

# Comprehensive Annual Financial Report

## Fiscal Year Ending June 30, 2019



**Town of Weaverville**  
**North Carolina**



**Town of Weaverville, North Carolina**

**Comprehensive Annual Financial Report**  
**Fiscal Year Ended June 30, 2019**

**Town Council**  
**(As of June 30, 2019)**

Al Root, Mayor  
Doug Jackson, Vice-Mayor  
Dottie Sherrill  
Patrick Fitzsimmons  
Andrew Nagle  
Jeff McKenna

Town Manager  
Selena D. Coffey

Finance Officer  
Tonya Dozier

**Comprehensive Annual Financial Report**  
***Fiscal Year Ended June 30, 2019***  
**Town of Weaverville, North Carolina**

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## **INTRODUCTORY SECTION**



Government Finance Officers Association

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

Presented to

**Town of Weaverville  
North Carolina**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morill*

Executive Director/CEO

**Al Root**  
*Mayor*

**Doug Jackson**  
*Vice Mayor*

**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

**Dottie Sherrill**  
*Councilwoman*

**Jeff McKenna**  
*Councilman*

**Andrew Nagle**  
*Councilman*

**Patrick Fitzsimmons**  
*Councilman*

## ***Letter of Transmittal***

November 12, 2019

### **Honorable Mayor Root, 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 Comprehensive Annual Financial Report (CAFR) of the Town of Weaverville, North Carolina for the fiscal year ending June 30, 2019.

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, 2019 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, 2019 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 4,500 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; parks and recreation; planning and code enforcement; and water production and distribution.

## Demographic Characteristics

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

1980	1990	2000	2010	2018 Certified Est. <sup>1</sup>
1,495	2,107	2,968	3,120	3,974

Town staff has estimated the population of the Town to be approximately 4,500 as of June 2019.

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 44% since the 2010 census. The Town continues to grow with approximately 222 residential units either approved or in some phase of the development review process at fiscal year-end June 30, 2019. This has the potential to increase the Town's population by another 450 residents or 11%. The Town has an ample water supply, as the Lawrence T. Sprinkle Jr. Water Treatment Facility is operating at approximately 67% capacity (including actual usage and commitments) and routinely receives new water commitment applications which means that the Town can support minor additional growth in the residential sector, but plans are being discussed in order to keep up with future needs. This will include the construction of additional waterlines, with a waterline extension project currently underway, and the eventual expansion of the water treatment plant.

As these additional residential units are completed and the population grows, Town staff believes that this will lead to further growth in the commercial sector. There has been sustained growth in this sector over the last few years, with the Town's first hotel near completion, and several new businesses in operation. However, there continue to be some vacant sites available for commercial development within the Town. As our population increases, the demand for additional retail should grow which will lead to further development of these projects.

## Governmental Structure

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

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



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	Tax Collections
Personnel Administration	Budget & Finance

#### **Police:**

Administration	Patrol
Criminal Investigations	Auxiliary Force
Community Policing	Community Programs

**Fire:**

Fire Suppression  
Fire Inspections  
Public Education

Investigations  
First Responders  
Training & Safety

**Public Works:****Sanitation Division**

Garbage Collection  
Appliance Collection  
Leaf Collection

Recycling  
Recycle Collection  
Brush Collection

**Streets Division**

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

Street Cleaning  
Public Facility Landscaping  
Snow/Ice Removal  
Storm Drainage

**Parks & Recreation Division**

Lake Louise Park  
Playground/Walking Trails  
Special Event Support

Lake Equipment/Outdoor Fitness  
Main Street Nature Park

**Water Resources Division**

Water Treatment  
Water Distribution  
Service Installation

Water Production  
Meter Reading  
Water Operations

**Budget Process**

The annual budget serves as the foundation of the Town of Weaverville's financial planning and fiscal control. All departments are required to submit requests to the Manager, who serves as the Budget Officer per state law, on or before the last day of April of each year. The Manager then uses these requests as the starting point for developing a proposed budget to be submitted to Town Council by each June 1. The Council is required to hold at least one public hearing on the proposed budget and must adopt a final budget no later than each June 30, the close of the fiscal year. The Budget Ordinance, as adopted by the governing body, creates a legal limit on spending authorizations. For the Town of Weaverville, the Fiscal Year 2018-2019 Budget was adopted to include the General Fund and Enterprise Fund. Multi-year project ordinances are adopted for all Capital Projects funds. For internal accounting purposes, budgetary control is maintained by line item account (object class).

**Factors Affecting Weaverville's Financial Condition**

As noted earlier, population growth remains a consistent and stable contributor to the local economy, and the Town continues to grow as a result. 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 some modest growth in this sector over the last several years, but there are still a number of vacant sites

available in 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.

As of fiscal year end, Buncombe County had the lowest unemployment rates of all counties in the state at 3.4% according to the North Carolina Department of Commerce. This is much lower than the state's average unemployment rate of approximately 4.4%. We have seen continued job growth year after year in almost all sectors of the economy in our region. Although the majority of the Town's recent development growth has been in the residential sector, the Town has recently had some interest in large-scale agricultural, indoor recreational, and commercial projects. This includes possible new directions for the former Arvato facility and former BalCrank property. The construction of the Town's first hotel is nearing completion with an expected opening date of Spring 2020. With anticipated development of additional commercial and retail developments in the near future, we believe that these are positive signs of continued growth and positive financial implications for the Town of Weaverville.

### **Debt Administration**

On May 23, 2005 Moody's Investors Service assigned an initial A2 rating to the Town of Weaverville's general obligation refunding bonds. The A2 rating reflects the small tax base with some concentration in a single taxpayer, the solid local economy, healthy finances with high level of reserves, and a manageable debt burden. The Town approved refunding General Obligation bonds originally issued in June 2005, during Fiscal Year 2015-2016. This resulted in significant debt service savings to the Town.

### **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Weaverville for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018. This was the 23<sup>rd</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 comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

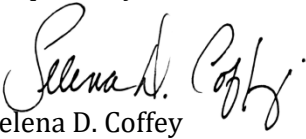
### **Conclusion**

The economy in the Asheville region continues to grow at a much faster pace than the economy of North Carolina in general. This should benefit Weaverville and lead to continued growth in the housing, commercial and retail markets. 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 and collect our property taxes at a high rate, 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,

