



Town of *Biltmore Forest* North Carolina



Popular Annual Financial Report
FISCAL YEAR ENDED JUNE 30, 2019

MANAGER'S MESSAGE

Dear Biltmore Forest Resident,

In an effort to keep you informed on how your tax dollars are being spent, we are pleased to present the 2019 Popular Annual Financial Report (PAFR). The PAFR is a summary of the financial activities of the Town's governmental funds, business-type funds, and general fund.

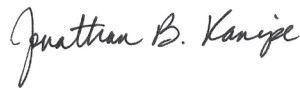
The financial information in this report is derived from the Comprehensive Annual Financial Report (CAFR). The CAFR is prepared in accordance with Generally Accepted Accounting Principles (GAAP) and the financial statements therein have received an unmodified opinion from the independent auditors at Carter PC. This publication is not to be used as a substitution for the CAFR which contains more detailed information including audited financial statements, notes, and schedules.

Unlike the CAFR, this report is not an audited document and does not include the other disclosures required by GAAP. This report is not intended to present a complete financial picture of the Town in accordance with GAAP.

Both the PAFR and CAFR reports are available on the Town's website at www.biltmoreforest.org/finance.

We hope you find this report to be informative and understandable. If you have any questions concerning either report or would like additional information, please contact us via email townhall@biltmoreforest.org or call (828) 274-0824. We value your input and look forward to addressing any questions or comments you may have.

Sincerely,



Jonathan B. Kanipe
Town Manager

FINANCE & BUDGET AWARDS

The Town of Biltmore Forest has received the Government Finance Officers Association of the United States and Canada (GFOA) award for our Comprehensive Annual Financial Report (CAFR) for the past four consecutive years.

Last year the Town received the GFOA award for Distinguished Budget Presentation. To earn these awards, the Town must produce easily readable and efficiently organized budget and CAFR whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and accepted legal requirements.

In addition, the Town's Popular Annual Financial Report for the fiscal year ended June 30, 2018 received the award for Outstanding Achievement in Popular Annual Financial Reporting for the second consecutive year.



TABLE OF CONTENTS

COMMUNITY PROFILE	3
GOVERNMENT PROFILE	4
YEAR IN REVIEW	5
TAXES	7
NET POSITION	8
GENERAL FUND	9
FUND BALANCE	10
DEBT	10
BUDGETING	10
DEPARTMENTAL ACTIVITIES	11

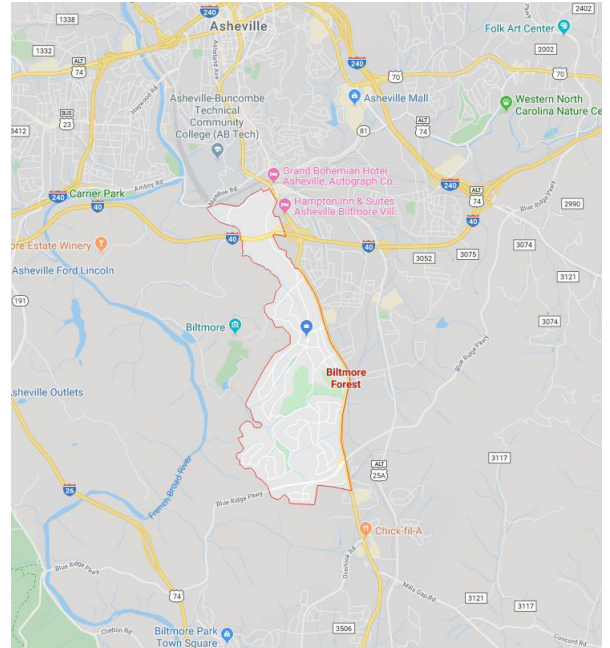
COMMUNITY PROFILE

ABOUT THE TOWN

The Town of Biltmore Forest was incorporated in 1923 in the Blue Ridge Mountains of western North Carolina. The Town is located between the Biltmore Estate, the Blue Ridge Parkway and the City of Asheville. Major industries located in close proximity to the Town include hospitals, major tourist destinations, medical offices, retail stores and several financial institutions and insurance companies. The Town is easily accessible from Interstate 40, Interstate 26 and US 25 and is only 9 miles from Asheville Regional Airport.

