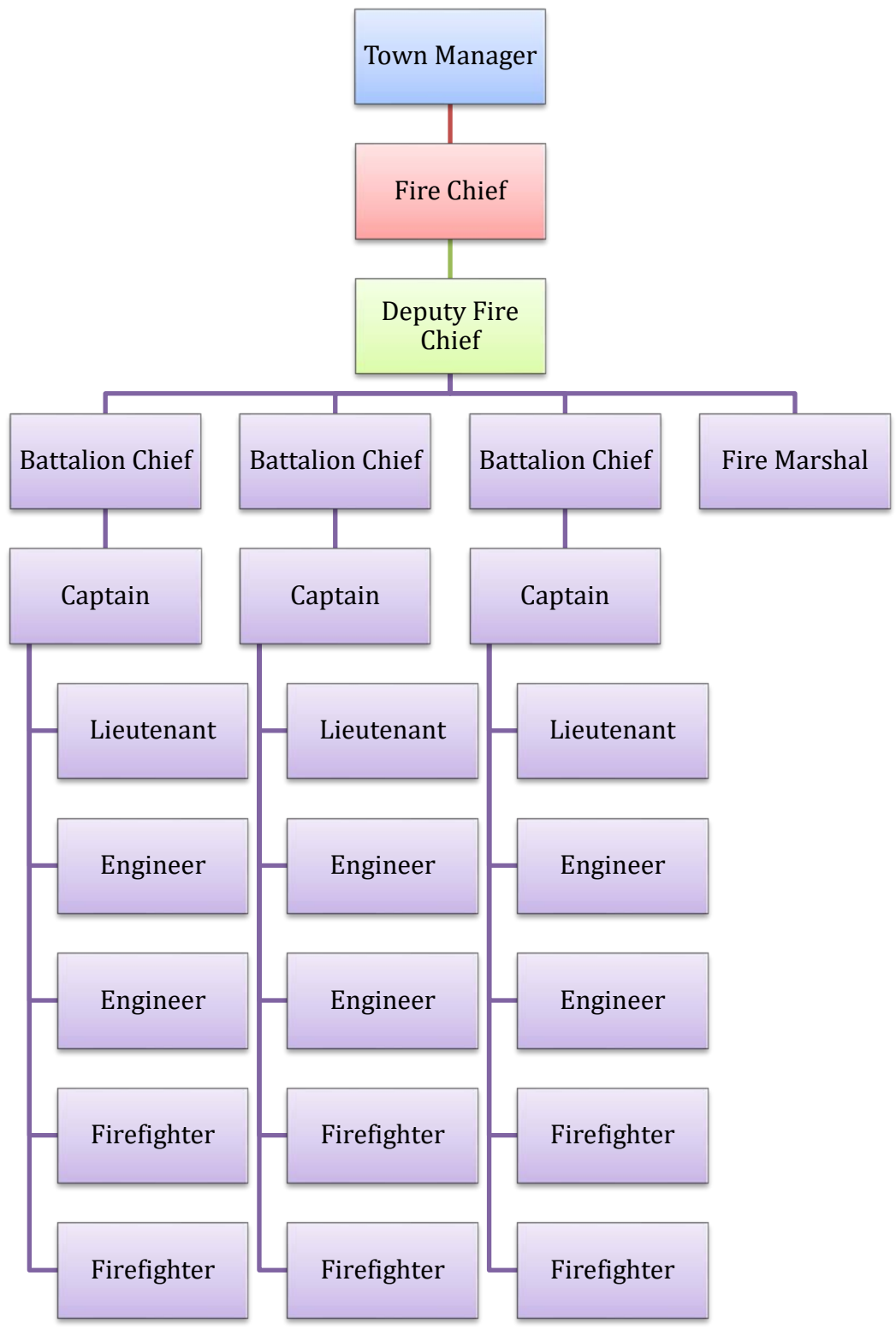
Administration  
Organizational Chart



Police Department  
Organizational Chart

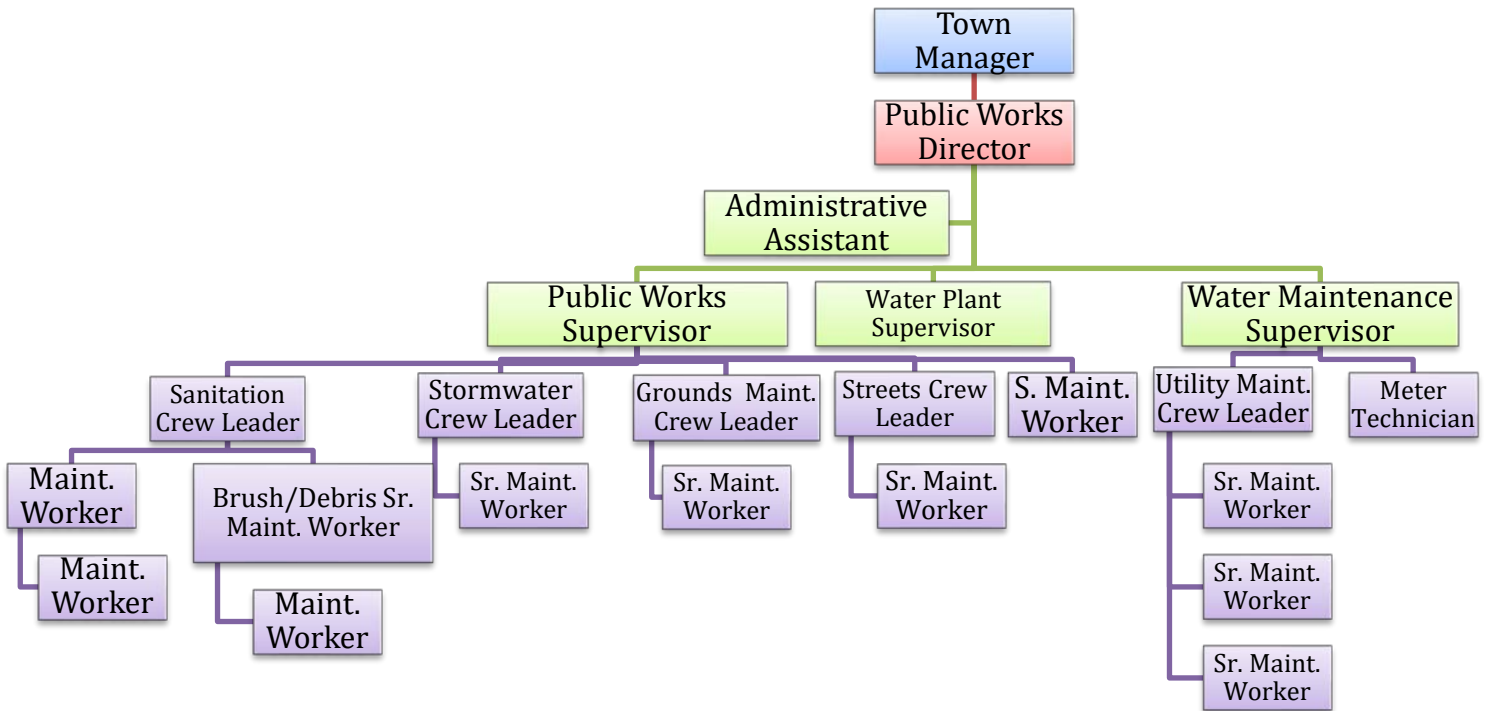


Fire Department  
Organizational Chart



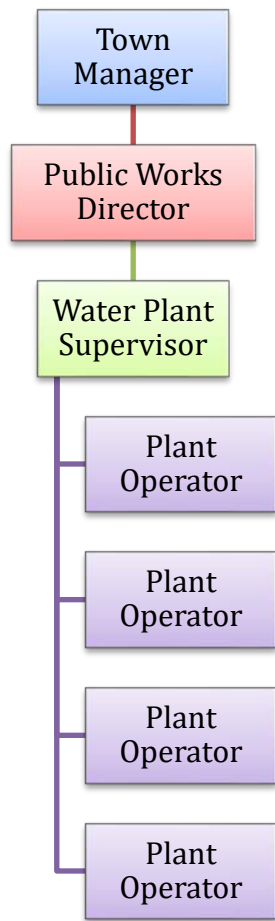


Public Works Department  
Organizational Chart



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

Water Treatment Plant  
Organizational Chart



## **PRINCIPAL OFFICIALS**

### **TOWN COUNCIL**

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

### **TOWN MANAGER**

Selena D. Coffey

### **TOWN ATTORNEY**

Jennifer O. Jackson

### **FINANCE OFFICER**

Tonya R. Dozier

### **POLICE DEPARTMENT CHIEF**

Ron Davis

### **PUBLIC WORKS DIRECTOR**

Dale Pennell

### **FIRE DEPARTMENT CHIEF**

Scottie Harris

### **PLANNING DIRECTOR**

James Eller

### **TOWN CLERK/ASSISTANT TO THE MANAGER**

Tamara Mercer

### **RECREATION COORDINATOR**

Shelby Stovall

## **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, 2023, 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, 2023, 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.

We did not audit the financial statements of the Town of Weaverville ABC Board, a discretely presented component unit. Those statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Town of Weaverville ABC Board, is based solely on the report of another auditor.

### ***Basis for Opinions***

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

### ***Responsibilities of Management for the Financial Statements***

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

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 17-25, the Law Enforcement Officers' Special Separation Allowance Schedules of Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll on page 69, the Local Governmental Employees' Retirement System's schedules of the Town's Proportionate Share of the Net Pension Liability (Asset) and Contributions on pages 70 and 71, respectively, and the Other Postemployment Benefits Schedule of Changes in the Total OPEB Liability and Related Ratios on page 72 be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries,

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

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The individual fund financial statements, budgetary schedules, and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit and the report of the other auditors, the individual fund financial statements, budgetary schedules, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

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

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2023 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  
November 8, 2023

# 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, 2023. 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

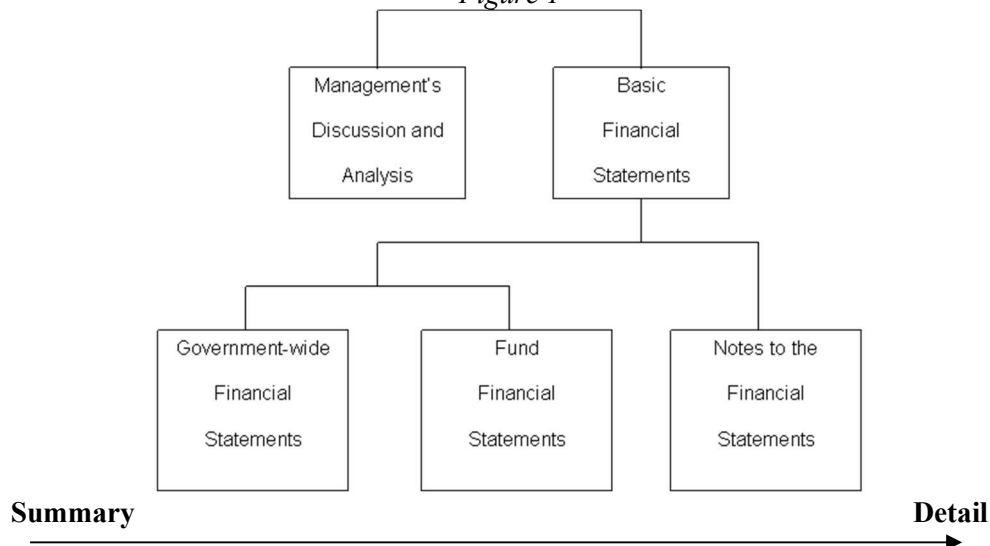
- The assets and deferred outflows of the Town of Weaverville exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$30,563,706 (*net position*).
- The government’s total net position increased by \$1,743,660, which was primarily the result of increased revenues 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 \$8,651,954, with a net increase of \$1,639,096 in fund balance. Approximately 15% of this total amount, or \$1,265,805, is restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$5,393,262, or 85% of total general fund expenditures and transfers for the fiscal year.

## Overview of the Financial Statements

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

### Required Components of Annual Financial Report

Figure 1





## Basic Financial Statements

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

The next statements (Exhibits 3 through 9) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the Governmental Funds Statements; 2) the Budgetary Comparison Statement; and 3) the Proprietary Fund Statements.

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

## Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Town's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Town's financial status as a whole. The two government-wide statements report the Town's net position and how it has changed. Net position is the difference between the Town's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the Town's financial condition.

The government-wide statements are divided into three categories: 1) Governmental activities; 2) Business-type activities; and 3) Component units. The governmental activities include most of the Town's basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the Town charges customers to provide. These include the water and sewer services offered by the Town of Weaverville. The final category is the component unit. Although legally separate from the Town, the ABC Board is important to the Town. The Town exercises control over the Board by appointing its members and the Board is required to distribute its profits to the Town.

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

## Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Weaverville, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of the Town of Weaverville can be divided into two categories: governmental funds and proprietary funds.

**Governmental Funds** – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Town's programs. The relationship between government activities (reported in the Statement of Net Position and the

Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The Town of Weaverville adopts an annual budget for its General Fund and Fire Department Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the Board; 2) the final budget as amended by the Board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

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

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

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

**Interdependence with Other Entities** – The Town depends on financial resources flowing from, or associated with, both the Federal Government and the State of North Carolina. Because of this dependency, the Town is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations.

## Government-Wide Financial Analysis

### The Town of Weaverville's Net Position

Figure 2

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2023	2022	2023	2022	2023	2022	
Current and other assets	\$ 10,836,898	\$ 8,748,183	\$ 5,668,544	\$ 5,277,120	\$ 16,505,442	\$ 14,025,303	18%
Capital assets	13,081,734	13,147,251	9,900,222	9,967,958	22,981,956	23,115,209	-1%
Total assets	<u>23,918,632</u>	<u>21,895,434</u>	<u>15,568,766</u>	<u>15,245,078</u>	<u>39,487,398</u>	<u>37,140,512</u>	6%
Deferred outflows of resources	2,643,185	1,949,809	484,984	335,966	3,128,169	2,285,775	
Long-term liabilities	5,331,688	3,315,128	4,103,930	3,868,777	9,435,618	7,183,905	31%
Other liabilities	1,690,850	1,348,383	321,684	361,130	2,012,534	1,709,513	18%
Total liabilities	<u>7,022,538</u>	<u>4,663,511</u>	<u>4,425,614</u>	<u>4,229,907</u>	<u>11,448,152</u>	<u>8,893,418</u>	29%
Deferred inflows of resources	552,885	1,460,762	50,824	252,061	603,709	1,712,823	-65%
Net position:							
Net investment in capital assets	12,978,327	12,993,922	6,493,113	6,343,849	19,471,440	19,337,771	1%
Restricted	1,431,780	1,248,893	-	-	1,431,780	1,248,893	15%
Unrestricted	4,576,287	3,478,155	5,084,199	4,755,227	9,660,486	8,233,382	17%
Total net position	<u>\$ 18,986,394</u>	<u>\$ 17,720,970</u>	<u>\$ 11,577,312</u>	<u>\$ 11,099,076</u>	<u>\$ 30,563,706</u>	<u>\$ 28,820,046</u>	6%

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 \$30,563,706 as of June 30, 2023. The Town's net position increased by \$1,743,660 for the fiscal year ended June 30, 2023. The largest component of net position (63.7%) 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 (4.7%), \$1,431,780, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$9,660,486 (31.6%) 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 99.96% plus approximately \$4,190 in prior year taxes collected.
- Sales of assets resulted in proceeds of \$55,575.
- Sales Tax distributions to the Town were approximately 8% higher than budgeted, or \$136,000.
- Higher than expected interest rates led to interest income of approximately \$218,000 over budget.