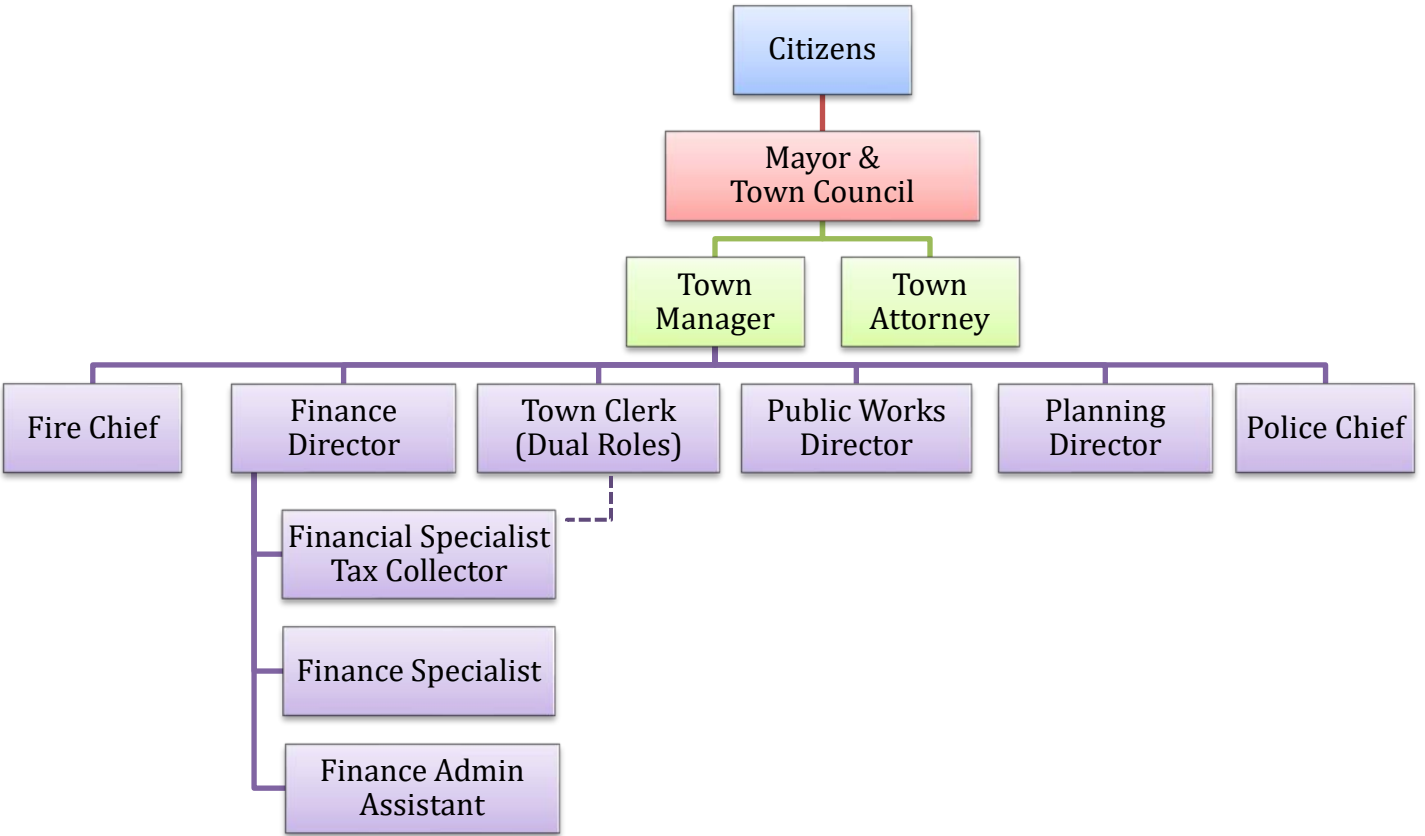


Selena D. Coffey  
Town Manager



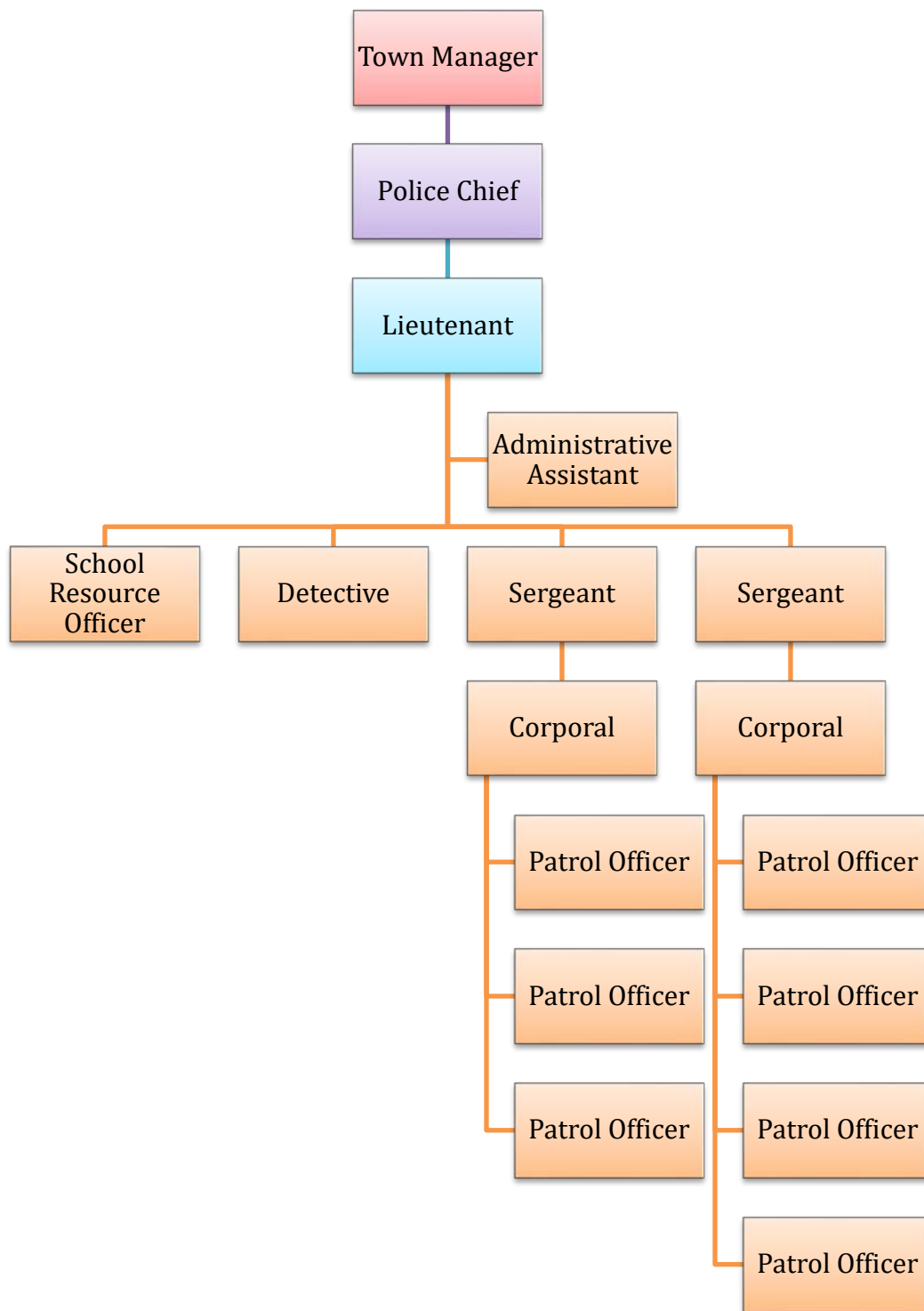
Tonya R. Dozier  
Finance Officer

Administration  
Organizational Chart

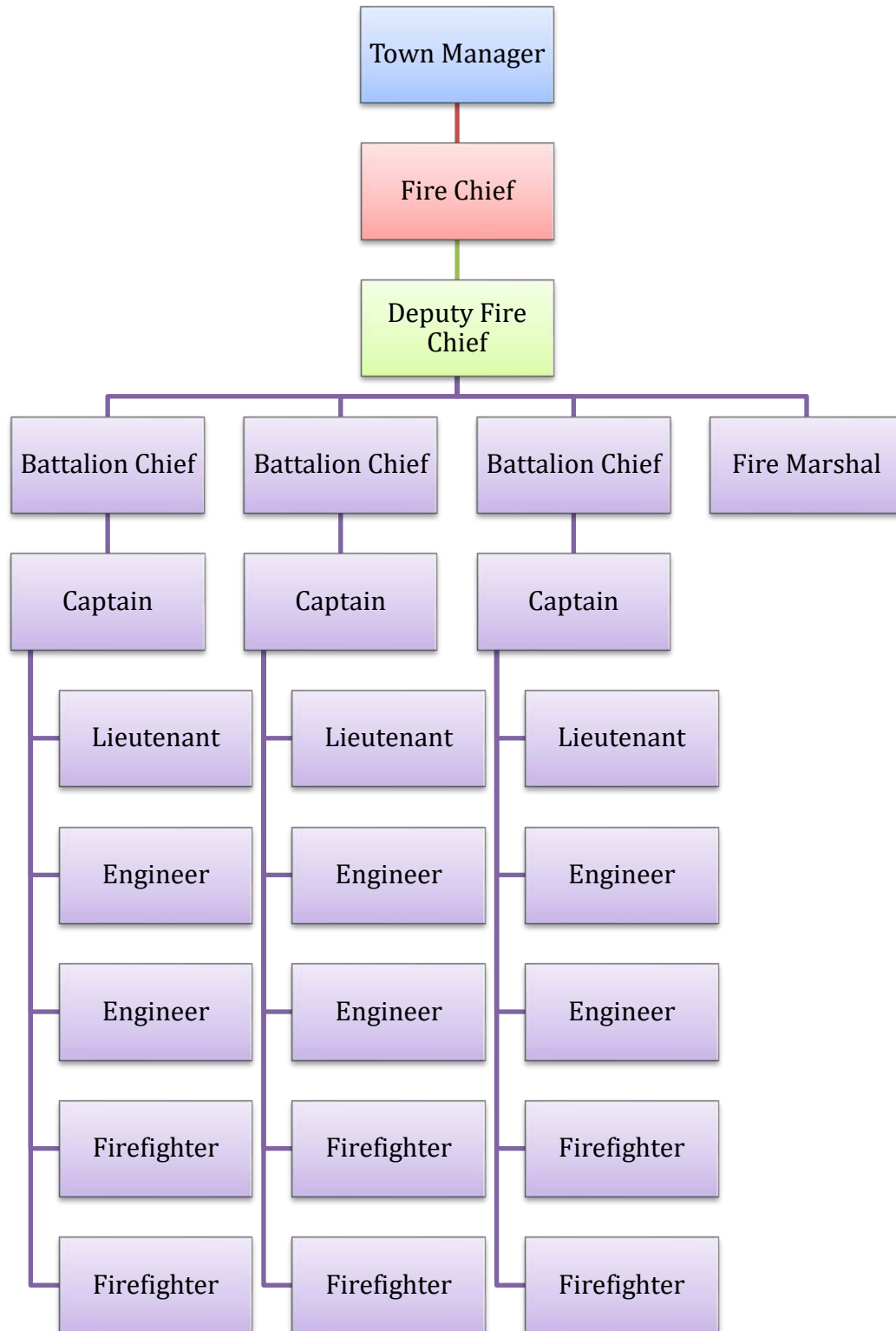




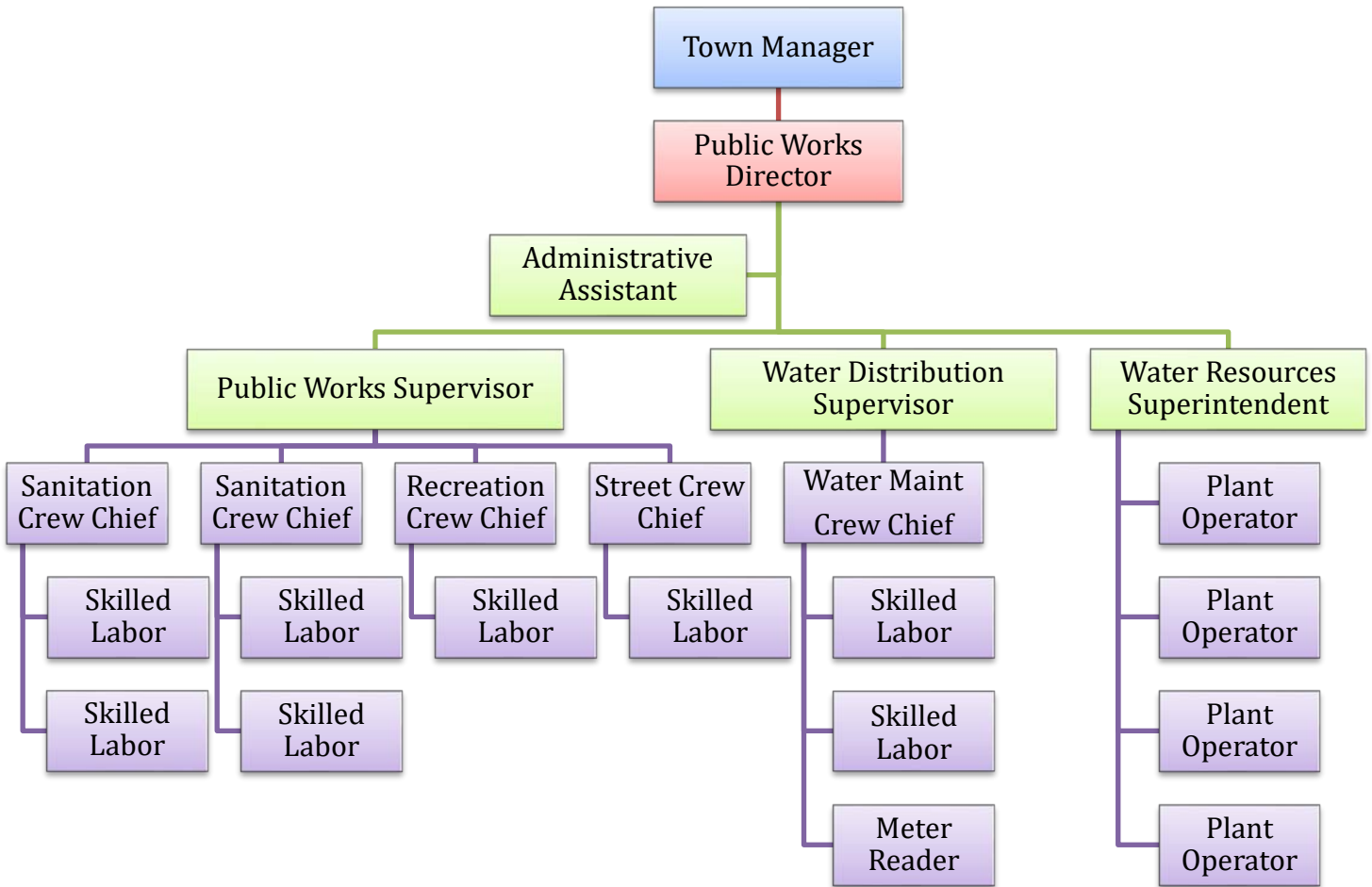
# Police Department Organizational Chart



Fire Department  
Organizational Chart



Public Works Department  
Organizational Chart



Does not reflect temporary labor positions

**TOWN OF WEAVERVILLE  
PRINCIPAL OFFICIALS**

**TOWN COUNCIL**

Al Root, Mayor  
Doug Jackson, Vice Mayor  
Dottie Sherrill, Council Member  
Patrick Fitzsimmons, Council Member  
Andrew Nagle, Council Member  
Jeff McKenna, Council Member

**TOWN MANAGER**

Selena D. Coffey

**TOWN ATTORNEY**

Jennifer O. Jackson

**FINANCE OFFICER**

Tonya R. Dozier

**POLICE DEPARTMENT CHIEF**

Ron Davis

**PUBLIC WORKS DIRECTOR**

Dale Pennell

**FIRE DEPARTMENT CHIEF**

Ted Williams

**PLANNING DIRECTOR**

James Eller

## **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

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, and each major fund of the Town of Weaverville, North Carolina, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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

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

### ***Auditors' Responsibility***

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

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

the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, and each major fund of the Town of Weaverville, North Carolina, as of June 30, 2019, and the respective changes in financial position and cash flows, where appropriate, thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 16-23, 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 63, the Local Governmental Employees' Retirement System's schedules of the Town's Proportionate Share of the Net Pension Liability (Asset) and Contributions on pages 64 and 65, respectively, and the Other Postemployment Benefits Schedule of Changes in the Total OPEB Liability and Related Ratios on page 66 be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Town of Weaverville, North Carolina. The introductory information, individual fund financial statements, budgetary schedules, other schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund statements, budgetary schedules, and other schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing

procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the procedures performed as described above, the individual fund statements, budgetary schedules, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2019 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 12, 2019

## 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, 2019. 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.

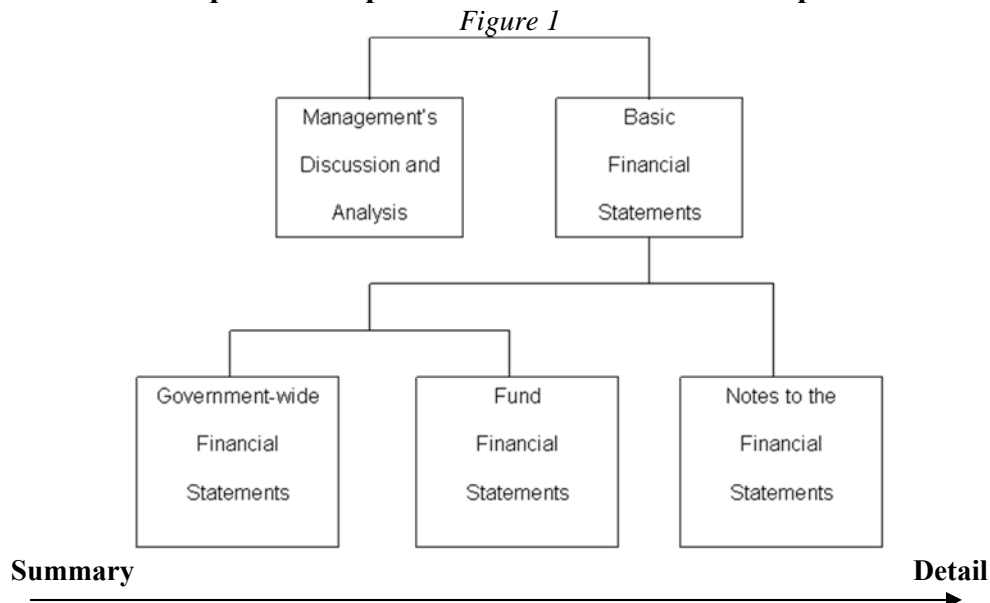
### Financial Highlights

- 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 \$24,646,151 (*net position*).
- The government's total net position increased by \$1,773,160, which was primarily the result of increased revenues from governmental activities, as well as business-type activities.
- As of the close of the current fiscal year, the Town of Weaverville's General Fund reported an ending fund balance of \$7,972,800, with a net increase of \$958,586 in fund balance. Approximately 10% of this total amount, or \$790,806, is restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$6,964,831, or 104% of total general fund expenditures for the fiscal year.

### Overview of the Financial Statements

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

#### Required Components of Annual Financial Report



## Basic Financial Statements

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

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

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

## Government-wide Financial Statements

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

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

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

## Fund Financial Statements

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

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



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

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

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

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 34 of this report.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Town of Weaverville's progress in funding its obligation to provide pension and other postemployment benefits to its employees. Required supplementary information can be found beginning on page 63 of this report.

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

## Government-Wide Financial Analysis

### The Town of Weaverville's Net Position

Figure 2

	Governmental Activities		Business-Type Activities		Total		Total
	2019	2018	2019	2018	2019	2018	Percentage Change
Current and other assets	\$ 8,672,799	\$ 7,381,899	\$ 3,678,706	\$ 3,389,230	\$ 12,351,505	\$ 10,771,129	15%
Capital assets	9,858,252	9,832,150	8,547,892	8,264,213	18,406,144	18,096,363	2%
Total assets	18,531,051	17,214,049	12,226,598	11,653,443	30,757,649	28,867,492	7%
Deferred outflows of resources	1,003,922	642,040	204,445	132,835	1,208,367	774,875	
Long-term liabilities	3,143,168	3,023,910	2,306,470	2,405,070	5,449,638	5,428,980	0%
Other liabilities	1,084,396	815,658	576,906	333,508	1,661,302	1,149,166	45%
Total liabilities	4,227,564	3,839,568	2,883,376	2,738,578	7,110,940	6,578,146	8%
Deferred inflows of resources	174,695	158,352	34,230	32,878	208,925	191,230	9%
Net position:							
Net investment in capital assets	9,088,415	8,706,197	6,558,892	6,115,213	15,647,307	14,821,410	6%
Restricted	790,806	670,368	-	-	790,806	670,368	18%
Unrestricted	5,253,493	4,481,604	2,954,545	2,899,609	8,208,038	7,381,213	11%
Total net position	\$ 15,132,714	\$ 13,858,169	\$ 9,513,437	\$ 9,014,822	\$ 24,646,151	\$ 22,872,991	8%

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Town of Weaverville exceeded liabilities and deferred inflows by \$24,646,151 as of June 30, 2019. The Town's net position increased by \$1,773,160 for the fiscal year ended June 30, 2019. The largest component of net position (63.5%) reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment less the debt related to those assets). The Town of Weaverville uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Weaverville's net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town of Weaverville's net position (3.2%), \$790,806, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$8,208,038 (33.3%) 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 collections rate of 99.71%, and which is better than the statewide average of 99.18% for fiscal year 2018.
- Sales of capital assets resulted in proceeds of \$16,992.
- The former bus garage on Central Avenue was sold for \$321,626, net of disposal costs.

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

*Figure 3*

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Revenues:</b>						
<i>Program revenues:</i>						
Charges for services	\$ 19,300	\$ 24,184	\$ 2,263,956	\$ 1,996,961	\$ 2,283,256	\$ 2,021,145
Operating grants and contributions	47,858	38,859	-	-	47,858	38,859
Capital grants and contributions	104,952	106,428	-	-	104,952	106,428
<i>General revenues:</i>						
Property taxes	3,328,952	3,145,924	-	-	3,328,952	3,145,924
Other taxes	1,324,253	1,275,968	-	-	1,324,253	1,275,968
Grants and contributions not restricted to specific programs	2,324,207	1,941,897	-	-	2,324,207	1,941,897
Unrestricted investment earnings	152,290	73,589	59,905	32,937	212,195	106,526
Miscellaneous	23,134	26,166	-	-	23,134	26,166
Gain on sale of property	338,618	568,630	-	-	338,618	568,630
<i>Total revenues</i>	<u>7,663,564</u>	<u>7,201,645</u>	<u>2,323,861</u>	<u>2,029,898</u>	<u>9,987,425</u>	<u>9,231,543</u>
<b>Expenses:</b>						
General government	867,562	915,132	-	-	867,562	915,132
Public safety	4,177,269	3,737,201	-	-	4,177,269	3,737,201
Transportation	573,092	538,868	-	-	573,092	538,868
Environmental protection	472,460	517,387	-	-	472,460	517,387
Culture and recreation	279,034	330,758	-	-	279,034	330,758
Water and sewer	-	-	1,825,246	1,811,522	1,825,246	1,811,522
Interest on long-term debt	19,602	30,006	-	-	19,602	30,006
<i>Total expenses</i>	<u>6,389,019</u>	<u>6,069,352</u>	<u>1,825,246</u>	<u>1,811,522</u>	<u>8,214,265</u>	<u>7,880,874</u>
Increase in net position	1,274,545	1,132,293	498,615	218,376	1,773,160	1,350,669
Net position, beginning	13,858,169	12,725,876	9,014,822	8,796,446	22,872,991	21,522,322
Net position, end of year	<u>\$ 15,132,714</u>	<u>\$ 13,858,169</u>	<u>\$ 9,513,437</u>	<u>\$ 9,014,822</u>	<u>\$ 24,646,151</u>	<u>\$ 22,872,991</u>

**Governmental activities.** Governmental activities increased the Town's net position by \$1,274,545, thereby accounting for most of the growth in the net position of the Town of Weaverville. Town management reduced 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. Increased efforts to maximize tax collections also contributed to the favorable net position. Town management acknowledges that 2019 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 \$498,615. Water rates increased by 2% from the previous fiscal year.

