

PROPOSED AGENDA

Meeting of the Town of Biltmore Forest  
Board of Commissioners

To be held Tuesday, February 9, 2021 at 4:30 p.m.

***HELD VIA ZOOM – LOG-IN INFORMATION ON OPPOSITE PAGE***

A. Roll Call by the Clerk

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

B. The minutes of the January 12, 2021 meeting will be presented for approval.  
*(Roll Call Vote)*

C. Reports of Officers

1. Chief of Skyland Fire and Rescue
2. Chief of Police
3. Public Works Director
4. Town Manager

D. New Business

1. FY20 Audit Presentation – Carter, P.C.
2. Consideration of Ordinance 2021-02 – Amendments to Town Code of Ordinances  
*(Roll Call Vote)*
3. Consideration of Resolution 2021-02 – A Resolution Authorizing the Surplus of Personal Property  
*(Roll Call Vote)*
4. Consideration of FY21 Budget Amendment  
*(Roll Call Vote)*
5. Potential Ordinance Amendment – Preliminary Discussion regarding Noise Ordinance

E. Petitions, Motions, and Other Business

F. Public Comment

G. Adjourn

**Accessing the February 9, 2021 Board of Commissioners Meeting**

Topic: February Board of Commissioners Meeting

Join Zoom Meeting

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Meeting ID: 883 8848 6062

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*The Town Board of Commissioners will receive public comments submitted in writing to [townhall@biltmoreforest.org](mailto:townhall@biltmoreforest.org). In order to be provided to the Board, please send comments no later than noon on Monday, February 8, 2021.*

MINUTES OF THE MEETING OF THE MAYOR AND THE TOWN COMMISSIONERS OF  
BILTMORE FOREST HELD JANUARY 12, 2020.

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 was present and Mr. William Clarke, the Town Attorney were also present. Roll call was taken by the Clerk.

Mayor Goosmann called the meeting to order at 4:30 pm. Commissioner Cogburn made a motion to approve the minutes from December 8, 2020. The motion was seconded by Commissioner Kelly and unanimously approved. Roll call was taken by the Clerk.

Chief Beddingfield gave the Resolution of Appreciation for Mr. David Sharpton. Mr. Sharpton invested over 24 years of service as a reserve officer mostly on a volunteer basis with the Town of Biltmore Forest. Mr. Sharpton was a resource of wisdom and Town employees enjoyed having him join the team. Chief Beddingfield thanked Mr. Sharpton for his years of dedication and service to the Town. Chief Beddingfield presented Mr. Sharpton a plaque showing the Town and Department's appreciation.

STATE OF NORTH CAROLINA )  
 )  
COUNTY OF BUNCOMBE )

TOWN OF BILTMORE FOREST  
BOARD OF COMMISSIONERS

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**RESOLUTION 2021-01**

**RESOLUTION OF APPRECIATION**

**WHEREAS**, Officer David Sharpton has faithfully completed 24 years and 4 months of employment with the Town, serving admirably as an Officer of the Town’s Police Department; and

**WHEREAS**, the Mayor and Town Board of Commissioners recognize the valuable service that Officer Sharpton has provided to the Town; and

**WHEREAS**, the Mayor and Town Board of Commissioners take this opportunity to express their thanks and gratitude to Officer Sharpton for outstanding dedication to the Town; and

**THEREFORE**, the Mayor and Town Board of Commissioners express their appreciation for the outstanding manner in which Officer Sharpton performed his duties, for his dedication in the day-to-day operation of the Town, and for his abilities to improve the lives of Biltmore Forest citizens.

This the 12th day of January, 2021.

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

ATTEST:

\_\_\_\_\_  
**Laura M. Jacobs**  
**Town Clerk**

Chief Beddingfield gave the monthly report for the Police Department. There were 660 calls for the month of December. There were no felony arrests this month and only one misdemeanor arrest. Chief Beddingfield has kept the Town Manager apprised of several protests happening at MAHEC on a regular basis. They have been lawful protests. Many protesters were standing on private property during the first protest and moved to public property when requested. So far there have been no major issues.

There have been snow and severe weather events. There was an incident of a stolen vehicle full of juveniles who did not have much driving experience in this type of weather.

Chief Beddingfield updated the Board on the two new hybrid vehicles. These should be in service soon. They are waiting on two pieces of equipment that need to be installed. They are also working on switching the camera systems.

