

## PROPOSED AGENDA

### Meeting of the Town of Biltmore Forest Board of Commissioners

To be held Tuesday, December 10, 2024 at 4:30 p.m.

A. Pledge of Allegiance

B. Roll Call

Mayor George F. Goosmann, III  
Commissioner Fran G. Cogburn  
Commissioner E. Glenn Kelly  
Commissioner Doris P. Loomis

C. Approval of November 12, 2024 Minutes

D. Organization of the Board

1. The Mayor and Board of Commissioners will be sworn in following the election of November 5, 2024.
2. Election of the Mayor Pro-Tem

E. Approval of the Agenda

F. Resolutions of Appreciation for Outgoing Board of Commission Members  
and Plaque Presentations

1. Resolution 2024-08 – A Resolution of Appreciation to Honor the Service of Commissioner Fran G. Cogburn
2. Resolution 2024-09 – A Resolution of Appreciation to Honor the Service of Commissioners E. Glenn Kelly

G. Public Comment

H. Departmental Reports

1. Chief of Skyland Fire and Rescue
2. Chief of Police Chris Beddingfield
3. Public Works Director Harry Buckner
4. Town Planner Tony Williams
5. Town Manager Jonathan Kanipe

For those interested in viewing the Board meeting remotely, please utilize the following information:  
<https://us02web.zoom.us/j/82228455470?pwd=SG9WU0FwUjFSdGZveS95b3pLTUIHdz09>

Meeting ID: 822 2845 5470

Passcode: 966757

I. New Business

1. FY23-24 Financial Statements Presentation – Fran Noel, Carter PC
2. Planning Commission Zoning Ordinance Text Amendment Recommendation
3. Water Billing Reinstatement Post December 2024 Billing Cycle

J. Adjourn

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Meeting ID: 822 2845 5470

Passcode: 966757

MINUTES OF THE MEETING OF THE MAYOR AND THE TOWN COMMISSIONERS  
OF BILTMORE FOREST HELD NOVEMBER 12, 2024

Be it remembered by those that follow these proceedings that the Governing Board of the Town of Biltmore Forest met and conducted the following business:

Roll call taken by the Clerk:

Mayor George F. Goosmann, III, present  
Commissioner Doris P. Loomis, present  
Commissioner Fran Cogburn, present  
Commissioner Glenn Kelly, present

Mr. Jonathan Kanipe, the Town Manager, was present. The Town Attorney, Billy Clarke, was also present.

Mayor Goosmann called the meeting to order at 4:00 pm.

The Pledge of Allegiance was conducted.

CONSENT AGENDA

Commissioner Cogburn made a motion to approve the consent agenda and the minutes from September 17, 2024. Commissioner Loomis seconded the motion and was unanimously approved.

PUBLIC COMMENT

There was no public comment.

Ms. Aslyne Tate gave the report for the Police Department as Chief Beddingfield was away. There was a total of 846 calls. Ms. Tate said the teamwork was amazing during Hurricane Helene and

town staff worked very well together. Dispatch received 2,416 telephone calls during the storm (9/26-10/20).

Lieutenant Kenny Merritt mentioned an incident with a contractor at the end of Fairway Place who refused to identify himself, refused to leave, and also carried a concealed firearm. This individual was arrested and removed from the premises. Lieutenant Merritt also thanked Public Works and Skyland Fire Department for all their help getting through the storm and working so well together.

Mr. Harry Buckner was not available to give the report for Public Works. Mr. Mike Dale gave the report for the Public Works Department. Commissioner Kelly asked Mr. Dale about the streetlights that are still not working. Mr. Dale said we are working to get the lights back up and running.

Mr. Tony Williams, Town Planner, provided his report. There were 99 land use conferences. There were two permits that were not part of the repairs that came from the storm. There were seven plans reviewed and two complaints.

Mr. Kanipe gave the report for the Town. The Town's large stormwater project resumed on November 4. The last day of work prior to this was Thursday, September 26.

During the Board's last meeting on September 17<sup>th</sup>, staff were directed to move forward with reviewing the deed restrictions for the east side parcel off Vanderbilt Road, south of I-40. Staff will continue working on this and provide information at the December meeting.

Mr. Kanipe continued and discussed amendments to the Zoning Ordinance. This administrative approval process is even more necessary after the storm than it was previously. The Town worked with Buncombe County to streamline rebuilding and repair construction work, but certain things like accessory structures still require the Board of Adjustment approval. Streamlining the permitting process for these allowable projects will be a benefit to both citizens and staff. The Planning Commission will meet in December and provide a recommendation.

The Town cancelled all advisory board and quasi-judicial board meetings after the storm to

focus on recovery from Hurricane Helene. The Board of Adjustment meeting will resume in January.

Mr. Kanipe said Town staff are currently reviewing the FY24 audit. This should be finalized soon and sent to the State by the deadline of December 1. Carter P.C. will present their findings at the December meeting.

Deputy Fire Chief, Zach Cicillian, gave the report for the Skyland Fire Department. Deputy Cicillian thanked law enforcement and communications staff for their hard work and teamwork during the hurricane. Deputy Cicillian thanked Mr. Kanipe for being exceptionally helpful and working so hard.

Mr. Tom Anderson, Director of Public Safety from the North Carolina League of Municipalities, presented the risk review process for the Biltmore Forest Police Department. The Police Department has done an outstanding job completing the comprehensive NCLM Risk Review process. The League recognizes Biltmore Forest Police Department for completing the law enforcement risk management review and proactively serving the community in a professional manner while taking steps to minimize risks to our citizens and officers presented Nov 12, 2024.

Mr. Kanipe discussed Hurricane Helene. The priority after the hurricane hit was to open the roads in Town and focus on opening entrances and exits. Mr. Kanipe said the Public Works Department and Police Department did a tremendous job. Neighbors and volunteers were instrumental to cleaning up the roads as well. Mr. Kanipe is very proud of what this entire team did. Mayor Goosmann thanked Commissioner Loomis' sons for helping get out of their driveway. Mayor Goosmann also said people all over Town were helping one another out.

Mr. Kanipe said during disaster response situations, there is something known as the "72 Hour Push". This is the first few days where triage occurs, and emergency services and public works departments are working to respond during the disaster. For the Town, Hurricane Helene was mostly a mono-storm, wind event. The Town is located on higher ground from the French Broad and Swannanoa Rivers and did not experience flooding. The number of trees that fell throughout Town, was catastrophic. The first 72 hours focused on removing thousands of trees from the twenty-two miles of public roads to allow access to the Town. The Public Works Department did a tremendous job during this time. The Police Department did a tremendous job and responded to calls (while

communications were available) and kept a presence where it was possible to do so. The Town relied upon private tree companies beginning late Saturday, September 28 to assist with clearing the roads. Citizens and other volunteers showed up to clear their own roads and assist the Town's recovery.

The beginning process for removal involved Southern Disaster Recovery and the debris monitoring company, DebrisTech. They were on site by October 1 to look at the needs of the Town. Notice to proceed authorizations were signed by the Town on that day.

Mr. Kanipe said we also had a discussion with the Biltmore Company about locating a temporary material disposal site somewhere on their property. By Friday, October 4, an agreement was signed allowing the Town to utilize a previously logged site off Vanderbilt Road, south of Interstate 40. The Town applied for and received permission from the State of North Carolina for the temporary material disposal site. Tennoca Construction Company was contracted by Southern Debris Removal to build the road into the site. They started working on Monday, October 7 and completed the road by Friday, October 11.

The Town has communicated frequently about the debris removal through the CodeRed system and the Town's website with very detailed information. The total debris removal through Tuesday, November 8<sup>th</sup> is 113,950 cubic yards. Southern Debris Removal has already removed 130 leaning trees over the public road and 219 hanging tree limbs over the road. All these removals were approved by the monitoring company, DebrisTech, and are eligible for full FEMA reimbursement. The material is being chipped on site and will be hauled away to a disposal site in Maggie Valley. The chips will be used for compost.

Mr. Kanipe was praised by numerous Town residents in the audience for being diligent, helpful, and very informative with the ways to help the Town and the tragedy that struck Western North Carolina. Commissioner Loomis said Mr. Kanipe was kind and patient with others and commended him for his hard work.

Mr. Kanipe discussed the water system status. The Town purchases water at a wholesale rate from the City of Asheville and maintains and operates our own system. On Saturday, September 28 we were alerted by the City of Asheville that the loss of their transmission lines from the North Fork

Reservoir would likely result in water outages throughout the area and in Biltmore Forest. Water pressure in many parts of town ceased overnight on Sunday, September 29.

The City's Mills River plant operated at full capacity and City officials and the Army Corps of Engineers adjusted to increase the efficiency of this plant. This resulted in water pressure being restored to most parts of Biltmore Forest by Thursday, October 3. The water was non-potable and CodeRED messages were issued for anyone to boil water prior to consumption. Since that time, the boil water advisory transitioned to a boil water notice. A boil water notice is a higher threshold that requires boiling prior to consumption. The Town has been under a boil water notice since Monday, October 14.

The Town's water system is largely intact and free from damage. There were numerous service line breaks on individual household lines and irrigation systems. These often resulted from trees uprooting and pulling the lines out of the ground with them. There are several hydrants in Town that may need to be replaced, and we have provided this information to our insurance carrier.

The City has continued to provide daily updates and their system is being directly treated from the North Fork reservoir. Harry Buckner, the Town's Public Works Director, drafted information for residents on why we were under a boil water notice even though it is believed that much of our water comes from the Mills River plant at this time. A copy of that information is attached to this memo. As we await the City's return to fully potable water, we are continuing to do our required testing of water in our system, and it has continued to pass requirements since the initial days of the storm. We will continue providing updates to residents once the boil water notice is lifted and potable water returns.

Mr. Kanipe discussed the State of Emergency. A State of Emergency was declared on Wednesday, September 25<sup>th</sup>. A subsequent, extended state of emergency was declared before the expiration of the initial declaration. These were done by Buncombe County with the consent of all municipalities and the mayors of each local government. These States of Emergency also allow the Town to put regulations into place that protect the public's health and safety. There was a curfew put in place and the Town also implemented a full burn ban. We remain in a state of emergency.

Mr. Kanipe gave an update on power and telecommunications. Duke Energy was contacted by the Town on Tuesday, October 1 and asked to join a drone team flying the Town for damage. This drone team assisted Duke Energy by providing visuals of the back lot line powerlines. They were able to restore 3-phase power to the Town Hall on Friday, October 4. The areas that have underground power largely were restored by Sunday, October 6. Out of state crews were brought in on Tuesday, October 8. They worked to restore overhead lines and power to the most damaged sections of the system. Final power restoration for all portions of Town occurred on Sunday, October 13<sup>th</sup> which was two weeks and two days after the storm.

Spectrum had approximately 227 miles of cable in Buncombe County destroyed by the storm. They were fully mobilized in Town on Monday, October 14<sup>th</sup> once Duke Energy finished with restoration. We were back to full service November 2. As far as AT&T, they also started working on restoration after power was restored. The communication back to the Town has not been effective, however, we believe all areas have been restored.

Mr. Kanipe discussed FEMA reimbursement and said the Town staff was asked to document all areas related to the storm. Overtime was authorized for all departments. Department heads and administrative staff began tracking all expenses related to the storm and following appropriate protocols for possible reimbursement. President Biden's declaration of a major disaster enabled the Town's eligibility for full reimbursement.

Mr. Kanipe said FEMA public assistance staff started assisting us within the first few days after the hurricane. Administrative staff began meeting at the County Emergency Operations Center and would discuss specific needs with representatives and evaluate reimbursable expenditures. Our first emergency request, which was for debris removal, was filed and the Town received a direct deposit of close to \$4,000,000. FEMA has done a remarkable job providing information and resources to Town staff. Mr. Kanipe said he anticipates just under \$10,000,000 being reimbursed by FEMA.

## NEW BUSINESS

### **Consideration of Grant Project Ordinance – Helene Disaster Response & Recovery**

Mr. Kanipe provided the Board with a Grant Project Ordinance which shows the anticipated



reimbursable amount from FEMA. The categories shown in both the Estimated Revenue and Expenditure sides are FEMA disaster categories that break down specifically where funding is allowed and how it is provided to the local government. The Board will likely be asked to amend this budget over the next several months as estimated amounts become more definitive. This estimated budget was derived from the Town's Recovery Scoping Meeting with our emergency management specialist. The FEMA team on the ground has helped us tremendously, including filing the Town's expedited request for debris reimbursement on our behalf.

Commissioner Kelly moved to approve the Grant Project Ordinance, Commissioner Cogburn seconded the motion and was unanimously approved.

### **Consideration of Ratification for Debris Removal Notice to Proceed with Southern Disaster Recovery**

South Disaster Recovery is the Town's debris removal specialist. The Town was able to utilize the State of North Carolina's pre-positioned debris removal contract for the disaster response. The Town was able to comply with all state procurement guidelines and ensure full reimbursement for this work would be obtained. Mr. Kanipe moved forward with authorizing the notice to proceed when the Board could not meet due to the disaster. Mr. Billy Clarke recommended the Board ratify Mr. Kanipe's notice to proceed to further solidify the Town's posture with the debris removal project.

Commissioner Loomis made the motion to approve the Ratification for Debris Removal Notice to Proceed with Southern Disaster Recovery, Commissioner Cogburn seconded the motion and was unanimously approved.

### **Consideration of Ratification for Debris Monitoring Contract with DebrisTech**

The debris monitoring company is separate from the debris removal company. The monitoring company ensures that all removal, hauling, and disposal is conducted according to FEMA regulations and allows for reimbursement for the Town.

Commissioner Cogburn made a motion to approve the Ratification for Debris Monitoring Contract with DebrisTech, Commissioner Kelly seconded the motion and was unanimously approved.

### **Consideration of Pausing Water Billing until Potable Water Returns**

The Town of Biltmore Forest purchases water from the City of Asheville at a wholesale rate. The Town's last water billing cycle ran from August 12, 2024 through October 14, 2024. These bills were sent to customers on October 22, 2024. On November 1, 2024, we were alerted by the City of Asheville that they were not going to bill any user (wholesale or otherwise) for non-potable water due to the disaster. The City will not resume billing for water until they are able to deliver fully potable water to the system.

Because the Town is not being billed for water during this time and since the water, we are currently delivering remains non-potable, Town staff believes the Town should follow this and postpone billing for water until potable water is restored. The Town will not have a misbalance in revenue versus expenditure in the water fund since we are not being billed by the City during this time.

The Town still needs to bill for sewer as the Metropolitan Sewerage District has remained functional and because water is still going into the sewer system, whether potable or non-potable. The Town has spoken to MSD regarding this, and we can suppress our water billing and bill only for sewer, then remit that to MSD as usual.

Commissioner Loomis made the motion to approve the Consideration of Water Billing Until Potable Water Returns, Commissioner Kelly seconded the motion and was unanimously approved.

### **Consideration of Resolution 2024-06-A Resolution of Appreciation for Town Employees**

Mr. Kanipe expressed appreciation to Town staff. They cleared Town roads in a safe and effective manner, the Police Department protected the public within Town and conducted numerous welfare checks. Administrative staff ensure everyday functions were handled appropriately. Each person navigated this crisis and their work while dealing with personal issues and concerns for their family.

Commissioner Cogburn moved to approve the Resolution of Appreciation for Town Employees. Commissioner Loomis seconded the motion and unanimously approved. Commissioner Loomis expressed her appreciation and thanked the Town staff for all their hard work.

### **Consideration of Resolution 2024-07-Resolution of Appreciation for Volunteers**

Mr. Kanipe said so many people helped – from Town residents to people as far away as Tennessee and Charleston – after the storm. Mr. Kanipe said we had so many donations of goods, volunteer hours, supplies, equipment, and clothing.

Commissioner Loomis made a motion to approve the Resolution of Appreciation for Volunteers, Commissioner Cogburn seconded the motion and was unanimously approved.

The meeting was adjourned at 5:14pm.

The next meeting is scheduled for Tuesday, December 10, 2024, at 4:30pm.

ATTEST:

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Laura Jacobs  
Town Clerk

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George F. Goosmann, III  
Mayor

**BOARD OF COMMISSIONERS MEETING  
STAFF MEMORANDUM  
DECEMBER 10, 2024**



**AGENDA ITEM D**

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- 1. SWEARING-IN FOR MAYOR AND BOARD OF COMMISSIONERS**
  - 2. ELECTION OF THE MAYOR PRO-TEM**
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Mayor George F. Goosmann, III and Commissioner Doris Loomis were re-elected to their respective positions after the November 5, 2024 election. Drew Stephens and Allan Tarleton were elected to serve in the other Commissioner seats. After each general election is certified, the Board must hold an Organizational Meeting no later than the date of the regular monthly meeting.

At this time, the mayor and all commissioners will be sworn in to their office.

Following the swearing-in, the new Board will elect a Mayor Pro-Tem.

**BOARD OF COMMISSIONERS MEETING  
STAFF MEMORANDUM  
DECEMBER 10, 2024**



**AGENDA ITEM F-1**

**RESOLUTION 2024-08 – A RESOLUTION OF  
APPRECIATION TO HONOR THE SERVICE OF  
COMMISSIONER FRAN G. COGBURN**

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**Background**

Commissioner Fran G. Cogburn has served as a Commissioner for the Town of Biltmore Forest since 2012. Prior to that, Ms. Cogburn served as a member and chair for the Town's Board of Adjustment. Her dedicated service and devotion to the Town of Biltmore Forest is laudable and should be commended. She has contributed immensely to the Town and provided lasting improvements for generations to come.

**Action Requested**

Motion to approve the resolution honoring the service of Commissioner Fran Cogburn.

STATE OF NORTH CAROLINA )  
  )  
COUNTY OF BUNCOMBE      )

TOWN OF BILTMORE FOREST  
BOARD OF COMMISSIONERS

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**RESOLUTION 2024-08**

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**RESOLUTION OF APPRECIATION HONORING THE SERVICE OF  
COMMISSIONER FRAN G. COGBURN**

WHEREAS, Fran Cogburn began her service as Commissioner for the Town of Biltmore Forest in December 2012; and

WHEREAS, Ms. Cogburn has admirably served the Town of Biltmore Forest for the past twelve (12) years, demonstrating unwavering commitment and dedication as a Commissioner; and

WHEREAS, prior to serving as a Commissioner of the Town, Ms. Cogburn served as the Chair of the Biltmore Forest Board of Adjustment for six years and as a member for ten years; and

WHEREAS, Ms. Cogburn served on numerous boards and commissions representing the Town, including the Metropolitan Planning Organization and the Friends of Biltmore Forest; and

WHEREAS, Ms. Cogburn played an integral role in the development and planning phases of key community projects, including the renovation and improvements to Greenwood Park, beautification efforts throughout the Town, and furthering the safety and security of the Town’s citizens.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Town of Biltmore Forest as we take the occasion to express honor, respect, and admiration to Ms. Fran Cogburn for her outstanding contributions to the Commission, Staff, and Citizens of Biltmore Forest.

BE IT FURTHER RESOLVED, that the Board of Commissioners of the Town of Biltmore Forest, North Carolina, hereby expresses its appreciation and deep gratitude to Ms. Fran Cogburn for her leadership and guidance to the Town of Biltmore Forest as a commissioner and extends congratulations and best wishes in all future endeavors.

Adopted this 10th day of December, 2024.

\_\_\_\_\_  
George F. Goosmann, III

\_\_\_\_\_  
Laura Jacobs  
Town Clerk

**BOARD OF COMMISSIONERS MEETING  
STAFF MEMORANDUM  
DECEMBER 10, 2024**



**AGENDA ITEM F-2**

**RESOLUTION 2024-09 – A RESOLUTION HONORING  
THE SERVICE OF COMMISSIONER E. GLENN KELLY**

**Background**

Commissioner Glenn Kelly has served the Town of Biltmore Forest for a remarkable period. He began service to the Town as a commissioner in 1981 and was subsequently elected as Mayor in 1987. Mr. Kelly served in this capacity until 1999. He was elected as a Town Commissioner once again in 2003, and has served in that capacity until this time. All told, Mr. Kelly has served as an elected official for the Town of Biltmore Forest for 39 years – 12 years as mayor and 27 years as a commissioner. This is an exceptionally remarkable level of service to Biltmore Forest.

In addition to serving the Town directly, Mr. Kelly has also served as the Town's representative to the Metropolitan Sewerage District of Buncombe County (MSD) for many years. His legacy to Biltmore Forest and this region is to be commended and recognized as extraordinary.

**Action Requested**

Motion to approve the resolution honoring the service of Commissioner E. Glenn Kelly.





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Laura Jacobs  
Town Clerk



# Skyland Fire & Rescue

## Biltmore Forest Valley Springs Station

Phone: (828) 684-6421    Address: PO Box 640 Skyland NC 28776    Fax (828) 684-1010  
[www.skylandfire.com](http://www.skylandfire.com)



### Biltmore Forest Valley Springs Station

### Incident Response

November 2024

#### Incident Type

251 - Excessive heat, scorch burns with no ignition	1
311 - Medical assist, assist EMS crew	3
320 - Emergency medical service incident, other	1
321 - EMS call, excluding vehicle accident with injury	1
322 - Motor vehicle accident with injuries	1
324 - Motor vehicle accident with no injuries.	2
412 - Gas leak (natural gas or LPG)	1
554 - Assist invalid	1
571 - Cover assignment, standby, moveup	2
611 - Dispatched & canceled en route	2
622 - No incident found on arrival at dispatch address	1
700 - False alarm or false call, other	2
713 - Telephone, malicious false alarm	1
736 - CO detector activation due to malfunction	1
745 - Alarm system activation, no fire - unintentional	1
746 - Carbon monoxide detector activation, no CO	1
<b>Total</b>	<b>22</b>

Respectfully Submitted,

*Trevor C. Lance*

Chief Trevor C. Lance  
 Skyland Fire Rescue

Biltmore Forest Police  
355 Vanderbilt Road  
Biltmore Forest, NC 28803  
828-274-0822  
Chief M. Chris  
Beddingfield



George F. Goosmann, III, Mayor  
Doris P Loomis, Mayor-Pro Tem  
E. Glenn Kelly, Commissioner  
Fran Cogburn, Commissioner  
Jonathan Kanipe, Town Manager

## **Biltmore Forest Police Department December 10th, 2024 Commission Report**

### **November 2024 Data**

#### **Total Calls For Service:**

701 (846 last month)

#### **Arrests:**

0-Felony Arrests-

3-Misdemeanor Arrests-Two Impaired Driving Arrests from Traffic Stops. One Arrest for Out of Jurisdiction Warrants from a Traffic Stop.

#### **Citations:**

12-Citations for various traffic violations (15 last month)

#### **Time Consumption Summary:**

*Approximations:*

Business Checks- 5 hours

House Checks- 7 hours

Radar Operation- 3 hours

Vehicle Crash Investigation- 1 hour

#### **Notable Calls and Projects:**

We participated in the North Carolina Governor's Highway Safety Click it or Ticket kickoff event in Mooresville NC. Numerous agencies were present and there were multiple guest speakers focusing on seatbelt usage and traffic safety.

Officers are participating in a "No Shave December" event raising money for charity. \$350.00 went to assist hurricane victims in Black Mountain.

We held a coat drive that went extremely well. 14 boxes of various clothing items were delivered to the Blessing Barn in Swannanoa. This is a group helping victims of Hurricane Helene.

We had our first hit from our new camera system. LPR camera in the Ramble picked up a stolen tag from South Carolina. We stopped the individuals who were juveniles and referred them to juvenile justice.