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

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

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

The General Fund is the chief operating fund of the Town of Weaverville. At the end of the current fiscal year, the Town of Weaverville's fund balance available for appropriation in the General Fund was \$7,182,262 while total fund balance reached \$7,972,800. 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 98.1% of General Fund revenues, while total fund balance represents 108.9% 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 the budgeted amounts due to increased investment earnings, increased ABC Store distributions, and because the Town collected more ad valorem and sales taxes than anticipated. 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 and Sewer Fund at the end of the fiscal year amounted to \$2,954,545. The total change in net position for the Water and Sewer Fund was an increase of \$498,615. The change in net position in the Water and Sewer Fund is primarily a result of the Town's increased customer base, increased System Development Fees on new construction, and continued replacement of manual-read water meters with automated water meters.

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

**Capital assets.** The Town of Weaverville's investment in capital assets for its governmental and business-type activities as of June 30, 2019, totals \$15,647,307 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, vehicles, furniture, plant and distribution systems, and town infrastructure.

Major capital asset transactions during the year include the following:

- Two new patrol cars for the Police Department at a cost of approximately \$59,984 total.
- New carpet/flooring in Town Hall and Police Department at a cost of \$40,000.
- Two new vehicles for the Water Department at a cost of approximately \$63,000 total.
- Further completion of 2016 Paving Project for the Streets Department at a cost of \$300,000.
- Ox Creek Reservoir Restoration at a cost of approximately \$83,870.

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

*Figure 4*

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land and construction in progress	\$ 1,144,637	\$ 1,032,109	\$ 330,035	\$ 146,035	\$ 1,474,672	\$ 1,178,144
Buildings	4,271,432	4,392,358	-	-	4,271,432	4,392,358
Land improvements	337,860	352,167	-	-	337,860	352,167
Furniture, equipment and vehicles	1,274,188	1,539,821	555,125	281,595	1,829,313	1,821,416
Infrastructure	2,830,135	2,515,695	7,662,732	7,836,583	10,492,867	10,352,278
Total capital assets	<u>\$ 9,858,252</u>	<u>\$ 9,832,150</u>	<u>\$ 8,547,892</u>	<u>\$ 8,264,213</u>	<u>\$ 18,406,144</u>	<u>\$ 18,096,363</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, 2019, the Town of Weaverville had total debt in the form of direct placement installment purchase contracts and general obligation bonds outstanding of \$2,758,837.

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

*Figure 5*

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation bonds, net	\$ -	\$ -	\$ 1,989,000	\$ 2,149,000	\$ 1,989,000	\$ 2,149,000
Installment purchases payable	769,837	1,125,953	-	-	769,837	1,125,953
	<u>\$ 769,837</u>	<u>\$ 1,125,953</u>	<u>\$ 1,989,000</u>	<u>\$ 2,149,000</u>	<u>\$ 2,758,837</u>	<u>\$ 3,274,953</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 \$67,000,000.

Additional information regarding the Town of Weaverville's long-term debt can be found in Note 2.B.4 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 2019, and we expect that this will continue during FY 2020.
- There are roughly 220 residential units that have either been approved or are currently in the development review process.
- The Town's fund balance continues to remain strong which helps the Town avoid any drastic cut to services and/or massive rate increases.



## **Budget Highlights for the Fiscal Year Ending June 30, 2020**

**Governmental Activities:** The Town Council has adopted a budget for fiscal year 2019-2020 that sets the tax rate at \$0.380 per \$100 of valuation, which is the same rate from fiscal year 2018-2019. The adopted budget allocates funding for one new police officer, which will be the first patrol officer added since 2006, and will allow the Police Department to provide a more efficient and effective police presence in our community. The budget also provides funding for the Police Department to have access to Buncombe County's Computer-Aided Dispatch (CAD) which in turn will allow our officers to better respond to calls within the area. Capital equipment incorporated within the budget includes: the replacement of three police patrol vehicles with the Town's first ever marked, hybrid sport utility vehicles; an all-purpose truck for the Police Department; one vehicle replacement for the Fire Department, and two replacement trucks for Public Works. The Capital Improvement Plan (CIP) also includes \$375,000 for streets maintenance and improvements (\$100,000 of which is offset with Powell Bills funds), and funding of \$60,000 for the future greenways project included with the *Connect Buncombe* initiative. In addition, plans are continuing for the new Lake Louise Community Center, with construction scheduled to begin during fiscal year 2020, as well as improvements/upgrades to the public restrooms at the lake. The budget also reflects Town Council's direction to provide appropriate health insurance, cost of living increases and the continuance of the merit bonus program for its employees. Town Council did not take any measures to reduce services, but actually budgeted to maintain these quality services to the Town's citizens.

**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 and capital improvements.

Water revenues from all sources during fiscal year 2019-2020 are estimated at \$2,401,250, which is slightly above the actual amount of \$2,303,154 collected in the 2018-2019 fiscal year. The budget for fiscal year 2019-2020 includes a rate increase of 5% in order to prepare for the eventual water plant expansion, and includes continued funding for transitioning to automated radio read meters. In addition, a USDA funded waterline extension project will begin in fiscal year 2019-2020. The Capital Improvement Plan (CIP) includes the replacement of one truck and one dump truck for the Water Department. Continued growth in the Town's customer base has helped to meet the budgetary needs of the Water Department, without significant rate increases.

### **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, P.O. Box 338, Weaverville, NC 28787. You can also call (828) 645-7116, visit our website [www.weavervillenc.org](http://www.weavervillenc.org) or send an email to [tdozier@weavervillenc.org](mailto:tdozier@weavervillenc.org) for more information.

## **BASIC FINANCIAL STATEMENTS**

## TOWN OF WEAVERVILLE, NORTH CAROLINA

Exhibit 1

## STATEMENT OF NET POSITION

June 30, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Town of Weaverville ABC Board
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 7,739,739	\$ 3,241,435	\$ 10,981,174	\$ 482,312
Taxes receivable, net	10,519	-	10,519	-
Accounts receivable, net	-	412,921	412,921	50
Due from other governments	768,308	-	768,308	-
Inventories	-	-	-	161,306
Prepaid expenses	22,230	-	22,230	5,681
Restricted cash and equivalents	132,003	24,350	156,353	-
Total current assets	8,672,799	3,678,706	12,351,505	649,349
Non-current assets:				
Capital assets:				
Land and construction in progress	1,144,637	330,035	1,474,672	-
Other capital assets, net	8,713,615	8,217,857	16,931,472	938,345
Total capital assets	9,858,252	8,547,892	18,406,144	938,345
Total assets	18,531,051	12,226,598	30,757,649	1,587,694
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension deferrals	963,890	191,164	1,155,054	60,093
OPEB deferrals	40,032	13,281	53,313	-
Total deferred outflows of resources	1,003,922	204,445	1,208,367	60,093
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	572,198	345,255	917,453	94,333
Payable from restricted cash:				
Deposits	109,505	24,350	133,855	-
Accrued interest payable	6,411	3,301	9,712	9,969
Current portion of long-term liabilities	396,282	204,000	600,282	80,343
Total current liabilities	1,084,396	576,906	1,661,302	184,645
Long-term liabilities:				
Net pension liability (LGRS)	1,082,861	244,702	1,327,563	68,084
Total pension liability (LEOSSA)	560,099	-	560,099	-
Total OPEB liability	929,266	232,316	1,161,582	-
Due in more than one year	570,942	1,829,452	2,400,394	939,380
Total long-term liabilities	3,143,168	2,306,470	5,449,638	1,007,464
Total liabilities	4,227,564	2,883,376	7,110,940	1,192,109
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Prepaid taxes	7,777	-	7,777	-
Pension deferrals	83,528	13,383	96,911	352
OPEB deferrals	83,390	20,847	104,237	-
Total deferred inflows of resources	174,695	34,230	208,925	352
<b>NET POSITION</b>				
Net investment in capital assets	9,088,415	6,558,892	15,647,307	(72,073)
Restricted for:				
Stabilization by State statute	768,308	-	768,308	-
Streets	12,898	-	12,898	-
Public safety	9,600	-	9,600	-
Working capital	-	-	-	97,860
Unrestricted	5,253,493	2,954,545	8,208,038	429,539
Total net position	\$ 15,132,714	\$ 9,513,437	\$ 24,646,151	\$ 455,326

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, 2019

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-type Activities	Total	Town of Weaverville ABC Board
<b>Primary government:</b>								
Governmental Activities:								
General government	\$ 867,562	\$ 18,500	\$ -	\$ -	\$ (849,062)	\$ -	\$ (849,062)	\$ -
Public safety	4,177,269	800	47,858	-	(4,128,611)	-	(4,128,611)	-
Transportation	573,092	-	-	104,952	(468,140)	-	(468,140)	-
Environmental protection	472,460	-	-	-	(472,460)	-	(472,460)	-
Cultural and recreation	279,034	-	-	-	(279,034)	-	(279,034)	-
Interest on long-term debt	19,602	-	-	-	(19,602)	-	(19,602)	-
Total governmental activities	6,389,019	19,300	47,858	104,952	(6,216,909)	-	(6,216,909)	-
Business-type activities:								
Water and sewer	1,825,246	2,263,956	-	-	-	438,710	438,710	-
Total primary government	\$ 8,214,265	\$ 2,283,256	\$ 47,858	\$ 104,952	(6,216,909)	438,710	(5,778,199)	-
Component unit:								
Town of Weaverville ABC Board	\$ 2,515,561	\$ 2,543,618	\$ -	\$ -	-	-	-	28,057
Total component unit	\$ 2,515,561	\$ 2,543,618	\$ -	\$ -	-	-	-	28,057
General revenues:								
Taxes:								
Property taxes, levied for general purpose					3,328,952	-	3,328,952	-
Local option sales tax					1,324,253	-	1,324,253	-
Grants and contributions not restricted to specific programs					2,324,207	-	2,324,207	-
Gain on sale of property					338,618	-	338,618	-
Unrestricted investment earnings					152,290	59,905	212,195	1,196
Miscellaneous					23,134	-	23,134	-
Total general revenues					7,491,454	59,905	7,551,359	1,196
Change in net position					1,274,545	498,615	1,773,160	29,253
Net position, beginning of year					13,858,169	9,014,822	22,872,991	426,073
Net position, end of year					\$ 15,132,714	\$ 9,513,437	\$ 24,646,151	\$ 455,326

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

## TOWN OF WEAVERVILLE, NORTH CAROLINA

Exhibit 3

BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2019

	<b>General Fund</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 7,739,739	\$ 7,739,739
Restricted cash and cash equivalents	132,003	132,003
Taxes receivable, net	10,519	10,519
Due from other governments	768,308	768,308
Prepaid items	22,230	22,230
Total assets	<u>\$ 8,672,799</u>	<u>\$ 8,672,799</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 572,198	\$ 572,198
Payable from restricted cash:		
Deposits	109,505	109,505
Total liabilities	<u>681,703</u>	<u>681,703</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property taxes receivable	10,519	10,519
Prepaid taxes	7,777	7,777
Total deferred inflows of resources	<u>18,296</u>	<u>18,296</u>
<b>FUND BALANCES</b>		
Non-Spendable		
Prepays	22,230	22,230
Restricted		
Stabilization by State statute	768,308	768,308
Streets	12,898	12,898
Public safety	9,600	9,600
Assigned		
Subsequent year's expenditures	194,933	194,933
Unassigned	6,964,831	6,964,831
Total fund balances	<u>7,972,800</u>	<u>7,972,800</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,672,799</u>	<u>\$ 8,672,799</u>

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, 2019

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

Total fund balances of governmental funds	\$ 7,972,800
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Gross capital assets at historical cost	\$ 17,196,182
Accumulated depreciation	<u>(7,337,930)</u>
	9,858,252
Deferred outflows of resources related to pensions are not reported in the funds	963,890
Deferred outflows of resources related to OPEB are not reported in the funds	40,032
Earned revenues considered deferred inflows of resources in fund statements.	10,519
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds.	
Installment purchases	(769,837)
Other postemployment benefits	(929,266)
Compensated absences	(197,387)
Total pension liability (LEOSSA)	(560,099)
Net pension liability (LGERS)	<u>(1,082,861)</u>
	(3,539,450)
Deferred inflows of resources related to pensions are not reported in the funds	(83,528)
Deferred inflows of resources related to OPEB are not reported in the funds	(83,390)
Other liabilities (accrued interest payable) are not due and payable in the current period and therefore are not reported in the funds	<u>(6,411)</u>
Net position of governmental activities	<u><u>\$ 15,132,714</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, 2019

	<u>Major Fund</u>	
	<u>General Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>		
Ad valorem taxes	\$ 3,322,075	\$ 3,322,075
Other taxes and licenses	1,324,253	1,324,253
Unrestricted intergovernmental	2,323,917	2,323,917
Restricted intergovernmental	152,810	152,810
Permits and fees	19,300	19,300
Investment earnings	152,290	152,290
Miscellaneous	23,425	23,425
Total revenues	<u>7,318,070</u>	<u>7,318,070</u>
<b>EXPENDITURES</b>		
Current:		
General government	890,289	890,289
Public safety	3,780,990	3,780,990
Transportation	764,558	764,558
Environmental protection	495,211	495,211
Cultural and recreation	388,717	388,717
Debt service:		
Principal	356,116	356,116
Interest	22,221	22,221
Total expenditures	<u>6,698,102</u>	<u>6,698,102</u>
Revenues over expenditures	<u>619,968</u>	<u>619,968</u>
<b>OTHER FINANCING SOURCES</b>		
Sale of capital assets	<u>338,618</u>	<u>338,618</u>
Net change in fund balances	958,586	958,586
Fund balance, beginning of year	<u>7,014,214</u>	<u>7,014,214</u>
Fund balances, end of year	<u>\$ 7,972,800</u>	<u>\$ 7,972,800</u>

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
June 30, 2019

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

Net changes in fund balances - total governmental funds	\$	958,586
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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.	\$ 687,982		
Depreciation expense for governmental assets.	<u>(661,880)</u>		26,102

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	242,886
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Benefit payments paid for the LEOSSA are not included in the Statement of Activities.	29,904
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OPEB benefit payments and administrative costs made in the current fiscal year are not included on the Statement of Activities.	26,469
---	--------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	6,877
--	-------

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.	356,116		
Decrease in accrued interest payable.	<u>2,619</u>		358,735

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)	(14,603)		
Pension expense - LGERS	(271,657)		
Pension expense - LEOSSA	(32,978)		
OPEB Plan Expense	<u>(55,776)</u>		(375,014)

Total changes in net position of governmental activities	\$	<u>1,274,545</u>
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The accompanying notes are an integral part of these financial statements.