Chief Beddingfield summarized the yearly report and said calls increased. Felony arrests doubled for the year and misdemeanor arrests increased which seem to be a nationwide trend. Chief Beddingfield felt very satisfied with the service being provided and is appreciative of the police department staff with all their hard work.

Mayor Goosmann asked Chief Beddingfield if MAHEC has their own security. Chief Beddingfield said yes, they have one or two civilian security personnel. They do not have the power of arrest so if a situation arises and they need police attention, they call us. Mayor Goosmann thanked Chief Beddingfield for all of the hard work the police department provides and thanked Chief Beddingfield for his efforts put in during the holidays as well. Chief Beddingfield thanked the Board for their support.

Chief Ryan Cole gave the monthly report for the fire department. Chief Cole said calls decreased for the month of December most likely due to the holidays. Call volume for the month of January is rapidly increasing because of COVID-19. They are performing many transports of COVID-19 positive patients because of exposure during the holidays. The Fire Department is

doing in house COVID-19 testing of personnel and they have been very fortunate to keep COVID-19 out of the Fire Department. Chief Cole said it was truly enjoyable to have Santa visit the Town in the fire truck on Christmas Eve and many people stood outside their homes singing and dancing to Christmas music. Mayor Goosmann was very thankful to the Fire Department for all of their hard work. Chief Cole expressed his gratitude to the Board.

Mr. Harry Buckner gave the monthly report for the Public Works department. Mayor Goosmann thanked Mr. Buckner and Mr. Eric Anderson for going out in the middle of the night and plowing the snow which allowed the rest of the staff to stay home and rest. Mr. Buckner commended the Public Works staff for working extremely hard during the snow storm. Mr. Buckner also commended Mr. Cody Bartlett for coming in on Christmas Eve and helping plow the roads. Mr. Jeff Glover and Mr. Lucius Riley came in on Christmas Day and also plowed the roads working very diligently. Mr. Buckner said it worked out very well.

Mr. Mike Dale is the new supervisor who started on January 4<sup>th</sup>. He is working out very well and doing a wonderful job. Mr. Daniel Rice also is doing well and brings in a lot of great experience. He worked for the City of Asheville as a supervisor in their sanitation department particularly in the brush collection unit.

The culvert on Southwood was replaced. This was an age related failure. Public Works added McCarthy Tire as a vendor. Public Works uses quite a few tires with the garbage truck, so Mr. Buckner is trying to be as efficient as possible and save money. With this State contract, Mr. Buckner anticipated a savings of about 5-10% per transaction.

The Cedar Hill Drive project is almost complete. In January, Public Works will be training Mr. Dale and Mr. Rice. The new recycling schedule will also be distributed to residents within the next few weeks.

Mayor Goosmann thanked Mr. Buckner for doing such a great job as well as the rest of the Public Works staff.

Mr. Jonathan Kanipe gave the monthly report for the Town. Mr. Kanipe went over the COVID-19 vaccination protocol for Phase 2(b). Buncombe County residents' ages 75 years and older can begin receiving their vaccinations. We are also posting this information on the Town's website once we get the updates from the County.

Mr. Kanipe said the Governor's COVID-19 vaccination update for Town employees will include law enforcement personnel getting vaccinated (optional to the employee) as part of Phase 1(b). Mr. Kanipe has not been notified of when that will be but he has sent information to the County last month and is waiting to hear back. Mr. Kanipe is also going to ask when sanitation workers can get their vaccine because they have front-line contact with citizens as well. Mr. Kanipe will inform the Board once he receives an update.

The Town received a payment request from Hyatt pipeline. The amount they bid was \$133,000 but Mr. Kanipe said it will most likely end up costing \$128,000-\$129,000. The Board allowed the price up to \$150,000 so possibly the remaining could be used for the Stuyvesant Road portion.

Carter PC will attend the February meeting to present the audit to the Board. This will be submitted to the Local Government Commission by January 31<sup>st</sup>.

The Town was selected by the State for a random audit. Mr. Kanipe and Ms. Stephens are pulling all of this information together and Mr. Kanipe will update the Board on the progress. Commissioner Cogburn asked how the selection process occurs. Mr. Kanipe he did not know the selection process but the Local Government Commission and the State Treasurer reviews the Town's audit. Mr. Clarke suspected it was a randomly selected performance audit. The audit is supposed to be done by January 29<sup>th</sup>. Mr. Kanipe noted the letter was received yesterday but it will get done.