**Town of Weaverville's Changes in Net Position**

*Figure 3*

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Revenues:</b>						
<i>Program revenues:</i>						
Charges for services	\$ 92,759	\$ 33,259	\$ 2,734,606	\$ 2,856,517	\$ 2,827,365	\$ 2,889,776
Operating grants and contributions	85,860	77,007	-	-	85,860	77,007
Capital grants and contributions	134,558	136,507	-	-	134,558	136,507
<i>General revenues:</i>						
Property taxes	4,205,537	3,979,654	-	-	4,205,537	3,979,654
Local option sales tax	1,934,738	1,786,030	-	-	1,934,738	1,786,030
Grants and contributions not restricted to specific programs	2,833,547	2,770,850	-	-	2,833,547	2,770,850
Unrestricted investment earnings	307,231	9,331	120,950	3,791	428,181	13,122
Miscellaneous	136,904	38,403	-	-	136,904	38,403
Gain on sale of property	81,779	13,575	-	-	81,779	13,575
<i>Total revenues</i>	<u>9,812,913</u>	<u>8,844,616</u>	<u>2,855,556</u>	<u>2,860,308</u>	<u>12,668,469</u>	<u>11,704,924</u>
<b>Expenses:</b>						
General government	1,298,548	1,057,776	-	-	1,298,548	1,057,776
Public safety	5,285,987	4,806,049	-	-	5,285,987	4,806,049
Transportation	594,434	503,847	-	-	594,434	503,847
Environmental protection	805,068	607,045	-	-	805,068	607,045
Culture and recreation	560,808	435,927	-	-	560,808	435,927
Water fund	-	-	2,377,320	2,184,888	2,377,320	2,184,888
Interest on long-term debt	2,644	3,817	-	-	2,644	3,817
<i>Total expenses</i>	<u>8,547,489</u>	<u>7,414,461</u>	<u>2,377,320</u>	<u>2,184,888</u>	<u>10,924,809</u>	<u>9,599,349</u>
Increase in net position	1,265,424	1,430,155	478,236	675,420	1,743,660	2,105,575
Net position, beginning	17,720,970	16,290,815	11,099,076	10,423,656	28,820,046	26,714,471
Net position, end of year	<u>\$ 18,986,394</u>	<u>\$ 17,720,970</u>	<u>\$ 11,577,312</u>	<u>\$ 11,099,076</u>	<u>\$ 30,563,706</u>	<u>\$ 28,820,046</u>

**Governmental activities.** Governmental activities increased the Town's net position by \$1,265,424, thereby accounting for approximately 70% of the growth in the net position of the Town of Weaverville. Town management continued to keep non-essential programs to a minimum and implemented cost saving strategies across Town departments. Management believes healthy investment in the Town will result in additional revenues, and in that vein added to the Town's net position by investing in capital assets 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 2023 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 \$478,236. Water rates increased by 3% from the previous fiscal year, in order to continue planning for the future expansion of the Town's water system. System Development Fees continue to be a significant revenue source from new construction in both the residential and commercial sectors.

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

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

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

The General Fund is the chief operating fund of the Town of Weaverville. At the end of the current fiscal year, the Town of Weaverville's fund balance available for appropriation in the General Fund was \$7,652,948 while total fund balance reached \$8,651,954. The Governing Body of the Town of Weaverville has determined that the Town should maintain an available fund balance of a minimum 40% of General Fund revenues in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the Town. The Town currently has an available fund balance of 97% of General Fund revenues, while total fund balance represents 110% 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, sales tax, and utility tax collections, as well as increased ABC Store distributions and interest income earned on investments. 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 \$5,084,199. The total change in net position for the Water Fund was an increase of \$478,236. The change in net position in the Water Fund is primarily a result of the Town's growing customer base, higher water rates, increased System Development Fees on new construction, and the completed replacement of all manual-read water meters with automated water meters.

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

**Capital assets.** The Town of Weaverville's investment in capital assets for its governmental and business-type activities as of June 30, 2023, totals \$22,981,956 (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:

- Three new Hybrid SUV's and one electric vehicle for the Police Department at a cost of \$214,352 total.
- One new truck for the Fire Department at a cost of \$105,893, as well as radios and rescue equipment totaling \$74,484.
- New playground place pad at Lake Louise at a cost of \$22,380.
- Roof replacement at Town Hall at a cost of \$48,350, as well as one HVAC replacement totaling \$19,880.
- Equipment upgrades at the Water Treatment Plant totaling \$45,620.

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

*Figure 4*

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land and construction in progress	\$ 1,044,981	\$ 1,032,109	\$ 861,961	\$ 500,995	\$ 1,906,942	\$ 1,533,104
Buildings	7,255,296	7,403,696	-	-	7,255,296	7,403,696
Land improvements	288,198	295,105	-	-	288,198	295,105
Furniture, equipment and vehicles	1,520,644	1,366,727	413,513	552,192	1,934,157	1,918,919
Infrastructure	2,972,615	3,049,614	8,624,748	8,914,771	11,597,363	11,964,385
Total capital assets	<u>\$ 13,081,734</u>	<u>\$ 13,147,251</u>	<u>\$ 9,900,222</u>	<u>\$ 9,967,958</u>	<u>\$ 22,981,956</u>	<u>\$ 23,115,209</u>

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

**Long-term Debt.** As of June 30, 2023, the Town of Weaverville had total debt in the form of installment purchase contracts, water revenue bonds, and general obligation bonds outstanding of \$3,510,516.

**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	
	2023	2022	2023	2022	2023	2022
General obligation bonds, net	\$ -	\$ -	\$ 1,310,000	\$ 1,486,000	\$ 1,310,000	\$ 1,486,000
Installment purchases payable	103,407	153,329	-	-	103,407	153,329
Water revenue bond	-	-	2,097,109	2,138,109	2,097,109	2,138,109
	<u>\$ 103,407</u>	<u>\$ 153,329</u>	<u>\$ 3,407,109</u>	<u>\$ 3,624,109</u>	<u>\$ 3,510,516</u>	<u>\$ 3,777,438</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 \$93,000,000.

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 2023, and we expect that this will continue during FY 2024. The fast food restaurant Highway 55 will be opening soon near the Hobby Lobby and Marshall's stores built last year. In addition, a new free-standing Starbucks is under construction 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.
- The Town's fund balance continues to remain strong, even after paying cash to construct a new Community Center at Lake Louise. The FY 2024 budget includes \$1.8 million in appropriated fund balance to purchase several capital assets across departments. Maintaining a substantial fund balance helps the Town avoid any drastic cuts to services and/or massive rate increases.

## **Budget Highlights for the Fiscal Year Ending June 30, 2024**

**Governmental Activities:** The Town Council has adopted a budget for fiscal year 2023-2024 that sets the tax rate at \$0.35 per \$100 of valuation, which is the same rate from fiscal year 2022-2023. The adopted budget allocates funding for three new police officers beginning January 2024, which are needed to address our growing community and increased service calls. The adopted budget also includes funding for a Police Records/Evidence Specialist to tackle the accumulation of evidence that has mounted over the years, and to help with administrative functions within the department. Additionally, the adopted budget includes funding for a new part-time position at the community center to help with the ever-growing use/rental of space there, as well as the upcoming recreational complex that is underway.

Capital expenditures in the budget include \$182,000 for the replacement of three Police patrol vehicles with one hybrid sport utility vehicle and two electric vehicles, as well as \$40,175 to replace the Planning vehicle with a hybrid vehicle, all in accordance with the Town's vehicle replacement guidelines. Other capital expenditures in the budget include \$334,000 for a new side-loader garbage truck to accommodate the new trash bins now required by all customers, and \$297,000 for a street sweeper to help with stormwater management as guided by the Town's draft Stormwater Management Plan.

Funding of \$470,000 is also included to continue the Town's street paving program, with \$120,000 of this amount offset by Powell Bill funds. The budget also includes \$199,000 for new playground equipment at Lake Louise to replace the aging playground that was becoming a safety issue. For future equipment needs at the Fire Department, \$300,000 was budgeted as a down payment for replacement of Engine 8, and \$179,975 was budgeted for a modular barrier system that will be used for road closures, parades, etc. as a means of providing protection to citizens as well as Town employees during events.

The Town continues to address Americans with Disabilities Act (ADA) improvements in the adopted budget as guided by the approved ADA Transition Plan, with funds budgeted for sidewalk repairs, streetscaping, and various ADA projects. Town Council also approved employee merit pay increases of up to 6%. 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. This review includes an analysis of user charges to determine their adequacy in funding normal operations, capital improvement, and debt service payments, including payments on the USDA revenue bonds which were issued for a waterline extension project that was completed during fiscal year 2020-2021. The FY 2024 budget includes funding for an official water rate study to be conducted by an outside engineering firm, to assess the Town's water rates as well as examine alternative rate structures for future budget years.

In an effort to prevent any major water system failures in the future, the Town is implementing a waterline repair and replacement program to look at needed replacements and/or improvements on an annual basis. For fiscal year 2023-2024, capital expenditures in the budget include \$400,000 for major waterline upgrades in order to address areas of existing and potential water related problems.

Water revenues from all sources during fiscal year 2023-2024 are budgeted at \$2,877,334, slightly higher than the actual amount of \$2,868,340 from the previous fiscal year. The budget for fiscal year 2023-2024 includes a water rate increase of 4% to help cover the cost of needed capital improvements at the water treatment plant, including two new generators, and to prepare for the anticipated expansion of the Town's water system. Continued growth in the Town's customer base has helped to meet the budgetary needs of the Water Department, without excessive rate increases. Water System Development fees have also proven to be a reliable and significant source of revenue for the Water Fund and are used to make debt service payments and fund the Capital Reserve Fund which was established for water related capital projects.

### **Requests for Information**

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to Tonya Dozier, Finance Officer, Town of Weaverville, PO Box 338, Weaverville, NC 28787. You can also call (828) 645-7116, visit our website [www.weaverville.org](http://www.weaverville.org) or send an email to [tdozier@weaverville.org](mailto:tdozier@weaverville.org) for more information.



## TOWN OF WEAVERVILLE, NORTH CAROLINA

Exhibit 1

## STATEMENT OF NET POSITION

June 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Town of Weaverville ABC Board
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 7,779,472	\$ 5,169,910	\$ 12,949,382	\$ 702,975
Taxes receivable, net	13,077	-	13,077	-
Accounts receivable, net	-	473,994	473,994	-
Lease receivable	162,076	-	162,076	-
Due from other governments	1,055,997	-	1,055,997	-
Inventories	-	-	-	253,517
Prepaid items	104,238	-	104,238	34,902
Restricted cash and equivalents	1,722,038	24,640	1,746,678	-
Total current assets	10,836,898	5,668,544	16,505,442	991,394
Non-current assets:				
Capital assets:				
Land and construction in progress	1,044,981	861,961	1,906,942	-
Other capital assets, net	12,036,753	9,038,261	21,075,014	706,920
Total capital assets	13,081,734	9,900,222	22,981,956	706,920
Total assets	23,918,632	15,568,766	39,487,398	1,698,314
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension deferrals	2,108,708	373,075	2,481,783	130,843
OPEB deferrals	534,477	111,909	646,386	-
Total deferred outflows of resources	2,643,185	484,984	3,128,169	130,843
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	173,475	47,798	221,273	477,332
Payable from restricted cash:				
Deposits	62,860	24,640	87,500	-
Unearned revenues	1,283,395	-	1,283,395	-
Accrued interest payable	2,020	6,246	8,266	6,553
Current portion of long-term liabilities	169,100	243,000	412,100	97,647
Total current liabilities	1,690,850	321,684	2,012,534	581,532
Long-term liabilities:				
Net pension liability (LGRS)	2,918,492	584,271	3,502,763	185,603
Total pension liability (LEOSSA)	742,187	-	742,187	-
Total OPEB liability	1,430,571	300,490	1,731,061	-
Due in more than one year	240,438	3,219,169	3,459,607	583,407
Total long-term liabilities	5,331,688	4,103,930	9,435,618	769,010
Total liabilities	7,022,538	4,425,614	11,448,152	1,350,542
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Leases	157,330	-	157,330	-
Pension deferrals	221,619	14,290	235,909	920
OPEB deferrals	173,936	36,534	210,470	-
Total deferred inflows of resources	552,885	50,824	603,709	920
<b>NET POSITION</b>				
Net investment in capital assets	12,978,327	6,493,113	19,471,440	42,776
Restricted for:				
Stabilization by State statute	1,055,997	-	1,055,997	-
Streets	375,368	-	375,368	-
Public safety	415	-	415	-
Working capital	-	-	-	145,549
Unrestricted	4,576,287	5,084,199	9,660,486	289,370
Total net position	\$ 18,986,394	\$ 11,577,312	\$ 30,563,706	\$ 477,695

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, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-type Activities	Total	Town of Weaverville ABC Board
<b>Primary government:</b>								
Governmental Activities:								
General government	\$ 1,298,548	\$ 21,155	\$ -	\$ -	\$ (1,277,393)	\$ -	\$ (1,277,393)	\$ -
Public safety	5,285,987	12,290	85,860	-	(5,187,837)	-	(5,187,837)	-
Transportation	594,434	-	-	134,558	(459,876)	-	(459,876)	-
Environmental protection	805,068	-	-	-	(805,068)	-	(805,068)	-
Cultural and recreation	560,808	59,314	-	-	(501,494)	-	(501,494)	-
Interest on long-term debt	2,644	-	-	-	(2,644)	-	(2,644)	-
Total governmental activities	8,547,489	92,759	85,860	134,558	(8,234,312)	-	(8,234,312)	-
Business-type activities:								
Water fund	2,377,320	2,734,606	-	-	-	357,286	357,286	-
Total primary government	\$ 10,924,809	\$ 2,827,365	\$ 85,860	\$ 134,558	(8,234,312)	357,286	(7,877,026)	-
Component unit:								
Town of Weaverville ABC Board	\$ 3,790,387	\$ 3,783,023	\$ -	\$ -	-	-	-	(7,364)
Total component unit	\$ 3,790,387	\$ 3,783,023	\$ -	\$ -	-	-	-	(7,364)
General revenues:								
Taxes:								
Property taxes, levied for general purpose					4,205,537	-	4,205,537	-
Local option sales tax					1,934,738	-	1,934,738	-
Grants and contributions not restricted to specific programs					2,833,547	-	2,833,547	-
Gain on sale of assets					45,975	-	45,975	-
Gain on insurance recovery					35,804	-	35,804	-
Unrestricted investment earnings					307,231	120,950	428,181	1,250
Miscellaneous					136,904	-	136,904	-
Total general revenues					9,499,736	120,950	9,620,686	1,250
Change in net position					1,265,424	478,236	1,743,660	(6,114)
Net position, beginning of year					17,720,970	11,099,076	28,820,046	483,809
Net position, end of year					\$ 18,986,394	\$ 11,577,312	\$ 30,563,706	\$ 477,695