## TOWN OF WEAVERVILLE, NORTH CAROLINA

Exhibit 6

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL – GENERAL FUND  
For the year ended June 30, 2019

	General Fund			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Ad valorem taxes	\$ 3,264,864	\$ 3,264,864	\$ 3,322,075	\$ 57,211
Other taxes and licenses	1,250,000	1,250,000	1,324,253	74,253
Unrestricted intergovernmental	1,943,000	1,943,000	2,323,917	380,917
Restricted intergovernmental	106,000	163,008	152,810	(10,198)
Permits and fees	25,300	25,300	19,300	(6,000)
Investment earnings	84,300	84,300	152,290	67,990
Miscellaneous	23,500	23,790	23,425	(365)
Total revenues	6,696,964	6,754,262	7,318,070	563,808
<b>EXPENDITURES</b>				
Current:				
General government	1,015,856	1,024,795	890,289	134,506
Public safety	3,776,701	3,872,329	3,780,990	91,339
Transportation	774,561	879,950	764,558	115,392
Environmental protection	625,672	527,530	495,211	32,319
Cultural and recreation	888,285	881,040	388,717	492,323
Contingency	20,000	20,000	-	20,000
Debt service:				
Principal and interest	378,393	378,393	378,337	56
Total expenditures	7,479,468	7,584,037	6,698,102	885,935
Revenues over (under) expenditures	(782,504)	(829,775)	619,968	1,449,743
Other financing sources:				
Appropriated fund balance	777,504	824,775	-	(824,775)
Sale of capital assets	5,000	5,000	338,618	333,618
Total other financing sources	782,504	829,775	338,618	(491,157)
Net change in fund balance	\$ -	\$ -	958,586	\$ 958,586
Fund balance, beginning			7,014,214	
Fund balance, end of year			\$ 7,972,800	

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

## TOWN OF WEAVERVILLE, NORTH CAROLINA

Exhibit 7

STATEMENT OF NET POSITION  
PROPRIETARY FUND  
June 30, 2019

	<b>Enterprise Fund Water and Sewer Fund</b>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 3,241,435
Accounts receivable, net	412,921
Restricted cash and cash equivalents	24,350
Total current assets	<u>3,678,706</u>
Capital assets:	
Land and other non-depreciable assets	330,035
Other capital assets, net of depreciation	8,217,857
Capital assets, net	<u>8,547,892</u>
Total assets	<u>12,226,598</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension deferrals	191,164
OPEB deferrals	13,281
Total deferred outflows of resources	<u>204,445</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable and accrued liabilities	316,728
Salaries and payroll taxes payable	28,527
Payable from restricted assets:	
Customer deposits	24,350
Accrued interest payable	3,301
Compensated absences, current	41,000
Bonds payable, current	163,000
Total current liabilities	<u>576,906</u>
Noncurrent liabilities:	
Compensated absences, net	3,452
Other postemployment benefits	232,316
Bonds payable, net	1,826,000
Net pension liability	244,702
Total noncurrent liabilities	<u>2,306,470</u>
Total liabilities	<u>2,883,376</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension deferrals	13,383
OPEB deferrals	20,847
Total deferred inflow of resources	<u>34,230</u>
<b>NET POSITION</b>	
Net investment in capital assets	6,558,892
Unrestricted	2,954,545
Total net position	<u>\$ 9,513,437</u>

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

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 PROPRIETARY FUND  
 For the year ended June 30, 2019

	<u>Enterprise Fund</u> <u>Water and</u> <u>Sewer Fund</u>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 1,940,742
Other operating revenues	323,214
Total operating revenues	<u>2,263,956</u>
<b>OPERATING EXPENSES</b>	
Administration	227,917
Water treatment and distribution	1,216,996
Depreciation	336,329
Total operating expenses	<u>1,781,242</u>
Operating income	<u>482,714</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Investment earnings	59,905
Interest expense	(44,004)
Total nonoperating revenue (expenses)	<u>15,901</u>
Change in net position	<u>498,615</u>
Net position, beginning of year	<u>9,014,822</u>
Net position, end of year	<u>\$ 9,513,437</u>

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

**TOWN OF WEAVERVILLE, NORTH CAROLINA**

**Exhibit 9**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUND  
 For the year ended June 30, 2019

	<u><b>Enterprise Fund</b></u> <u><b>Water and</b></u> <u><b>Sewer Fund</b></u>
<b>Cash flows from operating activities:</b>	
Cash received from customers	\$ 2,212,370
Cash paid for goods and services	(257,978)
Cash paid to or on behalf of employees for services	(937,491)
Net cash provided by operating activities	<u>1,016,901</u>
 <b>Cash flows from capital and related financing activities:</b>	
Acquisition and construction of capital assets	(620,008)
Interest paid on bond maturities	(44,269)
Principal payments on debt	(160,000)
Net cash used by capital and related financing activities	<u>(824,277)</u>
 <b>Cash flows from investing activities:</b>	
Interest earned	<u>59,905</u>
 Net increase in cash and cash equivalents	252,529
Cash and cash equivalents, beginning of year	<u>3,013,256</u>
 Cash and cash equivalents, end of year	<u><u>\$ 3,265,785</u></u>
 <b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income	<u>\$ 482,714</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	336,329
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:	
Increase in accounts receivable	(48,677)
Decrease in prepaid expenses	11,732
Increase in deferred outflows of resources - pensions	(64,467)
Increase in deferred outflows of resources - OPEB	(7,143)
Decrease in deferred inflows of resources - pensions	(7,043)
Increase in deferred inflows of resources - OPEB	8,395
Increase in accounts payable and accrued liabilities	221,938
Decrease in customer deposits	(2,911)
Increase in salaries and payroll taxes payable	1,636
Increase in accrued compensated absences	6,280
Decrease in net pension liability	74,077
Increase in net OPEB liability	4,041
Total adjustments	<u>534,187</u>
 Net cash provided by operating activities	<u><u>\$ 1,016,901</u></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, 2019

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

The accounting policies of the Town of Weaverville and its discretely presented component unit conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

**A. Reporting Entity**

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

Town of Weaverville ABC Board

The members of the ABC Board's governing board are appointed by the Town. In addition, the ABC Board is required by State statute to distribute its surpluses to the General Fund of the Town. The ABC Board, which has a June 30 year-end, is presented as if it were a proprietary fund (discrete presentation). Complete financial statements for the ABC Board may be obtained from the entity's administrative offices at Town of Weaverville ABC Board, 7 Northridge Commons, Suite 101, Weaverville, NC 28787.

**B. Basis of Presentation**

*Government-wide Statements:* The statement of net position and the statement of activities display information about the primary government and its component unit. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities, however interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

*Fund Financial Statements:* The fund financial statements provide information about the Town's funds. Separate statements for each fund category – *governmental and proprietary* –

are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. As of June 30, 2019, the Town of Weaverville did not have any nonmajor funds.

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

The Town reports the following major governmental fund:

*General Fund* – The General Fund is the general operating fund of the Town. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, state grants, and various other taxes and licenses. The primary expenditures are for public safety, street maintenance and construction, and sanitation services.

The Town reports the following major enterprise fund:

*Water and Sewer Fund* – This fund is used to account for the Town's water and sewer operations. This fund also covers acquisition and construction of major water and sewer capital facilities and infrastructure, which are accounted for in the Water and Sewer Capital Project Fund that is combined with the Water and Sewer Fund (the operating fund) for financial statement purposes. The non-GAAP budgetary comparison for the capital project fund has been included in the supplementary 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 and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. 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 and sewer system. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

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

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

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and the Enterprise Fund. All annual appropriations lapse at the fiscal-year end. A project ordinance is adopted for the Water and Sewer Capital Project Fund. The Water and Sewer Capital Project fund is consolidated with the operating fund for reporting purposes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds. The Town Manager is authorized by the budget ordinance to transfer appropriations between departmental areas within a fund up to \$10,000 without limit and without approval by the governing board; however, any revisions that alter the total expenditures of any fund or that change departmental appropriations by more than \$10,000 must be approved by the governing board. During the year, several amendments to the original budget were necessary, the effects of which were not material. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that

covers that time until the annual ordinance can be adopted. Appropriations are adopted at the department level.

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

**1. Deposits and Investments**

All deposits of the Town and of the ABC Board are made in board-designated official depositories and are secured as required by State law [G.S. 159-31]. The Town and the ABC Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Town and the ABC Board may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the Town and the ABC Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT). The NCCMT Government Portfolio, a SEC-registered (2a-7) external investment pool, is measured at fair value.

**2. Cash and Cash Equivalents**

The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The ABC Board considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash and cash equivalents.

**3. Restricted Assets**

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

**Restricted Cash**

Governmental activities:

General Fund - Streets	\$ 12,898
General Fund - developer deposits	109,505
General Fund - Cops for Kids	9,600
Total governmental activities	<u>132,003</u>

Business-type activities:

Water & Sewer Fund - customer deposits	<u>24,350</u>
Total business-type activities	<u>24,350</u>

Total Primary Government	<u><u>\$ 156,353</u></u>
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**4. Ad Valorem Taxes Receivable**

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 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, 2018.

**5. Allowances for Doubtful Accounts**

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

**6. Inventories and Prepaid Items**

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

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

**7. Capital Assets**

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

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
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

#### **8. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. As of June 30, 2019, the Town only has two items that meet this criterion, pension and OPEB deferrals for the 2019 fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. As of June 30, 2019, the Town has several items that meet the criterion for this category – prepaid taxes, property taxes receivable, and pension and OPEB deferrals.

#### **9. Long-Term Obligations**

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

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

#### **10. Compensated Absences**

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

The Town's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Town

has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

## **11. Net Position/Fund Balances**

### **Net Position**

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

### **Fund Balances**

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

The governmental fund types classify fund balances as follows:

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

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.

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.

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, 2019, the Town's deposits had a carrying amount of \$4,365,550 and a bank balance of \$4,533,969. Of the bank balance, \$591,410 was covered by federal depository insurance and \$3,942,559 was covered by collateral held under the pooling method. At June 30, 2019, the Town's petty cash fund totaled \$350.

The carrying amount of deposits for the ABC Board was \$481,024 and the bank balance was \$612,466. The ABC Board's petty cash fund totaled \$1,288. Of the bank balance, \$250,000 was covered by federal depository insurance and \$362,466 was covered by collateral held under the pooling method.

**2. Investments**

At June 30, 2019, the Town had \$6,771,627 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAM by Standard and Poor's. The Town has no policy regarding credit risk.

**3. Receivables – Allowances for Doubtful Accounts**

The amount presented in the Balance Sheet and the Statement of Net Position for the year ended June 30, 2019 is net of the following allowances for doubtful accounts:

Funds

General Fund - Taxes Receivable	\$ 5,477
Enterprise Fund - Uncollectible Accounts	909
Total	<u>\$ 6,386</u>

**4. Capital Assets****Primary Government**

Capital asset activity for the Primary Government for the year ended June 30, 2019 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<b>Governmental activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 1,032,109	\$ -	\$ -	\$ 1,032,109
Construction in progress	-	112,528	-	112,528
Total capital assets not being depreciated	<u>1,032,109</u>	<u>112,528</u>	<u>-</u>	<u>1,144,637</u>
<b>Capital assets being depreciated:</b>				
Buildings	6,029,955	-	-	6,029,955
Land improvements	484,046	-	-	484,046
Furniture, equipment, and vehicles	6,097,480	197,906	108,265	6,187,121
Infrastructure	<u>2,972,875</u>	<u>377,548</u>	<u>-</u>	<u>3,350,423</u>
Total capital assets being depreciated	<u>15,584,356</u>	<u>575,454</u>	<u>108,265</u>	<u>16,051,545</u>
<b>Less accumulated depreciation for:</b>				
Buildings	1,637,597	120,926	-	1,758,523
Land improvements	131,879	14,307	-	146,186
Furniture, equipment, and vehicles	4,557,659	463,539	108,265	4,912,933
Infrastructure	<u>457,180</u>	<u>63,108</u>	<u>-</u>	<u>520,288</u>
Total accumulated depreciation	<u>6,784,315</u>	<u>661,880</u>	<u>108,265</u>	<u>7,337,930</u>
Total capital assets being depreciated, net	<u>8,800,041</u>			<u>8,713,615</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 9,832,150</u>			<u>\$ 9,858,252</u>

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

General government	\$ 35,131
Public safety	428,992
Transportation	104,298
Environmental protection	68,760
Cultural and recreational	24,699
Total depreciation expense	<u>\$ 661,880</u>

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<b>Business-type activities:</b>				
<i>Water and Sewer Fund</i>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 146,035	\$ -	\$ -	\$ 146,035
Construction in Progress	-	184,000	-	184,000
Total capital assets not being depreciated	<u>146,035</u>	<u>184,000</u>	<u>-</u>	<u>330,035</u>
<b>Capital assets being depreciated:</b>				
Plant and distribution systems	13,882,584	118,650	7,167	13,994,067
Furniture, equipment, and vehicles	<u>1,341,562</u>	<u>317,358</u>	<u>-</u>	<u>1,658,920</u>
Total capital assets being depreciated	<u>15,224,146</u>	<u>436,008</u>	<u>7,167</u>	<u>15,652,987</u>
<b>Less accumulated depreciation for:</b>				
Plant and distribution systems	6,046,001	292,501	7,167	6,331,335
Furniture, equipment, and vehicles	<u>1,059,967</u>	<u>43,828</u>	<u>-</u>	<u>1,103,795</u>
Total accumulated depreciation	<u>7,105,968</u>	<u>336,329</u>	<u>7,167</u>	<u>7,435,130</u>
Total capital assets being depreciated, net	<u>8,118,178</u>			<u>8,217,857</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 8,264,213</u>			<u>\$ 8,547,892</u>

### Construction Commitments

The Town had an active construction contract as of June 30, 2019. At year-end the contract commitment is as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Waterline extension	\$174,000	\$116,000

**Discretely presented component unit**

Activity for the ABC Board for the year ended June 30, 2019, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Capital assets being depreciated:</b>				
Building	\$ 1,479,898	\$ -	\$ -	\$ 1,479,898
Equipment and furniture	98,681	10,593	1,191	108,083
Computer equipment	30,398	1,065	-	31,463
Total capital assets being depreciated	1,608,977	11,658	1,191	1,619,444
<b>Less accumulated depreciation for:</b>				
Building	517,965	59,196	-	577,161
Equipment and furniture	71,107	8,314	1,191	78,230
Computer equipment	20,350	5,358	-	25,708
Total accumulated depreciation	609,422	72,868	1,191	681,099
<b>Total capital assets being depreciated, net</b>	<b>\$ 999,555</b>			<b>\$ 938,345</b>

**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 Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](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, 2019, was 8.5% of compensation for law enforcement officers, 7.93% for general employees, and 7.75% 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 \$297,773 for the year ended June 30, 2019.

### 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, 2019, the Town reported liability of \$1,327,563 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 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, 2018, the Town's proportion was 0.05596%, which was a decrease of .00161% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Town recognized pension expense of \$329,111. At June 30, 2019, 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	\$ 204,811	\$ 6,872
Changes of assumptions	352,284	-
Net difference between projected and actual earnings on pension plan investments	182,235	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	-	65,730
Town contributions subsequent to the measurement date	297,773	-
Total	<u>\$ 1,037,103</u>	<u>\$ 72,602</u>

\$297,773 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, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2020	\$ 321,364
2021	211,576
2022	33,824
2023	99,964
2024	-
Thereafter	-
	<u>\$ 666,728</u>

#### 6. Actuarial Assumptions

The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00 percent
Salary increases	3.50 percent to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 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, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rate of return for each major asset class as of June 30, 2019 and summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	<u>100%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2017 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

#### 7. Discount rate

The discount rate used to measure the total pension liability was 7.00%. 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 7.00 percent, as well as what the Town's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that

is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate:

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
Town's proportionate share of the net pension liability (asset)	\$ 3,188,920	\$ 1,327,563	\$ (227,817)

#### 9. Pension plan fiduciary net position

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

#### **b. Law Enforcement Officers' Special Separation Allowance**

##### 1. Plan Description

The Town of Weaverville administers a public employee retirement system (the Separation Allowance), a single-employer defined benefit pension plan that provides retirement benefits to the Town's qualified sworn law enforcement officers 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, 2017, the Separation Allowance's membership consisted of:

Retirees receiving benefits	1
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	14
Total	<u>15</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, 2017 valuation. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.64 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, 2018.

Mortality rates are based on the RP-2000 Mortality tables with adjustments for mortality improvements based on Scale AA.