**Biltmore Forest  
Police Department  
355 Vanderbilt Rd  
Biltmore Forest, NC 28803**

Calls for Service

11/01/2024 - 11/30/2024

<b>BILTMORE FOREST POLICE DEPARTMENT</b>	<b>Count</b>	<b>Percent</b>
ALARM	21	3.00%
ANIMAL CONTROL	6	0.86%
ASSIST MOTORIST	11	1.57%
ASSIST OTHER AGENCY	2	0.29%
ASSIST RESIDENT	7	1.00%
BUSINESS CHECK	379	54.07%
CRIME PREVENTION	37	5.28%
DEBRIS IN ROADWAY	2	0.29%
DISTURBANCE	2	0.29%
DOWN POWER LINES	2	0.29%
FOLLOW UP	1	0.14%
FOLLOW-UP INVESTIGATION	1	0.14%
HOUSE CHECK	117	16.69%
IMPROPER PARKING	1	0.14%
INVESTIGATION	1	0.14%
MEDICAL EMERGENCY	3	0.43%
MENTAL SUBJECT	1	0.14%
No Call Type	1	0.14%
NOISE COMPLAINT	3	0.43%
ORDINANCE VIOLATION	3	0.43%
PROWLER	1	0.14%
RADAR OPERATION	7	1.00%
SPECIAL ASSIGNMENT	2	0.29%
SPECIAL CHECK	8	1.14%
SUSPICIOUS ACTIVITY	2	0.29%
SUSPICIOUS PERSON	6	0.86%
SUSPICIOUS VEHICLE	14	2.00%
TALK WITH OFFICER	5	0.71%
TOWN HALL BUSINESS	1	0.14%
TRAFFIC CONTROL	5	0.71%
TRAFFIC STOP	44	6.28%
VEHICLE ACCIDENT	5	0.71%
<b>Total Records for BILTMORE FOREST POLICE DEPARTMENT</b>	<b>701</b>	<b>Group/Total 100.00%</b>
<b>Total Records</b>		<b>701</b>

**Biltmore Forest**  
**355 Vanderbilt Rd Biltmore Forest , NC 28803**

CFS By All CallType/Department By Date  
 11/01/2024 12:00 - 11/30/2024 23:59

BILTMORE FOREST POLICE DEPARTMENT	Count	Percent
ALARM	21	3.00%
ANIMAL CONTROL	6	0.86%
ASSIST MOTORIST	11	1.57%
ASSIST OTHER AGENCY	2	0.29%
ASSIST RESIDENT	7	1.00%
BUSINESS CHECK	379	54.07%
CRIME PREVENTION	37	5.28%
DEBRIS IN ROADWAY	2	0.29%
DISTURBANCE	2	0.29%
DOWN POWER LINES	2	0.29%
FOLLOW UP	1	0.14%
FOLLOW-UP INVESTIGATION	1	0.14%
HOUSE CHECK	117	16.69%
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INVESTIGATION	1	0.14%
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SUSPICIOUS ACTIVITY	2	0.29%
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TOWN HALL BUSINESS	1	0.14%
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TRAFFIC STOP	44	6.28%
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Total Records For BILTMORE FOREST POLICE DEPARTMENT	<b>701</b>	Group/Total <b>100.00%</b>
<b>Total Records</b>	<b>701</b>	

# BOARD OF COMMISSIONERS MEETING STAFF MEMORANDUM

December 6, 2024



## Agenda Item D-3

### Public Works Director Monthly Report

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#### Recurring Activities:

The Public Works Department has completed the following activities during the months of September and October:

- Collected 32.99 tons of garbage.
- Diverted 13.09 tons of recycled goods from garbage.
- Picked up 51 loads of brush (approximately 1,062 cubic yards) over 13 days.
- Responded to 107 total utility locate requests, comprised of 84 new requests and 23 updates.
- Visited numerous residences for Tree Assessments. We will update this data next month as November assessments were severely impacted by hurricane Helene response.
- Completed daily chlorine residual tests across town and the required two (2) bacteriological tests. All tests were passed.
- Used the Beacon/Badger Meter automated meter reading system to monitor water leaks daily and attempted to contact residents of suspected leaks.
- We continued to perform litter pick-ups as needed, focusing on the entrances.

#### Miscellaneous Activities for November

- Maintenance of public spaces continues to be a challenge as we deal with continued storm debris removal. With residents continuing to bring material to the right-of-way, we have not been focused on clearing the other public spaces. We have cleared and opened Greenwood Park, except for several stumps in the parking areas, and we are routinely maintaining that space. Rosebank Park is still fenced off, but the playground space is accessible to residents.
- We are continuing to service our eleven (11) dog waste stations. Once storm debris is removed, we will replace damaged stations.
- We obtained permission to collect debris with the Town brush truck and are using it daily to assist the larger trucks with debris removal. We are deploying it to collect smaller piles and debris that is more easily handled by the smaller truck.
- We installed Christmas lights and decorations at the Town Hall complex in anticipation for our annual tree lighting ceremony on December 6, 2024.
- Staff have used and will continue to use the tractor and blower to keep the roads as clear as possible.

- Staff have responded to several broken water meters and boxes.
- We are continuing to review and respond to storm drain issues as they are uncovered and reported to the office.
- A stormwater pipe failed on Cedar Hill Road during hurricane Helene, necessitating the replacement of approximately 100 feet of 24-inch pipe. I met with the contractor to discuss pavement repairs this week and we anticipate paving the area back before the end of the year, weather pending.
- We have identified several areas of pavement damage caused by storm debris removal. We will be compiling a list of pavement repairs to be completed in the spring.

### Larger/Capital Projects Updates

#### *Hurricane Helene Response*

- There are numerous other agenda items and information in this report concerning the Town's response to hurricane Helene. Additional information is also provided in the Manager's report.
- As of this report, approximately 204,000 cubic yards of vegetative debris has been removed from the public rights of way just within the Town of Biltmore Forest.
- Approximately 55,000 cubic yards of wood chips have been processed and disposed of. Chips are being hauled to a facility in Waynesville for processing into mulch.

#### *Master Plan Project Area 1 & Area 9 – Vanderbilt/Stuyvesant/Lone Pine Stormwater Project*

- The Contractor began work on the stormwater project on May 20, 2024. Approximately 1,700 feet of storm drain is installed, and the project is about 50% complete.
- Hurricane Helene caused a 38-day delay to the contract.
- After the execution of Change Order #3, the construction contract completion date is currently January 9, 2025, for substantial completion and February 8, 2025, for final completion.
- Pipe and other material continue to be stockpiled in Rosebank Park.
- Work is nearly completed on Vanderbilt Road, and has advanced into the intersection of Vanderbilt, Stuyvesant, and Lone Pine Roads.

#### *Streetlight LED Conversions and Service Upgrades*

- A total of seven (7) streetlights are structurally damaged or destroyed, and an additional four (4) have more minor damage to the lamps or street signs due to hurricane Helene.
- Out of the 64 total lamps, seventeen (17) are not functioning currently. This includes six (6) of the eleven (11) damaged lamps, and eleven (11) additional ones that were disconnected by Duke Energy during the power grid repair work.
- The camera installations at Parkway/Stuyvesant Roads and at Busbee/Vanderbilt Roads are off-line due to streetlight damage, only leaving the camera at Southwood/Brookside Roads functional.

- We are currently developing a recommendation for streetlight replacements and/or repairs.
- Contact has been made with MB Haynes about re-starting work on the camera installations, anticipated to begin in January.

#### Greenwood Park Improvements

- Almost all of the debris has been removed with the exception of several large stumps in the parking areas. The park is open.
- We are meeting with FEMA representatives later this month to reassess Greenwood Park (and all parks) and make plans for continued repairs, improvements, and possible replanting.

#### Brooklawn Park Clean-up and Trail Construction

- No work has proceeded inside Brooklawn Park. There are still substantial amounts of debris along the perimeter of the park, but progress on removal of that debris has been substantial.
- We are meeting with FEMA representatives later this month to reassess Brooklawn Park (and all parks) to make plans for repairs.

#### Upcoming in December

- Staff will complete the required daily chlorine and monthly bacteriological testing and quarterly disinfection byproduct testing.
- Normal brush collection is generally suspended; however, we are using the Town brush truck to assist the debris contractor with debris removal, coordinating our work locations with theirs.
- We are picking up leaves with the brush truck as most leaf piles are commingled with storm debris. Anticipate significant delays, however, as staff is concentrated on providing broader storm debris removal at this time. In areas where clean, leaf-only piles are, we anticipate using the leaf vacuum to perform dedicated collection in December and January. Since our normal disposal location is closed for leaves, we are working to secure an alternate location for disposal.
- I have reached out to several contractors about repairing the tree damage to the southwest corner of the Public Works building. We have a contractor scheduled to look at the damage in December. I anticipate the repair to take approximately 1 day to complete.
- We continue to assess numerous areas of guardrail damage throughout town and will coordinate repairs as debris removal allows.
- We are replacing damaged road signs as debris removal allows us to access the appropriate replacement locations.
- Supervisor Dale and I will continue to monitor the stormwater project.
- I will be attending my second week-long session of the 2024 Leading for Results program as a Civic Fellow scholarship recipient from December 9<sup>th</sup> through the 13<sup>th</sup>.

As always, please do not hesitate to contact me with any questions or feedback.





## MEMORANDUM

**To:** Jonathan Kanipe, Town Manager  
Mayor and Board of Commissioners

**From:** Tony Williams, Town Planner

**Re:** November Monthly Report

**Date:** December 10, 2024

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### Recurring

- Check PD reports daily for code violations, make contact as needed to homeowners and contractors.
- Field inspections are conducted multiple times a week.
- Review plans for the Board of Adjustment for meeting packets.
- Conducted site visits with the Board of Adjustment Members for all projects to be heard.
- Communicate weekly with all who submit plans for approval.
- Advising homeowners and contractors of the ordinances.
- Addressing violations as needed.
- Issuing permits as needed.

### Monthly Breakdown

- Review of potential subdivisions: 0
- Land use conferences virtual/on site: 51
- Notice of violations verbal/written: 0
- Resolved violations/complaints: 4
- Complaints: 4
- Plans reviewed: 14
- Plans reviewed for BOA: 0 (Meeting Canceled)
- Plans reviewed for Design Review Board: 0 (Meeting canceled)
- Permits issued: 2

### Miscellaneous

The Board of Adjustment and Design Review Board will resume regular meetings in January.

**BOARD OF COMMISSIONERS MEETING  
STAFF MEMORANDUM  
DECEMBER 10, 2024**

**AGENDA ITEM H-5**

**Town Manager's Monthly Report**

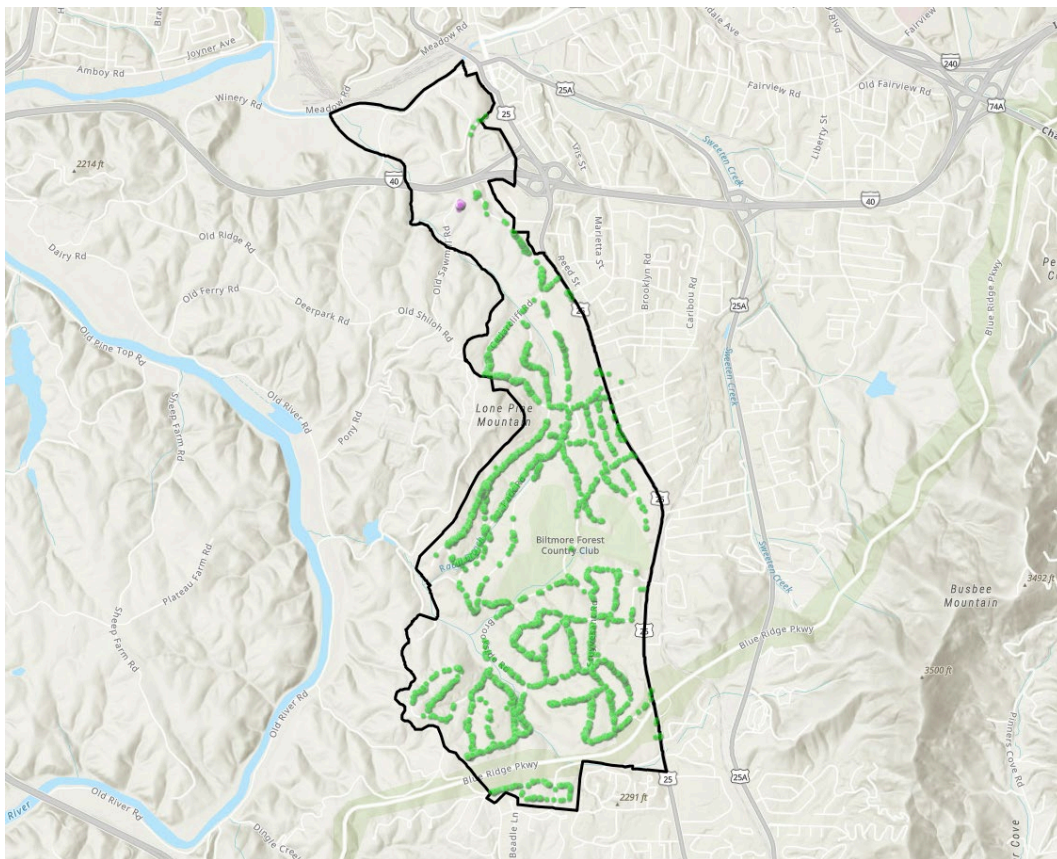
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**Hurricane Helene Project Updates**

Debris Removal

Through Wednesday, December 4<sup>th</sup>, the Town's contractor had removed 197,000 cubic yards from the public right of way and processed 51,000 cubic yards of wood chips. The Town's initial estimate was 340,000 cubic yards. At this point, the contractor believes we may still have close to 200,000 cubic yards remaining to remove. We have substantial work left ahead but have made significant improvements over the course of the past two months. Each dot on the map below represents areas where pickups have occurred. Staff meets with the contractor weekly to discuss holes in the map and areas to focus efforts.



As the Town has noted over the course of removal, there is a method to the process. The trucks cannot be loaded down completely with logs – there must be branches and other material in there to fully utilize the efficiency of the truck’s hauling. Additionally, the stumps and large logs will likely be processed on site and taken out via a separate truck as the operation nears the end of the initial hauling stage. We are likely to begin that work in January.

The Town continues to update the debris removal page daily and provides a weekly update each Friday of the total amount removed. We appreciate the Town’s residents for the patience and support as we work to remove this material.

### Potable Water Returns

Potable water returned to the Town, officially, on November 18, 2024. The City of Asheville lifted their boil water notice that day and the Town followed suit by lifting the notice for our system. The Town’s wholesale water purchase, without any additional treatment *inside* our system, means we must follow the City’s formal notices. There does not seem to be any physical damage to the Town’s infrastructure because of the storm. Damages on private property have occurred as the result of trees falling and/or pulling up service lines.

### Trail and Park Updates

The Town’s three parks – Rosebank, Greenwood, and Brooklawn – all suffered some damage during the storm. The most significant impact was on Brooklawn Park and the newly constructed trail along the creek. We are hosting FEMA site inspectors on December 16 to review these parks, and the trail particularly, for approval to begin remediation and debris removal. This will lead to restoration of these areas with reimbursable funding.

### Hazard Mitigation Efforts

The Town is focusing hazard mitigation efforts on wildfire prevention. Funding is available at the State level, provided by FEMA, for mitigation where potential impacts to health and safety are high. Certainly, the tree fall from the storm and our forested environment leads to these concerns. Meetings are being coordinated with the State Hazard Mitigation Director and our FEMA representatives to make these applications.

### FEMA Reimbursement and Funding

The Town’s initial disbursement from FEMA, just over \$3.9 million, arrived in late October. The Town’s budget amendment last month identified anticipated revenues and expenditures for close to \$10 million for the entirety of our recovery process. The Town’s reimbursement requests are being facilitated by our program administrator at FEMA and we continue to meet weekly with her reviewing projects, requests, and addressing any questions.

## **Additional Updates**

### American Recovery Program Funding

ARP funding must be obligated by December 31, 2024. The Town obligated these funds for parks and recreation. All funds must be expended by December 31, 2026. The Town anticipated having these funds expended by the end of this calendar year, but Hurricane Helene inhibited the final projects from being completed. We are hopeful the final funds will be spent by the end of fiscal year 2025.

### Tick Reduction Committee

The Town's tick reduction committee anticipated providing an update to the Board of Commissioners in October 2024. This did not happen. However, the committee's work with the UNC School of Medicine and University of South Carolina is continuing. Students from USC were in town two weeks ago and will be back in town in the next few weeks doing tick drags, and then will be analyzing the ticks found for various bacteria. This will continue to inform the committee's recommendations which will likely be presented to the Board in February.

### Additional Board Meetings

The Town's Board of Adjustment and Design Review Board will resume work in January 2025. The Planning Commission met in December and will hold their next meeting at the end of January. The hiatus for these boards and committees assisted the Town's recovery as it allowed staff to focus directly on the storm impacts.

### Town Closure for Holidays

The Town Hall and Public Works Department will be closed in December (and January 1) for the following holidays, in accordance with the Town's adherence to the State holiday calendar.

Christmas Closure – Tuesday, December 24 - Thursday, December 26

New Year's Day Closure – Wednesday, January 1, 2025

The Police Department will maintain a regular schedule during this time. There will be alterations to the trash and recycling calendar for the week of Christmas, and these changes will be announced via CodeRED ahead of time.



### Stormwater Project – Lone Pine/Vanderbilt/Stuyvesant Roads

The Town's large stormwater project resumed on November 4th. The last day of work prior to this was Thursday, September 26 prior to the arrival of the storm. The Town executed a change order for the completion date on the project and extended the date of substantial completion by 34 days. The contractor was unable to work during this time due to the emergency and recovery efforts by the Town. We appreciate Hyatt Pipeline for assisting us with the culvert and road repair on Cedar Hill Drive that was a result of the storm.

### Police Department and Public Works Materials and Storage Facility Update

During the Board's last meeting on September 17, staff was directed to move forward with reviewing the deed restrictions for the east side parcel off Vanderbilt Road, south of Interstate 40. Work on this stopped due to the hurricane, but staff will commence working on this and provide information at the next meeting in December.

### Board and Commission Meetings

The Town cancelled all advisory board and quasi-judicial board meetings after the storm to focus on recovery. Currently, we anticipate resuming these meetings in full in January. The Planning Commission, however, will meet early in December to conduct a review of the aforementioned zoning ordinance amendment. The Tick Reduction Committee was scheduled to provide an update to the Board in October, and I now anticipate that to occur at the January 2025 meeting.



# Monthly Financial Report

## October 2024

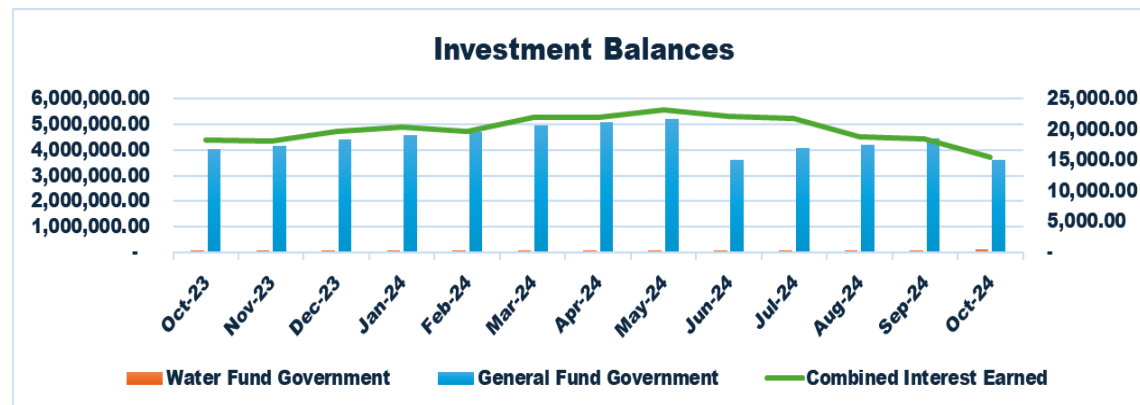
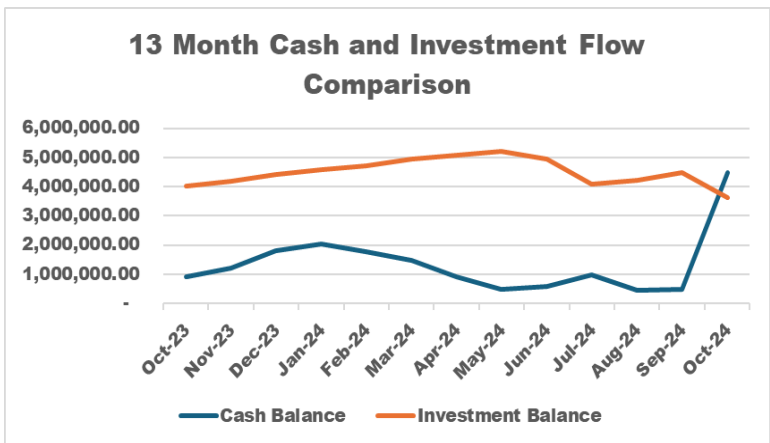
CASH ACCOUNTS	
First Citizens Money Market Checking	4,475,748.35
NCCMT General Fund Government	3,610,792.75
NCCMT Water Fund Government	108,632.90
<b>TOTAL</b>	<b>8,195,174.00</b>

NORTH CAROLINA CASH MANAGEMENT TRUST	
<b>GENERAL FUND Government</b>	
Beginning Balance	4,472,350.77
Local Gov't Distribution (NCDOR)	123,317.73
Transfer to First Citizens Checking	(1,000,000.00)
Interest Earned	15,124.25
<b>Ending Balance</b>	<b>3,610,792.75</b>
<b>WATER FUND Government</b>	
Beginning Balance	108,194.95
Interest Earned	437.95
<b>Ending Balance</b>	<b>108,632.90</b>

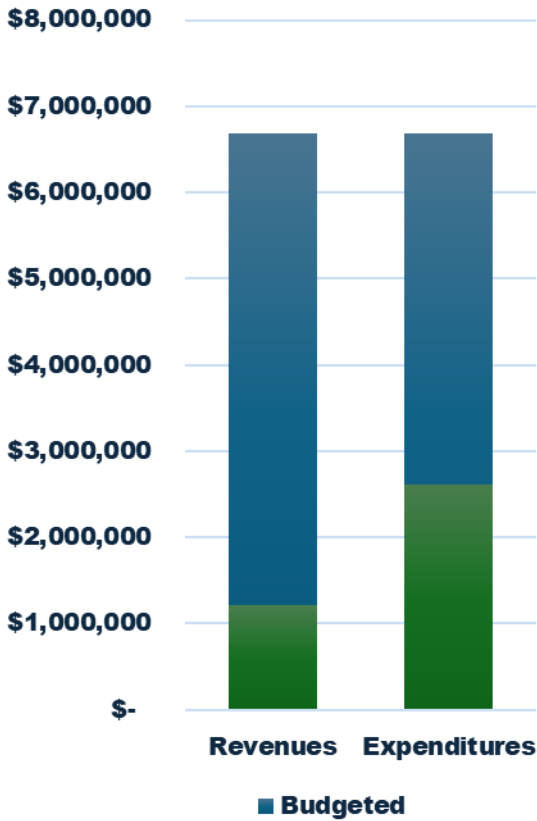
Tax Collection	Budgeted Levy	Total Levy	Amount Collected
<b>Ad Valorem (2024)</b>	3,042,253.00	3,066,681.87	<b>462,719.23</b>
Unpaid per Levy Type	2,579,533.77	2,603,962.64	
Percent Collected	15.210%	<b>15.089%</b>	
<b>DMV Ad Valorem</b>	123,040.00		49,646.08
Difference	73,393.92		
Percent Collected	40.35%		

FIRST CITIZENS CHECKING (Monthly Transaction Report)	
<b>Beginning Balance</b>	<b>479,830.69</b>
Cleared Checks	(583,690.02)
Cleared Deposits	145,638.24
Cleared Credits	4,973,291.07
Cleared Debits	(158,751.35)
Cleared E-payments	380,570.28
<b>Change in Account Balance</b>	<b>4,757,058.22</b>
<b>Prelim balance</b>	<b>4,460,879.80</b>
<b>Outstanding Items</b>	<b>7,850.13</b>
<b>Ending Balance (F/L Balance)</b>	<b>4,468,729.93</b>

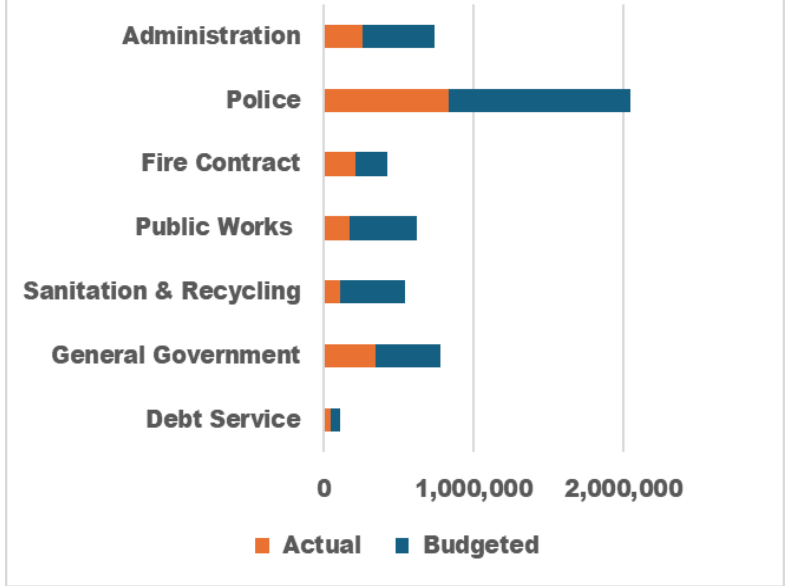
2024 PROPERTY TAXES	
Real Property	878,153,060.00
Personal Property (Including BUS & IND)	6,868,710.00
Personal Property (Public Service Companies)	3,872,229.00
Total Assessed	888,893,999.00
<b>Total Levy</b>	<b>3,066,681.87</b>
Budgeted Levy	3,042,253.00



