

PROPOSED AGENDA

Meeting of the Town of Biltmore Forest Board of Commissioners

To be held Tuesday, April 11, 2023 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. The minutes of the March 14, 2023 meeting will be presented for approval.

D. Reports of Officers

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

E. FY22 Audit Presentation – Levonja Reese, Carter P.C.

F. Public Hearing – ZTA 2023-01 – An Ordinance to Amend the Town of Biltmore Forest Zoning Ordinance

G. New Business

1. Consideration of Ordinance 2023-03 – An Ordinance to Amend the Town of Biltmore Forest Zoning Ordinance
2. Consideration of Tax Penalty Waiver – 15 Hilltop Road
3. Town Road Striping Proposal
4. Request for Information – Park Restroom Implementation Follow-Up
5. Consideration of Planning Commission Appointment

H. Public Comment

I. Adjourn

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

MINUTES OF THE MEETING OF THE MAYOR AND THE TOWN COMMISSIONERS OF
BILTMORE FOREST HELD MARCH 14, 2023

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 E. Glenn Kelly, present

Commissioner Fran Cogburn, present

Mr. Jonathan Kanipe, the Town Manager, and Mr. William Clarke, the Town Attorney, were also present.

Mayor Goosmann called the meeting to order at 4:30 pm.

The Pledge of Allegiance was conducted.

Commissioner Loomis made a motion to approve the minutes from February 14, 2023. Commissioner Cogburn seconded the motion. The motion was unanimously approved.

Chief Trevor Lance gave the report for the Skyland Fire Department. There were twenty-three calls for service. Motor vehicle accidents are increasing this time of year. Chief Lance discussed the Skyland Fire Department app and encouraged others to sign up for it.

Aslyne Tate gave the monthly report for the Police Department. There were 526 calls for service. There were nineteen citations issued. Three more Police Officers completed crisis intervention. Officer Joseph Zub was sworn in on Friday.

There were two fatal accidents on Hendersonville Road in the month of February. The Police Department worked with Asheville Police Department on both calls. They have spoken to numerous residents who reside on Hendersonville Road about safety issues. Mr. Kanipe has reached out to North Carolina Department of Transportation for assistance.

Chief Chris Beddingfield and Ms. Tate met with Carolina Day School about safety issues and have scheduled active shooter training and discussed the entrance with the school.

Mr. Harry Buckner gave the report for Public Works. An offer has been extended to a candidate who has been interviewed for a position at Public Works.

Mr. Buckner said there have been many trees fall throughout Biltmore Forest due to the weather conditions.

Public Works personnel have been working on cleaning up around the outside of the Town Hall.

Mr. Buckner said the striping vendor has received the thermoplastics to redo the speed bumps once the weather gets warmer.

Mayor Goosmann asked Mr. Buckner about the status of the streetlight on Vanderbilt Road. Mr. Buckner said this is still a work in progress.

Mr. Drew Stephens asked why Public Works is no longer accepting bamboo. Mr. Buckner said it is because they do not accept co-mingled material.

Mr. Paul Zimmerman inquired about the 4x4 post next to some of the light poles and asked if those are going to be replaced. Mr. Buckner said yes.

Mr. Jonathan Kanipe gave the monthly report for the Town. The auditors from Carter PC will be here next month to present last year's performance. The Town's fund balance last year increased by \$335,840 and overall net position increased by \$514,469. A much more detailed presentation will be given next month.

The Town Planner recruitment has been going well. Two of the four applicants will return at the end of the month for a second round of interviews.

The Board of Adjustment and Planning Commission had their joint meeting led by Mr. Paul Zimmerman. Mr. Zimmerman did a great job leading this meeting. They also discussed administrative level review. The Planning Commission is going to review these ideas and suggestions.

Solutions for Local Government is conducting the space needs assessment. Mr. Steve Allan is performing this work and will provide a full report for the meeting in May.

Mr. Kanipe gave an update on the Centennial events. There are three trolley tours scheduled. The Police Department will send out an update about the route the trolley will take. Ms. Lauren Karlsson and Ms. Cindy Holman have done an excellent job getting this set up.

Commissioner Kelly asked what the total fund balance is. Mr. Kanipe said the estimate is \$4.5 million.

Mayor Goosmann said Ms. Angela Newnam conducted an excellent presentation regarding Lyme disease and thanked her for her service to the Town.

Mayor Goosmann read the Proclamation for tick-borne diseases awareness month.

Town of Biltmore Forest

Official Proclamation

TICKBORNE DISEASES AWARENESS MONTH

WHEREAS, Tickborne diseases, such as Lyme disease, can be a very serious infection caused by a bacteria and scientists have identified more strains and species of this bacteria in the Southeastern United States than in any other region; and

WHEREAS, ticks, the vector of Lyme disease, are carried by many different animals and therefore ticks are frequently encountered by people who live in Biltmore Forest and Western North Carolina; and

WHEREAS, because ticks can be the size of a poppy seed and hard to detect many people who are infected with Lyme disease do not remember being bitten by a tick; and


WHEREAS, improper methods of removing ticks are dangerous and can actually increase the risk of being infected; and early recognition is needed as prompt treatment and adequate antibiotic therapy in the early stage may cure Lyme disease and prevent serious complications; and leaving Lyme disease untreated or being inadequately treated for Lyme disease can sometimes lead to death; and

WHEREAS, Lyme disease can affect the brain, heart, joints, and other organs; and some patients do develop the characteristic rash; and symptoms may not appear for months or even years following the initial infection; and patients are often misdiagnosed with more familiar conditions; and

WHEREAS, citizens should know that testing for tick-borne diseases, such as Lyme disease may be inaccurate; and with over a dozen tick-borne diseases in the southeastern United States everyone is urged to take all tick bites seriously.

NOW, THEREFORE, I, George F. Goosmann, III, Mayor of the Town of Biltmore Forest, do hereby proclaim March 2023 as "TICKBORNE DISEASES AWARENESS MONTH" in the Town of Biltmore Forest, and implore all citizens to practice personal preventative techniques when engaging in outdoor activities - such as frequent full body tick checks, using various methods to repel and avoid ticks, and proper tick removal techniques.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the Town of Biltmore Forest, North Carolina, to be affixed this 14th day of March, 2023.



Mayor George F. Goosmann, III

Mr. Kanipe discussed the Consideration of Ordinance 2023-02 which is an Ordinance to amend the Town of Biltmore Forest Town Code. This creates an abandoned and junk vehicle ordinance. This would let us regulate some specific issues we have with these types of vehicles. A motion was made by Commissioner Cogburn, seconded by Commissioner Kelly, and unanimously approved.

Mr. Kanipe discussed the Zoning Ordinance amendment recommendation for residential electric vehicle charging stations. This will require a Public Hearing which will be held next month. Mr. Kanipe asked for feedback from the Board. Last month, the Planning Commission considered a recommendation to the Board of Commissioners regarding a regulation on electric vehicle charging stations. Discussion focused heavily on how to ensure and require buffering if an EV station was outside. The consensus was not to treat the charging station as an accessory structure and to include it within the Town's existing utility structure ordinance with specific guidelines for buffering when outside.

Mr. Kanipe discussed the Hendersonville Road traffic safety issues. There were two fatalities recently and there is significant concern from the Town's perspective. Mr. Kanipe reached out to find out if guardrails could be installed or chevrons put in. There have been seven accidents within the past eighteen months. Chief Beddingfield and Mr. Kanipe have discussed this together. The North Carolina Department of transportation has reviewed the request for a guardrail or additional warning signage and found that neither was warranted in this location. Mr. Billy Clarke said getting the speed limit reduced would be the most feasible option. The guardrail is more difficult, but it limits driveway access. Commissioner Cogburn asked if more signs and lights can be put up by the Town.

Mr. Stephens said a reduced speed limit would be a good option. Multiple agency, collaborative speeding enforcement was also suggested.

Ms. Jennifer Schoolfield who lives at 945 Hendersonville Road said there have been six accidents in front of their home in the past eighteen months. Ms. Schoolfield thanked Mr. Kanipe for helping and being very responsive. She also appreciated any feedback to reduce the number of accidents on this road.

Ms. Lauren Karlsson said a vehicle damaged her frontal property at 933 Hendersonville Road. There was also a damaged speed limit sign that was damaged from last June and still hasn't been replaced.

Mr. Kanipe discussed the Consideration of Greenwood Park Master Plan components. Commissioner Cogburn has spoken with multiple parents regarding the plan on the Town's behalf. The most frequent recommendation was to have some type of bathroom facility installed. If the Board decides to have a bathroom facility installed, Town staff will develop protocols for how the bathroom is managed and maintained.

Commissioner Loomis said if there were bathrooms, they would need to be secure and clean and asked if the Town has the manpower to support these goals.

Commissioner Kelly would like to know the estimated cost of the bathroom facilities. Mr. Kanipe said he will provide a cost estimate for next month. There was a suggestion for electronic locking and unlocking. Commissioner Cogburn said this would be an excellent public service that the Town can offer its residents. Based on what residents have said, a restroom and a covered shelter would be important amenities in the park.

PUBLIC COMMENT

There was no further Public Comment.

The meeting was adjourned at 5:39 pm. The next meeting is scheduled for Tuesday, April 11, 2023 at 4:30 pm.

ATTEST:

Laura Jacobs
Town Clerk

George F. Goosmann, III
Mayor

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 April- 11th, 2023 Commission Report

March 2023 Data

Total Calls For Service:

555 (526 last month)

Arrests:

0-Felony Arrests-

0-Misdemeanor Arrests-

Citations:

7 Citations for various traffic violations (19 last month)

Time Consumption Summary:

Approximations:

Business Checks- 4 hours

House Checks- 4 hours

Radar Operation- 3 hour

Vehicle Crash Investigation- 3 hours

Notable Calls and Projects:

We have started to place speed signs on Hendersonville Rd in an effort to calm traffic and record data. Experimenting with various locations along Hendersonville Rd.

We held a department wide CISD (Critical Incident Stress Debrief) relating to the multiple serious incidents that occurred last month. This was conducted by Buncombe County Peer Support and Responder Support Services. The event was well received by all employees.

Continue to work on safety and security issues with Carolina Day School. We have scheduled actual lock down drills with the faculty and staff in the next few weeks.

With the spring storm season we have had multiple situations involving downed trees. One on a residence. Luckily no injuries reported. We have worked well with public works to keep roads open.

Biltmore Forest Police Department
355 Vanderbilt Rd
Biltmore Forest, NC 28803
March 2023 Calls for Service

BILTMORE FOREST POLICE DEPARTMENT	Count	Percent
ALARM	37	6.67%
ANIMAL CONTROL	6	1.08%
ASSIST MOTORIST	10	1.80%
ASSIST OTHER AGENCY	8	1.44%
ASSIST RESIDENT	10	1.80%
BUSINESS CHECK	201	36.22%
CRIME PREVENTION	2	0.36%
DEBRIS IN ROADWAY	2	0.36%
DISPUTE	1	0.18%
DISTURBANCE	1	0.18%
DOWN POWER LINES	3	0.54%
ESCORT	1	0.18%
FIRE	2	0.36%
FOLLOW-UP INVESTIGATION	1	0.18%
HOUSE CHECK	134	24.14%
IMPROPER PARKING	2	0.36%
LARCENY	1	0.18%
MEDICAL EMERGENCY	5	0.90%
MISSING PERSON	1	0.18%
ORDINACE VIOLATION	8	1.44%
PROPERTY DAMAGE	1	0.18%
RADAR OPERATION	24	4.32%
ROAD BLOCKED	2	0.36%
SMOKE COMPLAINT	1	0.18%
SPECIAL CHECK	5	0.90%
SUSPICIOUS ACTIVITY	2	0.36%
SUSPICIOUS PERSON	18	3.24%
SUSPICIOUS VEHICLE	13	2.34%
TALK WITH OFFICER	7	1.26%
TRAFFIC CONTROL	3	0.54%
TRAFFIC STOP	24	4.32%
TREE DOWN	6	1.08%
VEHICLE ACCIDENT	5	0.90%
WELFARE CHECK	8	1.44%
Total Records For BILTMORE FOREST POLICE DEPARTMENT	555	Dept Calls/Total Calls 100.00%

Total Records 555



MEMORANDUM

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

From: Harry B. Buckner, PE, Director of Public Works

Re: Public Works Department
March 2023 Monthly Report

Date: April 5, 2023

A handwritten signature in black ink, appearing to read "HBB", is located to the right of the "Re:" line.

Recurring Activities:

The Public Works Department has completed the following activities during the month of March:

- Collected 36.33 tons of garbage.
- Diverted 14.30 tons of recycled goods from garbage.
- Picked up 28 loads of brush (approximately 840 cubic yards) over 14 days.
- Responded to 93 total utility locate requests, comprised of 42 new requests and 51 updates. This total includes 7 emergency, 1 short-term, and 1 rush request.
- Visited 4 residences for Tree Assessments, approving the removal of 8 trees, and requiring the installation of 8 trees.
- Completed daily chlorine residual tests across town and passed the required two bacteriological tests.
- Used the Beacon/Badger Meter automated meter reading system to monitor for water leaks daily and informed residents of suspected leaks.
- We continue to perform litter pick-ups as needed, focusing on the entrances.
- Normal brush collection was performed on the North Route beginning on March 15th, and the South Route beginning on March 30th. Pick-ups will continue as scheduled with one pick up per route until further notice.

Miscellaneous Activities in March

- We continue to advertise for two (2) open Public Services Worker Positions. Should anyone know of a candidate they would be willing to refer, please reach out to either me or Supervisor Dale.
- After receiving an affirmative response to our job offer and beginning the on-boarding process, our public works candidate ultimately chose to not come, apparently due to a family scheduling conflict. We are extremely disappointed with his decision, particularly

since we made it as far as we did into the on-boarding process only to have the candidate back out. We will be continuing our employee search moving forward.

- We had an injury in the department. A worker dropped a manhole lid (about 80 lbs) onto his foot above his steel-toed boot which required a visit to urgent care and an exam with stitches. Fortunately, the worker was able to return to work after missing one day and recuperating over the weekend. This is a reminder of the difficult and sometimes dangerous nature of our work.
- We finished installation of the irrigation meter to the Club's new clay tennis courts.
- We worked with the Club to coordinate filling the new pool so they could complete testing and construction there.
- We completed some right-of-way clearing on Hilltop Road and Stuyvesant Road at Southwood Road in early March.
- We completed our annual aerating, fertilizing and overseeding of the Town Hall complex, Rosebank Park, and the Hemlock Road Pond.
- We have begun the first mowing of the year in our public spaces. We are waiting just a bit to allow the grass to get a good start and allow the aerating, fertilizing and overseeding to be effective.
- We performed our first mowing of Greenwood Park and marked with white paint the undisturbed buffer zone along the creekbanks. We could also see that the live stake plantings were sprouting new vegetation and this material should begin filling in rapidly with new growth.
- We have stopped receiving complaints of "cloudy" water in the high points of Stuyvesant Road, Stuyvesant Crescent, and Cedar Hill Road. We believe that the flushing work by us and the City of Asheville has allowed the air to be greatly reduced from the system.
- I submitted the 2022 Water Supply Plan as required by the NC Public Water Supply Section. Overall water usage in the Town did increase last year, however, I am happy to report that the total estimated unaccounted for water loss was only approximately 12%, which is about 1/3rd the amount of other North Carolina public water systems. This is a direct result of the substantial capital investment made by replacement of the aged water mains and services that occurred from 2002-2004.
- I completed a first draft of a Town-wide street striping plan and presented it to Manager Kanipe for his review.
- Supervisor Dale worked on conceptual layouts for options to incorporate a restroom facility into the planned covered picnic shelter at Greenwood Park and shared that information with Manager Kanipe.
- We are also working on bridge design concepts for the replacement pedestrian bridges at Greenwood Park and Brookside Park.
- Supervisor Dale and I both met with members of the Planning Committee, and with Manager Kanipe, to discuss their work on potential revisions to the Tree Protection Ordinance.
- New service extensions to Town-owned streetlights by Duke Energy continues to be paused. We are continuing to work with them on a strategy for moving forward.

- MB Haynes is continuing to work on the conversion of the streetlights to LED. Lights will be out-of-service until Duke is able to extend service to the agreed upon service points. In total, there are 10 that are out of service and awaiting extension by Duke prior to being placed back in service. Work will continue in April.
- I participated in the French Broad River Metropolitan Planning Organization (MPO) Technical Coordinating Committee (TCC) monthly meeting on March 9th via Zoom.
- We assisted the FOBF Committee with logistics for the 100th anniversary Trolley Tour event and Speaker series.
- Our department coordinated additional tree pruning and removals from Town owned properties on March 29th, including Lower Vanderbilt Park and the Town Hall median.
- Manager Kanipe and I met with officials from the City of Asheville on March 29th. They expressed apologies for the water outage in December and we were able to focus on improvements moving forward. We spoke openly about the lack of communication during the outage and possible communications improvements. We also were able to exchange appropriate contact information and reinforce the lines of communication at the Staff level.
- On-call staff responded to multiple downed trees throughout the day on Saturday April 1st. This included trees on Cedar Chine, East Forest, and Stuyvesant, as well as trees in Greenwood Park and Lower Vanderbilt Park. The Police Department was a great help to us that day as there were multiple downed trees across Town.

Larger/Capital Projects Updates

Cedar Hill Road Stream Stabilization Project

- The Contractor has accepted our contract document edits and is returning the contract documents to us.
- Construction is planned to begin in May and be completed before the end of the fiscal year, with the likely exception of some plantings that must be made during the appropriate planting season.