Mr. Jason Walls, with Duke Energy, was present via Zoom to discuss the Duke Energy Targeted Underground project. Mr. Kanipe reviewed with the Board that for over a year the Town has worked with Duke Energy on the underground project. The goal is to have all lines buried by

2025. The project will commence on the southern end of Town near the Blue Ridge Parkway and move north and west until the entire town gets buried. Construction will begin on January 25<sup>th</sup>.

Mr. Walls said they have been working with the residents in the south part of Town that borders the Blue Ridge Parkway to obtain easements. They are now securing easements for the second phase. Around the middle of January, Duke will start putting stakes in the ground marking utilities and marking where the work will start. The Town and Duke are very open with their communication with one another. The install will take about 14 weeks. The cutovers will follow which will take a few weeks. The restoration crews come behind to fix the landscaping. Mr. Walls said Mr. Buckner is a tremendous resource to this project and he has been helping out a great deal. AT&T and Charter lines will still be there unless they elect to go underground. The underground burial will occur mid-January through mid-July. Mr. Kanipe pointed out on the Town's website, there will be a project page to update Town residents' on the progress of the project.

Commissioner Cogburn asked Mr. Kanipe if Charter and AT&T are going to do participate in this as well. Mr. Kanipe said not at this time. AT&T is very difficult to get a hold of and they have not been successful with connecting at this time.

Mayor Goosmann apologized on behalf of the resident that made an unruly complaint to Mr. Walls about the power going out.

Mr. Kanipe and Mr. Clarke discussed the Sign Ordinance update. Mr. Kanipe showed the Board the revisions. There are formatting and sequencing revisions. The temporary utility locations flags will not be regulated. As far as the invisible fencing flags, the time frame is typically 45 days where they are up when a dog is being trained. In the revised ordinance, Mr. Kanipe mentioned Section E (4) which states, "For the purpose of this ordinance, temporary flags indicating the installation of an underground (invisible) fence shall be removed no later than forty-five (45) days after installation."



Mr. Kanipe addressed Commissioner Loomis's concern in specifically defining a sign. Commissioner Loomis said a sign should be described in terms of something with wording constructed on a resident's property, if that is the intent. Mr. Clarke agreed with Commissioner Loomis and said this could be written under the definition section. Commissioner Kelly suggested adding "or images" to the definition. Commissioner Loomis agreed with Commissioner Kelly. Everyone on the Board agreed. Mr. Clarke said he agreed with the changes Mr. Kanipe made to the revised Ordinance. Mr. Clarke suggested adding a new definition of just a sign that includes something with wording or images on it. The temporary flags with underground fencing would be ok to have wording on them. Mr. Clarke said is all they will do is add the definition of a sign. Once this definition is submitted, the Board will vote for the Board of Commissioners meeting in February. Mr. Clarke said that temporary utility markers are allowed and this should be added in the definition as well.

The Tree Protection Ordinance was discussed. Mr. Kanipe said this version of the Tree Protection Ordinance outlined the changes discussed last month. One change is that a tree that has to be replanted must be located within fifty feet of the location. It also changes the replanting allowance from eighteen months to six months which would cover the spring or fall planting window. One other change occurred was requiring replanting any tree even if it falls by an act of God on parcels within the Town that are equal to or more than five acres. Mr. Kanipe also tried to clarify the role of the Town Zoning Ordinance specifically triggers related to Board of Adjustment review for review of homes, subdivisions, and other development are not impacted by this Ordinance. Also, trees that are under 6 inches at 4.5 feet high are not regulated under this ordinance.

Commissioner Kelly discussed some typos which included Section 93.32. Mr. Kelly would like to see the word "he or she" in the sentence that states, "If the Town Manager concludes that the removal of the number of Protected Trees requested would be undesirable, and not within the letter or intent of this Ordinance, he may refuse to approve such removal, or permit the removal of a lesser number of Protected Trees." Commissioner Kelly said anywhere else in this Ordinance needs to be updated with "he or she" as well. Mr. Clarke mentioned 93.38 and since it only applies to properties with less than five acres, they may get an equal protection challenge to the Ordinance.

Mr. Clarke emphasized that once this Ordinance is adopted, that everyone with a parcel of five acres or more be treated equally and fairly. The Board agreed.

Commissioner Kelly moved to adopt. Commissioner Cogburn seconded the motion. Roll call was taken by the Clerk and was unanimously approved. This information will be published on the Town's website.