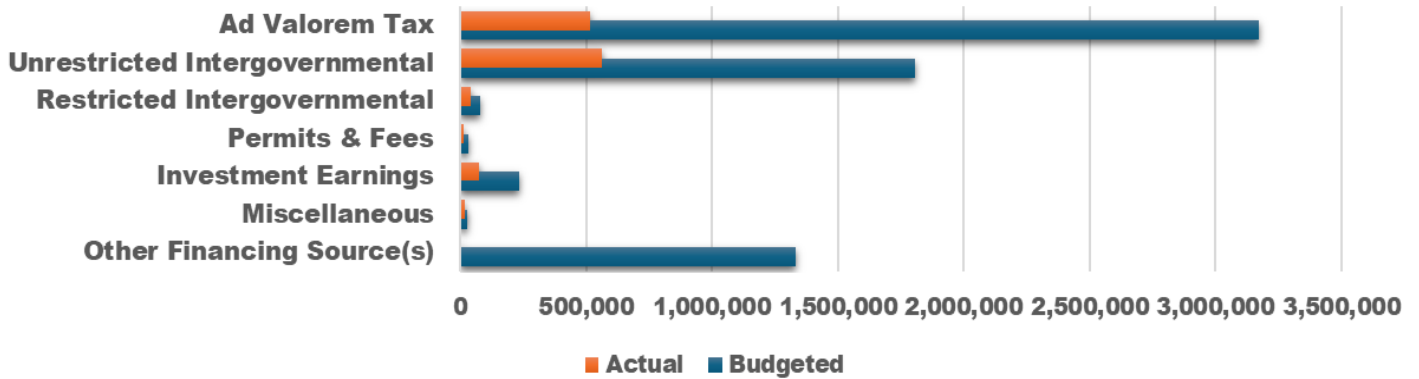
### Budget to Actual Revenues vs Expenditures FY 2024-2025



### Budget to Actual Expenditures FY 2024-2025



### Budget to Actual Revenues FY 2024-2025







# Monthly Financial Report

## November 2024

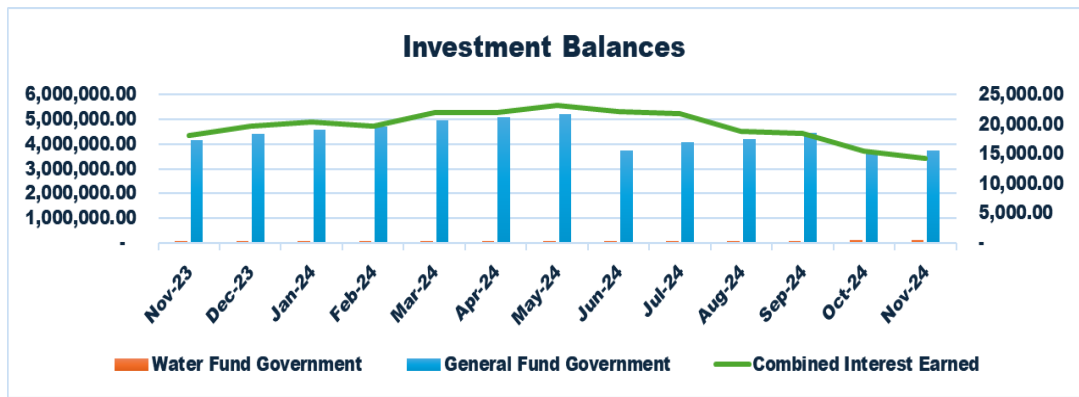
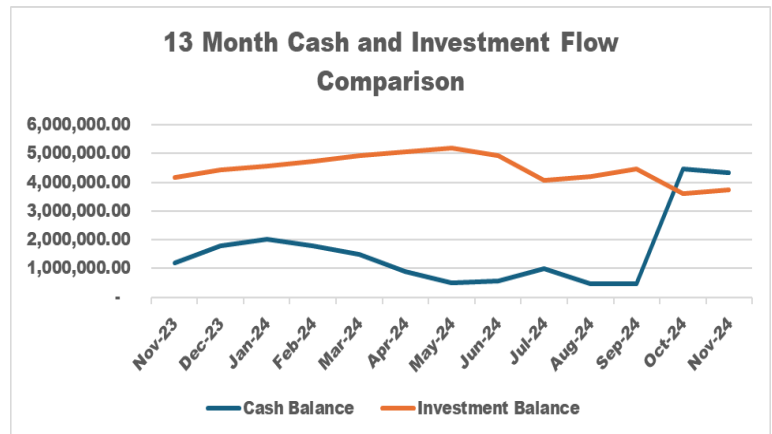
CASH ACCOUNTS	
First Citizens Money Market Checking	3,344,027.62
NCCMT General Fund Government	3,747,247.40
NCCMT Water Fund Government	109,042.74
<b>TOTAL</b>	<b>7,200,317.76</b>

NORTH CAROLINA CASH MANAGEMENT TRUST	
<b>GENERAL FUND Government</b>	
Beginning Balance	3,610,792.75
Local Govt Distribution (NCDOR)	122,587.96
Transfer to First Citizens Checking	-
Interest Earned	13,866.69
<b>Ending Balance</b>	<b>3,747,247.40</b>
<b>WATER FUND Government</b>	
Beginning Balance	108,632.90
Interest Earned	409.84
<b>Ending Balance</b>	<b>109,042.74</b>

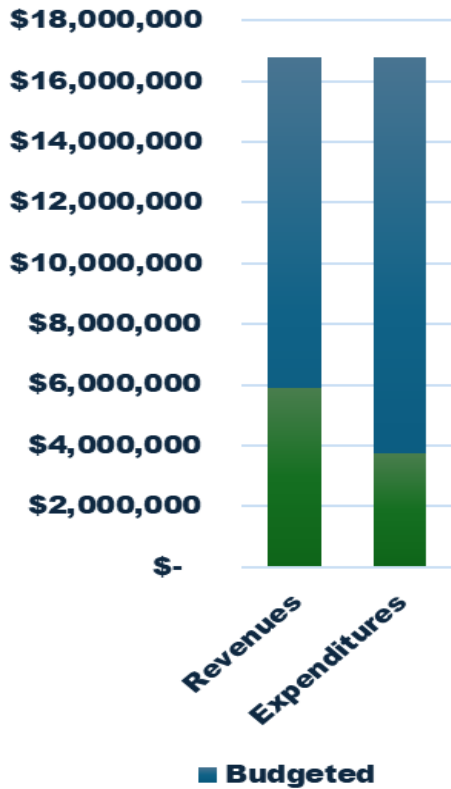
Tax Collection	Budgeted Levy	Total Levy	Amount Collected
Ad Valorem (2024)	3,042,253.00	3,066,681.87	1,149,098.33
Unpaid per Levy Type	1,893,154.67	1,917,583.54	
Percent Collected	37.771%	37.470%	
<b>DMV Ad Valorem</b>	123,040.00		59,591.61
Difference	63,448.39		
Percent Collected	48.43%		

FIRST CITIZENS CHECKING (Monthly Transaction Report)	
Beginning Balance	4,475,748.35
Cleared Checks	(143,828.46)
Cleared Deposits	894,095.50
Cleared Credits	10,311.35
Cleared Debits	(233,247.41)
Cleared E-payments	659,051.71
<b>Change in Account Balance</b>	<b>5,662,131.04</b>
<b>Prelim balance</b>	<b>4,234,813.07</b>
<b>Outstanding Items</b>	<b>(3,278.88)</b>
<b>Ending Balance (F/L Balance)</b>	<b>4,231,534.19</b>

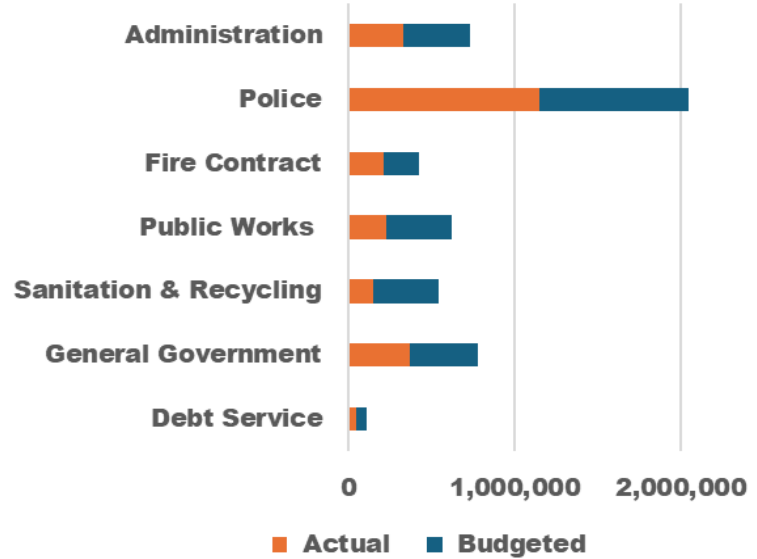
2024 PROPERTY TAXES	
Real Property	878,153,060.00
Personal Property (Including BUS & IND)	6,868,710.00
Personal Property (Public Service Companies)	3,872,229.00
Total Assessed	888,893,999.00
<b>Total Levy</b>	<b>3,066,681.87</b>
Budgeted Levy	3,042,253.00



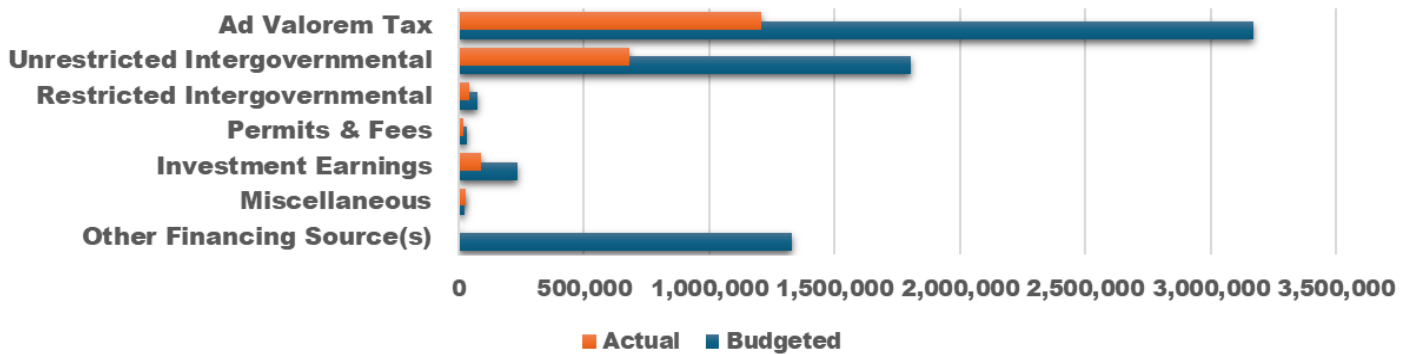
### Budget to Actual Revenues vs Expenditures FY 2024-2025



### Budget to Actual Expenditures FY 2024-2025



### Budget to Actual Revenues FY 2024-2025



**REVENUE & EXPENDITURE STATEMENT**

07/01/2024 To 11/30/2024

Town of Biltmore Forest

FY 2024-2025

\*100 in the % Used column indicates that no budget exists

Account	Budget (\$)	Current Period (\$)	YTD With Encumbrance (\$)	Encumbrance (\$)	Remaining Balance (\$)	% Used
<b>3010 Ad Valorem Tax</b>						
<b>Revenue</b>						
<b>10 General Fund</b>						
<b>3010 Ad Valorem Tax</b>						
10-3010-0000 AD VALOREM TAXES (PROPERTY)	3,042,253.00	3,066,681.87	3,066,681.87	0.00	-24,428.87	101
10-3010-0100 AD VALOREM TAXES (DMV)	123,040.00	59,591.61	59,591.61	0.00	63,448.39	48
10-3010-0200 TAX INTEREST & PENALTIES	5,000.00	9.44	9.44	0.00	4,990.56	0
<b>3010 Ad Valorem Tax Subtotal</b>	<b>\$3,170,293.00</b>	<b>\$3,126,282.92</b>	<b>\$3,126,282.92</b>	<b>\$0.00</b>	<b>\$44,010.08</b>	<b>99</b>
<b>10 General Fund Subtotal</b>	<b>\$3,170,293.00</b>	<b>\$3,126,282.92</b>	<b>\$3,126,282.92</b>	<b>\$0.00</b>	<b>\$44,010.08</b>	<b>99</b>
<b>Revenue Subtotal</b>	<b>\$3,170,293.00</b>	<b>\$3,126,282.92</b>	<b>\$3,126,282.92</b>	<b>\$0.00</b>	<b>\$44,010.08</b>	<b>99</b>
After Transfers	<b>Excess Of Revenue Subtotal</b>	<b>\$3,170,293.00</b>	<b>\$3,126,282.92</b>	<b>\$3,126,282.92</b>	<b>\$0.00</b>	<b>99</b>
<b>3020 Unrestricted Intergovernm</b>						
<b>Revenue</b>						
<b>10 General Fund</b>						
<b>3020 Unrestricted Intergovernm</b>						
10-3020-0000 FRANCHISE & UTILITIES TAX DIST.	233,800.00	58,554.71	58,554.71	0.00	175,245.29	25
10-3020-0100 ALCOHOL BEVERAGE TAX	6,750.00	0.00	0.00	0.00	6,750.00	0
10-3020-0200 BUNCOMBE COUNTY 1% TAX	789,576.00	312,754.21	312,754.21	0.00	476,821.79	40
10-3020-0300 1/2 CENT SALES TAX A.40	340,912.00	140,652.23	140,652.23	0.00	200,259.77	41
10-3020-0400 1/2 CENT SALES TAX A.42	419,097.00	166,853.83	166,853.83	0.00	252,243.17	40
10-3020-0600 SALES TAX REFUND	15,000.00	0.00	0.00	0.00	15,000.00	0
10-3020-0700 GASOLINE TAX REFUND	0.00	4,667.47	4,667.47	0.00	-4,667.47	*100
<b>3020 Unrestricted Intergovernm Subtotal</b>	<b>\$1,805,135.00</b>	<b>\$683,482.45</b>	<b>\$683,482.45</b>	<b>\$0.00</b>	<b>\$1,121,652.55</b>	<b>38</b>
<b>10 General Fund Subtotal</b>	<b>\$1,805,135.00</b>	<b>\$683,482.45</b>	<b>\$683,482.45</b>	<b>\$0.00</b>	<b>\$1,121,652.55</b>	<b>38</b>
<b>Revenue Subtotal</b>	<b>\$1,805,135.00</b>	<b>\$683,482.45</b>	<b>\$683,482.45</b>	<b>\$0.00</b>	<b>\$1,121,652.55</b>	<b>38</b>
After Transfers	<b>Excess Of Revenue Subtotal</b>	<b>\$1,805,135.00</b>	<b>\$683,482.45</b>	<b>\$683,482.45</b>	<b>\$0.00</b>	<b>38</b>
<b>3030 Restricted Intergovernmen</b>						
<b>Revenue</b>						
<b>10 General Fund</b>						
<b>3030 Restricted Intergovernmen</b>						
10-3030-0000 SOLID WASTE DISPOSAL TAX	1,000.00	547.88	547.88	0.00	452.12	55
10-3030-0100 POWELL BILL	75,000.00	40,386.65	40,386.65	0.00	34,613.35	54
<b>3030 Restricted Intergovernmen Subtotal</b>	<b>\$76,000.00</b>	<b>\$40,934.53</b>	<b>\$40,934.53</b>	<b>\$0.00</b>	<b>\$35,065.47</b>	<b>54</b>
<b>10 General Fund Subtotal</b>	<b>\$76,000.00</b>	<b>\$40,934.53</b>	<b>\$40,934.53</b>	<b>\$0.00</b>	<b>\$35,065.47</b>	<b>54</b>
<b>Revenue Subtotal</b>	<b>\$76,000.00</b>	<b>\$40,934.53</b>	<b>\$40,934.53</b>	<b>\$0.00</b>	<b>\$35,065.47</b>	<b>54</b>
After Transfers	<b>Excess Of Revenue Subtotal</b>	<b>\$76,000.00</b>	<b>\$40,934.53</b>	<b>\$40,934.53</b>	<b>\$0.00</b>	<b>54</b>
<b>3040 Permits &amp; Fees</b>						
<b>Revenue</b>						
<b>10 General Fund</b>						
<b>3040 Permits &amp; Fees</b>						

**REVENUE & EXPENDITURE STATEMENT**

07/01/2024 To 11/30/2024

Town of Biltmore Forest

FY 2024-2025

\*100 in the % Used column indicates that no budget exists

Account	Budget (\$)	Current Period (\$)	YTD With Encumbrance (\$)	Encumbrance (\$)	Remaining Balance (\$)	% Used
10-3040-0000 ZONING PERMITS	30,000.00	17,637.00	17,637.00	0.00	12,363.00	59
10-3040-0100 DOG LICENSE FEE	1,300.00	45.00	45.00	0.00	1,255.00	3
<b>3040 Permits &amp; Fees Subtotal</b>	<b>\$31,300.00</b>	<b>\$17,682.00</b>	<b>\$17,682.00</b>	<b>\$0.00</b>	<b>\$13,618.00</b>	<b>56</b>
<b>10 General Fund Subtotal</b>	<b>\$31,300.00</b>	<b>\$17,682.00</b>	<b>\$17,682.00</b>	<b>\$0.00</b>	<b>\$13,618.00</b>	<b>56</b>
<b>Revenue Subtotal</b>	<b>\$31,300.00</b>	<b>\$17,682.00</b>	<b>\$17,682.00</b>	<b>\$0.00</b>	<b>\$13,618.00</b>	<b>56</b>
After Transfers	<b>Excess Of Revenue Subtotal</b>	<b>\$31,300.00</b>	<b>\$17,682.00</b>	<b>\$17,682.00</b>	<b>\$0.00</b>	<b>56</b>
<b>3050 Investment Earnings</b>						
<b>Revenue</b>						
<b>10 General Fund</b>						
<b>3050 Investment Earnings</b>						
10-3050-0000 INTEREST EARNED	233,333.00	87,359.96	87,359.96	0.00	145,973.04	37
<b>3050 Investment Earnings Subtotal</b>	<b>\$233,333.00</b>	<b>\$87,359.96</b>	<b>\$87,359.96</b>	<b>\$0.00</b>	<b>\$145,973.04</b>	<b>37</b>
<b>10 General Fund Subtotal</b>	<b>\$233,333.00</b>	<b>\$87,359.96</b>	<b>\$87,359.96</b>	<b>\$0.00</b>	<b>\$145,973.04</b>	<b>37</b>
<b>Revenue Subtotal</b>	<b>\$233,333.00</b>	<b>\$87,359.96</b>	<b>\$87,359.96</b>	<b>\$0.00</b>	<b>\$145,973.04</b>	<b>37</b>
After Transfers	<b>Excess Of Revenue Subtotal</b>	<b>\$233,333.00</b>	<b>\$87,359.96</b>	<b>\$87,359.96</b>	<b>\$0.00</b>	<b>37</b>
<b>3060 Miscellaneous</b>						
<b>Revenue</b>						
<b>10 General Fund</b>						
<b>3060 Miscellaneous</b>						
10-3060-0100 AMERICAN TOWER AGREEMENT	33,800.00	2,400.00	2,400.00	0.00	31,400.00	7
10-3060-0200 MISCELLANEOUS	25,000.00	27,359.25	27,359.25	0.00	-2,359.25	109
<b>3060 Miscellaneous Subtotal</b>	<b>\$58,800.00</b>	<b>\$29,759.25</b>	<b>\$29,759.25</b>	<b>\$0.00</b>	<b>\$29,040.75</b>	<b>51</b>
<b>10 General Fund Subtotal</b>	<b>\$58,800.00</b>	<b>\$29,759.25</b>	<b>\$29,759.25</b>	<b>\$0.00</b>	<b>\$29,040.75</b>	<b>51</b>
<b>Revenue Subtotal</b>	<b>\$58,800.00</b>	<b>\$29,759.25</b>	<b>\$29,759.25</b>	<b>\$0.00</b>	<b>\$29,040.75</b>	<b>51</b>
After Transfers	<b>Excess Of Revenue Subtotal</b>	<b>\$58,800.00</b>	<b>\$29,759.25</b>	<b>\$29,759.25</b>	<b>\$0.00</b>	<b>51</b>
<b>3290</b>						
<b>Revenue</b>						
<b>30 Water &amp; Sewer Fund</b>						
<b>3290</b>						
30-3290-0000 INTEREST EARNED	4,400.00	2,246.27	2,246.27	0.00	2,153.73	51
<b>3290 Subtotal</b>	<b>\$4,400.00</b>	<b>\$2,246.27</b>	<b>\$2,246.27</b>	<b>\$0.00</b>	<b>\$2,153.73</b>	<b>51</b>
<b>30 Water &amp; Sewer Fund Subtotal</b>	<b>\$4,400.00</b>	<b>\$2,246.27</b>	<b>\$2,246.27</b>	<b>\$0.00</b>	<b>\$2,153.73</b>	<b>51</b>
<b>Revenue Subtotal</b>	<b>\$4,400.00</b>	<b>\$2,246.27</b>	<b>\$2,246.27</b>	<b>\$0.00</b>	<b>\$2,153.73</b>	<b>51</b>
After Transfers	<b>Excess Of Revenue Subtotal</b>	<b>\$4,400.00</b>	<b>\$2,246.27</b>	<b>\$2,246.27</b>	<b>\$0.00</b>	<b>51</b>
<b>3350 Commissions, Sw Chg Coll</b>						
<b>Revenue</b>						
<b>30 Water &amp; Sewer Fund</b>						
<b>3350 Commissions, Sw Chg Coll</b>						
30-3350-0000 COMMISSIONS, SEWER CHARGE COLL	8,000.00	1,876.29	1,876.29	0.00	6,123.71	23
<b>3350 Commissions, Sw Chg Coll Subtotal</b>	<b>\$8,000.00</b>	<b>\$1,876.29</b>	<b>\$1,876.29</b>	<b>\$0.00</b>	<b>\$6,123.71</b>	<b>23</b>

**REVENUE & EXPENDITURE STATEMENT**

07/01/2024 To 11/30/2024

Town of Biltmore Forest

FY 2024-2025

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Account	Budget (\$)	Current Period (\$)	YTD With Encumbrance (\$)	Encumbrance (\$)	Remaining Balance (\$)	% Used
<b>30 Water &amp; Sewer Fund Subtotal</b>	<b>\$8,000.00</b>	<b>\$1,876.29</b>	<b>\$1,876.29</b>	<b>\$0.00</b>	<b>\$6,123.71</b>	<b>23</b>
<b>Revenue Subtotal</b>	<b>\$8,000.00</b>	<b>\$1,876.29</b>	<b>\$1,876.29</b>	<b>\$0.00</b>	<b>\$6,123.71</b>	<b>23</b>
After Transfers	<b>Excess Of Revenue Subtotal</b>	<b>\$8,000.00</b>	<b>\$1,876.29</b>	<b>\$1,876.29</b>	<b>\$0.00</b>	<b>23</b>
<b>3430</b>						
<b>Revenue</b>						
<b>10 General Fund</b>						
<b>3430</b>						
10-3430-0003 GRANTS -POLICE DEPT	6,770.00	0.00	0.00	0.00	6,770.00	0
<b>3430 Subtotal</b>	<b>\$6,770.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$6,770.00</b>	<b>0</b>
<b>10 General Fund Subtotal</b>	<b>\$6,770.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$6,770.00</b>	<b>0</b>
<b>Revenue Subtotal</b>	<b>\$6,770.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$6,770.00</b>	<b>0</b>
After Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>\$6,770.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>0</b>
<b>3500 Other Financing</b>						
<b>Other Financing Source</b>						
<b>10 General Fund</b>						
<b>3500 Other Financing</b>						
10-3500-0000 SALE OF PERSONAL PROPERTY	14,970.00	0.00	0.00	0.00	14,970.00	0
10-3500-0300 TRANSFER FROM FUND BALANCE	1,213,866.00	0.00	0.00	0.00	1,213,866.00	0
10-3500-0500 GRANT (GOVERNMENTAL) FUNDS	30,000.00	0.00	0.00	0.00	30,000.00	0
<b>3500 Other Financing Subtotal</b>	<b>\$1,258,836.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,258,836.00</b>	<b>0</b>
<b>10 General Fund Subtotal</b>	<b>\$1,258,836.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,258,836.00</b>	<b>0</b>
<b>Other Financing Source Subtotal</b>	<b>\$1,258,836.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,258,836.00</b>	<b>0</b>
After Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>\$1,258,836.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>0</b>
<b>3710 Water Sales</b>						
<b>Revenue</b>						
<b>30 Water &amp; Sewer Fund</b>						
<b>3710 Water Sales</b>						
30-3710-0000 WATER CHARGES	641,000.00	278,544.38	278,544.38	0.00	362,455.62	43
30-3710-0100 MSD CHARGES	422,240.00	178,723.45	178,723.45	0.00	243,516.55	42
30-3710-0200 AMI TRANSMITTER CHARGES	8,867.00	2,801.14	2,801.14	0.00	6,065.86	32
<b>3710 Water Sales Subtotal</b>	<b>\$1,072,107.00</b>	<b>\$460,068.97</b>	<b>\$460,068.97</b>	<b>\$0.00</b>	<b>\$612,038.03</b>	<b>43</b>
<b>30 Water &amp; Sewer Fund Subtotal</b>	<b>\$1,072,107.00</b>	<b>\$460,068.97</b>	<b>\$460,068.97</b>	<b>\$0.00</b>	<b>\$612,038.03</b>	<b>43</b>
<b>Revenue Subtotal</b>	<b>\$1,072,107.00</b>	<b>\$460,068.97</b>	<b>\$460,068.97</b>	<b>\$0.00</b>	<b>\$612,038.03</b>	<b>43</b>
After Transfers	<b>Excess Of Revenue Subtotal</b>	<b>\$1,072,107.00</b>	<b>\$460,068.97</b>	<b>\$460,068.97</b>	<b>\$0.00</b>	<b>43</b>
<b>3730 Water Tap &amp; Connect Fees</b>						
<b>Revenue</b>						
<b>30 Water &amp; Sewer Fund</b>						
<b>3730 Water Tap &amp; Connect Fees</b>						
30-3730-0000 WATER TAP AND CONNECTION FEES	10,000.00	12,360.00	12,360.00	0.00	-2,360.00	124