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

- I met with the consultant on March 28th to review the draft easements and asked them to finalize them so easement discussions can begin. Once in hand, we and the Town Attorney will complete the easement packages and contact affected property owners.
- We now anticipate bidding the project this spring for construction next fiscal year.

Upcoming in March

- We are continuing to focus on filling the open Public Services Worker position, including using temporary or seasonal workers.

- We will be one worker short for the next six to twelve weeks while he is out for shoulder surgery. We wish him a speedy recovery.
- Staff will complete the monthly bacteriological testing.
- Normal brush collection will continue on the North Route on April 17th, and the South Route on May 1st.
- I will be finalizing the scope and budget on the upcoming annual paving project on Vanderbilt Road.
- I will be updating our Water Shortage Response Plan for consideration this month. This policy is required to be reviewed and updated every 5 years by the Public Water Supply Section and must be submitted by June 1, 2023.
- We will be installing a new irrigation service on Hilltop Road.
- We have identified additional maintenance items on the water system including the replacement of several meter boxes and updating meters throughout Town.
- We will begin mowing activities in public spaces in earnest this month.
- We are continuing our work from last year on controlling invasive plant species in Brookside Park.
- Work will continue on power service extensions to, and retrofits of, the Town street lights.
- Fabrication of a replacement streetlight for the location at 394 Vanderbilt Road will continue.
- Old garbage container collections will continue as requested.
- I will be working with Manager Kanipe on the department budget.

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



BOARD OF COMMISSIONERS MEETING

STAFF MEMORANDUM

APRIL 11, 2023

AGENDA ITEM D-4 TOWN MANAGER'S MONTHLY REPORT

Meeting with City of Asheville

Mayor Goosmann, Public Works Director Harry Buckner, Police Chief Chris Beddingfield, and I met with a delegation from the City of Asheville on Wednesday, March 29. The purpose of the meeting was to review the Town's experience with the water outage and discuss measures for improvement in the future. The conversation was fruitful and produced several significant results. City officials apologized for the outage and impact, and notably, for the lack of communication during that time. The Town explained how our system works relative to Asheville's system and relayed some of the conversations and experiences we had during the outage. This was all done in a spirit of learning and improvement; the Town was very clear that we expected to work with our water customers and alert them to issues, but we needed to receive appropriate updates from the City in order to do so.

In addition to the water outage, the Town also discussed Hendersonville Road traffic safety. Information regarding that item is below.

Hendersonville Road Traffic Safety Update

During our meeting with the City of Asheville, the Town discussed greater collaboration between our two local governments in requesting traffic safety improvements and reviews along Hendersonville Road. Asheville Police Chief Zack indicated their desire to utilize new speed trailers on Hendersonville Road. You may have noticed that the Town has already placed one of our radar signs on Hendersonville Road at the Busbee intersection, and we hope this has proven beneficial already. I have spoken with NCDOT regarding a speed limit reduction and additional safety reviews and will continue pushing this process from the Town's perspective.

Town Planner Position Update

Final interviews were conducted at the end of March with two candidates. These interviews were conducted with the assistance of the Town Attorney Billy Clarke, Public Works Director Harry Buckner, and Public Works Supervisor Mike Dale. My intention as of this writing is to have an offer

extended by the time the Board meets on April 11. I will provide more information on this item once available.

Space Needs Assessment

The Town's space needs assessment is being finalized and will be available for the Board's review in May. Steve Allan completed his field work and measurements of town facilities in late March and has begun the initial drafts of the report. Once completed, the report will be provided to the Board and Mr. Allan will likely attend the following Board meeting to address any questions the Board may have regarding the study.

REVENUE & EXPENDITURE STATEMENT

07/01/2022 To 03/31/2023

Town of Biltmore Forest

FY 2022-2023

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

Account	Budget (\$)	Current Period (\$)	YTD With Encumbrance (\$)	Encumbrance (\$)	Remaining Balance (\$)	% Used
3010 Ad Valorem Tax						
Revenue						
3010 Ad Valorem Tax						
10-3010-0000 AD VALOREM TAXES (PROPERTY)	2,920,559.00	2,973,577.53	2,973,577.53	0.00	-53,018.53	102
10-3010-0100 AD VALOREM TAXES (DMV)	109,396.00	70,621.14	70,621.14	0.00	38,774.86	65
10-3010-0200 TAX INTEREST & PENALTIES	5,000.00	6,419.45	6,419.45	0.00	-1,419.45	128
3010 Ad Valorem Tax Subtotal	\$3,034,955.00	\$3,050,618.12	\$3,050,618.12	\$0.00	-\$15,663.12	101
Revenue Subtotal	\$3,034,955.00	\$3,050,618.12	\$3,050,618.12	\$0.00	-\$15,663.12	101
After Transfers	Excess Of Revenue Subtotal	\$3,034,955.00	\$3,050,618.12	\$3,050,618.12	\$0.00	101
3020 Unrestricted Intergovernm						
Revenue						
3020 Unrestricted Intergovernm						
10-3020-0000 FRANCHISE & UTILITIES TAX DIST.	211,384.00	113,155.26	113,155.26	0.00	98,228.74	54
10-3020-0100 ALCOHOL BEVERAGE TAX	6,450.00	0.00	0.00	0.00	6,450.00	0
10-3020-0200 BUNCOMBE COUNTY 1% TAX	793,429.00	530,508.22	530,508.22	0.00	262,920.78	67
10-3020-0300 1/2 CENT SALES TAX A.40	330,137.00	227,466.75	227,466.75	0.00	102,670.25	69
10-3020-0400 1/2 CENT SALES TAX A.42	419,847.00	281,879.80	281,879.80	0.00	137,967.20	67
10-3020-0600 SALES TAX REFUND	15,000.00	21,218.99	21,218.99	0.00	-6,218.99	141
10-3020-0700 GASOLINE TAX REFUND	3,500.00	5,923.24	5,923.24	0.00	-2,423.24	169
3020 Unrestricted Intergovernm Subtotal	\$1,779,747.00	\$1,180,152.26	\$1,180,152.26	\$0.00	\$599,594.74	66
Revenue Subtotal	\$1,779,747.00	\$1,180,152.26	\$1,180,152.26	\$0.00	\$599,594.74	66
After Transfers	Excess Of Revenue Subtotal	\$1,779,747.00	\$1,180,152.26	\$1,180,152.26	\$0.00	66
3030 Restricted Intergovernmen						
Revenue						
3030 Restricted Intergovernmen						
10-3030-0000 SOLID WASTE DISPOSAL TAX	975.00	832.89	832.89	0.00	142.11	85
10-3030-0100 POWELL BILL	66,849.00	67,207.41	67,207.41	0.00	-358.41	101
10-3030-0200 ILLICIT SUBSTANCE TAX	0.00	18.13	18.13	0.00	-18.13	*100
3030 Restricted Intergovernmen Subtotal	\$67,824.00	\$68,058.43	\$68,058.43	\$0.00	-\$234.43	100
Revenue Subtotal	\$67,824.00	\$68,058.43	\$68,058.43	\$0.00	-\$234.43	100
After Transfers	Excess Of Revenue Subtotal	\$67,824.00	\$68,058.43	\$68,058.43	\$0.00	100
3040 Permits & Fees						
Revenue						
3040 Permits & Fees						
10-3040-0000 ZONING PERMITS	45,000.00	20,760.00	20,760.00	0.00	24,240.00	46
10-3040-0100 DOG LICENSE FEE	1,300.00	1,135.10	1,135.10	0.00	164.90	87
3040 Permits & Fees Subtotal	\$46,300.00	\$21,895.10	\$21,895.10	\$0.00	\$24,404.90	47
Revenue Subtotal	\$46,300.00	\$21,895.10	\$21,895.10	\$0.00	\$24,404.90	47

REVENUE & EXPENDITURE STATEMENT

07/01/2022 To 03/31/2023

Town of Biltmore Forest

FY 2022-2023

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

Account	Budget (\$)	Current Period (\$)	YTD With Encumbrance (\$)	Encumbrance (\$)	Remaining Balance (\$)	% Used
After Transfers	Excess Of Revenue Subtotal	\$46,300.00	\$21,895.10	\$21,895.10	\$0.00	47
3050 Investment Earnings						
Revenue						
3050 Investment Earnings						
10-3050-0000 INTEREST EARNED	2,000.00	70,605.62	70,605.62	0.00	-68,605.62	3,530
	3050 Investment Earnings Subtotal	\$2,000.00	\$70,605.62	\$70,605.62	\$0.00	3,530
	Revenue Subtotal	\$2,000.00	\$70,605.62	\$70,605.62	\$0.00	3,530
After Transfers	Excess Of Revenue Subtotal	\$2,000.00	\$70,605.62	\$70,605.62	\$0.00	3,530
3060 Miscellaneous						
Revenue						
3060 Miscellaneous						
10-3060-0000 RENTAL COMMUNITY HALL	0.00	150.00	150.00	0.00	-150.00	*100
10-3060-0100 AMERICAN TOWER AGREEMENT	45,600.00	30,510.17	30,510.17	0.00	15,089.83	67
10-3060-0200 MISCELLANEOUS	20,000.00	15,612.44	15,612.44	0.00	4,387.56	78
	3060 Miscellaneous Subtotal	\$65,600.00	\$46,272.61	\$46,272.61	\$0.00	71
	Revenue Subtotal	\$65,600.00	\$46,272.61	\$46,272.61	\$0.00	71
After Transfers	Excess Of Revenue Subtotal	\$65,600.00	\$46,272.61	\$46,272.61	\$0.00	71
3290						
Revenue						
3290						
30-3290-0000 INTEREST EARNED	50.00	1,712.07	1,712.07	0.00	-1,662.07	3,424
	3290 Subtotal	\$50.00	\$1,712.07	\$1,712.07	\$0.00	3,424
	Revenue Subtotal	\$50.00	\$1,712.07	\$1,712.07	\$0.00	3,424
After Transfers	Excess Of Revenue Subtotal	\$50.00	\$1,712.07	\$1,712.07	\$0.00	3,424
3350 Commissions, Sw Chg Coll						
Revenue						
3350 Commissions, Sw Chg Coll						
30-3350-0000 COMMISSIONS, SEWER CHARGE COLL	8,000.00	5,306.40	5,306.40	0.00	2,693.60	66
	3350 Commissions, Sw Chg Coll Subtotal	\$8,000.00	\$5,306.40	\$5,306.40	\$0.00	66
	Revenue Subtotal	\$8,000.00	\$5,306.40	\$5,306.40	\$0.00	66
After Transfers	Excess Of Revenue Subtotal	\$8,000.00	\$5,306.40	\$5,306.40	\$0.00	66
3500 Other Financing						
Other Financing Source						
3500 Other Financing						
10-3500-0000 SALE OF PERSONAL PROPERTY	10,000.00	0.00	0.00	0.00	10,000.00	0
10-3500-0700 INTERGOVERNMENTAL LOAN (RESTRIC	292,000.00	0.00	0.00	0.00	292,000.00	0
	3500 Other Financing Subtotal	\$302,000.00	\$0.00	\$0.00	\$302,000.00	0
	Other Financing Source Subtotal	\$302,000.00	\$0.00	\$0.00	\$302,000.00	0

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After Transfers	Deficiency Of Revenue Subtotal	\$302,000.00	\$0.00	\$0.00	\$0.00	0
3710 Water Sales						
Revenue						
3710 Water Sales						
30-3710-0000	WATER CHARGES	369,000.00	316,992.51	316,992.51	0.00	52,007.49 86
30-3710-0100	MSD CHARGES	248,284.00	268,168.41	268,168.41	0.00	-19,884.41 108
30-3710-0200	AMI TRANSMITTER CHARGES	7,700.00	5,471.72	5,471.72	0.00	2,228.28 71
	3710 Water Sales Subtotal	\$624,984.00	\$590,632.64	\$590,632.64	\$0.00	\$34,351.36 95
	Revenue Subtotal	\$624,984.00	\$590,632.64	\$590,632.64	\$0.00	\$34,351.36 95
After Transfers	Excess Of Revenue Subtotal	\$624,984.00	\$590,632.64	\$590,632.64	\$0.00	95
3730 Water Tap & Connect Fees						
Revenue						
3730 Water Tap & Connect Fees						
30-3730-0000	WATER TAP AND CONNECTION FEES	6,000.00	9,390.00	9,390.00	0.00	-3,390.00 157
	3730 Water Tap & Connect Fees Subtotal	\$6,000.00	\$9,390.00	\$9,390.00	\$0.00	-\$3,390.00 157
	Revenue Subtotal	\$6,000.00	\$9,390.00	\$9,390.00	\$0.00	-\$3,390.00 157
After Transfers	Excess Of Revenue Subtotal	\$6,000.00	\$9,390.00	\$9,390.00	\$0.00	157
3800						
Revenue						
3800						
10-3800-0000	LAW ENF.BLOCK GRANT	0.00	23,538.38	23,538.38	0.00	-23,538.38 *100
	3800 Subtotal	\$0.00	\$23,538.38	\$23,538.38	\$0.00	-\$23,538.38 *100
	Revenue Subtotal	\$0.00	\$23,538.38	\$23,538.38	\$0.00	-\$23,538.38 *100
After Transfers	Excess Of Revenue Subtotal	\$0.00	\$23,538.38	\$23,538.38	\$0.00	*100
4000						
Revenue						
4000						
40-4000-1100	ARP DISTRIBUTION	451,275.58	225,637.79	225,637.79	0.00	225,637.79 50
	4000 Subtotal	\$451,275.58	\$225,637.79	\$225,637.79	\$0.00	\$225,637.79 50
	Revenue Subtotal	\$451,275.58	\$225,637.79	\$225,637.79	\$0.00	\$225,637.79 50
After Transfers	Excess Of Revenue Subtotal	\$451,275.58	\$225,637.79	\$225,637.79	\$0.00	50
4200 Administration						
Expenditure						
4200 Administration						
10-4200-0200	SALARIES	226,063.00	212,186.05	212,186.05	0.00	13,876.95 94
10-4200-0300	OVERTIME	3,000.00	0.00	0.00	0.00	3,000.00 0
10-4200-0500	FICA	17,293.00	13,499.63	13,499.63	0.00	3,793.37 78
10-4200-0600	HEALTH INSURANCE (MEDICAL)	24,158.00	19,123.10	19,123.10	0.00	5,034.90 79

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10-4200-0650 DENTAL, VISION, LIFE INSURANCE	4,935.00	3,787.47	3,787.47	0.00	1,147.53	77
10-4200-0675 HEALTH REIMBUSEMENT ACC	3,750.00	2,812.50	2,812.50	0.00	937.50	75
10-4200-0700 LGERS RETIREMENT	41,231.00	34,380.66	34,380.66	0.00	6,850.34	83
10-4200-0800 401K SUPP RETIREMENT	11,453.00	9,235.38	9,235.38	0.00	2,217.62	81
10-4200-1000 ACCOUNTING & TAXES	51,400.00	15,619.75	17,369.75	1,750.00	34,030.25	34
10-4200-1200 POSTAGE, PRINTING, STATIONARY	10,140.00	6,523.78	7,989.99	1,466.21	2,150.01	79
10-4200-1400 MILEAGE & BOARD SALARY	21,600.00	16,268.68	16,268.68	0.00	5,331.32	75
10-4200-1500 BLDG & GRNDS MAINTENANCE	20,000.00	6,373.23	6,373.23	0.00	13,626.77	32
10-4200-3300 SUPPLIES AND EQUIPMENT	7,722.00	7,630.67	8,283.36	652.69	-561.36	107
10-4200-5300 DUES & FEES	5,070.00	4,773.84	5,061.34	287.50	8.66	100
10-4200-5700 MISCELLANEOUS	1,000.00	1,067.22	1,067.22	0.00	-67.22	107
10-4200-6500 STAFF DEVELOPMENT	16,000.00	12,932.14	15,399.58	2,467.44	600.42	96
4200 Administration Subtotal	\$464,815.00	\$366,214.10	\$372,837.94	\$6,623.84	\$91,977.06	80
Expenditure Subtotal	\$464,815.00	\$366,214.10	\$372,837.94	\$6,623.84	\$91,977.06	80
Before Transfers	Deficiency Of Revenue Subtotal	-\$464,815.00	-\$366,214.10	-\$366,214.10	-\$6,623.84	79
After Transfers	Deficiency Of Revenue Subtotal	-\$464,815.00	-\$366,214.10	-\$366,214.10	-\$6,623.84	79
5100 Police Department						
Expenditure						
5100 Police Department						
10-5100-0200 SALARIES	951,387.00	824,148.99	824,148.99	0.00	127,238.01	87
10-5100-0300 OVERTIME	26,000.00	0.00	0.00	0.00	26,000.00	0
10-5100-0400 SEPARATION ALLOWANCE	38,117.00	31,051.80	31,051.80	0.00	7,065.20	81
10-5100-0500 FICA	72,781.00	60,235.34	60,235.34	0.00	12,545.66	83
10-5100-0600 HEALTH INSURANCE (MEDICAL)	164,272.00	114,919.70	114,919.70	0.00	49,352.30	70
10-5100-0650 DENTAL, VISION, LIFE INSURANCE	35,558.00	14,190.00	14,190.00	0.00	21,368.00	40
10-5100-0675 HRA HEALTH REIMB ACCT	25,500.00	18,250.00	18,250.00	0.00	7,250.00	72
10-5100-0700 LGERS RETIREMENT	185,598.00	146,328.85	146,328.85	0.00	39,269.15	79
10-5100-0800 401K SUPP RETIREMENT	48,996.00	39,471.20	39,471.20	0.00	9,524.80	81
10-5100-1500 MAINT/REPAIR - BLDG/GROUNDS	20,000.00	3,390.76	3,390.76	0.00	16,609.24	17
10-5100-1600 MAINT/REPAIR - EQUIPMENT	1,000.00	1,316.15	1,316.15	0.00	-316.15	132
10-5100-1700 MAINT/REPAIR - VEHICLES	10,000.00	8,248.62	10,144.00	1,895.38	-144.00	101
10-5100-3100 MOTOR FUELS	24,600.00	15,034.76	15,034.76	0.00	9,565.24	61
10-5100-3300 SUPPLIES	20,080.00	12,706.37	14,030.97	1,324.60	6,049.03	70
10-5100-3600 UNIFORMS	15,000.00	16,202.73	41,932.70	25,729.97	-26,932.70	280
10-5100-3700 SOFTWARE	18,725.00	16,274.26	16,274.26	0.00	2,450.74	87
10-5100-3800 TECHNOLOGY	58,740.00	35,359.65	40,286.23	4,926.58	18,453.77	69
10-5100-5700 MISCELLANEOUS	8,265.00	3,887.62	6,464.17	2,576.55	1,800.83	78
10-5100-5800 PHYSICAL EXAMS	2,000.00	1,495.26	1,495.26	0.00	504.74	75
10-5100-6500 STAFF DEVELOPMENT	15,000.00	9,374.15	9,749.15	375.00	5,250.85	65

