

Comprehensive Annual Financial Report

Fiscal Year Ending June 30, 2020



Town of Weaverville
North Carolina

Town of Weaverville, North Carolina

Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2020

Town Council
(As of June 30, 2020)

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, 2020
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, 2019

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 16, 2020

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, 2020.

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, 2020 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, 2020 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	2019 Certified Est. ¹
1,495	2,107	2,968	3,120	4,027

Town staff has estimated the population of the Town to be approximately 4,600 as of June 2020.

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 47% since the 2010 census. The Town continues to grow with approximately 370 residential units either approved or in some phase of the development review process at fiscal year-end June 30, 2020. This has the potential to increase the Town's population by another 784 residents or 17%. The Town has an ample water supply, as the Lawrence T. Sprinkle Jr. Water Treatment Facility is operating at approximately 69% 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 major USDA funded waterline extension project nearing completion, 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 recently completed and open for business, and several new commercial establishments in the planning phases. However, there continue to be some vacant sites available for commercial development within the Town. As our population increases, the demand for additional retail should grow which will lead to further development of these projects.

Governmental Structure

The Town of Weaverville has a Council/Manager form of government. Policy making and legislative authority are vested in the governing board of the Town consisting of a mayor and 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

¹ 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 2019-2020 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

The unknowns brought about by the coronavirus pandemic upended the normal budget process to the extent that the Town's normal revenue sources were in jeopardy. For instance, the mandate to stay home led to decreased projections of sales tax revenue. However, 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's unemployment rate continues to be less than the state's average. 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's first hotel was just recently opened and is in full operation. In addition, there is revived interest in parcels within the Northridge Commons commercial development and the expectation that at least three new retail companies will be moving in and opening in the short term. With anticipated development of additional commercial and retail developments in the near future, we believe that these are positive signs of continued growth and positive financial implications for the Town of Weaverville.

Awards and Acknowledgements

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, 2019. This was the 24th 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.

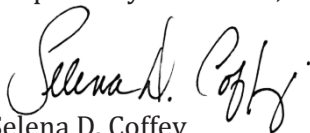
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.


Conclusion

The Asheville region has, in the recent past, greatly profited from a vibrant and growing economy. However, the coronavirus pandemic has impacted the region extensively and we must continue to monitor the pandemic's impact in order to successfully balance revenues and service demands. 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.

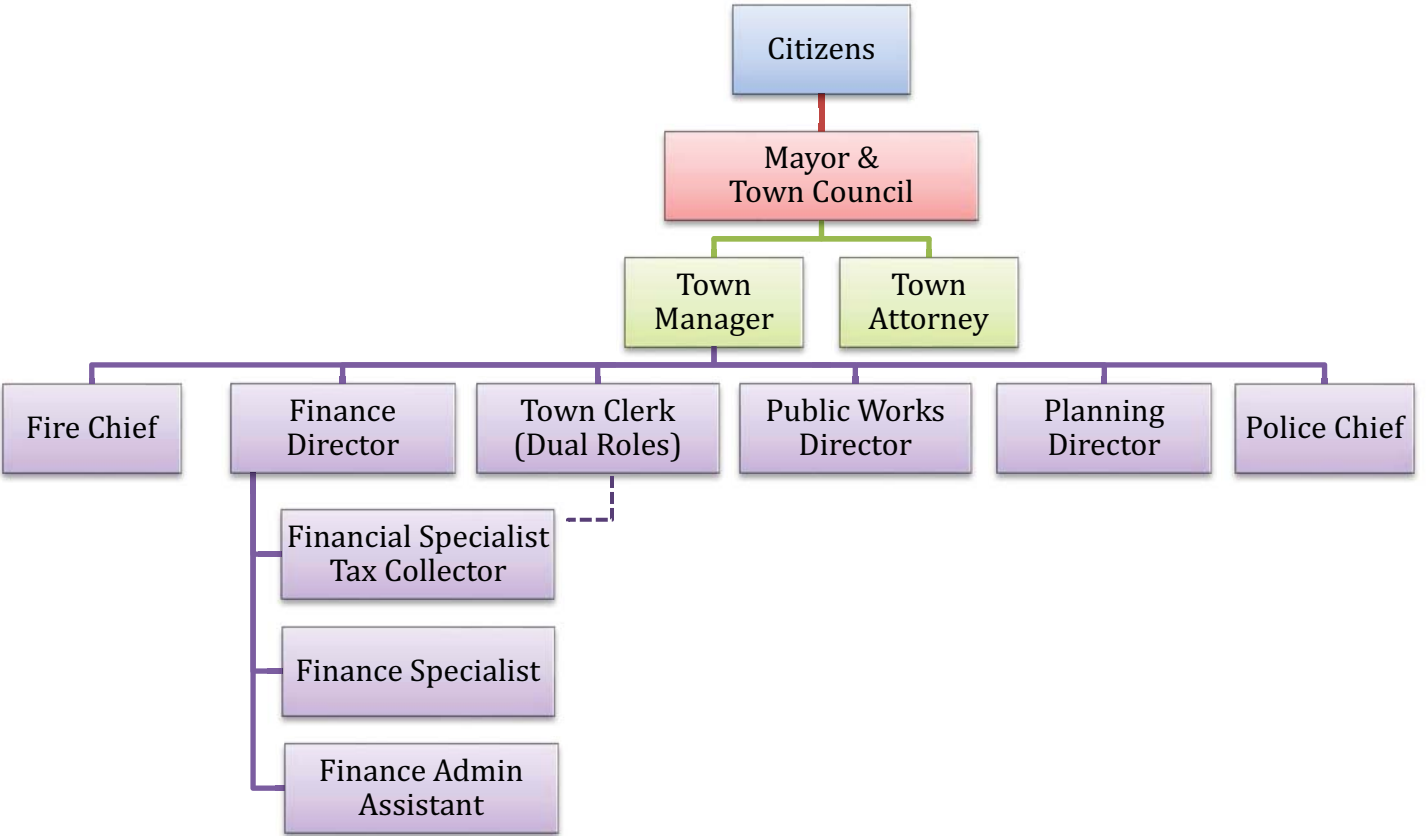
I would like to express appreciation to Finance Director Tonya Dozier for all of her work in compiling the information within this report and her work in monitoring and improving the Town's financial policies and procedures. We would also like to thank all of the Town's staff who assisted in the preparation 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,