**REVENUE & EXPENDITURE STATEMENT**

07/01/2024 To 11/30/2024

Town of Biltmore Forest

FY 2024-2025

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<b>3730 Water Tap &amp; Connect Fees Subtotal</b>	<b>\$10,000.00</b>	<b>\$12,360.00</b>	<b>\$12,360.00</b>	<b>\$0.00</b>	<b>-\$2,360.00</b>	<b>124</b>
<b>30 Water &amp; Sewer Fund Subtotal</b>	<b>\$10,000.00</b>	<b>\$12,360.00</b>	<b>\$12,360.00</b>	<b>\$0.00</b>	<b>-\$2,360.00</b>	<b>124</b>
<b>Revenue Subtotal</b>	<b>\$10,000.00</b>	<b>\$12,360.00</b>	<b>\$12,360.00</b>	<b>\$0.00</b>	<b>-\$2,360.00</b>	<b>124</b>
After Transfers	<b>Excess Of Revenue Subtotal</b>	<b>\$10,000.00</b>	<b>\$12,360.00</b>	<b>\$12,360.00</b>	<b>\$0.00</b>	<b>124</b>
<b>3900</b>						
<b>Other Financing Source</b>						
<b>10 General Fund</b>						
<b>3900</b>						
10-3900-4000 FINANCING PROCEEDS-LEASES	85,000.00	0.00	0.00	0.00	85,000.00	0
<b>3900 Subtotal</b>	<b>\$85,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$85,000.00</b>	<b>0</b>
<b>10 General Fund Subtotal</b>	<b>\$85,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$85,000.00</b>	<b>0</b>
<b>Other Financing Source Subtotal</b>	<b>\$85,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$85,000.00</b>	<b>0</b>
After Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>\$85,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>0</b>
<b>4000</b>						
<b>Revenue</b>						
<b>40 Capital Project Fund</b>						
<b>4000</b>						
40-4000-1100 ARP DISTRIBUTION	451,275.58	0.00	0.00	0.00	451,275.58	0
<b>4000 Subtotal</b>	<b>\$451,275.58</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$451,275.58</b>	<b>0</b>
<b>40 Capital Project Fund Subtotal</b>	<b>\$451,275.58</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$451,275.58</b>	<b>0</b>
<b>Revenue Subtotal</b>	<b>\$451,275.58</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$451,275.58</b>	<b>0</b>
After Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>\$451,275.58</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>0</b>
<b>4200 Administration</b>						
<b>Expenditure</b>						
<b>4200 Administration</b>						
10-4200-0200 SALARIES	357,385.00	183,766.58	183,766.58	0.00	173,618.42	51
10-4200-0500 FICA	27,340.00	13,695.60	13,695.60	0.00	13,644.40	50
10-4200-0600 HEALTH INSURANCE (MEDICAL)	41,748.00	16,213.52	16,213.52	0.00	25,534.48	39
10-4200-0650 DENTAL, VISION, LIFE INSURANCE	10,500.00	3,587.34	3,587.34	0.00	6,912.66	34
10-4200-0675 HEALTH REIMBURSEMENT ACC	7,500.00	2,500.00	2,500.00	0.00	5,000.00	33
10-4200-0700 LGERS RETIREMENT	72,478.00	37,753.42	37,753.42	0.00	34,724.58	52
10-4200-0800 401K SUPP RETIREMENT	17,869.00	8,790.49	8,790.49	0.00	9,078.51	49
10-4200-1000 ACCOUNTING & TAXES	60,000.00	32,162.85	32,162.85	0.00	27,837.15	54
10-4200-1200 POSTAGE, PRINTING, STATIONARY	12,500.00	4,434.57	4,434.57	0.00	8,065.43	35
10-4200-1400 MILEAGE & BOARD SALARY	21,600.00	9,000.00	9,000.00	0.00	12,600.00	42
10-4200-1500 BLDG & GRNDS MAINTENANCE	15,000.00	0.00	0.00	0.00	15,000.00	0
10-4200-1700 MAINTENANCE/REPAIRS-VEHICLES	100.00	292.45	292.45	0.00	-192.45	292
10-4200-3300 SUPPLIES AND EQUIPMENT	15,000.00	4,774.66	4,774.66	0.00	10,225.34	32
10-4200-5300 DUES & FEES	12,000.00	5,222.83	5,222.83	0.00	6,777.17	44

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07/01/2024 To 11/30/2024

Town of Biltmore Forest

FY 2024-2025

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10-4200-5700 MISCELLANEOUS	5,000.00	95.96	95.96	0.00	4,904.04	2
10-4200-6000 CAPITAL OUTLAY	40,000.00	0.00	0.00	0.00	40,000.00	0
10-4200-6500 STAFF DEVELOPMENT	20,000.00	5,545.45	5,545.45	0.00	14,454.55	28
10-4200-8200 DEBT SERVICE LEASES-PRINCIPAL	5,400.00	2,705.50	2,705.50	0.00	2,694.50	50
10-4200-8201 DEBT SERVICE LEASES-INTEREST	2,000.00	1,122.00	1,122.00	0.00	878.00	56
<b>4200 Administration Subtotal</b>	<b>\$743,420.00</b>	<b>\$331,663.22</b>	<b>\$331,663.22</b>	<b>\$0.00</b>	<b>\$411,756.78</b>	<b>45</b>
<b>Expenditure Subtotal</b>	<b>\$743,420.00</b>	<b>\$331,663.22</b>	<b>\$331,663.22</b>	<b>\$0.00</b>	<b>\$411,756.78</b>	<b>45</b>
Before Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$743,420.00</b>	<b>-\$331,663.22</b>	<b>-\$331,663.22</b>	<b>\$0.00</b>	<b>45</b>
After Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$743,420.00</b>	<b>-\$331,663.22</b>	<b>-\$331,663.22</b>	<b>\$0.00</b>	<b>45</b>
<b>4400</b>						
<b>Revenue</b>						
<b>40 Capital Project Fund</b>						
<b>4400</b>						
40-4400-1200 FEMA GRANT REIMBURSEMENT	9,659,000.00	3,952,539.07	3,952,539.07	0.00	5,706,460.93	41
<b>4400 Subtotal</b>	<b>\$9,659,000.00</b>	<b>\$3,952,539.07</b>	<b>\$3,952,539.07</b>	<b>\$0.00</b>	<b>\$5,706,460.93</b>	<b>41</b>
<b>40 Capital Project Fund Subtotal</b>	<b>\$9,659,000.00</b>	<b>\$3,952,539.07</b>	<b>\$3,952,539.07</b>	<b>\$0.00</b>	<b>\$5,706,460.93</b>	<b>41</b>
<b>Revenue Subtotal</b>	<b>\$9,659,000.00</b>	<b>\$3,952,539.07</b>	<b>\$3,952,539.07</b>	<b>\$0.00</b>	<b>\$5,706,460.93</b>	<b>41</b>
After Transfers	<b>Excess Of Revenue Subtotal</b>	<b>\$9,659,000.00</b>	<b>\$3,952,539.07</b>	<b>\$3,952,539.07</b>	<b>\$0.00</b>	<b>41</b>
<b>5100 Police Department</b>						
<b>Expenditure</b>						
<b>5100 Police Department</b>						
10-5100-0200 SALARIES	1,100,444.00	590,509.54	590,509.54	0.00	509,934.46	54
10-5100-0300 OVERTIME	0.00	634.59	634.59	0.00	-634.59	*100
10-5100-0400 SEPARATION ALLOWANCE	16,445.00	0.00	0.00	0.00	16,445.00	0
10-5100-0500 FICA	84,184.00	44,433.75	44,433.75	0.00	39,750.25	53
10-5100-0600 HEALTH INSURANCE (MEDICAL)	141,944.00	65,964.59	65,964.59	0.00	75,979.41	46
10-5100-0650 DENTAL, VISION, LIFE INSURANCE	35,700.00	10,069.02	10,069.02	0.00	25,630.98	28
10-5100-0675 HRA HEALTH REIMB ACCT	25,500.00	10,750.00	10,750.00	0.00	14,750.00	42
10-5100-0700 LGERS RETIREMENT	239,016.00	123,850.34	123,850.34	0.00	115,165.66	52
10-5100-0800 401K SUPP RETIREMENT	55,022.00	28,682.16	28,682.16	0.00	26,339.84	52
10-5100-1500 MAINT/REPAIR - BLDG/GROUNDS	10,000.00	949.13	2,607.63	1,658.50	7,392.37	26
10-5100-1600 MAINT/REPAIR - EQUIPMENT	5,000.00	978.08	978.08	0.00	4,021.92	20
10-5100-1700 MAINT/REPAIR - VEHICLES	25,000.00	14,468.21	15,899.35	1,431.14	9,100.65	64
10-5100-3100 MOTOR FUELS	18,000.00	7,883.71	7,883.71	0.00	10,116.29	44
10-5100-3300 SUPPLIES	10,000.00	12,906.61	12,906.61	0.00	-2,906.61	129
10-5100-3600 UNIFORMS	15,000.00	6,077.82	14,070.81	7,992.99	929.19	94
10-5100-3700 SOFTWARE	18,725.00	444.00	444.00	0.00	18,281.00	2
10-5100-3800 TECHNOLOGY	102,250.00	62,004.46	62,004.46	0.00	40,245.54	61
10-5100-4000 RENTALS	505.00	0.00	0.00	0.00	505.00	0

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07/01/2024 To 11/30/2024

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10-5100-5700 MISCELLANEOUS	10,000.00	13,145.16	18,671.25	5,526.09	-8,671.25	187
10-5100-5800 PHYSICAL EXAMS	2,500.00	1,550.00	1,550.00	0.00	950.00	62
10-5100-6500 STAFF DEVELOPMENT	10,000.00	5,128.29	6,619.47	1,491.18	3,380.53	66
10-5100-7400 CAPITAL EQUIPMENT PURCHASES	125,000.00	150,700.27	202,186.29	51,486.02	-77,186.29	162
10-5100-8200 DEBT SERVICE-LEASE	0.00	3,773.08	3,773.08	0.00	-3,773.08	*100
<b>5100 Police Department Subtotal</b>	<b>\$2,050,235.00</b>	<b>\$1,154,902.81</b>	<b>\$1,224,488.73</b>	<b>\$69,585.92</b>	<b>\$825,746.27</b>	<b>60</b>
<b>Expenditure Subtotal</b>	<b>\$2,050,235.00</b>	<b>\$1,154,902.81</b>	<b>\$1,224,488.73</b>	<b>\$69,585.92</b>	<b>\$825,746.27</b>	<b>60</b>
Before Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$2,050,235.00</b>	<b>-\$1,154,902.81</b>	<b>-\$1,154,902.81</b>	<b>-\$69,585.92</b>	<b>56</b>
After Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$2,050,235.00</b>	<b>-\$1,154,902.81</b>	<b>-\$1,154,902.81</b>	<b>-\$69,585.92</b>	<b>56</b>
<b>5200 Fire Services</b>						
<b>Expenditure</b>						
<b>5200 Fire Services</b>						
10-5200-0000 FIRE CONTRACT	425,000.00	212,500.00	212,500.00	0.00	212,500.00	50
<b>5200 Fire Services Subtotal</b>	<b>\$425,000.00</b>	<b>\$212,500.00</b>	<b>\$212,500.00</b>	<b>\$0.00</b>	<b>\$212,500.00</b>	<b>50</b>
<b>Expenditure Subtotal</b>	<b>\$425,000.00</b>	<b>\$212,500.00</b>	<b>\$212,500.00</b>	<b>\$0.00</b>	<b>\$212,500.00</b>	<b>50</b>
Before Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$425,000.00</b>	<b>-\$212,500.00</b>	<b>-\$212,500.00</b>	<b>\$0.00</b>	<b>50</b>
After Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$425,000.00</b>	<b>-\$212,500.00</b>	<b>-\$212,500.00</b>	<b>\$0.00</b>	<b>50</b>
<b>5600 Public Works</b>						
<b>Expenditure</b>						
<b>5600 Public Works</b>						
10-5600-0200 SALARIES	221,831.00	118,804.07	118,804.07	0.00	103,026.93	54
10-5600-0500 FICA	16,970.00	8,861.96	8,861.96	0.00	8,108.04	52
10-5600-0600 HOSPITAL INSURANCE (MEDICAL)	41,748.00	13,716.25	13,716.25	0.00	28,031.75	33
10-5600-0650 DENTAL, VISION, LIFE INSURANCE	10,500.00	2,459.28	2,459.28	0.00	8,040.72	23
10-5600-0675 HRA HEALTH REIMB ACCT	7,500.00	2,187.50	2,187.50	0.00	5,312.50	29
10-5600-0700 LGERS RETIREMENT	48,182.00	24,408.91	24,408.91	0.00	23,773.09	51
10-5600-0800 401K SUPP RETIREMENT	11,092.00	5,426.05	5,426.05	0.00	5,665.95	49
10-5600-1300 STREETLIGHTS ELECTRIC	16,800.00	4,070.13	4,070.13	0.00	12,729.87	24
10-5600-1500 MAINT/REPAIR - BLDG/GROUNDS	10,000.00	6,916.63	7,543.01	626.38	2,456.99	75
10-5600-1600 MAINT/REPAIR- STREETLIGHTS	15,000.00	3,185.03	3,185.03	0.00	11,814.97	21
10-5600-1700 MAINT/REPAIR - VEHICLES	16,800.00	3,090.87	3,809.75	718.88	12,990.25	23
10-5600-3100 MOTOR FUELS	15,000.00	6,586.75	6,586.75	0.00	8,413.25	44
10-5600-3300 SUPPLIES	9,600.00	7,328.16	7,328.16	0.00	2,271.84	76
10-5600-3400 STREET SIGNS & NUMBERS	1,000.00	570.50	570.50	0.00	429.50	57
10-5600-3600 UNIFORMS	10,000.00	3,262.35	5,030.48	1,768.13	4,969.52	50
10-5600-3800 TECHNOLOGY	1,680.00	461.39	461.39	0.00	1,218.61	27
10-5600-5200 PARKS	75,000.00	14,164.98	15,678.90	1,513.92	59,321.10	21
10-5600-5202 GREENWOOD PARK STREAM RESTORA	60,000.00	0.00	0.00	0.00	60,000.00	0
10-5600-5800 PHYSICAL EXAMS	1,000.00	0.00	0.00	0.00	1,000.00	0



**REVENUE & EXPENDITURE STATEMENT**

07/01/2024 To 11/30/2024

Town of Biltmore Forest

FY 2024-2025

\*100 in the % Used column indicates that no budget exists

Account	Budget (\$)	Current Period (\$)	YTD With Encumbrance (\$)	Encumbrance (\$)	Remaining Balance (\$)	% Used
10-5600-5900 MISCELLANEOUS	5,000.00	6.00	6.00	0.00	4,994.00	0
10-5600-6000 CAPITAL OUTLAY	22,800.00	0.00	0.00	0.00	22,800.00	0
10-5600-6500 STAFF DEVELOPMENT	6,000.00	1,813.07	3,260.59	1,447.52	2,739.41	54
40-5600-7401 ARP CAPITAL PROJECTS	451,275.58	120,648.15	120,648.15	0.00	330,627.43	27
40-5600-7402 CATEGORY A- DEBRIS	7,904,000.00	338,891.20	338,891.20	0.00	7,565,108.80	4
40-5600-7403 CATEGORY B- EMERGENCY PROTECTIV	175,000.00	0.00	0.00	0.00	175,000.00	0
40-5600-7404 CATEGORY C- ROADS & BRIDGES	50,000.00	0.00	0.00	0.00	50,000.00	0
40-5600-7406 CATEGORY E- PUBLIC BUILDINGS & COI	20,000.00	0.00	0.00	0.00	20,000.00	0
40-5600-7407 CATEGORY F- PUBLIC UTILITIES	200,000.00	0.00	0.00	0.00	200,000.00	0
40-5600-7408 CATEGORY G- PARKS, RECREATION, & C	850,000.00	0.00	0.00	0.00	850,000.00	0
40-5600-7409 CATEGORY Z- ADMINISTRATIVE COST	460,000.00	0.00	0.00	0.00	460,000.00	0
<b>5600 Public Works Subtotal</b>	<b>\$10,733,778.58</b>	<b>\$686,859.23</b>	<b>\$692,934.06</b>	<b>\$6,074.83</b>	<b>\$10,040,844.52</b>	<b>6</b>
<b>Expenditure Subtotal</b>	<b>\$10,733,778.58</b>	<b>\$686,859.23</b>	<b>\$692,934.06</b>	<b>\$6,074.83</b>	<b>\$10,040,844.52</b>	<b>6</b>
Before Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$10,733,778.58</b>	<b>-\$686,859.23</b>	<b>-\$686,859.23</b>	<b>-\$6,074.83</b>	<b>6</b>
After Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$10,733,778.58</b>	<b>-\$686,859.23</b>	<b>-\$686,859.23</b>	<b>-\$6,074.83</b>	<b>6</b>
<b>5700 Streets &amp; Transportation</b>						
<b>Expenditure</b>						
<b>5700 Streets &amp; Transportation</b>						
10-5700-1600 MAINT / REPAIR-EQUIPMENT	5,000.00	0.00	0.00	0.00	5,000.00	0
10-5700-1700 VEHICLE REPAIRS - STREET DEPT.	1,000.00	942.05	942.05	0.00	57.95	94
10-5700-2200 CONTRACTS- PAVING & STRIPING	75,000.00	79,433.47	79,433.47	0.00	-4,433.47	106
10-5700-2300 SUPPLIES	9,600.00	7,090.50	9,927.19	2,836.69	-327.19	103
10-5700-2400 TRAFFIC SIGNS	1,000.00	0.00	0.00	0.00	1,000.00	0
10-5700-2500 STORM WATER DRAINAGE	1,100,000.00	646,000.73	646,000.73	0.00	453,999.27	59
10-5700-6500 STAFF DEVELOPMENT	2,500.00	0.00	0.00	0.00	2,500.00	0
10-5700-7400 CAPITAL EQUIPMENT PURCHASES	25,000.00	0.00	0.00	0.00	25,000.00	0
10-5700-7500 ENGINEERING	120,000.00	33,717.10	33,717.10	0.00	86,282.90	28
10-5700-8200 DEBT SERVICE LEASES-PRINCIPAL	7,700.00	3,330.60	3,330.60	0.00	4,369.40	43
10-5700-8201 DEBT SERVICE LEASES-INTEREST	3,000.00	1,390.65	1,390.65	0.00	1,609.35	46
<b>5700 Streets &amp; Transportation Subtotal</b>	<b>\$1,349,800.00</b>	<b>\$771,905.10</b>	<b>\$774,741.79</b>	<b>\$2,836.69</b>	<b>\$575,058.21</b>	<b>57</b>
<b>Expenditure Subtotal</b>	<b>\$1,349,800.00</b>	<b>\$771,905.10</b>	<b>\$774,741.79</b>	<b>\$2,836.69</b>	<b>\$575,058.21</b>	<b>57</b>
Before Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$1,349,800.00</b>	<b>-\$771,905.10</b>	<b>-\$771,905.10</b>	<b>-\$2,836.69</b>	<b>57</b>
After Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$1,349,800.00</b>	<b>-\$771,905.10</b>	<b>-\$771,905.10</b>	<b>-\$2,836.69</b>	<b>57</b>
<b>5800 Sanitation &amp; Recycling</b>						
<b>Expenditure</b>						
<b>5800 Sanitation &amp; Recycling</b>						
10-5800-0200 SALARIES	142,326.00	84,603.71	84,603.71	0.00	57,722.29	59
10-5800-0500 FICA	10,888.00	6,408.19	6,408.19	0.00	4,479.81	59
10-5800-0600 HEALTH INSURANCE (MEDICAL)	25,012.00	11,027.75	11,027.75	0.00	13,984.25	44

**REVENUE & EXPENDITURE STATEMENT**

07/01/2024 To 11/30/2024

Town of Biltmore Forest

FY 2024-2025

\*100 in the % Used column indicates that no budget exists

Account	Budget (\$)	Current Period (\$)	YTD With Encumbrance (\$)	Encumbrance (\$)	Remaining Balance (\$)	% Used
10-5800-0650 DENTAL, VISION, LIFE INSURANCE	6,300.00	1,688.68	1,688.68	0.00	4,611.32	27
10-5800-0675 HRA HEALTH REIMB ACCT	4,500.00	1,875.00	1,875.00	0.00	2,625.00	42
10-5800-0700 LGERS RETIREMENT	48,182.00	16,568.26	16,568.26	0.00	31,613.74	34
10-5800-0800 401K SUPP RETIREMENT	11,092.00	4,039.19	4,039.19	0.00	7,052.81	36
10-5800-1500 GENERAL REPAIRS & MAINTENANCE	100.00	100.00	100.00	0.00	0.00	100
10-5800-1700 MAINT/REPAIRS - VEHICLES	86,400.00	8,473.73	8,473.73	0.00	77,926.27	10
10-5800-3100 MOTOR FUELS	24,000.00	6,341.11	6,341.11	0.00	17,658.89	26
10-5800-3300 SUPPLIES	1,000.00	183.16	183.16	0.00	816.84	18
10-5800-3800 TECHNOLOGY	1,000.00	391.42	391.42	0.00	608.58	39
10-5800-6000 CAPITAL OUTLAY	150,000.00	0.00	0.00	0.00	150,000.00	0
10-5800-8000 TIPPING FEES & BRUSH REMOVAL	27,000.00	9,277.94	9,277.94	0.00	17,722.06	34
10-5800-8100 RECYCLING	8,000.00	1,653.73	1,653.73	0.00	6,346.27	21
10-5800-8200 BRUSH & LEAF DISPOSAL FEES	43,200.00	4,900.00	4,900.00	0.00	38,300.00	11
10-5800-8300 DUMPSTER FEES	24,000.00	10,858.61	10,858.61	0.00	13,141.39	45
<b>5800 Sanitation &amp; Recycling Subtotal</b>	<b>\$613,000.00</b>	<b>\$168,390.48</b>	<b>\$168,390.48</b>	<b>\$0.00</b>	<b>\$444,609.52</b>	<b>27</b>
<b>Expenditure Subtotal</b>	<b>\$613,000.00</b>	<b>\$168,390.48</b>	<b>\$168,390.48</b>	<b>\$0.00</b>	<b>\$444,609.52</b>	<b>27</b>
Before Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$613,000.00</b>	<b>-\$168,390.48</b>	<b>-\$168,390.48</b>	<b>\$0.00</b>	<b>27</b>
After Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$613,000.00</b>	<b>-\$168,390.48</b>	<b>-\$168,390.48</b>	<b>\$0.00</b>	<b>27</b>
<b>6600 General Government</b>						
<b>Expenditure</b>						
<b>6600 General Government</b>						
10-6600-0400 OUTSIDE PROFESSIONAL SERVICES	50,000.00	2,425.00	2,425.00	0.00	47,575.00	5
10-6600-0401 LEGAL SERVICES	24,000.00	11,937.50	11,937.50	0.00	12,062.50	50
10-6600-1100 TECHNOLOGY	125,000.00	51,514.11	57,374.00	5,859.89	67,626.00	46
10-6600-1300 MUNICIPAL UTILITIES	24,000.00	11,037.20	11,037.20	0.00	12,962.80	46
10-6600-1500 GE. REPS. AND MAINT.	40,000.00	12,845.54	12,845.54	0.00	27,154.46	32
10-6600-2800 ELECTIONS	1,000.00	0.00	0.00	0.00	1,000.00	0
10-6600-5400 INSURANCE	120,000.00	124,398.10	124,398.10	0.00	-4,398.10	104
10-6600-6000 CONTINGENCY	260,708.00	0.00	0.00	0.00	260,708.00	0
10-6600-6100 MISCELLANEOUS	5,000.00	2,595.14	2,595.14	0.00	2,404.86	52
10-6600-6201 CORPORATE WELLNESS	12,000.00	707.42	707.42	0.00	11,292.58	6
10-6600-6300 COMMUNITY EVENTS	50,000.00	13,057.33	13,057.33	0.00	36,942.67	26
10-6600-6400 WILDLIFE MANAGEMENT	5,000.00	470.00	470.00	0.00	4,530.00	9
10-6600-6500 FOREST MANAGEMENT	60,000.00	136,554.00	136,554.00	0.00	-76,554.00	228
<b>6600 General Government Subtotal</b>	<b>\$776,708.00</b>	<b>\$367,541.34</b>	<b>\$373,401.23</b>	<b>\$5,859.89</b>	<b>\$403,306.77</b>	<b>48</b>
<b>Expenditure Subtotal</b>	<b>\$776,708.00</b>	<b>\$367,541.34</b>	<b>\$373,401.23</b>	<b>\$5,859.89</b>	<b>\$403,306.77</b>	<b>48</b>
Before Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$776,708.00</b>	<b>-\$367,541.34</b>	<b>-\$367,541.34</b>	<b>-\$5,859.89</b>	<b>47</b>
After Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$776,708.00</b>	<b>-\$367,541.34</b>	<b>-\$367,541.34</b>	<b>-\$5,859.89</b>	<b>47</b>