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10-5100-7400 CAPITAL EQUIPMENT PURCHASES	102,500.00	115,424.29	117,684.73	2,260.44	-15,184.73	115
5100 Police Department Subtotal	\$1,844,119.00	\$1,487,310.50	\$1,526,399.02	\$39,088.52	\$317,719.98	83
Expenditure Subtotal	\$1,844,119.00	\$1,487,310.50	\$1,526,399.02	\$39,088.52	\$317,719.98	83
Before Transfers	Deficiency Of Revenue Subtotal	-\$1,844,119.00	-\$1,487,310.50	-\$1,487,310.50	-\$39,088.52	81
After Transfers	Deficiency Of Revenue Subtotal	-\$1,844,119.00	-\$1,487,310.50	-\$1,487,310.50	-\$39,088.52	81
5200 Fire Services						
Expenditure						
5200 Fire Services						
10-5200-0000 FIRE CONTRACT	425,000.00	106,250.00	106,250.00	0.00	318,750.00	25
5200 Fire Services Subtotal	\$425,000.00	\$106,250.00	\$106,250.00	\$0.00	\$318,750.00	25
Expenditure Subtotal	\$425,000.00	\$106,250.00	\$106,250.00	\$0.00	\$318,750.00	25
Before Transfers	Deficiency Of Revenue Subtotal	-\$425,000.00	-\$106,250.00	-\$106,250.00	\$0.00	25
After Transfers	Deficiency Of Revenue Subtotal	-\$425,000.00	-\$106,250.00	-\$106,250.00	\$0.00	25
5600 Public Works						
Expenditure						
5600 Public Works						
10-5600-0200 SALARIES	244,822.00	182,025.88	182,025.88	0.00	62,796.12	74
10-5600-0300 OVERTIME	5,000.00	0.00	0.00	0.00	5,000.00	0
10-5600-0500 FICA	19,111.00	12,740.58	12,740.58	0.00	6,370.42	67
10-5600-0550 UNEMPLOYMENT INSURANCE	500.00	0.00	0.00	0.00	500.00	0
10-5600-0600 HOSPITAL INSURANCE (MEDICAL)	43,484.00	22,530.76	22,530.76	0.00	20,953.24	52
10-5600-0650 DENTAL, VISION, LIFE INSURANCE	8,883.00	3,025.26	3,025.26	0.00	5,857.74	34
10-5600-0675 HRA HEALTH REIMB ACCT	6,750.00	3,687.50	3,687.50	0.00	3,062.50	55
10-5600-0700 LGERS RETIREMENT	44,968.00	32,069.64	32,069.64	0.00	12,898.36	71
10-5600-0800 401K SUPP RETIREMENT	12,491.00	8,139.43	8,139.43	0.00	4,351.57	65
10-5600-1000 OUTSIDE SERVICES	10,000.00	275.00	275.00	0.00	9,725.00	3
10-5600-1300 STREETLIGHTS ELECTRIC	7,000.00	3,200.32	3,200.32	0.00	3,799.68	46
10-5600-1500 MAINT/REPAIR - BLDG/GROUNDS	9,600.00	5,783.85	5,783.85	0.00	3,816.15	60
10-5600-1600 MAINT/REPAIR- STREETLIGHTS	35,000.00	20,722.90	20,722.90	0.00	14,277.10	59
10-5600-1700 MAINT/REPAIR - VEHICLES	10,000.00	4,522.54	4,522.54	0.00	5,477.46	45
10-5600-3100 MOTOR FUELS	20,000.00	11,857.69	11,857.69	0.00	8,142.31	59
10-5600-3300 SUPPLIES	10,000.00	5,029.82	6,314.25	1,284.43	3,685.75	63
10-5600-3400 STREET SIGNS & NUMBERS	1,000.00	93.89	93.89	0.00	906.11	9
10-5600-3600 UNIFORMS	8,650.00	5,452.28	6,242.60	790.32	2,407.40	72
10-5600-3800 TECHNOLOGY	9,500.00	8,711.85	8,711.85	0.00	788.15	92
10-5600-5200 PARKS	60,000.00	5,376.23	5,624.57	248.34	54,375.43	9
10-5600-5202 GREENWOOD PARK STREAM RESTORA	292,000.00	245,094.38	245,094.38	0.00	46,905.62	84
10-5600-5800 PHYSICAL EXAMS	500.00	0.00	0.00	0.00	500.00	0
10-5600-5900 MISCELLANEOUS	1,000.00	204.30	204.30	0.00	795.70	20

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10-5600-6500 STAFF DEVELOPMENT	8,000.00	4,108.80	4,108.80	0.00	3,891.20	51
40-5600-7401 ARP CAPITAL PROJECTS	451,275.58	23,441.16	23,441.16	0.00	427,834.42	5
5600 Public Works Subtotal	\$1,319,534.58	\$608,094.06	\$610,417.15	\$2,323.09	\$709,117.43	46
Expenditure Subtotal	\$1,319,534.58	\$608,094.06	\$610,417.15	\$2,323.09	\$709,117.43	46
Before Transfers	Deficiency Of Revenue Subtotal	-\$1,319,534.58	-\$608,094.06	-\$608,094.06	-\$2,323.09	46
After Transfers	Deficiency Of Revenue Subtotal	-\$1,319,534.58	-\$608,094.06	-\$608,094.06	-\$2,323.09	46
5700 Streets & Transportation						
Expenditure						
5700 Streets & Transportation						
10-5700-1700 VEHICLE REPAIRS - STREET DEPT.	10,000.00	470.88	470.88	0.00	9,529.12	5
10-5700-2200 CONTRACTS- PAVING & STRIPING	210,000.00	71,765.00	71,765.00	0.00	138,235.00	34
10-5700-2300 SUPPLIES	10,000.00	7,587.78	12,540.05	4,952.27	-2,540.05	125
10-5700-2400 TRAFFIC SIGNS	500.00	809.48	809.48	0.00	-309.48	162
10-5700-2500 STORM WATER DRAINAGE	275,000.00	1,492.59	2,185.95	693.36	272,814.05	1
10-5700-3800 TECHNOLOGY	5,000.00	0.00	0.00	0.00	5,000.00	0
10-5700-6500 STAFF DEVELOPMENT	1,000.00	0.00	0.00	0.00	1,000.00	0
10-5700-7400 CAPITAL EQUIPMENT PURCHASES	5,000.00	0.00	0.00	0.00	5,000.00	0
10-5700-7500 ENGINEERING	100,000.00	54,660.50	54,660.50	0.00	45,339.50	55
5700 Streets & Transportation Subtotal	\$616,500.00	\$136,786.23	\$142,431.86	\$5,645.63	\$474,068.14	23
Expenditure Subtotal	\$616,500.00	\$136,786.23	\$142,431.86	\$5,645.63	\$474,068.14	23
Before Transfers	Deficiency Of Revenue Subtotal	-\$616,500.00	-\$136,786.23	-\$136,786.23	-\$5,645.63	22
After Transfers	Deficiency Of Revenue Subtotal	-\$616,500.00	-\$136,786.23	-\$136,786.23	-\$5,645.63	22
5800 Sanitation & Recycling						
Expenditure						
5800 Sanitation & Recycling						
10-5800-0200 SALARIES	125,190.00	111,299.81	111,299.81	0.00	13,890.19	89
10-5800-0300 OVERTIME	5,000.00	0.00	0.00	0.00	5,000.00	0
10-5800-0500 FICA	9,960.00	8,118.18	8,118.18	0.00	1,841.82	82
10-5800-0600 HEALTH INSURANCE (MEDICAL)	28,989.00	17,825.22	17,825.22	0.00	11,163.78	61
10-5800-0650 DENTAL, VISION, LIFE INSURANCE	5,922.00	1,988.58	1,988.58	0.00	3,933.42	34
10-5800-0675 HRA HEALTH REIMB ACCT	4,500.00	3,375.00	3,375.00	0.00	1,125.00	75
10-5800-0700 LGERS RETIREMENT	23,435.00	19,701.47	19,701.47	0.00	3,733.53	84
10-5800-0800 401K SUPP RETIREMENT	6,510.00	5,428.81	5,428.81	0.00	1,081.19	83
10-5800-1700 MAINT/REPAIRS - VEHICLES	25,000.00	25,924.90	32,913.94	6,989.04	-7,913.94	132
10-5800-3100 MOTOR FUELS	30,000.00	20,625.37	20,625.37	0.00	9,374.63	69
10-5800-3300 SUPPLIES	1,000.00	831.06	841.47	10.41	158.53	84
10-5800-3600 UNIFORMS	1,000.00	0.00	0.00	0.00	1,000.00	0
10-5800-3800 TECHNOLOGY	600.00	1,695.98	1,695.98	0.00	-1,095.98	283
10-5800-5800 PHYSICAL EXAMS	500.00	0.00	0.00	0.00	500.00	0

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10-5800-5900 MISCELLANEOUS	1,000.00	0.00	0.00	0.00	1,000.00	0
10-5800-6000 CAPITAL OUTLAY	55,000.00	43,154.95	43,154.95	0.00	11,845.05	78
10-5800-8000 TIPPING FEES & BRUSH REMOVAL	30,000.00	34,333.86	34,333.86	0.00	-4,333.86	114
10-5800-8100 RECYCLING	6,000.00	6,930.75	6,930.75	0.00	-930.75	116
10-5800-8200 BRUSH & LEAF DISPOSAL FEES	31,200.00	14,980.00	14,980.00	0.00	16,220.00	48
5800 Sanitation & Recycling Subtotal	\$390,806.00	\$316,213.94	\$323,213.39	\$6,999.45	\$67,592.61	83
Expenditure Subtotal	\$390,806.00	\$316,213.94	\$323,213.39	\$6,999.45	\$67,592.61	83
Before Transfers	Deficiency Of Revenue Subtotal	-\$390,806.00	-\$316,213.94	-\$316,213.94	-\$6,999.45	81
After Transfers	Deficiency Of Revenue Subtotal	-\$390,806.00	-\$316,213.94	-\$316,213.94	-\$6,999.45	81
6600 General Government						
Expenditure						
6600 General Government						
10-6600-0401 LEGAL SERVICES	35,000.00	20,250.76	20,250.76	0.00	14,749.24	58
10-6600-1100 TECHNOLOGY	92,120.00	80,107.12	80,107.12	0.00	12,012.88	87
10-6600-1300 MUNICIPAL UTILITIES	25,000.00	34,795.37	34,795.37	0.00	-9,795.37	139
10-6600-1500 GE. REPS. AND MAINT.	28,200.00	34,610.33	34,610.33	0.00	-6,410.33	123
10-6600-2800 ELECTIONS	6,000.00	184.24	184.24	0.00	5,815.76	3
10-6600-5400 INSURANCE	105,000.00	105,578.21	105,578.21	0.00	-578.21	101
10-6600-6000 CONTINGENCY	181,444.00	0.00	0.00	0.00	181,444.00	0
10-6600-6100 MISCELLANEOUS	10,000.00	5,093.69	5,093.69	0.00	4,906.31	51
10-6600-6201 COVID EXPENDITURES	2,000.00	8,500.00	8,500.00	0.00	-6,500.00	425
10-6600-6300 COMMUNITY EVENTS	50,000.00	6,632.13	6,907.13	275.00	43,092.87	14
10-6600-6301 4TH OF JULY	10,000.00	4,340.73	4,340.73	0.00	5,659.27	43
10-6600-6302 NATIONAL NIGHT OUT	7,000.00	0.00	0.00	0.00	7,000.00	0
10-6600-6303 HOLIDAY LIGHTING	21,500.00	9,875.96	9,875.96	0.00	11,624.04	46
10-6600-6304 ARBOR DAY EVENT	2,000.00	0.00	0.00	0.00	2,000.00	0
10-6600-6400 WILDLIFE MANAGEMENT	5,000.00	2,729.90	2,729.90	0.00	2,270.10	55
10-6600-6500 FOREST MANAGEMENT	60,000.00	45,300.00	45,300.00	0.00	14,700.00	76
6600 General Government Subtotal	\$640,264.00	\$357,998.44	\$358,273.44	\$275.00	\$281,990.56	56
Expenditure Subtotal	\$640,264.00	\$357,998.44	\$358,273.44	\$275.00	\$281,990.56	56
Before Transfers	Deficiency Of Revenue Subtotal	-\$640,264.00	-\$357,998.44	-\$357,998.44	-\$275.00	56
After Transfers	Deficiency Of Revenue Subtotal	-\$640,264.00	-\$357,998.44	-\$357,998.44	-\$275.00	56
6700 Debt Service						
Expenditure						
6700 Debt Service						
10-6700-0100 Police Dept Renovations-Principal	23,334.00	17,499.99	17,499.99	0.00	5,834.01	75
10-6700-0200 Street Improvements-Principal	6,667.00	5,000.01	5,000.01	0.00	1,666.99	75
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 2020 POLICE CARS-PRINCIPAL	29,106.00	28,326.38	28,326.38	0.00	779.62	97

REVENUE & EXPENDITURE STATEMENT

07/01/2022 To 03/31/2023

Town of Biltmore Forest

FY 2022-2023

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

Account	Budget (\$)	Current Period (\$)	YTD With Encumbrance (\$)	Encumbrance (\$)	Remaining Balance (\$)	% Used
10-6700-1100 Police Dept Renovations-Interest	1,445.00	1,166.82	1,166.82	0.00	278.18	81
10-6700-1200 Street Improvements-Interest	413.00	333.37	333.37	0.00	79.63	81
10-6700-1500 Public Works Building-Interest	17,685.00	9,195.79	9,195.79	0.00	8,489.21	52
10-6700-1600 2020 POLICE CARS-INTEREST	801.00	1,579.37	1,579.37	0.00	-778.37	197
6700 Debt Service Subtotal	\$163,662.00	\$105,206.99	\$105,206.99	\$0.00	\$58,455.01	64
Expenditure Subtotal	\$163,662.00	\$105,206.99	\$105,206.99	\$0.00	\$58,455.01	64
Before Transfers	Deficiency Of Revenue Subtotal	-\$163,662.00	-\$105,206.99	-\$105,206.99	\$0.00	64
After Transfers	Deficiency Of Revenue Subtotal	-\$163,662.00	-\$105,206.99	-\$105,206.99	\$0.00	64
8100 Water Dept.						
Expenditure						
8100 Water Dept.						
30-8100-0200 SALARIES	144,572.00	86,578.72	86,578.72	0.00	57,993.28	60
30-8100-0400 PROFESSIONAL SERVICES	5,000.00	3,074.42	3,655.04	580.62	1,344.96	73
30-8100-0500 FICA	11,060.00	6,177.50	6,177.50	0.00	4,882.50	56
30-8100-0600 HEALTH INSURANCE (MEDICAL)	19,326.00	11,762.50	11,762.50	0.00	7,563.50	61
30-8100-0650 DENTAL, VISION, LIFE INSURANCE	3,948.00	1,904.55	1,904.55	0.00	2,043.45	48
30-8100-0675 HRA HEALTH REIMBURSEMENT ACCT	3,000.00	1,875.00	1,875.00	0.00	1,125.00	63
30-8100-0700 LGERS RETIREMENT	26,023.00	15,656.92	15,656.92	0.00	10,366.08	60
30-8100-0800 401K SUPP RETIREMENT	7,229.00	5,395.38	5,395.38	0.00	1,833.62	75
30-8100-1200 POSTAGE, PRINTING, & STATIONARY	5,000.00	606.42	606.42	0.00	4,393.58	12
30-8100-1500 GENERAL REPAIRS	10,000.00	17,175.39	17,175.39	0.00	-7,175.39	172
30-8100-3300 SUPPLIES & EQUIPMENT	15,000.00	9,523.46	10,255.63	732.17	4,744.37	68
30-8100-3800 TECHNOLOGY	5,000.00	0.00	0.00	0.00	5,000.00	0
30-8100-4800 WATER PURCHASES	179,580.00	136,273.20	136,273.20	0.00	43,306.80	76
30-8100-4900 SEWER PURCHASES	185,400.00	263,561.18	263,561.18	0.00	-78,161.18	142
30-8100-5000 AMI TRANSMITTER FEES	7,700.00	4,368.24	4,368.24	0.00	3,331.76	57
30-8100-5700 MISCELLANEOUS	6,196.00	56.00	56.00	0.00	6,140.00	1
30-8100-6500 STAFF DEVELOPMENT	5,000.00	1,601.78	1,601.78	0.00	3,398.22	32
30-8100-7400 CAPITAL IMPROVEMENT	29,939.00	0.00	0.00	0.00	29,939.00	0
8100 Water Dept. Subtotal	\$668,973.00	\$565,590.66	\$566,903.45	\$1,312.79	\$102,069.55	85
Expenditure Subtotal	\$668,973.00	\$565,590.66	\$566,903.45	\$1,312.79	\$102,069.55	85
Before Transfers	Deficiency Of Revenue Subtotal	-\$668,973.00	-\$565,590.66	-\$565,590.66	-\$1,312.79	85
After Transfers	Deficiency Of Revenue Subtotal	-\$668,973.00	-\$565,590.66	-\$565,590.66	-\$1,312.79	85
GRAND TOTAL	-\$144,938.00	\$1,244,154.50	\$1,181,886.18	-62,268.32	-\$1,326,824.18	-815



**BOARD OF COMMISSIONERS MEETING
STAFF MEMORANDUM**

APRIL 11, 2023

**AGENDA ITEM E-1
PRESENTATION OF FY22 FINANCIAL STATEMENTS**

MS. LEVONIA REESE, CARTER P.C.