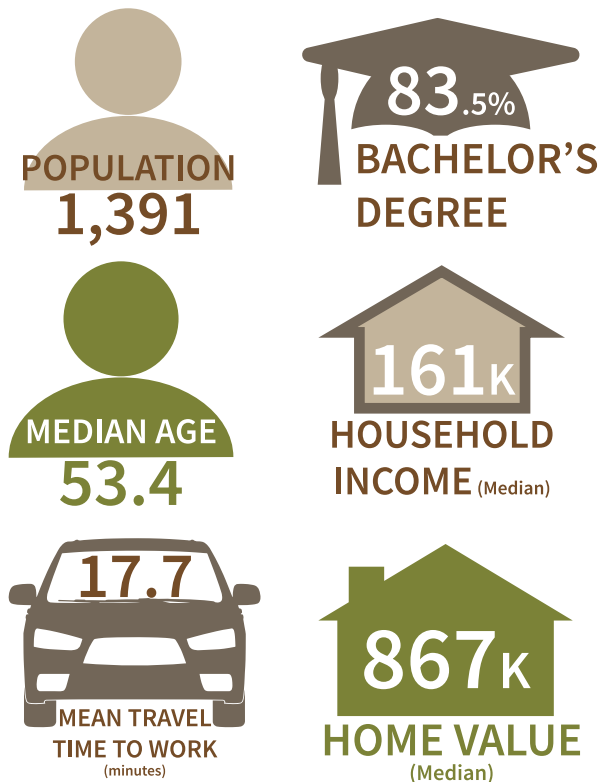
The attention to detail and environment that were prominent during the development of the Town have been preserved by virtue of residential zoning designations and conscientious zoning restrictions. Conservation of the naturalistic landscaping, designed with the same influences as the Biltmore Estate, has been possible through adoption of a tree protection ordinance and community forestry programs.

The Town provides a full range of services including police and fire protection, sanitation and recycling services, road maintenance, water services, parks, zoning administration, as well as support for all Town functions.



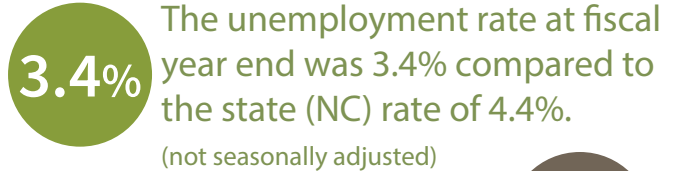
AT A GLANCE

BILTMORE FOREST, NC



INCORPORATED 1923
LAND AREA 2.9 SQUARE MILES
MUNICIPAL EMPLOYEES 26

BUNCOMBE COUNTY, NC



TOP 10 EMPLOYERS

- Memorial Mission Hospital Inc
- Buncombe County Board of Education
- Ingles Markets, Inc
- Biltmore Workforce Management Inc
- Veterans Administration VA
- County of Buncombe
- City of Asheville
- Wal-Mart Associates Inc
- Eaton Corporation
- Mission Medical Associates Inc

TOP 10

GOVERNMENT PROFILE

GOVERNANCE

The Town of Biltmore Forest operates under a Council-Manager form of government. The Board of Commissioners (Council) is the legislative body of government. The Mayor and each Commissioner are elected, at-large, for a term of four years.

The Board of Commissioners determines the Town's fiscal policy by adopting the annual budget ordinance and levying the taxes, adopting ordinances, establishing services and service levels, and other policy making decisions that establish the framework for the government to meet the needs of the community. The Mayor presides at meetings of the Commission and is recognized as head of the Town government for all official functions. The Mayor-pro-tem is designated among the elected Commissioners to serve as acting Mayor in the absence of the Mayor.



A professional Town Manager is appointed by the Board, and serves at the pleasure of the Board. The Manager administers the daily operations of the Town through appointed department heads and executive staff members.

APPOINTED BOARDS

Board of Adjustment

A quasi-judicial board which considers requests for conditional use permits, variances, and other associated land development. This board is comprised of five members and one alternate member, appointed by the Board of Commissioners for a term of three years. Member's terms are staggered.