**REVENUE & EXPENDITURE STATEMENT**

07/01/2024 To 11/30/2024

Town of Biltmore Forest

FY 2024-2025

\*100 in the % Used column indicates that no budget exists

Account	Budget (\$)	Current Period (\$)	YTD With Encumbrance (\$)	Encumbrance (\$)	Remaining Balance (\$)	% Used
<b>6700 Debt Service</b>						
<b>Expenditure</b>						
<b>6700 Debt Service</b>						
10-6700-0500 Public Works Building-Principal	84,211.00	42,105.26	42,105.26	0.00	42,105.74	50
10-6700-0600 NCDEQ LOAN STRM REST	14,600.00	0.00	0.00	0.00	14,600.00	0
10-6700-1500 Public Works Building-Interest	12,025.00	6,366.31	6,366.31	0.00	5,658.69	53
<b>6700 Debt Service Subtotal</b>	<b>\$110,836.00</b>	<b>\$48,471.57</b>	<b>\$48,471.57</b>	<b>\$0.00</b>	<b>\$62,364.43</b>	<b>44</b>
<b>Expenditure Subtotal</b>	<b>\$110,836.00</b>	<b>\$48,471.57</b>	<b>\$48,471.57</b>	<b>\$0.00</b>	<b>\$62,364.43</b>	<b>44</b>
Before Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$110,836.00</b>	<b>-\$48,471.57</b>	<b>-\$48,471.57</b>	<b>\$0.00</b>	<b>44</b>
After Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$110,836.00</b>	<b>-\$48,471.57</b>	<b>-\$48,471.57</b>	<b>\$0.00</b>	<b>44</b>
<b>8100 Water Dept.</b>						
<b>Expenditure</b>						
<b>8100 Water Dept.</b>						
30-8100-0200 SALARIES	199,205.00	77,056.66	77,056.66	0.00	122,148.34	39
30-8100-0400 PROFESSIONAL SERVICES	20,000.00	16,428.55	17,710.30	1,281.75	2,289.70	89
30-8100-0500 FICA	15,239.00	5,772.20	5,772.20	0.00	9,466.80	38
30-8100-0600 HEALTH INSURANCE (MEDICAL)	0.00	9,774.60	9,774.60	0.00	-9,774.60	*100
30-8100-0650 DENTAL, VISION, LIFE INSURANCE	0.00	1,860.22	1,860.22	0.00	-1,860.22	*100
30-8100-0675 HRA HEALTH REIMBURSEMENT ACCT	0.00	1,562.50	1,562.50	0.00	-1,562.50	*100
30-8100-0700 LGERS RETIREMENT	40,399.00	15,827.08	15,827.08	0.00	24,571.92	39
30-8100-0800 401K SUPP RETIREMENT	9,960.00	4,777.97	4,777.97	0.00	5,182.03	48
30-8100-1200 POSTAGE, PRINTING, & STATIONARY	2,000.00	0.00	0.00	0.00	2,000.00	0
30-8100-1500 GENERAL REPAIRS	15,000.00	0.00	0.00	0.00	15,000.00	0
30-8100-3300 SUPPLIES & EQUIPMENT	15,000.00	23,191.50	27,416.04	4,224.54	-12,416.04	183
30-8100-4800 WATER PURCHASES	215,545.00	62,527.62	62,527.62	0.00	153,017.38	29
30-8100-4900 SEWER PURCHASES	422,240.00	0.00	0.00	0.00	422,240.00	0
30-8100-5000 AMI TRANSMITTER FEES	8,867.00	3,030.30	3,030.30	0.00	5,836.70	34
30-8100-6500 STAFF DEVELOPMENT	2,500.00	650.00	650.00	0.00	1,850.00	26
30-8100-7400 CAPITAL IMPROVEMENT	128,552.00	0.00	0.00	0.00	128,552.00	0
<b>8100 Water Dept. Subtotal</b>	<b>\$1,094,507.00</b>	<b>\$222,459.20</b>	<b>\$227,965.49</b>	<b>\$5,506.29</b>	<b>\$866,541.51</b>	<b>21</b>
<b>Expenditure Subtotal</b>	<b>\$1,094,507.00</b>	<b>\$222,459.20</b>	<b>\$227,965.49</b>	<b>\$5,506.29</b>	<b>\$866,541.51</b>	<b>21</b>
Before Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$1,094,507.00</b>	<b>-\$222,459.20</b>	<b>-\$222,459.20</b>	<b>-\$5,506.29</b>	<b>20</b>
After Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$1,094,507.00</b>	<b>-\$222,459.20</b>	<b>-\$222,459.20</b>	<b>-\$5,506.29</b>	<b>20</b>

**BOARD OF COMMISSIONERS MEETING  
STAFF MEMORANDUM  
DECEMBER 10, 2024**



**AGENDA ITEM I-1**

**PRESENTATION - FY23-24 FINANCIAL STATEMENTS  
FRAN NOEL, AUDIT DIRECTOR, CARTER PC**

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**Background**

Fran Noel, Audit Director for Carter, PC, will present their findings related to the Town's fiscal year 2023-2024 financial statements. The FY24 Financial Statements were received by the Local Government Commission (LGC) on November 27, 2024. Copies of the Financial Statements and the Internal Control Letter is attached to this memorandum and will be posted on the Town's website.

**Attachments**

1. FY24 Financial Statements
2. Internal Control Letter



**TOWN OF BILTMORE FOREST,  
NORTH CAROLINA**

Financial Statements and  
Supplementary Information

Year Ended June 30, 2024

# TOWN OF BILTMORE FOREST, NORTH CAROLINA

## Board of Commissioners

George F. Goosmann III, Mayor  
Doris P. Loomis, Mayor Pro Tem  
Fran G. Cogburn  
E. Glenn Kelly

## Administrative and Financial Staff

Jonathan Kanipe, Town Manager  
Krystal Curtis, Finance Director  
Laura Jacobs, Town Clerk

## Chief of Police

Chris Beddingfield

## Public Works Director

Harry Buckner

# TOWN OF BILTMORE FOREST, NORTH CAROLINA

## TABLE OF CONTENTS

	<u>PAGE</u>
FINANCIAL SECTION	
INDEPENDENT AUDITORS' REPORT	1-4
MANAGEMENT'S DISCUSSION AND ANALYSIS	5-14
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement of Net Position	15
Statement of Activities	16
Fund Financial Statements:	
Balance Sheet - Governmental Funds	17
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	18
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
Statement of Revenues, Expenditures, and Changes in Fund Balances - Annual Budget and Actual - General Fund	21
Statement of Fund Net Position - Proprietary Fund	22
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Fund	23
Statement of Cash Flows - Proprietary Fund	24
Notes to the Financial Statements	25-55

# TOWN OF BILTMORE FOREST, NORTH CAROLINA

## TABLE OF CONTENTS (continued)

	<u>PAGE</u>
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of the Proportionate Share of Net Pension Liability - Local Government Employees' Retirement System	56
Schedule of Contributions - Local Government Employees' Retirement System	57
Schedule of Changes in Total Pension Liability - Law Enforcement Officers' Special Separation Allowance	58
Schedule of Total Pension Liability as a Percentage of Covered Payroll	59
Schedule of Town's Proportionate Share of Net OPEB Liability	60
Schedule of Town Contributions - Retiree Health Benefit Fund	61
INDIVIDUAL FUND STATEMENTS AND SCHEDULES	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	62-64
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP) Water Fund	65
OTHER SCHEDULES	
Schedule of Ad Valorem Taxes Receivable	66
Analysis of Current Tax Levy	67
COMPLIANCE SECTION	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	68-69
Schedule of Findings and Responses	70-71
Summary of Prior Audit Findings	72



## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor  
and Members of the Board of Commissioners  
Town of Biltmore Forest, North Carolina

### **Report on the Audit of Financial Statements**

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Biltmore Forest, North Carolina, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Biltmore Forest, North Carolina as of June 30, 2024, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

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

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Biltmore Forest's ability to continue as a going concern for the twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditors' Responsibility for the Audit of the Financial Statements**

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

To the Honorable Mayor  
and Members of the Board of Commissioners  
Town of Biltmore Forest, North Carolina  
Page 3

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5 through 13, the Local Government Employees' Retirement System's Schedules of the Proportionate Share of Net Pension Liability and Contributions, on pages 55 and 56, respectively, the Law Enforcement Officers' Special Separation Allowance Schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll on pages 57 and 58, respectively, and the Other Postemployment Benefits' Schedules of the Proportionate Share of Net OPEB Liability and Contributions, on pages 59 and 60, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Biltmore Forest's basic financial statements. The individual fund statements, budgetary schedules, and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This 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 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.

To the Honorable Mayor  
and Members of the Board of Commissioners  
Town of Biltmore Forest, North Carolina  
Page 4

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2024, on our consideration of Town of Biltmore Forest'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 that 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 the effectiveness of Town of Biltmore Forest's 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 Town of Biltmore Forest's internal control over financial reporting and compliance.

CARTER, P.C.

Asheville, North Carolina  
November 26, 2024

# TOWN OF BILTMORE FOREST, NORTH CAROLINA

## Management's Discussion and Analysis

As management of the Town of Biltmore Forest (the "Town"), we offer readers of the Town of Biltmore Forest's financial statements this narrative overview and analysis of the financial activities of the Town of Biltmore Forest for the fiscal year ended June 30, 2024. 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 resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$7,878,072 (*net position*).
- The government's total net position increased by \$438,760, primarily due to high property tax collection rates and continued diligence in cost saving measures in all areas of the government.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$5,025,997, with a net increase of \$142,410 in fund balance. Approximately 10% of this total amount, or \$503,283, is non-spendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$3,263,878, or 59.5% of total general fund expenditures.
- The Town's total debt increased by \$1,005,692 (22.7%) during the current fiscal year. The key factors in this increase were a \$391,493 increase in pension related debt obligation and net OPEB obligation increase of \$687,347. Financing lease agreements entered into during the year resulted in an increase of \$196,194. Increases were partially offset by scheduled principal payments of \$219,031.

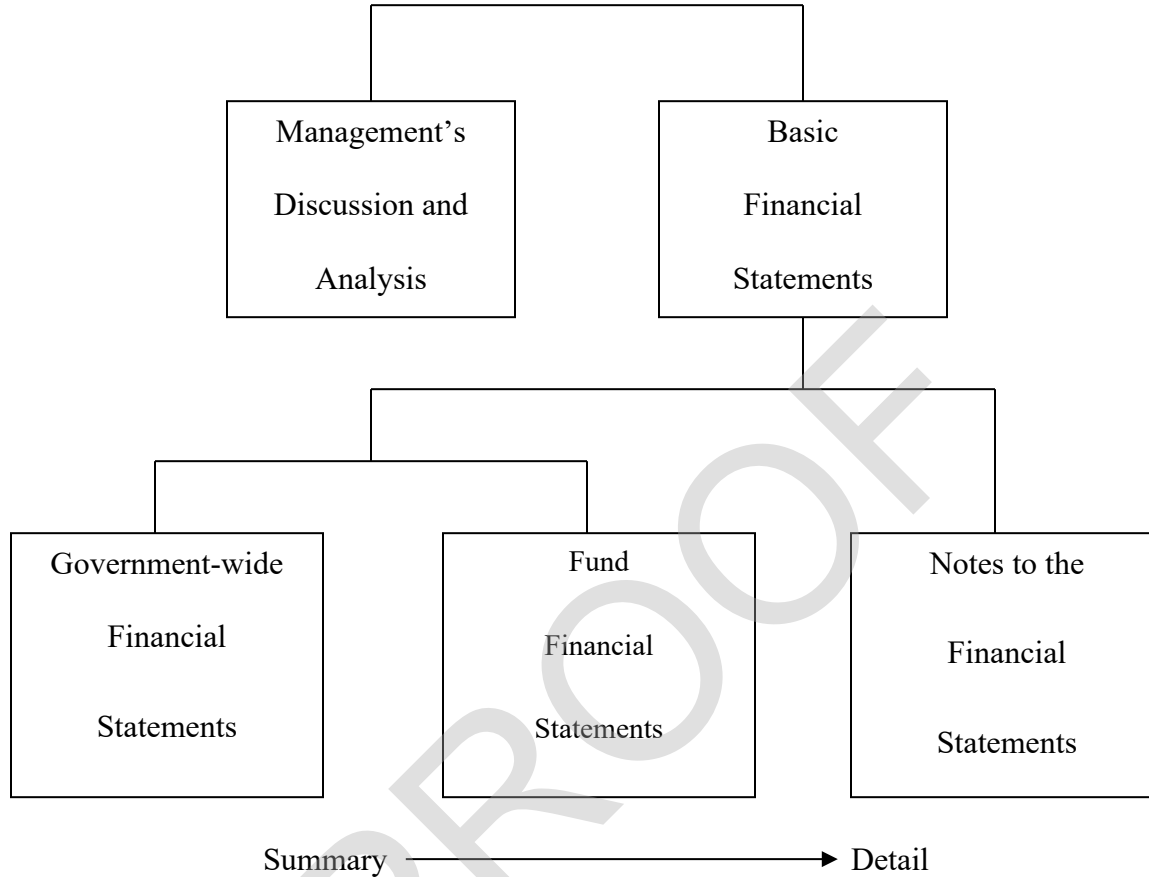
### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Biltmore Forest'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 through the use of government-wide statements and 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 Biltmore Forest.

# TOWN OF BILTMORE FOREST, NORTH CAROLINA

## 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 8) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; and 3) the proprietary fund statements.

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

## TOWN OF BILTMORE FOREST, NORTH CAROLINA

### Government-Wide Financial Analysis

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 two categories: 1) governmental activities and 2) business-type activities. The governmental activities include most of the Town's basic services such as public safety, streets and public works, 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 services offered by the Town of Biltmore Forest.

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 Biltmore Forest, 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 the funds of the Town of Biltmore Forest 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 fewer 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.

## TOWN OF BILTMORE FOREST, NORTH CAROLINA

The Town of Biltmore Forest 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 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 Biltmore Forest has one kind of proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town of Biltmore Forest uses an enterprise fund to account for its water activity. The 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 25 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's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 56 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. It is also subject to changes in investment earnings and asset values associated with U.S. Treasury Securities because of actions by foreign governments and other holders of publicly held U.S. Treasury Securities.



# TOWN OF BILTMORE FOREST, NORTH CAROLINA

## Government-Wide Financial Analysis

### Town of Biltmore Forest's Net Position Figure 2

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 5,398,058	\$ 5,729,662	\$ 773,882	\$ 755,387	\$ 6,171,940	\$ 6,485,049
Capital assets	<u>4,813,506</u>	<u>4,206,210</u>	<u>1,580,486</u>	<u>1,747,455</u>	<u>6,393,992</u>	<u>5,953,665</u>
Total assets	<u>10,211,564</u>	<u>9,935,872</u>	<u>2,354,368</u>	<u>2,502,842</u>	<u>12,565,932</u>	<u>12,438,714</u>
Total deferred outflows of resources	<u>2,049,429</u>	<u>1,511,550</u>	<u>172,052</u>	<u>92,213</u>	<u>2,221,481</u>	<u>1,603,763</u>
Long-term liabilities outstanding	4,955,645	4,003,547	330,048	191,266	5,285,693	4,293,623
Other liabilities	<u>328,211</u>	<u>547,905</u>			<u>328,211</u>	<u>547,905</u>
Total liabilities	<u>5,283,856</u>	<u>4,650,262</u>	<u>330,048</u>	<u>191,266</u>	<u>5,613,904</u>	<u>4,841,528</u>
Total deferred inflows of resources	<u>1,219,742</u>	<u>1,780,904</u>	<u>75,695</u>	<u>79,543</u>	<u>1,295,437</u>	<u>1,860,447</u>
Net position:						
Net investment in capital assets	4,064,785	3,434,652	1,580,486	1,747,455	5,645,271	5,182,107
Restricted	501,054	510,151			501,054	510,151
Unrestricted	<u>1,191,556</u>	<u>1,071,453</u>	<u>540,191</u>	<u>576,791</u>	<u>1,726,438</u>	<u>1,648,244</u>
Net position as previously reported		5,016,256		2,324,246		7,340,302
Prior period adjustment		<u>98,810</u>				<u>98,810</u>
Total net position	<u>\$ 5,757,395</u>	<u>\$ 5,115,066</u>	<u>\$ 2,120,677</u>	<u>\$ 2,324,246</u>	<u>\$ 7,878,072</u>	<u>\$ 7,439,312</u>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Town of Biltmore Forest exceeded liabilities and deferred inflows by \$7,878,072 as of June 30, 2024. The Town's net position increased by \$438,760 for the fiscal year ended June 30, 2024. However, the largest portion reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment). The Town of Biltmore Forest uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Biltmore Forest'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's net position, \$501,054, represents resources that are subject to external restrictions on how they may be used.

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 by maintaining a tax collection percentage of 100%.
- Continued efforts in cost savings by Town management.

## TOWN OF BILTMORE FOREST, NORTH CAROLINA

### Town of Biltmore Forest's Changes in Net Position Figure 3

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 36,414	\$ 35,149	\$ 931,214	\$ 882,792	\$ 967,628	\$ 917,941
Operating grants and contributions	306,721	110,936			306,721	110,936
General revenues:						
Property taxes	3,145,159	3,103,914			3,145,159	3,103,914
Sales taxes	1,502,624	1,531,781			1,502,624	1,531,781
Franchise and utilities taxes	264,071	246,034			264,071	246,034
Alcohol beverage tax	6,585	6,392			6,585	6,392
Gasoline tax		5,923				5,923
Investment earnings	239,541	162,331	5,439	3,667	244,980	165,998
Miscellaneous	101,897	58,240			101,897	58,240
Total revenues	<u>5,603,012</u>	<u>5,260,700</u>	<u>936,653</u>	<u>886,459</u>	<u>6,539,665</u>	<u>6,147,159</u>
<b>Expenses:</b>						
General government	614,745	1,032,897			614,745	1,032,897
Public safety	2,463,611	2,368,913			2,463,611	2,368,913
Transportation	516,562	158,421			516,562	158,421
Physical development	1,336,176	953,367			1,336,176	953,367
Interest on long-term debt	29,589	21,125			29,589	21,125
Water			1,140,222	951,740	1,140,222	951,740
Total expenses	<u>4,960,683</u>	<u>4,534,723</u>	<u>1,140,222</u>	<u>951,740</u>	<u>6,100,905</u>	<u>5,486,463</u>
Increase (decrease) in net position	642,329	725,977	(203,569)	(65,281)	438,760	660,696
Net position, beginning	5,115,066	4,290,279	2,324,246	2,389,527	7,439,312	6,679,806
Prior Period Adjustment		98,810				98,810
Net position, ending	<u>\$ 5,757,395</u>	<u>\$ 5,115,066</u>	<u>\$ 2,120,677</u>	<u>\$ 2,324,246</u>	<u>\$ 7,878,072</u>	<u>\$ 7,439,312</u>

**Governmental activities.** Governmental activities increased the Town's net position by \$642,329. The increase net position was the result of increased revenue generation as well a concerted effort to control costs and manage expenditures. Town management continued to reduce non-essential programs to a minimum and implemented cost saving strategies across Town departments. Town management believes that healthy investment in the Town will result in additional revenues, adding to the Town's net position by investing in capital assets which were largely funded by governmental activities. Town management acknowledges that 2024 was a successful year and plans on improving its approaches to realize continued fiscal health.

**Business-type activities.** Business-type activities decreased the Town of Biltmore Forest's net position by \$203,569. The key elements of this decrease were depreciation on the water system and increased costs of providing pensions to employees. The Town does not have control over the costs of providing pensions, these costs are actuarially determined each year.

## TOWN OF BILTMORE FOREST, NORTH CAROLINA

### Financial Analysis of the Town's Funds

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

**Governmental Funds.** The focus of the Town of Biltmore Forest'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 Biltmore Forest's financing requirements.

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, the Town's fund balance available in the General Fund was \$3,263,878 while total fund balance reached \$5,025,997. The Governing Body of the Town of Biltmore Forest has determined that the Town should maintain an available fund balance of 25-35% of general fund expenditures 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 50% of budgeted general fund expenditures, and total fund balance represents 76% of the same amount.

At June 30, 2024, governmental funds reported a combined fund balance of \$5,025,997, with a net increase in fund balance of \$142,410.

**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.

For the year ended June 30, 2024, the expenditures made in the Town's General Fund exceeded the authorized appropriations made by the governing board for Public Safety by \$11,211. The over-expenditure occurred due to outlay expenses related to leased assets exceeding budgeted amounts. Expenditures also exceeded authorized appropriations in debt service by \$48,022 which is due to budgeting for the repayment of new lease arrangements within the related department budget not in debt service in the current year.

**Proprietary Fund.** The Town of Biltmore Forest's proprietary fund provides the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water Fund at the end of the fiscal year amounted to \$540,191. The total change in net position for the Water Fund was (\$203,569). The change in net position in the Water Fund is primarily a result of depreciation on the water system and increased expenses related to pensions and OPEB.

### Capital Asset and Debt Administration

**Capital assets.** The Town of Biltmore Forest's investment in capital assets for its governmental and business-type activities as of June 30, 2024, totals \$6,393,992 (net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, and vehicles.

## TOWN OF BILTMORE FOREST, NORTH CAROLINA

Major capital asset transactions during the year include the following:

- Cub Cadet Utility Vehicle and A/V system for Town Hall
- Cedar Hill Stream Restoration and improvements for Brooklawn Trail
- Police Vehicle Communications
- Right of use assets for two vehicles and a townwide security camera installation

**Town of Biltmore Forest's Capital Assets  
(net of depreciation)  
Figure 4**

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 176,441	\$ 176,441	\$	\$	\$ 176,441	\$ 176,441
Construction in progress	644,187	535,595			644,187	644,187
Buildings and systems	1,941,318	2,006,233	1,579,156	1,745,786	3,520,474	3,752,019
Improvements other than buildings	207,940	49,439			207,940	49,439
Equipment and furniture	155,853	90,244			155,853	90,244
Vehicles and motorized equipment	277,773	431,971	1,330	1,669	279,103	433,640
Infrastructure	1,158,786	916,287			1,158,786	916,287
Right of use assets	251,208				251,208	
Total	<u>\$ 4,813,506</u>	<u>\$ 4,206,210</u>	<u>\$ 1,580,486</u>	<u>\$ 1,747,455</u>	<u>\$ 6,393,992</u>	<u>\$ 5,953,665</u>

Additional information on the Town's capital assets can be found in Note 3.A.4 of the Basic Financial Statements.