Background

Each year, the Town, and all other local government agencies in North Carolina, are required to complete an independent audit of financial statements. These audits are sent to the North Carolina Local Government Commission (LGC) for review and comments. The Town's audit was provided to the LGC later this year due to a reporting error between the Town and the NC Local Government Retirement System (LGERS) that needed to be corrected. The financial statements were provided to the LGC on March 1, 2023 and reviewed on March 16, 2023.

Ms. Levonia Reese, a partner with the independent audit firm, Carter P.C., will attend the meeting, address the audit, and answer questions from the Board. A bound, hard copy of the audit is provided to the Board of Commissioners as part of the agenda packet, and an electronic version is available in the agenda placed on the Town's website.



**TOWN OF BILTMORE FOREST,
NORTH CAROLINA**

Financial Statements and
Supplementary Information

Year Ended June 30, 2022

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

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INDEPENDENT AUDITORS' REPORT

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

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, 2022, 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, based on our audit, the 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, 2022, and the respective changes in financial position and cash flows, where appropriate, 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). 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

Responsibility of Management for the Audit of the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raises 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 will always detect material statement 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, we

- Exercised professional judgement and maintained 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 12, the Local Government Employees' Retirement System's Schedules of the Proportionate Share of Net Pension Liability and Contributions, on pages 52 and 53, 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 54 and 55, respectively, and the Other Postemployment Benefits' Schedules of the Proportionate Share of Net OPEB Liability and Contributions, on pages 56 and 57, respectively, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town 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.

CARTER, P.C.

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, 2022. 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

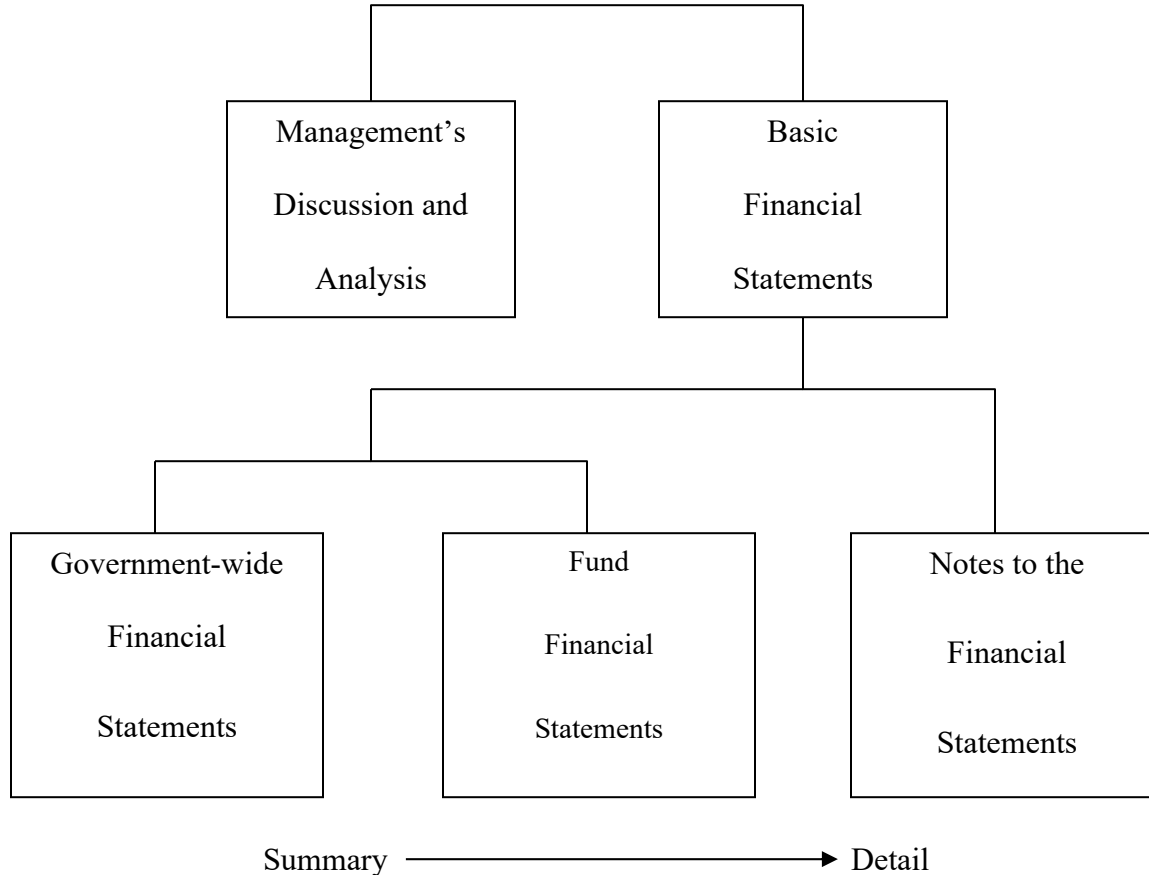
- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$6,679,806 (*net position*).
- The government's total net position increased by \$514,469, primarily due to high property tax collection rates and 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 \$4,207,842, with a net increase of \$335,840 in fund balance. Approximately 15% of combined ending fund balances, or \$626,481, is non-spendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$3,564,761, or 78% of total general fund expenditures.
- The Town's total debt increased by \$159,204 (4%) during the current fiscal year. The key factors in this increase were a \$736,485 increase in the net OPEB obligation. Increases were partially offset by decreases in pension related debt and scheduled principal payments of \$142,891.

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 23 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 52 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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current and other assets	\$ 5,020,277	\$ 3,972,368	\$ 668,325	\$ 681,614	\$ 5,688,602	\$ 4,653,982
Capital assets	<u>4,118,872</u>	<u>3,996,139</u>	<u>1,914,424</u>	<u>2,081,393</u>	<u>6,033,296</u>	<u>6,077,532</u>
Total assets	<u>9,139,149</u>	<u>7,968,507</u>	<u>2,582,749</u>	<u>2,763,007</u>	<u>11,721,898</u>	<u>10,731,514</u>
Total deferred outflows of resources	<u>1,582,999</u>	<u>1,091,300</u>	<u>94,653</u>	<u>34,854</u>	<u>1,677,652</u>	<u>1,126,154</u>
Long-term liabilities outstanding	4,054,290	3,978,532	196,289	113,627	4,250,579	4,092,159
Other liabilities	<u>719,850</u>	<u>216,857</u>	<u>86,724</u>	<u>86,724</u>	<u>719,850</u>	<u>303,581</u>
Total liabilities	<u>4,774,140</u>	<u>4,195,389</u>	<u>196,289</u>	<u>200,351</u>	<u>4,970,429</u>	<u>4,395,740</u>
Total deferred inflows of resources	<u>1,657,729</u>	<u>1,245,424</u>	<u>91,586</u>	<u>51,167</u>	<u>1,749,315</u>	<u>1,296,591</u>
Net position:						
Net investment in capital assets	3,482,748	3,217,124	1,914,424	2,081,393	5,397,172	5,298,517
Restricted	624,252	468,834			624,252	468,834
Unrestricted	<u>183,279</u>	<u>(66,964)</u>	<u>475,103</u>	<u>464,950</u>	<u>658,382</u>	<u>397,986</u>
Total net position	<u>\$ 4,290,279</u>	<u>\$ 3,618,994</u>	<u>\$ 2,389,527</u>	<u>\$ 2,546,343</u>	<u>\$ 6,679,806</u>	<u>\$ 6,165,337</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 \$6,679,806 as of June 30, 2022. The Town's net position increased by \$514,469 for the fiscal year ended June 30, 2022. 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, \$624,252, 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 99.94%. The statewide average in fiscal year 2022 was 99.12%.
- 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	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 74,949	\$ 33,024	\$ 804,788	\$ 762,793	\$ 879,737	\$ 795,817
Operating grants and contributions	68,626	110,132			68,626	110,132
General revenues:						
Property taxes	3,053,571	2,790,373			3,053,571	2,790,373
Sales taxes	1,378,878	1,224,493			1,378,878	1,224,493
Franchise and utilities taxes	221,240	213,010			221,240	213,010
Alcohol beverage tax	5,594	5,655			5,594	5,655
Gasoline tax	2,315	3,608			2,315	3,608
Investment earnings	7,227	936	157	15	7,384	951
Miscellaneous	94,347	58,475			94,347	58,475
Total revenues	<u>4,906,747</u>	<u>4,439,706</u>	<u>804,945</u>	<u>762,808</u>	<u>5,711,692</u>	<u>5,202,514</u>
Expenses:						
General government	844,974	809,583			844,974	809,583
Public safety	2,176,784	2,021,375			2,176,784	2,021,375
Transportation	331,970	372,902			331,970	372,902
Physical development	856,994	681,628			856,994	681,628
Interest on long-term debt	24,740	30,645			24,740	30,645
Water			961,761	863,504	961,761	863,504
Total expenses	<u>4,235,462</u>	<u>3,916,133</u>	<u>961,761</u>	<u>863,504</u>	<u>5,197,223</u>	<u>4,779,637</u>
Increase (decrease) in net position	671,285	523,573	(156,816)	(100,696)	514,469	422,877
Net position, beginning	<u>3,618,994</u>	<u>3,095,421</u>	<u>2,546,343</u>	<u>2,647,039</u>	<u>6,165,337</u>	<u>5,742,460</u>
Net position, ending	<u>\$ 4,290,279</u>	<u>\$ 3,618,994</u>	<u>\$ 2,389,527</u>	<u>\$ 2,546,343</u>	<u>\$ 6,679,806</u>	<u>\$ 6,165,337</u>

Governmental activities. Governmental activities increased the Town's net position by \$671,285. 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 2022 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 \$156,816. 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 \$3,581,361 while total fund balance reached \$4,207,842. 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 69% of budgeted general fund expenditures, and total fund balance represents 81% of the same amount.

At June 30, 2022, governmental funds reported a combined fund balance of \$4,207,842, with a net increase in fund balance of \$335,840.

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.

There were several reasons the Town revised its budget throughout the year. Expenditures were held in check with budgeted amounts for the year ended June 30, 2022.

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 \$475,103. The total change in net position for the Water Fund was (\$156,816). 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, 2022, totals \$6,033,296 (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:

- Two (2) Ford Explorer Interceptor hybrid vehicles for the Police Department
- Computer Aided Dispatch (CAD) for the Town’s Police Department dispatch center.
- Rehabilitation of 0.75 miles of Vanderbilt Road, from Cedarcliff Road to Interstate 40.
- Continuing improvements to the Town’s stormwater system.
- Purchase of solid waste container tippers for each solid waste truck

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

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 176,441	\$ 176,441	\$	\$	\$ 176,441	\$ 176,441
Construction in progress	222,114				222,114	
Buildings and systems	2,069,155	2,132,077	1,912,416	2,079,046	3,981,571	4,211,123
Improvements other than buildings	60,546	65,521			60,546	65,521
Equipment and furniture	17,284	27,382			17,284	27,382
Vehicles and motorized equipment	589,856	677,375	2,008	2,347	591,864	679,722
Infrastructure	983,476	917,343			983,476	917,343
Total	<u>\$ 4,118,872</u>	<u>\$ 3,996,139</u>	<u>\$ 1,914,424</u>	<u>\$ 2,081,393</u>	<u>\$ 6,033,296</u>	<u>\$ 6,077,532</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, 2022, the Town of Biltmore Forest had total debt outstanding of \$4,393,899. The installment debt is backed by security interest in the property for which it was issued. The Town’s other debt consisted of 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	
	2022	2021	2022	2021	2022	2021
Installment debt	\$ 636,124	\$ 779,015	\$	\$	\$ 636,124	\$ 779,015
OPEB	2,549,347	1,904,897	174,289	82,254	2,723,636	1,987,151
Pension related debt (LGERS)	298,863	690,240	20,432	29,805	319,295	720,045
Pension related debt (LEO)	641,081	684,752			641,081	684,752
Compensated absences	72,195	62,164	1,568	1,568	73,763	63,732
Total	<u>\$ 4,197,610</u>	<u>\$ 4,121,068</u>	<u>\$ 196,289</u>	<u>\$ 113,627</u>	<u>\$ 4,393,899</u>	<u>\$ 4,234,695</u>

- The Town’s total debt increased by \$159,204 (4%) during the current fiscal year. The key factors in this increase were a \$736,485 increase in the net OPEB obligation. Increases were partially offset by decreases in pension related debt and scheduled principal payments of \$142,891.

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 \$70,763,862. 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:

- Continued improvements and additions to existing homes and new home construction will continue to lead to improved property value growth.
- Higher interest rates should lead to increases in the Town's investment earnings. This is due to the Federal Reserve's continued efforts to combat inflation by raising interest rates.
- Sales tax revenues remain strong and are forecast to continue in spite of rising interest rates.

Budget Highlights for the Fiscal Year Ending June 30, 2023

Governmental Activities: Property taxes will account for 57.3% of total General Fund revenues, while sales tax will account for 29.1% of total General Fund revenues. This percentage is roughly 6 percent below last year's estimate for property taxes and 2 percent more than last year's sales tax estimate. This is likely due to the Town's increased growth in several revenue sectors, including permit fees and franchise and utility fees, that results in diversification of revenue streams.

Budgeted expenditures are expected to increase by fifteen (15) percent. These increases result from higher cost of living adjustments (COLA) than in prior years and the potential funding of a new full-time position with the Town.

The Town did not budget a fund balance appropriation in FY23 due to the continued growth within the Town's revenue streams and conservative spending on expenditures.

Business-type Activities: Expenditures in the water department are forecast to be 20.5 percent less than the prior year's budget due primarily to prior year reductions in water usage.

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, or send an email to townhall@biltmoreforest.org for more information.