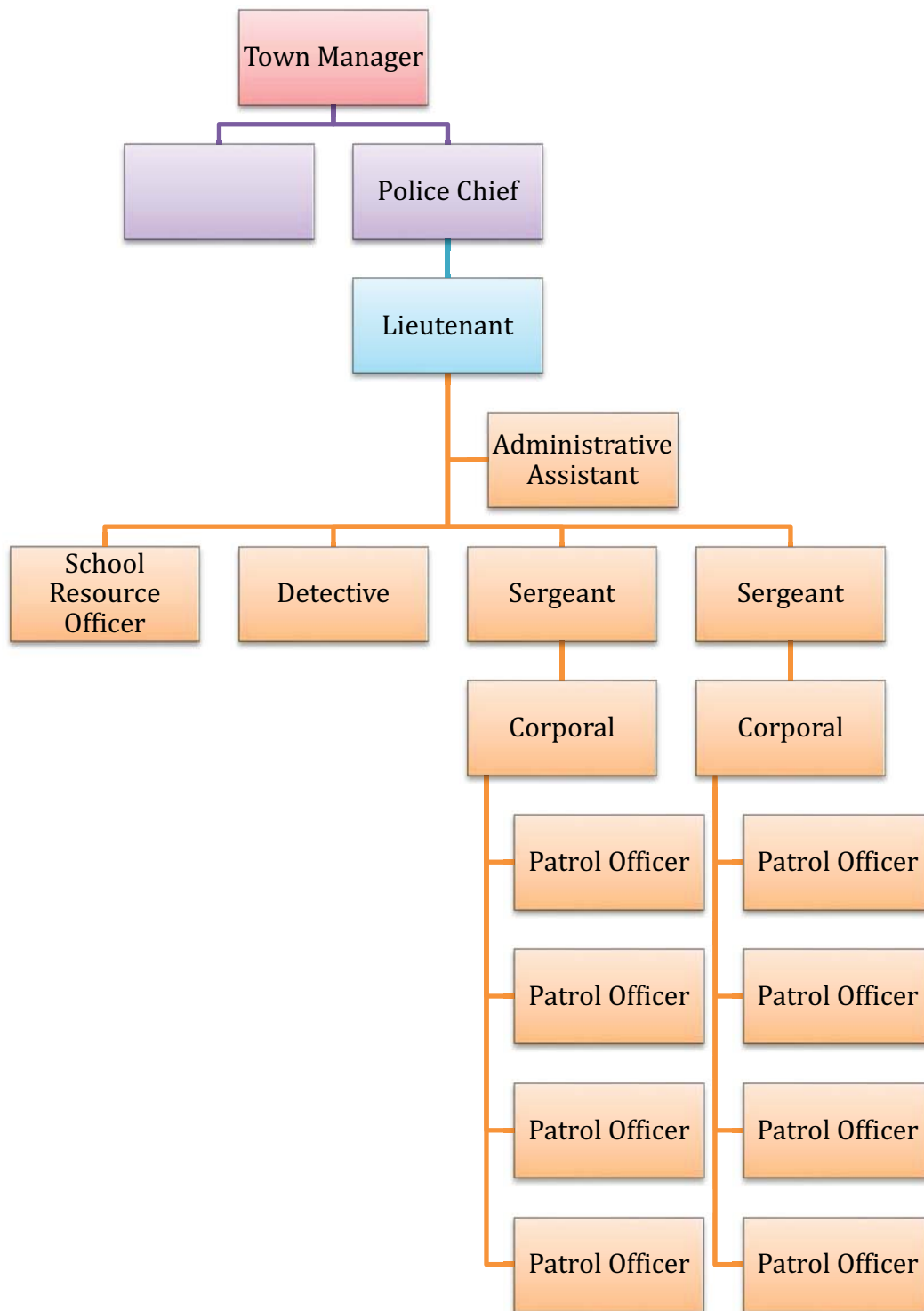

Selena D. Coffey
Town Manager


Tonya R. Dozier
Finance Officer

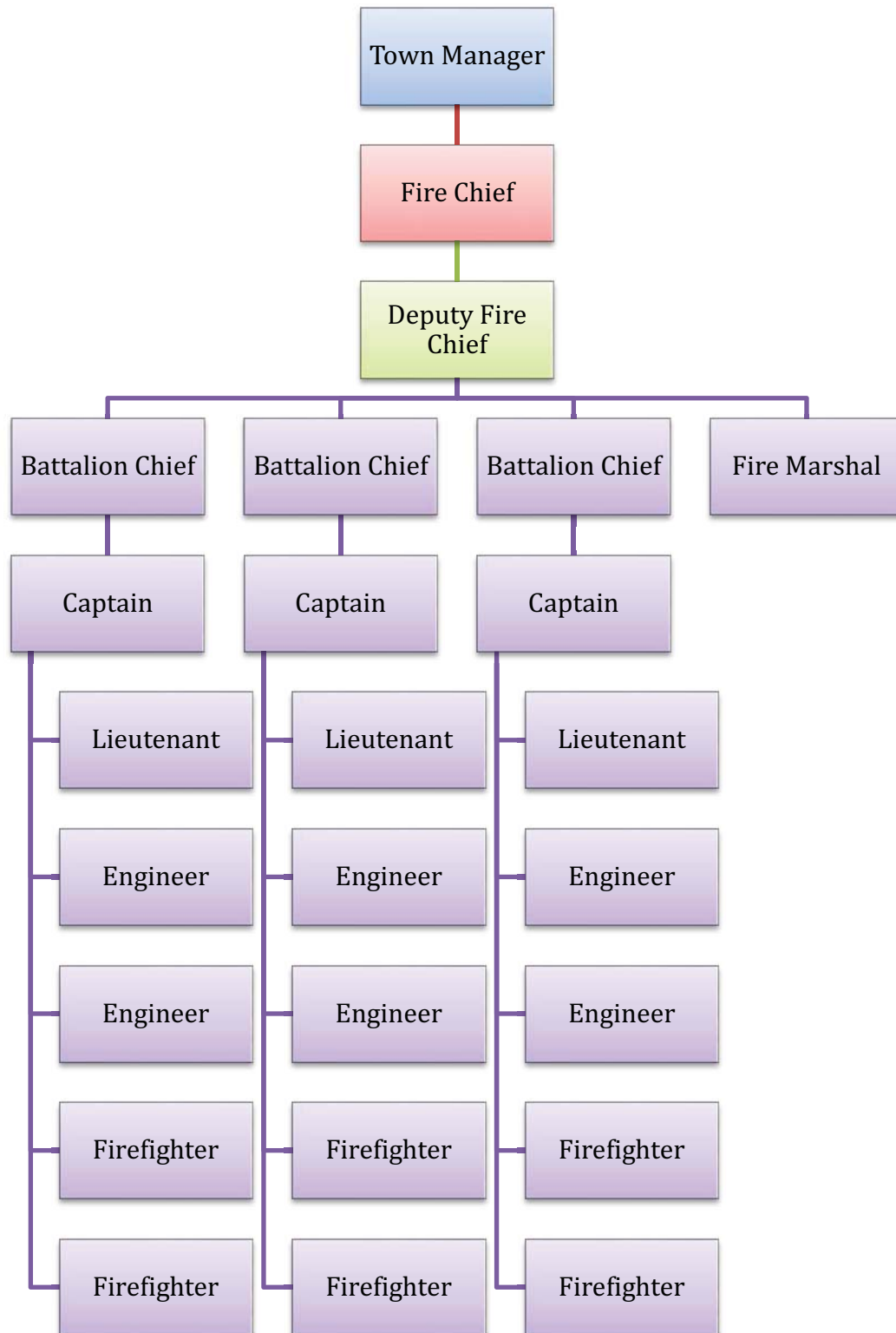
Administration
Organizational Chart



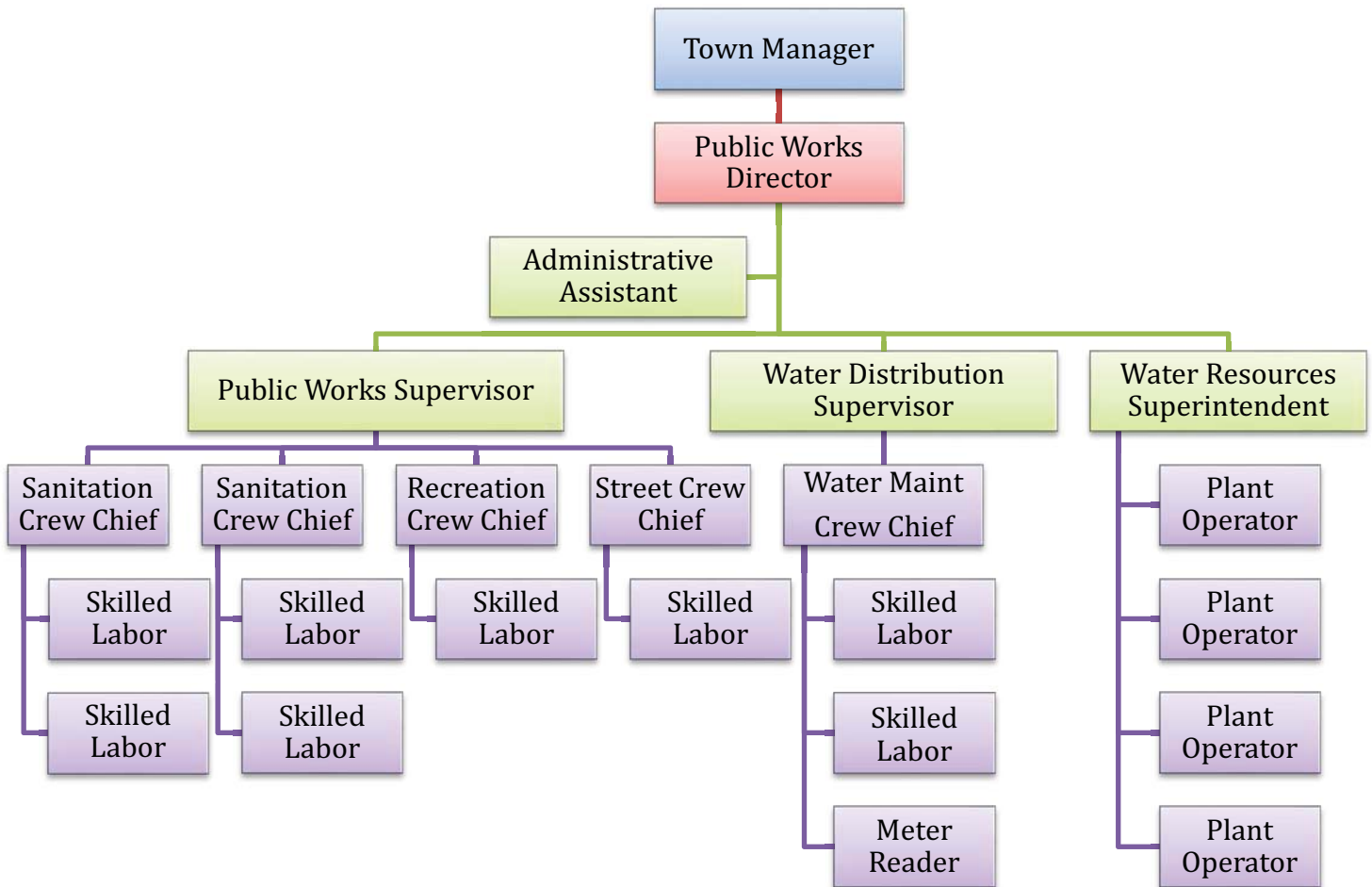
Police Department
Organizational Chart



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

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, 2020, 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, 2020, 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 15-23, 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 65, the Local Governmental Employees' Retirement System's schedules of the Town's Proportionate Share of the Net Pension Liability (Asset) and Contributions on pages 66 and 67, respectively, and the Other Postemployment Benefits Schedule of Changes in the Total OPEB Liability and Related Ratios on page 68 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 16, 2020 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 16, 2020

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, 2020. 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

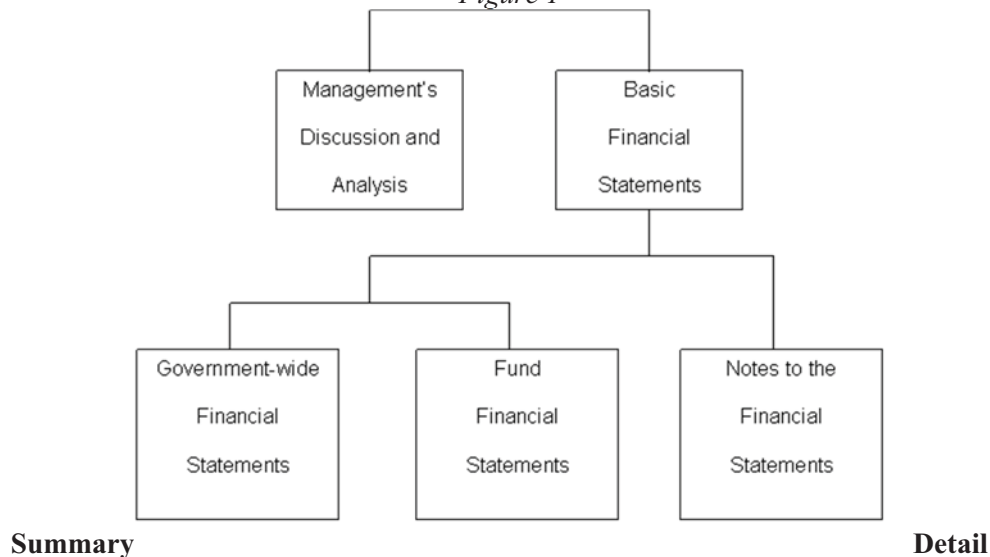
- The assets and deferred outflows of the Town of Weaverville exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$25,313,900 (*net position*).
- The government's total net position increased by \$667,749, which was primarily the result of increased revenues from governmental activities as well as business-type activities, coupled with using the Town's fund balance to build a new community center.
- As of the close of the current fiscal year, the Town of Weaverville's General Fund reported an ending fund balance of \$7,494,747, with a net decrease of \$478,053 in fund balance. Approximately 11% of this total amount, or \$792,934, is restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$6,381,593, or 88% 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

Figure 1



Basic Financial Statements

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

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

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

Government-wide Financial Statements

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

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

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

Fund Financial Statements

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

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

programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The Town of Weaverville adopts an annual budget for its General Fund, 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 65 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
	2020	2019	2020	2019	2020	2019	Percentage Change
Current and other assets	\$ 8,327,910	\$ 8,672,799	\$ 6,173,320	\$ 3,678,706	\$ 14,501,230	\$ 12,351,505	17%
Capital assets	10,751,417	9,858,252	9,216,246	8,547,892	19,967,663	18,406,144	8%
Total assets	19,079,327	18,531,051	15,389,566	12,226,598	34,468,893	30,757,649	12%
Deferred outflows of resources	1,080,890	1,003,922	208,516	204,445	1,289,406	1,208,367	
Long-term liabilities	3,353,944	3,143,168	2,236,033	2,306,470	5,589,977	5,449,638	3%
Other liabilities	1,212,424	1,084,396	3,487,064	576,906	4,699,488	1,661,302	183%
Total liabilities	4,566,368	4,227,564	5,723,097	2,883,376	10,289,465	7,110,940	45%
Deferred inflows of resources	130,563	174,695	24,371	34,230	154,934	208,925	-26%
Net position:							
Net investment in capital assets	10,264,984	9,088,415	7,170,246	6,558,892	17,435,230	15,647,307	11%
Restricted	792,934	790,806	-	-	792,934	790,806	0%
Unrestricted	4,405,368	5,253,493	2,680,368	2,954,545	7,085,736	8,208,038	-14%
Total net position	\$ 15,463,286	\$ 15,132,714	\$ 9,850,614	\$ 9,513,437	\$ 25,313,900	\$ 24,646,151	3%

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets of the Town of Weaverville exceeded liabilities and deferred inflows by \$25,313,900 as of June 30, 2020. The Town's net position increased by \$667,749 for the fiscal year ended June 30, 2020. The largest component of net position (69.8%) 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 (3.1%), \$792,934, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$6,865,736 (27.1%) 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 98.53%.
- Sales of capital assets resulted in proceeds of \$29,140.
- Distributions to the Town from the ABC Store were approximately 150% higher than budgeted, as a result of ABC's increased sales revenue during the coronavirus pandemic.
- Higher interest rates led to interest earnings of approximately \$140,000 for the Town from its TD Bank CD, and North Carolina Capital Management Trust accounts.

Town of Weaverville's Changes in Net Position

Figure 3

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
<i>Program revenues:</i>						
Charges for services	\$ 19,543	\$ 19,300	\$ 2,464,546	\$ 2,263,956	\$ 2,484,089	\$ 2,283,256
Operating grants and contributions	18,699	47,858	-	-	18,699	47,858
Capital grants and contributions	103,879	104,952	-	-	103,879	104,952
<i>General revenues:</i>						
Property taxes	3,366,247	3,328,952	-	-	3,366,247	3,328,952
Local option sales tax	1,370,946	1,324,253	-	-	1,370,946	1,324,253
Grants and contributions not restricted to specific programs	2,381,318	2,324,207	-	-	2,381,318	2,324,207
Unrestricted investment earnings	90,724	152,290	53,015	59,905	143,739	212,195
Miscellaneous	40,389	23,134	-	-	40,389	23,134
Gain on sale of property	29,140	338,618	3,284	-	32,424	338,618
<i>Total revenues</i>	<u>7,420,885</u>	<u>7,663,564</u>	<u>2,520,845</u>	<u>2,323,861</u>	<u>9,941,730</u>	<u>9,987,425</u>
Expenses:						
General government	976,437	867,562	-	-	976,437	867,562
Public safety	4,641,137	4,177,269	-	-	4,641,137	4,177,269
Transportation	521,481	573,092	-	-	521,481	573,092
Environmental protection	632,257	472,460	-	-	632,257	472,460
Culture and recreation	304,842	279,034	-	-	304,842	279,034
Water and sewer	-	-	2,183,668	1,825,246	2,183,668	1,825,246
Interest on long-term debt	14,159	19,602	-	-	14,159	19,602
<i>Total expenses</i>	<u>7,090,313</u>	<u>6,389,019</u>	<u>2,183,668</u>	<u>1,825,246</u>	<u>9,273,981</u>	<u>8,214,265</u>
Increase in net position	330,572	1,274,545	337,177	498,615	667,749	1,773,160
Net position, beginning	15,132,714	13,858,169	9,513,437	9,014,822	24,646,151	22,872,991
Net position, end of year	<u>\$ 15,463,286</u>	<u>\$ 15,132,714</u>	<u>\$ 9,850,614</u>	<u>\$ 9,513,437</u>	<u>\$ 25,313,900</u>	<u>\$ 24,646,151</u>

Governmental activities. Governmental activities increased the Town's net position by \$330,572, thereby accounting for approximately half 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, in an effort to offset the reduction in sales tax revenue resulting from the Coronavirus pandemic. However, 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. Continued efforts to maximize tax collections also contributed to the favorable net position. Town management acknowledges that 2020 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 \$337,177. Water rates increased by 5% from the previous fiscal year, in order to continue planning for the future water treatment plant expansion.

Financial Analysis of the Town's Funds

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

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

The General Fund is the chief operating fund of the Town of Weaverville. At the end of the current fiscal year, the Town of Weaverville's fund balance available for appropriation in the General Fund was \$6,637,508, while total fund balance reached \$7,494,747. 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 90% of General Fund revenues, while total fund balance represents 101% of the same amount.