**Long-term Debt.** As of June 30, 2024, the Town of Biltmore Forest had total debt outstanding of \$5,428,938. The installment debt is backed by security interest in the property for which it was issued. The remainder of the Town's debt represents compensated absences and pension and OPEB related debt and is backed by the full faith and credit of the Town.

**Town of Biltmore Forest's Outstanding Debt  
Figure 5**

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Installment debt	\$ 552,527	\$ 771,558	\$	\$	\$ 552,527	\$ 771,558
Leased liabilities	196,194				196,194	
OPEB	2,403,189	1,804,132	207,097	118,807	2,610,286	1,922,939
Pension related debt (LGERS)	1,379,464	1,038,463	118,877	68,385	1,498,341	1,106,848
Pension related debt (LEO)	490,124	531,948			490,124	531,948
Compensated absences	77,392	85,879	4,074	4,074	81,466	89,953
Total	<u>\$ 5,098,890</u>	<u>\$ 4,231,980</u>	<u>\$ 330,048</u>	<u>\$ 191,266</u>	<u>\$ 5,428,938</u>	<u>\$ 4,423,246</u>

The Town's total debt increased by \$1,005,692 (22.7%) during the current fiscal year. The key factors in this increase were a \$391,493 increase in pension related debt obligation and net OPEB obligation increase of \$687,347. Financing lease agreements entered into during the year resulted in an increase of \$196,194. Increases were partially offset by scheduled principal payments of \$219,031.

## **TOWN OF BILTMORE FOREST, NORTH CAROLINA**

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 Biltmore Forest is \$72,799,522.

Additional information regarding the Town of Biltmore Forest's long-term debt can be found in Note 3.B.6 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's FY25 budget was approved prior to Hurricane Helene devastating the area on September 27, 2024. As a result, previously estimated sales tax forecasts are likely to be reduced dramatically throughout the year.
- The Town is currently working with the Federal Emergency Management Agency (FEMA) and has adopted a grant project ordinance for reimbursement for the storm. The Town's current estimate for this reimbursable work is just under \$10,000,000 but is likely to change as specific projects and needs are identified.
- The debris removal for the Town of Biltmore Forest, as a result of Hurricane Helene, is extensive. The contractor's estimate for removal is 340,000 cubic yards. As of November 26, 2024, the Town has removed nearly 190,000 cubic yards. We anticipate the full cost of this to be close to \$7,000,000, which is included in the grant project ordinance above.

### **Budget Highlights for the Fiscal Year Ending June 30, 2025**

#### **Governmental Activities**

- The Town's large stormwater project is continuing in FY25. This is funded through fund balance appropriation in the amount of \$1,258,836. This is continuing in spite of the impacts from Hurricane Helene.
- Permitting revenue is anticipated to be reduced as a result of Hurricane Helene and its impact on new home construction and remodeling. The Town waived all permit fees for reconstruction and repairs shortly after Hurricane Helene and will reimpose those beginning January 1, 2025.
- The Town's property tax collection percentage is not expected to fall as a result of Hurricane Helene.
- The Town is continuing to focus on improving the Police Department vehicle fleet and improving the solid waste division of the Public Works Department. New vehicles for each department are scheduled for purchase in FY25.

## TOWN OF BILTMORE FOREST, NORTH CAROLINA

### Business Type Activities

- The Town significantly altered its water rate structure for FY25. This was the result of increases in the City of Asheville's water rate structure and an analysis by an outside consultant that showed significant imbalance in the Town's enterprise fund if no changes were made.
- The result was that the Town increased the base unit charge for all users and made plans for water rate increases over the next several years.
- By varying the base unit charge by meter size, the proposed increases reflect the most equitable allocation of costs available to the Town. The proposed base unit charge changes would result in an approximately \$90 per year increase for the Town's residential customers that make up most of the Town's system. The increases for users with larger than one inch diameter meters would be much more dramatic but accurately reflect the increase in water volume available to each user with a larger meter.
- The proposed changes for the volumetric rate (i.e. water rate) are not as dramatic as the base unit charges for the average user. The Board also reduced the number of tiers from four to three.
- The Town would generate an additional \$175,255 from both the base unit charge increase and volumetric increase in FY25. For comparison purposes, in subsequent years, the Town would generate an additional \$55,140 in FY26 and \$114,692 in FY27. These revenue increases allow the Town to compensate for the wholesale increases from the City of Asheville and fund the Town's capital outlay and/or depreciation costs within the water system.

### 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 the Town Manager, Town of Biltmore Forest, 355 Vanderbilt Road, Biltmore Forest, North Carolina 28803. One can also call (828) 274-0824, visit our website [www.biltmoreforest.org](http://www.biltmoreforest.org), or send an email to [townhall@biltmoreforest.org](mailto:townhall@biltmoreforest.org) for more information.

**BASIC FINANCIAL STATEMENTS**

PROOF

TOWN OF BILTMORE FOREST, NORTH CAROLINA

Statement of Net Position  
June 30, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 4,887,312	\$ 647,636	\$ 5,534,948
Accounts receivable (net)		115,146	115,146
Due from other governments	508,517		508,517
Inventories	2,229	11,100	13,329
Total current assets	<u>5,398,058</u>	<u>773,882</u>	<u>6,171,940</u>
Noncurrent assets:			
Capital assets:			
Land and construction in progress	820,628		820,628
Right-of-use leased assets, net of amortization	251,208		251,208
Other capital assets, net of depreciation	3,741,670	1,580,486	5,322,156
Total capital assets	<u>4,813,506</u>	<u>1,580,486</u>	<u>6,393,992</u>
Total assets	<u>\$ 10,211,564</u>	<u>\$ 2,354,368</u>	<u>\$ 12,565,932</u>
<b>Deferred outflows of resources</b>			
Pension deferrals	<u>\$ 2,049,429</u>	<u>\$ 172,052</u>	<u>\$ 2,221,481</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 184,966	\$	\$ 184,966
Current portion of long-term liabilities	<u>143,245</u>		<u>143,245</u>
Total current liabilities	328,211		328,211
Long-term liabilities:			
Due in more than one year	<u>4,955,645</u>	<u>330,048</u>	<u>5,285,693</u>
Total liabilities	<u>\$ 5,283,856</u>	<u>\$ 330,048</u>	<u>\$ 5,613,904</u>
<b>Deferred inflows of resources</b>			
Prepaid taxes	\$ 9,437	\$	\$ 9,437
Grants	177,658		177,658
Pension deferrals	<u>1,037,956</u>	<u>75,695</u>	<u>1,113,651</u>
Total deferred inflows of resources	<u>\$ 1,219,742</u>	<u>\$ 75,695</u>	<u>\$ 1,295,437</u>
<b>Net position</b>			
Net investment in capital assets	\$ 4,064,785	\$ 1,580,486	\$ 5,645,271
Restricted:			
Stabilization by State Statute	501,054		501,054
Unrestricted	<u>1,191,556</u>	<u>540,191</u>	<u>1,731,747</u>
Total net position	<u>\$ 5,757,395</u>	<u>\$ 2,120,677</u>	<u>\$ 7,878,072</u>

The notes to the financial statements are an integral part of this statement.



**Exhibit 2**

**TOWN OF BILTMORE FOREST, NORTH CAROLINA**

Statement of Activities  
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Govern- mental Activities	Business- type Activities
<b>Primary government:</b>						
Governmental activities:						
General government	\$ 614,745	\$ 36,414	\$ 231,588	\$	\$ (346,743)	\$ (346,743)
Public safety	2,463,611				(2,463,611)	(2,463,611)
Transportation	516,562		74,012		(442,550)	(442,550)
Physical development	1,336,176		1,121		(1,335,055)	(1,335,055)
Interest on long-term debt	29,589				(29,589)	(29,589)
Total governmental activities	4,960,683	36,414	306,721		(4,617,548)	(4,617,548)
Business-type activities:						
Water	1,140,222	931,214			(209,008)	(209,008)
Total primary government	\$ 6,100,905	\$ 967,628	\$ 306,721	\$	(4,617,548)	(4,826,556)
General revenues:						
Taxes:						
Property taxes, levied for general purpose				3,145,159		3,145,159
Sales taxes				1,502,624		1,502,624
Franchise and utilities taxes				264,071		264,071
Alcohol beverage tax				6,585		6,585
Unrestricted investment earnings				239,541	5,439	244,980
Miscellaneous				101,897		101,897
Total general revenues				5,259,877	5,439	5,265,316
Change in net position				642,329	(203,569)	438,760
Net position, beginning				5,016,256		7,340,502
Prior period adjustment				98,810		98,810
Net position, beginning restated				5,115,066	2,324,246	7,439,312
Net position, ending				\$ 5,757,395	\$ 2,120,677	\$ 7,878,072

The notes to the financial statements are an integral part of this statement.

TOWN OF BILTMORE FOREST, NORTH CAROLINA

Balance Sheet  
Governmental Funds  
June 30, 2024

	Major Funds		Total
	General Fund	ARPA Fund	
<b>Assets</b>			
Cash and cash equivalents	\$ 4,709,654	\$ 177,658	\$ 4,887,312
Taxes receivable (net)			
Due from other governments	508,517		508,517
Inventories	2,229		2,229
Total assets	<u>\$ 5,220,400</u>	<u>\$ 177,658</u>	<u>\$ 5,398,058</u>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$ 184,966		\$ 184,966
<b>Deferred inflows of resources</b>			
Prepaid property taxes	9,437		9,437
Grant		177,658	177,658
Total deferred inflows of resources	<u>9,437</u>	<u>177,658</u>	<u>187,095</u>
<b>Fund balances</b>			
Nonspendable:			
Inventories	2,229		2,229
Restricted:			
Stabilization by State statute	501,054		501,054
Assigned:			
Subsequent year's expenditures	1,258,836		1,258,836
Unassigned	3,263,878		3,263,878
Total fund balances	<u>5,025,997</u>		<u>5,025,997</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,220,400</u>	<u>\$ 177,658</u>	<u>\$ 5,398,058</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF BILTMORE FOREST, NORTH CAROLINA

Balance Sheet  
 Governmental Funds (continued)  
 June 30, 2024

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

Total Fund Balances, Governmental Funds		\$ 5,025,997
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical cost	\$ 8,549,837	
Accumulated depreciation	<u>(3,987,539)</u>	4,562,298
Right of use leased capital assets	269,864	
Accumulated amortization for leased assets	<u>(18,656)</u>	251,208
Deferred outflows of resources related to pensions are not reported in the funds		928,517
Deferred outflows of resources related to OPEB are not reported in the funds		1,120,912
Earned revenues considered deferred inflows of resources in fund statements		5,309
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds		
Gross long-term debt	(552,527)	
Lease liability	(196,194)	
Accrued compensated absences	(77,392)	
Net pension liability	(490,124)	
Total pension liability	(1,379,464)	
OPEB liability	<u>(2,403,189)</u>	(5,098,890)
Deferred inflows of resources related to pensions are not reported in the funds		(176,140)
Deferred inflows of resources related to OPEB are not reported in the funds		<u>(861,816)</u>
Net position of governmental activities		<u>\$ 5,757,395</u>

The notes to the financial statements are an integral part of this statement.

**TOWN OF BILTMORE FOREST, NORTH CAROLINA**

Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Governmental Funds  
 For the Year Ended June 30, 2024

	Major Funds		Total
	General Fund	ARPA Fund	
<b>Revenues</b>			
Ad valorem taxes	\$ 3,145,159	\$	\$ 3,145,159
Unrestricted intergovernmental	1,773,280		1,773,280
Restricted intergovernmental	75,297	231,424	306,721
Permits and fees	36,414		36,414
Investment earnings	239,541		239,541
Miscellaneous	101,897		101,897
Total revenues	<u>5,371,588</u>	<u>231,424</u>	<u>5,603,012</u>
<b>Expenditures</b>			
Current:			
General government	1,240,954		1,240,954
Public safety	2,585,277		2,585,277
Transportation	491,876		491,876
Physical development	957,455	231,424	1,188,879
Debt service:			
Principal	180,965		180,965
Interest and other charges	29,589		29,589
Total expenditures	<u>5,486,116</u>	<u>231,424</u>	<u>5,717,540</u>
Excess of revenues over expenditures	<u>(114,528)</u>		<u>(114,528)</u>
<b>Other financing sources</b>			
Financing proceeds leases	<u>256,938</u>		<u>256,938</u>
Total other financing sources	<u>256,938</u>		<u>256,938</u>
Net change in fund balance	142,410		142,410
Fund balance, beginning	<u>4,883,587</u>		<u>4,883,587</u>
Fund balance, ending	<u>\$ 5,025,997</u>	<u>\$</u>	<u>\$ 5,025,997</u>

The notes to the financial statements are an integral part of this statement.

**TOWN OF BILTMORE FOREST, NORTH CAROLINA**

Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Governmental Funds  
 For the Year Ended June 30, 2024

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds	\$	142,410
<p>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</p>		
Capital outlay expenditures which were capitalized	\$	973,918
Net book value of capital assets which were sold		
Depreciation expense for governmental assets	<u>(366,622)</u>	607,296
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds</p>		
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		262,446
Benefit payments paid and administrative expense for the LEOSSA are not included on the Statement of Activities		7,590
OPEB benefit payments and administrative costs made in the current fiscal year are not included on the Statement of Activities		140,866
<p>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.</p>		
Principal payments on long-term debt		180,965
Proceeds from capital leases		(256,938)
<p>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.</p>		
Compensated absences	8,487	
Pension benefit	(461,099)	
OPEB plan expense	<u>10,306</u>	<u>(442,306)</u>
Total changes in net position of governmental activities	\$	<u>642,329</u>

The notes to the financial statements are an integral part of this statement.

**Exhibit 5**

**TOWN OF BILTMORE FOREST, NORTH CAROLINA**

General Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	Variance with final budget- positive (negative)
<b>Revenues</b>				
Ad valorem taxes	\$ 3,107,614	\$ 3,139,484	\$ 3,145,159	\$ 5,675
Unrestricted intergovernmental	1,899,471	1,937,019	1,773,280	(163,739)
Restricted intergovernmental	68,343	75,145	75,297	152
Permits and fees	31,300	36,050	36,414	364
Investment earnings	148,800	217,700	239,541	21,841
Miscellaneous	66,365	93,173	101,897	8,724
Total revenues	<u>5,321,893</u>	<u>5,498,571</u>	<u>5,371,588</u>	<u>(126,983)</u>
<b>Expenditures</b>				
Current:				
General government	1,192,384	1,399,889	1,240,954	158,935
Public safety	2,382,903	2,574,066	2,585,277	(11,211)
Transportation	1,745,700	1,482,695	491,876	990,819
Physical development	1,080,390	1,188,255	957,455	230,800
Debt service:				
Principal retirement	128,812	141,962	180,965	(39,003)
Interest and other charges	15,570	20,570	29,589	(9,019)
Total expenditures	<u>6,545,759</u>	<u>6,807,437</u>	<u>5,486,116</u>	<u>1,321,321</u>
Revenues over (under) expenditures	<u>(1,223,866)</u>	<u>(1,308,866)</u>	<u>(114,528)</u>	<u>1,194,338</u>
<b>Other financing sources (uses)</b>				
Sales of capital assets	10,000	10,000		(10,000)
Proceeds from long-term debt			256,938	256,938
Total other financing sources (uses)	<u>10,000</u>	<u>10,000</u>	<u>256,938</u>	<u>246,938</u>
Appropriate fund balance	<u>1,213,866</u>	<u>1,298,866</u>		<u>(1,298,866)</u>
Net change in fund balance	<u>\$</u>	<u>\$</u>	142,410	<u>\$ 142,410</u>
Fund balance, beginning			<u>4,883,587</u>	
Fund balance, ending			<u>\$ 5,025,997</u>	

The notes to the financial statements are an integral part of this statement.

TOWN OF BILTMORE FOREST, NORTH CAROLINA

Statement of Fund Net Position  
 Proprietary Fund  
 June 30, 2024

**Assets**

Current assets:

Cash and cash equivalents	\$ 647,636
Accounts receivable (net)	115,146
Inventories	<u>11,100</u>
Total current assets	773,882

Noncurrent assets:

Capital assets, net of depreciation	<u>1,580,486</u>
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Total assets	<u>\$ 2,354,368</u>
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<b>Deferred outflows of resources</b>	<u>\$ 172,052</u>
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**Liabilities**

Noncurrent liabilities:

Compensated absences	\$ 4,074
Net pension liability	118,877
Total OPEB liability	<u>207,097</u>
Total noncurrent liabilities	<u>330,048</u>

Total liabilities	<u>\$ 330,048</u>
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<b>Deferred inflows of resources</b>	<u>\$ 75,695</u>
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**Net position**

Net investment in capital assets	\$ 1,580,486
Unrestricted	<u>540,191</u>
Total net position	<u>\$ 2,120,677</u>

The notes to the financial statements are an integral part of this statement.

**TOWN OF BILTMORE FOREST, NORTH CAROLINA**

Statement of Revenues, Expenses, and Changes in Fund Net Position  
 Proprietary Fund  
 For the Year Ended June 30, 2024

<b>Operating revenues</b>	
Water sales	\$ 892,065
Water tap and connection fees	22,130
AMI transmitter charges	7,607
Commissions, sewer charge collection	<u>9,412</u>
Total operating revenues	<u>931,214</u>
<b>Operating expenses</b>	
Salaries	156,877
Payroll taxes	11,821
Employee benefits	128,889
Maintenance and supplies	37,960
Water and sewer purchases	591,691
Professional services	44,486
Depreciation	166,969
Training and education	<u>1,529</u>
Total operating expenses	<u>1,140,222</u>
Operating loss	(209,008)
<b>Nonoperating revenues</b>	
Investment earnings	<u>5,439</u>
Change in net position	(203,569)
Net position, beginning	<u>2,324,246</u>
Total net position, ending	<u>\$ 2,120,677</u>

The notes to the financial statements are an integral part of this statement.



TOWN OF BILTMORE FOREST, NORTH CAROLINA

Statement of Cash Flows  
 Proprietary Fund  
 For the Year Ended June 30, 2024

<b>Cash flows from operating activities</b>	
Cash received from customers	\$ 958,099
Cash paid for goods and services	(675,666)
Cash paid to or on behalf of employees for services	<u>(242,492)</u>
Net cash provided by operating activities	<u>39,941</u>
 <b>Cash flows from investing activities</b>	
Interest	<u>5,439</u>
Net increase in cash and cash equivalents	45,380
Balances, beginning	<u>602,256</u>
Balances, ending	<u>\$ 647,636</u>
 Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (209,008)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	166,969
Changes in assets, and deferred outflows, liabilities, and deferred inflows of resources:	
Decrease in accounts receivable	26,885
Increase in accrued absences	
Increase in deferred outflows of resources - pensions	(28,524)
Decrease in deferred outflows of resources - OPEB	(51,315)
Increase in net pension liability	50,492
Decrease in OPEB liability	88,290
Decrease in deferred inflows of resources - pensions	(493)
Increase in deferred inflows of resources - OPEB	<u>(3,355)</u>
Total adjustments	<u>248,949</u>
Net cash provided by operating activities	<u>\$ 39,941</u>

The notes to the financial statements are an integral part of this statement.

# TOWN OF BILTMORE FOREST, NORTH CAROLINA

Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2024

## **Note 1 - Summary of Significant Accounting Policies**

The accounting policies of the Town of Biltmore Forest ( the Town) 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 is a municipal corporation that is governed by an elected mayor and a three-member board of commissioners.

### B. Basis of Presentation

*Government-wide Statements:* The statement of net position and the statement of activities display information about the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. 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 specific 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 specific 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 Town has no fiduciary funds to report. 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 non-major 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.

## **Note 1 - Summary of Significant Accounting Policies (continued)**

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.

**ARPA Fund.** This fund is used to account for fund received under the American Rescue Plan Act.

The Town reports the following major enterprise fund:

**Water Fund.** This fund is used to account for the Town's water operations.

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating 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 fund are charges to customers for sales and services. The Town also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water system. Operating expenses for 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 non-operating revenues and expenses.

## **Note 1 - Summary of Significant Accounting Policies (continued)**

*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. Issuance 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 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.

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 Biltmore Forest 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. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then general 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 Capital Project Fund. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the project level for the multi-year funds.

## **Note 1 - Summary of Significant Accounting Policies (continued)**

Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations. All amendments must be approved by the governing board. During the year, several amendments to the original budget were necessary. 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.

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

#### **1. Deposits and Investments**

All deposits of the Town are made in board-designated official depositories and are secured as required by State law [G.S. 159-31]. The Town may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Town 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 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 mutual fund shares when the mutual fund is certified by the Local Government Commission. The Town's investments are generally reported at fair value.

The North Carolina Capital Management Trust (NCCMT) Government Portfolio is an SEC-registered money market mutual fund that is currently certified by the Local Government Commission under the provisions of G.S. 159-30(c)(8). The Government Portfolio is a 2a-7 fund that invests in treasuries, government agencies, and repurchase agreements collateralized by treasuries. It is rated AAAm by S&P and AAAmf by Moody's Investor Services and it is reported at fair value.

#### **Cash and Cash Equivalents**

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

#### **2. Ad Valorem Taxes Receivable**

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1<sup>st</sup>, the beginning of the fiscal year. The taxes are due on September 1<sup>st</sup> (lien date); however, interest does not accrue until the following January 6<sup>th</sup>. These taxes are based on the assessed values of January 1, 2023.

**Note 1 - Summary of Significant Accounting Policies (continued)**

3. 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.

4. Inventory and Prepaid Items

The inventories of the Town are valued at cost (first-in, first-out), which approximates market. The Town's General Fund inventory consists of expendable supplies and fuel that are recorded as expenditures as used rather than when purchased.

The inventories of the Town's enterprise fund consist of materials and supplies held for subsequent use. The cost of these inventories is expensed when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and expensed as the items are used.

5. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs are as follows: land, \$10,000; buildings, improvements, substations, lines, and other plant and distribution systems, \$15,000; infrastructure, \$20,000; equipment and furniture, \$5,000; vehicles and motorized equipment, \$10,000; computer software, \$5,000; and computer equipment, \$500. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. General infrastructure assets acquired prior to July 1, 2003, consist of the road network and water system assets that were acquired or that received substantial improvements subsequent to July 1, 1980, and are reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings and system	40
Infrastructure	5-20
Equipment and furniture	3-10
Vehicles and motorized equipment	5-10
Computer equipment	3
Computer software	3
Substations, lines, and related equipment	40
Other improvements	10-40

## **Note 1 - Summary of Significant Accounting Policies (continued)**

### **6. Right to use assets**

The Town has recorded right to use assets in association with agreements where the Town reports a lease as the lessee. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

### **7. 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. The Town has two items that meet this criterion - pension and OPEB related deferrals for the 2024 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. The Town has several items that meet the criterion for this category - prepaid taxes, property taxes receivable, revenue related to American Rescue Plan Act, and pension and OPEB related deferrals.

### **8. 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.

In fund financial statements, the face amount of debt issued is reported as other financing sources. Issuance costs, whether withheld from the actual debt proceeds received or not, are reported as debt service expenditures.

### **9. Compensated Absences**

The vacation policy of the Town provides for the accumulation of up to thirty 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.

## **Note 1 - Summary of Significant Accounting Policies (continued)**

### 9. Compensated Absences (continued)

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 does not have any obligation for the accumulated sick leave until it is taken, no accrual for sick leave has been made.

### 10. Net Position/Fund Balances

#### Net Position

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets, restricted, and unrestricted. Restricted net position represents constraints on resources that are externally imposed either 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:

**Non-spendable 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.

**Inventories** - portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories, 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.



## **Note 1 - Summary of Significant Accounting Policies (continued)**

### **Fund Balances (continued)**

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 non-spendable. 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.

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 Biltmore Forest’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 Biltmore Forest intends to use for specific purposes.

Unassigned Fund Balance - the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

The Town of Biltmore Forest has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Town Manager 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 to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Town Manager has the authority to deviate from this policy if it is in the best interest of the Town.

The Town has also 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 in the range of 25-35% of budgeted expenditures. Any portion of the general fund balance in excess of 35% of budgeted expenditures may be appropriated for one-time expenditures and may not be used for any purpose that would obligate the Town in a future budget.

### **11. Defined Benefit Pension Plan and Other Post Employment Benefit (OPEB) Plan**

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 the Retiree Health Benefit Fund (RHBF) and additions to/deductions from LGERS and RHBF’s fiduciary net position have been determined on the same basis as they are reported by LGERS and RHBF. For this purpose, plan member contributions are recognized in the period in which the contributions are due.

**Note 1 - Summary of Significant Accounting Policies (continued)**

11. Defined Benefit Pension Plan and Other Post Employment Benefit (OPEB) Plan (continued)

The Town of Biltmore Forest'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 and RHBF. Investments are reported at fair value.