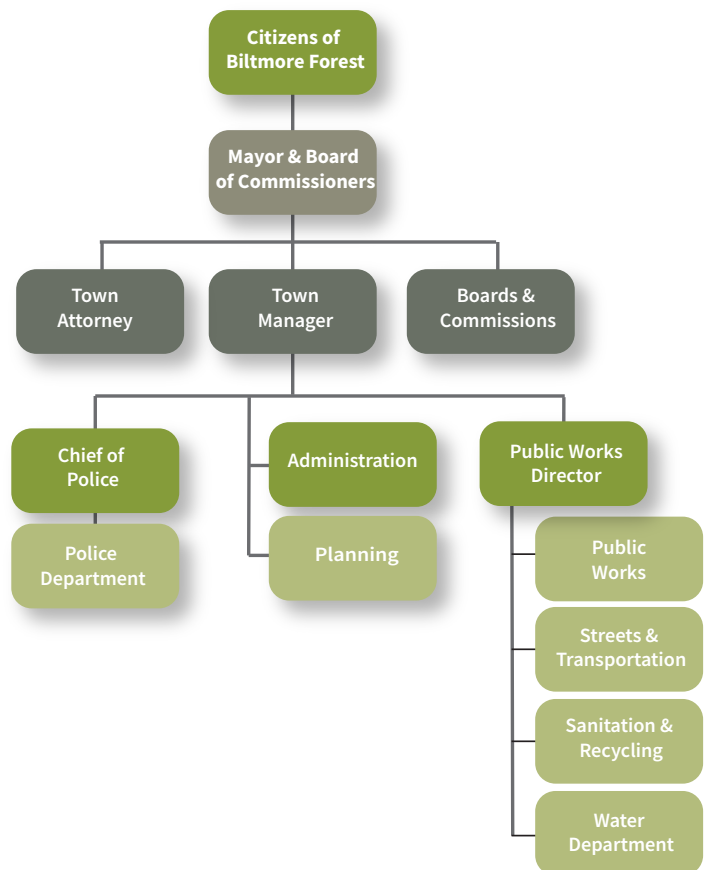
Design Review Board

An advisory board that reviews exterior structure changes or new structures to recommend adherence to the Town's design standards. This board is comprised of five members, appointed by the Board of Commissioners for a term of three years. Member's terms are staggered.

Planning Board

An advisory board that evaluates changes to the zoning ordinance and makes formal recommendations to the Board of Commissioners. This board is comprised of three members, appointed by the Board of Commissioners for a term of three years. Member's terms are staggered.

ORGANIZATIONAL CHART



PUBLIC WORKS BUILDING CONSTRUCTION

The Public Works building, originally constructed in 1929, was in need of significant repairs. The Town engaged an architectural firm, ClarkNexsen, to maintain the original aesthetic of the building while making the much needed improvements to the building. Beverly-Grant began construction in October 2018, exposing the studs in the original part of the building and tearing down a portion that had been added later. Construction is scheduled to be completed in September 2019.



STORMWATER MASTER PLAN

The Town completed Phase 1 of the stormwater master plan and approximately 80% of phase 2 during fiscal year ending 2019. As a result ten high priority needs were identified. The Town will begin work on these high priority needs in the following fiscal year.

GREENWOOD PARK MASTER PLAN

The master plan for Greenwood Park was approved by the Board of Commissioners. Once approved, the Town applied for a grant with the North Carolina Parks & Recreation Trust Fund (NC PARTF). Grant funding was not received, however the Board agreed to perform a number of items on the master plan with money committed as a match for the project.



TRAFFIC MITIGATION STUDIES

The Town conducted a traffic study for two arterial roads and a connector road. As a result, the Town conducted a specific engineering report to reduce speeds from 35 mph to 25 mph on Vanderbilt Road and to install a four-way stop at the intersection of Vanderbilt Road and Cedarcliff Road. As the projects were implemented, the Town strived for awareness and visibility of the traffic changes.

CITIZEN PARTICIPATION

The Town has prioritized citizen outreach in the fiscal year ending 2019. An open house was held to provide citizens information on the Town's financial reporting, capital projects, potential zoning ordinance changes, wildlife interaction issues, and traffic concerns. A separate public meeting was held regarding proposed changes to Greenwood Park where constructive feedback was utilized to make changes to the master plan concept.