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

TOWN OF WEAVERVILLE, NORTH CAROLINA

Exhibit 3

BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2023

	Major Fund	Major Fund	Major Fund	Non-Major Fund	Total
	General Fund	Fire Department Fund	American Rescue Plan Fund	General Capital Project Fund	Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 7,393,724	\$ 381,134	\$ -	\$ 4,614	\$ 7,779,472
Restricted cash and cash equivalents	438,643	-	1,283,395	-	1,722,038
Taxes receivable, net	10,677	-	-	-	10,677
Due from other governments	890,022	165,975	-	-	1,055,997
Lease receivable	162,076	-	-	-	162,076
Prepaid items	104,238	-	-	-	104,238
Total assets	\$ 8,999,380	\$ 547,109	\$ 1,283,395	\$ 4,614	\$ 10,834,498
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 116,559	\$ 52,302	\$ -	\$ 4,614	\$ 173,475
Payable from restricted cash:					
Deposits	62,860	-	-	-	62,860
Unearned revenues	-	-	1,283,395	-	1,283,395
Total liabilities	179,419	52,302	1,283,395	4,614	1,519,730
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property taxes receivable	10,677	-	-	-	10,677
Leases	157,330	-	-	-	157,330
Total deferred inflows of resources	168,007	-	-	-	168,007
<b>FUND BALANCES</b>					
Non-Spendable					
Leases	4,746	-	-	-	4,746
Prepaid items	104,238	-	-	-	104,238
Restricted					
Stabilization by State statute	890,022	165,975	-	-	1,055,997
Streets	375,368	-	-	-	375,368
Public safety	415	-	-	-	415
Assigned					
Public safety	-	328,832	-	-	328,832
Subsequent year's expenditures	1,883,903	-	-	-	1,883,903
Unassigned	5,393,262	-	-	-	5,393,262
Total fund balances	8,651,954	494,807	-	-	9,146,761
Total liabilities, deferred inflows of resources and fund balances	\$ 8,999,380	\$ 547,109	\$ 1,283,395	\$ 4,614	\$ 10,834,498

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, 2023

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

Total fund balances of governmental funds		\$ 9,146,761
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical cost	\$ 22,260,570	
Accumulated depreciation	<u>(9,178,836)</u>	13,081,734
Deferred outflows of resources related to pensions are not reported in the funds		2,108,708
Deferred outflows of resources related to OPEB are not reported in the funds		534,477
Earned revenues considered deferred inflows of resources in fund statements.		10,677
Other long-term assets are not available to pay for current-period expenditures and, therefore, are inflows of resources in the funds.		2,400
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds.		
Installment purchases	(103,407)	
Other postemployment benefits	(1,430,571)	
Compensated absences	(306,131)	
Total pension liability (LEOSSA)	(742,187)	
Net pension liability (LGERS)	<u>(2,918,492)</u>	(5,500,788)
Deferred inflows of resources related to pensions are not reported in the funds		(221,619)
Deferred inflows of resources related to OPEB are not reported in the funds		(173,936)
Other liabilities (accrued interest payable) are not due and payable in the current period and therefore are not reported in the funds		<u>(2,020)</u>
Net position of governmental activities		<u><u>\$ 18,986,394</u></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, 2023

	Major Fund	Major Fund	Major Fund	Non-Major Fund	
	General Fund	Fire Department Fund	American Rescue Plan Fund	General Capital Project Fund	Total Governmental Funds
<b>REVENUES</b>					
Ad valorem taxes	\$ 4,215,832	\$ -	\$ -	\$ -	\$ 4,215,832
Local option sales tax	1,934,738	-	-	-	1,934,738
Unrestricted intergovernmental	947,137	1,868,556	-	-	2,815,693
Restricted intergovernmental	220,342	-	-	-	220,342
Permits and fees	14,635	300	-	-	14,935
Sales and services	77,824	-	-	-	77,824
Investment earnings	307,231	-	-	-	307,231
Miscellaneous	154,758	76	-	-	154,834
Total revenues	<u>7,872,497</u>	<u>1,868,932</u>	<u>-</u>	<u>-</u>	<u>9,741,429</u>
<b>EXPENDITURES</b>					
Current:					
General government	1,298,361	-	-	-	1,298,361
Public safety	2,388,181	2,650,939	-	-	5,039,120
Transportation	453,416	-	-	-	453,416
Environmental protection	724,157	-	-	-	724,157
Cultural and recreation	480,085	-	-	-	480,085
Capital outlay	-	-	-	12,872	12,872
Debt service:					
Principal	-	49,922	-	-	49,922
Interest	-	3,619	-	-	3,619
Total expenditures	<u>5,344,200</u>	<u>2,704,480</u>	<u>-</u>	<u>12,872</u>	<u>8,061,552</u>
Revenues over (under) expenditures	<u>2,528,297</u>	<u>(835,548)</u>	<u>-</u>	<u>(12,872)</u>	<u>1,679,877</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of capital assets	55,575	-	-	-	55,575
Insurance recovery proceeds	35,804	-	-	-	35,804
Transfer from general fund	-	967,708	-	12,872	980,580
Transfer to capital project fund	(12,872)	-	-	-	(12,872)
Transfer to fire department fund	(967,708)	-	-	-	(967,708)
Total other financing sources (uses)	<u>(889,201)</u>	<u>967,708</u>	<u>-</u>	<u>12,872</u>	<u>91,379</u>
Net change in fund balances	1,639,096	132,160	-	-	1,771,256
Fund balance, beginning of year	<u>7,012,858</u>	<u>362,647</u>	<u>-</u>	<u>-</u>	<u>7,375,505</u>
Fund balances, end of year	<u>\$ 8,651,954</u>	<u>\$ 494,807</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,146,761</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, 2023

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

Net changes in fund balances - total governmental funds	\$	1,771,256
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay expenditures which were capitalized.	\$	590,804	
Cost of capital asset disposed of during the year, not recognized on modified accrual basis		(9,600)	
Depreciation expense for governmental assets.		<u>(646,721)</u>	(65,517)

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.			469,636
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Benefit payments paid for the LEOSSA are not included in the Statement of Activities.			30,285
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OPEB benefit payments and administrative costs made in the current fiscal year are not included on the Statement of Activities.			49,554
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			(10,295)
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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.		49,922	
Decrease in accrued interest payable.		<u>975</u>	50,897

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)		(60,057)	
Pension expense - LGERS		(793,247)	
Pension expense - LEOSSA		(79,773)	
OPEB expense		<u>(97,315)</u>	(1,030,392)

Total changes in net position of governmental activities	\$	<u>1,265,424</u>
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The accompanying notes are an integral part of these financial statements.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL – GENERAL FUND  
For the year ended June 30, 2023

	<b>General Fund</b>			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Ad valorem taxes	\$ 4,137,511	\$ 4,137,511	\$ 4,215,832	\$ 78,321
Other taxes and licenses	1,798,368	1,798,368	1,934,738	136,370
Unrestricted intergovernmental	808,727	808,727	947,137	138,410
Restricted intergovernmental	131,875	228,867	220,342	(8,525)
Permits and fees	20,500	20,000	14,635	(5,365)
Sales and services	62,300	62,300	77,824	15,524
Investment earnings	89,382	89,382	307,231	217,849
Miscellaneous	5,000	21,570	154,758	133,188
Total revenues	<u>7,053,663</u>	<u>7,166,725</u>	<u>7,872,497</u>	<u>705,772</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,288,231	1,375,812	1,298,361	77,451
Public safety	2,338,701	2,572,437	2,388,181	184,256
Transportation	1,170,786	1,772,342	453,416	1,318,926
Environmental protection	906,294	846,968	724,157	122,811
Cultural and recreation	524,907	601,519	480,085	121,434
Contingency	20,000	5,000	-	5,000
Debt service:				
Principal and interest	53,541	-	-	-
Total expenditures	<u>6,302,460</u>	<u>7,174,078</u>	<u>5,344,200</u>	<u>1,829,878</u>
Revenues over (under) expenditures	<u>751,203</u>	<u>(7,353)</u>	<u>2,528,297</u>	<u>2,535,650</u>
Other financing sources (uses):				
Appropriated fund balance	120,464	879,403	-	(879,403)
Sale of capital assets	118,000	148,280	55,575	(92,705)
Insurance recovery proceeds	-	35,250	35,804	554
Transfer to capital project fund	-	(12,872)	(12,872)	-
Transfer to fire department fund	(914,667)	(967,708)	(967,708)	-
Transfer to capital reserve	(75,000)	(75,000)	(75,000)	-
Total other financing sources (uses)	<u>(751,203)</u>	<u>7,353</u>	<u>(964,201)</u>	<u>(971,554)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,564,096</u>	<u>\$ 1,564,096</u>
Fund balance, beginning			<u>6,862,858</u>	
Fund balance, end of year			<u>8,426,954</u>	
A legally budgeted Capital Reserve Fund is consolidated into the General Fund for reporting purposes:				
Transfer from general fund			75,000	
Fund balance, beginning (Capital Reserve Fund)			150,000	
Fund balance, ending (Exhibit 4)			<u>\$ 8,651,954</u>	

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL – FIRE DEPARTMENT FUND  
For the year ended June 30, 2023

	<b>Fire Department Fund</b>			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Unrestricted intergovernmental	\$ 1,936,906	\$ 1,936,906	\$ 1,868,556	\$ (68,350)
Permits and fees	-	500	300	(200)
Miscellaneous	-	76	76	-
Total revenues	<u>1,936,906</u>	<u>1,937,482</u>	<u>1,868,932</u>	<u>(68,550)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	2,851,573	2,851,649	2,650,939	200,710
Debt service:				
Principal and interest	-	53,541	53,541	-
Total expenditures	<u>2,851,573</u>	<u>2,905,190</u>	<u>2,704,480</u>	<u>200,710</u>
Revenues under expenditures	(914,667)	(967,708)	(835,548)	132,160
Other financing sources:				
Transfer from general fund	914,667	967,708	967,708	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>132,160</u>	<u>\$ 132,160</u>
Fund balance, beginning			<u>362,647</u>	
Fund balance, end of year			<u>\$ 494,807</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, 2023

	<u>Enterprise Fund</u>
	<u>Water Fund</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 5,169,910
Accounts receivable, net	473,994
Restricted cash and cash equivalents	24,640
Total current assets	<u>5,668,544</u>
Capital assets:	
Land and other non-depreciable assets	861,961
Other capital assets, net of depreciation	9,038,261
Capital assets, net	<u>9,900,222</u>
Total assets	<u>15,568,766</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension deferrals	373,075
OPEB deferrals	111,909
Total deferred outflows of resources	<u>484,984</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable and accrued liabilities	24,002
Salaries and payroll taxes payable	23,796
Payable from restricted assets:	
Customer deposits	24,640
Accrued interest payable	6,246
Compensated absences, current	22,000
Current portion of long-term debt	221,000
Total current liabilities	<u>321,684</u>
Noncurrent liabilities:	
Compensated absences, net	33,060
Total OPEB liability	300,490
Long-term debt	3,186,109
Net pension liability	584,271
Total noncurrent liabilities	<u>4,103,930</u>
Total liabilities	<u>4,425,614</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension deferrals	14,290
OPEB deferrals	36,534
Total deferred inflow of resources	<u>50,824</u>
<b>NET POSITION</b>	
Net investment in capital assets	6,493,113
Unrestricted	5,084,199
Total net position	<u>\$ 11,577,312</u>

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, 2023

	<u>Enterprise Fund</u> <u>Water Fund</u>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 2,495,242
Other operating revenues	239,364
Total operating revenues	<u>2,734,606</u>
<b>OPERATING EXPENSES</b>	
Administration	305,450
Water treatment and distribution	1,521,864
Depreciation	474,322
Total operating expenses	<u>2,301,636</u>
Operating income	<u>432,970</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Investment earnings	120,950
Interest expense	<u>(75,684)</u>
Total nonoperating revenue, net	<u>45,266</u>
Change in net position	<u>478,236</u>
Net position, beginning of year	<u>11,099,076</u>
Net position, end of year	<u>\$ 11,577,312</u>

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

TOWN OF WEAVERVILLE, NORTH CAROLINA

Exhibit 10

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUND  
 For the year ended June 30, 2023

	<u>Enterprise Fund</u> <u>Water Fund</u>
<b>Cash flows from operating activities:</b>	
Cash received from customers	\$ 2,782,950
Cash paid for goods and services	(632,095)
Cash paid to or on behalf of employees for services	(1,130,800)
Net cash provided by operating activities	<u>1,020,055</u>
<b>Cash flows from capital and related financing activities:</b>	
Acquisition and construction of capital assets	(406,586)
Interest paid on bond maturities	(76,046)
Principal payments on debt	(217,000)
Net cash used for capital and related financing activities	<u>(699,632)</u>
<b>Cash flows from investing activities:</b>	
Interest earned	<u>120,950</u>
Net increase in cash and cash equivalents	441,373
Cash and cash equivalents, beginning of year	<u>4,753,177</u>
Cash and cash equivalents, end of year	<u>\$ 5,194,550</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income	<u>\$ 432,970</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	474,322
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:	
Decrease in accounts receivable	49,949
Increase in deferred outflows of resources - pensions	(139,207)
Increase in deferred outflows of resources - OPEB	(9,811)
Decrease in deferred inflows of resources - pensions	(226,103)
Increase in deferred inflows of resources - OPEB	24,866
Decrease in accounts payable and accrued liabilities	(12,749)
Decrease in customer deposits	(1,605)
Increase in salaries and payroll taxes payable	9,270
Decrease in accrued compensated absences	(14,827)
Increase in net pension liability	430,095
Increase in net OPEB liability	2,885
Total adjustments	<u>587,085</u>
Net cash provided by operating activities	<u>\$ 1,020,055</u>

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

**TOWN OF WEAVERVILLE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended June 30, 2023

**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, 2023, 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.

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

The Town reports the following non-major governmental fund:

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

The Town reports the following major enterprise fund:

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

### **C. Measurement Focus and Basis of Accounting**

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise funds are charges to customers for sales and services. The Town also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water system. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

The Town considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as a revenue, because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the beer and wine tax, collected and held by the State at year-end on behalf of the Town are recognized as revenue. Sales taxes

are considered a shared revenue for the Town of Weaverville because the tax is levied by Buncombe County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Grant revenues which are unearned at year-end are recorded as unearned revenues.

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

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, 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.