F. Contract for Fire Suppression Service and Emergency Medical Service

During the fiscal year ended June 30, 2014, the Town entered into an agreement with Skyland Fire and Rescue Corporation, a municipal corporation, through which Skyland Fire and Rescue would provide fire protection services and emergency medical services for the Town. The initial term of the contract is for 15 years, ending on September 1, 2028, with the option to continue with mutually agreeable terms. The cost of the services rendered by Skyland Fire and Rescue for the fiscal year ended June 30, 2024, was \$425,000.

**Note 2 - Stewardship, Compliance, and Accountability**

A. Budget Ordinance Violation

For the year ended June 30, 2024, the expenditures made in the Town's General Fund exceeded the authorized appropriations made by the governing board for Public Safety by \$11,211. The over-expenditure occurred due to outlay expenses related to leased assets exceeding budgeted amounts. Expenditures also exceeded authorized appropriations in debt service by \$48,022 which is due to budgeting for the repayment of new lease arrangements within the related department budget not in debt service in the current year.

***Corrective Action Plans***

Management and the Board of Commissioners will monitor budget to actual line items more closely and perform budget re-allocations or amendments as soon as possible upon receiving information that variances in budgeted amounts exist.

### **Note 3 - Detail Notes on All Funds**

#### A. Assets

##### 1. Deposits

All the deposits of the Town are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Town's agent in the Town's name. 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 agent in the Town's name. 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 or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town under the Pooling Method, the potential exists for under-collateralization. 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 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.

At June 30, 2024, the Town's deposits had a carrying amount of \$487,496 and a bank balance of \$581,832. Of the bank balance, \$250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. At June 30, 2024, the Town's petty cash fund totaled \$185.

##### 2. Investments

At June 30, 2024, the Town had \$5,047,267 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 of taxes receivable presented in the Balance Sheet and the Statement of Net Position includes penalties levied or outstanding.

The amounts presented in the Balance Sheet and the Statement of Net Position for the year ended June 30, 2024 are net of the following allowances for doubtful accounts:

General fund - Taxes receivable	\$	46
Water fund - Accounts receivable		
Total	\$	<u>46</u>

**Note 3 - Detail Notes on All Funds (continued)**

4. Capital Assets

Capital asset activity for the Primary Government for the year ended June 30, 2024, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 176,441	\$	\$	\$ 176,441
Construction in progress	<u>535,595</u>	<u>145,662</u>	<u>37,070</u>	<u>644,187</u>
Total capital assets not being depreciated	<u>712,036</u>	<u>145,662</u>	<u>37,070</u>	<u>820,628</u>
Capital assets being depreciated:				
Buildings and systems	2,705,202			2,705,202
Other improvements	168,205	162,935		331,140
Equipment and furniture	309,729	117,984		427,713
Vehicles and equipment	1,853,239			1,853,239
Infrastructure	<u>2,097,372</u>	<u>314,543</u>		<u>2,411,915</u>
Total capital assets being depreciated	<u>7,133,747</u>	<u>\$ 595,462</u>	<u>\$</u>	<u>7,729,209</u>
Less accumulated depreciation for:				
Buildings and systems	698,969	64,915		763,884
Other improvements	118,766	4,434		123,200
Equipment and furniture	219,485	52,375		271,860
Vehicles and equipment	1,421,268	154,198		1,575,466
Infrastructure	<u>1,181,085</u>	<u>72,044</u>		<u>1,253,129</u>
Total accumulated depreciation	<u>3,639,573</u>	<u>\$ 347,966</u>	<u>\$</u>	<u>3,987,539</u>
Total capital assets being depreciated, net	<u>3,494,174</u>			<u>3,741,670</u>
Capital assets being amortized:				
Right of use assets:				
Leased vehicles		87,532		87,532
Equipment		<u>182,332</u>		<u>182,332</u>
Total right of use assets		<u>\$ 269,864</u>	<u>\$</u>	<u>269,864</u>
Less accumulated amortization for:				
Right of use assets:				
Leased vehicles		15,617		15,617
Equipment		<u>3,039</u>		<u>3,039</u>
Total accumulated amortization		<u>18,656</u>		<u>18,656</u>
Total Capital assets being amortized, net		<u>\$ 251,208</u>	<u>\$</u>	<u>251,208</u>
Governmental activity capital assets, net	<u>\$ 4,206,210</u>			<u>\$ 4,813,506</u>

**Note 3 - Detail Notes on All Funds (continued)**

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

General government	\$ 80,853
Public safety	132,122
Transportation	63,809
Physical development	71,182
Total depreciation and amortization	<u>\$ 366,622</u>

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Business-type activities:</b>				
Capital assets being depreciated:				
Buildings and systems	\$ 4,791,369	\$	\$	\$ 4,791,369
Vehicles and equipment	87,207			87,207
Total capital assets being depreciated	<u>4,878,576</u>	<u>\$</u>	<u>\$</u>	<u>4,878,576</u>
Less accumulated depreciation for:				
Water system	3,045,583	\$ 166,630	\$	3,212,23
Vehicles and equipment	85,538	339		85,877
Total accumulated depreciation	<u>3,131,121</u>	<u>\$ 166,969</u>	<u>\$</u>	<u>3,298,090</u>
Total capital assets being depreciated, net	<u>1,747,455</u>			<u>1,580,486</u>
Water fund capital assets, net	<u>\$ 1,747,455</u>			<u>\$ 1,580,486</u>

**B. Liabilities**

**1. Pension Plan and Postemployment Obligations**

**a. Local Governmental Employees' Retirement System**

*Plan Description.* The Town is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members - nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

### **Note 3 - Detail Notes on All Funds (continued)**

*Benefits Provided.* LGERS provides retirement and survivor benefits. Retirement benefits are determined at 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 or 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.

*Contributions.* Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Biltmore Forest 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 Biltmore Forest's contractually required contribution rate for the year ended June 30, 2024, was 14.10% of compensation for law enforcement officers and 12.85% for general employees, 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 were \$262,446 for the year ended June 30, 2024.

*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.

**Note 3 - Detail Notes on All Funds (continued)**

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

At June 30, 2024, the Town reported a liability of \$1,498,341 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023 utilizing updated procedures incorporating the actuarial assumptions. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2023 (measurement date), the Town's proportion was 0.02262%, which was an decrease of 0.00300% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the Town recognized pension expense of \$387,565. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to the pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 166,960	\$ 3,594
Changes of assumptions	63,671	
Net difference between projected and actual earnings on pension plan investments	401,022	
Changes in proportion and differences between Town contributions and proportionate share of contributions	56,967	14,386
Town contributions subsequent to the measurement date	<u>262,446</u>	
Total	<u>\$ 951,066</u>	<u>\$ 17,980</u>

\$262,446 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, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2025	\$ 244,501
2026	124,255
2027	284,926
2028	16,957
2029	
Thereafter	

### **Note 3 - Detail Notes on All Funds (continued)**

*Actuarial Assumptions.* The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.5 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2011 through December 31, 2015.

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 and 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 rates of return for each major asset class as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	33.0%	0.9%
Global Equity	38.0%	6.5%
Real Estate	8.0%	5.9%
Alternatives	8.0%	8.2%
Credit	7.0%	5.0%
Inflation Protection	6.0%	2.7%
Total	<u>100.0%</u>	



**Note 3 - Detail Notes on All Funds (continued)**

The information above is based on 30-year expectations developed with the consulting actuary for the 2022 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.50%. All rates of return and inflation are annualized.

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

*Sensitivity of the Town’s proportionate share of the net pension liability to changes in the discount rate.* The following presents the Town’s proportionate share of the net pension liability calculated using the discount rate of 6.50% percent, as well as what the Town’s proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50 percent) or one percentage point higher (7.50 percent) than the current rate:

	<u>1% Decrease</u> <u>(5.50%)</u>	<u>Discount Rate</u> <u>(6.50%)</u>	<u>1% Increase</u> <u>(7.50%)</u>
Town’s proportionate share of the net pension liability (asset)	\$ 2,595,817	\$ 1,498,341	\$ 594,796

*Pension plan fiduciary net position.* Detailed information about the pension plan’s fiduciary net position is available in the separately issued ACFR for the State of North Carolina.

b. Law Enforcement Officers Special Separation Allowance

*(1) Plan Description*

The Town 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 5 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.

**Note 3 - Detail Notes on All Funds (continued)**

All full time Town law enforcement officers are covered by the Separation Allowance. At December 31, 2022, the Separation Allowance's membership consisted of:

Inactive members currently receiving benefits	1
Active plan members	<u>13</u>
Total	<u>14</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 normal actuarial funding method was used in the December 31, 2022 valuation. The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.25 to 7.75 percent, including inflation and productivity factor
Discount rate	4.00 percent

The discount rate is based on the S&P Municipal Bond 20-year High Grade Rate Index as of December 31, 2022.

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

*(4) Contributions*

The Town is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The Town's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The Town paid \$7,590 as benefits came due for the reporting period.

**Note 3 - Detail Notes on All Funds (continued)**

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

At June 30, 2024, the Town reported a total pension liability of \$490,124. The total pension liability was measured as of December 31, 2023 based on a December 31, 2022 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2023 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2024, the Town recognized pension benefit of \$41,409.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$	\$ 109,154
Changes of assumptions	45,317	50,433
Town benefit payments and plan administrative expense made subsequent to the measurement date	7,590	
Total	<u>\$ 52,907</u>	<u>\$ 159,587</u>

\$7,590 paid as benefits came due subsequent to the measurement date have been reported as deferred outflows of resources. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2025	\$ (26,339)
2026	(47,504)
2027	(26,112)
2028	(12,343)
2029	(1,972)
Thereafter	

*Sensitivity of the Town's total pension liability to changes in the discount rate.* The following presents the Town's total pension liability calculated using the discount rate of 4.00 percent, as well as what the Town's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.00 percent) or 1-percentage-point higher (5.00 percent) than the current rate:

	<u>1% Decrease (3.00%)</u>	<u>Discount Rate (4.00%)</u>	<u>1% Increase (5.00%)</u>
Total pension liability	\$ 526,228	\$ 490,124	\$ 456,710

**Note 3 - Detail Notes on All Funds (continued)**

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

	2024
Beginning balance	\$ 531,948
Service Cost	19,634
Interest on the total pension liability	22,490
Difference between expected and actual experience	(73,605)
Changes of assumptions or other inputs	9,918
Benefit payments	(20,261)
Ending balance of the total pension liability	\$ 490,124

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, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

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

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

	LGERS	LEOSSA	Total
Pension Expense (benefit)	\$ 316,612	\$ 70,925	\$ 387,537
Pension Liability	1,498,341	490,124	1,638,796
Proportionate share of net pension liability	0.02262%	n/a	

**Deferred Outflows of Resources:**

Differences between expected and actual experience	166,960		166,960
Changes of assumptions	63,671	45,317	108,988
Changes in proportion and differences between contributions and proportionate share of contributions	56,967		56,967
Benefit payments and administrative costs paid subsequent to the measurement date	262,446	7,590	270,036
Net differences between projected and actual earnings on pension plan investments	401,022		401,022

**Note 3 - Detail Notes on All Funds (continued)**

	<u>LGERS</u>	<u>LEOSSA</u>	<u>Total</u>
<u>Deferred Inflows of Resources:</u>			
Differences between expected and actual experience	\$ 3,594	\$ 109,154	\$ 112,748
Net differences between projected and actual earnings on pension plan investments			
Changes in proportion and differences between contributions and proportionate share of contributions	14,386		14,386
Changes of assumptions		50,433	50,433

c. Supplemental Retirement Income Plan for Law Enforcement Officers

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

*Funding Policy.* Article 12E of G.S. Chapter 143 requires the Town to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. The law enforcement officers may also make voluntary contributions to the plan. The Town made contributions of \$38,769 for the reporting year. No amounts were forfeited.

The Town has elected to contribute to the Plan for the general employees as well as for law enforcement officers. Participation begins at the date of employment. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Each month the Town contributes an amount equal to five percent of each employee's salary, and all amounts contributed are vested immediately. The general employees may also make voluntary contributions to the plan. The Town made contributions of \$59,703 for the reporting year. No amounts were forfeited.

d. Other Postemployment Benefits (OPEB)

Healthcare Benefits

*Plan Description.* The Retiree Health Benefit Fund (RHBF) has been established as a fund to provide health benefits to retired and disabled employees and their applicable beneficiaries. RHBF is established by General Statute 135, Article 1. It is a cost-sharing, multiple-employer, defined benefit healthcare plan, exclusively for the benefit of former employees of the State, the University of North Carolina System, and community colleges. In addition, LEA's, charter schools, and some select local governments also participate.

### **Note 3 - Detail Notes on All Funds (continued)**

Management of the plan is vested in the State Health Plan Board of Trustees, which consists of 13 members - eight appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer, the State Superintendent, and the Director of the Office of State Human Resources who serve as ex-officio members. RHBF is supported by a percent of payroll contribution from participating employing units. Each year the percentage is set in legislation, as are the maximum per retiree contributions from RHBF to the State Health Plan. The State Treasurer, with the approval of the State Health Plan Board of Trustees, then sets the employer contributions (subject to the legislative cap) and the premiums to be paid by retirees, as well as the health benefits to be provided through the State Health Plan.

The financial statements and other required disclosures for the plan are presented in the State of North Carolina's Annual Comprehensive Financial Report, which can be found at <https://www.osc.nc.gov/public-information/reports>.

*Benefits provided.* Plan benefits received by retired employees and disabled employees from RHBF are OPEB. The healthcare benefits for retired and disabled employees who are not eligible for Medicare are the same as for active employees. The plan options change when former employees become eligible for Medicare. Medicare retirees have the option of selecting one of two-fully insured Medicare Advantage/Prescription Drug Plan (MA-PDP) options of the self-funded Traditional 70/30 preferred Provider Organization plan option that is also offered to non-Medicare members. If the Traditional 70/30 Plan is selected by a Medicare retiree, the self-funded State Health Plan is secondary to Medicare.

Those former employees who are eligible to receive medical benefits from RHBF are long-term disability beneficiaries of the Disability Income Plan of North Carolina (DIPNC) and retirees of the TSERS, the Consolidated Judicial Retirement System (CJRS), the Legislative Retirement System (LRS), the University Employees' Optional Retirement Program (ORP), and a small number of local governments, with five or more years of contributory membership service in their retirement system prior to disability or retirement, with the following exceptions: for employees first hired on or after October 1, 2006, and members of the General Assembly first taking office on or after February 1, 2007, future coverage as retired employees and retired members of the General Assembly is subject to the requirement that the future retiree have 20 or more years of retirement service credit in order to receive coverage on a noncontributory basis. Employees first hired on or after October 1, 2006 and members of the General Assembly first taking office on or after February 1, 2007 with 10 but less than 20 years of retirement service credit are eligible for coverage on a partially contributory basis. For such future retirees, the State will pay 50% of the State Health Plan's noncontributory premium.

Section 35.21 (c) and (d) of Session Law 2017-57 repeals retiree medical benefits for employees first hired January 1, 2021. The new legislation amends Article 3B of Chapter 135 of the General Statutes to require that retirees must earn contributory retirement service in TSERS (or in an allowed local system unit), CJRS, or LRS prior to January 1, 2021, and not withdraw that service, in order to be eligible for retiree medical benefits under the amended law. Consequently, members first hired on and after January 1, 2021 will not be eligible to receive retiree medical benefits.

**Note 3 - Detail Notes on All Funds (continued)**

RHBF's benefit and contribution provisions are established by Chapter 135, Article 1 and Chapter 135, Article 3B of the General Statutes and may be amended only by the North Carolina General Assembly. RHBF does not provide for automatic post-retirement benefit increases.

*Contributions.* By General Statute, accumulated contributions from employers to RHBF and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. By statute, contributions to RHBF are irrevocable. Also by law, fund assets are dedicated to providing benefits to retired and disabled employees and their applicable beneficiaries and are not subject to the claims of creditors of the employers making contributions to RHBF. However, RHBF assets may be used for reasonable expenses to administer the RHBF, including costs to conduct required actuarial valuations of state-supported retired employees' health benefits. Contribution rates to RHBF, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis are determined by the General Assembly in the Appropriations Bill. For the current fiscal year, the Town contributed 6.64% of covered payroll which amounted to \$140,866.

At June 30, 2024, the Town reported a liability of \$2,610,286 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. The total OPEB liability was then rolled forward to the measurement date of June 30, 2023 utilizing updated procedures incorporating the actuarial assumptions. The Town's proportion of the net OPEB liability was based on a projection of the Town's present value of future salary, actuarially determined. At June 30, 2023 and June 2022 the Town's proportion was 0.00979% and 0.00881%, respectively.

At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 28,744	\$ 2,558
Changes of assumptions	282,773	696,403
Net difference between projected and actual earnings on OPEB plan investments	20,852	
Changes in proportion and differences between Town contributions and proportionate share of contributions	744,273	237,123
Town contributions subsequent to the measurement date	140,866	
Total	<u>\$ 1,217,508</u>	<u>\$ 936,084</u>

\$119,392 reported as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date will be recognized as a decrease of the net OPEB liability in the year ending June 30, 2025.

**Note 3 - Detail Notes on All Funds (continued)**

Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2025	\$	(32,270)
2026		(51,768)
2027		74,034
2028		150,563
2029		
Thereafter		

*Actuarial assumptions.* Common actuarial assumptions for the OPEB plan follow individual note disclosures for the OPEB plan.

Inflation	2.50%
Salary increases	3.25 average, including inflation
Discount rate	3.65%

Healthcare cost trend rates:

Medical	6.50%
Prescription drug	7.25%
Administrative costs	3.00%

*Discount rate.* The discount rate used to measure the total OPEB liability for the RHBF was 3.65% at June 30, 2023 compared to 2.16% at June 30, 2022. The projection of cash flow used to determine the discount rate assumed that contributions from employers would be made at the current statutorily determined contribution rate. Based on the above assumptions, the plan's fiduciary net position was not projected to be available to make projected future benefit payments of current plan members. As a result, a municipal bond rate of 3.65% was used as the discount rate used to measure the total OPEB liability and is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2021.

*Sensitivity of the Town's proportionate share of the net OPEB liability to changes in the discount rate.* The following presents the Town's proportionate share of the net OPEB liability, as well as what the Town's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65 percent) or 1-percentage point higher (4.65 percent) than the current discount rate:



**Note 3 - Detail Notes on All Funds (continued)**

	1% Decrease <u>(2.65%)</u>	Discount Rate <u>(3.65%)</u>	1% Increase <u>(4.65%)</u>
Net OPEB liability	\$ 3,077,556	\$ 2,610,286	\$ 2,226,999

*Sensitivity of the Town's proportionate share of the net OPEB liability to changes in the healthcare trend rates.* The following presents the Town's proportionate share of the net OPEB liability, as well as what the Town's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage point higher than the current trend rates:

	1% Decrease (Medical - 5.50%, Pharmacy - 6.25%, <u>Administrative - 2.00%</u> )	Healthcare Trend Rates (Medical - 6.50%, Pharmacy - 7.25%, <u>Administrative - 3.00%</u> )	1% Increase (Medical - 7.50%, Pharmacy - 8.25%, <u>Administrative - 4.00%</u> )
Net OPEB liability	\$ 2,153,784	\$ 2,610,286	\$ 3,195,494

*OPEB plan fiduciary net position.* Detailed information about the OPEB plan's fiduciary net position is available in the separately issued ACFR for the State of North Carolina.

**2. 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.

### Note 3 - Detail Notes on All Funds (continued)

#### 3. Deferred Outflows and Inflows of Resources

Deferred outflows of resources reported on the Statement of Net Position is comprised of the following:

	<u>Amount</u>
Contributions to pension plan in current fiscal year	\$ 148,456
Benefit payments and administrative expenses for LGERS made subsequent to the measurement date	262,446
Differences between expected and actual experience	195,704
Net differences between projected and actual earnings on pension plan investments	421,874
Changes of assumptions	391,761
Changes in proportion and differences between employer contributions and proportionate share of contributions	801,240
Total	<u>\$ 2,221,481</u>

Deferred inflows of resources at year-end is comprised of the following:

	<u>Statement of Net Position</u>	<u>Governmental Funds Balance Sheet</u>
Prepaid taxes (General Fund)	\$ 9,437	\$ 9,437
Reserve for taxes receivable (General Fund)	(5,309)	
Deferred revenue (Capital Projects Fund)	177,658	177,658
Differences between expected and actual experience	115,306	
Changes in assumptions	746,836	
Net difference between projected and actual earnings		
Changes in proportion and differences between employer contributions and proportionate share of contributions	251,509	
Total	<u>\$ 1,295,437</u>	<u>\$ 187,095</u>

#### 4. 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 three 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 \$1 million per occurrence, property coverage up to the total insured values of the property policy, 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.

### **Note 3 - Detail Notes on All Funds (continued)**

The Town carries commercial coverage for all other risks of loss. 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.

The Town has a Flood Damage Prevention Ordinance and has a small area that has been identified and mapped by the Flood Insurance Rate Map. There is no historical evidence of flood damage in the areas identified and Floodplain Insurance does not appear to be necessary at this time.

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 Town Manager and tax collector are each individually bonded for \$50,000 each. The remaining employees that have access to funds are bonded under a blanket bond for \$10,000.

#### 5. Claims, Judgments, and Contingent Liabilities

At June 30, 2024, the Town was not a defendant to any lawsuits.

#### 6. Long-Term Obligations

##### a. Leases

The Town entered into agreements to lease vehicles and certain equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The Town entered into a master lease agreement for vehicles, the term of the lease 60 months with a term of 49 and 51 months remaining at June 30, 2024. The Town is required to make monthly fixed payments of \$944 and \$766. The lease does not contain a stated interest rate. Accordingly, the City's estimated incremental borrowing rate of 8.145% was used to discount the remaining minimum lease payments. The liability balance as of June 30, 2024, for both leases is \$72,162.

The Town entered into a lease agreement for a camera system for the police department. The term of the lease is four years with three years left at June 30, 2024. The Town is required to make annual payments of \$48,250. The lease does not contain a stated interest rate. Accordingly, the City's estimated incremental borrowing rate of 8.14% was used to discount the remaining minimum lease payments. The liability balance as of June 30, 2024, is \$124,032.

**Note 3 - Detail Notes on All Funds (continued)**

a. Leases (continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2024, were as follows:

Years Ending June 30	Governmental Activities	
	Principal	Interest
2025	\$ 53,147	\$ 15,620
2026	57,809	10,958
2027	62,565	6,202
2028	19,464	1,053
2029	3,210	31
Total	<u>\$ 196,195</u>	<u>\$ 33,864</u>

b. Installment Purchases

Serviced by the General Fund:

Note payable, bearing interest at 3.36% per annum, due in 19 semi-annual of \$42,105 beginning October 2019 and ending October 2028, collateralized by a deed of trust. \$ 378,948

Noninterest bearing note payable due in 20 annual payments of \$14,630 beginning August 2022 and ending August 2042, implied interest rate of 5.5%. collateralized by revenues of the Project or benefited systems or other available funds 263,340

Total long-term debt 642,288

Less, unearned discount on installment purchases (89,761)

Total installment purchases, net of unearned discount 552,527

Less, current portion (90,098)

Noncurrent portion of installment purchases \$ 462,429

Annual debt service payments for installment purchases as of June 30, 2024, including \$47,400 of interest, are as follows:

Years Ending June 30	Governmental Activities	
	Principal	Interest
2025	\$ 90,098	\$ 20,767
2026	90,422	17,614
2027	90,763	14,443
2028	91,124	11,253
2029	49,402	8,043
2030-2042	<u>140,718</u>	<u>49,472</u>
	<u>\$ 552,527</u>	<u>\$ 121,592</u>

**Note 3 - Detail Notes on All Funds (continued)**

c. Changes in Long-Term Liabilities

Compensated absences for governmental activities have typically been liquidated in the General Fund.

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Current Portion of Balance</u>
<b>Governmental activities:</b>					
Installment purchases	\$ 771,558	\$	\$ 219,031	\$ 552,527	\$ 90,098
Leases		196,194		196,194	53,147
Compensated absences	85,879		8,487	77,392	
Total OPEB liability	1,804,132	599,057		2,403,189	
Net pension liability (LGERS)	1,038,463	341,001		1,379,464	
Total pension liability (LEO)	<u>531,948</u>	<u></u>	<u>41,824</u>	<u>490,124</u>	<u></u>
Governmental activities long-term liabilities	<u>\$ 4,231,980</u>	<u>\$ 1,136,252</u>	<u>\$ 269,342</u>	<u>\$ 5,098,890</u>	<u>\$ 143,245</u>
<b>Business-type activities:</b>					
Compensated absences	\$ 4,074	\$	\$	\$ 4,074	\$
Total OPEB liability	118,807	88,290		207,097	
Net pension liability (LGERS)	<u>68,385</u>	<u>50,492</u>	<u></u>	<u>118,877</u>	<u></u>
Business-type activities long-term liabilities	<u>\$ 191,266</u>	<u>\$ 138,782</u>	<u>\$</u>	<u>\$ 330,048</u>	<u>\$</u>

C. Interfund Balances and Activity

There are no balances due to/from other funds at June 30, 2024.