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

Actual revenues were less than the budgeted amounts for Sales Tax and Buncombe County Fire tax due to decreases in sales tax revenue as a result of the Coronavirus pandemic. However, ABC Store distributions, and Utility Tax Revenue were higher 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 \$2,680,368. The total change in net position for the Water and Sewer Fund was an increase of \$337,177. The change in net position in the Water and Sewer Fund is primarily a result of the Town's growing customer base, higher water rates, increased System Development Fees on new construction, and continued replacement of manual-read water meters with automated water meters.

Capital Asset and Debt Administration

Capital assets. The Town of Weaverville's investment in capital assets for its governmental and business-type activities as of June 30, 2020, totals \$19,967,663 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, vehicles, furniture, plant and distribution systems, and town infrastructure.

Major capital asset transactions during the year include the following:

- Three new Hybrid SUV's and one truck for the Police Department at a cost of \$172,400 total.
- A water fountain in front of Town Hall at a cost of \$11,000.
- Two replacement trucks for Public Works at a cost of approximately \$78,300 total.
- Further completion of 2019 Paving Project for the Streets Department at a cost of \$455,000.
- One vehicle replacement for the Fire Department at a cost of approximately \$36,500.
- A new dump truck for the Water Department at a cost of approximately \$65,600.

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

Figure 4

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land and construction in progress	\$ 1,751,391	\$ 1,144,637	\$ 1,231,796	\$ 330,035	\$ 2,983,187	\$ 1,474,672
Buildings	4,194,961	4,271,432	-	-	4,194,961	4,271,432
Land improvements	323,582	337,860	-	-	323,582	337,860
Furniture, equipment and vehicles	1,272,405	1,274,188	627,579	555,125	1,899,984	1,829,313
Infrastructure	3,209,078	2,830,135	7,356,871	7,662,732	10,565,949	10,492,867
Total capital assets	<u>\$ 10,751,417</u>	<u>\$ 9,858,252</u>	<u>\$ 9,216,246</u>	<u>\$ 8,547,892</u>	<u>\$ 19,967,663</u>	<u>\$ 18,406,144</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, 2020, the Town of Weaverville had total debt in the form of installment purchase contracts, bond anticipation note, and general obligation bonds outstanding of \$4,812,433.

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

Figure 5

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
General obligation bonds, net	\$ -	\$ -	\$ 1,826,000	\$ 1,989,000	\$ 1,826,000	\$ 1,989,000
Installment purchases payable	486,433	769,837	-	-	486,433	769,837
Bond anticipation note	-	-	2,500,000	-	2,500,000	-
	<u>\$ 486,433</u>	<u>\$ 769,837</u>	<u>\$ 4,326,000</u>	<u>\$ 1,989,000</u>	<u>\$ 4,812,433</u>	<u>\$ 2,758,837</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 \$64,000,000.

Additional information regarding the Town of Weaverville's long-term debt can be found in Note 2.B.3 of this report.

Economic Factors and Next Year's Budgets and Rates

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

- The Town has seen continued growth in both the housing and retail markets during FY 2020, and we expect that this will continue during FY 2021.
- There are roughly 370 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, 2021

Governmental Activities: The Town Council has adopted a budget for fiscal year 2020-2021 that sets the tax rate at \$0.380 per \$100 of valuation, which is the same rate from fiscal year 2019-2020. Budget development for this fiscal year was tenuous. With the coronavirus pandemic looming and it's potential to impact the Town's federal, state, and local revenue sources, the budget was pared down significantly, with many important expenses delayed or cancelled altogether.

While Town Council did not initially approve employee pay increases via the merit program or cost of living adjustments, they did approve other initiatives having direct impacts on Town employees. The approved budget allocated funds for an increase in general liability insurance by 6.0% over the current year budget. In addition, the budget includes a 6.5% increase in health and dental insurance for Town employees. The budget reflects efforts to address Americans with Disabilities Act (ADA) Improvements, as guided by the approved ADA Transition Plan. Debt service expenses were budgeted to decrease in the upcoming year, with the Town's one final debt service payment on the fire station scheduled to be paid in fiscal year 2020-2021. This resulted in \$125,000 less in debt service payments. Of note, upon paying off the debt service on one of the Town's fire trucks two years ago, the Town began transferring \$75,000 annually into a Capital Reserve Fund for the future purchase of a replacement fire truck. In an effort to offset the loss in the North Buncombe Fire District tax revenue for the fiscal year and to fund necessary extrication rescue tools totaling \$28,000 for the Weaverville Fire Department, the \$75,000 transfer was suspended for this year alone.

The Weaverville Police Department was allocated funding totaling \$8,000 for the restructuring of the Department to add an Assistant Police Chief Position. In addition, funding totaling \$111,200 was approved for the replacement of 2 patrol cruisers with hybrid sport utility vehicles in accordance with the Town's Vehicle Replacement Guidelines. The Public Works Streets Division saw a decrease in funding for the Street Maintenance Program due to an anticipated decrease in sales tax receipts resulting from the coronavirus crisis. With this, only \$9,000 was budgeted for the Division, for Main Street parking striping. Powell Bill funds were budgeted at \$100,000, just slightly less than past years. The Sanitation Division was budget an additional \$57,500 in grant match funds for the purchase of recycling carts in order to improve the Town's recycling program. Two capital items, a replacement swing set for Lake Louise Park, and a trailer for hauling mowers, totaling \$13,000 was included in the budget for the Recreation Maintenance Division of the Public Works Department budget.

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 2020-2021 are estimated at \$2,323,750, which is slightly below the actual amount of \$2,502,763 collected in the 2019-2020 fiscal year. The decrease is attributed to lower interest income, and lower system development fees expected. The budget for fiscal year 2020-2021 includes a rate increase of 4% 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 is expected to be completed in fiscal year 2020-2021. 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, PO Box 338, Weaverville, NC 28787. You can also call (828) 645-7116, visit our website www.weavervillenc.org or send an email to tdozier@weavervillenc.org for more information.

TOWN OF WEAVERVILLE, NORTH CAROLINA

Exhibit 1

STATEMENT OF NET POSITION
June 30, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Town of Weaverville ABC Board
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 7,150,651	\$ 3,470,012	\$ 10,620,663	\$ 702,736
Taxes receivable, net	12,714	-	12,714	-
Accounts receivable, net	-	397,224	397,224	-
Due from other governments	775,239	-	775,239	-
Inventories	-	-	-	252,904
Prepaid items	82,000	-	82,000	13,101
Restricted cash and equivalents	307,306	2,306,084	2,613,390	-
Total current assets	8,327,910	6,173,320	14,501,230	968,741
Non-current assets:				
Capital assets:				
Land and construction in progress	1,751,391	1,231,796	2,983,187	-
Other capital assets, net	9,000,026	7,984,450	16,984,476	894,184
Total capital assets	10,751,417	9,216,246	19,967,663	894,184
Total assets	19,079,327	15,389,566	34,468,893	1,862,925
DEFERRED OUTFLOWS OF RESOURCES				
Pension deferrals	984,800	183,479	1,168,279	49,302
OPEB deferrals	96,090	25,037	121,127	-
Total deferred outflows of resources	1,080,890	208,516	1,289,406	49,302
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	520,449	736,512	1,256,961	463,289
Payable from restricted cash:				
Deposits	289,611	26,084	315,695	-
Accrued interest payable	5,207	17,468	22,675	9,176
Current portion of long-term liabilities	397,157	2,707,000	3,104,157	84,358
Total current liabilities	1,212,424	3,487,064	4,699,488	556,823
Long-term liabilities:				
Net pension liability (LGRS)	1,424,454	312,685	1,737,139	69,365
Total pension liability (LEOSSA)	598,291	-	598,291	-
Total OPEB liability	1,001,071	250,267	1,251,338	-
Due in more than one year	330,128	1,673,081	2,003,209	861,979
Total long-term liabilities	3,353,944	2,236,033	5,589,977	931,344
Total liabilities	4,566,368	5,723,097	10,289,465	1,488,167
DEFERRED INFLOWS OF RESOURCES				
Prepaid taxes	10,389	-	10,389	-
Pension deferrals	46,655	5,992	52,647	541
OPEB deferrals	73,519	18,379	91,898	-
Total deferred inflows of resources	130,563	24,371	154,934	541
NET POSITION				
Net investment in capital assets	10,264,984	7,170,246	17,435,230	(35,891)
Restricted for:				
Stabilization by State statute	775,239	-	775,239	-
Streets	14,058	-	14,058	-
Public safety	3,637	-	3,637	-
Working capital	-	-	-	113,792
Unrestricted	4,405,368	2,680,368	7,085,736	345,618
Total net position	\$ 15,463,286	\$ 9,850,614	\$ 25,313,900	\$ 423,519

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, 2020

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
Primary government:								
Governmental Activities:								
General government	\$ 976,437	\$ 19,543	\$ -	\$ -	\$ (956,894)	\$ -	\$ (956,894)	\$ -
Public safety	4,641,137	-	18,699	-	(4,622,438)	-	(4,622,438)	-
Transportation	521,481	-	-	103,879	(417,602)	-	(417,602)	-
Environmental protection	632,257	-	-	-	(632,257)	-	(632,257)	-
Cultural and recreation	304,842	-	-	-	(304,842)	-	(304,842)	-
Interest on long-term debt	14,159	-	-	-	(14,159)	-	(14,159)	-
Total governmental activities	7,090,313	19,543	18,699	103,879	(6,948,192)	-	(6,948,192)	-
Business-type activities:								
Water and sewer	2,183,668	2,464,546	-	-	-	280,878	280,878	-
Total primary government	\$ 9,273,981	\$ 2,484,089	\$ 18,699	\$ 103,879	(6,948,192)	280,878	(6,667,314)	-
Component unit:								
Town of Weaverville ABC Board	\$ 2,991,440	\$ 2,957,679	\$ -	\$ -	-	-	-	(33,761)
Total component unit	\$ 2,991,440	\$ 2,957,679	\$ -	\$ -	-	-	-	(33,761)
General revenues:								
Taxes:								
Property taxes, levied for general purpose					3,366,247	-	3,366,247	-
Local option sales tax					1,370,946	-	1,370,946	-
Grants and contributions not restricted to specific programs					2,381,318	-	2,381,318	-
Gain on sale of property					29,140	3,284	32,424	-
Unrestricted investment earnings					90,724	53,015	143,739	1,954
Miscellaneous					40,389	-	40,389	-
Total general revenues					7,278,764	56,299	7,335,063	1,954
Change in net position					330,572	337,177	667,749	(31,807)
Net position, beginning of year					15,132,714	9,513,437	24,646,151	455,326
Net position, end of year					\$ 15,463,286	\$ 9,850,614	\$ 25,313,900	\$ 423,519

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

TOWN OF WEAVERVILLE, NORTH CAROLINA

Exhibit 3

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2020

	General Fund	General Capital Project Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 6,930,513	\$ 220,138	\$ 7,150,651
Restricted cash and cash equivalents	307,306	-	307,306
Taxes receivable, net	12,714	-	12,714
Due from other governments	775,239	-	775,239
Prepaid items	82,000	-	82,000
Total assets	<u>\$ 8,107,772</u>	<u>\$ 220,138</u>	<u>\$ 8,327,910</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 300,311	\$ 220,138	\$ 520,449
Payable from restricted cash:			
Deposits	289,611	-	289,611
Total liabilities	<u>589,922</u>	<u>220,138</u>	<u>810,060</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes receivable	12,714	-	12,714
Prepaid taxes	10,389	-	10,389
Total deferred inflows of resources	<u>23,103</u>	<u>-</u>	<u>23,103</u>
FUND BALANCES			
Non-Spendable			
Prepays	82,000	-	82,000
Restricted			
Stabilization by State statute	775,239	-	775,239
Streets	14,058	-	14,058
Public safety	3,637	-	3,637
Assigned			
Subsequent year's expenditures	238,220	-	238,220
Unassigned	6,381,593	-	6,381,593
Total fund balances	<u>7,494,747</u>	<u>-</u>	<u>7,494,747</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,107,772</u>	<u>\$ 220,138</u>	<u>\$ 8,327,910</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, 2020

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

Total fund balances of governmental funds		\$ 7,494,747
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical cost	\$ 18,497,461	
Accumulated depreciation	<u>(7,746,044)</u>	10,751,417
Deferred outflows of resources related to pensions are not reported in the funds		984,800
Deferred outflows of resources related to OPEB are not reported in the funds		96,090
Earned revenues considered deferred inflows of resources in fund statements.		12,714
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds.		
Installment purchases	(486,433)	
Other postemployment benefits	(1,001,071)	
Compensated absences	(240,852)	
Total pension liability (LEOSSA)	(598,291)	
Net pension liability (LGERS)	<u>(1,424,454)</u>	(3,751,101)
Deferred inflows of resources related to pensions are not reported in the funds		(46,655)
Deferred inflows of resources related to OPEB are not reported in the funds		(73,519)
Other liabilities (accrued interest payable) are not due and payable in the current period and therefore are not reported in the funds		<u>(5,207)</u>
Net position of governmental activities		<u><u>\$ 15,463,286</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, 2020