<u>Restricted Cash</u>	
Governmental activities:	
General Fund - Powell Bill funds	\$ 375,368
General Fund - developer/rental deposits	62,860
General Fund - Cops for Kids	415
American Rescue Plan - Unassigned proceeds	<u>1,283,395</u>
Total governmental activities	<u>1,722,038</u>
Business-type activities:	
Water Fund - customer deposits	<u>24,640</u>
Total business-type activities	<u>24,640</u>
Total Primary Government	<u>\$ 1,746,678</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 1<sup>st</sup>, the beginning of the fiscal year. The taxes are due on September 1<sup>st</sup> (lien date); however, interest does not accrue until the following January 6<sup>th</sup>. These taxes are based on the assessed values as of January 1, 2022.

### 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, 2023, the Town only has two items that meet this criterion, pension and OPEB deferrals for the 2023 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, 2023, the Town has several items that meet the criterion for this category – prepaid taxes, property taxes receivable, leases, and pension and OPEB deferrals.

**10. Long-Term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the debt.

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

**11. Compensated Absences**

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

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

**12. Reimbursement for Pandemic-related Expenditures**

During the fiscal year ending June 30, 2021, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for the eligible state, local, territorial, and tribal governments. The Town was allocated \$1,283,395 of fiscal recovery funds to be paid in two equal installments. The first installment of \$641,697 was received in July 2021. The second installment was received in July 2022. The Town plans on using the funds for revenue replacement in the fiscal year ending June 30, 2024. Revenue replacement funds will be transferred to the appropriate funds once the intended use of the funds is determined.

**13. Net Position/Fund Balances****Net Position**

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

## **Fund Balances**

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

**Nonspendable fund balance** – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

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

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

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

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

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

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

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

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

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

Subsequent year's expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however the budget ordinance authorizes the manager to modify the appropriation by resource or appropriation within funds up to \$10,000.

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

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

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

#### **F. Defined Benefit Cost-Sharing Plans**

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

#### **G. Estimates**

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

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

All of the Town's and the ABC Board's deposits are insured or collateralized using one of two options. Under the Dedicated Method, all deposits over the federal depository insurance coverage level are collateralized with securities held by the Town's or the ABC Board's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town, these deposits are considered to be held by the Town's and the ABC Board's agents in their names.

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

At June 30, 2023, the Town's deposits had a carrying amount of \$4,130,303 and a bank balance of \$4,598,577. Of the bank balance, \$593,151 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. At June 30, 2023, the Town's petty cash fund totaled \$350.

The carrying amount of deposits for the ABC Board was \$700,951 and the bank balance was \$661,193. The ABC Board's petty cash fund totaled \$2,024. Of the bank balance, \$250,000 was covered by federal depository insurance and \$411,193 was covered by collateral held under the pooling method.

**2. Investments**

At June 30, 2023, the Town had the following investments:

Investment Type	Valuation Measurement Method	Book Value	Rating
NC Capital Management Trust - Government Portfolio	Fair Value	\$ 9,042,733	AAAm
NC Investment Pool	Fair Value	1,522,674	AAAm
		\$ 10,565,407	

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, 2023 is net of the following allowances for doubtful accounts:

Funds	
General Fund - Taxes Receivable	\$ 5,900
Enterprise Fund - Uncollectible Accounts	4,000
Total	\$ 9,900

**4. Due From Other Governments**

Amounts due from other governments at June 30, 2023 consisted of the following:

Local option sales tax	\$ 505,396
Sales tax refunds	90,244
Utilities sales tax	106,610
Fire protection charges	165,975
ABC store distributions	150,518
DMV distribution - registered motor vehicle tax	37,254
	\$ 1,055,997

**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 2023, the City recognized \$18,810 of lease revenue and \$8,480 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, 2023 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Governmental activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 1,032,109	\$ -	\$ -	\$ 1,032,109
Construction in progress	-	12,872	-	12,872
Total capital assets not being depreciated	<u>1,032,109</u>	<u>12,872</u>	<u>-</u>	<u>1,044,981</u>
<b>Capital assets being depreciated:</b>				
Buildings	9,591,196	48,350	-	9,639,546
Land improvements	484,046	6,800	-	490,846
Furniture, equipment, and vehicles	6,965,465	522,782	208,147	7,280,100
Infrastructure	3,805,097	-	-	3,805,097
Total capital assets being depreciated	<u>20,845,804</u>	<u>577,932</u>	<u>208,147</u>	<u>21,215,589</u>
<b>Less accumulated depreciation for:</b>				
Buildings	2,187,500	196,750	-	2,384,250
Land improvements	188,941	13,707	-	202,648
Furniture, equipment, and vehicles	5,598,738	359,265	198,547	5,759,456
Infrastructure	755,483	76,999	-	832,482
Total accumulated depreciation	<u>8,730,662</u>	<u>646,721</u>	<u>198,547</u>	<u>9,178,836</u>
Total capital assets being depreciated, net	<u>12,115,142</u>			<u>12,036,753</u>
<b>Governmental activities capital assets, net</b>	<u><u>\$ 13,147,251</u></u>			<u><u>\$ 13,081,734</u></u>

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

General government	\$ 55,068
Public safety	316,238
Transportation	134,764
Environmental protection	51,387
Cultural and recreational	89,264
Total depreciation expense	<u><u>\$ 646,721</u></u>

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Business-type activities:</b>				
<i>Water Fund</i>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 146,035	\$ -	\$ -	\$ 146,035
Construction in Progress	354,960	360,966	-	715,926
Total capital assets not being depreciated	<u>500,995</u>	<u>360,966</u>	<u>-</u>	<u>861,961</u>
<b>Capital assets being depreciated:</b>				
Plant and distribution systems	16,234,423	45,620	-	16,280,043
Furniture, equipment, and vehicles	1,862,089	-	-	1,862,089
Total capital assets being depreciated	<u>18,096,512</u>	<u>45,620</u>	<u>-</u>	<u>18,142,132</u>
<b>Less accumulated depreciation for:</b>				
Plant and distribution systems	7,319,652	335,643	-	7,655,295
Furniture, equipment, and vehicles	1,309,897	138,679	-	1,448,576
Total accumulated depreciation	<u>8,629,549</u>	<u>474,322</u>	<u>-</u>	<u>9,103,871</u>
Total capital assets being depreciated, net	<u>9,466,963</u>			<u>9,038,261</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 9,967,958</u>			<u>\$ 9,900,222</u>

#### Construction Commitments

The Town had no construction commitments at June 30, 2023.



**Discretely presented component unit**

Activity for the ABC Board for the year ended June 30, 2023, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Capital assets being depreciated:</b>				
Building	\$ 1,479,898	\$ -	\$ -	\$ 1,479,898
Other improvements	43,590	-	-	43,590
Equipment and furniture	110,996	2,147	-	113,143
Computer equipment	30,367	-	-	30,367
Total capital assets being depreciated	<u>1,664,851</u>	<u>2,147</u>	<u>-</u>	<u>1,666,998</u>
<b>Less accumulated depreciation for:</b>				
Building	754,749	59,196	-	813,945
Other improvements	9,222	4,359	-	13,581
Equipment and furniture	96,996	6,608	-	103,604
Computer equipment	28,141	807	-	28,948
Total accumulated depreciation	<u>889,108</u>	<u>70,970</u>	<u>-</u>	<u>960,078</u>
<b>Total capital assets being depreciated, net</b>	<u>\$ 775,743</u>			<u>\$ 706,920</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](http://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, 2023, was 13.10% of compensation for law enforcement officers, 12.10% for general employees, and 12.10% for firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Town of Weaverville were \$568,198 for the year ended June 30, 2023.

### 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, 2023, the Town reported a liability of \$3,502,763 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial

valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 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, 2023, the Town's proportion was 0.06209% (measured as of June 30, 2022), which was an increase of .00182% from its proportion reported as of June 30, 2022 (measured as of June 30, 2021).

For the year ended June 30, 2023, the Town recognized pension expense of \$956,595. At June 30, 2023, 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	\$ 150,931	\$ 14,798
Changes of assumptions and other inputs	349,497	-
Net difference between projected and actual earnings on pension plan investments	1,157,700	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	10,296	70,868
Town contributions subsequent to the measurement date	568,198	-
Total	<u>\$ 2,236,622</u>	<u>\$ 85,666</u>

\$568,198 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, 2024. 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>	
2024	\$ 482,700
2025	417,334
2026	131,175
2027	551,549
2028	-
	<u>\$ 1,582,758</u>

#### 6. Actuarial Assumptions

The total pension liability in the December 31, 2021 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, 2021 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%	0.9%
Global Equity	38.0%	6.5%
Real Estate	8.0%	5.9%
Alternatives	8.0%	8.2%
Credit	7.0%	5.0%
Inflation Protection	6.0%	2.7%
Total	<u>100%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2020 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 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)	\$ 6,322,035	\$ 3,502,763	\$ 1,179,518

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, 2021, the Separation Allowance's membership consisted of:

Retirees receiving benefits	3
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>15</u>
Total	<u>18</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, 2021 valuation. The total pension liability in the December 31, 2021 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	4.31 percent

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2021. The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five year period ending December 31, 2019.

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

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

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

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

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

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

### 4. Contributions.

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

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

At June 30, 2023, the Town reported a total pension liability of \$742,187. The total pension liability was measured as of December 31, 2022 based on a December 31, 2021 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2022 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2023, the Town recognized a pension expense of \$79,773.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 115,701	\$ 21,657
Changes of assumptions or other inputs	99,175	128,586
Benefit payments and administrative expenses made subsequent to the measurement date	30,285	-
Total	<u>\$ 245,161</u>	<u>\$ 150,243</u>

\$30,285 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, 2024. 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>	
2024	\$ 46,242
2025	38,891
2026	28,351
2027	(21,034)
2028	(25,513)
Thereafter	(2,304)
	<u>\$ 64,633</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 4.31 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 (3.31 percent) or 1-percentage-point higher (5.31 percent) than the current rate:

	1% Decrease (3.31%)	Discount Rate (4.31%)	1% Increase (5.31%)
Total pension liability	\$ 802,347	\$ 742,187	\$ 687,259

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

	2023
Beginning balance	\$ 900,688
Service cost	37,619
Interest on the total pension liability	19,593
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	(25,912)
Change of assumptions or other inputs	(129,992)
Benefit payments	(59,809)
Other changes	-
Ending balance of the total pension liability	\$ 742,187

***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	\$ 956,595	\$ 79,773	\$1,036,368
Pension liability	3,502,763	742,187	4,244,950
Proportionate share of the net pension liability	0.06209%	n/a	

**Deferred outflows of resources:**

Differences between expected and actual experience	\$ 150,931	\$ 115,701	\$ 266,632
Changes of assumptions and other inputs	349,497	99,175	448,672
Net difference between projected and actual earnings on plan investments	1,157,700	-	1,157,700
Changes in proportion and differences between contributions and proportionate share of contributions	10,296	-	10,296
Benefit payments paid subsequent to the measurement date	568,198	30,285	598,483
	\$2,236,622	\$ 245,161	\$2,481,783

**Deferred inflows of resources:**

Differences between expected and actual experience	\$ 14,798	\$ 21,657	\$ 36,455
Changes of assumptions	-	128,586	128,586
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	70,868	-	70,868
	\$ 85,666	\$ 150,243	\$ 235,909



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 \$226,116 for the reporting year. Of this amount, \$57,637 were for law enforcement officers and \$168,479 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, 2022, the date of the latest actuarial valuation:

Retirees receiving benefits	6
Terminated plan members entitled to but not receiving benefits	-
Active plan members	<u>33</u>
Total	<u><u>39</u></u>

## 2. Total OPEB Liability

The Town's total OPEB liability of \$1,731,061 was measured as of June 30, 2022 and was determined by an actuarial valuation as of the same date.

*Actuarial assumptions and other inputs.* The total OPEB liability in the June 30, 2022 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	3.54 percent
Healthcare cost trend rates	
Pre-Medicare Medical and Prescription Drug	7.00 percent for 2022 decreasing to an ultimate rate of 4.50% by 2032
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, 2022 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, 2022 valuation were based on a review of recent plan experience performed concurrently with the June 30, 2022 valuation.

## 3. Changes in the Total OPEB Liability

	<b>Total OPEB Liability</b>
<b>Balance at July 1, 2022</b>	\$ 1,714,442
<b>Changes for the year</b>	
Service cost	58,219
Interest	37,337
Changes in benefit terms	-
Differences between expected and actual experience	190,671
Changes in assumptions or other inputs	(180,929)
Benefit payments	(88,679)
Net changes	16,619
<b>Balance at June 30, 2023</b>	<u>\$ 1,731,061</u>

Changes in assumptions or other inputs reflect a change in the discount rate from 2.16% to 3.54%.

## 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 (2.54 percent) or 1-percentage-point higher (4.54 percent) than the current discount rate:

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB liability	\$ 1,901,358	\$ 1,731,061	\$ 1,578,620

## 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	\$ 1,561,928	\$ 1,731,061	\$ 1,928,407

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

For the year ended June 30, 2023, the Town recognized OPEB expense of \$65,504. At June 30, 2023, 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	\$ 287,582	\$ -
Changes of assumptions or other inputs	299,197	210,470
Benefit payments made subsequent to the measurement date	59,607	-
Total	<u>\$ 646,386</u>	<u>\$ 210,470</u>

\$59,607 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, 2024. 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>	
2024	\$ 65,408
2025	65,408
2026	65,408
2027	65,408
2028	70,995
Thereafter	43,682
	<u>\$ 376,309</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:

<u>Source</u>	<u>Amount</u>
Contributions to the pension plan in the current fiscal year	\$ 568,198
Benefit payments made for LEOSSA subsequent to measurement date	30,285
Benefit payments made for OPEB subsequent to measurement date	59,607
Differences between expected and actual experience	554,214
Changes in assumptions or other inputs	747,869
Net differences between projected and actual earnings	1,157,700
Changes in proportion and differences between employer contributions and proportionate share of contributions	10,296
	<u>\$ 3,128,169</u>

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

<u>Source</u>	<u>Statement of Net Position</u>	<u>General Fund Balance Sheet</u>
Taxes receivable, less penalties (General Fund)	\$ -	\$ 10,677
Lease receivable (General Fund)	157,330	157,330
Changes in assumptions or other inputs	339,056	-
Differences between expected and actual experience	36,455	-
Changes in proportion and differences between employer contributions and proportionate share of contributions (pension)	70,868	-
	<u>\$ 603,709</u>	<u>\$ 168,007</u>

**Risk Management**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town participates in two self-funded risk financing pools administered by the North Carolina League of Municipalities. Through these pools, the Town obtains general liability and auto liability coverage of \$5 million per occurrence, property coverage up to the total insurance values of the property and workers' compensation coverage up to statutory limits. The liability and property exposures are reinsured through commercial carriers for claims in excess of retentions as selected by the Board of Trustees each year. Specific information on the limits of the reinsurance, excess and stop loss policies purchased by the Board of Trustees can be obtained by contacting the Risk Management Services Department of the NC League of Municipalities. The pools are audited annually by certified public accountants, and the audited financial statements are available to the Town upon request.

The Town carries commercial insurance for risks of loss. Settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years and there have been no

significant reductions in insurance coverage in the prior year. The Town does not carry flood insurance.

In accordance with G.S. 159-29, the Town's employees that have access to \$100 or more at any given time of the Town's funds are performance bonded through a commercial surety bond. The finance officer and tax collector are individually bonded for \$250,000 each. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000.