Mr. Kanipe discussed the Coronavirus Relief Funds through the CARES Act. The last request was submitted on January 4th in the amount of \$20,174.98. This so far brings our total to approximately \$43,000. Since the CARES Act was extended, the Town can claim a bit more. Mr. Kanipe believes they will focus on PPE such as masks and such. All of this information will be posted as one large packet on the Town's website so all residents' can view this information. This has been very beneficial for Town employees in keeping us and the public safe.

There was no Public Comment.

Mayor Goosmann adjourned the meeting at 5:34 p.m. The next meeting is scheduled for Tuesday, February 9, 2021.

ATTEST:

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Ms. Laura Jacobs  
Town Clerk

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George F. Goosmann, III  
Mayor

**Biltmore Forest Police  
Department**  
  
**355 Vanderbilt Road  
Biltmore Forest, NC 28803  
828-274-0822  
www.biltmoreforest.org**



**George F. Goosmann, III, Mayor  
Doris P Loomis, Mayor-Pro Tem  
E. Glenn Kelly, Commissioner  
Fran Cogburn, Commissioner  
Jonathan Kanipe, Town Manager**  
  
**M. Chris Beddingfield, Chief of  
Police**

Department head report for the Board of Commissioners meeting held February 9, 2021

**Chris Beddingfield, Police Chief**

***Calls for Service: 685***

**Officers responded to the following calls for service:**

Accident - 2	Accident - PI - 0	Special Assignment – 1
Alarm - 31	Animal Carcass - 1	Special Check - 11
Assist EOC – 3	Assist Motorist – 7	Speed/Reckless Driving- 2
Assist Other Agency - 10	Assist Resident – 14	Suspicious Person - 12
Bear Report - 0	Business Check – 166	Suspicious Vehicle – 22
Crime Prev. – 6	Chase- 3	Vandalism - 0
Direct Traffic – 2	Distressed Animal - 1	Vehicle Stop – 50
Disturbance - 6	Dog Complaint - 3	Well-being Check – 3
Domestic disturbance-0	Fire – 0	Road Blocked - 4
Fight- 0	Gun fire/Shots fired – 1	Service of Car - 2
Hit and Run – 0	House Check – 98	Sign Ord Violation - 2
Improper Parking- 5	Incomplete 911- 0	
Investigation – 4	Intoxicated Driver- 0	
Mental Patient - 1	Missing Person - 0	
Noise Disturbance – 0	Ordinance Violation - 1	
Person Down – 0	Power Outage – 0	

**Professionalism Respect Integrity Dedication Excellence**

**Arrests:**

2-Felony Arrests-Heroin Possession and Associated Drug Charges from a suspicious person observed by officers. Felony Speeding to Elude and Associated Traffic Charges from a pursuit

1-Misdemeanor Arrest-1- Court Violations, from a stop for a traffic violation

**Time Consumption Summary:**

*Approximations:*

Business Checks- 8 hours

House Checks- 3 hours

Radar Operation- 16 hours

Vehicle Crash Investigation- .5 hours

**Notable Calls and Projects:**

Two new hybrid police vehicles are now in service.

Three vehicle pursuits this month.

Several weather events-Assisted with road condition monitoring as well as assisting and supporting public works

Several residents had unlocked vehicles rummaged through, possible suspect arrested on drug charges.

355 Vanderbilt Rd | Biltmore Forest, NC  
Po Box 5352 | Biltmore Forest, NC 28803  
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www.biltmoreforest.org



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

Jonathan B. Kanipe,  
Town Manager

## MEMORANDUM

To: Jonathan Kanipe, Town Manager

Mayor and Board of Commissioners

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

Re: Public Works Department January 2021 Monthly Report

Date: February 3, 2021

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### **Recurring Activities:**

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

- Collected 30.64 tons of garbage.
- Diverted 17.81 tons of recycled goods from garbage.
- Picked up 20 loads of leaves and brush (approximately 600 cubic yards) with the knuckle boom truck, and vacuumed another 12 loads of leaves only (approximately 360 cubic yards) with the vacuum trailer and leaf box, over 11 days.
- Responded to 71 utility locate requests (43 requests were for the Duke Energy Progress utility relocation project).
- Visited 6 residences for Tree Inspections, approving the removal of 12 trees.
- Completed daily chlorine residual tests across town and passed the required two bacteriological tests. Results are reported via the State's on-line reporting system.
- 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.
- Formal, town-wide leaf collection concluded on the South route on January 21. Normal brush pick-up began on January 30, and will continue on the normal schedule, with South pick-up on the 30<sup>th</sup>, and North pick-up on the 15<sup>th</sup>. This schedule will continue until adjustments are needed, or November 1, 2021.