RESTORING THE PAST

Resident Paul Zimmerman volunteered to restore pillars donated by the Bourne Lane condominiums. These pillars were originally displayed on the Artisan's shop, one of three commercial buildings in Biltmore Forest designed by William Waldo Dodge. After its construction in 1930, the Artisan shop housed woodcarvers George Arthur, Robert Valier, and Alice Valier whose work was showcased outside of the building with seven-foot tall cypress posts supporting the roof and eight panels below the windows all being intricately carved.

When the Artisan shop was taken down in 1982 to make way for the condominiums, the carved posts were reduced in height to four feet and placed, along with the eight panels, into the brick pillars serving as the entrance to Bourne Lane.

Mr. Zimmerman had the donated pillars kiln dried, removing excess water and insects infestations. Once dried, the pillars were cleaned, lightly sanded, and oiled with Tung oil. Walnut frames were made to allow the pillars to stand upright and matching tops were added so they may be used for future displays.

Each of the columns has a unique face and expression and one pillar illustrates a wrestling match.

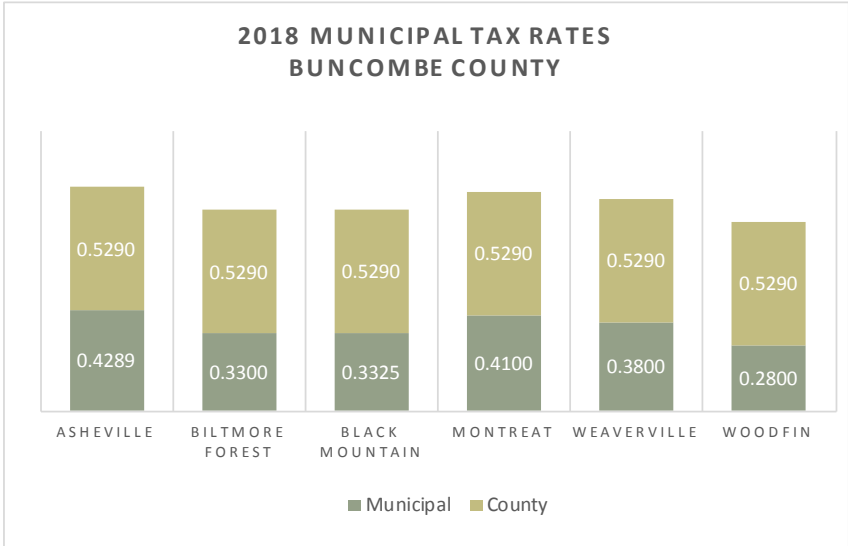
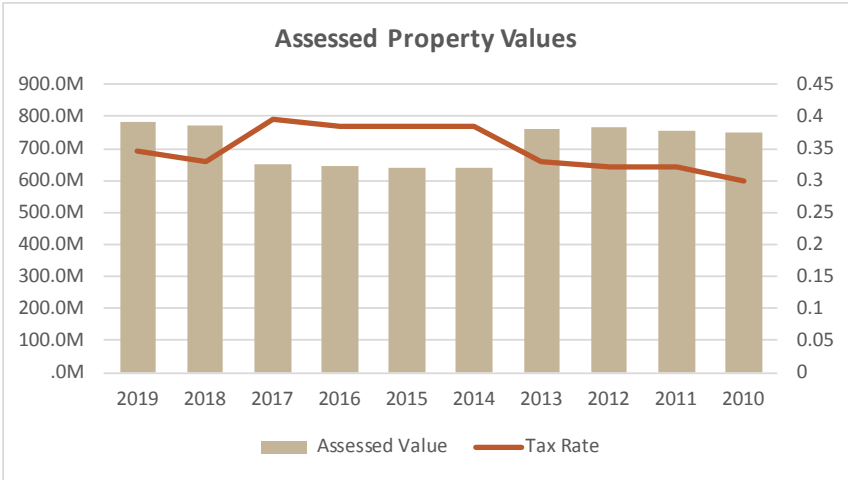


TAXES

Real and personal property is assessed by the Buncombe County Tax Department at 100% of estimated market value as of January 1st. A revaluation of property is required at least every eight (8) years by state statute. The last revaluation was completed in 2017.