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

### 3. Long-Term Obligations

#### a. Installment Purchase

In September 2014, the Town entered into a direct placement installment purchase contract with a financial institution in the amount of \$692,000 to finance the purchase of several fire trucks. The contract required annual principal payments beginning with a \$220,000 principal payment in September 2014 and then annual fixed payments of \$53,541, including interest at 2.36%, beginning in September 2015, through September 2024, and is being paid by the Fire Department Fund. The balance on this installment purchase contract as of June 30, 2023 was \$103,407. The equipment purchased with the debt proceeds is pledged as collateral for the debt.

Annual debt service payments of the installment purchases as of June 30, 2023, including \$3,674 of interest, are as follows:

Year ending June 30	Governmental Activities	
	Principal	Interest
2024	\$ 51,100	\$ 2,440
2025	52,307	1,234
	<u>\$ 103,407</u>	<u>\$ 3,674</u>

#### b. General Obligation Indebtedness

General obligation bonds issued to finance the construction of facilities utilized in the operations of the water system and which are being retired by its resources are reported as long-term debt in the Water Fund. All general obligation bonds are collateralized by the full faith, credit, and taxing power of the Town. Principal and interest requirements are appropriated when due.

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

General obligation bonds payable at June 30, 2023 are comprised of the following individual issue:

General Obligation Bonds

Serviced by the Water Fund:

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

\$ 1,310,000

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

Year ending June 30	Business-type Activities	
	Principal	Interest
2024	\$ 178,000	\$ 26,986
2025	184,000	23,319
2026	191,000	19,529
2027	192,000	18,594
2028	193,000	11,639
2029-2033	372,000	11,454
	<u>\$ 1,310,000</u>	<u>\$ 111,521</u>

**c. Water Revenue Bond**

During the fiscal year ending June 30, 2021, the \$2,500,000 bond anticipation note issued on February 14, 2020 was paid off with the proceeds of a \$2,500,000 in water revenue bond sold at a private negotiated sale to the United States Department of Agriculture. The bond 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.

Year Ending June, 30	Business-type Activities	
	Principal	Interest
2024	\$ 43,000	\$ 50,554
2025	44,000	49,640
2026	45,000	48,705
2027	46,000	47,746
2028	47,000	46,771
2029-2033	250,000	223,656
2034-2038	276,000	196,563
2039-2043	307,000	166,600
2044-2048	341,000	133,279
2049-2053	379,000	96,220
2054-2058	319,109	55,101
Total	<u>\$ 2,097,109</u>	<u>\$ 1,114,835</u>

At June 30, 2023, the Town of Weaverville had a legal debt margin of approximately \$93,000,000.

**d. Discretely Presented Component Unit**

In April 2009, the ABC Board entered into a \$1,500,000 note payable to a banking institution for the purpose of financing the ABC Board's acquisition and construction of the facilities in which it operates. The financing agreement required one interest only payment of \$73,500 beginning in the fiscal year 2010, followed by 19 annual principal and interest payments of \$123,007 with interest of 4.89%. On October 17, 2013, the ABC Board entered into a modification of the loan terms to require quarterly payments instead of annual. No other terms of the loan changed. The required quarterly payment is \$31,038. The loan matures in April 2029. The note payable is collateralized by all real and personal property of the ABC Board. The balance of the loan as of June 30, 2023 was \$642,211.

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, 2023 was \$21,934.

Interest expense for the year ended June 30, 2023 was \$34,623.

Annual debt service payments of the notes payable of the ABC Board as of June 30, 2023, including \$106,587 of interest, are as follows:

Year ending June 30	Discretely-Presented Component Unit	
	Principal	Interest
2024	\$ 97,647	\$ 30,808
2025	102,527	25,928
2026	107,651	20,805
2027	113,030	15,425
2028	118,679	9,776
2028-2029	124,610	3,845
	<u>\$ 664,144</u>	<u>\$ 106,587</u>



**e. Changes in Long-Term Liabilities**

The following is a summary of changes in the Town's long-term obligations for the year ended June 30, 2023:

	Balance July 1, 2022	Increase	Decrease	Balance June 30, 2023	Current Portion
<b>Governmental Activities:</b>					
Direct placement					
installment purchases	\$ 153,329	\$ -	\$ 49,922	\$ 103,407	\$ 51,100
Total pension liability (LEOSSA)	900,688	-	158,501	742,187	-
Net pension liability (LGERS)	770,122	2,148,370	-	2,918,492	-
Total OPEB liability	1,416,837	13,734	-	1,430,571	-
Compensated absences	246,074	178,395	118,338	306,131	118,000
Governmental activity long-term liabilities	<u>\$ 3,487,050</u>	<u>\$2,340,499</u>	<u>\$ 326,761</u>	<u>\$ 5,500,788</u>	<u>\$ 169,100</u>
<b>Business-type Activities:</b>					
Direct placement					
general obligation bonds	\$ 1,486,000	\$ -	\$ 176,000	\$ 1,310,000	\$ 178,000
Water revenue bond	2,138,109	-	41,000	2,097,109	43,000
Net pension liability (LGERS)	154,176	430,095	-	584,271	-
Total OPEB liability	297,605	2,885	-	300,490	-
Compensated absences	69,887	7,107	21,934	55,060	22,000
Business-type activity long-term liabilities	<u>\$ 4,145,777</u>	<u>\$ 440,087</u>	<u>\$ 238,934</u>	<u>\$ 4,346,930</u>	<u>\$ 243,000</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, 2023:

	Balance July 1, 2022	Increase	Decrease	Balance June 30, 2023	Current Portion
<b>Component Unit:</b>					
Notes payable	\$ 757,144	\$ -	\$ 93,000	\$ 664,144	\$ 97,647
Net pension liability (LGERS)	19,627	14,305	17,022	16,910	-
Compensated absences	48,462	137,141	-	185,603	-
Governmental activity long-term liabilities	<u>\$ 825,233</u>	<u>\$ 151,446</u>	<u>\$ 110,022</u>	<u>\$ 866,657</u>	<u>\$ 97,647</u>

**C. Net Investment in Capital Assets**

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

	<u>Governmental</u>	<u>Business-type</u>
Capital assets	\$ 13,081,734	\$ 9,900,222
Less: Long-term debt	103,407	3,407,109
Net investment in capital assets	<u>\$ 12,978,327</u>	<u>\$ 6,493,113</u>

**D. Interfund Balances and Activity**

Interfund transfers for the year ended June 30, 2023 consisted of the following:

	<u>Purpose</u>	<u>Amount</u>
To the Capital Project Fund from the General Fund	To fund capital projects	\$ 12,872
To the Fire Department Fund from the General Fund	To support operations	967,708
		<u>\$ 980,580</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	\$ 8,651,954
Less:	
Nonspendable items:	
Prepays and leases	108,984
Restricted for:	
Stabilization by state statute	890,022
Streets - Powell Bill	375,368
Public safety - Cops for Kids	415
Assigned:	
Appropriated fund balance in 2024 budget	1,883,903
Unassigned:	
Working capital/fund balance policy - minimum	1,574,499
Remaining fund balance	<u>\$ 3,818,763</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, 2023, 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, 2023. The Firefighter's Relief Fund does not issue separate audited financial statements. Instead, the local board of trustees files an annual financial report with the State Firefighter's Association. This report can be obtained from the Association at 323 West Jones Street, Suite 401, Raleigh, North Carolina 27603.

**Note 4 – Jointly Governed Organization**

The Town, in conjunction with various other municipalities, participates in the Metropolitan Sewerage District. The participating governments established the District to provide sewerage services to the residents of participant communities. The Town appoints one member to the District's governing board. The Town collected and remitted to the District fees of \$1,318,995 during the fiscal year ended June 30, 2023. The Town's income for these collections totaled \$73,721.

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF WEAVERVILLE, NORTH CAROLINA**

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

**Schedule of Changes in Total Pension Liability**

	2023	2022	2021	2020	2019	2018	2017
Beginning balance	\$ 900,688	\$ 875,592	\$ 598,291	\$ 560,099	\$ 551,717	\$ 445,528	\$ 429,610
Service cost	37,619	41,100	24,887	19,250	24,728	19,882	20,576
Interest on the total pension liability	19,593	16,322	18,492	19,299	16,732	16,852	15,177
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	(25,912)	50,410	113,362	42,147	32,886	56,346	-
Change of assumptions or other inputs	(129,992)	(22,927)	182,669	17,305	(21,518)	31,028	(10,876)
Benefit payments	(59,809)	(59,809)	(62,109)	(59,809)	(44,446)	(17,919)	(8,959)
Other changes	-	-	-	-	-	-	-
Ending balance of the total pension liability	<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	\$ 742,187	\$ 900,688	\$ 875,592	\$ 598,291	\$ 560,099	\$ 551,717	\$ 445,528
Covered-employee payroll	976,489	1,011,637	966,914	789,637	832,533	793,875	809,381
Total pension liability as a percentage of covered payroll	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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Town's proportionate share of the net pension liability (asset) (%)	0.06209%	0.06027%	0.06338%	0.06361%	0.05596%	0.05757%	0.05568%	0.06256%	0.06550%	0.06550%
Town's proportion of the net pension liability (asset) (\$)	\$ 3,502,763	\$ 924,298	\$ 2,264,837	\$ 1,737,139	\$ 1,327,563	\$ 879,510	\$ 1,181,716	\$ 280,767	\$ (386,284)	\$ 789,527
Town's covered payroll	4,410,433	4,016,598	3,962,465	3,727,895	3,392,959	3,213,620	3,200,610	3,029,056	3,000,672	2,928,477
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	79.42%	23.01%	57.16%	46.60%	39.13%	27.37%	36.92%	9.27%	12.87%	26.96%
Plan fiduciary net position as a percentage of the total pension liability	84.14%	95.51%	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

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

**TOWN OF WEAVERVILLE, NORTH CAROLINA**

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

Local Governmental Employees' Retirement System

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 568,198	\$ 511,846	\$ 417,871	\$ 365,452	\$ 297,773	\$ 263,255	\$ 240,416	\$ 220,033	\$ 216,523	\$ 213,648
Contribution in relation to the contractually required contribution	<u>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>	<u>216,523</u>	<u>213,648</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	\$ 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	\$ 3,000,672
Contributions as a percentage of covered payroll	12.41%	11.61%	10.40%	9.22%	7.99%	7.76%	7.48%	6.87%	7.15%	7.12%

**TOWN OF WEAVERVILLE, NORTH CAROLINA**

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

**Schedule of Changes in Total OPEB Liability**

<b>Total OPEB Liability</b>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 58,219	\$ 52,883	\$ 55,166	\$ 51,082	\$ 67,686	\$ 72,844
Interest on the total OPEB liability	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	190,671	20,681	138,682	17,459	18,377	659
Change of assumptions or other inputs	(180,929)	188,321	206,911	44,884	(54,317)	(68,813)
Benefit payments	(88,679)	(88,278)	(79,867)	(67,553)	(51,267)	(22,053)
Other changes	-	-	-	-	-	-
Net change in total OPEB liability	<u>16,619</u>	<u>207,117</u>	<u>255,987</u>	<u>89,756</u>	<u>20,207</u>	<u>16,176</u>
Total OPEB liability - beginning	<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>	<u>1,125,199</u>
Total OPEB liability - ending	<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	\$ 2,125,532	\$ 2,465,123	\$ 2,465,123	\$ 3,044,266	\$ 3,044,266	\$ 2,903,226
Total OPEB liability as a percentage of covered payroll	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:

<u>Fiscal Year</u>	<u>Rate</u>
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, 2023

	<b>2023</b>		
	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Ad valorem taxes:			
Taxes		\$ 4,205,071	
Penalties and interest		10,761	
	\$ 4,137,511	4,215,832	\$ 78,321
Other taxes and licenses:			
Local option sales tax		1,934,738	
	1,798,368	1,934,738	136,370
Intergovernmental revenues:			
Unrestricted:			
Utilities sales tax		505,095	
Beer and wine tax		21,293	
ABC profit distribution		420,749	
	808,727	947,137	138,410
Restricted:			
Public works grants		134,558	
Police department grants		85,784	
	228,867	220,342	(8,525)
Sales and services			
Community center rentals		59,314	
Cell tower lease revenue		18,510	
	62,300	77,824	15,524
Permits and fees:			
Parking enforcement fees		2,645	
Planning and zoning fees		11,990	
	20,000	14,635	(5,365)
Investment earnings	89,382	307,231	217,849
Other:			
Miscellaneous		128,424	
Interest on lease receivable		8,480	
Contributions		17,854	
	21,570	154,758	133,188
Total revenues	7,166,725	7,872,497	705,772
<b>EXPENDITURES</b>			
General government:			
Governing board:			
Salaries and employee benefits		142,781	
Community promotions		73,122	
Professional services		73,332	
Other operating expenses		95,021	
	396,673	384,256	12,417
Administration:			
Salaries and employee benefits		458,938	
Professional services		87,383	
Other operating expenses		203,271	
Capital outlay		45,929	
	849,292	795,521	53,771

**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, 2023

	<b>2023</b>		
	Budget	Actual	Variance Positive (Negative)
Planning:			
Salaries and employee benefits		111,014	
Professional services		2,954	
Other operating expenses		4,616	
	129,847	118,584	11,263
Total general government	1,375,812	1,298,361	77,451
Public safety:			
Police:			
Salaries and employee benefits		1,762,389	
Supplies and materials		67,076	
Repairs and maintenance		55,731	
Professional services		130,470	
Other operating expenses		228,276	
Capital outlay		144,239	
Total public safety	2,572,437	2,388,181	184,256
Transportation:			
Streets:			
Salaries and employee benefits		268,588	
Contract services		18,377	
Utilities		46,185	
Supplies and materials		41,179	
Other operating expenses		34,867	
Capital outlay		32,046	
	1,468,153	441,242	1,026,911
Powell Bill:			
Salaries and benefits		12,174	
	304,189	12,174	292,015
Total transportation	1,772,342	453,416	1,318,926
Environmental protection:			
Sanitation:			
Salaries and benefits		393,430	
Supplies and materials		43,141	
Other operating expenses		144,540	
Capital outlay		83,663	
	699,955	664,774	35,181
Stormwater:			
Salaries and benefits		53,851	
Other operating expenses		5,532	
	147,013	59,383	87,630
Total environmental protection	846,968	724,157	122,811

**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, 2023

	<b>2023</b>		
	Budget	Actual	Variance Positive (Negative)
Cultural and recreational:			
Recreation:			
Salaries and employee benefits		204,512	
Contract services		16,901	
Other operating expenses		88,907	
Capital outlay		52,144	
	474,887	362,464	112,423
Community Center			
Salaries and employee benefits		72,196	
Other operating expenses		45,425	
	126,632	117,621	9,011
Total cultural and recreational	601,519	480,085	121,434
Contingency	5,000	-	5,000
Total expenditures	7,174,078	5,344,200	1,829,878
Revenues over (under) expenditures	(7,353)	2,528,297	2,535,650
Other financing sources (uses):			
Appropriated fund balance	879,403	-	(879,403)
Sale of capital assets	148,280	55,575	(92,705)
Insurance recovery proceeds	35,250	35,804	554
Transfer to capital project fund	(12,872)	(12,872)	-
Transfer to fire department fund	(967,708)	(967,708)	-
Transfer to capital reserve	(75,000)	(75,000)	-
Total other financing sources (uses)	7,353	(964,201)	(971,554)
Net change in fund balance	\$ -	1,564,096	\$ 1,564,096
Fund balance, beginning of year		6,862,858	
Fund balance, end of year		\$ 8,426,954	