#### 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 \$44,446 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, 2019, the Town reported a total pension liability of \$560,099. The total pension liability was measured as of December 31, 2018 based on a December 31, 2017 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2018 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2019, the Town recognized pension expense of \$32,978.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 21,422	\$ 24,309
Differences between expected and actual experience	66,625	-
Benefit payments subsequent to the measurement date	29,904	-
Total	<u>\$ 117,951</u>	<u>\$ 24,309</u>

\$29,904 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, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

<u>Year ended June 30:</u>	
2020	\$ 13,741
2021	13,741
2022	13,741
2023	13,848
2024	8,009
Thereafter	658
	<u>\$ 63,738</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 3.64 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 (2.64 percent) or 1-percentage-point higher (4.64 percent) than the current rate:

	1% Decrease <u>(2.64%)</u>	Discount Rate <u>(3.64%)</u>	1% Increase <u>(4.64%)</u>
Total pension liability	\$ 606,006	\$ 560,099	\$ 518,196

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

	<u>2019</u>
Beginning balance	\$ 551,717
Service cost	24,728
Interest on the total pension liability	16,732
Differences between expected and actual experience in the measurement of the total pension liability	32,886
Changes of assumptions or other inputs	(21,518)
Benefit payments	<u>(44,446)</u>
Ending balance of the total pension liability	<u>\$ 560,099</u>

The plan currently uses mortality tables that vary by age, 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, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

***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:

	<b>LGERS</b>	<b>LEOSSA</b>	<b>Total</b>
Pension expense	\$ 329,111	\$ 32,978	\$ 362,089
Pension liability	1,327,563	560,099	1,887,662
Proportionate share of the net pension liability	0.05596%	n/a	

**Deferred outflows of resources:**

Differences between expected and actual experience	\$ 204,811	\$ 66,625	\$ 271,436
Changes of assumptions	352,284	21,422	373,706
Net difference between projected and actual earnings on plan investments	182,235	-	182,235
Benefit payments paid subsequent to the measurement date	297,773	29,904	327,677
	<u>\$1,037,103</u>	<u>\$ 117,951</u>	<u>\$1,155,054</u>

**Deferred inflows of resources:**

Differences between expected and actual experience	\$ 6,872	\$ -	\$ 6,872
Changes of assumptions	-	24,309	24,309
Changes in proportion and differences between contributions and proportionate share of contributions	65,730	-	65,730
	<u>\$ 72,602</u>	<u>\$ 24,309</u>	<u>\$ 96,911</u>

**c. Supplemental Retirement Income Plan for Law Enforcement Officers and General Employees****1. Plan Description**

The Town contributes to the Supplemental Retirement Income Plan (the Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers and general employees employed by the Town. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

**2. Funding Policy**

Article 12E of G.S. Chapter 143 requires the Town to contribute each month an amount equal to five percent of each law enforcement officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers and general employees may make voluntary contributions to the plan for which the town will provide matching contributions up to six percent of each employee's salary.

The Town made contributions of \$166,003 for the reporting year. No amounts were forfeited.

**d. Other Postemployment Benefits**

**Healthcare Benefits**

**1. Plan Description**

Under the terms of a Town resolution, the Town administers a single-employer defined benefit Healthcare Benefits Plan (the HCB Plan). As of February 17, 2003, this plan provides postemployment benefits to retirees of the Town hired prior to July 1, 2017, provided they are eligible for unreduced benefits in the North Carolina Local Governmental Employees' Retirement System and have at least twenty years of creditable service with the Town. The Town pays for the retiree's group health insurance coverage through private insurers at the same percentage as current full-time employees until one of the following takes place: (1) The retiree is eligible for Medicare or Medicaid, or (2) the retiree goes to work where coverage is otherwise offered and available. Also, the Town's retirees can purchase coverage for their dependents at the Town's group rates.

Employees hired after July 1, 2017 are not eligible for postemployment healthcare benefits. The Town Council may amend the benefit provisions. A separate report was not issued for the plan.

Membership of the HCB Plan consisted of the following at June 30, 2018, the date of the latest actuarial valuation:

	General Employees:	Law Enforcement Officers:
Retirees receiving benefits	4	2
Terminated plan members entitled to but not receiving benefits	-	-
Active plan members	<u>49</u>	<u>12</u>
Total	<u><u>53</u></u>	<u><u>14</u></u>

**2. Total OPEB Liability**

The Town's total OPEB liability of \$1,161,582 was measured as of June 30, 2018 and was determined by an actuarial valuation as of June 30, 2018.

*Actuarial assumptions and other inputs.* The total OPEB liability in the June 30, 2018 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	3.5 percent to 7.75 percent, including inflation
Discount rate	3.89 percent
Healthcare cost trend rates	
Pre-Medicare Medical and Prescription Drug	7.25 percent for 2018 decreasing to an ultimate rate of 4.75% by 2028
Dental	4.0 percent
Vision	2.5 percent



The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of the measurement date.

3. Changes in the Total OPEB Liability

	<b>Total OPEB Liability</b>
<b>Balance at July 1, 2018</b>	<b>\$ 1,141,375</b>
<b>Changes for the year</b>	
Service cost	67,686
Interest	39,728
Changes in benefit terms	-
Differences between expected and actual experience	18,377
Changes in assumptions or other inputs	(54,317)
Benefit payments	(51,267)
Net changes	20,207
<b>Balance at June 30, 2019</b>	<b>\$ 1,161,582</b>

Changes in assumptions or other inputs reflect a change in the discount rate from 3.56% to 3.89%.

Mortality rates were based on the RP-2014 Total Data Set for Healthy Annuitants Mortality Table.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period January 2010 through December 2014.

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 (2.89 percent) or 1-percentage-point higher (4.89 percent) than the current discount rate:

	<u>1% Decrease (2.89%)</u>	<u>Discount Rate (3.89%)</u>	<u>1% Increase (4.89%)</u>
Total OPEB liability	\$ 1,277,601	\$ 1,161,582	\$ 1,058,004

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

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

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Total OPEB liability	\$ 1,045,400	\$ 1,161,582	\$ 1,299,027

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

For the year ended June 30, 2019, the Town recognized OPEB expense of \$70,959. At June 30, 2019, 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	\$ 16,954	\$ -
Changes of assumptions or other inputs	-	104,237
Benefit payments made subsequent to the measurement date	36,359	-
Total	<u>\$ 53,313</u>	<u>\$ 104,237</u>

\$36,359 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, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2020	\$ (10,319)
2021	(10,319)
2022	(10,319)
2023	(10,319)
2024	(10,319)
Thereafter	(35,688)
	<u>\$ (87,283)</u>

**e. Other Employment Benefits**

The Town has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. Because all death benefit payments are made from the Death Benefit Plan and not by the Town, the Town does not determine the number of eligible participants. The Town has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The Town considers these contributions to be immaterial.

**2. Deferred Outflows and Inflows of Resources**

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

Source	Amount
Contributions to the pension plan in the current fiscal year	\$ 297,773
Benefit payments made for LEOSA subsequent to measurement date	29,904
Benefit payments made for OPEB subsequent to measurement date	36,359
Differences between expected and actual experience	288,390
Changes in assumptions or other inputs	373,706
Net differences between projected and actual earnings	182,235
	<u>\$ 1,208,367</u>

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

Source	Statement of Net Position	General Fund Balance Sheet
Prepaid taxes (General Fund)	\$ 7,777	\$ 7,777
Taxes receivable, less penalties (General Fund)	-	10,519
Changes in assumptions or other inputs	128,546	-
Differences between expected and actual experience	6,872	-
Changes in proportion and differences between employer contributions and proportionate share of contributions (pension)	65,730	-
	<u>\$ 208,925</u>	<u>\$ 18,296</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 June 2006, the Town entered into a direct placement installment purchase contract in the amount of \$3,551,000 to finance the construction of a fire department facility. The contract required semi-annual principal payments of \$118,367 beginning in December 2008, with interest at 4.06%, and was being paid by the General Fund. On June 7, 2013, the Town entered into a refinancing agreement. The refinancing contract requires semi-annual principal payments of \$118,367 beginning in December 2013 with interest at 2.06% and is being paid by the General Fund. The balance on this installment purchase contract at June 30, 2019 was \$473,542. The buildings, structures and improvements are pledged as collateral for the debt.

In August 2008, the Town entered into a direct placement installment purchase contract with a financial institution in the amount of \$1,360,000 to finance the purchase of several fire trucks. The contract required semi-annual principal payments beginning with a fixed \$68,000 principal payment as of August 2008 and initial payment following in February 2009, with interest at 3.66%, and was being paid by the General Fund. On August 8, 2013, the Town entered into a refinancing agreement. The refinancing contract requires semi-annual principal plus interest payments of \$74,706 beginning in February 2014 including interest at 2.45% and is being paid by the General Fund. This installment purchase contract was paid in full as of June 30, 2019.

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 as of September 2014 and then an initial fixed \$53,541 principal payment following in September 2015, with interest at 2.36%, and is being paid by the General Fund. The balance on this installment purchase contract as of June 30, 2019 was \$296,295. 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, 2019, including \$37,141 of interest, are as follows:

Year ending June 30	Governmental Activities	
	Principal	Interest
2020	\$ 283,282	\$ 15,527
2021	284,455	9,552
2022	48,771	4,770
2023	49,922	3,619
2024	51,100	2,440
2025-2026	52,307	1,234
	<u>\$ 769,837</u>	<u>\$ 37,142</u>

**b. General Obligation Indebtedness**

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

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.

Bonds payable at June 30, 2019 are comprised of the following individual issue:

General Obligation Bonds

Serviced by the Water and Sewer Fund:

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

\$ 1,989,000

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

Year ending June 30	Business-type Activities	
	Principal	Interest
2020	\$ 163,000	\$ 40,973
2021	166,000	37,616
2022	174,000	34,196
2023	176,000	30,612
2024	178,000	26,986
2025-2029	948,000	77,444
2030-2031	184,000	3,970
	<u>\$ 1,989,000</u>	<u>\$ 251,797</u>

At June 30, 2019, the Town of Weaverville had a legal debt margin of approximately \$67,000,000.

**c. Discretely Presented Component Unit**

In April 2009, the ABC Board entered into a \$1,500,000 note payable to a banking institution for the purpose of financing the ABC Board's acquisition and construction of the facilities in which it operates. The financing agreement required one interest only payment of \$73,500 beginning in the fiscal year 2010, followed by 19 annual principal and interest payments of \$123,007 with interest of 4.89%. On October 17, 2013, the ABC Board entered into a modification of the loan terms to require quarterly payments instead of annual. No other terms of the loan changed. The required quarterly payment is \$31,038. The loan matures in April 2029. The note payable is collateralized by all real and personal property of the ABC Board. The balance of the loan as of June 30, 2019 was \$977,323.

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, 2019 was \$33,095.

Interest expense for the year ended June 30, 2019 was \$51,192.

Annual debt service payments of the notes payable of the ABC Board as of June 30, 2019, including \$274,132 of interest, are as follows:

Year ending June 30	Discretely-Presented Component Unit	
	Principal	Interest
2020	\$ 80,343	\$ 48,112
2021	84,358	44,097
2022	88,573	39,882
2023	93,000	35,455
2024	97,647	30,808
2025-2029	566,497	75,778
	<u>\$ 1,010,418</u>	<u>\$ 274,132</u>

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

The following is a summary of changes in the Town's long-term obligations for the year ended June 30, 2019:

	Balance July 1, 2018	Increase	Decrease	Balance June 30, 2019	Current Portion
Governmental Activities:					
Direct placement					
installment purchases	\$ 1,125,953	\$ -	\$ 356,116	\$ 769,837	\$ 283,282
Total pension liability (LEOSSA)	551,717	8,382	-	560,099	-
Net pension liability (LGERS)	708,885	373,976	-	1,082,861	-
Total OPEB liability	913,100	16,166	-	929,266	-
Compensated absences	182,784	127,519	112,916	197,387	113,000
Governmental activity long-term liabilities	<u>\$ 3,482,439</u>	<u>\$ 526,043</u>	<u>\$ 469,032</u>	<u>\$ 3,539,450</u>	<u>\$ 396,282</u>
Business-type Activities:					
Direct placement					
general obligation bonds	\$ 2,149,000	\$ -	\$ 160,000	\$ 1,989,000	\$ 163,000
Net pension liability (LGERS)	170,625	74,077	-	244,702	-
Total OPEB liability	228,275	4,041	-	232,316	-
Compensated absences	38,170	47,206	40,924	44,452	41,000
Business-type activity long-term liabilities	<u>\$ 2,586,070</u>	<u>\$ 125,324</u>	<u>\$ 200,924</u>	<u>\$ 2,510,470</u>	<u>\$ 204,000</u>

Compensated absences for governmental activities have 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, 2019:

	Balance July 1, 2018	Increase	Decrease	Balance June 30, 2019	Current Portion
Component Unit:					
Notes payable	\$ 1,086,939	\$ -	\$ 76,521	\$ 1,010,418	\$ 80,343
Net pension liability (LGERS)	40,788	27,296	-	68,084	-
Compensated absences	8,011	9,775	8,481	9,305	-
Governmental activity long-term liabilities	<u>\$ 1,135,738</u>	<u>\$ 37,071</u>	<u>\$ 85,002</u>	<u>\$ 1,087,807</u>	<u>\$ 80,343</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	\$ 9,858,252	\$ 8,547,892
Less: Long-term debt	<u>769,837</u>	<u>1,989,000</u>
Net investment in capital assets	<u>\$ 9,088,415</u>	<u>\$ 6,558,892</u>

**D. Fund Balance**

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

Total fund balance - General Fund	\$ 7,972,800
Less:	
Nonspendable items:	
Prepays	22,230
Restricted for:	
Stabilization by state statute	768,308
Streets - Powell Bill	12,898
Public safety - Cops for Kids	9,600
Assigned:	
Appropriated fund balance in 2020 budget	194,933
Unassigned:	
Working capital/fund balance policy - minimum	<u>1,463,610</u>
Remaining fund balance	<u>\$ 5,501,221</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, 2019, 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, 2019. 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 \$983,117 during the fiscal year ended June 30, 2019. The Town's income for these collections totaled \$56,098.