The Town’s tax rate is established in the budget ordinance and is per \$100 of assessed value. Taxes are then billed upon receipt of the scroll from the county, usually in August, and are considered delinquent if not paid in full by January 5th. Taxpayers are billed both by the Town and Buncombe County.

For fiscal year ending 2019, the Town tax rate was \$0.33 and the County tax rate was \$0.529 for a combined rate of \$0.859.



TOP 10 TAXPAYERS

Biltmore Forest Country Club	1.50%
Biltmore Company	0.81%
Stuyvesant Investments LLC	0.74%
Residence	0.72%
Residence	0.60%
Residence	0.57%
Residence	0.55%
Residence	0.55%
Residence	0.54%
Groom Family Enterprises	0.50%



NET POSITION

The statement of net position shows the difference between total assets and total liabilities, with the difference between the two reported as net position. Changes in net position may serve as a useful indicator of the Town's financial position. A positive net position means that the Town's assets exceed liabilities; a negative net position means that the Town's liabilities exceed assets.

Net position is categorized by activity type. **GOVERNMENTAL ACTIVITIES** are general government activities that are financed primarily by taxes and intergovernmental revenues (i.e. sales tax, and utility franchise tax). These revenues finance services provided by the Town including Public Safety (Police & Fire), Sanitation & Recycling, Physical Development, and other government functions. Governmental activities also account for capital assets and long-term liabilities associated with these activities. **BUSINESS-TYPE ACTIVITIES** are activities financed by fees charged for goods or services rather than property taxes or sales tax. The Town has one business-type activity which is accounted for in the Water Fund.



Net Position (in millions)	Governmental Activities		
	2019	2018	2017
Assets	8.12	4.25	5.99
Deferred Outflows of Resources	1.11	2.34	0.44
Liabilities	4.89	3.88	1.18
Deferred Inflows of Resources	1.34	1.04	0.02
Net Position (in millions)			
Net Investment in Capital Assets	2.61	2.02	2.16
Restricted	0.37	0.35	0.48
Unrestricted	0.02	0.26	2.59
Total Net Position	3.00	2.64	5.23

Net Position (in millions)	Business-type Activities		
	2019	2018	2017
Assets	2.72	2.76	2.86
Deferred Outflows of Resources	0.01	0.03	0.02
Liabilities	0.05	0.10	0.09
Deferred Inflows of Resources	0.02	0.03	-
Net Position (in millions)			
Net Investment in Capital Assets	2.42	2.58	2.75
Restricted	-	-	-
Unrestricted	0.25	0.07	0.04
Total Net Position	2.67	2.65	2.79

The decrease in net position of governmental activities from 2017 to 2018 was the result of implementing GASB Statement 75 which accounts for liabilities associated with post-employment benefits other than pensions. Detailed information regarding this liability may be found in the Notes to the Financial Statement in the CAFR FYE 2018.

DEFERRED INFLOWS OF RESOURCES Acquisition of net assets related to a future reporting period.

DEFERRED OUTFLOWS OF RESOURCES Consumption of net assets related to a future reporting period.

GENERAL FUND

The General Fund is the primary operating fund of the Town. All revenues, expenditures, and capital additions, except those required to be accounted for in other funds, are accounted for in the General Fund. Most governmental services and functions are provided through the General Fund, including general government, public safety, physical development, and transportation. These services and functions are primarily financed by property taxes, other taxes, and intergovernmental revenues.

REVENUES

Ad valorem taxes (property taxes) are the largest source of general fund revenues (63%). Ad valorem tax revenue increased by one percent from the prior year due to increases in the assessed value of property.

Investment earnings increased 102.4% from prior year due to investment balance available and market performance.

Permits & fees increased by 53.3% from prior year with an increase in construction activity.