**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, 2023

	<b>2023</b>		
	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Intergovernmental revenues:			
Unrestricted:			
Buncombe Co. - fire protection	\$ 1,936,906	\$ <b>1,868,556</b>	\$ (68,350)
Permits and fees:			
Fire inspection fees	500	<b>300</b>	(200)
Other:			
Contributions	76	<b>76</b>	-
Total revenues	1,937,482	<b>1,868,932</b>	(68,550)
<b>EXPENDITURES</b>			
Public safety:			
Salaries and employee benefits		<b>2,056,614</b>	
Capital outlay		<b>207,036</b>	
Other operating expenses		<b>387,289</b>	
Total public safety	2,798,108	<b>2,650,939</b>	147,169
Debt service:			
Principal		<b>49,922</b>	
Interest		<b>3,619</b>	
Total debt service	107,082	<b>53,541</b>	53,541
Total expenditures	2,905,190	<b>2,704,480</b>	200,710
Revenues under expenditures	(967,708)	<b>(835,548)</b>	132,160
Other financing sources:			
Transfer from general fund	967,708	<b>967,708</b>	-
Net change in fund balance	\$ -	<b>132,160</b>	\$ 132,160
Fund balance, beginning of year		<b>362,647</b>	
Fund balance, end of year		<b>\$ 494,807</b>	

**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, 2023

	Project Authorization	Actual		Total
		Prior Years	Current Year	
Revenues:	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Architectural fees	526,573	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	94,376	30,164	-	30,164
Phase 2 expenditures	268,998	16,295	12,872	29,167
Total expenditures	<u>3,978,730</u>	<u>3,390,077</u>	<u>12,872</u>	<u>3,402,949</u>
Revenues under expenditures	<u>(3,978,730)</u>	<u>(3,390,077)</u>	<u>(12,872)</u>	<u>(3,402,949)</u>
Other Financing Sources:				
Transfer from general fund	<u>3,978,730</u>	<u>3,390,077</u>	<u>12,872</u>	<u>3,402,949</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning of year			-	
Fund balance, end of year			<u>\$ -</u>	

**TOWN OF WEAVERVILLE, NORTH CAROLINA**

American Rescue Plan Fund  
 Schedule of Revenues and Expenditures - Budget and Actual  
 From inception and for the year ended June 30, 2023

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

**TOWN OF WEAVERVILLE, NORTH CAROLINA**  
**GENERAL CAPITAL RESERVE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
For the year ended June 30, 2023

	<b>2023</b>		
	<b>Budget</b>	<b>Actual</b>	Variance Positive (Negative)
Other financing sources (uses):			
Transfer from General Fund	\$ -	\$ 75,000	\$ 75,000
Net change in fund balance	\$ -	75,000	\$ 75,000
Fund balance, beginning of year		150,000	
Fund balance, end of year		\$ 225,000	



**TOWN OF WEAVERVILLE, NORTH CAROLINA**  
**WATER FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL (NON-GAAP)**  
For the year ended June 30, 2023

	<b>2023</b>		
	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>OPERATING REVENUES</b>			
Charges for services		\$ 2,495,242	
Other operating revenues		239,364	
Total operating revenues	\$ 2,560,900	2,734,606	\$ 173,706
<b>NON-OPERATING REVENUES</b>			
Investment earnings	37,020	120,950	83,930
Total non-operating revenues	37,020	120,950	83,930
Total revenues	2,597,920	2,855,556	257,636
<b>OPERATING EXPENDITURES</b>			
Water administration:			
Salaries and employee benefits		174,269	
Professional services		70,000	
Supplies and materials		6,300	
Postage		14,359	
Telephone		7,800	
Insurance		8,517	
Other operating expenses		9,028	
Total water administration	296,972	290,273	6,699
Treatment and distribution:			
Salaries and employee benefits		965,801	
Professional services		22,203	
Contract services		1,686	
Water testing and maintenance		19,674	
Supplies and materials		214,574	
Training and travel		8,779	
Telephone		8,570	
Utilities		126,804	
Repairs and maintenance		50,761	
Insurance		19,195	
Sludge removal		12,478	
Water system improvement		334,841	
Non-capital equipment		18,618	
Capital outlay		45,620	
Total treatment and distribution	3,479,314	1,849,604	1,629,710
Debt service:			
Principal retirement		217,000	
Interest		76,046	
Total debt service	299,037	293,046	5,991
Contingency	15,000	-	15,000
Total expenditures	4,090,323	2,432,923	1,657,400

**TOWN OF WEAVERVILLE, NORTH CAROLINA**  
**WATER FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL (NON-GAAP)**  
For the year ended June 30, 2023

	<b>2023</b>		Variance
	Budget	Actual	Positive (Negative)
Revenues over (under) expenditures	(1,492,403)	<b>422,633</b>	1,915,036
<b>OTHER FINANCING SOURCES</b>			
Appropriated fund balance	1,492,403	-	(1,492,403)
Revenues and other sources over expenditures	<u>\$ -</u>	<b>422,633</b>	<u>\$ 422,633</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling items:			
Payment of debt principal		217,000	
Capital outlay		380,461	
Decrease in accrued interest		362	
Decrease in accrued compensated absence liability		14,827	
Increase in deferred outflows of resources - pensions		139,207	
Increase in deferred outflows of resources - OPEB		9,811	
Increase in net pension liability		(430,095)	
Increase in net OPEB liability		(2,885)	
Decrease in deferred inflows of resources - pensions		226,103	
Increase in deferred inflows of resources - OPEB		(24,866)	
Depreciation		(474,322)	
Change in net position		<u>\$ 478,236</u>	

**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, 2023

	Project Authorization	Actual		Total
		Prior Years	Current Year	
Revenues:	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital equipment purchase	1,196,400	-	-	-
Engineering	98,500	-	16,750	16,750
Total expenditures	1,294,900	-	16,750	16,750
Revenues under expenditures	(1,294,900)	-	(16,750)	(16,750)
Other Financing Sources:				
Transfer from water fund	1,294,900	-	-	-
Revenues and other sources under expenditures	\$ -	\$ -	\$ (16,750)	\$ (16,750)

**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, 2023

		Actual		
Project Authorization	Prior Years	Current Year	Total	
Revenues:	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Engineering	1,270,680	339,880	9,375	349,255
Revenues under expenditures	(1,270,680)	(339,880)	(9,375)	(349,255)
Other Financing Sources:				
Transfer from water fund	930,800	-	-	-
Transfer from water capital reserve	339,880	339,880	-	339,880
Total other financing sources	1,270,680	339,880	-	339,880
Revenues and other sources under expenditures	\$ -	\$ -	\$ (9,375)	\$ (9,375)

**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, 2023

	<b>2023</b>		Variance Positive (Negative)
	Budget	Actual	
Other financing sources (uses):			
Transfer from Water Fund	\$ -	\$ -	\$ -
Transfer to Capital Project Fund	-	-	-
Net change in fund balance	\$ -	-	\$ -
Fund balance, beginning of year		<b>384,154</b>	
Fund balance, end of year		<b>\$ 384,154</b>	

**SUPPLEMENTAL FINANCIAL DATA**

**TOWN OF WEAVERVILLE, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF AD VALOREM TAXES RECEIVABLE**  
**June 30, 2023**

Fiscal Year	Uncollected Balance 6/30/2022	Additions	Collections And Credits	Uncollected Balance 6/30/2023
2022-2023	\$ -	\$ 4,202,757	\$ 4,200,883	\$ 1,874
2021-2022	6,084	-	2,997	3,087
2020-2021	3,674	-	1,420	2,254
2019-2020	6,218	-	881	5,337
2018-2019	659	-	-	659
2017-2018	625	-	-	625
2016-2017	47	-	-	47
2015-2016	32	-	-	32
2014-2015	2,163	-	71	2,092
2013-2014	570	-	-	570
	\$ 20,072	\$ 4,202,757	\$ 4,206,252	16,577
Less allowance for uncollectible ad valorem taxes receivable				(5,900)
Ad valorem taxes receivable, net				\$ 10,677
Reconcilement with Revenues:				
Taxes - Ad valorem - General Fund				\$ 4,215,832
Reconciling items:				
Interest collected				(10,761)
Releases and other adjustments				1,181
Total collections and credits				\$ 4,206,252

**TOWN OF WEAVERVILLE, NORTH CAROLINA**

GENERAL FUND  
ANALYSIS OF CURRENT TAX LEVY  
For the year ended June 30, 2023

	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Original levy	\$ 1,199,336,286	0.00350	\$ 4,197,677	\$ 3,986,152	\$ 211,525
Penalties			-	-	-
Total			<u>4,197,677</u>	<u>3,986,152</u>	<u>211,525</u>
Discoveries:					
Current year taxes and penalties	1,634,287		5,720	5,720	-
Abatements	<u>(182,857)</u>		<u>(640)</u>	<u>(640)</u>	-
Total property valuation	<u>\$ 1,200,787,715</u>				
Net levy			4,202,757	3,991,232	211,525
Uncollected taxes at June 30, 2023			<u>1,874</u>	<u>1,874</u>	-
Current year's taxes collected			<u>\$ 4,200,883</u>	<u>\$ 3,989,358</u>	<u>\$ 211,525</u>
Current levy collection percentage			<u>99.96%</u>	<u>99.95%</u>	<u>100.00%</u>



## **STATISTICAL SECTION**

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental activities</b>										
Net investment in capital assets	\$ 7,993,996	\$ 8,050,186	\$ 7,923,020	\$ 8,223,653	\$ 8,706,197	\$ 9,088,415	\$ 10,264,984	\$ 12,723,493	\$ 12,993,922	\$ 12,978,327
Restricted	619,271	736,093	889,635	651,736	670,368	790,806	792,934	1,049,104	981,863	1,431,780
Unrestricted	<u>3,331,318</u>	<u>3,145,332</u>	<u>3,541,535</u>	<u>4,088,152</u>	<u>4,481,604</u>	<u>5,253,493</u>	<u>4,405,368</u>	<u>2,518,218</u>	<u>3,745,185</u>	<u>4,576,287</u>
<b>Total governmental activities net position</b>	<u>\$ 11,944,585</u>	<u>\$ 11,931,611</u>	<u>\$ 12,354,190</u>	<u>\$ 12,963,541</u>	<u>\$ 13,858,169</u>	<u>\$ 15,132,714</u>	<u>\$ 15,463,286</u>	<u>\$ 16,290,815</u>	<u>\$ 17,720,970</u>	<u>\$ 18,986,394</u>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 6,138,248	\$ 5,984,535	\$ 6,226,795	\$ 6,048,586	\$ 6,115,213	\$ 6,558,892	\$ 7,170,246	\$ 5,880,594	\$ 6,343,849	\$ 6,493,113
Unrestricted	<u>2,564,076</u>	<u>2,567,214</u>	<u>2,339,010</u>	<u>2,812,547</u>	<u>2,899,609</u>	<u>2,954,545</u>	<u>2,680,368</u>	<u>4,553,062</u>	<u>4,755,227</u>	<u>5,084,199</u>
<b>Total business-type activities net position</b>	<u>\$ 8,702,324</u>	<u>\$ 8,551,749</u>	<u>\$ 8,565,805</u>	<u>\$ 8,861,133</u>	<u>\$ 9,014,822</u>	<u>\$ 9,513,437</u>	<u>\$ 9,850,614</u>	<u>\$ 10,433,656</u>	<u>\$ 11,099,076</u>	<u>\$ 11,577,312</u>
<b>Primary government</b>										
Net investment in capital assets	\$ 14,132,244	\$ 14,034,721	\$ 14,149,815	\$ 14,272,239	\$ 14,821,410	\$ 15,647,307	\$ 17,435,230	\$ 18,604,087	\$ 19,337,771	\$ 19,471,440
Restricted	619,271	736,093	889,635	651,736	670,368	790,806	792,934	1,049,104	981,863	1,431,780
Unrestricted	<u>5,895,394</u>	<u>5,712,546</u>	<u>5,880,545</u>	<u>6,900,699</u>	<u>7,381,213</u>	<u>8,208,038</u>	<u>7,085,736</u>	<u>7,071,280</u>	<u>8,500,412</u>	<u>9,660,486</u>
<b>Total primary government net position</b>	<u>\$ 20,646,909</u>	<u>\$ 20,483,360</u>	<u>\$ 20,919,995</u>	<u>\$ 21,824,674</u>	<u>\$ 22,872,991</u>	<u>\$ 24,646,151</u>	<u>\$ 25,313,900</u>	<u>\$ 26,724,471</u>	<u>\$ 28,820,046</u>	<u>\$ 30,563,706</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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
Governmental activities										
General government	\$ 1,060,919	\$ 972,373	\$ 853,053	\$ 886,828	\$ 915,132	\$ 867,562	\$ 976,437	\$ 970,726	\$ 1,057,776	\$ 1,298,548
Public safety	3,181,904	3,187,340	3,444,875	3,490,042	3,737,201	4,177,269	4,641,137	4,766,925	4,806,049	5,285,987
Transportation	459,368	411,294	377,930	349,808	538,868	573,092	521,481	550,460	503,847	594,434
Environmental protection	560,224	545,538	605,969	711,637	517,387	472,460	632,257	674,755	607,045	805,068
Cultural and recreation	210,541	181,046	223,273	170,249	330,758	279,034	304,842	255,829	435,927	560,808
Interest on long term debt	61,303	53,241	49,720	37,857	30,006	19,602	14,159	8,305	3,817	2,644
Total governmental activities expenses	<u>5,534,259</u>	<u>5,350,832</u>	<u>5,554,820</u>	<u>5,646,421</u>	<u>6,069,352</u>	<u>6,389,019</u>	<u>7,090,313</u>	<u>7,227,000</u>	<u>7,414,461</u>	<u>8,547,489</u>
Business-type activities:										
Water fund	<u>1,772,760</u>	<u>1,756,734</u>	<u>1,743,187</u>	<u>1,757,711</u>	<u>1,811,522</u>	<u>1,825,246</u>	<u>2,183,668</u>	<u>1,976,838</u>	<u>2,184,888</u>	<u>2,377,320</u>
Total business-type activities	<u>1,772,760</u>	<u>1,756,734</u>	<u>1,743,187</u>	<u>1,757,711</u>	<u>1,811,522</u>	<u>1,825,246</u>	<u>2,183,668</u>	<u>1,976,838</u>	<u>2,184,888</u>	<u>2,377,320</u>
Total primary government expenses	<u>\$ 7,307,019</u>	<u>\$ 7,107,566</u>	<u>\$ 7,298,007</u>	<u>\$ 7,404,132</u>	<u>\$ 7,880,874</u>	<u>\$ 8,214,265</u>	<u>\$ 9,273,981</u>	<u>\$ 9,203,838</u>	<u>\$ 9,599,349</u>	<u>\$ 10,924,809</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services										
General government	\$ 15,270	\$ 15,269	\$ 15,270	\$ 26,350	\$ 23,884	\$ 18,500	\$ 19,543	\$ 1,550	\$ 15,859	\$ 21,155
Public safety	30,384	18,438	26,465	900	300	800	-	18,361	17,400	12,290
Cultural and recreation	-	-	-	-	-	-	-	-	-	59,314
Operating grants and contributions	93,407	42,828	22,548	220,621	38,859	47,858	18,699	207,471	77,007	85,860
Capital grants and contributions	106,054	106,971	106,776	106,302	106,428	104,952	103,879	139,851	136,507	134,558
Total governmental activities program revenues	<u>245,115</u>	<u>183,506</u>	<u>171,059</u>	<u>354,173</u>	<u>169,471</u>	<u>172,110</u>	<u>142,121</u>	<u>367,233</u>	<u>246,773</u>	<u>313,177</u>
Business-type activities:										
Charge for services										
Water	<u>1,824,127</u>	<u>1,708,014</u>	<u>1,751,374</u>	<u>1,941,316</u>	<u>1,996,961</u>	<u>2,263,956</u>	<u>2,464,546</u>	<u>2,522,887</u>	<u>2,856,517</u>	<u>2,734,606</u>
Total business-type activities:	<u>1,824,127</u>	<u>1,708,014</u>	<u>1,751,374</u>	<u>1,941,316</u>	<u>1,996,961</u>	<u>2,263,956</u>	<u>2,464,546</u>	<u>2,522,887</u>	<u>2,856,517</u>	<u>2,734,606</u>
Total primary government program revenues	<u>\$ 2,069,242</u>	<u>\$ 1,891,520</u>	<u>\$ 1,922,433</u>	<u>\$ 2,295,489</u>	<u>\$ 2,166,432</u>	<u>\$ 2,436,066</u>	<u>\$ 2,606,667</u>	<u>\$ 2,890,120</u>	<u>\$ 3,103,290</u>	<u>\$ 3,047,783</u>