**REQUIRED SUPPLEMENTAL FINANCIAL DATA**

**TOWN OF WEAVERVILLE, NORTH CAROLINA**

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

**Schedule of Changes in Total Pension Liability**

	2019	2018	2017
Beginning balance	\$ 551,717	\$ 445,528	\$ 429,610
Service cost	24,728	19,882	20,576
Interest on the total pension liability	16,732	16,852	15,177
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	32,886	56,346	-
Change of assumptions or other inputs	(21,518)	31,028	(10,876)
Benefit payments	(44,446)	(17,919)	(8,959)
Other changes	-	-	-
Ending balance of the total pension liability	<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	\$ 560,099	\$ 551,717	\$ 445,528
Covered payroll	832,533	793,875	809,381
Total pension liability as a percentage of covered payroll	67.28%	69.50%	55.05%

Notes to the schedules:

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

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

**TOWN OF WEAVERVILLE, NORTH CAROLINA**

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

Local Governmental Employees' Retirement System

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Town's proportionate share of the net pension liability (asset) (%)	0.05596%	0.05757%	0.05568%	0.06256%	0.06550%	0.06550%
Town's proportion of the net pension liability (asset) (\$)	\$ 1,327,563	\$ 879,510	\$ 1,181,716	\$ 280,767	\$ (386,284)	\$ 789,527
Town's covered payroll	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	39.13%	27.37%	36.92%	9.27%	12.87%	26.96%
Plan fiduciary net position as a percentage of the total pension liability	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 SIX FISCAL YEARS**

Local Governmental Employees' Retirement System

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 297,773	\$ 263,255	\$ 240,416	\$ 220,033	\$ 216,523	\$ 213,648
Contribution in relation to the contractually required contribution	<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>
Town's covered payroll	\$ 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	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 TWO FISCAL YEARS**

**Schedule of Changes in Total OPEB Liability**

<b>Total OPEB Liability</b>	<u>2019</u>	<u>2018</u>
Service cost	\$ 67,686	\$ 72,844
Interest on the total OPEB liability	39,728	33,539
Changes of benefit terms	-	-
Differences between expected and actual experience in the measurement of the total OPEB liability	18,377	659
Change of assumptions or other inputs	(54,317)	(68,813)
Benefit payments	(51,267)	(22,053)
Other changes	-	-
Net change in total OPEB liability	<u>20,207</u>	<u>16,176</u>
Total OPEB liability - beginning	<u>1,141,375</u>	<u>1,125,199</u>
Total OPEB liability - ending	<u><u>\$ 1,161,582</u></u>	<u><u>\$ 1,141,375</u></u>
 Covered payroll	 \$ 3,044,266	 \$ 2,903,226
Total OPEB liability as a percentage of covered payroll	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>
2019	3.89%
2018	3.56%

## **INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

**TOWN OF WEAVERVILLE, NORTH CAROLINA**

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL

For the year ended June 30, 2019

	<b>2019</b>		
	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>REVENUES</b>			
Ad valorem taxes:			
Taxes		\$ 3,312,711	
Penalties and interest		9,364	
	\$ 3,264,864	3,322,075	\$ 57,211
Other taxes and licenses:			
Local option sales tax		1,324,253	
	1,250,000	1,324,253	74,253
Intergovernmental revenues:			
Unrestricted:			
Utilities sales tax		493,576	
Beer and wine tax		17,023	
Buncombe Co. - fire protection		1,642,345	
ABC profit distribution		170,973	
	1,943,000	2,323,917	380,917
Restricted:			
Powell Bill		104,952	
Police department grant		9,265	
Fire department grant		38,593	
	163,008	152,810	(10,198)
Permits and fees:			
Zoning inspection fees		18,500	
Fire inspection fees		800	
	25,300	19,300	(6,000)
Investment earnings	84,300	152,290	67,990
Other:			
Miscellaneous		23,135	
Contributions		290	
	23,790	23,425	(365)
 Total revenues	 6,754,262	 7,318,070	 563,808
<b>EXPENDITURES</b>			
General government:			
Governing board:			
Salaries and employee benefits		87,876	
Community promotions		62,107	
Professional services		37,365	
Other operating expenses		40,197	
	256,762	227,545	29,217
Administration:			
Salaries and employee benefits		393,493	
Professional services		52,549	
Other operating expenses		74,235	
Capital outlay		44,244	
	661,284	564,521	96,763



**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, 2019

	<b>2019</b>		
	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Planning:			
Salaries and employee benefits		<b>86,353</b>	
Professional services		<b>2,670</b>	
Other operating expenses		<b>9,200</b>	
	<u>106,749</u>	<u><b>98,223</b></u>	8,526
 Total general government	 <u>1,024,795</u>	 <u><b>890,289</b></u>	 134,506
Public safety:			
Police:			
Salaries and employee benefits		<b>1,239,604</b>	
Supplies and materials		<b>51,393</b>	
Equipment purchases		<b>195,148</b>	
Repairs and maintenance		<b>27,862</b>	
Insurance		<b>51,229</b>	
Other operating expenses		<b>108,180</b>	
	<u>1,688,494</u>	<u><b>1,673,416</b></u>	15,078
 Fire:			
Salaries and employee benefits		<b>1,771,493</b>	
Insurance		<b>79,697</b>	
Repairs and maintenance		<b>55,894</b>	
Other operating expenses		<b>200,490</b>	
	<u>2,183,835</u>	<u><b>2,107,574</b></u>	76,261
 Total public safety	 <u>3,872,329</u>	 <u><b>3,780,990</b></u>	 91,339
Transportation:			
Streets:			
Salaries and employee benefits		<b>196,350</b>	
Contract services		<b>48,341</b>	
Utilities		<b>47,860</b>	
Supplies and materials		<b>33,833</b>	
Other operating expenses		<b>25,837</b>	
Capital outlay		<b>309,809</b>	
	<u>761,310</u>	<u><b>662,030</b></u>	99,280
 Powell Bill:			
Salaries and benefits		<b>11,428</b>	
Other operating expenditures		<b>1,100</b>	
Capital outlay		<b>90,000</b>	
	<u>118,640</u>	<u><b>102,528</b></u>	16,112
 Total transportation	 <u>879,950</u>	 <u><b>764,558</b></u>	 115,392

**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, 2019

	<b>2019</b>		
	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Environmental protection:			
Sanitation:			
Salaries and benefits		317,222	
Contract services		26,158	
Supplies and materials		32,525	
Other operating expenses		111,973	
Capital outlay		7,333	
Total environmental protection	527,530	495,211	32,319
Cultural and recreational:			
Recreation:			
Salaries and employee benefits		156,972	
Contract services		5,821	
Other operating expenses		68,230	
Capital outlay		157,694	
Total cultural and recreational	881,040	388,717	492,323
Debt service:			
Principal		356,116	
Interest		22,221	
Total debt service	378,393	378,337	56
Contingency	20,000	-	20,000
Total expenditures	7,584,037	6,698,102	885,935
Revenues over (under) expenditures	(829,775)	619,968	1,449,743
Other financing sources (uses):			
Appropriated fund balance	824,775	-	(824,775)
Sale of capital assets	5,000	338,618	333,618
Total other financing sources	829,775	338,618	(491,157)
Net change in fund balance	\$ -	958,586	\$ 958,586
Fund balance, beginning of year		7,014,214	
Fund balance, end of year		\$ 7,972,800	

**TOWN OF WEAVERVILLE, NORTH CAROLINA**  
**WATER AND SEWER FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL (NON-GAAP)**  
For the year ended June 30, 2019

	<b>2019</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>OPERATING REVENUES</b>			
Charges for services		\$ 1,940,742	
Other operating revenues		323,214	
Total operating revenues	\$ 2,077,000	2,263,956	\$ 186,956
<b>NON-OPERATING REVENUES</b>			
Investment earnings	38,000	59,905	21,905
Total revenues	2,115,000	2,323,861	208,861
<b>OPERATING EXPENDITURES</b>			
Water and sewer administration:			
Salaries and employee benefits		171,285	
Professional services		20,779	
Supplies and materials		4,788	
Postage		11,098	
Telephone		6,704	
Insurance		9,507	
Other operating expenses		1,211	
Total water and sewer administration	254,751	225,372	29,379
Treatment and distribution:			
Salaries and employee benefits		767,842	
Professional services		33,827	
Contract services		3,246	
Water testing and maintenance		20,821	
Supplies and materials		134,851	
Training and travel		7,992	
Telephone		12,031	
Utilities		123,846	
Repairs and maintenance		26,584	
Insurance		19,014	
Sludge removal		9,377	
Water system improvement		43,262	
Non-capital equipment		2,708	
Capital outlay		436,008	
Total treatment and distribution	1,785,107	1,641,409	143,698
Debt service:			
Principal retirement		160,000	
Interest		44,269	
Total debt service	204,270	204,269	1
Contingency	15,000	-	15,000
Total expenditures	2,259,128	2,071,050	188,078

**TOWN OF WEAVERVILLE, NORTH CAROLINA**  
**WATER AND SEWER FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL (NON-GAAP)**  
For the year ended June 30, 2019

	<b>2019</b>		
	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>OTHER FINANCING SOURCES (USES)</b>			
Appropriated fund balance	314,728	-	(314,728)
Transfer to capital projects	(170,600)	<b>(170,600)</b>	-
Total other financing sources (uses)	144,128	<b>(170,600)</b>	<b>(314,728)</b>
Revenues and other sources over expenditures and other financing sources (uses)	<u>\$ -</u>	<b>82,211</b>	<u>\$ 82,211</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling items:			
Payment of debt principal		<b>160,000</b>	
Capital outlay		<b>436,008</b>	
Capital outlay of the Capital Project Fund		<b>184,000</b>	
Revenue under expenditures of the Capital Project Fund		<b>(13,400)</b>	
Decrease in accrued interest		<b>265</b>	
Increase in accrued compensated absence liability		<b>(6,280)</b>	
Increase in deferred outflows of resources - pensions		<b>64,467</b>	
Increase in deferred outflows of resources - OPEB		<b>7,143</b>	
Increase in net pension liability		<b>(74,077)</b>	
Increase in net OPEB liability		<b>(4,041)</b>	
Decrease in deferred inflows of resources - pensions		<b>7,043</b>	
Increase in deferred inflows of resources - OPEB		<b>(8,395)</b>	
Depreciation		<b>(336,329)</b>	
Change in net position		<u><b>\$ 498,615</b></u>	

**TOWN OF WEAVERVILLE, NORTH CAROLINA**

**WATER AND SEWER CAPITAL PROJECT FUND  
WATERLINE EXTENSION PROJECT**

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)  
From inception and for the year ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total
Revenues:	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Construction	2,329,200	-	-	-
Engineering	405,000	-	174,000	174,000
Legal and administration	20,000	-	10,000	10,000
Contingencies	126,400	-	-	-
Interest	90,000	-	-	-
Total expenditures	<u>2,970,600</u>	<u>-</u>	<u>184,000</u>	<u>184,000</u>
Revenues under expenditures	<u>(2,970,600)</u>	<u>-</u>	<u>(184,000)</u>	<u>(184,000)</u>
Other Financing Sources:				
Long term debt issued	2,800,000	-	-	-
Transfer from sewer capital reserve	170,600	-	170,600	170,600
Total other financing sources	<u>2,970,600</u>	<u>-</u>	<u>170,600</u>	<u>170,600</u>
Revenues and other sources under expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,400)</u>	<u>\$ (13,400)</u>

## **SUPPLEMENTAL FINANCIAL DATA**

**TOWN OF WEAVERVILLE, NORTH CAROLINA**

GENERAL FUND  
SCHEDULE OF AD VALOREM TAXES RECEIVABLE  
June 30, 2019

Fiscal Year	Uncollected Balance 6/30/2018	Additions	Collections And Credits	Uncollected Balance 6/30/2019
2018-2019	\$ -	\$ 3,317,354	\$ 3,307,823	\$ 9,531
2017-2018	3,135	-	2,374	761
2016-2017	364	-	146	218
2015-2016	203	-	2	201
2014-2015	2,457	-	410	2,047
2013-2014	589	-	19	570
2012-2013	758	-	6	752
2011-2012	1,740	-	102	1,638
2010-2011	1,148	-	870	278
2009-2010	808	-	808	-
2008-2009	383	-	383	-
	<u>\$ 11,585</u>	<u>\$ 3,317,354</u>	<u>\$ 3,312,943</u>	<u>15,996</u>
Less allowance for uncollectible ad valorem taxes receivable				<u>(5,477)</u>
Ad valorem taxes receivable, net				<u>\$ 10,519</u>
Reconcilement with Revenues:				
Taxes - Ad valorem - General Fund				\$ 3,322,075
Reconciling items:				
Amount written off for fiscal year 2008-2009				(383)
Interest collected				(9,364)
Other adjustments				<u>615</u>
Total collections and credits				<u>\$ 3,312,943</u>

# TOWN OF WEAVERVILLE, NORTH CAROLINA

## GENERAL FUND ANALYSIS OF CURRENT TAX LEVY For the year ended June 30, 2019

	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Original levy	\$ 852,517,368	0.00380	\$ 3,239,566	\$ 3,078,505	\$ 161,061
Penalties			-	-	-
Total			<u>3,239,566</u>	<u>3,078,505</u>	<u>161,061</u>
Discoveries:					
Current year taxes and penalties	31,541,580		119,858	119,858	-
Abatements	<u>(11,071,053)</u>		<u>(42,070)</u>	<u>(42,070)</u>	<u>-</u>
Total property valuation	<u>\$ 872,987,895</u>				
Net levy			3,317,354	3,156,293	161,061
Uncollected taxes at June 30, 2019			<u>9,531</u>	<u>9,531</u>	<u>-</u>
Current year's taxes collected			<u>\$ 3,307,823</u>	<u>\$ 3,146,762</u>	<u>\$ 161,061</u>
Current levy collection percentage			<u>99.71%</u>	<u>99.70%</u>	<u>100.00%</u>



## **STATISTICAL SECTION**

# TOWN OF WEAVERVILLE

## *Statistical Section*

This part of the Town of Weaverville Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

<b><i>Contents</i></b>	<b><i>Page</i></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	<b>75</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the government's most significant local revenue source, property tax.	<b>80</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	<b>85</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place	<b>89</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	<b>91</b>

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	\$ 6,347,885	\$ 6,742,401	\$ 6,842,752	\$ 7,347,031	\$ 7,993,996	\$ 8,050,186	\$ 7,923,020	\$ 8,223,653	\$ 8,706,197	\$ 9,088,415
Restricted	584,509	1,010,927	940,151	916,438	619,271	736,093	889,635	651,736	670,368	790,806
Unrestricted	4,186,043	3,377,333	3,633,538	3,478,950	3,331,318	3,145,332	3,541,535	4,088,152	4,481,604	5,253,493
Total governmental activities net position	<u>\$ 11,118,437</u>	<u>\$ 11,130,661</u>	<u>\$ 11,416,441</u>	<u>\$ 11,742,419</u>	<u>\$ 11,944,585</u>	<u>\$ 11,931,611</u>	<u>\$ 12,354,190</u>	<u>\$ 12,963,541</u>	<u>\$ 13,858,169</u>	<u>\$ 15,132,714</u>
Business-type activities										
Net investment in capital assets	\$ 6,752,882	\$ 6,541,109	\$ 6,389,448	\$ 6,228,057	\$ 6,138,248	\$ 5,984,535	\$ 6,226,795	\$ 6,048,586	\$ 6,115,213	\$ 6,558,892
Unrestricted	2,145,974	2,247,995	2,326,924	2,416,168	2,564,076	2,567,214	2,339,010	2,812,547	2,899,609	2,954,545
Total business-type activities net position	<u>\$ 8,898,856</u>	<u>\$ 8,789,104</u>	<u>\$ 8,716,372</u>	<u>\$ 8,644,225</u>	<u>\$ 8,702,324</u>	<u>\$ 8,551,749</u>	<u>\$ 8,565,805</u>	<u>\$ 8,861,133</u>	<u>\$ 9,014,822</u>	<u>\$ 9,513,437</u>
Primary government										
Net investment in capital assets	\$ 13,100,767	\$ 13,283,510	\$ 13,232,200	\$ 13,575,088	\$ 14,132,244	\$ 14,034,721	\$ 14,149,815	\$ 14,272,239	\$ 14,821,410	\$ 15,647,307
Restricted	584,509	1,010,927	940,151	916,438	619,271	736,093	889,635	651,736	670,368	790,806
Unrestricted	6,332,017	5,625,328	5,960,462	5,895,118	5,895,394	5,712,546	5,880,545	6,900,699	7,381,213	8,208,038
Total primary government net position	<u>\$ 20,017,293</u>	<u>\$ 19,919,765</u>	<u>\$ 20,132,813</u>	<u>\$ 20,386,644</u>	<u>\$ 20,646,909</u>	<u>\$ 20,483,360</u>	<u>\$ 20,919,995</u>	<u>\$ 21,824,674</u>	<u>\$ 22,872,991</u>	<u>\$ 24,646,151</u>