EXPENDITURES

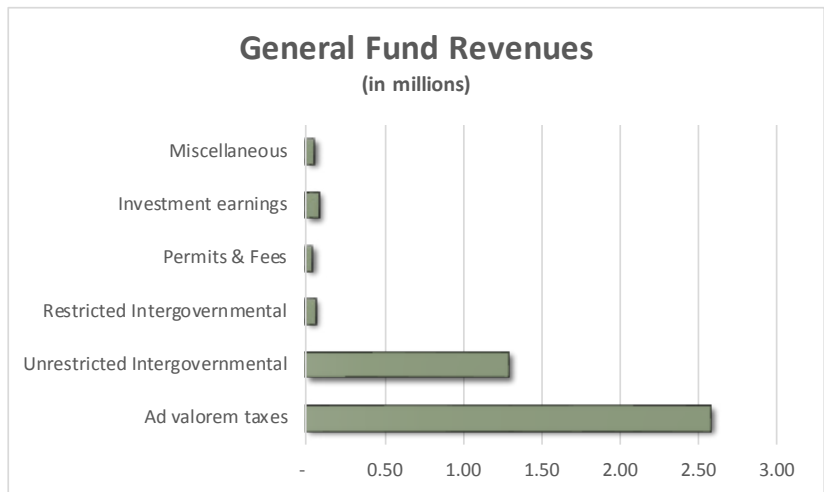
Public Safety, which includes police and fire services, is the largest category of expenditures followed by Physical Development, which includes sanitation & recycling, and grounds maintenance.

Debt service increased by 49.6% with an installment purchase agreement (loan) of \$800,000 for the Public Works Building construction.

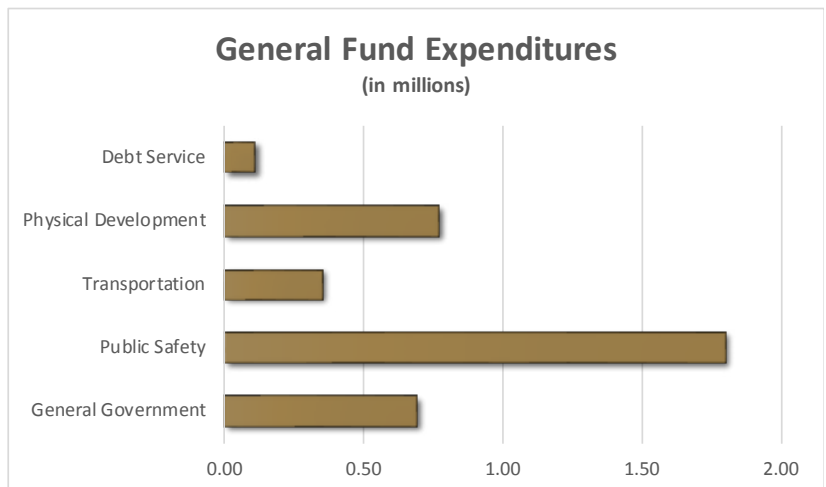
Transportation increased by 86.8% for planned investments in stormwater infrastructure and traffic studies and analysis.

General government increased by 25% as a result of increased citizen participation efforts.

Revenues (in millions)	2019	2018	2017
Ad valorem taxes	2.58	2.55	2.57
Unrestricted Intergovernmental	1.29	1.31	1.24
Restricted Intergovernmental	0.06	0.06	0.06
Permits & Fees	0.04	0.02	0.03
Investment earnings	0.08	0.04	0.01
Miscellaneous	0.05	0.04	0.16
Total Revenues	4.10	4.04	4.08



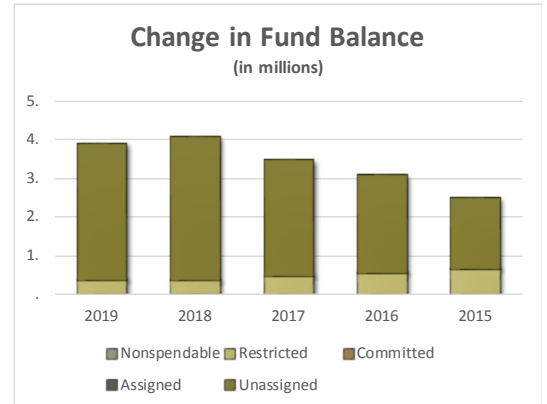
Expenditures (in millions)	2019	2018	2017
General Government	0.69	0.55	0.56
Public Safety	1.80	1.76	1.78
Transportation	0.35	0.19	0.18
Physical Development	0.77	0.98	0.99
Debt Service	0.11	0.07	0.07
Total Expenditures	3.72	3.56	3.58



FUND BALANCE

Fund balance represents funds unspent after all budgeted expenditures have been made. Fund balance represents fiscal sustainability and can be used for emergencies, cash flow throughout the year, or to fund capital projects. The Town has a policy to maintain fund balance in a range between 25% and 35% of general fund expenditures. An appropriation from fund balance in the amount of \$799,250 was made as a transfer to the Capital Project Fund for the Public Works building construction. The unassigned fund balance for the general fund at the end of the fiscal year was 88.24% of total general fund expenditures.