(Continued on next page)

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Net (Expense) Revenue</b>										
Governmental activities	\$ (5,289,144)	\$ (5,167,326)	\$ (5,383,761)	\$ (5,292,248)	\$ (5,899,881)	\$ (6,216,909)	\$ (6,948,192)	\$ (6,859,767)	\$ (7,167,688)	\$ (8,234,312)
Business-type activities	51,367	(48,720)	8,187	183,605	185,439	438,710	280,878	546,049	671,629	357,286
Total primary government expense	<u>\$ (5,237,777)</u>	<u>\$ (5,216,046)</u>	<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>
<b>General Revenue and Other Changes in Net Position</b>										
Governmental activities:										
Taxes	\$ 3,769,024	\$ 3,889,022	\$ 3,953,934	\$ 4,127,418	\$ 4,421,892	\$ 4,653,205	\$ 4,737,193	\$ 5,114,269	\$ 5,765,684	\$ 6,140,275
Grants and unrestricted contributions	1,611,206	1,669,515	1,751,222	1,828,482	1,941,897	2,324,207	2,381,318	2,524,278	2,770,850	2,833,547
Gain (loss) on sale of property	-	(58,767)	51,967	3,885	568,630	338,618	29,140	21,131	13,575	45,975
Investment earnings	5,953	4,800	16,144	27,452	73,589	152,290	90,724	3,641	9,331	307,231
Miscellaneous	105,127	13,114	33,103	27,976	26,166	23,134	40,389	23,974	38,403	136,904
Total government activities	<u>5,491,310</u>	<u>5,517,684</u>	<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>
Business-type activities:										
Gain on sale of property	-	2,474.00	3,154	-	-	-	3,284	26,993	-	-
Gain on insurance recovery	-	-	-	-	-	-	-	-	-	35,804
Investment earnings	6,732	3,994	2,715	13,521	32,937	59,905	53,015	-	3,791	120,950
Total business-type activities	<u>6,732</u>	<u>6,468</u>	<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>
Total primary government	<u>\$ 5,498,042</u>	<u>\$ 5,524,152</u>	<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>
<b>Change in Net Position</b>										
Governmental activities	\$ 323,984	\$ 133,923	\$ 422,579	\$ 722,965	\$ 1,132,293	\$ 1,274,545	\$ 330,572	\$ 827,526	\$ 1,430,155	\$ 1,229,620
Business activities	(41,988)	14,655	14,056	197,126	218,376	498,615	337,177	573,042	675,420	514,040
Total primary government	<u>\$ 281,996</u>	<u>\$ 148,578</u>	<u>\$ 436,635</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>

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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ 47,577	\$ 46,921	\$ 22,230	\$ 82,000	\$ 88,492	\$ 86,771	\$ 108,984
Restricted	619,271	736,093	889,635	651,736	670,368	790,806	792,934	1,049,104	987,863	1,431,780
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	240,359	72,773	275,000	323,600	777,504	194,933	238,220	595,239	120,464	2,212,735
Unassigned	3,903,142	4,256,578	4,508,900	5,265,972	5,519,421	6,946,831	6,381,593	4,501,895	5,823,760	5,393,262
Total Governmental Funds	\$ 4,762,772	\$ 5,065,444	\$ 5,673,535	\$ 6,288,885	\$ 7,014,214	\$ 7,954,800	\$ 7,494,747	\$ 6,234,730	\$ 7,018,858	\$ 9,146,761

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>Revenues</b>										
Ad valorem taxes	\$ 2,673,180	\$ 2,744,627	\$ 2,852,225	\$ 2,973,623	\$ 3,146,825	\$ 3,322,075	\$ 3,364,052	\$ 3,571,162	\$ 3,975,822	\$ 4,215,832
Other taxes and licenses	1,097,423	1,108,108	1,135,729	1,163,041	1,275,968	1,324,253	1,370,946	1,536,284	1,786,030	1,934,738
Unrestricted intergovernmental revenues	1,611,206	1,669,515	1,751,222	1,827,864	1,941,175	2,323,917	2,381,218	2,489,117	2,725,568	2,815,693
Restricted intergovernmental revenues	173,275	126,566	109,224	326,923	145,287	152,810	122,578	347,322	212,866	220,342
Permits and fees	30,384	18,438	26,465	27,250	24,184	19,300	19,543	19,911	21,740	14,935
Sales and services	-	-	-	-	-	-	-	-	11,519	77,824
Investment earnings	5,953	4,800	16,114	27,452	73,589	152,290	90,724	3,641	9,331	307,231
Other revenues	146,583	49,594	59,777	25,438	26,888	23,425	40,489	59,135	84,333	154,834
<b>Total Revenue</b>	<u>5,738,004</u>	<u>5,721,648</u>	<u>5,950,756</u>	<u>6,371,591</u>	<u>6,633,916</u>	<u>7,318,070</u>	<u>7,389,550</u>	<u>8,026,572</u>	<u>8,827,209</u>	<u>9,741,429</u>
<b>Expenditures</b>										
<b>Current</b>										
General government	984,899	947,769	793,243	807,586	865,864	828,940	897,329	896,667	1,027,768	1,236,484
Public safety	2,706,134	2,810,037	3,007,254	2,965,402	3,227,198	3,690,123	4,076,515	4,149,537	4,472,585	4,795,808
Transportation	370,517	321,581	287,505	253,296	433,507	463,827	383,840	407,672	380,843	400,517
Environmental protection	491,741	475,327	524,619	627,195	440,629	397,878	544,056	624,382	568,132	709,107
Cultural and recreational	204,653	175,670	205,993	144,671	305,238	251,015	263,566	224,966	364,190	480,085
Capital outlay	964,804	1,049,345	117,020	549,967	746,875	687,982	1,432,670	2,714,840	832,950	386,010
<b>Debt Service</b>										
Principal retirement	283,614	591,461	417,182	421,632	426,025	356,116	283,404	284,333	48,771	49,922
Interest and fees	65,620	47,596	50,512	41,110	31,881	22,221	15,363	9,564	4,770	3,619
<b>Total expenditures</b>	<u>6,071,982</u>	<u>6,418,786</u>	<u>5,403,328</u>	<u>5,810,859</u>	<u>6,477,217</u>	<u>6,698,102</u>	<u>7,896,743</u>	<u>9,311,961</u>	<u>7,700,009</u>	<u>8,061,552</u>
Revenues over (under) expenditures	<u>(333,978)</u>	<u>(697,138)</u>	<u>547,428</u>	<u>560,732</u>	<u>156,699</u>	<u>619,968</u>	<u>(507,193)</u>	<u>(1,285,389)</u>	<u>1,127,200</u>	<u>1,679,877</u>
<b>Other Financing Sources</b>										
Sale of property	-	201,564	51,967	3,885	568,630	338,618	29,140	25,372	13,575	55,575
Insurance recovery	-	2,022	8,696	3,156	-	-	-	-	-	35,804
Proceeds from debt	-	692,000	-	-	-	-	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>895,586</u>	<u>60,663</u>	<u>7,041</u>	<u>568,630</u>	<u>338,618</u>	<u>29,140</u>	<u>25,372</u>	<u>13,575</u>	<u>91,379</u>
<b>Net change in fund balances</b>	<u>\$ (72,687)</u>	<u>\$ (333,978)</u>	<u>\$ 198,448</u>	<u>\$ 608,091</u>	<u>\$ 725,329</u>	<u>\$ 958,586</u>	<u>\$ (478,053)</u>	<u>\$ (1,260,017)</u>	<u>\$ 1,140,775</u>	<u>\$ 1,771,256</u>
Debt service as a percentage of non capital expenditures	13.59%	12.90%	16.46%	6.84%	11.90%	6.29%	4.62%	4.45%	0.78%	0.70%

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

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<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>
2014	\$ 2,673,180	\$ 30,384	\$ 1,784,481	\$ 1,097,423	\$ 5,953	\$ 146,583	\$ 5,738,004
2015	2,744,627	18,438	1,796,081	1,108,108	4,800	49,594	5,721,648
2016	2,852,225	26,465	1,860,446	1,135,729	16,114	59,777	5,950,756
2017	2,973,623	27,250	2,154,787	1,163,041	27,452	25,438	6,371,591
2018	3,146,825	24,184	2,086,462	1,275,968	73,589	26,888	6,633,916
2019	3,322,075	19,300	2,476,727	1,324,253	152,290	23,425	7,318,070
2020	3,364,052	19,543	2,503,796	1,370,946	90,724	40,489	7,389,550
2021	3,571,162	19,911	2,836,439	1,536,284	3,641	59,135	8,026,572
2022	3,975,822	21,740	2,938,434	1,786,030	9,331	95,852	8,026,572
2023	4,215,832	14,935	3,036,035	1,934,738	307,231	232,658	9,741,429

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)

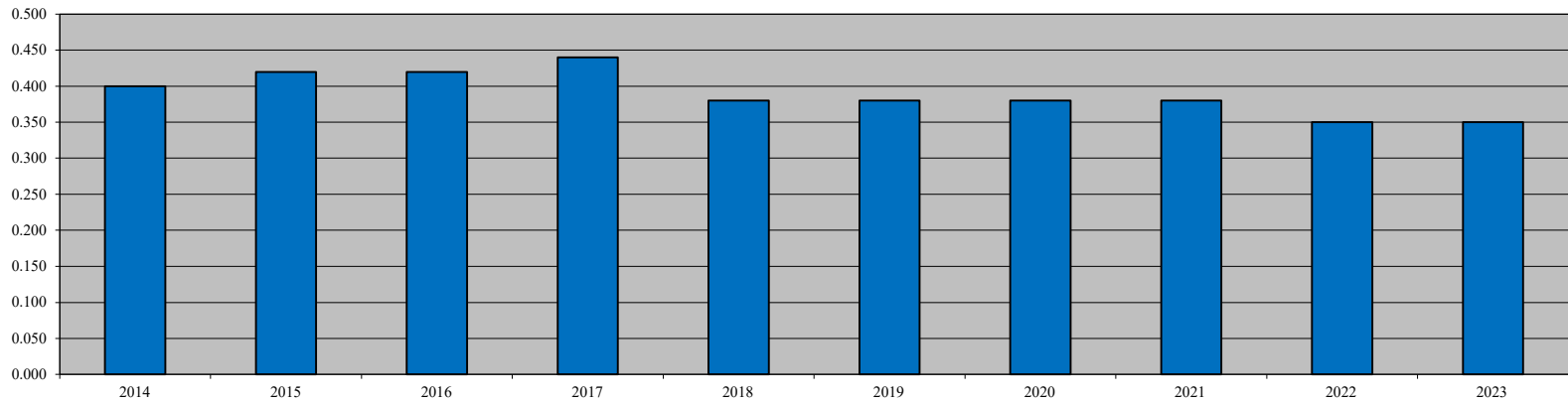
<u>Fiscal Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Public Service</u>	<u>Total</u>	<u>Tax Rate</u>	<u>Levy</u>
2014	\$ 533,001	\$ 96,066	\$ 4,875	\$ 633,942	\$ 0	\$ 2,536
2015	538,431	91,105	4,743	634,279	0.42	2,680
2016	570,750	91,775	5,461	667,986	0.42	2,806
2017	551,067	80,025	5,248	636,340	0.44	2,800
2018	715,013	63,906	5,148	784,067	0.38	2,979
2019	747,444	75,731	4,953	828,128	0.38	3,156
2020	784,173	72,063	5,406	861,642	0.38	3,229
2021	802,016	129,186	5,983	937,185	0.38	3,563
2022	971,184	141,664	6,365	1,119,213	0.35	3,917
2023	1,042,155	152,036	6,597	1,200,788	0.35	4,203

Note: Property in the Town of Weaverville is assessed by the Buncombe County Tax Office. The most recent revaluation occurred in 2021. Tax exempt property is not assessed by Buncombe County for tax purposes. Tax rates are per \$100 of assessed value and are the weighted average of all the individual direct rates applied. Actual value is assumed to be substantially the same as the assessed value.