	<u>Major Fund</u>		
	<u>General Fund</u>	<u>General Capital Project Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Ad valorem taxes	\$ 3,364,052	\$ -	\$ 3,364,052
Other taxes and licenses	1,370,946	-	1,370,946
Unrestricted intergovernmental	2,381,218	-	2,381,218
Restricted intergovernmental	122,578	-	122,578
Permits and fees	19,543	-	19,543
Investment earnings	90,724	-	90,724
Miscellaneous	40,489	-	40,489
Total revenues	<u>7,389,550</u>	<u>-</u>	<u>7,389,550</u>
EXPENDITURES			
Current:			
General government	908,329	-	908,329
Public safety	4,339,452	-	4,339,452
Transportation	899,698	-	899,698
Environmental protection	544,056	-	544,056
Cultural and recreation	299,687	-	299,687
Capital outlay	-	606,754	606,754
Debt service:			
Principal	283,404	-	283,404
Interest	15,363	-	15,363
Total expenditures	<u>7,289,989</u>	<u>606,754</u>	<u>7,896,743</u>
Revenues over (under) expenditures	<u>99,561</u>	<u>(606,754)</u>	<u>(507,193)</u>
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	29,140	-	29,140
Transfer from general fund	-	606,754	606,754
Transfer to capital project fund	(606,754)	-	(606,754)
Total other financing sources (uses)	<u>(577,614)</u>	<u>606,754</u>	<u>29,140</u>
Net change in fund balances	(478,053)	-	(478,053)
Fund balance, beginning of year	<u>7,972,800</u>	<u>-</u>	<u>7,972,800</u>
Fund balances, end of year	<u>\$ 7,494,747</u>	<u>\$ -</u>	<u>\$ 7,494,747</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, 2020

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

Net changes in fund balances - total governmental funds	\$	(478,053)
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay expenditures which were capitalized.	\$ 1,432,670	
Depreciation expense for governmental assets.	<u>(539,506)</u>	893,164

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	299,671
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Benefit payments paid for the LEOSSA are not included in the Statement of Activities.	29,904
---	--------

OPEB benefit payments and administrative costs made in the current fiscal year are not included on the Statement of Activities.	39,580
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	2,195
--	-------

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.	283,404	
Decrease in accrued interest payable.	<u>1,204</u>	284,608

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)	(43,465)	
Pension expense - LGERS	(619,428)	
Pension expense - LEOSSA	(32,148)	
OPEB Plan Expense	<u>(45,456)</u>	(740,497)

Total changes in net position of governmental activities	\$	<u>330,572</u>
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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, 2020

	General Fund			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Ad valorem taxes	\$ 3,264,864	\$ 3,475,564	\$ 3,364,052	\$ (111,512)
Other taxes and licenses	1,250,000	1,396,000	1,370,946	(25,054)
Unrestricted intergovernmental	1,943,000	2,223,629	2,381,218	157,589
Restricted intergovernmental	106,000	114,957	122,578	7,621
Permits and fees	25,300	20,500	19,543	(957)
Investment earnings	84,300	118,900	90,724	(28,176)
Miscellaneous	23,500	26,462	40,489	14,027
Total revenues	6,696,964	7,376,012	7,389,550	13,538
EXPENDITURES				
Current:				
General government	1,015,856	983,149	908,329	74,820
Public safety	3,776,701	4,351,537	4,339,452	12,085
Transportation	774,561	1,026,153	899,698	126,455
Environmental protection	625,672	599,319	544,056	55,263
Cultural and recreation	888,285	457,429	299,687	157,742
Contingency	20,000	20,000	-	20,000
Debt service:				
Principal and interest	378,393	299,809	298,767	1,042
Total expenditures	7,479,468	7,737,396	7,289,989	447,407
Revenues over (under) expenditures	(782,504)	(361,384)	99,561	460,945
Other financing sources (uses):				
Appropriated fund balance	777,504	1,028,138	-	(1,028,138)
Sale of capital assets	5,000	15,000	29,140	14,140
Transfer to capital project fund	-	(606,754)	(606,754)	-
Transfer to capital reserve	-	(75,000)	(75,000)	-
Total other financing sources (uses)	782,504	361,384	(652,614)	(1,013,998)
Net change in fund balance	\$ -	\$ -	(553,053)	\$ (553,053)
Fund balance, beginning			7,972,800	
Fund balance, end of year			7,419,747	
A legally budgeted Capital Reserve Fund is consolidated into the General Fund for reporting purposes:				
Transfer from general fund			75,000	
Fund balance, beginning (Capital Reserve Fund)			-	
Fund balance, ending (Exhibit 4)			\$ 7,494,747	

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, 2020

	Enterprise Fund Water and Sewer Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 3,470,012
Accounts receivable, net	397,224
Restricted cash and cash equivalents	2,306,084
Total current assets	<u>6,173,320</u>
Capital assets:	
Land and other non-depreciable assets	1,231,796
Other capital assets, net of depreciation	7,984,450
Capital assets, net	<u>9,216,246</u>
Total assets	<u>15,389,566</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension deferrals	183,479
OPEB deferrals	25,037
Total deferred outflows of resources	<u>208,516</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	702,325
Salaries and payroll taxes payable	34,187
Payable from restricted assets:	
Customer deposits	26,084
Accrued interest payable	17,468
Compensated absences, current	41,000
Bonds payable, current	2,666,000
Total current liabilities	<u>3,487,064</u>
Noncurrent liabilities:	
Compensated absences, net	13,081
Total OPEB liability	250,267
Bonds payable, net	1,660,000
Net pension liability	312,685
Total noncurrent liabilities	<u>2,236,033</u>
Total liabilities	<u>5,723,097</u>
DEFERRED INFLOWS OF RESOURCES	
Pension deferrals	5,992
OPEB deferrals	18,379
Total deferred inflow of resources	<u>24,371</u>
NET POSITION	
Net investment in capital assets	7,170,246
Unrestricted	2,680,368
Total net position	<u>\$ 9,850,614</u>

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

TOWN OF WEAVERVILLE, NORTH CAROLINA**Exhibit 8**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
For the year ended June 30, 2020

	<u>Enterprise Fund</u> <u>Water and</u> <u>Sewer Fund</u>
OPERATING REVENUES	
Charges for services	\$ 2,003,994
Other operating revenues	460,552
Total operating revenues	<u>2,464,546</u>
OPERATING EXPENSES	
Administration	225,058
Water treatment and distribution	1,509,142
Depreciation	394,328
Total operating expenses	<u>2,128,528</u>
Operating income	<u>336,018</u>
NONOPERATING REVENUES (EXPENSES)	
Investment earnings	53,015
Gain on sale of capital assets	3,284
Interest expense	(55,140)
Total nonoperating revenue, net	<u>1,159</u>
Change in net position	<u>337,177</u>
Net position, beginning of year	<u>9,513,437</u>
Net position, end of year	<u><u>\$ 9,850,614</u></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, 2020

	<u>Enterprise Fund</u> <u>Water and</u> <u>Sewer Fund</u>
Cash flows from operating activities:	
Cash received from customers	\$ 2,481,977
Cash paid for goods and services	(322,705)
Cash paid to or on behalf of employees for services	(938,604)
Net cash provided by operating activities	<u>1,220,668</u>
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(1,062,682)
Interest paid on bond maturities	(40,974)
Proceeds from issuance of debt	2,500,000
Principal payments on debt	(163,000)
Net cash provided by capital and related financing activities	<u>1,233,344</u>
Cash flows from investing activities:	
Interest earned	53,015
Proceeds from the sale of capital assets	3,284
Net cash provided by investing activities	<u>56,299</u>
Net increase in cash and cash equivalents	2,510,311
Cash and cash equivalents, beginning of year	<u>3,265,785</u>
Cash and cash equivalents, end of year	<u><u>\$ 5,776,096</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 336,018
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	394,328
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:	
Decrease in accounts receivable	15,697
Decrease in deferred outflows of resources - pensions	7,685
Increase in deferred outflows of resources - OPEB	(11,756)
Decrease in deferred inflows of resources - pensions	(7,391)
Decrease in deferred inflows of resources - OPEB	(2,468)
Increase in accounts payable and accrued liabilities	385,597
Increase in customer deposits	1,734
Increase in salaries and payroll taxes payable	5,660
Increase in accrued compensated absences	9,630
Increase in net pension liability	67,983
Increase in net OPEB liability	17,951
Total adjustments	<u>884,650</u>
Net cash provided by operating activities	<u><u>\$ 1,220,668</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, 2020

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, 2020, the Town of Weaverville did not report any nonmajor governmental funds.

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

The Town reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the Town. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, state grants, and various other taxes and licenses. The primary expenditures are for public safety, street maintenance and construction, and sanitation services. Additionally, the Town has legally adopted a Capital Reserve Fund. Under GASB 54 guidance the Capital Reserve Fund is consolidated in the General Fund. The budgetary comparison for the Capital Reserve Fund has been included in the supplemental information.

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

The Town reports the following major enterprise fund:

Water 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. Additionally, the Town has legally adopted a Capital Reserve Fund. Under GASB 54 guidance the Capital Reserve Fund is consolidated in the Water and Sewer Fund. The budgetary comparison for the Capital Reserve Fund has been included in the supplemental information.

C. Measurement Focus and Basis of Accounting

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

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus 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) money market mutual fund, is measured at fair value. Because the NCCMT Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months.

2. Cash and Cash Equivalents

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

3. Restricted Assets

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

Restricted Cash**Governmental activities:**

General Fund - Streets	\$ 14,058
General Fund - developer deposits	289,611
General Fund - Cops for Kids	3,637
Total governmental activities	<u>307,306</u>

Business-type activities:

Unspent debt proceeds	\$ 2,280,000
Water & Sewer Fund - customer deposits	26,084
Total business-type activities	<u>2,306,084</u>

Total Primary Government	<u>\$ 2,613,390</u>
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4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2019.

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:

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

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

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

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, 2020, the Town only has two items that meet this criterion, pension and OPEB deferrals for the 2020 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, 2020, 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.

Prepaids – 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, 2020, the Town's deposits had a carrying amount of \$6,363,115 and a bank balance of \$6,589,797. Of the bank balance, \$592,791 was covered by federal depository insurance and \$5,997,006 was covered by collateral held under the pooling method. At June 30, 2020, the Town's petty cash fund totaled \$350.

The carrying amount of deposits for the ABC Board was \$702,736 and the bank balance was \$680,669. The ABC Board's petty cash fund totaled \$1,288. Of the bank balance, \$250,000 was covered by federal depository insurance and \$430,669 was covered by collateral held under the pooling method.

2. Investments

At June 30, 2020, the Town had \$6,870,588 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, 2020 is net of the following allowances for doubtful accounts:

<u>Funds</u>	
General Fund - Taxes Receivable	\$ 45,000
Enterprise Fund - Uncollectible Accounts	<u>5,000</u>
Total	<u>\$ 50,000</u>

4. Capital Assets**Primary Government**

Capital asset activity for the Primary Government for the year ended June 30, 2020 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,032,109	\$ -	\$ -	\$ 1,032,109
Construction in progress	112,528	606,754	-	719,282
Total capital assets not being depreciated	<u>1,144,637</u>	<u>606,754</u>	<u>-</u>	<u>1,751,391</u>
Capital assets being depreciated:				
Buildings	6,029,955	45,000	-	6,074,955
Land improvements	484,046	-	-	484,046
Furniture, equipment, and vehicles	6,187,121	326,243	131,392	6,381,972
Infrastructure	3,350,423	454,674	-	3,805,097
Total capital assets being depreciated	<u>16,051,545</u>	<u>825,917</u>	<u>131,392</u>	<u>16,746,070</u>
Less accumulated depreciation for:				
Buildings	1,758,523	121,471	-	1,879,994
Land improvements	146,186	14,278	-	160,464
Furniture, equipment, and vehicles	4,912,933	328,026	131,392	5,109,567
Infrastructure	520,288	75,731	-	596,019
Total accumulated depreciation	<u>7,337,930</u>	<u>539,506</u>	<u>131,392</u>	<u>7,746,044</u>
Total capital assets being depreciated, net	<u>8,713,615</u>			<u>9,000,026</u>
Governmental activities capital assets, net	<u>\$ 9,858,252</u>			<u>\$ 10,751,417</u>

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

General government	\$ 39,999
Public safety	287,600
Transportation	121,617
Environmental protection	62,687
Cultural and recreational	27,603
Total depreciation expense	<u>\$ 539,506</u>

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Business-type activities:				
<i>Water and Sewer Fund</i>				
Capital assets not being depreciated:				
Land	\$ 146,035	\$ -	\$ -	\$ 146,035
Construction in Progress	<u>184,000</u>	<u>901,761</u>	<u>-</u>	<u>1,085,761</u>
Total capital assets not being depreciated	<u>330,035</u>	<u>901,761</u>	<u>-</u>	<u>1,231,796</u>
Capital assets being depreciated:				
Plant and distribution systems	13,994,067	-	-	13,994,067
Furniture, equipment, and vehicles	<u>1,658,920</u>	<u>160,921</u>	<u>10,000</u>	<u>1,809,841</u>
Total capital assets being depreciated	<u>15,652,987</u>	<u>160,921</u>	<u>10,000</u>	<u>15,803,908</u>
Less accumulated depreciation for:				
Plant and distribution systems	6,331,335	305,861	-	6,637,196
Furniture, equipment, and vehicles	<u>1,103,795</u>	<u>88,467</u>	<u>10,000</u>	<u>1,182,262</u>
Total accumulated depreciation	<u>7,435,130</u>	<u>394,328</u>	<u>10,000</u>	<u>7,819,458</u>
Total capital assets being depreciated, net	<u>8,217,857</u>			<u>7,984,450</u>
Business-type activities capital assets, net	<u>\$ 8,547,892</u>			<u>\$ 9,216,246</u>

Construction Commitments

The Town had an active construction contract as of June 30, 2020. At year-end the contract commitment is as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Waterline extension	\$706,000	\$1,248,500
Community Center	\$416,000	\$2,343,000

Discretely presented component unit

Activity for the ABC Board for the year ended June 30, 2020, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets being depreciated:				
Building	\$ 1,479,898	\$ -	\$ -	\$ 1,479,898
Other improvements	-	25,910	-	25,910
Equipment and furniture	108,083	1,948	806	109,225
Computer equipment	31,463	588	4,066	27,985
Total capital assets being depreciated	1,619,444	2,536	4,872	1,643,018
Less accumulated depreciation for:				
Building	577,161	59,196	-	636,357
Other improvements	-	648	-	648
Equipment and furniture	78,230	7,704	806	85,128
Computer equipment	25,708	5,059	4,066	26,701
Total accumulated depreciation	681,099	72,607	4,872	748,834
Total capital assets being depreciated, net	\$ 938,345			\$ 894,184

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.