BASIC FINANCIAL STATEMENTS

TOWN OF BILTMORE FOREST, NORTH CAROLINA

Statement of Net Position
June 30, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 4,430,231	\$ 530,454	\$ 4,960,685
Taxes receivable (net)	2,849		2,849
Accounts receivable (net)		126,771	126,771
Due from other governments	478,718		478,718
Prepaid expenses	106,250		106,250
Inventories	2,229	11,100	13,329
Total current assets	<u>5,020,277</u>	<u>668,325</u>	<u>5,688,602</u>
Noncurrent assets:			
Capital assets:			
Land and construction in progress	398,555		398,555
Other capital assets, net of depreciation	3,720,317	1,914,424	5,634,741
Total capital assets	<u>4,118,872</u>	<u>1,914,424</u>	<u>6,033,296</u>
Total assets	<u>\$ 9,139,149</u>	<u>\$ 2,582,749</u>	<u>\$ 11,721,898</u>
Deferred outflows of resources	<u>\$ 1,582,999</u>	<u>\$ 94,653</u>	<u>\$ 1,677,652</u>
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 576,530	\$	\$ 576,530
Current portion of long-term liabilities	143,320		143,320
Total current liabilities	719,850		719,850
Long-term liabilities:			
Due in more than one year	4,054,290	196,289	4,250,579
Total liabilities	<u>\$ 4,774,140</u>	<u>\$ 196,289</u>	<u>\$ 4,970,429</u>
Deferred inflows of resources	<u>\$ 1,657,729</u>	<u>\$ 91,586</u>	<u>\$ 1,749,315</u>
Net position			
Net investment in capital assets	\$ 3,482,748	\$ 1,914,424	\$ 5,397,172
Restricted:			
Stabilization by State Statute	624,252		624,252
Unrestricted	183,279	475,103	658,382
Total net position	<u>\$ 4,290,279</u>	<u>\$ 2,389,527</u>	<u>\$ 6,679,806</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, 2022

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	Total
Primary government:							
Governmental activities:							
General government	\$ 844,974	\$ 74,949	\$	\$	\$ (770,025)	\$	\$ (770,025)
Public safety	2,176,784				(2,176,784)		(2,176,784)
Transportation	331,970		67,822		(264,148)		(264,148)
Physical development	856,994		804		(856,190)		(856,190)
Interest on long-term debt	<u>24,740</u>				<u>(24,740)</u>		<u>(24,740)</u>
Total governmental activities (See Note 1)	4,235,462	74,949	68,626		(4,091,887)		(4,091,887)
Business-type activities:							
Water	<u>961,761</u>	<u>804,788</u>				<u>(156,973)</u>	<u>(156,973)</u>
Total primary government	<u>\$ 5,197,223</u>	<u>\$ 879,737</u>	<u>\$ 68,626</u>	<u>\$</u>	<u>(4,091,887)</u>	<u>(156,973)</u>	<u>(4,248,860)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purpose					3,053,571		3,053,571
Sales taxes					1,378,878		1,378,878
Franchise and utilities taxes					221,240		221,240
Alcohol beverage tax					5,594		5,594
Gasoline tax					2,315		2,315
Unrestricted investment earnings					7,227	157	7,384
Miscellaneous					<u>94,347</u>		<u>94,347</u>
Total general revenues					<u>4,763,172</u>	<u>157</u>	<u>4,763,329</u>
Change in net position					671,285	(156,816)	514,469
Net position, beginning					<u>3,618,994</u>	<u>2,546,343</u>	<u>6,165,337</u>
Net position, ending					<u>\$ 4,290,279</u>	<u>\$ 2,389,527</u>	<u>\$ 6,679,806</u>

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, 2022

	Major Funds		Total
	General Fund	ARPA Fund	
Assets			
Cash and cash equivalents	\$ 4,204,593	\$ 225,638	\$ 4,430,231
Taxes receivable (net)	2,849		2,849
Prepaid expenses	106,250		106,250
Due from other governments	478,718		478,718
Inventories	2,229		2,229
Total assets	<u>\$ 4,794,639</u>	<u>\$ 225,638</u>	<u>\$ 5,020,277</u>
Liabilities			
Accounts payable and accrued liabilities	<u>\$ 576,530</u>	<u>\$</u>	<u>\$ 576,530</u>
Deferred inflows of resources	<u>10,267</u>	<u>225,638</u>	<u>235,905</u>
Fund balances			
Nonspendable:			
Inventories	2,229		2,229
Restricted:			
Stabilization by State statute	624,252		624,252
Unassigned	<u>3,581,361</u>		<u>3,581,361</u>
Total fund balances	<u>4,207,842</u>		<u>4,207,842</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,794,639</u>	<u>\$ 225,638</u>	<u>\$ 5,020,277</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, 2022

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

Total Fund Balances, Governmental Funds		\$ 4,207,842
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical cost	\$ 7,430,584	
Accumulated depreciation	<u>(3,311,712)</u>	4,118,872
Deferred outflows of resources related to pensions are not reported in the funds		672,444
Deferred outflows of resources related to OPEB are not reported in the funds		910,555
Earned revenues considered deferred inflows of resources in fund statements		2,849
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds		
Gross long-term debt	(636,124)	
Accrued compensated absences	(72,195)	
Net pension liability	(641,081)	
Total pension liability	(298,863)	
OPEB liability	<u>(2,549,347)</u>	(4,197,610)
Deferred inflows of resources related to pensions are not reported in the funds		(521,061)
Deferred inflows of resources related to OPEB are not reported in the funds		<u>(903,612)</u>
Net position of governmental activities		<u>\$ 4,290,279</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, 2022

	Major Funds		Total
	General Fund	ARPA Fund	
Revenues			
Ad valorem taxes	\$ 3,070,171	\$	\$ 3,070,171
Unrestricted intergovernmental	1,608,027		1,608,027
Restricted intergovernmental	68,626		68,626
Permits and fees	74,949		74,949
Investment earnings	7,227		7,227
Miscellaneous	73,835		73,835
Total revenues	<u>4,902,835</u>		<u>4,902,835</u>
Expenditures			
Current:			
General government	777,979		777,979
Public safety	2,235,850		2,235,850
Transportation	478,752		478,752
Physical development	932,803		932,803
Debt service:			
Principal	142,891		142,891
Interest and other charges	24,740		24,740
Total expenditures	<u>4,593,015</u>		<u>4,593,015</u>
Excess of revenues over expenditures	<u>309,820</u>		<u>309,820</u>
Other financing sources			
Sales of capital assets	<u>26,020</u>		<u>26,020</u>
Total other financing sources	<u>26,020</u>		<u>26,020</u>
Net change in fund balance	335,840		335,840
Fund balance, beginning	<u>3,872,002</u>		<u>3,872,002</u>
Fund balance, ending	<u>\$ 4,207,842</u>	<u>\$</u>	<u>\$ 4,207,842</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, 2022

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

Net changes in fund balances - total governmental funds	\$	335,840
<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	\$	449,424
Net book value of capital assets which were sold		(5,508)
Depreciation expense for governmental assets		<u>(321,183)</u>
		122,733
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds</p>		
Change in unavailable revenue for tax revenue		(16,600)
<p>Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities</p>		
		172,000
<p>Benefit payments paid and administrative expense for the LEOSSA are not included on the Statement of Activities</p>		
		15,309
<p>OPEB benefit payments and administrative costs made in the current fiscal year are not included on the Statement of Activities</p>		
		98,290
<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		142,891
<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		(10,031)
Pension expense		(232,713)
OPEB plan expense		<u>43,566</u>
		<u>(199,178)</u>
Total changes in net position of governmental activities	\$	<u>671,285</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, 2022

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	Variance with final budget- positive (negative)
Revenues				
Ad valorem taxes	\$ 2,949,428	\$ 3,054,428	\$ 3,070,171	\$ (857)
Unrestricted intergovernmental	1,275,298	1,570,298	1,608,027	37,729
Restricted intergovernmental	56,455	68,755	68,626	(129)
Permits and fees	31,300	72,249	74,949	2,700
Investment earnings	1,000	1,000	7,227	6,227
Miscellaneous	<u>48,000</u>	<u>76,330</u>	<u>73,835</u>	<u>(2,495)</u>
Total revenues	<u>4,361,481</u>	<u>4,843,060</u>	<u>4,902,835</u>	<u>43,175</u>
Expenditures				
Current:				
General government	832,785	961,778	777,979	196,995
Public safety	2,191,093	2,253,677	2,235,850	44,722
Transportation	279,407	522,407	478,752	43,655
Physical development	1,205,562	1,251,062	932,803	332,411
Debt service:				
Principal retirement	142,539	142,539	142,891	(352)
Interest and other charges	<u>25,095</u>	<u>25,095</u>	<u>24,740</u>	<u>355</u>
Total expenditures	<u>4,676,481</u>	<u>5,156,558</u>	<u>4,593,015</u>	<u>617,786</u>
Revenues over (under) expenditures	<u>(315,000)</u>	<u>(313,498)</u>	<u>309,820</u>	<u>660,961</u>
Other financing sources (uses)				
Sales of capital assets	15,000	15,000	26,020	11,020
Installment purchase obligations issued	<u>300,000</u>	<u>300,000</u>	<u> </u>	<u>(300,000)</u>
Total other financing sources (uses)	<u>315,000</u>	<u>315,000</u>	<u>26,020</u>	<u>(288,980)</u>
Net change in fund balance	<u>\$ </u>	<u>\$ 1,502</u>	335,840	<u>\$ 371,981</u>
Fund balance, beginning			<u>3,872,002</u>	
Fund balance, ending			<u>\$ 4,207,842</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, 2022

Assets

Current assets:

Cash and cash equivalents	\$ 530,454
Accounts receivable (net)	126,771
Inventories	<u>11,100</u>
Total current assets	668,325

Noncurrent assets:

Capital assets, net of depreciation	<u>1,914,424</u>
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Total assets	<u>\$ 2,582,749</u>
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Deferred outflows of resources	<u>\$ 94,653</u>
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Liabilities

Noncurrent liabilities:

Compensated absences	\$ 1,568
Net pension liability	20,432
Total OPEB liability	<u>174,289</u>
Total noncurrent liabilities	<u>196,289</u>

Total liabilities	<u>\$ 196,289</u>
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Deferred inflows of resources	<u>\$ 91,586</u>
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Net position

Net investment in capital assets	\$ 1,914,424
Unrestricted	<u>475,103</u>
Total net position	<u>\$ 2,389,527</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, 2022

Operating revenues	
Water sales	\$ 784,922
Water tap and connection fees	4,870
AMI transmitter charges	6,814
Commissions, sewer charge collection	<u>8,182</u>
Total operating revenues	<u>804,788</u>
Operating expenses	
Salaries	108,247
Payroll taxes	7,613
Employee benefits	109,962
Maintenance and supplies	49,985
Water and sewer purchases	509,197
Professional services	4,845
Depreciation	166,969
Training and education	<u>4,943</u>
Total operating expenses	<u>961,761</u>
Operating loss	(156,973)
Nonoperating revenues	
Investment earnings	<u>157</u>
Change in net position	(156,816)
Net position, beginning	<u>2,546,343</u>
Total net position, ending	<u>\$ 2,389,527</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, 2022

Cash flows from operating activities	
Cash received from customers	\$ 760,620
Cash paid for goods and services	(655,694)
Cash paid to or on behalf of employees for services	<u>(162,540)</u>
Net cash used by operating activities	<u>(57,614)</u>
Cash flows from investing activities	
Interest	<u>157</u>
Net decrease in cash and cash equivalents	(57,457)
Balances, beginning	<u>587,911</u>
Balances, ending	<u>\$ 530,454</u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (156,973)
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:	
Increase in accounts receivable	(44,168)
Decrease in accounts payable and accrued liabilities	(86,724)
Increase in deferred outflows of resources - pensions	(14,463)
Increase in deferred outflows of resources - OPEB	(45,336)
Decrease in net pension liability	(9,373)
Increase in OPEB liability	92,035
Increase in deferred inflows of resources - pensions	29,210
Increase in deferred inflows of resources - OPEB	<u>11,209</u>
Total adjustments	<u>99,359</u>
Net cash used by operating activities	<u>\$ (57,614)</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, 2022

Note 1 - Summary of Significant Accounting Policies

The accounting policies of the Town of Biltmore Forest 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 the North Carolina Capital Management Trust (NCCMT). The Town's investments are reported at fair value. The NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months.

2. Cash and Cash Equivalents

The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income 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.

3. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values of January 1, 2021.

Note 1 - Summary of Significant Accounting Policies (continued)

4. 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.

5. 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.

6. 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)

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 2022 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, 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.

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.

Note 1 - Summary of Significant Accounting Policies (continued)

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:

Nonspendable Fund Balance - this classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

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. Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

Note 1 - Summary of Significant Accounting Policies (continued)

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. 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.

Note 1 - Summary of Significant Accounting Policies (continued)

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, 2022, was \$425,000.

Note 2 - Stewardship, Compliance, and Accountability

A. Budget Ordinance Violation

For the year ended June 30, 2022, the Town's amended budget ordinance did not balance by \$1,502 due to a formula error in the budget spreadsheet.

B. Late Audit

The Town's audit for the fiscal year ended June 30, 2022, was due on October 31, 2022, but was not finalized until February 23, 2023. The primary reasons for the delay in completing the audit was the availability of information needed to make final journal entries for the fiscal year 2022 audit.

Corrective Action Plans

Management of the Town understands that the amended budget was out of balance by \$1,502 due to a formula error in the budget spreadsheet. We acknowledge that these errors were oversights within the budget spreadsheet development process, and assert the following for our corrective action plan to resolve these issues. Both the original budget ordinance, and subsequent budget amendments, will be reviewed for balance prior to submitting to the Board of Commissioners. This review will be documented on the staff memorandum provided to the Board of Commissioners prior to their consideration of the budget amendment. Town management will also insert language into the budget amendment ordinance verifying that the above verifications have occurred.

Management is aware of the Town's audit being submitted after the deadline of October 31, 2022. While preparing for the audit, management discovered that several reports submitted to ORBIT for the fiscal year ended June 30, 2022, did not report the correct payroll amounts. Management believed it was important to have the corrected information and proper journal entries prior to completion of the financial statements. This information was not available until December 2022.

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, 2022, the Town's deposits had a carrying amount of \$513,935 and a bank balance of \$604,542. The entire bank balance was covered by federal depository insurance. At June 30, 2022, the Town's petty cash fund totaled \$185.

2. Investments

At June 30, 2022, the Town had \$4,446,565 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, 2022 are net of the following allowances for doubtful accounts:

General fund - Taxes receivable	\$	4,424
Water fund - Accounts receivable		<u>1,339</u>
Total	\$	<u><u>5,763</u></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, 2022, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 176,441	\$	\$	\$ 176,441
Construction in progress		<u>222,114</u>		<u>222,114</u>
Total capital assets not being depreciated	<u>176,441</u>	<u>222,114</u>		<u>398,555</u>
Capital assets being depreciated:				
Buildings and systems	2,705,202			2,705,202
Other improvements	168,205			168,205
Equipment and furniture	252,340		21,600	230,740
Vehicles and equipment	1,802,909	98,891	71,290	1,830,510
Infrastructure	<u>1,968,953</u>	<u>128,419</u>		<u>2,097,372</u>
Total capital assets being depreciated	<u>6,897,609</u>	<u>\$ 227,310</u>	<u>\$ 92,890</u>	<u>7,032,029</u>
Less accumulated depreciation for:				
Buildings and systems	573,125	62,922		636,047
Other improvements	102,684	4,975		107,659
Equipment and furniture	224,958	10,098	21,600	213,456
Vehicles and equipment	1,125,534	180,902	65,782	1,240,654
Infrastructure	<u>1,051,610</u>	<u>62,286</u>		<u>1,113,896</u>
Total accumulated depreciation	<u>3,077,911</u>	<u>\$ 321,183</u>	<u>\$ 87,382</u>	<u>3,311,712</u>
Total capital assets being depreciated, net	<u>3,819,698</u>			<u>3,720,317</u>
Governmental activity capital assets, net	<u>\$ 3,996,139</u>			<u>\$ 4,118,872</u>

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

General government	\$ 66,995
Public safety	126,246
Transportation	64,991
Physical development	<u>62,951</u>
Total depreciation expense	<u>\$ 321,183</u>

Note 3 - Detail Notes on All Funds (continued)

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Business-type activities:				
Capital assets being depreciated:				
Buildings and systems	\$ 4,791,369	\$	\$	\$ 4,791,369
Vehicles and equipment	<u>87,207</u>	<u> </u>	<u> </u>	<u>87,207</u>
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	2,712,323	166,630		2,878,953
Vehicles and equipment	<u>84,860</u>	<u>339</u>	<u> </u>	<u>85,199</u>
Total accumulated depreciation	<u>2,797,183</u>	<u>\$ 166,969</u>	<u>\$</u>	<u>2,964,152</u>
Total capital assets being depreciated, net	<u>2,081,393</u>			<u>1,914,424</u>
Water fund capital assets, net	<u>\$ 2,081,393</u>			<u>\$ 1,914,424</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.

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, 2022, was 12.10% of compensation for law enforcement officers and 11.35% 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 \$172,000 for the year ended June 30, 2022.

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, 2022, the Town reported a liability of \$319,295 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 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, 2021 (measurement date), the Town's proportion was 0.02015%, which was an increase of 0.0042% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the Town recognized pension expense of \$148,436. At June 30, 2022, 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	\$ 101,579	\$
Changes of assumptions	200,599	
Net difference between projected and actual earnings on pension plan investments		456,176
Changes in proportion and differences between Town contributions and proportionate share of contributions	32,168	9,646
Town contributions subsequent to the measurement date	<u>172,000</u>	
Total	<u>\$ 506,346</u>	<u>\$ 465,822</u>

\$172,000 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, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2023	\$ (1,984)
2024	(28,439)
2025	(139,593)
2026	
2027	
Thereafter	

Note 3 - Detail Notes on All Funds (continued)

Actuarial Assumptions. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

The projected long-term investment returns 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, 2021 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	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	<u>100.0%</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 2020 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town’s proportionate share of the net pension liability to changes in the discount rate. The following presents the Town’s proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Town’s proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate:

	<u>1% Decrease</u> <u>(6.00%)</u>	<u>Discount Rate</u> <u>(7.00%)</u>	<u>1% Increase</u> <u>(8.00%)</u>
Town’s proportionate share of the net pension liability (asset)	\$ 1,239,475	\$ 319,295	\$ (437,961)

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, 2020, the Separation Allowance's membership consisted of:

Inactive members currently receiving benefits	2
Active plan members	<u>13</u>
Total	<u><u>15</u></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, 2020 valuation. The total pension liability in the December 31, 2020 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	2.25 percent

The discount rate is based on the S&P Municipal Bond 20-year High Grade Rate Index as of December 31, 2019.

Mortality rates use the Pub-2010 amount-weighted tables and are projected from 2010 using generational improvement with Scale MP-2019.