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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
County of Buncombe	0.569	0.604	0.604	0.604	0.539	0.529	0.529	0.529	0.488	0.488
City of Asheville	0.460	0.475	0.475	0.475	0.429	0.429	0.429	0.429	0.403	0.403
Town of Biltmore Forest	0.385	0.385	0.385	0.395	0.330	0.330	0.345	0.345	0.345	0.345
Town of Weaverville	0.400	0.420	0.420	0.440	0.380	0.380	0.380	0.380	0.350	0.350
Town of Black Mountain	0.375	0.375	0.375	0.375	0.333	0.333	0.333	0.333	0.306	0.306
Town of Woodfin	0.305	0.305	0.305	0.305	0.280	0.280	0.330	0.330	0.330	0.330
Town of Montreat	0.410	0.410	0.410	0.410	0.410	0.410	0.430	0.430	0.430	0.430
Asheville School District	0.150	0.150	0.150	0.150	0.120	0.120	0.120	0.120	0.106	0.106
Fire Districts (average beginning in 2015)	0.090-0.150	0.118	0.118	0.117	0.118	0.132	0.133	0.133	0.130	0.131
Maximum Combined Rate	1.214	1.229	1.229	1.229	1.088	1.078	1.078	1.078	0.997	0.997



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

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

**TOWN OF WEAVERVILLE, NORTH CAROLINA**  
Principal Property Taxpayers  
Current Year and Nine Years Ago

Taxpayer	2022-2023			2013-2014		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Thermo Fisher / Kendro	\$ 38,793,753	1	3.47%	\$ 21,726,340	3	3.33%
CRE Rockwell / Baldor	34,874,659	2	3.12%	26,104,070	2	4.00%
Weaverville Plaza / IRC-MAB Acquisitions	16,491,700	3	1.47%	8,550,500	8	1.31%
Walmart	13,163,200	4	1.18%	13,381,500	4	2.05%
Arvato / Sonopress / King	10,671,200	5	0.95%	40,157,750	1	6.16%
Lowe's Home Centers	9,240,900	6	0.83%	12,539,100	5	1.92%
Brian Center / SMV Weaverville LLC	8,751,200	7	0.78%	-		
Ingles	8,624,600	8	0.77%	10,653,080	6	1.63%
SCG-Weaverville LLC	4,977,400	9	0.44%	-		
Hobby Lobby	4,651,500	10	0.42%	-		
Balcrank / Linter North America Corp.	3,958,000		0.35%	4,565,530	9	0.70%
Warrior Golf				2,651,420	10	0.41%
HMVHV				8,591,600	7	1.32%
<b>Totals</b>	<b>\$ 154,198,112</b>		<b>13.78%</b>	<b>\$ 148,920,890</b>		<b>22.83%</b>
 Total Overall Valuation	 \$1,119,212,858			 \$ 652,169,821		

Source: Weaverville Tax Department

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

<b>Fiscal Year Ended June 30</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collection within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2014	\$ 2,574,476	\$ 2,568,590	99.771%	\$ 5,316	\$ 2,573,906	99.81%
2015	2,773,162	2,731,523	98.499%	39,476	2,770,999	99.89%
2016	2,805,674	2,801,001	99.833%	4,641	2,805,642	99.97%
2017	2,965,846	2,962,235	99.878%	3,564	2,965,799	99.88%
2018	3,138,242	3,135,107	99.900%	2,510	3,137,617	99.98%
2019	3,317,354	3,307,823	99.713%	8,872	3,316,695	99.98%
2020	3,397,606	3,347,656	98.530%	43,732	3,391,388	99.82%
2021	3,562,586	3,512,051	98.582%	46,861	3,558,912	99.90%
2022	3,917,245	3,911,161	99.845%	2,997	3,914,158	99.92%
2023	4,202,757	4,200,883	99.955%	-	4,200,883	99.96%

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				
2014	3763	\$ 652,170	\$ 2,290	0.0035	\$ 609	\$ 2,672	\$ -	\$ 711	\$ 4,962	unavailable	\$ 1,320	
2015	3800	660,277	2,391	0.0036	629	2,548	-	671	4,939	unavailable	1,300	
2016	3833	668,018	1,974	0.0030	515	2,470	-	645	4,444	unavailable	1,160	
2017	3858	784,067	1,552	0.0020	390	2,311	-	581	3,863	unavailable	970	
2018	3911	825,853	1,126	0.0014	288	2,149	-	549	3,275	unavailable	837	
2019	3974	872,987	770	0.0009	194	1,989	-	501	2,759	unavailable	694	
2020	4027	894,106	486	0.0005	121	1,826	-	453	2,312	unavailable	574	
2021	4567	937,185	202	0.0002	44	1,660	-	363	1,862	unavailable	408	
2022	4698	1,119,213	153	0.0001	33	3,624	-	771	3,777	unavailable	804	
2023	4726	1,200,787	103	0.0001	22	3,407	-	721	3,510	unavailable	743	

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)

<b>Year Ended June 30:</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service Expenditures</b>	<b>Total General Government Expenditures (1)</b>	<b>Percentage of Debt Service to Total General Government Expenditures</b>
2014	\$ 284	\$ 66	\$ 350	\$ 6,072	5.764%
2015	591	48	639	6,419	9.955%
2016	417	50	467	5,403	8.643%
2017	422	41	463	5,811	8.643%
2018	426	32	458	6,477	7.071%
2019	356	22	378	6,698	5.643%
2020	283	15	298	7,290	4.088%
2021	284	10	294	9,311	3.158%
2022	48	4	52	7,700	0.675%
2023	49	3	52	8,062	0.645%

(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, 2023**

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<u>Direct:</u>			
Town of Weaverville			
Governmental Activities Installment Obligations			\$ 103,407
		Percent Applicable to the Town (1)	
<u>Underlying:</u>			
Buncombe County			
General Obligation Bonds	\$ 7,200,000	15.54%	<u>1,119,213</u>
Total direct and underlying bonded debt			<u><u>\$ 1,222,620</u></u>

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

Source: Buncombe County Tax Collector, North Carolina Annual  
Comprehensive Financial Report, Year Ended June 30, 2021.

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Assessed value of property	\$652,170	\$660,277	\$668,018	\$636,340	\$784,067	\$828,128	\$861,642	\$937,185	\$ 1,119,213	\$1,200,787
Debt limit, 8% of assessed value	52,174	52,822	53,441	50,907	62,725	66,250	68,931	74,975	89,537	96,063
Total net debt applicable to limit	4,962	4,939	4,444	3,863	3,275	2,758	4,812	4,322	3,777	3,511
Legal debt margin available	47,189	45,800	48,997	47,044	59,450	63,492	64,119	70,653	85,760	92,552
Total net debt applicable to the limit as a percentage of limit	9.55%	9.39%	8.32%	7.59%	5.22%	4.16%	6.98%	5.76%	4.22%	3.65%

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

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June 30	Population (1)	Personal Income (thousands) (2)	Per Capita Personal Income (3)	Median Age (3)	Public School Enrollment (4)	Unemployment Rate (5)
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
2015	3,800	unavailable	unavailable	unavailable	593	5.0
2014	3,763	unavailable	26,424	41.0	613	5.0

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:	2023			2014		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Thermo Fisher	520	1	11.00%	560	1	20.00%
Walmart	315	2	6.67%	187	4	6.68%
Ingles	185	3	3.91%	250	3	8.93%
Lowes	176	4	3.72%	160	6	5.71%
Publix	170	5	3.60%			
Baldor	150	6	3.17%	146	7	5.21%
Buncombe County Schools	120	7	2.54%	116	8	4.14%
Conrad Industries	90	8	1.90%	84	9	3.00%
Brian Center	86	9	1.82%	175	5	6.25%
Town of Weaverville	71	10	1.50%	60	10	2.14%
Arvato / Sonopress			0.00%	415	2	14.82%
<b>Total</b>	<b>1,883</b>		<b>39.84%</b>	<b>2,153</b>		<b>76.88%</b>

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**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b><u>Administration</u></b>	5	6	6	6	6	6	6	6	7	8
Manager	1	1	1	1	1	1	1	1	1	1
Finance Officer	1	1	1	1	1	1	1	1	1	1
Adm. Assistant	1	1	1	0	0	0	1	1	1	1
Account Clerk/Tax	1	2	2	2	2	2	2	2	2	2
Zoning	1	1	1	2	2	2	1	1	1	1
Recreation Coordinator	0	0	0	0	0	0	0	0	1	1
Town Clerk	0	0	0	0	0	0	0	0	0	1
<b><u>Police</u></b>	15	15	15	15	15	16	17	17	17	17
Chief	1	1	1	1	1	1	1	1	1	1
Assistant Chief	1	1	0	0	0	1	1	1	1	1
Detective	1	1	2	2	2	1	1	1	1	1
Sergeant	2	2	2	2	2	2	2	2	2	4
Corporal	2	2	2	2	2	2	2	2	2	0
Officer	7	7	7	7	7	8	9	9	9	9
Reception	1	1	1	1	1	1	1	1	1	1
<b><u>Fire</u></b>	18	18	18	18	21	24	24	24	24	24
Chief	1	1	1	1	1	1	1	1	1	1
Dept. Chief	1	1	1	1	1	1	1	1	1	1
Fire Marshal	1	1	1	1	1	1	1	1	1	1
Battalion Chief	3	3	3	3	3	3	3	3	3	3
Captain	3	3	3	3	3	3	3	3	3	3
Lieutenant	0	0	0	0	0	3	3	3	3	3
Engineer	0	0	0	0	3	6	6	6	6	6
Fire Fighter	9	9	9	9	9	6	6	6	6	6
<b><u>Public Works</u></b>	22	22	23	22	22	22	22	22	22	24
Director	1	1	1	1	1	1	1	1	1	1
Adm. Assistant	1	1	1	0	0	0	0	0	0	0
Supervisor	2	2	2	2	2	2	2	2	2	2
Equipment II	1	1	1	1	1	1	1	1	1	3
Equipment I	3	3	3	3	3	3	3	3	3	3
Water Treat.	4	4	5	4	4	4	4	4	3	4
Meter Reader	1	1	1	1	1	1	1	1	1	1
Skilled Labor	4	4	4	6	6	6	6	6	6	6
Semi-Skilled	3	3	3	3	3	3	3	3	3	3
Water Tr. Supervisor	1	1	1	0	0	0	0	0	1	1
Water Tr. Superintendent	1	1	1	1	1	1	1	1	1	0
<b>Total Employees</b>	<b>60</b>	<b>61</b>	<b>62</b>	<b>61</b>	<b>64</b>	<b>68</b>	<b>69</b>	<b>69</b>	<b>70</b>	<b>73</b>

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

<b>Function/Program</b>	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Administration</b>										
Zoning Permits	87	47	31	87	120	123	129	120	182	98
Tax Collection Rate	99%	99%	99%	99%	99%	99%	99%	99%	99%	99%
Tax Rate	0.4	0.42	0.42	0.44	0.38	0.38	0.38	0.38	0.35	0.35
<b>Police</b>										
Dollar Value Stolen	\$ 203,724	\$ 180,388	\$ 287,855	\$ 81,539	\$ 367,119	\$ 390,364	\$ 151,002	\$ 450,495	\$ 135,151	\$ 235,716
Dollar Value Recovered	\$ 92,045	\$ 88,272	\$ 87,725	\$ 68,010	\$ 104,668	\$ 43,902	\$ 66,337	\$ 493,026	\$ 95,528	\$ 377,669
Criminal Activities	211	288	379	302	445	578	627	400	384	160
Total Activities	67,293	69,289	68,775	67,648	79,640	56,908	57,070	52,137	20,298	7,374
Patrol Miles Driven	123,039	110,448	114,781	120,319	117,992	98,302	104,127	100,708	179,384	159,670
<b>Fire</b>										
Vehicle Fires	13	6	10	11	8	5	11	7	3	7
Vehicle Loss	\$ 66,350	\$ 16,800	\$ 23,672	\$ 32,800	\$ 11,300	\$ 39,395	\$ 114,800	\$ 59,700	\$ 20,500	\$ 123,410
Structure Fires	15	11	11	40	20	9	8	8	2	14
Structure Loss	\$ 98,470	\$ 93,350	\$ 271,450	\$ 160,300	\$ 517,850	\$ 1,925,400	\$ 433,660	\$ 238,200	\$ 4,000	\$ 735,000
Total Calls	1,595	1,679	1,670	1,655	1,979	1,868	1,952	1,972	1,951	2,112
<b>Public Works</b>										
Solid Waste/Program Cost	\$ 299,625	\$ 312,952	\$ 505,910	\$ 349,462	\$ 597,730	\$ 550,671	\$ 629,319	\$ 526,601	\$ 462,187	\$ 533,808
Cost per Household	\$ 167.58	\$ 175.03	\$ 257.46	\$ 179.86	\$ 302.34	\$ 274.79	\$ 314.03	\$ 256.25	\$ 208.76	\$ 225.90
Cost per Ton Recyclables	\$ 162.00	\$ 169.21	\$ 273.53	\$ 280.02	\$ 135.65	\$ 153.48	\$ 142.86	\$ 139.43	\$ 145.62	\$ 185.00
Recovered Tons	388.2	407.6	427.9	449.3	457.9	431.0	458.0	531.0	548.0	521.9
Street Signs Installed	16	10	12	18	15	12	10	8	12	15
Paving Repairs	26	18	28	16	18	22	19	15	24	28

continued on next page

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Water</b>										
Water Mains										
Six inch	106,325	106,685	106,745	107,578	115,787	118,211	119,030	120,230	120,230	120,750
Eight inch	114,089	114,229	116,806	116,806	118,366	119,032	119,032	119,032	119,032	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	23,805	23,805	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

<b>Function/Program</b>	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	15	15	15	15	18	18	18	18	18	19
<b>Fire stations</b>										
Fire stations	1	1	1	1	1	1	1	1	1	1
<b>Refuse collection</b>										
Collection trucks	2	2	2	2	2	2	2	2	2	2
<b>Other public works</b>										
Streets (miles)	18.03	18.18	19.13	19.29	19.36	19.44	19.44	19.87	19.87	19.87
Streetlights	301	301	301	301	304	306	308	310	310	316
Traffic signals	12	12	12	12	12	12	12	12	12	12
<b>Water</b>										
Transmission lines (miles)	55.09	55.18	56.13	56.13	57.97	58	58.5	58.7	61.9	68
Fire hydrants	402	404	410	410	422	433	439	442	442	471
Storage capacity (thousands of gallons)	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950	3,950

Sources: Various Town Departments

Notes:

Traffic signals are maintained by North Carolina Department of Transportation.

Streetlights are provided by Duke Energy.

Town street total includes gravel and hard surface.

Police vehicles include support vehicles.

## **COMPLIANCE SECTION**



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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, and each major fund of the Town of Weaverville, North Carolina, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprises the Town of Weaverville's basic financial statements, and have issued our report thereon dated November 8, 2023. Our report includes a reference to other auditors who audited the financial statements of the Town of Weaverville ABC Board, as described in our report on the Town of Weaverville's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the Town of Weaverville ABC Board were not audited in accordance with *Government Auditing Standards*.

***Report on Internal Control Over Financial Reporting***

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

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

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

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Town of Weaverville, North Carolina's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

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

*Donald Killian CPA Group, P.A.*

Asheville, North Carolina  
November 8, 2023



**TOWN OF WEAVERVILLE, NORTH CAROLINA  
 SCHEDULE OF FINDINGS AND RESPONSES**  
 For the year ended June 30, 2023

**I. Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- |                                     |         |          |
|-------------------------------------|---------|----------|
| • Material weakness(es) identified? | ____yes | __X__ no |
|-------------------------------------|---------|----------|
- |   |         |                     |
|---|---------|---------------------|
| • Significant deficiency(s) identified<br>that are not considered to be<br>material weaknesses? | ____yes | __X__ none reported |
|---|---------|---------------------|
- |   |         |          |
|---|---------|----------|
| • Noncompliance material to financial<br>statements noted | ____yes | __X__ no |
|---|---------|----------|