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, 2020, was 9.7% of compensation for law enforcement officers, 8.95% for general employees, and 8.95% 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 \$365,452 for the year ended June 30, 2020.

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, 2020, the Town reported a liability of \$1,737,139 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 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, 2019, the Town's proportion was 0.06361%, which was a increase of .00765% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the Town recognized pension expense of \$753,486. At June 30, 2020, 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	\$ 297,442	\$ -
Changes of assumptions and other inputs	283,125	-
Net difference between projected and actual earnings on pension plan investments	42,371	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	30,937	33,285
Town contributions subsequent to the measurement date	365,452	-
Total	<u>\$ 1,019,327</u>	<u>\$ 33,285</u>

\$365,452 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, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2021	\$ 298,986
2022	95,444
2023	170,296
2024	55,864
2025	-
Thereafter	-
	<u>\$ 620,590</u>

6. Actuarial Assumptions

The total pension liability in the December 31, 2018 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, 2018 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, 2020 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	100%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2018 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

7. Discount rate

The discount rate used to measure the total pension liability was 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)	\$ 3,973,156	\$ 1,737,139	\$ (121,443)

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, 2018, the Separation Allowance's membership consisted of:

Retirees receiving benefits	2
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>14</u>
Total	<u>16</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, 2018 valuation. The total pension liability in the December 31, 2018 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	3.26 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. The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five year period ending December 31, 2014.

Deaths after retirement (healthy): RP-2014 Healthy Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 104% for males and 100% for females.

Deaths before retirements: RP-2014 Employee base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015.

Deaths after retirement (beneficiary): RP-2014 Healthy Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 123% for males and females.

Deaths after retirement (disabled): RP-2014 Disabled Retiree base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 103% for males and 99% for females.

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, 2020, the Town reported a total pension liability of \$598,291. The total pension liability was measured as of December 31, 2019 based on a December 31, 2018 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2019 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2020, the Town recognized pension expense of \$32,148.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions and other inputs	\$ 31,082	\$ 19,362
Differences between expected and actual experience	87,966	-
Benefit payments subsequent to the measurement date	29,904	-
Total	<u>\$ 148,952</u>	<u>\$ 19,362</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, 2021. 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>	
2021	\$ 23,504
2022	23,504
2023	23,611
2024	17,772
2025	10,421
Thereafter	874
	<u>\$ 99,686</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 3.26 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 (2.26 percent) or 1-percentage-point higher (4.26 percent) than the current rate:

	1% Decrease (2.26%)	Discount Rate (3.26%)	1% Increase (4.26%)
Total pension liability	\$ 646,947	\$ 598,291	\$ 554,091

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

	2020
Beginning balance	\$ 560,099
Service cost	19,250
Interest on the total pension liability	19,299
Changes of benefit terms	-
Differences between expected and actual experience	
in the measurement of the total pension liability	42,147
Change of assumptions or other inputs	17,305
Benefit payments	(59,809)
Other changes	-
Ending balance of the total pension liability	<u>\$ 598,291</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, 2018 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:

	LGERS	LEOSSA	Total
Pension expense	\$ 753,486	\$ 32,148	\$ 785,634
Pension liability	1,737,139	598,291	2,335,430
Proportionate share of the net pension liability	0.06361%	n/a	
Deferred outflows of resources:			
Differences between expected and actual experience	\$ 297,442	\$ 87,966	\$ 385,408
Changes of assumptions and other inputs	283,125	31,082	314,207
Net difference between projected and actual earnings on plan investments	42,371	-	42,371
Changes in proportion and differences between contributions and proportionate share of contributions	30,937	-	30,937
Benefit payments paid subsequent to the measurement date	365,452	29,904	395,356
	<u>\$1,019,327</u>	<u>\$ 148,952</u>	<u>\$1,168,279</u>
Deferred inflows of resources:			
Differences between expected and actual experience	\$ -	\$ -	\$ -
Changes of assumptions	-	19,362	19,362
Changes in proportion and differences between contributions and proportionate share of contributions	33,285	-	33,285
	<u>\$ 33,285</u>	<u>\$ 19,362</u>	<u>\$ 52,647</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 \$180,864 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, 2019, 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 \$1,251,338 was measured as of June 30, 2019 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, 2019 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	3.50 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 Town selected a Municipal Bond Index Rate equal to the Bond Buyer 20-year General Obligation Bond Index published at the last Thursday of June by The Bond Buyer, and the Municipal Bond Index Rate as of the measurement date as the discount rate used to measure the TOL.

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

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014, adopted by the LGERS Board.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2018 valuation were based on a review of recent plan experience performed concurrently with the June 30, 2018 valuation.

3. Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2018	\$ 1,161,582
Changes for the year	
Service cost	51,082
Interest	43,884
Changes in benefit terms	-
Differences between expected and actual experience	17,459
Changes in assumptions or other inputs	44,884
Benefit payments	(67,553)
Net changes	89,756
Balance at June 30, 2019	<u>\$ 1,251,338</u>

Changes in assumptions or other inputs reflect a change in the discount rate from 3.89% to 3.50%.

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 (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current discount rate:

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB liability	\$ 1,375,667	\$ 1,251,338	\$ 1,140,077

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

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

	1% Decrease	Current	1% Increase
Total OPEB liability	\$ 1,114,496	\$ 1,251,338	\$ 1,414,352

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

For the year ended June 30, 2020, the Town recognized OPEB expense of \$95,786. At June 30, 2020, 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	\$ 70,637	\$ -
Changes of assumptions or other inputs	-	91,898
Benefit payments made subsequent to the measurement date	50,489	-
Total	\$ 121,126	\$ 91,898

\$50,489 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, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2021	\$ (3,680)
2022	(3,680)
2023	(3,680)
2024	(3,680)
2025	(3,680)
Thereafter	(2,861)
	<u>\$ (21,261)</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	\$ 365,452
Benefit payments made for LEOSSA subsequent to measurement date	29,904
Benefit payments made for OPEB subsequent to measurement date	50,490
Differences between expected and actual experience	456,045
Changes in assumptions or other inputs	314,207
Net differences between projected and actual earnings	42,371
Changes in proportion and differences between employer contributions and proportionate share of contributions	30,937
	<u>\$ 1,289,406</u>

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

Source	Statement of Net Position	General Fund Balance Sheet
Prepaid taxes (General Fund)	\$ 10,389	\$ 10,389
Taxes receivable, less penalties (General Fund)	-	12,714
Changes in assumptions or other inputs	111,260	-
Differences between expected and actual experience	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions (pension)	33,285	-
	<u>\$ 154,934</u>	<u>\$ 23,103</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, 2020 was \$236,686. The buildings, structures and improvements are pledged as collateral for the debt.

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, 2020 was \$249,747. 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, 2020, including \$21,615 of interest, are as follows:

Year ending June 30	Governmental Activities	
	Principal	Interest
2021	\$ 284,333	\$ 9,552
2022	48,771	4,770
2023	49,922	3,619
2024	51,100	2,440
2025	52,307	1,234
	<u>\$ 486,433</u>	<u>\$ 21,615</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, 2020 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.

\$ 1,826,000

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

Year ending June 30	Business-type Activities	
	Principal	Interest
2021	\$ 166,000	\$ 37,616
2022	174,000	34,196
2023	176,000	30,612
2024	178,000	26,986
2025	184,000	23,319
2026-2030	948,000	58,216
	<u>\$ 1,826,000</u>	<u>\$ 210,945</u>

c. Bond Anticipation Note

\$2,500,000 Water and Sewer Note issued on February 14, 2020, and due on June 16, 2021; interest at 1.89% . The note will be repaid from a \$2,500,000 bond issue expected to be sold in the next fiscal year.

	Year Ending June, 30	Principal	Interest
	2021	\$ 2,500,000	\$ 90,000
Total		<u>\$ 2,500,000</u>	<u>\$ 90,000</u>

At June 30, 2020, the Town of Weaverville had a legal debt margin of approximately \$64,000,000.

d. Discretely Presented Component Unit

In April 2009, the ABC Board entered into a \$1,500,000 note payable to a banking institution for the purpose of financing the ABC Board's acquisition and construction of the facilities in which it operates. The financing agreement required one interest only payment of \$73,500 beginning in the fiscal year 2010, followed by 19 annual principal and interest payments of \$123,007 with interest of 4.89%. On October 17, 2013, the ABC Board entered into a modification of the loan terms to require quarterly payments instead of annual. No other terms of the loan changed. The required quarterly payment is \$31,038. The loan matures in April 2029. The note payable is collateralized by all real and personal property of the ABC Board. The balance of the loan as of June 30, 2020 was \$899,551.

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, 2020 was \$30,525.

Interest expense for the year ended June 30, 2020 was \$47,320.

Annual debt service payments of the notes payable of the ABC Board as of June 30, 2020, including \$226,017 of interest, are as follows:

Year ending June 30	Discretely-Presented Component Unit	
	Principal	Interest
2021	\$ 84,358	\$ 44,097
2022	88,573	39,882
2023	93,000	35,455
2024	97,647	30,808
2025	102,527	25,925
2026-2030	463,970	49,850
	<u>\$ 930,075</u>	<u>\$ 226,017</u>

e. Changes in Long-Term Liabilities

The following is a summary of changes in the Town's long-term obligations for the year ended June 30, 2020:

	Balance July 1, 2019	Increase	Decrease	Balance June 30, 2020	Current Portion
Governmental Activities:					
Direct placement					
installment purchases	\$ 769,837	\$ -	\$ 283,404	\$ 486,433	\$ 284,333
Total pension liability (LEOSSA)	560,099	38,192	-	598,291	-
Net pension liability (LGERS)	1,082,861	341,593	-	1,424,454	-
Total OPEB liability	929,266	71,805	-	1,001,071	-
Compensated absences	197,387	156,289	112,824	240,852	113,000
Governmental activity long-term liabilities	<u>\$ 3,539,450</u>	<u>\$ 607,879</u>	<u>\$ 396,228</u>	<u>\$ 3,751,101</u>	<u>\$ 397,333</u>
Business-type Activities:					
Direct placement					
general obligation bonds	\$ 1,989,000	\$ -	\$ 163,000	\$ 1,826,000	\$ 166,000
Bond anticipation note	-	2,500,000	-	2,500,000	2,500,000
Net pension liability (LGERS)	244,702	67,983	-	312,685	-
Total OPEB liability	232,316	17,951	-	250,267	-
Compensated absences	44,452	52,649	43,020	54,081	41,000
Business-type activity long-term liabilities	<u>\$ 2,510,470</u>	<u>\$ 2,638,583</u>	<u>\$ 206,020</u>	<u>\$ 4,943,033</u>	<u>\$ 2,707,000</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, 2020:

	Balance July 1, 2019	Increase	Decrease	Balance June 30, 2020	Current Portion
Component Unit:					
Notes payable	\$ 1,010,418	\$ -	\$ 80,343	\$ 930,075	\$ 84,358
Net pension liability (LGERS)	68,084	1,281	-	69,365	-
Compensated absences	9,305	14,293	7,336	16,262	-
Governmental activity long-term liabilities	\$ 1,087,807	\$ 15,574	\$ 87,679	\$ 1,015,702	\$ 84,358

C. Net Investment in Capital Assets

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

	Governmental	Business-type
Capital assets	\$ 10,751,417	\$ 9,216,246
Less: Long-term debt	486,433	4,326,000
Plus: Unspent debt proceeds	-	2,280,000
Net investment in capital assets	<u>\$ 10,264,984</u>	<u>\$ 7,170,246</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	\$ 7,494,747
Less:	
Nonspendable items:	
Prepays	82,000
Restricted for:	
Stabilization by state statute	775,239
Streets - Powell Bill	14,058
Public safety - Cops for Kids	3,637
Assigned:	
Appropriated fund balance in 2020 budget	238,220
Unassigned:	
Working capital/fund balance policy - minimum	1,477,910
Remaining fund balance	<u>\$ 4,903,683</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, 2020, 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, 2020. The Firefighter's Relief Fund does not issue separate audited financial statements. Instead, the local board of trustees files an annual financial report with the State Firefighter's Association. This report can be obtained from the Association at 323 West Jones Street, Suite 401, Raleigh, North Carolina 27603.