(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 \$30,617 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, 2022, the Town reported a total pension liability of \$641,081. The total pension liability was measured as of December 31, 2021 based on a December 31, 2020 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2021 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2022, the Town recognized pension expense of \$103,750.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 67,220	\$ 66,777
Changes of assumptions	115,971	18,271
Town benefit payments and plan administrative expense made subsequent to the measurement date	15,309	
Total	<u>\$ 198,500</u>	<u>\$ 85,048</u>

\$15,309 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:

2023	\$ 57,726
2024	37,610
2025	11,986
2026	(9,179)
2027	
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 2.25 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 (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current rate:

	<u>1% Decrease (1.25%)</u>	<u>Discount Rate (2.25%)</u>	<u>1% Increase (3.25%)</u>
Total pension liability	\$ 690,189	\$ 641,081	\$ 595,457

Note 3 - Detail Notes on All Funds (continued)

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

	2022
Beginning balance	\$ 684,752
Service Cost	31,954
Interest on the total pension liability	12,920
Difference between expected and actual experience	(42,596)
Changes of assumptions or other inputs	(15,332)
Benefit payments	(30,617)
Ending balance of the total pension liability	\$ 641,081

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, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

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

	LGERS	LEOSSA	Total
Pension Expense	\$ 148,436	\$ 103,750	\$ 252,186
Pension Liability	319,295	641,081	960,376
Proportionate share of net pension liability	0.02082%	n/a	

Deferred Outflows of Resources:

Contributions to pension plan in current fiscal year	172,000	172,000
Differences between expected and actual experience	101,579	168,799
Changes of assumptions	200,599	316,570
Changes in proportion and differences between contributions and proportionate share of contributions	32,168	32,168
Benefit payments and administrative costs paid subsequent to the measurement date		15,309

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	\$	\$ 67,220	\$ 67,220
Net differences between projected and actual earnings on pension plan investments	456,176		
Changes in proportion and differences between contributions and proportionate share of contributions	9,646		9,646
Changes of assumptions		18,271	18,271

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 \$36,014 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 \$46,313 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 6.68% of covered payroll which amounted to \$98,290.

At June 30, 2022, the Town reported a liability of \$2,723,636 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. The total OPEB liability was then rolled forward to the measurement date of June 30, 2021 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, 2021 and June 2020 the Town's proportion was 0.00881% and 0.00716%, respectively.

At June 30, 2022, 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	\$ 16,080	\$ 50,700
Changes of assumptions	222,770	661,903
Net difference between projected and actual earnings on OPEB plan investments		1,393
Changes in proportion and differences between Town contributions and proportionate share of contributions	635,666	251,393
Town contributions subsequent to the measurement date	98,290	
Total	<u>\$ 972,806</u>	<u>\$ 965,389</u>

\$98,290 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, 2022.

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:

2023	\$	190,595
2024		95,739
2025		(37,361)
2026		(20,707)
2027		(137,394)
Thereafter		

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

Inflation	3.00%
Salary increases	2.50% average, including inflation
Discount rate	3.18%

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 2.16% at June 30, 2021 compared to 2.21% at June 30, 2020. 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 2.16% 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, 2020.

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 (1.16 percent) or 1-percentage point higher (3.16 percent) than the current discount rate:

Note 3 - Detail Notes on All Funds (continued)

	1% Decrease <u>(1.16%)</u>	Discount Rate <u>(2.16%)</u>	1% Increase <u>(3.16%)</u>
Net OPEB liability	\$ 3,239,725	\$ 2,723,636	\$ 2,305,662

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	\$ 2,250,686	\$ 2,723,636	\$ 3,410,745

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	\$ 172,000
Benefit payments and administrative expenses for LEOSSA made subsequent to the measurement date	15,309
Benefit payments and administrative expenses for OPEB made subsequent to the measurement date	98,290
Differences between expected and actual experience	184,879
Changes of assumptions	539,340
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>667,834</u>
Total	<u>\$ 1,677,652</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)	\$ 7,418	\$ 7,418
Taxes receivable (General Fund)		2,849
Deferred revenue (Capital Projects Fund)	225,638	225,638
Differences between expected and actual experience	117,477	
Changes in assumptions	680,174	
Net difference between projected and actual earnings	457,569	
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>261,039</u>	
Total	<u>\$ 1,749,315</u>	<u>\$ 235,905</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, 2022, the Town was not a defendant to any lawsuits.

6. Long-Term Obligations

a. 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.	\$ 547,014
Note payable, bearing interest at 3.81% per annum, due in 60 quarterly payments of \$1,667 plus accrued interest, beginning August 2009 and ending May 2024, collateralized by a deed of trust.	13,332
Note payable, bearing interest at 3.81% per annum, due in 60 quarterly payments of \$5,833 plus accrued interest, beginning August 2009 and ending May 2024, collateralized by a deed of trust.	46,668
Note payable, bearing interest at 2.75% per annum, due in 3 annual payments of \$29,906 beginning September 2020 and ending September 2022, collateralized by police vehicles.	<u>29,110</u>
Total installment purchases	636,124
Less, current portion	<u>(143,320)</u>
Noncurrent portion of installment purchases	<u>\$ 492,804</u>

Note 3 - Detail Notes on All Funds (continued)

Annual debt service payments for installment purchases as of June 30, 2022, including \$67,035 of interest, are as follows:

Years Ending June 30	Governmental Activities	
	Principal	Interest
2023	\$ 143,320	\$ 20,342
2024	114,210	15,569
2025	84,210	12,025
2026	84,210	9,196
2027	84,210	6,366
2028-2032	<u>125,964</u>	<u>3,537</u>
	<u>\$ 636,124</u>	<u>\$ 67,035</u>

b. Changes in Long-Term Liabilities

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

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion of Balance
Governmental activities:					
Installment purchases	\$ 779,015	\$	\$ 142,891	\$ 636,124	\$ 143,320
Compensated absences	62,164	10,031		72,195	
Total OPEB liability	1,904,897	644,450		2,549,347	
Net pension liability (LGERS)	690,240		391,377	298,863	
Total pension liability (LEO)	<u>684,752</u>		<u>43,671</u>	<u>641,081</u>	
Governmental activities long-term liabilities	<u>\$ 4,121,068</u>	<u>\$ 654,481</u>	<u>\$ 577,939</u>	<u>\$ 4,197,610</u>	<u>\$ 143,320</u>
Business-type activities:					
Compensated absences	\$ 1,568	\$	\$	\$ 1,568	\$
Total OPEB liability	82,254	92,035		174,289	
Net pension liability (LGERS)	<u>29,805</u>		<u>9,373</u>	<u>20,432</u>	
Business-type activities long-term liabilities	<u>\$ 113,627</u>	<u>\$ 92,035</u>	<u>\$ 9,373</u>	<u>\$ 196,289</u>	<u>\$</u>

C. Interfund Balances and Activity

There are no balances due to/from other funds at June 30, 2022.

There were no transfers to/from other funds for the year ended June 30, 2022.

Note 3 - Detail Notes on All Funds (continued)

D. Net Investment in Capital Assets

The Town's net investment in capital assets at June 30, 2022 is calculated as follows:

	<u>Governmental</u>	<u>Business-type</u>
Capital assets	\$ 4,118,872	\$ 1,914,424
Less: long-term debt	<u>636,124</u>	
Net investment in capital assets	<u>\$ 3,482,748</u>	<u>\$ 1,914,424</u>

E. Fund Balance

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

Total fund balance - General Fund	\$ 4,207,842
Less:	
Inventories	2,229
Stabilization by State Statute	624,252
Working capital / fund balance policy	<u>1,289,140</u>
Remaining fund balance	<u>\$ 2,292,221</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>
	\$55,884	\$2,096

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

Management has evaluated subsequent events through February 24, 2023, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF BILTMORE FOREST, NORTH CAROLINA

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Town's proportion of the net pension liability (asset) (%)	0.02082%	0.02015%	0.01973%	0.02350%	0.02272%	0.02236%	0.02205%	0.01902%	0.02010%
Town's proportionate share of the net pension liability (asset) (\$)	\$ 319,295	\$ 720,045	\$ 538,811	\$ 557,500	\$ 347,099	\$ 474,554	\$ 98,960	\$ (112,170)	\$ 242,282
Town's covered payroll	\$ 1,567,805	\$ 1,544,077	\$ 1,486,508	\$ 1,453,664	\$ 1,462,980	\$ 1,397,262	\$ 1,321,703	\$ 1,222,192	\$ 1,212,016
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	20.37%	46.63%	36.25%	38.35%	23.73%	33.96%	7.49%	(9.18%)	19.99%
Plan fiduciary net position as a percentage of the total pension liability**	95.51%	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%	99.07%	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 Nine Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 172,000	\$ 164,530	\$144,204	\$ 121,448	\$ 114,994	\$ 112,193	\$ 96,833	\$95,935	\$89,522
Contributions in relation to the contractually required contribution	<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>	<u>89,522</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Town's covered payroll	<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>	<u>\$ 1,222,192</u>
Contributions as a percentage of covered payroll	10.79%	10.49%	9.34%	8.17%	7.91%	7.67%	6.93%	7.26%	7.32%

TOWN OF BILTMORE FOREST, NORTH CAROLINA

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

	2022	2021	2020	2019	2018	2017
Beginning balance	\$ 684,752	\$ 560,077	\$ 489,859	\$ 397,011	\$ 309,509	\$ 302,518
Service cost	31,954	17,198	19,649	22,786	18,555	17,337
Interest on the total pension liability	12,920	17,759	16,819	12,062	11,490	10,547
Differences between expected and actual experience in the measurement of the total pension liability	(42,596)	(53,950)	73,982	107,940	52,926	
Changes of assumptions or other inputs	(15,332)	174,285	15,385	(19,323)	28,191	(6,721)
Benefit payments	(30,617)	(30,617)	(55,617)	(30,617)	(23,660)	(14,172)
Ending balance of the total pension liability	\$ 641,081	\$ 684,752	\$ 560,077	\$ 489,859	\$ 397,011	\$ 309,509

* 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 Six Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 641,081	\$ 684,752	\$ 560,077	\$ 489,859	\$ 397,011	\$ 309,509
Town's covered payroll	\$ 846,434	\$ 803,531	\$ 832,387	\$ 835,067	\$ 853,284	\$ 791,135
Total pension liability as a percentage of covered payroll	75.74%	85.22%	67.29%	58.66%	46.53%	39.12%

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 Five Fiscal Years *

	2022	2021	2020	2019	2018
Town's proportion of the net OPEB liability	0.00881%	0.00716%	0.00772%	0.00786%	0.00845%
Town's proportionate share of the net OPEB liability	\$ 2,723,636	\$ 1,987,151	\$ 2,441,391	\$ 2,238,634	\$ 2,769,848
Town's covered payroll	\$ 1,567,805	\$ 1,544,077	\$ 1,486,508	\$ 1,453,664	\$ 1,462,980
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	173.72%	128.70%	164.24%	154.00%	189.33%
Plan Fiduciary net position as a percentage of the total OPEB liability**	7.72%	6.92%	4.40%	4.40%	3.52%

* 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 Five Fiscal Years

	2022	2021	2020	2019	2018
Contractually required contribution	\$ 98,290	\$ 104,729	\$ 99,902	\$ 93,204	\$ 87,947
Contributions in relation to the contractually required contribution	98,290	104,729	99,902	93,204	87,947
Contribution deficiency (excess)	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Town's covered payroll	\$ 1,594,025	\$ 1,567,805	\$ 1,544,077	\$ 1,486,508	\$ 1,453,664
Contributions as a percentage of the covered payroll	6.17%	6.68%	6.47%	6.27%	6.05%

**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, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues			
Ad valorem taxes:			
Taxes	\$ 3,044,428	\$ 3,064,857	\$ 20,429
Interest	10,000	5,314	(4,686)
Total	3,054,428	3,070,171	15,743
Unrestricted intergovernmental:			
Local option sales taxes	1,359,071	1,381,193	22,122
Franchise tax	205,227	221,240	16,013
Beer and wine tax	6,000	5,594	(406)
Total	1,570,298	1,608,027	37,729
Restricted intergovernmental:			
Solid waste disposal tax	950	804	(146)
Illicit substance tax			
Powell Bill allocation	67,805	67,822	17
Total	68,755	68,626	(129)
Permits and fees:			
Dog license fee	1,300	1,220	(80)
Building permits	70,949	73,729	2,780
Total	72,249	74,949	2,700
Investment earnings	1,000	7,227	6,227
Miscellaneous:			
American Tower	38,000	31,044	(6,956)
Tax Refunds		(383)	(383)
Other	38,330	43,174	4,844
Total	76,330	73,835	(2,495)
Total revenues	4,843,060	4,902,835	59,775
Expenditures			
General government:			
Administration:			
Salaries and benefits	318,603	316,028	2,575
Professional services	56,000	51,466	4,534
Other operating expenditures	44,750	38,244	6,506
Board salary	22,000	21,600	400
Total	\$ 441,353	\$ 427,338	\$ 14,015

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, 2022

	Budget	Actual	Variance Positive (Negative)
Other:			
Outside professional services	\$ 35,000	\$ 27,278	\$ 7,722
Electricity and utilities	140,000	136,453	3,547
General repairs	45,000	37,550	7,450
Insurance	90,000	82,911	7,089
Other operating expenditures	<u>210,425</u>	<u>66,449</u>	<u>143,976</u>
Total	<u>520,425</u>	<u>350,641</u>	<u>169,784</u>
 Total general government	 <u>961,778</u>	 <u>777,979</u>	 <u>183,799</u>
Public safety:			
Police:			
Salaries and benefits	1,497,092	1,525,020	(27,928)
Vehicle maintenance	25,000	10,132	14,868
Other operating expenditures	185,085	176,807	8,278
Capital outlay	<u>121,500</u>	<u>98,891</u>	<u>22,609</u>
Total	<u>1,828,677</u>	<u>1,810,850</u>	<u>17,827</u>
 Contracted fire services	 <u>425,000</u>	 <u>425,000</u>	 <u> </u>
 Total public safety	 <u>2,253,677</u>	 <u>2,235,850</u>	 <u>17,827</u>
Transportation:			
Salaries and benefits			
Vehicle maintenance	10,000	5,325	4,675
Resurfacing contracts	347,907	248,345	99,562
Storm water drainage	140,000	211,773	(71,773)
Other operating expenditures	19,500	13,309	6,191
Capital outlay	<u>5,000</u>	<u> </u>	<u>5,000</u>
Total transportation	<u>522,407</u>	<u>478,752</u>	<u>43,655</u>
Physical development:			
Public works:			
Salaries and benefits	395,962	356,216	39,746
Vehicle maintenance	10,000	5,748	4,252
Other operating expenditures	113,500	60,877	52,623
Street lighting	33,000	26,754	6,246
Capital outlay	<u>300,000</u>	<u>138,760</u>	<u>161,240</u>
Total	<u>\$ 852,462</u>	<u>\$ 588,355</u>	<u>\$ 264,107</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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Sanitation and recycling:			
Salaries and benefits	\$ 210,100	\$ 190,715	\$ 19,385
Tipping fees	93,000	85,583	7,417
Recycling	12,000		12,000
Capital Outlay	55,000		55,000
Other operating expenditures	<u>28,500</u>	<u>68,150</u>	<u>(39,650)</u>
Total	<u>398,600</u>	<u>344,448</u>	<u>54,152</u>
Total physical development	<u>1,251,062</u>	<u>932,803</u>	<u>318,259</u>
Debt service:			
Principal retirement	142,539	142,891	(352)
Interest	<u>25,095</u>	<u>24,740</u>	<u>355</u>
Total debt service	<u>167,634</u>	<u>167,631</u>	<u>3</u>
Total expenditures	<u>5,156,558</u>	<u>4,593,015</u>	<u>563,543</u>
Revenues over (under) expenditures	<u>(313,498)</u>	<u>309,820</u>	<u>623,318</u>
Other financing sources (uses):			
Sale of capital assets	15,000	26,020	11,020
Proceeds from long-term debt	300,000		(300,000)
Transfer from Capital Project Fund			
Total	<u>315,000</u>	<u>26,020</u>	<u>(288,980)</u>
Net change in fund balance	<u>\$ 1,502</u>	335,840	<u>\$ 334,338</u>
Fund balances, beginning		<u>3,872,002</u>	
Fund balances, ending		<u>\$ 4,207,842</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, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues			
Operating revenues:			
Water sales	\$ 781,589	\$ 784,922	\$ 3,333
Water tap and connection fees	6,000	4,870	(1,130)
AMI transmitter charges	7,700	6,814	(886)
Commissions, sewer charge collections	8,000	8,182	182
Total operating revenues	803,289	804,788	1,499
Non-operating revenues:			
Investment earnings	50	157	107
Total revenues	803,339	804,945	1,606
Expenditures			
Operating expenditures:			
Salaries and benefits	169,753	162,540	7,213
Professional services	5,000	4,845	155
Repairs and maintenance	10,000		10,000
Other operating expenditures	41,986	36,684	5,302
Water purchases	196,066	158,705	37,361
Sewer purchases	350,595	350,492	103
Capital outlay	29,939	18,244	11,695
Total expenditures	803,339	731,510	71,829
Revenues over expenditures	\$	73,435	\$ 73,435
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling items:			
Depreciation		(166,969)	
Increase in deferred outflows of resources - pensions		14,463	
Decrease in net pension liability		9,373	
Increase in deferred inflow of resources - pensions		(29,210)	
Increase in deferred outflows of resources - OPEB		45,336	
Increase in net OPEB liability		(92,035)	
Increase in deferred inflows of resources - OPEB		(11,209)	
Total reconciling items		(230,251)	
Change in net position		\$ (156,816)	

OTHER SCHEDULES

TOWN OF BILTMORE FOREST, NORTH CAROLINA

Schedule of Ad Valorem Taxes Receivable
June 30, 2022

<u>Fiscal Year</u>	Uncollected Balance <u>June 30, 2021</u>	<u>Additions</u>	Collections and Credits	Uncollected Balance <u>June 30, 2022</u>
2021-2022	\$	\$ 3,052,021	\$ 3,050,176	\$ 1,845
2020-2021	26,816		21,711	5,105
2019-2020	1209		1,209	
2018-2019				
2017-2018				
2016-2017	1			1
2015-2016	259		129	130
2014-2015	19			19
2013-2014				
2012-2013	173			173
2011-2012	53		53	
	<u>\$ 28,530</u>	<u>\$ 3,052,021</u>	<u>\$ 3,073,278</u>	7,273
	Less: allowance for uncollectible accounts:			
				General Fund <u>4,424</u>
				Ad valorem taxes receivable - net <u>\$ 2,849</u>
	<u>Reconciliation to revenues:</u>			
				Ad valorem taxes - General Fund \$ 3,070,171
	Reconciling items:			
				Interest collected (5,314)
				Taxes written off <u>8,421</u>
				Total collections and credits <u>\$ 3,073,278</u>

TOWN OF BILTMORE FOREST, NORTH CAROLINA

Analysis of Current Tax Levy
Town-Wide Levy
June 30, 2022

	<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	\$ 885,062,271	0.345	\$ 3,053,794	\$ 2,937,604	\$ 116,190
Exemptions and releases	<u>(514,000)</u>		<u>(1,773)</u>	<u>(1,773)</u>	<u> </u>
Total property valuation	<u>\$ 884,548,271</u>				
Net levy			3,052,021	2,935,831	116,190
Uncollected taxes at June 30, 2022			<u>(1,845)</u>	<u>(1,578)</u>	<u>(267)</u>
Current year's taxes collected			<u>\$ 3,050,176</u>	<u>\$ 2,934,253</u>	<u>\$ 115,923</u>
Current levy collection percentage			<u>99.94%</u>	<u>99.95%</u>	<u>99.77%</u>

355 Vanderbilt Rd | Biltmore Forest, NC
Po Box 5352 | Biltmore Forest, NC 28803
P (828) 274-0824 | F (828) 274-8131
www.biltmoreforest.org



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

Jonathan B. Kanipe,
Town Manager

NOTICE
PUBLIC HEARING
TOWN OF BILTMORE FOREST

The Town Board of Commissioners will hold a Public Hearing on Tuesday, April 11, 2023 at 4:30pm regarding amendments to the Town Zoning Ordinance. The public is invited to view or request a copy of the proposed changes to the Zoning Ordinance at the Biltmore Forest Town Hall, or alternatively can review the full draft amendments on the Town's website at <http://www.biltmoreforest.org>. The proposed changes are related to electric vehicle (EV) charging stations constructed outside of a garage.