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)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
Governmental activities										
General government	\$ 723,016	\$ 762,486	\$ 745,832	\$ 871,378	\$ 1,060,919	\$ 972,373	\$ 853,053	\$ 886,828	\$ 915,132	\$ 867,562
Public safety	3,060,692	3,237,380	3,192,377	3,164,552	3,181,904	3,187,340	3,444,875	3,490,042	3,737,201	4,177,269
Transportation	366,789	410,923	431,241	443,150	459,368	411,294	377,930	349,808	538,868	573,092
Environmental protection	399,436	519,617	525,647	490,032	560,224	545,538	605,969	711,637	517,387	472,460
Cultural and recreation	146,737	153,234	151,913	165,007	210,541	181,046	223,273	170,249	330,758	279,034
Interest on long term debt	180,010	159,685	135,861	121,910	61,303	53,241	49,720	37,857	30,006	19,602
Total governmental activities expenses	<u>4,876,680</u>	<u>5,243,325</u>	<u>5,182,871</u>	<u>5,256,029</u>	<u>5,534,259</u>	<u>5,350,832</u>	<u>5,554,820</u>	<u>5,646,421</u>	<u>6,069,352</u>	<u>6,389,019</u>
Business-type activities:										
Water and Sewer	<u>1,685,708</u>	<u>1,759,921</u>	<u>1,698,261</u>	<u>1,756,183</u>	<u>1,772,760</u>	<u>1,756,734</u>	<u>1,743,187</u>	<u>1,757,711</u>	<u>1,811,522</u>	<u>1,825,246</u>
Total business-type activities	<u>1,685,708</u>	<u>1,759,921</u>	<u>1,698,261</u>	<u>1,756,183</u>	<u>1,772,760</u>	<u>1,756,734</u>	<u>1,743,187</u>	<u>1,757,711</u>	<u>1,811,522</u>	<u>1,825,246</u>
Total primary government expenses	<u>\$ 6,562,388</u>	<u>\$ 7,003,246</u>	<u>\$ 6,881,132</u>	<u>\$ 7,012,212</u>	<u>\$ 7,307,019</u>	<u>\$ 7,107,566</u>	<u>\$ 7,298,007</u>	<u>\$ 7,404,132</u>	<u>\$ 7,880,874</u>	<u>\$ 8,214,265</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services										
General government	\$ 13,705	\$ 13,705	\$ 15,377	\$ 15,270	\$ 15,270	\$ 15,269	\$ 15,270	\$ 26,350	\$ 23,884	\$ 18,500
Public safety	27,568	24,205	31,788	46,268	30,384	18,438	26,465	900	300	800
Operating grants and contributions	168,531	167,142	24,561	81,131	93,407	42,828	22,548	220,621	38,859	47,858
Capital grants and contributions	-	-	120,661	105,081	106,054	106,971	106,776	106,302	106,428	104,952
Total governmental activities program revenues	<u>209,804</u>	<u>205,052</u>	<u>192,387</u>	<u>247,750</u>	<u>245,115</u>	<u>183,506</u>	<u>171,059</u>	<u>354,173</u>	<u>169,471</u>	<u>172,110</u>
Business-type activities:										
Charge for services										
Water	<u>1,492,997</u>	<u>1,629,857</u>	<u>1,604,755</u>	<u>1,652,376</u>	<u>1,824,127</u>	<u>1,708,014</u>	<u>1,751,374</u>	<u>1,941,316</u>	<u>1,996,961</u>	<u>2,263,956</u>
Total business-type activities:	<u>1,492,997</u>	<u>1,629,857</u>	<u>1,604,755</u>	<u>1,652,376</u>	<u>1,824,127</u>	<u>1,708,014</u>	<u>1,751,374</u>	<u>1,941,316</u>	<u>1,996,961</u>	<u>2,263,956</u>
Total primary government program revenues	<u>\$ 1,702,801</u>	<u>\$ 1,834,909</u>	<u>\$ 1,797,142</u>	<u>\$ 1,900,126</u>	<u>\$ 2,069,242</u>	<u>\$ 1,891,520</u>	<u>\$ 1,922,433</u>	<u>\$ 2,295,489</u>	<u>\$ 2,166,432</u>	<u>\$ 2,436,066</u>

(Continued on next page)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Net (Expense) Revenue</b>										
Governmental activities	\$ (4,666,876)	\$ (5,038,273)	\$ (4,990,484)	\$ (5,008,279)	\$ (5,289,144)	\$ (5,167,326)	\$ (5,383,761)	\$ (5,292,248)	\$ (5,899,881)	\$ (6,216,909)
Business-type activities	(192,711)	(130,064)	(93,506)	(103,807)	51,367	(48,720)	8,187	183,605	185,439	438,710
Total primary government expense	<u>\$ (4,859,587)</u>	<u>\$ (5,168,337)</u>	<u>\$ (5,083,990)</u>	<u>\$ (5,112,086)</u>	<u>\$ (5,237,777)</u>	<u>\$ (5,216,046)</u>	<u>\$ (5,375,574)</u>	<u>\$ (5,108,643)</u>	<u>\$ (5,714,442)</u>	<u>\$ (5,778,199)</u>
<b>General Revenue and Other Changes in Net Position</b>										
Governmental activities:										
Taxes	\$ 3,286,044	\$ 3,505,269	\$ 3,711,461	\$ 3,815,593	\$ 3,769,024	\$ 3,889,022	\$ 3,953,934	\$ 4,127,418	\$ 4,421,892	\$ 4,653,205
Grants and unrestricted contributions	1,399,863	1,485,907	1,490,077	1,470,911	1,611,206	1,669,515	1,751,222	1,828,482	1,941,897	2,324,207
Gain (loss) on sale of property	-	-	-	(7,578)	-	(58,767)	51,967	3,885	568,630	338,618
Investment earnings	52,001	27,664	28,139	24,452	5,953	4,800	16,144	27,452	73,589	152,290
Miscellaneous	366,554	31,658	46,587	30,879	105,127	13,114	33,103	27,976	26,166	23,134
Total government activities	<u>5,104,462</u>	<u>5,050,498</u>	<u>5,276,264</u>	<u>5,334,257</u>	<u>5,491,310</u>	<u>5,517,684</u>	<u>5,806,370</u>	<u>6,015,213</u>	<u>7,032,174</u>	<u>7,491,454</u>
Business-type activities:										
Gain on sale of property	-	-	-	14,412.00	-	2,474	3,154	-	-	-
Investment earnings	46,367	20,312	20,774	17,248	6,732	3,994	2,715	13,521	32,937	59,905
Total business-type activities	<u>46,367</u>	<u>20,312</u>	<u>20,774</u>	<u>31,660</u>	<u>6,732</u>	<u>6,468</u>	<u>5,869</u>	<u>13,521</u>	<u>32,937</u>	<u>59,905</u>
Total primary government	<u>\$ 5,150,829</u>	<u>\$ 5,070,810</u>	<u>\$ 5,297,038</u>	<u>\$ 5,365,917</u>	<u>\$ 5,498,042</u>	<u>\$ 5,524,152</u>	<u>\$ 5,812,239</u>	<u>\$ 6,028,734</u>	<u>\$ 7,065,111</u>	<u>\$ 7,551,359</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 66,189	\$ 60,014	\$ 267,985	\$ 45,113	\$ 323,984	\$ 133,923	\$ 422,579	\$ 722,965	\$ 1,132,293	\$ 1,274,545
Business activities	(83,697)	(73,194)	(83,033)	83,027	(41,988)	14,655	14,056	197,126	218,376	498,615
Total primary government	<u>\$ (17,508)</u>	<u>\$ (13,180)</u>	<u>\$ 184,952</u>	<u>\$ 128,140</u>	<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>

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)

	2010	2011*	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 919,236	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	4,215,711	-	-	-	-	-	-	-	-	-
Total General Fund	<u>\$ 5,134,947</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
All other government funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Total all other government funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,577	\$ 46,921	\$ 22,230
Restricted	-	1,010,927	940,151	916,438	619,271	736,093	889,635	651,736	670,368	790,806
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	371,470	213,340	289,710	240,359	72,773	275,000	323,600	777,504	194,933
Unassigned	-	3,507,088	4,015,946	3,890,602	3,903,142	4,256,578	4,508,900	5,265,972	5,519,421	6,964,831
Total General Fund	<u>\$ -</u>	<u>\$ 4,889,485</u>	<u>\$ 5,169,437</u>	<u>\$ 5,096,750</u>	<u>\$ 4,762,772</u>	<u>\$ 5,065,444</u>	<u>\$ 5,673,535</u>	<u>\$ 6,288,885</u>	<u>\$ 7,014,214</u>	<u>\$ 7,972,800</u>

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

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Revenues</b>										
Ad valorem taxes	\$2,485,116	\$2,603,095	\$2,733,026	\$2,731,714	\$2,673,180	\$2,744,627	\$2,852,225	\$2,973,623	\$3,146,825	\$3,322,075
Other taxes and licenses	787,446	910,695	979,761	1,086,231	1,097,423	1,108,108	1,135,729	1,163,041	1,275,968	1,324,253
Unrestricted intergovernmental revenues	1,399,863	1,485,907	1,490,077	1,470,911	1,611,206	1,669,515	1,751,222	1,827,864	1,941,175	2,323,917
Restricted intergovernmental revenues	150,201	144,494	106,580	166,057	173,275	126,566	109,224	326,923	145,287	152,810
Permits and fees	27,568	24,205	31,788	46,268	30,384	18,438	26,465	27,250	24,184	19,300
Investment earnings	52,001	27,664	28,139	24,452	5,953	4,800	16,114	27,452	73,589	152,290
Other revenues	398,589	68,011	81,806	66,304	146,583	49,594	59,777	25,438	26,888	23,425
Total Revenue	<u>5,300,784</u>	<u>5,264,071</u>	<u>5,451,177</u>	<u>5,591,937</u>	<u>5,738,004</u>	<u>5,721,648</u>	<u>5,950,756</u>	<u>6,371,591</u>	<u>6,633,916</u>	<u>7,318,070</u>
<b>Expenditures</b>										
Current										
General government	689,602	725,898	696,877	800,715	984,899	947,769	793,243	807,586	865,864	828,940
Public safety	2,557,761	2,660,279	2,680,297	2,692,509	2,706,134	2,810,037	3,007,254	2,965,402	3,227,198	3,690,123
Transportation	303,150	345,948	354,636	367,624	370,517	321,581	287,505	253,296	433,507	463,827
Environmental protection	348,171	451,412	465,371	423,712	491,741	475,327	524,619	627,195	440,629	397,878
Cultural and recreational	136,237	143,256	145,181	159,244	204,653	175,670	205,993	144,671	305,238	251,015
Capital outlay	1,452,112	502,278	185,867	345,146	964,804	1,049,345	117,020	549,967	746,875	687,982
<b>Debt Service</b>										
Principal retirement	533,448	515,590	497,733	747,733	283,614	591,461	417,182	421,632	426,025	356,116
Interest and fees	185,408	164,872	145,263	127,941	65,620	47,596	50,512	41,110	31,881	22,221
Total expenditures	<u>6,205,889</u>	<u>5,509,533</u>	<u>5,171,225</u>	<u>5,664,624</u>	<u>6,071,982</u>	<u>6,418,786</u>	<u>5,403,328</u>	<u>5,810,859</u>	<u>6,477,217</u>	<u>6,698,102</u>
Excess of revenues over (under) expenditures	<u>(905,105)</u>	<u>(245,462)</u>	<u>279,952</u>	<u>(72,687)</u>	<u>(333,978)</u>	<u>(697,138)</u>	<u>547,428</u>	<u>560,732</u>	<u>156,699</u>	<u>619,968</u>
<b>Other Financing Sources</b>										
Sale of property	-	-	-	-	-	201,564	51,967	3,885	568,630	338,618
Insurance recovery	-	-	-	-	-	2,022	8,696	3,156	-	-
Proceeds from debt	-	-	-	-	-	692,000	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>895,586</u>	<u>60,663</u>	<u>7,041</u>	<u>568,630</u>	<u>338,618</u>
Net change in fund balances	<u>\$ (905,105)</u>	<u>\$ (245,462)</u>	<u>\$ 279,952</u>	<u>\$ (72,687)</u>	<u>\$ (333,978)</u>	<u>\$ 198,448</u>	<u>\$ 608,091</u>	<u>\$ 567,773</u>	<u>\$ 725,329</u>	<u>\$ 958,586</u>
Debt service as a percentage of non capital expenditures	11.78%	15.12%	13.59%	12.90%	16.46%	6.84%	11.90%	8.80%	7.99%	6.29%

**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>
2010	2,485,116	27,568	1,550,064	787,446	52,001	398,589	5,300,784
2011	2,603,095	24,205	1,630,401	910,695	27,664	68,011	5,264,071
2012	2,733,026	31,788	1,596,657	979,761	28,139	81,806	5,451,177
2013	2,731,714	46,268	1,636,968	1,086,231	24,452	66,304	5,591,937
2014	2,673,180	30,384	1,784,481	1,097,423	5,953	146,583	5,738,004
2015	2,744,627	18,438	1,796,081	1,108,108	4,800	49,594	5,721,648
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

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)

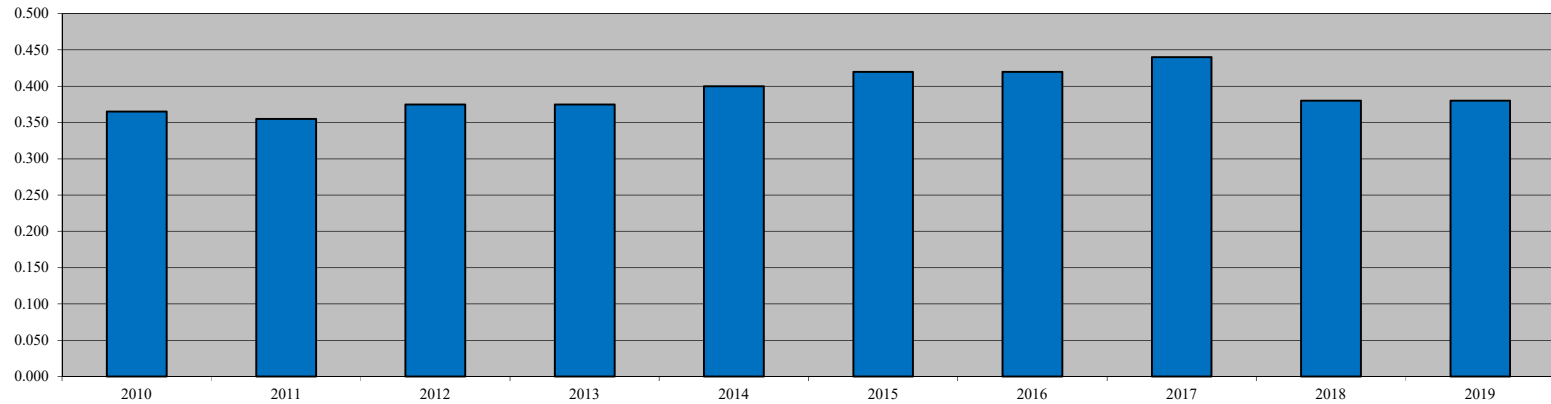
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<u>Fiscal Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Public Service</u>	<u>Total</u>	<u>Tax Rate</u>	<u>Levy</u>
2010	\$ 508,170	\$ 154,379	\$ 4,495	\$ 667,044	\$ 0.37	\$ 2,368
2011	558,749	140,051	4,991	703,791	0.36	2,498
2012	571,098	121,819	5,036	697,953	0.36	2,617
2013	577,789	116,986	4,874	699,649	0.38	2,624
2014	533,001	96,066	4,875	633,942	0.40	2,536
2015	538,431	91,105	4,743	634,279	0.42	2,680
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

Note: Property in the Town of Weaverville is assessed by the Buncombe County Tax Office. The most recent revaluation occurred in 2017. Tax exempt property is not assessed by Buncombe County for tax purposes. Tax rates are per \$100 of assessed value and are the weighted average of all the individual direct rates applied. Actual value is assumed to be substantially the same as the assessed value.