There were no transfers to/from other funds for the year ended June 30, 2024.

D. Net Investment in Capital Assets

The Town's net investment in capital assets at June 30, 2024 is calculated as follows:

	<u>Governmental</u>	<u>Business-type</u>
Capital assets	\$ 4,813,506	\$ 1,580,486
Less: long-term debt	<u>748,721</u>	<u></u>
Net investment in capital assets	<u>\$ 4,064,785</u>	<u>\$ 1,580,486</u>

**Note 3 - Detail Notes on All Funds (continued)**

E. Fund Balance

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

Total fund balance - General Fund	\$ 5,025,997
Less:	
Inventories	2,229
Stabilization by State Statute	501,054
Fund balance appropriated	1,258,836
Working capital / fund balance policy	<u>1,701,859</u>
Remaining fund balance	<u>\$ 1,562,019</u>

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 in the range of 25-35% of budgeted expenditures.

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end.

<u>Encumbrances</u>	<u>General Fund</u>	<u>Proprietary Fund</u>
\$33,908	\$26,334	\$7,574

**Note 4 - Summary Disclosure of Significant Contingencies**

Federal and State Assisted Programs

The Town has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

**Note 5 - Significant Effects of Subsequent Events**

On September 27, 2024, heavy rains and winds from hurricane Helene caused record flooding and damage across western North Carolina, including the Town of Biltmore Forest. The Town is currently working with the Federal Emergency Management Agency (FEMA) and has adopted a grant project ordinance for reimbursement for the storm. The Town's current estimate for this reimbursable work is just under \$10,000,000 but is likely to change as specific projects and needs are identified. The debris removal for the Town of Biltmore Forest, as a result of Hurricane Helene, is extensive. The contractor's estimate for removal is 340,000 cubic yards. As of November 26, 2024, the Town has removed nearly 190,000 cubic yards. We anticipate the full cost of this to be close to \$7,000,000, which is included in the grant project ordinance above.

Management has evaluated subsequent events through November 26, 2024, the date the financial statements were available to be issued.

**Note 6 - Restatement**

During the fiscal year ended June 30, 2024, the Town determined that a discount should be recorded in the statement of net position on a non-interest bearing note payable as of June 30, 2023. As a result, the beginning net position in the government wide statements has been increased by \$98,810 to account for the discount on the full accrual basis of accounting. This adjustment did not affect the Governmental Funds, therefore, there was no change in the beginning fund balance of the General Fund.

PROOF

**REQUIRED SUPPLEMENTARY INFORMATION**



## TOWN OF BILTMORE FOREST, NORTH CAROLINA

### Schedule of the Proportionate Share of Net Pension Liability Local Government Employees' Retirement System Last Ten Fiscal Years\*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's proportion of the net pension liability (asset) (%)	0.02262%	0.01962%	0.02082%	0.02015%	0.01973%	0.02350%	0.02272%	0.02236%	0.02205%	0.01902%
Town's proportionate share of the net pension liability (asset) (\$)	\$ 447,707	\$ 314,976	\$ 319,295	\$ 720,045	\$ 538,811	\$ 557,500	\$ 347,099	\$ 474,554	\$ 98,960	\$ (112,170)
Town's covered payroll	\$ 1,744,350	\$ 1,594,025	\$ 1,567,805	\$ 1,544,017	\$ 1,486,508	\$ 1,453,664	\$ 1,462,980	\$ 1,397,262	\$ 1,321,703	\$ 1,222,192
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	25.67%	19.76%	20.37%	46.64%	36.25%	38.36%	23.73%	33.97%	7.49%	(9.18%)
Plan fiduciary net position as a percentage of the total pension liability**	82.49%	84.14%	95.51%	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%

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

\*\* This will be the same percentage for all participant employers in the LGERS plan.

**TOWN OF BILTMORE FOREST, NORTH CAROLINA**

Schedule of Contributions  
Local Government Employees' Retirement System  
Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 262,446	\$ 217,068	\$ 172,000	\$ 164,530	\$ 144,204	\$ 121,448	\$ 114,994	\$ 112,193	\$ 96,833	\$ 95,935
Contributions in relation to the contractually required contribution	<u>262,446</u>	<u>217,068</u>	<u>172,000</u>	<u>164,530</u>	<u>144,204</u>	<u>121,448</u>	<u>114,994</u>	<u>112,193</u>	<u>96,833</u>	<u>95,936</u>
Contribution deficiency (excess)	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Town's covered payroll	<u>\$1,972,912</u>	<u>\$1,744,350</u>	<u>\$1,594,025</u>	<u>\$1,567,805</u>	<u>\$1,544,077</u>	<u>\$1,486,508</u>	<u>\$1,453,664</u>	<u>\$1,462,980</u>	<u>\$1,397,262</u>	<u>\$1,321,703</u>
Contributions as a percentage of covered payroll	13.30%	12.53%	10.79%	10.49%	9.34%	8.17%	7.91%	7.67%	6.93%	7.26%

**TOWN OF BILTMORE FOREST, NORTH CAROLINA**

Schedule of Changes in Total Pension Liability  
Law Enforcement Officers' Special Separation Allowance  
Last Seven Fiscal Years \*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Beginning balance	\$ 531,948	\$ 641,081	\$ 684,752	\$ 560,077	\$ 489,859	\$ 397,011	\$ 309,509
Service cost	19,634	25,101	31,954	17,198	19,649	22,786	18,55
Interest on the total pension liability	22,490	14,080	12,920	17,759	16,819	12,062	11,490
Differences between expected and actual experience in the measurement of the total pension liability	(73,605)	(38,277)	(42,596)	(53,950)	73,982	107,940	52,926
Changes of assumptions or other inputs	9,918	(79,420)	(15,332)	174,285	15,385	(19,323)	28,191
Benefit payments	<u>(22,261)</u>	<u>(30,617)</u>	<u>(30,617)</u>	<u>(30,617)</u>	<u>(55,617)</u>	<u>(30,617)</u>	<u>(23,660)</u>
Ending balance of the total pension liability	<u>\$ 490,124</u>	<u>\$ 531,948</u>	<u>\$ 641,081</u>	<u>\$ 684,752</u>	<u>\$ 560,077</u>	<u>\$ 489,859</u>	<u>\$ 397,011</u>

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

**TOWN OF BILTMORE FOREST, NORTH CAROLINA**

Schedule of Total Pension Liability as a Percentage of Covered Payroll  
 Law Enforcement Officers' Special Separation Allowance  
 Last Seven Fiscal Years

	2024	2023	2022	2021	2020	2019	2018
Total pension liability	\$ 490,124	\$ 531,948	\$ 641,081	\$ 684,752	\$ 560,077	\$ 489,859	\$ 397,011
Town's covered payroll	\$ 1,972,912	\$ 1,732,827	\$ 846,434	\$ 803,531	\$ 832,387	\$ 835,067	\$ 853,284
Total pension liability as a percentage of covered payroll	24.84%	30.70%	75.74%	85.22%	67.29%	58.66%	46.53%

Notes to the schedule

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

The pension schedules are intended to show information for ten years; additional years' information will be displayed as it becomes available.

## TOWN OF BILTMORE FOREST, NORTH CAROLINA

### Schedule of the Town's Proportionate Share of Net OPEB Liability Retiree Health Benefit Fund Last Six Years \*

	2024	2023	2022	2021	2020	2019
Town's proportion of the net OPEB liability	0.00979%	0.00810%	0.00881%	0.00716%	0.00772%	0.00786%
Town's proportionate share of the net OPEB liability	\$ 2,610,286	\$ 1,922,939	\$ 2,723,626	\$ 1,987,151	\$ 2,441,391	\$ 2,238,634
Town's covered payroll	\$ 1,972,912	\$ 1,732,827	\$ 1,567,805	\$ 1,544,077	\$ 1,486,508	\$ 1,453,664
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	132.30%	110.97%	173.72%	128.70%	164.24%	154.00%
Plan Fiduciary net position as a percentage of the total OPEB liability**	10.73%	10.58%	7.72%	6.92%	4.40%	4.40%

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

\*\* This will be the same percentage for all participant employers in the RHBF plan.

**TOWN OF BILTMORE FOREST, NORTH CAROLINA**

Schedule of Contributions  
Retiree Health Benefit Fund  
Last Six Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 140,866	\$ 119,392	\$ 98,290	\$ 104,729	\$ 99,902	\$ 93,204
Contributions in relation to the contractually required contribution	<u>140,866</u>	<u>119,392</u>	<u>98,290</u>	<u>104,729</u>	<u>99,902</u>	<u>93,204</u>
Contribution deficiency (excess)	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>
Town's covered payroll	<u>\$ 1,972,912</u>	<u>\$ 1,732,827</u>	<u>\$ 1,594,025</u>	<u>\$ 1,567,805</u>	<u>\$ 1,544,077</u>	<u>\$ 1,486,508</u>
Contributions as a percentage of the covered payroll	7.14%	6.89%	6.17%	6.68%	6.47%	6.27%

**INDIVIDUAL FUND STATEMENTS  
AND SCHEDULES**

**TOWN OF BILTMORE FOREST, NORTH CAROLINA**

General Fund  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget and Actual  
 For the Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Ad valorem taxes:			
Taxes	\$ 3,132,614	\$ 3,137,662	\$ 5,048
Interest	<u>6,870</u>	<u>7,497</u>	<u>627</u>
Total	<u>3,139,484</u>	<u>3,145,159</u>	<u>5,675</u>
Unrestricted intergovernmental:			
Local option sales taxes	1,674,319	1,502,624	(171,695)
Franchise tax	256,200	264,071	7,871
Beer and wine tax	<u>6,500</u>	<u>6,585</u>	<u>85</u>
Total	<u>1,937,019</u>	<u>1,773,280</u>	<u>(163,739)</u>
Restricted intergovernmental:			
Solid waste disposal tax	1,133	1,121	(12)
Illicit substance tax		164	164
Powell Bill allocation	<u>74,012</u>	<u>74,012</u>	
Total	<u>75,145</u>	<u>75,297</u>	<u>152</u>
Permits and fees:			
Dog license fee	1,300	1,295	(5)
Building permits	<u>34,750</u>	<u>35,119</u>	<u>369</u>
Total	<u>36,050</u>	<u>36,414</u>	<u>364</u>
Investment earnings	<u>217,700</u>	<u>239,541</u>	<u>21,841</u>
Miscellaneous:			
American Tower	36,403	33,619	(2,784)
Police department grant	6,770	6,771	1
Other	<u>50,000</u>	<u>61,507</u>	<u>11,507</u>
Total	<u>93,173</u>	<u>101,897</u>	<u>8,724</u>
Total revenues	<u>5,498,571</u>	<u>5,347,872</u>	<u>(126,983)</u>
<b>Expenditures</b>			
General government:			
Administration:			
Salaries and benefits	539,883	543,336	(3,453)
Professional services	55,689	56,438	(749)
Other operating expenditures	169,963	175,948	(5,985)
Board salary	<u>21,600</u>	<u>21,600</u>	
Total	<u>\$ 787,135</u>	<u>\$ 797,322</u>	<u>\$ (10,187)</u>



**TOWN OF BILTMORE FOREST, NORTH CAROLINA**

General Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual (continued)  
For the Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Other:			
Outside professional services	\$ 100,959	\$ 32,753	\$ 68,206
Electricity and utilities	150,937	145,580	5,357
General repairs	45,000	43,324	1,676
Insurance	117,000	117,252	(252)
Other operating expenditures	<u>198,858</u>	<u>104,723</u>	<u>94,135</u>
Total	<u>612,754</u>	<u>443,632</u>	<u>169,122</u>
Total general government	<u>1,399,889</u>	<u>1,240,954</u>	<u>158,935</u>
Public safety:			
Police:			
Salaries and benefits	1,691,493	1,659,770	31,723
Vehicle maintenance	52,500	43,131	9,369
Other operating expenditures	185,073	169,499	15,574
Capital outlay	<u>220,000</u>	<u>287,877</u>	<u>(67,877)</u>
Total	<u>2,149,066</u>	<u>2,160,277</u>	<u>(11,211)</u>
Contracted fire services	<u>425,000</u>	<u>425,000</u>	<u>          </u>
Total public safety	<u>2,574,066</u>	<u>2,585,277</u>	<u>(11,211)</u>
Transportation:			
Vehicle maintenance	7,000	6,352	648
Resurfacing contracts	110,000	113,982	(3,982)
Storm water drainage	1,295,995	307,682	988,313
Other operating expenditures	10,500	8,310	2,190
Capital outlay	<u>59,200</u>	<u>55,550</u>	<u>3,650</u>
Total transportation	<u>1,482,695</u>	<u>491,876</u>	<u>990,819</u>
Physical development:			
Public works:			
Salaries and benefits	401,729	363,353	38,376
Vehicle maintenance	16,500	14,606	1,894
Other operating expenditures	172,408	120,574	51,834
Street lighting	33,000	31,354	1,646
Capital outlay	<u>10,148</u>	<u>          </u>	<u>10,148</u>
Total	<u>\$ 633,785</u>	<u>\$ 529,887</u>	<u>\$ 103,898</u>

**TOWN OF BILTMORE FOREST, NORTH CAROLINA**

General Fund  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget and Actual (continued)  
 For the Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Sanitation and recycling:			
Salaries and benefits	\$ 280,512	\$ 237,549	\$ 42,963
Tipping fees	171,200	159,446	11,754
Recycling	20,000	5,536	14,464
Other operating expenditures	<u>82,758</u>	<u>25,037</u>	<u>57,721</u>
Total	<u>554,470</u>	<u>427,568</u>	<u>126,902</u>
 Total physical development	 <u>1,188,255</u>	 <u>957,455</u>	 <u>230,800</u>
Debt service:			
Principal retirement	141,962	180,965	(39,003)
Interest	<u>20,570</u>	<u>29,589</u>	<u>(9,019)</u>
Total debt service	<u>162,532</u>	<u>210,554</u>	<u>(48,022)</u>
 Total expenditures	 <u>6,807,437</u>	 <u>5,486,116</u>	 <u>1,321,311</u>
 Revenues over (under) expenditures	 <u>(1,308,866)</u>	 <u>(114,528)</u>	 <u>1,194,328</u>
Other financing sources (uses):			
Sale of capital assets	10,000		(10,000)
Lease liabilities issued		<u>256,938</u>	<u>256,938</u>
Total	<u>10,000</u>	<u>256,938</u>	<u>246,938</u>
 Appropriated fund balance	 <u>1,298,866</u>		 <u>(1,298,866)</u>
 Net change in fund balance	 <u>\$ _____</u>	 142,410	 <u>\$ 142,410</u>
 Fund balances, beginning		 <u>4,883,587</u>	
 Fund balances, ending		 <u>\$ 5,025,997</u>	

**TOWN OF BILTMORE FOREST, NORTH CAROLINA**

Water Fund  
 Schedule of Revenues and Expenditures  
 Budget and Actual (Non-GAAP)  
 For the Year Ended June 30, 2024

	Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Operating revenues:			
Water sales	\$ 1,065,807	\$ 892,065	\$ (173,742)
Water tap and connection fees	6,000	22,130	16,130
AMI transmitter charges	7,700	7,607	(93)
Commissions, sewer charge collections	8,000	9,412	1,412
Total operating revenues	1,087,507	931,214	(156,293)
Non-operating revenues:			
Investment earnings	4,000	5,439	1,439
Total revenues	1,091,507	936,653	(154,854)
<b>Expenditures</b>			
Operating expenditures:			
Salaries and benefits	218,770	242,492	(23,722)
Professional services	5,000	44,486	(39,486)
Repairs and maintenance	25,000	5,624	19,376
Other operating expenditures	43,896	33,865	10,030
Water purchases	204,750	172,512	32,238
Sewer purchases	396,000	419,179	(23,179)
Contingency	178,891		178,891
Total expenditures	1,091,507	918,159	173,348
Revenues over expenditures	\$	18,494	\$ 18,494
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
Reconciling items:			
Depreciation		(166,969)	
Increase in deferred outflow of resources - pensions		28,524	
Increase in net pension liability		(50,492)	
Decrease in deferred inflow of resources - pensions		493	
Decrease in deferred outflows of resources - OPEB		51,315	
Decrease in net OPEB liability		(88,290)	
Increase in deferred inflows of resources - OPEB		3,355	
Total reconciling items		(222,064)	
Change in net position		\$ (203,569)	

Capital Project Fund – Greenwood Park  
Schedule of Revenues and Expenditures and Changes in Fund Balances - Budget and Actual  
From Inception and for the Fiscal Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
<b>Revenues</b>					
Grant proceeds	\$ 451,276	\$ 267,832	\$ 231,424	\$ 499,256	\$ 47,980
Total revenues	<u>451,276</u>	<u>267,832</u>	<u>231,424</u>	<u>499,256</u>	<u>47,980</u>
<b>Expenditures</b>					
General government: Capital outlay	<u>451,276</u>		<u>231,424</u>	<u>231,424</u>	<u>219,852</u>
Total expenditures	<u>451,276</u>		<u>231,424</u>	<u>231,424</u>	<u>219,852</u>
Revenues over (under) expenditures		267,832		267,832	267,832
<b>Other financing sources (uses)</b>					
Transfers (to) from General Fund		<u>(42,194)</u>		<u>(42,194)</u>	<u>(42,194)</u>
Net change in fund balance	<u>\$</u>	<u>\$ 225,638</u>		<u>\$ 225,638</u>	<u>\$ 225,638</u>
Fund balance, beginning					
Fund balance, ending			<u>\$</u>		

PROOF

**OTHER SCHEDULES**

**TOWN OF BILTMORE FOREST, NORTH CAROLINA**

Schedule of Ad Valorem Taxes Receivable  
June 30, 2024

<u>Fiscal Year</u>	Uncollected Balance <u>June 30, 2023</u>	<u>Additions</u>	<u>Collections and Credits</u>	Uncollected Balance <u>June 30, 2024</u>
2023-2024	\$	\$ 3,140,135	\$ 3,140,135	\$
2022-2023	5,309		5,309	
2021-2022	460		460	
2020-2021				
2019-2020				
2018-2019				
2017-2018				
2016-2017	19			19
2015-2016	14			14
2014-2015	120		107	13
	<u>\$ 5,922</u>	<u>\$ 3,140,135</u>	<u>\$ 3,146,011</u>	46
	Less: allowance for uncollectible accounts:			
				<u>46</u>
				<u>\$</u>
	<u>Reconciliation to revenues:</u>			
				\$ 3,145,159
	Reconciling items:			
				(7,497)
				5,173
				<u>3,176</u>
				<u>\$ 3,146,011</u>

**TOWN OF BILTMORE FOREST, NORTH CAROLINA**

Analysis of Current Tax Levy  
Town-Wide Levy  
June 30, 2024

	<u>Town-Wide</u>			<u>Total Levy</u>	
	<u>Property Valuation</u>	<u>Rate</u>	<u>Total Levy</u>	<u>Property Excluding Registered Motor Vehicles</u>	<u>Registered Motor Vehicles</u>
Original levy:					
Property taxed at current year rate	\$ 909,994,022	0.3450%	\$ 3,140,135	\$ 3,008,038	\$ 132,097
Total property valuation	<u>\$ 909,994,022</u>				
Net levy			3,140,135	3,008,038	132,097
Uncollected taxes at June 30, 2024			<u>                    </u>	<u>                    </u>	<u>                    </u>
Current year's taxes collected			<u>\$ 3,140,135</u>	<u>\$ 3,008,038</u>	<u>\$ 132,097</u>
Current levy collection percentage			<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

PROOF

**COMPLIANCE SECTION**



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor  
and Members of the Board of Commissioners  
Town of Biltmore Forest, North Carolina

We have audited, 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, the financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of Town of Biltmore Forest, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Town of Biltmore Forest's basic financial statements, and have issued our report thereon dated November 26, 2024.

### **Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Town of Biltmore Forest's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Town of Biltmore Forest's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Biltmore Forest'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the schedule of findings and responses as Finding 2024-001, that we consider to be a significant deficiency.

To the Honorable Mayor  
and Members of the Board of Commissioners  
Town of Biltmore Forest, North Carolina

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

As part of obtaining reasonable assurance about whether Town of Biltmore Forest'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 financial statements. 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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and responses as Finding 2024-001.

## **Town of Biltmore Forest's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Town of Biltmore Forest's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Town's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## **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.

*CARTER, P.C.*

Asheville, North Carolina  
November 26, 2024

## TOWN OF BILTMORE FOREST, NORTH CAROLINA

### Schedule of Findings and Responses Year Ended June 30, 2024

#### Finding 2024-001 – Expenditures in Excess of Appropriations

##### NONCOMPLIANCE

*Criteria:* N.C.G.S 159 requires that the Town adopt and operate under an annual balanced ordinance. The budget ordinance may be in any form that the Board considers most efficient in enabling it to make fiscal policy decisions. The Town adopts the budget for the General Fund by department and by account classification for the Water and Sewer Fund.

*Condition:* Actual expenditures incurred in the General Fund exceeded appropriations in Public Safety by \$11,211 and Debt Service by \$48,022.

*Effect:* The Town was out of compliance with its adopted budget ordinance in the areas noted above.

*Cause:* The budget ordinance adopted by the Town was not amended such that budgeted expenditures were not exceeded.

*Recommendation:* We recommend that the Town monitor and amend the budget in such detail as to not allow over expenditure.

*Views of Responsible Officials and Planned Corrective Actions:* Town officials understand this requirement and will ensure that adjustments needed for budget appropriations are properly amended and approved by the Board prior to year-end. This corrective action will be implemented immediately.

**TOWN OF BILTMORE FOREST, NORTH CAROLINA**

**SUMMARY OF PRIOR AUDIT FINDINGS**

Reported findings for the year ended June 30, 2023:

Finding 2023-001 – Segregation of Duties

*Status:* This finding was not repeated in the year ended June 30, 2024

Finding 2023-002 – Expenditures in Excess of Appropriations

*Status:* This finding was repeated in the year ended June 30, 2024

An audit in accordance with *Government Auditing Standards* was not required for the fiscal year ended June 30, 2022.

PROOF

**BOARD OF COMMISSIONERS MEETING  
STAFF MEMORANDUM  
DECEMBER 10, 2024**



**AGENDA ITEM I-2**

**PLANNING COMMISSION ZONING TEXT  
AMENDMENT RECOMMENDATION**

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**Background**

Prior to Hurricane Helene, the Board of Commissioners asked the Planning Commission to provide comments and a recommendation on a potential zoning text amendment. This zoning text amendment provides for “allowable” accessory structures to be permitted administratively rather than through the Board of Adjustment. Currently, all accessory structures are regulated as a special use permit and require a quasi-judicial hearing by the Board of Adjustment.

Examples of these accessory structures are as follows:

1. Fences within the rear yard
2. Driveway gates
3. Retaining and garden walls within the rear yard
4. Driveway walls and driveway columns
5. Landscaping rocks not to exceed 30” in height
6. Rear yard play structures
7. Rear yard patios and outdoor spaces

**Planning Commission Recommendation**

The Planning Commission met Tuesday, December 4 and voted unanimously to recommend approval of this zoning text amendment. The Commission also found that the proposed zoning text amendment was in harmony with the Town’s Comprehensive Plan.

**Next Steps**

Any land use amendment (zoning ordinance change, zoning text amendment, etc.) requires a public hearing before it can be adopted. The Town will provide notice to the public via the Asheville *Citizen-Times* as statutorily required and hold the public hearing at the next regular meeting on Tuesday, January 14, 2025. A copy of the recommended amendment will be posted to the Town’s website at the same time as the notice is published. The Commission recommended several changes to the proposed amendment prior to recommending it for approval. Those changes are being compiled into the document and will be provided to the Board, and published, well ahead of the public hearing.

**BOARD OF COMMISSIONERS MEETING  
STAFF MEMORANDUM  
DECEMBER 10, 2024**



**AGENDA ITEM I-3**

**WATER BILLING REINSTATEMENT AFTER  
DECEMBER 2024 BILLING CYCLE**

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**Background**

At the November 2024 Board meeting, Commissioners voted to suspend water billing until potable water was provided to residents. This resulted from the City of Asheville's decision to *not* bill wholesale water customers (or any water customers) for the duration of time in which the City's water was not being provided and/or was not potable. The motion was made to resume billing for water at such time that potable water was being delivered to customers.

**Next Steps**

Potable water service resumed on November 18, 2024 with the lifting of a boil water notice. Staff has taken appropriate steps to suppress billing for water service through the regular mid-December billing cycle and still anticipates using this timeline.