The public is invited to attend and make comment.

Laura Jacobs
Town Clerk

Please run the above classified ad on Wednesday, March 29, 2023 and Wednesday, April 5, 2023. I understand that an affidavit will automatically be sent.

Send the invoice to: The Town of Biltmore Forest
P.O. Box 5352
Asheville, NC 28813



**BOARD OF COMMISSIONERS MEETING
STAFF MEMORANDUM**

APRIL 11, 2023

**AGENDA ITEM G-1
CONSIDERATION OF ORDINANCE 2023-03
AN ORDINANCE TO AMEND THE TOWN OF BILTMORE FOREST ZONING
ORDINANCE**

Background

The Planning Commission has provided a favorable recommendation to the Board of Commissioners regarding a new zoning ordinance regulation on electric vehicle (EV) charging stations. The Planning Commission's draft ordinance adds a new section to existing Zoning Ordinance regulations governing residential screening of utility structures. These utility structures are generally considered pieces of utility equipment (HVAC, generators) associated with the operation of a residence. The draft ordinance strongly recommends placement of EV charging stations within garages or buildings, but when not possible, this ordinance provides specific regulations on the installation of a charging station outside.

Public Hearing Process

Because this amendment falls within the Zoning Ordinance, the Board of Commissioners are required to hold a public hearing. This public hearing was published in the Asheville *Citizen-Times* on Wednesday, March 29 and Wednesday, April 5. These publication dates fall within the state law governing land use public notice requirements.

Planning Commission Recommendation

As noted above, the Planning Commission recommends approval of this ordinance. The Planning Commission believes the proposed ordinance is consistent with the Town's Comprehensive Plan and supports inclusion within the Zoning Ordinance.

ORDINANCE 2023-03

AN ORDINANCE TO AMEND CHAPTER 153.069 OF THE
TOWN OF BILTMORE FOREST ZONING ORDINANCE

§ 153.069 RESIDENTIAL SCREENING OF UTILITY STRUCTURES.

(A)—It is required that all new utility structures, whether they are part of a new dwelling or are being added to an existing dwelling, located out of doors, including, but not limited to, heat pumps, air conditioning units (with the exception of window units), and generators shall be screened on all sides except the side closest to the dwelling. The screening shall consist of evergreen shrubs or trees planted a maximum of 36 inches apart, with a height of 18 to 24 inches at time of planting. The shrubs may be planted three feet away from the utility structures so they do not interfere with proper functioning.

(B) Electric vehicle (EV) charging stations are hereby included as a utility structure for the purposes of this chapter. The Town recommends that EV charging stations be installed inside a garage and out of the public view. However, when this is not possible, the following requirements shall apply.

- 1) The EV charging station shall not be located within a front, side, or rear yard setback.
- 2) The EV charging station shall be screened from the public road and adjacent properties per requirements in section (A) above. The only exception to this requirement is that screening is not required in a location inhibiting the ability to charge the vehicle per the manufacturer’s recommendation.
 - a. A site plan shall be provided to the Town prior to installation indicating the location, species, and planting timeline for screening. This site plan shall also include applicable setback lines for the appropriate zoning district and the distance of the proposed EV charging station to each property line.
- 3) Upon approval from the Town regarding the placement of the EV charging station, the property owner must obtain building inspections approval from Buncombe County for installation. The applicant shall provide all appropriate documentation submitted to Buncombe County, and subsequent approvals, to the Town once permitted.

Adopted this, the 11th day of April, 2023.

George F. Goosmann, III
Mayor

Attest:

Laura M. Jacobs
Town Clerk



**BOARD OF COMMISSIONERS MEETING
STAFF MEMORANDUM**

APRIL 11, 2023

**AGENDA ITEM G-2
CONSIDERATION OF TAX PENALTY AND INTEREST WAIVER
15 HILLTOP RD**

Background

The Buncombe County Assessor's Office has reported to the Town immaterial irregularities at 15 Hilltop Rd. Pursuant to G.S. §105-394 (3), there was a failure to either list, appraise, or assess a property in a timely manner by either the property owner or the assessor.

In this case, there were discrepancies between the County's records and an additional room listed on an MLS listing, although it was additional closet space and not a bedroom. The County reviewed the MLS listing and made a value adjustment that created a discovery bill, legally, for the current year plus the previous 5 years per the statute of immaterial irregularity. Per G.S. §105-360, interest must accrue from the initial due date forward for each subsequent month until the notice is paid in full, so interest has accrued on this account since January 6, 2018.

Request for Waiving Tax Penalties for Discovery of Immaterial Irregularities at 15 Hilltop Rd

The property owner at 15 Hilltop requests the waiver of penalties and interest per G.S. §105-348, which states that a tax "notice shall be conclusively presumed, whether or not such persons have actual notice". The property owner had no presumption, as this was a discovery bill for adding a closet to the home and adding unforeseen value. The discovery bills have been paid for the value assessed, but the interest has not been paid and the owner is requesting the interest and penalties to be waived.

Tax Penalty Information

Property Owner: John C Hardy

Property Address: 15 Hilltop Rd, Asheville, NC 28803

Waiver of Penalty and Interest: \$316.29



**BOARD OF COMMISSIONERS MEETING
STAFF MEMORANDUM**

APRIL 11, 2023

AGENDA ITEM G-3

TOWN STREET STRIPING PROPOSAL – 5-YEAR PROGRAM

Background

The Town has been taking a more proactive approach to striping Town owned streets over the past year. Increased striping was a recommendation offered in the Town's Transportation Study, conducted in 2022-2023, and adopted by the Board as part of the Comprehensive Plan in May 2023. The portion of the Study attached to this memorandum details how edge lines and center lines increase visibility on roadways and increase a driver's subconscious attention to the road. Additionally, pavement markings allow the safety features on newer vehicles (lane assist, lane departure warnings, and autonomous driving) to function appropriately.

Striping Proposal – 5-Year Implementation Program

Town staff has crafted an implementation program for the Board's review. This program will result in striping many roads in town over the next five years in line with the recommendations in the Town's Transportation Study. The 5-year implementation timeline is to allow for appropriate fiscal controls as the cost to effectively stripe a street, in accordance with typical standards for these roads, is roughly \$4.00 per foot. Public Works Director Harry Buckner has provided the attached proposal that corresponds with the attached street map. This is for the Board's review and consideration and, if approved to be put into place, will be utilized for budgeting purposes over the next five years. It is certainly the Board's purview to direct staff to prepare any other type of plan, including an escalated timeline, prioritizing other roads, or not striping to the level considered here. This decision will enable staff to accurately budget for the coming years and assist our paving/striping procurement as well.



**MASTER ROAD STRIPING PLAN
TOWN OF BILTMORE FOREST
PUBLIC WORKS DEPARTMENT**

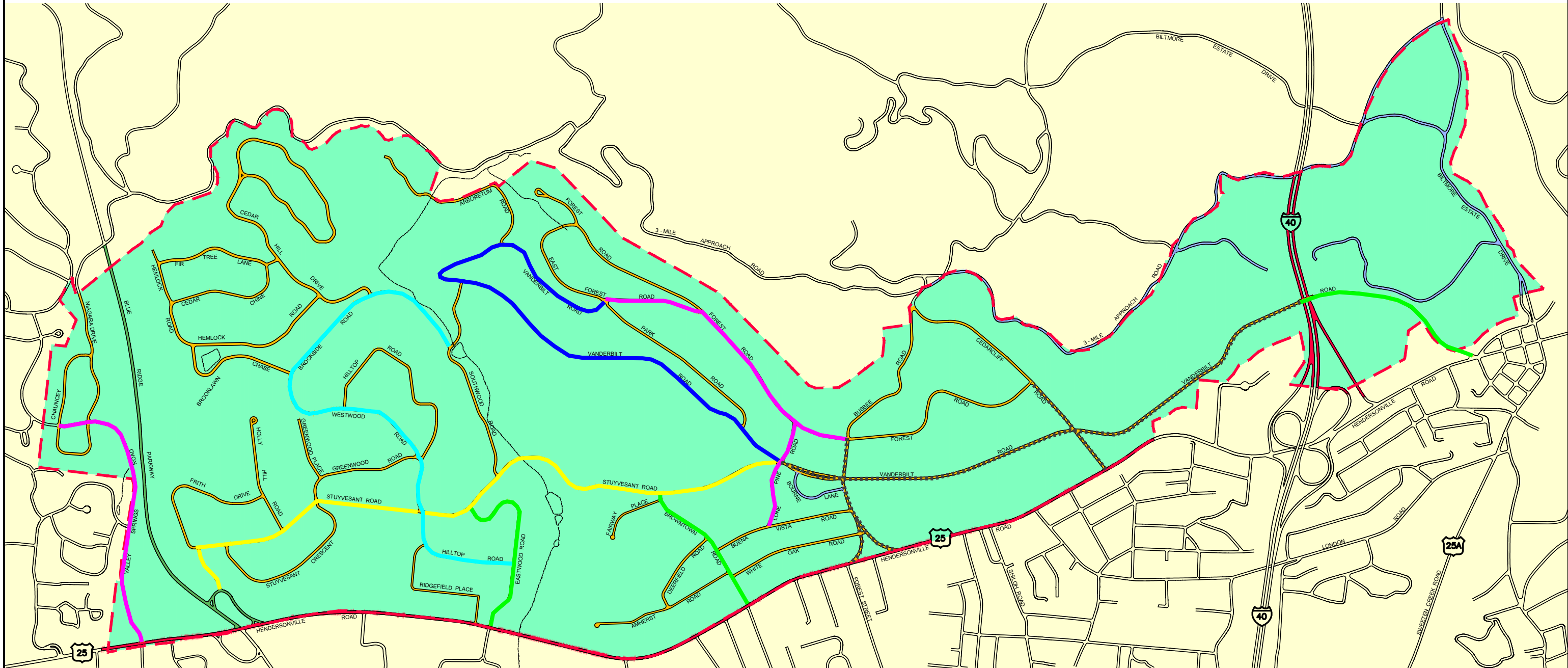
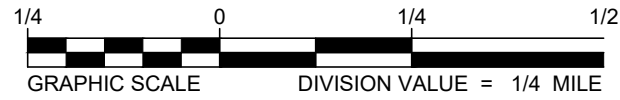
April 4, 2023

Road Name	From	To	Length (Ft)
Vanderbilt Rd	Hendersonville Rd	I-40 Bridge	2700
Browntown Rd	Hendersonville Rd	Stuyvesant Rd	1945
Eastwood Rd	Hendersonville Rd	Stuyvesant Rd	2550
FY 2023-2024 TOTAL			7195
Stuyvesant Rd	Vanderbilt Rd	Hilltop Rd	5660
Stuyvesant Rd	Hilltop Rd	Frith Dr	3170
Parkway	Stuyvesant Rd	End	650
FY 2024-2025 TOTAL			9480
Hilltop Rd	Eastwood Rd	Stuyvesant Rd	1700
Hilltop Rd	Stuyvesant Rd	Greenwood Rd	1000
Westwood Rd	Greenwood Rd	Brookside Rd	2050
Brookside Rd	Westwood Rd	Southwood Rd	3500
FY 2025-2026 TOTAL			8250
Vanderbilt Rd	Stuyvesant	Southwood Rd	5280
Vanderbilt Rd	Southwood Rd	E. Forest Rd	3170
FY 2026-2027 TOTAL			8450
Lone Pine Rd	Buena Vista Rd	Vanderbilt	870
Lone Pine Rd	Vanderbilt Rd	Forest Rd	580
Forest Rd	Busbee	E. Forest Rd	2600
E Forest Rd	Forest Rd	Vanderbilt Rd	1580
Valley Springs Road	Hendersonville Rd	End	3830
FY 2027-2028 TOTAL			9460
GRAND TOTAL			42835

Other Roads for Consideration			
Cedarcliff Rd	Forest Rd	Busbee Rd	2100
Busbee Rd	Forest Rd	Cedarcliff Rd	2100
Brooklawn Chase	Brookside Rd	Hemlock Rd	1750
Cedar Hill Rd	Brookside Rd	Start of Loop	3200
Chauncey Circle	Valley Springs Dr	Niagra Dr	1100
Niagra Dr	Chauncey Circle	End	600
TOTAL			10850

Town Of Biltmore Forest

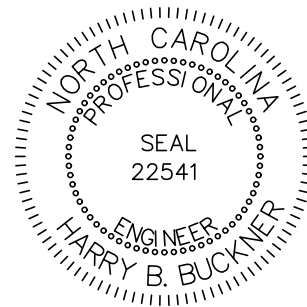
2020 Powell Bill Map
Buncombe County, North Carolina



P:\2019\19_00155-BILTMOREFORNC-ON-CALL MUNICIPAL STORMWATERDRAWINGS-X-REF\CV\BILTMORE FOREST MAP.DWG PLOT DATE 7/20/2020 8:12 PM GARY WOOD

2023 Striping Plan

- 2022 Streets (black dotted line)
- 2023 Streets ——— (green line)
- 2024 Streets ——— (yellow line)
- 2025 Streets ——— (cyan line)
- 2026 Streets ——— (blue line)
- 2027 Streets ——— (magenta line)



I HEREBY CERTIFY THAT THIS MAP ACCURATELY REPRESENTS THE STREET SYSTEM MAINTAINED BY THE TOWN OF BILTMORE FOREST

Harry B. Buckner 7/20/2020
 PROFESSIONAL ENGINEER DATE

LEGEND

- (blue line) PRIVATE ROAD
- (yellow line) TOWN STREET
- (red line) STATE MAINTAINED
- (green line) BLUE RIDGE PARKWAY
- - - - (red dashed line) TOWN BOUNDARY

Edge Lines: Begin painting thick (6" or 8") white edge lines on most roads through Biltmore Forest. These lines can alert drivers in dark or shady conditions so they do not run off the edge of the roadway. Research suggests that wide edge lines promote driver safety by mitigating the need to pay attention to the edge of the roadway and allowing more time to focus on other critical tasks. Edge lines can also have the effect of visually narrowing the width of the road so that drivers subconsciously feel they have less space within their lane and should pay closer attention. An additional benefit to having easily seen edge lines is improved detection and tracking for lane departure warning (LDW) and lane keeping assistance (LKA) systems in newer cars and autonomous vehicles.