Fund Balance (in millions)	2019	2018	2017
Revenues	4.10	4.04	4.08
Expenditures	5.06	3.56	3.58
Excess of Revenues over Expenditures	(0.96)	0.48	0.49
Other Financing Sources (Uses)	0.80	0.11	(0.11)
Net Change in Fund Balance	(0.16)	0.59	0.38
Beginning Fund Balance	4.08	3.48	3.10
Ending Fund Balance	3.92	4.08	3.48



LONG TERM DEBT

North Carolina state statute limits the amount of net debt a municipality may have outstanding to eight (8%) percent of the appraised value of property subject to taxation.

Based on the tax scroll provided by the Buncombe County Tax Department, the Town's assessed value of taxable property for year ended June 30, 2019 was \$752,097,392. Using the state calculation, the Town's legal debt capacity is \$61,448,598. All of the Town's existing debt is in the form of installment purchase agreements (loans) in the amount of \$1,019,458.

INSTALLMENT PURCHASE AGREEMENTS

\$800,000 - Public Works building construction, October 2019, 10 year term, 3.36%

\$69,458 - Garbage truck, November 2018, 3 year term, 2.34%

\$33,333 - Street Improvements, August 2009, 15 year term, 3.81%

\$116,667 - Police Department renovations, August 2009, 15 year term, 3.81%

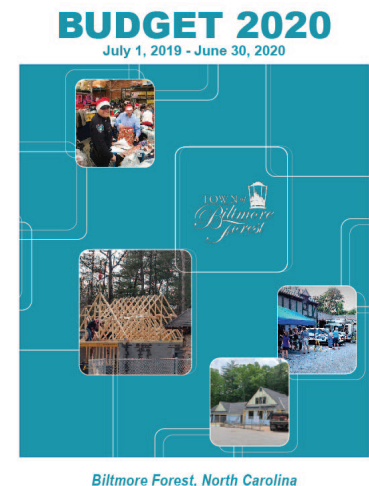
BUDGET PROCESS

The Town adopts an annual budget ordinance in accordance with the Local Government Budget & Fiscal Control Act. A balance budget must be adopted by ordinance prior to the beginning of the fiscal year, which begins on July 1 and ends on June 30 of the following calendar year. The ordinance is subject to public inspection and a public hearing prior to adoption.

A **BALANCED BUDGET** is achieved when estimated net revenues and appropriated fund balance equal appropriations. The Board of Commissioners has the authority to amend the annual operating budget in a public meeting.

Budget documents are available on the Town website:

www.biltmoreforest.org/finance.



DEPARTMENTAL ACTIVITIES



SANITATION & RECYCLING

402.83 Tons Solid Waste Collected
202.92 Tons Recycling Collected
Diversion Rate 33.5%



PUBLIC SAFETY

Police Calls for Service 7,016
1st National Night Out Celebration



PUBLIC WORKS

34.54 Acres of Parks Maintained
2 Playgrounds Maintained
325 Trees (resident owned) Inspected
1st Arbor Day Celebration

STREETS & TRANSPORTATION

63 Streetlights Maintained
21.97 Miles of Roads &
Rights-of-way Maintained
108 Storm Drains Maintained



PLANNING

44 Zoning Permits were Issued for
\$14.9 million in construction value
650 Site Inspections Performed



ADMINISTRATION

40 Agendas Published
1st Open House
99.95% Property Tax Collection

Town of *Biltmore Forest* North Carolina

355 Vanderbilt Road | Asheville, NC 28803

PO Box 5352 | Asheville, NC 28813

www.biltmoreforest.org