Note 4 – Jointly Governed Organization

The Town, in conjunction with various other municipalities, participates in the Metropolitan Sewerage District. The participating governments established the District to provide sewerage services to the residents of participant communities. The Town appoints one member to the District's governing board. The Town collected and remitted to the District fees of \$1,044,454 during the fiscal year ended June 30, 2020. The Town's income for these collections totaled \$60,934.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF WEAVERVILLE, NORTH CAROLINA

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

Schedule of Changes in Total Pension Liability

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

Schedule of Total Pension Liability as a Percentage of Covered Payroll

Total pension liability	\$ 598,291	\$ 560,099	\$ 551,717	\$ 445,528
Covered payroll	789,637	832,533	793,875	809,381
Total pension liability as a percentage of covered payroll	75.77%	67.28%	69.50%	55.05%

Notes to the schedules:

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

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

TOWN OF WEAVERVILLE, NORTH CAROLINA

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

Local Governmental Employees' Retirement System

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

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

TOWN OF WEAVERVILLE, NORTH CAROLINA

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

Local Governmental Employees' Retirement System

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

TOWN OF WEAVERVILLE, NORTH CAROLINA

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

Schedule of Changes in Total OPEB Liability

Total OPEB Liability	2020	2019	2018
Service cost	\$ 51,082	\$ 67,686	\$ 72,844
Interest on the total OPEB liability	43,884	39,728	33,539
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the total OPEB liability	17,459	18,377	659
Change of assumptions or other inputs	44,884	(54,317)	(68,813)
Benefit payments	(67,553)	(51,267)	(22,053)
Other changes	-	-	-
Net change in total OPEB liability	89,756	20,207	16,176
Total OPEB liability - beginning	1,161,582	1,141,375	1,125,199
Total OPEB liability - ending	<u>\$ 1,251,338</u>	<u>\$ 1,161,582</u>	<u>\$ 1,141,375</u>
Covered payroll	\$ 3,044,266	\$ 3,044,266	\$ 2,903,226
Total OPEB liability as a percentage of covered payroll	41.10%	38.16%	39.31%

Notes to the schedule:

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

<u>Fiscal Year</u>	<u>Rate</u>
2020	3.50%
2019	3.89%
2018	3.56%

INDIVIDUAL FUND STATEMENTS AND SCHEDULES

TOWN OF WEAVERVILLE, NORTH CAROLINA

GENERAL FUND

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

For the year ended June 30, 2020

	2020		
	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
REVENUES			
Ad valorem taxes:			
Taxes		\$ 3,357,803	
Penalties and interest		6,249	
	\$ 3,475,564	3,364,052	\$ (111,512)
Other taxes and licenses:			
Local option sales tax		1,370,946	
	1,396,000	1,370,946	(25,054)
Intergovernmental revenues:			
Unrestricted:			
Utilities sales tax		471,224	
Beer and wine tax		16,580	
Buncombe Co. - fire protection		1,594,634	
ABC profit distribution		298,780	
	2,223,629	2,381,218	157,589
Restricted:			
Powell Bill		103,879	
Police department grant		18,699	
	114,957	122,578	7,621
Permits and fees:			
Zoning inspection fees		19,543	
	20,500	19,543	(957)
Investment earnings	118,900	90,724	(28,176)
Other:			
Miscellaneous		40,389	
Contributions		100	
	26,462	40,489	14,027
 Total revenues	 7,376,012	 7,389,550	 13,538
EXPENDITURES			
General government:			
Governing board:			
Salaries and employee benefits		104,315	
Community promotions		51,497	
Professional services		47,699	
Other operating expenses		25,474	
	253,151	228,985	24,166
Administration:			
Salaries and employee benefits		383,920	
Professional services		72,270	
Other operating expenses		117,076	
Capital outlay		4,434	
	621,539	577,700	43,839

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, 2020

	2020		
	Budget	Actual	Variance Positive (Negative)
Planning:			
Salaries and employee benefits		93,395	
Professional services		2,100	
Other operating expenses		6,149	
	108,459	101,644	6,815
 Total general government	 983,149	 908,329	 74,820
Public safety:			
Police:			
Salaries and employee benefits		1,399,489	
Supplies and materials		56,527	
Capital outlay		250,217	
Repairs and maintenance		44,040	
Insurance		43,232	
Other operating expenses		138,238	
	1,931,399	1,931,743	(344)
 Fire:			
Salaries and employee benefits		1,977,295	
Insurance		65,652	
Repairs and maintenance		80,744	
Other operating expenses		244,209	
Capital outlay		39,809	
	2,420,138	2,407,709	12,429
 Total public safety	 4,351,537	 4,339,452	 12,085
Transportation:			
Streets:			
Salaries and employee benefits		212,644	
Contract services		28,999	
Utilities		46,637	
Supplies and materials		38,611	
Other operating expenses		21,667	
Capital outlay		444,979	
	919,697	793,537	126,160
 Powell Bill:			
Salaries and benefits		12,161	
Capital outlay		94,000	
	106,456	106,161	295
 Total transportation	 1,026,153	 899,698	 126,455

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, 2020

	2020		
	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Environmental protection:			
Sanitation:			
Salaries and benefits		329,802	
Contract services		35,244	
Supplies and materials		28,875	
Other operating expenses		150,135	
Total environmental protection	599,319	544,056	55,263
Cultural and recreational:			
Recreation:			
Salaries and employee benefits		168,872	
Contract services		30,688	
Other operating expenses		64,006	
Capital outlay		36,121	
Total cultural and recreational	457,429	299,687	157,742
Debt service:			
Principal		283,404	
Interest		15,363	
Total debt service	299,809	298,767	1,042
Contingency	20,000	-	20,000
Total expenditures	7,737,396	7,289,989	447,407
Revenues over (under) expenditures	(361,384)	99,561	460,945
Other financing sources (uses):			
Appropriated fund balance	1,028,138	-	(1,028,138)
Sale of capital assets	15,000	29,140	14,140
Transfer to capital project fund	(606,754)	(606,754)	-
Transfer to capital reserve	(75,000)	(75,000)	-
Total other financing sources (uses)	361,384	(652,614)	(1,013,998)
Net change in fund balance	\$ -	(553,053)	\$ (553,053)
Fund balance, beginning of year		7,972,800	
Fund balance, end of year		\$ 7,419,747	

TOWN OF WEAVERVILLE, NORTH CAROLINA

GENERAL CAPITAL PROJECT FUND

COMMUNITY CENTER PROJECT

Schedule of Revenues and Expenditures - Budget and Actual

From inception and for the year ended June 30, 2020

	Project Authorization	Prior Years	Actual Current Year	Total
Revenues:	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Architectural fees	238,555	-	161,670	161,670
Construction	2,785,585	-	438,600	438,600
Fixtures and equipment	92,074	-	1,680	1,680
Engineering and professional services	95,461	-	4,804	4,804
Phase 2 expenditures	250,000	-	-	-
Contingencies	132,365	-	-	-
Total expenditures	<u>3,594,040</u>	<u>-</u>	<u>606,754</u>	<u>606,754</u>
Revenues under expenditures	<u>(3,594,040)</u>	<u>-</u>	<u>(606,754)</u>	<u>(606,754)</u>
Other Financing Sources:				
Transfer from general fund	<u>3,594,040</u>	<u>-</u>	<u>606,754</u>	<u>606,754</u>
Total other financing sources	<u>3,594,040</u>	<u>-</u>	<u>606,754</u>	<u>606,754</u>
Revenues and other sources under expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF WEAVERVILLE, NORTH CAROLINA

GENERAL CAPITAL RESERVE FUND

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

For the year ended June 30, 2020

	2020		
	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Other financing sources (uses):			
Transfer from General Fund	\$ -	\$ 75,000	\$ 75,000
 Net change in fund balance	<u>\$ -</u>	<u>75,000</u>	<u>\$ 75,000</u>
 Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		<u>\$ 75,000</u>	

TOWN OF WEAVERVILLE, NORTH CAROLINA
WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
For the year ended June 30, 2020

	2020		
	Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES			
Charges for services		\$ 2,003,994	
Other operating revenues		460,552	
Total operating revenues	\$ 2,350,750	2,464,546	\$ 113,796
NON-OPERATING REVENUES			
Investment earnings	50,500	53,015	2,515
Total non-operating revenues	50,500	53,015	2,515
Total revenues	2,401,250	2,517,561	116,311
OPERATING EXPENDITURES			
Water and sewer administration:			
Salaries and employee benefits		154,065	
Professional services		25,244	
Supplies and materials		4,727	
Postage		10,537	
Telephone		5,869	
Insurance		8,221	
Other operating expenses		614	
Total water and sewer administration	230,845	209,277	21,568
Treatment and distribution:			
Salaries and employee benefits		790,192	
Professional services		25,905	
Contract services		4,551	
Water testing and maintenance		21,076	
Supplies and materials		133,388	
Training and travel		3,084	
Telephone		10,019	
Utilities		106,962	
Repairs and maintenance		46,798	
Insurance		17,865	
Sludge removal		51,710	
Water system improvement		222,409	
Non-capital equipment		9,330	
Capital outlay		160,921	
Total treatment and distribution	1,826,633	1,604,210	222,423
Debt service:			
Principal retirement		163,000	
Interest		40,973	
Total debt service	203,974	203,973	1
Contingency	15,000	-	15,000
Total expenditures	2,276,452	2,017,460	258,992

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, 2020

	2020		
	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
OTHER FINANCING SOURCES (USES)			
Appropriated fund balance	24,525	-	(24,525)
Proceeds of sale of capital assets	-	3,284	3,284
Transfer to capital projects	(149,323)	(149,323)	-
Total other financing sources (uses)	<u>(124,798)</u>	<u>(146,039)</u>	<u>(21,241)</u>
Revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>354,062</u>	<u>\$ 354,062</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling items:			
Payment of debt principal		163,000	
Capital outlay		160,921	
Transfer from Capital Reserve Fund		149,323	
Increase in accrued interest		(14,167)	
Increase in accrued compensated absence liability		(9,630)	
Decrease in deferred outflows of resources - pensions		(7,685)	
Increase in deferred outflows of resources - OPEB		11,756	
Increase in net pension liability		(67,983)	
Increase in net OPEB liability		(17,951)	
Decrease in deferred inflows of resources - pensions		7,391	
Decrease in deferred inflows of resources - OPEB		2,468	
Depreciation		<u>(394,328)</u>	
Change in net position		<u><u>\$ 337,177</u></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, 2020

	Project Authorization	Prior Years	Actual Current Year	Total
Revenues:	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Construction	2,329,200	-	750,269	750,269
Engineering	405,000	174,000	151,492	325,492
Legal and administration	20,000	10,000	-	10,000
Contingencies	126,400	-	-	-
Interest	90,000	-	-	-
Total expenditures	<u>2,970,600</u>	<u>184,000</u>	<u>901,761</u>	<u>1,085,761</u>
Revenues under expenditures	<u>(2,970,600)</u>	<u>(184,000)</u>	<u>(901,761)</u>	<u>(1,085,761)</u>
Other Financing Sources:				
Long term debt issued	2,800,000	-	2,500,000	2,500,000
Transfer from sewer capital reserve	170,600	170,600	-	170,600
Total other financing sources	<u>2,970,600</u>	<u>170,600</u>	<u>2,500,000</u>	<u>2,670,600</u>
Revenues and other sources under expenditures	<u>\$ -</u>	<u>\$ (13,400)</u>	<u>\$ 1,598,239</u>	<u>\$ 1,584,839</u>

TOWN OF WEAVERVILLE, NORTH CAROLINA
WATER AND SEWER CAPITAL RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP)
For the year ended June 30, 2020

	2020		
	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Other financing sources (uses):			
Transfer from Water Fund	\$ -	\$ 149,323	\$ 149,323
Net change in fund balance	<u>\$ -</u>	<u>149,323</u>	<u>\$ 149,323</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		<u>\$ 149,323</u>	

SUPPLEMENTAL FINANCIAL DATA

TOWN OF WEAVERVILLE, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF AD VALOREM TAXES RECEIVABLE
June 30, 2020

Fiscal Year	Uncollected Balance 6/30/2019	Additions	Collections And Credits	Uncollected Balance 6/30/2020
2019-2020	\$ -	\$ 3,397,606	\$ 3,347,656	49,950
2018-2019	9,531	-	7,954	1,577
2017-2018	761	-	-	761
2016-2017	218	-	-	218
2015-2016	201	-	-	201
2014-2015	2,047	-	-	2,047
2013-2014	570	-	-	570
2012-2013	752	-	-	752
2011-2012	1,638	-	-	1,638
2010-2011	278	-	278	-
	<u>\$ 15,996</u>	<u>\$ 3,397,606</u>	<u>\$ 3,355,888</u>	<u>\$ 57,714</u>
Less allowance for uncollectible ad valorem taxes receivable				<u>(45,000)</u>
Ad valorem taxes receivable, net				<u>\$ 12,714</u>
Reconcilement with Revenues:				
Taxes - Ad valorem - General Fund				\$ 3,364,052
Reconciling items:				
Amount written off for fiscal year 2010-2011				(278)
Interest collected				(6,249)
Other adjustments				<u>(1,637)</u>
Total collections and credits				<u>\$ 3,355,888</u>

TOWN OF WEAVERVILLE, NORTH CAROLINA

GENERAL FUND ANALYSIS OF CURRENT TAX LEVY For the year ended June 30, 2020

	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Original levy	\$ 904,703,684	0.00380	\$ 3,437,874	\$ 3,260,669	\$ 177,205
Penalties			-	-	-
Total			<u>3,437,874</u>	<u>3,260,669</u>	<u>177,205</u>
Discoveries:					
Current year taxes and penalties	1,351,317		5,135	5,135	-
Abatements	<u>(11,948,158)</u>		<u>(45,403)</u>	<u>(45,403)</u>	<u>-</u>
Total property valuation	<u>\$ 894,106,842</u>				
Net levy			3,397,606	3,220,401	177,205
Uncollected taxes at June 30, 2020			<u>49,950</u>	<u>49,950</u>	<u>-</u>
Current year's taxes collected			<u>\$ 3,347,656</u>	<u>\$ 3,170,451</u>	<u>\$ 177,205</u>
Current levy collection percentage			<u>98.53%</u>	<u>98.45%</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.