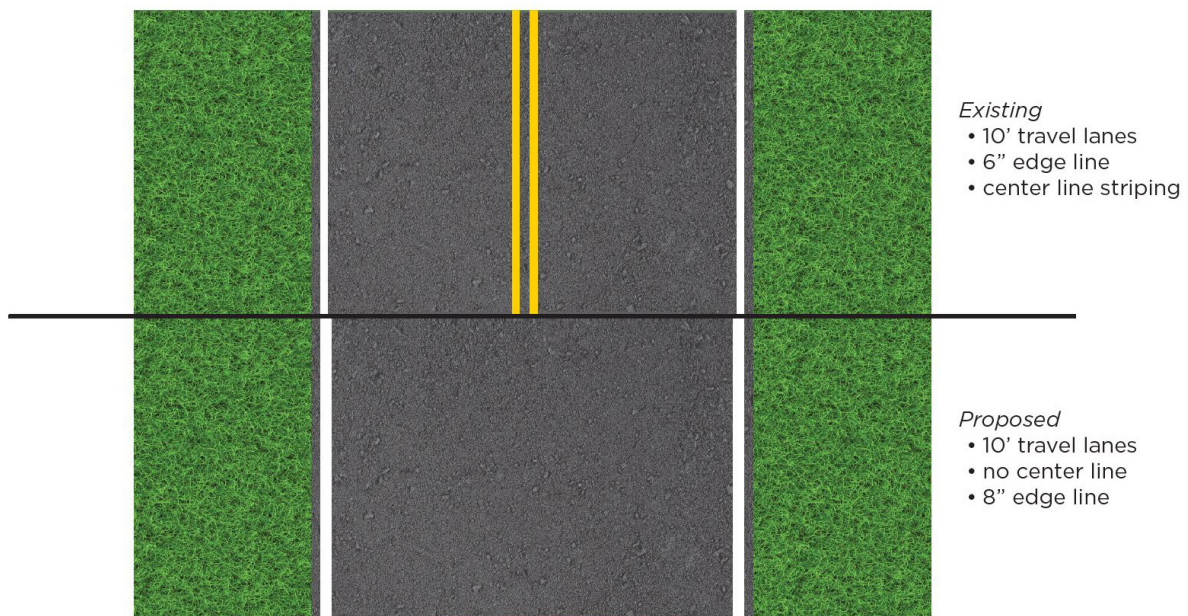
Only stripe the yellow centerline in short sections of specific locations, such as around curves, over hills, on approaches to grade crossings, at grade crossings, and at bridges. Keep most roads without a centerline, in an effort to remind drivers that Biltmore Forest's streets are shared with pedestrians and short-term parked vehicles.

Timeframe: *Ongoing (as repaving and restriping schedules dictate).*

Estimated Cost: The cost of incorporating edge lines will likely be negligible for hot-mix asphalt. It does depend somewhat on the specific parameters, but typically the process compacts asphalt that often otherwise would break off because it was loose. (Add one percent to the total asphalt material needed for the total cost of repaving).

For edge line striping, add the cost of the extra width to the linear foot cost of the project. For instance, if the cost to stripe a 4" edge line is \$0.50/linear foot, then an 8" edge line is approximately \$1.00/linear foot.

FIGURE 30 - PAVEMENT STRIPING IDEA (TRAFFIC CALMING STUDY)



The 2018 Biltmore Forest Traffic Calming Study recommended removing the center line striping and widening the edge line striping to create a subconscious feeling that the roadway is narrower than it actually is and encourage drivers to be more cautious.



BOARD OF COMMISSIONERS MEETING

STAFF MEMORANDUM

APRIL 11, 2023

AGENDA ITEM G-4

REQUEST FOR INFORMATION – PARK RESTROOM IMPLEMENTATION FOLLOW-UP

Background

Last month, staff requested direction from the Board regarding interest in constructing a bathroom facility in Greenwood Park. This was the result of feedback from some residents while Town staff was finalizing an updated master plan for the park. The Board requested additional information and staff has provided that below.

Feasibility of Restroom Facility in Greenwood Park

Town staff has reviewed the feasibility for a restroom facility and believes the only feasible location is on the northern side of the creek, roughly in the middle of the park. For cost effectiveness as well as security purposes, the facility would be attached to the previously planned pavilion. In this specific iteration, the facilities would include two restrooms, a storage facility (for supplies) in between the two restrooms, and the pavilion area with four 6-foot picnic tables underneath a covered area. The approximate square footage for this facility is 500 square feet (25x20). Staff is not comfortable at this time, without further exploration, to say definitively how the facility would be connected to the MSD sewer system. This is due to potential conflicts with the Duke Energy utility duct bank located within the abandoned street right of way on the north side of the park.

Other Municipal Park Restroom Information

Staff spoke with other local governments regarding their park facilities and how they maintain them, how they secure the restrooms, and costs related to these facilities. From a construction standpoint, site development and utilities would dictate final costs. As a rough number, the Town of Mills River has recently completed a bathroom and picnic shelter facility that is approximately three times the size of the structure considered in Greenwood Park. The cost for the Mills River construction project was roughly \$500,000. In terms of maintenance and security, the Fletcher parks system uses manual locks, while Mills River and Flat Rock each use electronic locking mechanisms. Fletcher's personnel cost is approximately \$24,000 but is based on portions of their full-time and part-

time maintenance staff. Mills River has three dedicated maintenance personnel for their parks, a recreation director, and a recreation programmer – so their personnel costs are substantially higher (\$245,000). Flat Rock has a park director and part-time ranger but did not provide salary information. Their restroom facilities are inside the welcome center at their park and are cleaned nightly by a contracted cleaning crew. Each of the above referenced parks is substantially larger than Greenwood Park, but these are anecdotal examples for the Board's reference.

Please feel free to let me know if you have any questions or would like additional information.



**BOARD OF COMMISSIONERS MEETING
STAFF MEMORANDUM**

APRIL 11, 2023

AGENDA ITEM G-5

CONSIDERATION OF PLANNING COMMISSION APPOINTMENT

Background

The Planning Commission currently has one open vacancy. The Town asked for interested applicants in early February and received several applications. Staff asked supplemental questions from each candidate and provided the responses to these questions and the initial applications to the Board for review.

Appointment Consideration

Diane Fourton is being recommended for the appointment to the Planning Commission. If appointed by the Board, she would begin serving a three-year term effective April 11, 2023. A motion and vote by the Board is required for this appointment.



**BOARD OF COMMISSIONERS MEETING
STAFF MEMORANDUM**

April 11, 2023

**AGENDA ITEM G-6
REQUEST FOR CURB CUT AND NEW DRIVEWAY ENTRANCE
ON VANDERBILT ROAD FOR E911 PURPOSES
ANGELA AND TODD NEWNAM, 394 VANDERBILT ROAD
KENT AND KATHY DAVIS, 394-A VANDERBILT ROAD**

Background

The property owners listed above request permission from the Board of Commissioners to construct a new driveway entrance that will connect the existing home at 394-A Vanderbilt Road directly to Vanderbilt Road. The property owners have prepared a full narrative regarding their request to construct this drive in order to comply with Buncombe County E911 addressing standards. They have also prepared a site drawing showing where the new drive would be located.

Governing Ordinance

The Town's Code of Ordinance requires approval from the Board of Commissioners for private driveways not associated with Board of Adjustment review. This ordinance is attached to this memorandum for the Board's review.

Request for driveway access to 394A Vanderbilt (Davis Property) to comply with 911 standards

Background

Todd and Angela Newnam(394 Vanderbilt RD) and Kent and Kathy Davis(394A Vanderbilt Road) request permission from the Board of Commissioners to construct a new driveway entrance for the Davis property that will connect onto Vanderbilt Road. The current driveway access has been shared since the 1970s. (Ex A) However, Buncombe County has notified both property owners that they are out of compliance which requires a new road name to be created for both residences. Neither Newnam nor Davis want to have a new road name and prefer to keep the Vanderbilt addresses. Buncombe County has stated that to be in compliance and keep both existing addresses, the 394A property must have its own exclusive entrance.

The current access point to both properties is a shared 55 foot paved access which crosses over both properties at the road. The proposal (Ex B) is to shrink the existing driveway to 45 feet of paved access to Vanderbilt, placing it exclusively on the 394 Vanderbilt Road / Newnam property and construct a new 30 foot access driveway of similar slope to access the 394A Vanderbilt/Davis property. This new driveway will access Vanderbilt fully on the 394A/Davis property and cross onto the 394/Newnam property to avoid cutting down any large trees. One 8 inch sourwood would be removed. Rhododendrons will be moved to create a 15 foot landscape barrier between the two driveways as required by the county ordinance. From the Vanderbilt Road perspective Ex C) the separated driveways will have distinct entrances and signage.

Plats of the current and proposed are attached as well as a sketch of the view from Vanderbilt Road of the two driveways.

Governing Ordinance

The Town's Code of Ordinance requires approval from the Board of Commissioners for private driveways not associated with the Board of Adjustment review. This ordinance is attached to the memorandum for the Board's review.

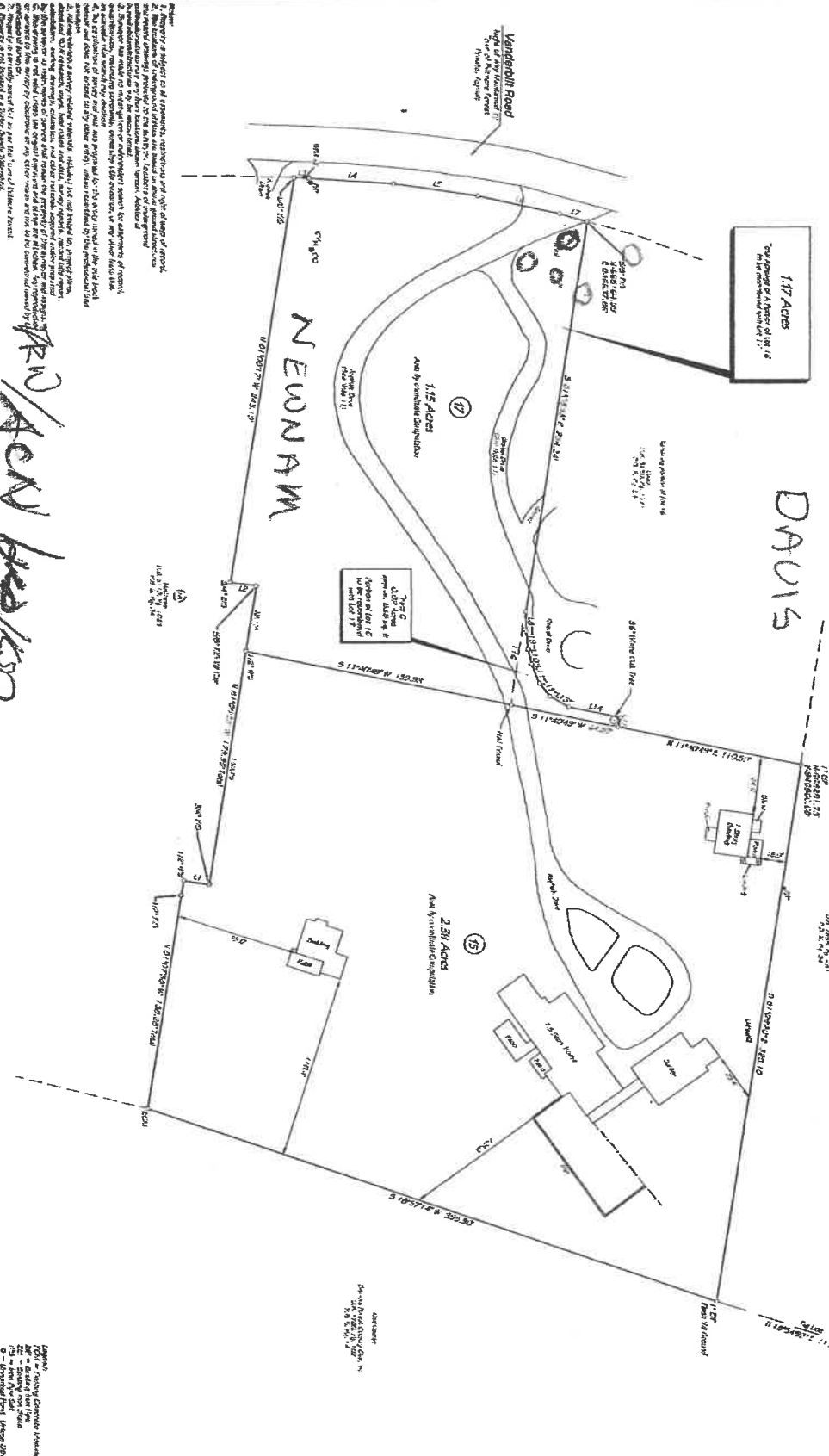
TRN/ACW
JJD/KSD

4/5/23
4/5/23

A EXISTING SHARED - OUT OF COMPLIANCE

1:62.5' Scale (1" = 120' Horizontal)

Curve	Stationing	Distance
1	1+00.00	100.00
2	2+00.00	200.00
3	3+00.00	300.00
4	4+00.00	400.00
5	5+00.00	500.00
6	6+00.00	600.00
7	7+00.00	700.00
8	8+00.00	800.00
9	9+00.00	900.00
10	10+00.00	1000.00
11	11+00.00	1100.00
12	12+00.00	1200.00
13	13+00.00	1300.00
14	14+00.00	1400.00
15	15+00.00	1500.00
16	16+00.00	1600.00
17	17+00.00	1700.00
18	18+00.00	1800.00
19	19+00.00	1900.00
20	20+00.00	2000.00



Robert J. Smith
Professional Engineer No. 11111
State of North Carolina
I, Robert J. Smith, a duly Licensed Professional Engineer in the State of North Carolina, do hereby certify that the information furnished on this plan is true and correct to the best of my knowledge and belief, and that I am a duly Licensed Professional Engineer in the State of North Carolina.



1. DEDICATED EASEMENTS
The Applicant hereby dedicates to the public use of the State of North Carolina the easements shown on this plan for the purpose of providing for the installation, maintenance, and repair of utility lines and structures for the use of the public.

2. EASEMENTS
The Applicant hereby grants to the State of North Carolina the easements shown on this plan for the purpose of providing for the installation, maintenance, and repair of utility lines and structures for the use of the public.

3. EASEMENTS
The Applicant hereby grants to the State of North Carolina the easements shown on this plan for the purpose of providing for the installation, maintenance, and repair of utility lines and structures for the use of the public.

Map of 21.191, 15.117, and 11.150 Acres of Land, G.D. of Newnam, North Carolina, as shown on the attached plan, dated 11/15/11, by the undersigned Professional Engineer, Robert J. Smith, No. 11111, State of North Carolina.

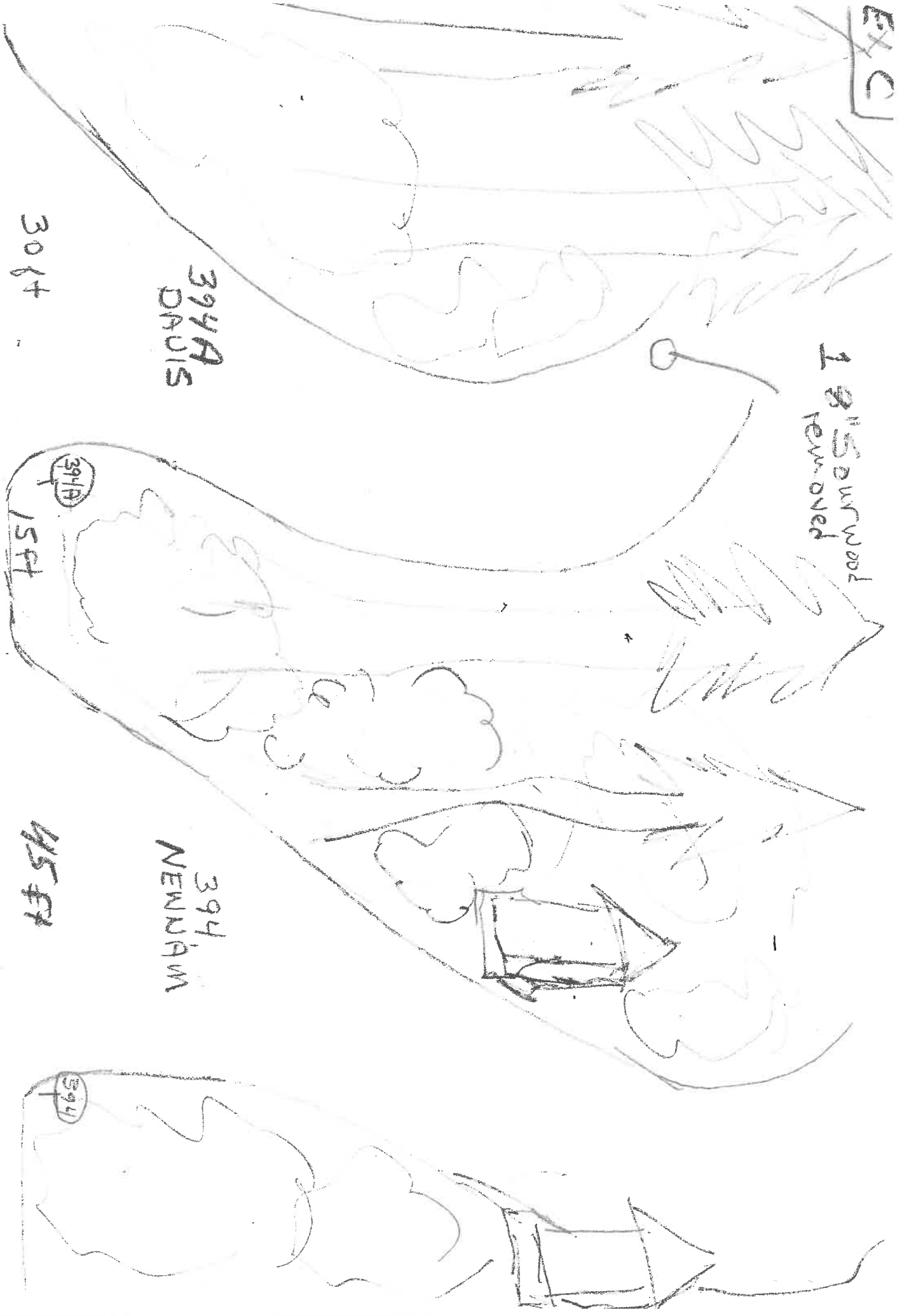
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ASSOCIATED LAND SURVEYORS
P.O. Box 218 • WARE SHOES, NC 27887
(800) 888-3337 • WE SURELY UNDERSTAND YOU

EX C

1 8" Sawn wood removed



Hand / 2nd TRIN / 1st

VANDERBILT ROAD