### **Coronavirus (COVID-19) Related Activities:**

- The Town's buildings remains closed to the public; playgrounds are open.
- We are continuing to track any additional costs and activities associated with complying with the COVID-19 response effort.
- We are logging employee temperatures and keeping self-reporting documents daily.
- COVID supplies and PPE have been purchased and are stored at Public Works in a new PPE cabinet, all funded through the CARES grant.
- Manager Kanipe has requested an anonymous poll to help determine the number of vaccinations that may be requested by Staff when they become available.

### **Miscellaneous Activities in January**

- Public Works Supervisor, Mr. Mike Dale, and Public Services Worker, Mr. Daniel Rice have completed their first month of service and are coming up to speed very quickly. They are both fantastic additions to the department and have greatly improved our ability to respond efficiently to resident needs and complete routine work assignments.
- Staff completed the removal of the Christmas decorations around the Town Hall complex.
- Formal, town-wide leaf collection concluded on the South route on January 21. Our staff will rotate back to the normal brush collection schedule January 30<sup>th</sup>, 2021.
- The Department responded to snow events on January 7<sup>th</sup>/8<sup>th</sup> and January 30<sup>th</sup>/31<sup>st</sup>, including a downed tree on Hilltop Road.
- As mentioned last month, the Public Works staff oversaw the replacement of a failed storm drain under Southwood Road near Stuyvesant Road from January 4<sup>th</sup> through 6<sup>th</sup>. Hyatt Pipeline performed the emergency work, which was completed for approximately \$15,000.
- The department is now at a full staffing level, as Charles Tesner has returned to work on February 1, 2021. We are excited to have him back!
- Department members Jeff Glover and Eric Anderson both successfully completed their Class B Commercial Driver's License road test exams, and are just awaiting their appointments to have their licenses made.
- I continued my virtual attendance at the Municipal and County Administrator's School through the UNC School of Government. This course will continue through May, 2021.
- The new work order and asset management software package is in full roll-out mode with me and Supervisor Dale, and it is being integrated it into the daily routines. Manager Kanipe, Supervisor Dale, and I will be finalizing our technology roll-out plans in the coming month, but the "soft" implementation is going very well.
- I met with Manager Kanipe to begin the staff-level budgeting process for FY 2021/2022.
- We installed a new water service for the construction occurring at 32 Hilltop Rd.
- We are continuing to troubleshoot non-reporting automatic water meters as time allows.

- We completed and distributed the 2021 recycling schedule to all residents and posted it on the Town Website. A Brush schedule calendar was also completed, but not distributed.
- We have begun a thorough maintenance cycle on the Department's motorized equipment. This includes detailing both the interior and exterior of the vehicles as well as performing mechanical maintenance activities in preparation for the summer season.

## **Larger/Capital Projects Updates**

### **Greenwood Park Stream Restoration**

Comments from the state regulatory agencies are beginning to be received by the Consultant, but there are no substantial updates to provide. This project remains on-schedule with the following milestones:

- Bid and Design Package Approval – March 1, 2021
- Advertise, Receive, Submit and Approve Bids – July 1, 2020
- Execute Construction Contracts – August 2, 2020

We are reviewing the overall park master plan documents to determine if there are opportunities to improve the overall park while the stream restoration project is ongoing. As mentioned above, we are also planning maintenance activities for the park.

### **Brooklawn Park Improvements and Bridge Replacement**

No additional updates at this time. Please feel free to contact me with any feedback regarding this potential project.

## **Upcoming in February**

- Training and onboarding of our two new employees will continue, but is advancing very smoothly and ahead of schedule. We anticipate updating the on-call schedule to include the new employees in March.
- We will be installing an additional water service for the new construction at 2 Southwood Road, and refreshing the water service at 14 Hemlock Rd.
- Complete the Pavement Condition Rating study and street asset inventory. Planning for the 2021 paving and striping projects will begin.
- We will perform manual water meter readings of the non-automatic read locations for the February billing cycle.
- Begin roll-out of the new work order and asset management system to the department staff.
- Complete preventive maintenance activities for the roof at the Police Department.
- We plan to complete the refresh of the play surface and some general maintenance activities in Greenwood Park.