<i>Contents</i>	<i>Page</i>
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	80
Revenue Capacity These schedules contain information to help the reader assess the governments most significant local revenue source, property tax.	85
Debt Capacity These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	90
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place	94
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	96

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	\$ 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	\$ 10,264,984
Restricted	1,010,927	940,151	916,438	619,271	736,093	889,635	651,736	670,368	790,806	792,934
Unrestricted	<u>3,377,333</u>	<u>3,633,538</u>	<u>3,478,950</u>	<u>3,331,318</u>	<u>3,145,332</u>	<u>3,541,535</u>	<u>4,088,152</u>	<u>4,481,604</u>	<u>5,253,493</u>	<u>4,405,368</u>
Total governmental activities net position	<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>	<u>\$ 15,463,286</u>
Business-type activities										
Net investment in capital assets	\$ 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	\$ 7,170,246
Unrestricted	<u>2,247,995</u>	<u>2,326,924</u>	<u>2,416,168</u>	<u>2,564,076</u>	<u>2,567,214</u>	<u>2,339,010</u>	<u>2,812,547</u>	<u>2,899,609</u>	<u>2,954,545</u>	<u>2,680,368</u>
Total business-type activities net position	<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>	<u>\$ 9,850,614</u>
Primary government										
Net investment in capital assets	\$ 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	\$ 17,435,230
Restricted	1,010,927	940,151	916,438	619,271	736,093	889,635	651,736	670,368	790,806	792,934
Unrestricted	<u>5,625,328</u>	<u>5,960,462</u>	<u>5,895,118</u>	<u>5,895,394</u>	<u>5,712,546</u>	<u>5,880,545</u>	<u>6,900,699</u>	<u>7,381,213</u>	<u>8,208,038</u>	<u>7,085,736</u>
Total primary government net position	<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>	<u>\$ 25,313,900</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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities										
General government	\$ 762,486	\$ 745,832	\$ 871,378	\$ 1,060,919	\$ 972,373	\$ 853,053	\$ 886,828	\$ 915,132	\$ 867,562	\$ 976,437
Public safety	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	4,641,137
Transportation	410,923	431,241	443,150	459,368	411,294	377,930	349,808	538,868	573,092	521,481
Environmental protection	519,617	525,647	490,032	560,224	545,538	605,969	711,637	517,387	472,460	632,257
Cultural and recreation	153,234	151,913	165,007	210,541	181,046	223,273	170,249	330,758	279,034	304,842
Interest on long term debt	159,685	135,861	121,910	61,303	53,241	49,720	37,857	30,006	19,602	14,159
Total governmental activities expenses	<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>	<u>7,090,313</u>
Business-type activities:										
Water and Sewer	<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>	<u>2,183,668</u>
Total business-type activities	<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>	<u>2,183,668</u>
Total primary government expenses	<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>	<u>\$ 9,273,981</u>
Program Revenues										
Governmental activities:										
Charges for services										
General government	\$ 13,705	\$ 15,377	\$ 15,270	\$ 15,270	\$ 15,269	\$ 15,270	\$ 26,350	\$ 23,884	\$ 18,500	\$ 19,543
Public safety	24,205	31,788	46,268	30,384	18,438	26,465	900	300	800	-
Operating grants and contributions	167,142	24,561	81,131	93,407	42,828	22,548	220,621	38,859	47,858	18,699
Capital grants and contributions	-	120,661.00	105,081	106,054	106,971	106,776	106,302	106,428	104,952	103,879
Total governmental activities program revenues	<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>	<u>142,121</u>
Business-type activities:										
Charge for services										
Water	<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>	<u>2,464,546</u>
Total business-type activities:	<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>	<u>2,464,546</u>
Total primary government program revenues	<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>	<u>\$ 2,606,667</u>

(Continued on next page)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net (Expense) Revenue										
Governmental activities	\$ (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)	\$ (6,948,192)
Business-type activities	(130,064)	(93,506)	(103,807)	51,367	(48,720)	8,187	183,605	185,439	438,710	280,878
Total primary government expense	<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>	<u>\$ (6,667,314)</u>
General Revenue and Other Changes in Net Position										
Governmental activities:										
Taxes	\$ 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	\$ 4,737,193
Grants and unrestricted contributions	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	2,381,318
Gain (loss) on sale of property	-	-	(7,578.00)	-	(58,767)	51,967	3,885	568,630	338,618	29,140
Investment earnings	27,664	28,139	24,452	5,953	4,800	16,144	27,452	73,589	152,290	90,724
Miscellaneous	31,658	46,587	30,879	105,127	13,114	33,103	27,976	26,166	23,134	40,389
Total government activities	<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>	<u>7,278,764</u>
Business-type activities:										
Gain on sale of property	-	-	14,412.00	-	2,474.00	3,154	-	-	-	3,284
Investment earnings	20,312	20,774	17,248	6,732	3,994	2,715	13,521	32,937	59,905	53,015
Total business-type activities	<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>	<u>56,299</u>
Total primary government	<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>	<u>\$ 7,335,063</u>
Change in Net Position										
Governmental activities	\$ 60,014	\$ 267,985	\$ 45,113	\$ 323,984	\$ 133,923	\$ 422,579	\$ 722,965	\$ 1,132,293	\$ 1,274,545	\$ 330,572
Business activities	(73,194)	(83,033)	83,027	(41,988)	14,655	14,056	197,126	218,376	498,615	337,177
Total primary government	<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>	<u>\$ 667,749</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)

	2011*	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,577	\$ 46,921	\$ 22,230	\$ 82,000
Restricted	1,010,927	940,151	916,438	619,271	736,093	889,635	651,736	670,368	790,806	792,934
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	371,470	213,340	289,710	240,359	72,773	275,000	323,600	777,504	194,933	238,220
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	6,946,831	6,381,593
Total General Fund	\$ 4,889,485	\$ 5,169,437	\$ 5,096,750	\$ 4,762,772	\$ 5,065,444	\$ 5,673,535	\$ 6,288,885	\$ 7,014,214	\$ 7,954,800	\$ 7,494,747

* 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>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>	<u>2020</u>
Revenues										
Ad valorem taxes	\$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	\$3,364,052
Other taxes and licenses	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	1,370,946
Unrestricted intergovernmental revenues	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	2,381,218
Restricted intergovernmental revenues	144,494	106,580	166,057	173,275	126,566	109,224	326,923	145,287	152,810	122,578
Permits and fees	24,205	31,788	46,268	30,384	18,438	26,465	27,250	24,184	19,300	19,543
Investment earnings	27,664	28,139	24,452	5,953	4,800	16,114	27,452	73,589	152,290	90,724
Other revenues	68,011	81,806	66,304	146,583	49,594	59,777	25,438	26,888	23,425	40,489
Total Revenue	<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>	<u>7,389,550</u>
Expenditures										
Current										
General government	725,898	696,877	800,715	984,899	947,769	793,243	807,586	865,864	828,940	897,329
Public safety	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	4,076,515
Transportation	345,948	354,636	367,624	370,517	321,581	287,505	253,296	433,507	463,827	383,840
Environmental protection	451,412	465,371	423,712	491,741	475,327	524,619	627,195	440,629	397,878	544,056
Cultural and recreational	143,256	145,181	159,244	204,653	175,670	205,993	144,671	305,238	251,015	263,566
Capital outlay	502,278	185,867	345,146	964,804	1,049,345	117,020	549,967	746,875	687,982	1,432,670
Debt Service										
Principal retirement	515,590	497,733	747,733	283,614	591,461	417,182	421,632	426,025	356,116	283,404
Interest and fees	164,872	145,263	127,941	65,620	47,596	50,512	41,110	31,881	22,221	15,363
Total expenditures	<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>	<u>7,896,743</u>
Excess of revenues over (under) expenditures	<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>	<u>(507,193)</u>
Other Financing Sources										
Sale of property	-	-	-	-	201,564	51,967	3,885	568,630	338,618	29,140
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>895,586</u>	<u>60,663</u>	<u>7,041</u>	<u>568,630</u>	<u>338,618</u>	<u>29,140</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>\$ 725,329</u>	<u>\$ 958,586</u>	<u>\$ (478,053)</u>
Debt service as a percentage of non capital expenditures	11.78%	15.12%	13.59%	12.90%	16.46%	6.84%	11.90%	7.99%	6.29%	4.62%

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

<u>Year Ended June 30:</u>	<u>Property Taxes</u>	<u>Permits and Fees</u>	<u>Inter- Governmental</u>	<u>Local Option Sales Tax</u>	<u>Investment Earnings</u>	<u>Other Revenues</u>	<u>Total</u>
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
2020	3,364,052	19,543	2,503,796	1,370,946	90,724	40,489	7,389,550

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

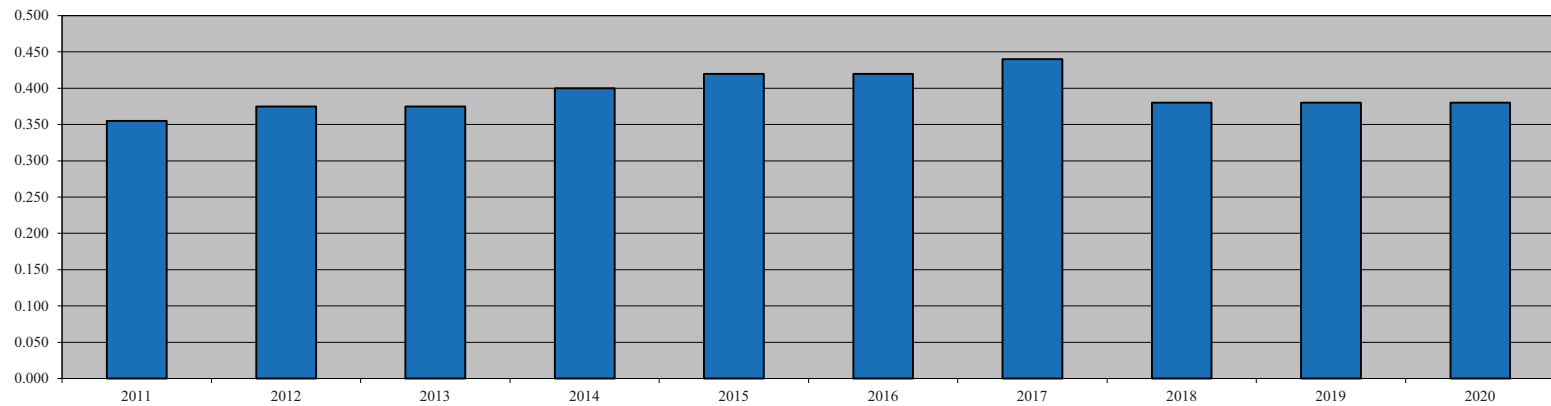
TOWN OF WEAVERVILLE, NORTH CAROLINA
Assessed Value of Taxable Property (Excluding Motor Vehicles)
Last Ten Fiscal Years
(in thousands)

<u>Fiscal Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Public Service</u>	<u>Total</u>	<u>Tax Rate</u>	<u>Levy</u>
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
2020	784,173	72,063	5,406	861,642	0.38	3,229