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

	FISCAL YEAR									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
County of Buncombe	0.525	0.525	0.525	0.525	0.569	0.604	0.604	0.604	0.539	0.529
City of Asheville	0.420	0.420	0.420	0.420	0.460	0.475	0.475	0.475	0.429	0.429
Town of Biltmore Forest	0.300	0.320	0.330	0.330	0.385	0.385	0.385	0.395	0.330	0.330
Town of Weaverville	0.365	0.355	0.375	0.375	0.400	0.420	0.420	0.440	0.380	0.380
Town of Black Mountain	0.320	0.365	0.365	0.365	0.375	0.375	0.375	0.375	0.333	0.333
Town of Woodfin	0.265	0.265	0.265	0.265	0.305	0.305	0.305	0.305	0.280	0.280
Town of Montreat	0.370	0.370	0.370	0.370	0.410	0.410	0.410	0.410	0.410	0.410
Asheville School District	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.120	0.120
Fire Districts (average beginning in 2015)	0.075-0.150	0.075-0.150	0.075-0.150	0.075-0.150	0.090-0.150	0.118	0.118	0.117	0.118	0.132
Maximum Combined Rate	1.095	1.095	1.095	1.095	1.214	1.229	1.229	1.229	1.088	1.078



NOTE: Property was revalued and effective in fiscal years 2014 and 2017.

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	2018-2019			2009-2010		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
CRE Rockwell / Baldor	\$ 31,275,431	1	3.77%	\$ 19,608,401	2	2.94%
Thermo Fisher / Kendro	24,027,555	2	2.90%	18,688,110	3	2.80%
Weaverville Plaza / IRC-MAB Acqui	14,500,000	3	1.75%	9,000,000	4	1.35%
Walmart	14,498,406	4	1.75%	7,683,300	7	1.15%
Ingles	11,033,801	5	1.33%	8,201,340	5	1.23%
Arvato / Sonopress / King	9,704,219	6	1.17%	136,614,545	1	20.48%
Lowe's Home Centers	10,635,291	7	1.28%	6,886,300	9	1.03%
Brian Center / SMV Weaverville LLC	7,547,000	8	0.91%	6,906,000	8	1.04%
Balcrank / Linter North America Corp	5,585,532	9	0.67%			
SCG-Weaverville LLC	5,000,400	10	0.60%			
Shorewood Packaging				7,959,100	6	1.19%
HMVHV				5,933,300	10	0.89%
Totals	\$ 133,807,635		16.14%	\$ 227,480,396		34.10%
Total Overall Valuation	\$ 828,969,846			\$ 667,043,379		

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>
2010	\$ 2,455,125	\$ 2,439,501	99.364%	\$ 14,816	\$ 2,454,317	99.73%
2011	2,600,070	2,589,260	99.584%	10,533	2,599,793	99.97%
2012	2,722,961	2,713,116	99.638%	8,208	2,721,324	99.73%
2013	2,702,440	2,694,813	99.718%	6,875	2,701,688	99.91%
2014	2,574,476	2,568,590	99.771%	5,316	2,573,906	99.81%
2015	2,773,162	2,731,523	98.499%	39,592	2,771,115	99.89%
2016	2,805,674	2,801,001	99.833%	4,472	2,805,473	99.97%
2017	2,965,846	2,962,235	99.878%	3,393	2,965,628	99.88%
2018	3,138,242	3,135,107	99.900%	2,374	3,137,481	99.98%
2019	3,317,354	3,307,823	99.713%	-	3,307,823	99.71%

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				
2010	3216	\$ 691,584	4,335	0.0063	\$ 1,346	\$ 3,146	18	\$ 983	7,499	8.846%	\$ 2,329	
2011	3673	731,399	3,819	0.0052	1,041	3,060	-	834	6,879	6.709%	1,874	
2012	3714	727,379	3,322	0.0046	895	2,914	-	785	6,236	unavailable	1,681	
2013	3715	732,139	2,574	0.0035	694	2,795	-	753	5,369	unavailable	1,447	
2014	3763	652,170	2,290	0.0035	609	2,672	-	711	4,962	unavailable	1,320	
2015	3800	660,277	2,391	0.0036	629	2,548	-	671	4,939	unavailable	1,300	
2016	3833	668,018	1,974	0.0030	515	2,470	-	645	4,444	unavailable	1,160	
2017	3858	784,067	1,552	0.0020	390	2,311	-	581	3,863	unavailable	970	
2018	3911	825,853	1,126	0.0014	288	2,149	-	549	3,275	unavailable	837	
2019	3974	872,987	770	0.0009	194	1,989	-	501	2,759	unavailable	694	

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>
2010	\$ 533	\$ 185	\$ 718	\$ 6,206	11.569%
2011	516	165	681	5,510	12.359%
2012	498	145	643	5,171	12.435%
2013	748	128	876	5,665	15.463%
2014	284	66	350	6,072	5.764%
2015	591	48	639	6,419	9.955%
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%

(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, 2019**

Direct:

Town of Weaverville

Governmental Activities Installment Obligations			\$ 769,837
	Percent Applicable to the Town (1)		

Underlying:

Buncombe County

General Obligation Bonds	<u>\$ 21,497,000</u>	2.74%	<u>588,892</u>
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Total direct and underlying bonded debt			<u><u>\$ 1,358,729</u></u>
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(1) Percent applicable to the Town of Weaverville calculated using assessed valuation of Town divided by assessed valuation of the County taxing district.

Source: Town of Weaverville tax collector and County of Buncombe, North Carolina Comprehensive Annual Financial Report, Year Ended June 30, 2018.

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2018
Assessed value of property	\$691,584	\$731,399	\$727,379	\$732,139	\$652,170	\$660,277	\$668,018	\$636,340	\$784,067	\$ 828,128
Debt limit, 8% of assessed value	55,327	58,512	58,190	58,571	52,174	52,822	53,441	50,907	62,725	66,250
Total net debt applicable to limit	7,499	6,879	6,262	5,394	4,962	4,939	4,444	3,863	3,275	2,758
Legal debt margin available	47,828	51,633	51,928	53,177	47,189	45,800	48,997	47,044	59,450	63,492
Total net debt applicable to the limit as a percentage of limit	13.55%	11.76%	10.76%	9.21%	9.55%	9.39%	8.32%	7.59%	5.22%	4.16%

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)	Per Capita		Median Age (3)	Public School Enrollment (4)	Unemployment Rate (5)
		Personal Income (thousands) (2)	Personal Income (3)			
2019	3,674	unavailable	\$ 35,782	52.0	582	3.4
2018	3,911	unavailable	35,582	42.6	592	3.1
2017	3,858	unavailable	30,378	42.6	601	3.9
2016	3,833	unavailable	29,374	46.0	582	4.1
2015	3,800	unavailable	unavailable	unavailable	593	5.0
2014	3,763	unavailable	26,424	41.0	613	5.0
2013	3,715	unavailable	25,665	40.6	620	6.8
2012	3,714	unavailable	25,142	42.5	620	7.9
2011	3,673	102,528	27,914	44.3	620	8.7
2010	3,216	84,771	26,359	50.0	620	9.0

### 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

	2019			2010		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Employer:						
Thermo Fisher	570	1	14.25%	611	2	23.06%
Walmart	307	2	7.68%			
Ingles	205	3	5.13%	208	3	7.85%
Baldor	171	4	4.28%			
Lowes	160	5	4.00%			
Arvato / Sonopress	150	6	3.75%	625	1	23.58%
Brian Center	132	7	3.30%	123	7	4.64%
Publix	125	8	3.13%			
Buncombe County Schools	94	9	2.35%	116	8	4.38%
Conrad Industries	86	10	2.15%	74	9	2.79%
Town of Weaverville	68	11	1.70%	61	10	2.30%
Balcrank	56	12	1.40%	135	4	5.09%
Reliance				130	5	4.91%
Shorewood				127	6	4.79%
Total	2,124		53.10%	2,210		83.39%

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

**TOWN OF WEAVERVILLE, NORTH CAROLINA**  
Full-time Equivalent Town Government Employees by Function/Program  
Last Ten Fiscal Years

Function/Program	Full-time Equivalent Employees as of June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b><u>Administration</u></b>	5	5	5	5	5	6	6	6	6	6
Manager	1	1	1	1	1	1	1	1	1	1
Finance Officer	1	1	1	1	1	1	1	1	1	1
Adm. Assistant	1	1	1	1	1	1	1	0	0	0
Account Clerk/Tax	1	1	1	1	1	2	2	2	2	2
Zoning/Clerk	1	1	1	1	1	1	1	2	2	2
<b><u>Police</u></b>	14	15	15	15	15	15	15	15	15	16
Chief	1	1	1	1	1	1	1	1	1	1
Lieutenant	1	1	1	1	1	1	0	0	0	1
Detective	1	1	1	1	1	1	2	2	2	1
Sergeant	2	2	2	2	2	2	2	2	2	2
Corporal	2	2	2	2	2	2	2	2	2	2
Officer	6	7	7	7	7	7	7	7	7	8
Reception	1	1	1	1	1	1	1	1	1	1
<b><u>Fire</u></b>	18	18	18	18	18	18	18	18	21	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
Engineer	0	0	0	0	0	0	0	0	3	6
Lieutenant	0	0	0	0	0	0	0	0	0	3
Fire Fighter	9	9	9	9	9	9	9	9	9	6
<b><u>Public Works</u></b>	20	22	22	22	22	22	23	22	22	22
Director	1	1	1	1	1	1	1	1	1	1
Adm. Assistant	1	1	1	1	1	1	1	0	0	0
Supervisor	2	2	2	2	2	2	2	2	2	2
Equipment II	1	1	1	1	1	1	1	1	1	1
Equipment I	3	3	3	3	3	3	3	3	3	3
Water Treat.	3	4	4	4	4	4	5	4	4	4
Meter Reader	1	1	1	1	1	1	1	1	1	1
Skilled Labor	4	4	4	4	4	4	4	6	6	6
Semi-Skilled	2	3	3	3	3	3	3	3	3	3
Water Tr. Sup.	1	1	1	1	1	1	1	0	0	0
Water Tr. A Sup.	1	1	1	1	1	1	1	1	1	1
<b>Total Employees</b>	<b>57</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>61</b>	<b>62</b>	<b>61</b>	<b>64</b>	<b>68</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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b><u>Function/Program</u></b>										
<b>Administration</b>										
Zoning Permits	96	79	60	89	87	47	31	87	120	123
Tax Collection Rate	99%	99%	99%	99%	99%	99%	99%	99%	99%	99%
Tax Rate	0.36	0.36	0.38	0.38	0.4	0.42	0.42	0.44	0.38	0.38
<b>Police</b>										
*Dollar Value Stolen	\$ 45,313	\$ 138,054	\$ 125,829	\$ 57,340	\$ 203,724	\$ 180,388	\$ 287,855	\$ 81,539	\$ 367,119	\$ 390,364
*Dollar Value Recovered	\$ 25,505	\$ 68,908	\$ 35,210	\$ 41,833	\$ 92,045	\$ 88,272	\$ 87,725	\$ 68,010	\$ 104,668	\$ 43,902
Criminal Activities	97	136	213	297	211	288	379	302	445	578
Total Activities	26,468	33,516	46,701	52,027	67,293	69,289	68,775	67,648	79,640	56,908
Patrol Miles Driven	124,067	114,598	127,476	124,653	123,039	110,448	114,781	120,319	117,992	98,302
<b>Fire</b>										
Vehicle Fires	6	6	7	12	13	6	10	11	8	5
Vehicle Loss	\$ 119,150	\$ 100,600	\$ 14,750	\$ 14,000	\$ 66,350	\$ 16,800	\$ 23,672	\$ 32,800	\$ 11,300	\$ 39,395
Structure Fires	7	12	13	8	15	11	11	40	20	9
Structure Loss	\$ 294,650	\$ 350,000	\$ 331,780	\$ 160,400	\$ 98,470	\$ 93,350	\$ 271,450	\$ 160,300	\$ 517,850	\$ 1,925,400
Total Calls	1,727	1,571	1,666	1,503	1,595	1,679	1,670	1,655	1,979	1,868
<b>Public Works</b>										
Solid Waste/Program Cost	\$ 494,921	\$ 576,988	\$ 365,203	\$ 375,544	\$ 299,625	\$ 312,952	\$ 505,910	\$ 349,462	\$ 597,730	\$ 550,671
Cost per Household	\$ 299.95	\$ 349.69	\$ 202.89	\$ 217.45	\$ 167.58	\$ 175.03	\$ 257.46	\$ 179.86	\$ 302.34	\$274.79
Cost per Ton Recyclables	\$ 143.88	\$ 121.30	\$ 240.45	\$ 224.35	\$ 162.00	\$ 169.21	\$ 273.53	\$ 280.02	\$ 135.65	\$153.48
Recovered Tons	271.58	330.18	357.98	361.06	388.15	407.56	427.94	449.33	457.89	431.00
Street Signs Installed	12	44	88	14	16	10	12	18	15	12
Paving Repairs	13	10	20	12	26	18	28	16	18	22

continued on next page

**TOWN OF WEAVERVILLE, NORTH CAROLINA**

Operating Indicators by Function/Program

Last Ten Calendar Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Water</b>										
Water Mains										
Six inch	106,325	106,325	106,325	106,325	106,325	106,685	106,745	107,578	115,787	118,211
Eight inch	110,462	110,462	111,592	114,089	114,089	114,229	116,806	116,806	118,366	119,032
Ten inch	25,795	25,795	25,795	25,795	25,795	25,795	25,795	25,795	25,795	25,795
Twelve inch	21,855	21,855	21,855	23,805	23,805	23,805	23,805	23,805	23,805	23,805
Twenty inch	21,400	21,400	21,400	21,400	21,400	21,400	21,400	21,400	21,400	21,400

Source: Various Town departments

**TOWN OF WEAVERVILLE, NORTH CAROLINA**  
 Capital Asset Statistics by Function/Program  
 Last Ten Calendar Years

<b>Function/Program</b>	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	15	15	15	15	15	15	15	15	18	18
Fire stations	1	1	1	1	1	1	1	1	1	1
Refuse collection										
Collection trucks	2	2	2	2	2	2	2	2	2	2
Other public works										
Streets (miles)	18.03	18.03	18.03	18.03	18.03	18.18	19.13	19.29	19.36	19.44
Streetlights	301	301	301	301	301	301	301	301	304	306
Traffic signals	7	7	7	12	12	12	12	12	12	12
Water										
Transmission lines (miles)	54.14	54.14	54.14	55.09	55.09	55.18	56.13	56.13	57.97	58
Fire hydrants	389	389	389	402	402	404	410	410	422	433
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 Progress Energy.

Town street total includes gravel and hard surface.

Police vehicles include support vehicles.

## **COMPLIANCE SECTION**



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

**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, 2019, 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 12, 2019. Our report includes a reference to other auditors who audited the financial statements of the Town of Weaverville ABC Board, as described in our report on the Town of Weaverville's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the Town of Weaverville ABC Board were not audited in accordance with *Government Auditing Standards*.

***Internal Control Over Financial Reporting***

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

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

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



### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether 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 12, 2019