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
County of Buncombe	0.525	0.525	0.525	0.569	0.604	0.604	0.604	0.539	0.529	0.529
City of Asheville	0.420	0.420	0.420	0.460	0.475	0.475	0.475	0.429	0.429	0.429
Town of Biltmore Forest	0.320	0.330	0.330	0.385	0.385	0.385	0.395	0.330	0.330	0.345
Town of Weaverville	0.355	0.375	0.375	0.400	0.420	0.420	0.440	0.380	0.380	0.380
Town of Black Mountain	0.365	0.365	0.365	0.375	0.375	0.375	0.375	0.333	0.333	0.333
Town of Woodfin	0.265	0.265	0.265	0.305	0.305	0.305	0.305	0.280	0.280	0.330
Town of Montreat	0.370	0.370	0.370	0.410	0.410	0.410	0.410	0.410	0.410	0.430
Asheville School District	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.120	0.120	0.120
Fire Districts (average beginning in 2015)	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	0.133
Maximum Combined Rate	1.095	1.095	1.095	1.214	1.229	1.229	1.229	1.088	1.078	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	2019-2020			2010-2011		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
CRE Rockwell / Baldor	\$ 30,250,461	1	3.50%	\$ 19,608,401	2	2.79%
Thermo Fisher / Kendro	21,680,178	2	2.51%	18,688,110	3	2.66%
Weaverville Plaza / IRC-MAB Acqui	14,500,000	3	1.68%	9,000,000	4	1.28%
Walmart	14,269,385	4	1.65%	7,683,300	7	1.09%
Ingles	10,734,789	5	1.24%	8,201,340	5	1.17%
Lowe's Home Centers	10,618,959	6	1.23%	6,886,300	9	0.98%
Arvato / Sonopress / King	9,706,521	7	1.12%	136,614,545	1	19.41%
Brian Center / SMV Weaverville LLC	7,547,000	8	0.87%	6,906,000	8	0.98%
Balcrank / Linter North America Corp	5,565,837	9	0.64%			
SCG-Weaverville LLC	4,659,400	10	0.54%			
Shorewood Packaging				7,959,100	6	1.13%
HMVHV				5,933,300	10	0.84%
Totals	\$ 129,532,530		14.98%	\$ 227,480,396		32.32%

Total Overall Valuation \$ 864,447,128

\$ 703,790,982

Source: Weaverville Tax Department

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

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collection within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	2,600,070	2,589,260	99.584%	10,002	2,599,262	99.97%
2012	2,722,961	2,713,116	99.638%	9,568	2,722,684	99.73%
2013	2,702,440	2,694,813	99.718%	5,990	2,700,803	99.91%
2014	2,574,476	2,568,590	99.771%	5,134	2,573,724	99.81%
2015	2,773,162	2,731,523	98.499%	41,069	2,772,592	99.89%
2016	2,805,674	2,801,001	99.833%	2,626	2,803,627	99.97%
2017	2,965,846	2,962,235	99.878%	3,410	2,965,645	99.88%
2018	3,138,242	3,135,107	99.900%	2,917	3,138,024	99.99%
2019	3,317,354	3,307,823	99.713%	8,770	3,316,593	99.98%
2020	3,397,606	3,347,656	98.530%	40,419	3,388,075	99.72%

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				
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	
2020	4027	894,106	486	0.0005	121	4,326	-	1,074	4,812	unavailable	1,195	

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

(1) Includes general bonded debt and business-type activities debt.

(2) Personal income data can be found in the Demographic and Economic Statistics Schedule.

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

Year Ended June 30:	Principal	Interest	Total Debt Service Expenditures	Total General Government Expenditures (1)	Percentage of Debt Service to Total General Government Expenditures
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%
2020	283	15	298	7,290	4.088%

(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, 2020

Direct:

Town of Weaverville

Governmental Activities Installment Obligations		\$	486,433
	Percent Applicable to the Town (1)		

Underlying:

Buncombe County

General Obligation Bonds	\$ 18,623,000	2.42%	449,881
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Total direct and underlying bonded debt	\$	936,314
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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, 2019.

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Assessed value of property	\$731,399	\$727,379	\$732,139	\$652,170	\$660,277	\$668,018	\$636,340	\$784,067	\$828,128	\$ 861,642
Debt limit, 8% of assessed value	58,512	58,190	58,571	52,174	52,822	53,441	50,907	62,725	66,250	68,931
Total net debt applicable to limit	6,879	6,262	5,394	4,962	4,939	4,444	3,863	3,275	2,758	4,812
Legal debt margin available	51,633	51,928	53,177	47,189	45,800	48,997	47,044	59,450	63,492	64,119
Total net debt applicable to the limit as a percentage of limit	11.76%	10.76%	9.21%	9.55%	9.39%	8.32%	7.59%	5.22%	4.16%	6.98%

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

TOWN OF WEAVERVILLE, NORTH CAROLINA

Demographic and Economic Statistics

Last Ten Fiscal Years as of June 30

June 30	Population (1)	Per Capita		Median Age (3)	Public School Enrollment (4)	Unemployment Rate (5)
		Personal Income (thousands) (2)	Personal Income (3)			
2020	4,027	unavailable	\$ 36,629	53.2	595	6.5
2019	3,674	unavailable	35,782	52.0	582	3.4
2018	3,911	unavailable	35,582	42.6	592	3.1
2017	3,858	unavailable	30,378	42.6	601	3.9
2016	3,833	unavailable	29,374	46.0	582	4.1
2015	3,800	unavailable	unavailable	unavailable	593	5.0
2014	3,763	unavailable	26,424	41.0	613	5.0
2013	3,715	unavailable	25,665	40.6	620	6.8
2012	3,714	unavailable	25,142	42.5	620	7.9
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

	2020			2011		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Employer:						
Thermo Fisher	570	1	13.90%	611	2	23.06%
Walmart	306	2	7.46%			
Ingles	218	3	5.32%	208	3	7.85%
Lowes	187	4	4.56%			
Baldor	171	5	4.17%			
Arvato / Sonopress	170	6	4.15%	625	1	23.58%
Publix	142	7	3.46%			
Brian Center	125	8	3.05%	123	7	4.64%
Buncombe County Schools	105	9	2.56%	116	8	4.38%
Conrad Industries	87	10	2.12%	74	9	2.79%
Town of Weaverville	69	11	1.68%	60	10	2.26%
Balcrank	53	12	1.29%	135	4	5.09%
Reliance				130	5	4.91%
Shorewood				127	6	4.79%
Total	2,203		53.73%	2,209		83.35%

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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>Administration</u>	5	5	5	5	6	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	0	0	0	1
Account Clerk/Tax	1	1	1	1	2	2	2	2	2	2
Zoning/Clerk	1	1	1	1	1	1	2	2	2	1
<u>Police</u>	15	15	15	15	15	15	15	15	16	17
Chief	1	1	1	1	1	1	1	1	1	1
Lieutenant	1	1	1	1	1	0	0	0	1	1
Detective	1	1	1	1	1	2	2	2	1	1
Sergeant	2	2	2	2	2	2	2	2	2	2
Corporal	2	2	2	2	2	2	2	2	2	2
Officer	7	7	7	7	7	7	7	7	8	9
Reception	1	1	1	1	1	1	1	1	1	1
<u>Fire</u>	18	18	18	18	18	18	18	21	24	24
Chief	1	1	1	1	1	1	1	1	1	1
Dept. Chief	1	1	1	1	1	1	1	1	1	1
Fire Marshal	1	1	1	1	1	1	1	1	1	1
Battalion Chief	3	3	3	3	3	3	3	3	3	3
Captain	3	3	3	3	3	3	3	3	3	3
Engineer	0	0	0	0	0	0	0	3	6	6
Lieutenant	0	0	0	0	0	0	0	0	3	3
Fire Fighter	9	9	9	9	9	9	9	9	6	6
<u>Public Works</u>	22	22	22	22	22	23	22	22	22	22
Director	1	1	1	1	1	1	1	1	1	1
Adm. Assistant	1	1	1	1	1	1	0	0	0	0
Supervisor	2	2	2	2	2	2	2	2	2	2
Equipment II	1	1	1	1	1	1	1	1	1	1
Equipment I	3	3	3	3	3	3	3	3	3	3
Water Treat.	4	4	4	4	4	5	4	4	4	4
Meter Reader	1	1	1	1	1	1	1	1	1	1
Skilled Labor	4	4	4	4	4	4	6	6	6	6
Semi-Skilled	3	3	3	3	3	3	3	3	3	3
Water Tr. Sup.	1	1	1	1	1	1	0	0	0	0
Water Tr. A Sup.	1	1	1	1	1	1	1	1	1	1
Total Employees	60	60	60	60	61	62	61	64	68	69

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>Function/Program</u>										
Administration										
Zoning Permits	79	60	89	87	47	31	87	120	123	129
Tax Collection Rate	99%	99%	99%	99%	99%	99%	99%	99%	99%	99%
Tax Rate	0.36	0.38	0.38	0.4	0.42	0.42	0.44	0.38	0.38	0.38
Police										
*Dollar Value Stolen	\$ 138,054	\$ 125,829	\$ 57,340	\$ 203,724	\$ 180,388	\$ 287,855	\$ 81,539	\$ 367,119	\$ 390,364	\$ 151,002
*Dollar Value Recovered	\$ 68,908	\$ 35,210	\$ 41,833	\$ 92,045	\$ 88,272	\$ 87,725	\$ 68,010	\$ 104,668	\$ 43,902	\$ 66,337
Criminal Activities	136	213	297	211	288	379	302	445	578	627
Total Activities	33,516	46,701	52,027	67,293	69,289	68,775	67,648	79,640	56,908	57,070
Patrol Miles Driven	114,598	127,476	124,653	123,039	110,448	114,781	120,319	117,992	98,302	104,127
Fire										
Vehicle Fires	6	7	12	13	6	10	11	8	5	11
Vehicle Loss	\$ 100,600	\$ 14,750	\$ 14,000	\$ 66,350	\$ 16,800	\$ 23,672	\$ 32,800	\$ 11,300	\$ 39,395	\$ 114,800
Structure Fires	12	13	8	15	11	11	40	20	9	8
Structure Loss	\$ 350,000	\$ 331,780	\$ 160,400	\$ 98,470	\$ 93,350	\$ 271,450	\$ 160,300	\$ 517,850	\$ 1,925,400	\$ 433,660
Total Calls	1,571	1,666	1,503	1,595	1,679	1,670	1,655	1,979	1,868	1,952
Public Works										
Solid Waste/Program Cost	\$ 576,988	\$ 365,203	\$ 375,544	\$ 299,625	\$ 312,952	\$ 505,910	\$ 349,462	\$ 597,730	\$ 550,671	\$ 629,319
Cost per Household	\$ 349.69	\$ 202.89	\$ 217.45	\$ 167.58	\$ 175.03	\$ 257.46	\$ 179.86	\$ 302.34	\$274.79	\$314.03
Cost per Ton Recyclables	\$ 121.30	\$ 240.45	\$ 224.35	\$ 162.00	\$ 169.21	\$ 273.53	\$ 280.02	\$ 135.65	\$153.48	\$142.86
Recovered Tons	330.18	357.98	361.06	388.15	407.56	427.94	449.33	457.89	431.00	458.00
Street Signs Installed	44	88	14	16	10	12	18	15	12	10
Paving Repairs	10	20	12	26	18	28	16	18	22	19

continued on next page

TOWN OF WEAVERVILLE, NORTH CAROLINA

Operating Indicators by Function/Program

Last Ten Calendar Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Water										
Water Mains										
Six inch	106,325	106,325	106,325	106,325	106,685	106,745	107,578	115,787	118,211	119,030
Eight inch	110,462	111,592	114,089	114,089	114,229	116,806	116,806	118,366	119,032	119,032
Ten inch	25,795	25,795	25,795	25,795	25,795	25,795	25,795	25,795	25,795	25,795
Twelve inch	21,855	21,855	23,805	23,805	23,805	23,805	23,805	23,805	23,805	23,805
Twenty inch	21,400	21,400	21,400	21,400	21,400	21,400	21,400	21,400	21,400	21,400

Source: Various Town departments

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

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	15	15	15	15	15	15	15	18	18	18
Fire stations	1	1	1	1	1	1	1	1	1	1
Refuse collection										
Collection trucks	2	2	2	2	2	2	2	2	2	2
Other public works										
Streets (miles)	18.03	18.03	18.03	18.03	18.18	19.13	19.29	19.36	19.44	19.44
Streetlights	301	301	301	301	301	301	301	304	306	308
Traffic signals	7	7	12	12	12	12	12	12	12	12
Water										
Transmission lines (miles)	54.14	54.14	55.09	55.09	55.18	56.13	56.13	57.97	58	58.5
Fire hydrants	389	389	402	402	404	410	410	422	433	439
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



**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, 2020, 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 16, 2020. 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 16, 2020

TOWN OF WEAVERVILLE, NORTH CAROLINA
SCHEDULE OF FINDINGS AND RESPONSES
For the year ended June 30, 2020

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____yes X no
- Significant deficiency(s) identified that are not considered to be material weaknesses? _____yes X none reported
- Noncompliance material to financial statements noted _____yes X no