- Staff will be inspecting the public parks and open spaces to complete a winter clean-up ahead of beginning recurrent summer maintenance activities like mowing and weed-eating.
- I will continue my virtual attendance at the Municipal and County Administrator's School through the UNC School of Government.
- Continue the staff-level budget planning for FY 2021/2022 with Manager Kanipe.
- As always, I continue to request direct Board feedback on general appearance and maintenance items throughout the Town. I welcome any contact from you identifying areas needing extra attention or areas we may have inadvertently overlooked. I am happy to answer any questions and make sure your concerns, if any, are addressed.

We welcome your feedback on the activities of the Public Works department. Happy New Year.



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

Jonathan B. Kanipe,  
Town Manager

## MEMORANDUM

To: Mayor & Board of Commissioners  
From: Jonathan Kanipe, Town Manager  
Re: Agenda Item Number C-4 – Town Manager’s Monthly Report  
Date: February 3, 2021

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### FY21 Budget Re-allocations

The budget ordinance allows the Town Manager to make budget re-allocations up to \$5,000.00 as necessary during the fiscal year. Re-allocations for the FY21 budget are attached to this memorandum and available for the Board’s review.

### Duke Energy Targeted Underground Project

Duke Energy’s targeted underground project began the last week in January. The Town has not received any negative feedback regarding the contractors or work being performed. The contractor performing the drilling operation has kept in good contact with Town staff and alerted us to any issues that may arise. Duke is in the process of meeting residents in Phase 2 of this project in an effort to begin the easement acquisition and design process.

### Covid-19 Information

Town staff continues to monitor and await the opening of Phase 3 vaccination availability for our police and public works employees. We continue to monitor Governor Cooper’s executive orders and abide by restrictions still in place. Information related to Buncombe County’s vaccine program is on the Town’s website, as well as additional information related to Covid-19 on the state and local level.

### State Auditor’s Office Performance Audit

The performance and compliance audit being conducted by the State Auditor’s office will likely be concluded by the end of this week. This information will be prepared by the local auditor and presented to the State Auditor’s Office for their review and dissemination to the North Carolina General Assembly committee reviewing this information. As mentioned briefly last month, the Town and nineteen other local government units were selected to participate in this audit. Since the initial request, the Town has worked diligently with the local contracted auditor reviewing our policies, procedures, and financial documents. I would like to commend Assistant Finance Director

Helen Stephens for her work (during a “typically” busy month) to prepare and provide much of this information, and appreciate the patience from everyone as we worked to get all materials requested as quickly as possible. We have learned a great deal from this process and will refine and improve our practices as a result.

### 2021 NC General Assembly Session

From a Town-specific perspective, the Board has once again expressed sincere interest to Representative Brian Turner and Senator Julie Mayfield to amend the General Statutes and provide a relief from liability for a Town’s failure to keep public streets, sidewalks, alleys and bridges open for travel and free from unnecessary obstructions. The General Statutes impose a duty upon municipalities to perform this and disallows the use of governmental immunity as a defense. Easing this burden on municipalities, or at minimum allowing them the defense of governmental immunity, would be to the benefit of all municipalities in North Carolina.

In a related matter, the Board of Commissioners and Mayor reviewed advocacy goals selected by the North Carolina League of Municipalities for this year’s General Assembly session. The Town was able to vote on ten (10) specific advocacy goals that are outlined below (in no particular order)

- Grant local governments the authority to build broadband infrastructure in order to partner with private providers, and provide additional funding to help close the digital divide.
- Secure federal and state aid directly to municipalities to offset all lost revenues due to the Covid-19 pandemic.
- Create a permanent and adequate funding stream for local infrastructure needs.
- Provide funding to keep aging water and sewer systems financially solvent today and viable for the future.
- Ensure state funding for any new, state-mandated benefits for municipal employees.
- Improve state-wide funding and support for LEO training focused on use of force, mental health and de-escalation skills.
- Allow a short grace period for online posting of local emergency declarations while allowing them to take effect immediately.
- Increase public safety grant funding and expand allowable uses.
- Extend notification timeline for any changes to sales tax revenue disbursement.
- Reduce pressure on property tax payers by expanding locally-controlled options for revenue generation.

**BUDGET REALLOCATIONS 02/04/2021**

ADMINISTRATION		CHANGE	FROM	TO
10-4200-0200	Overtime	4,000	1,000	5,000
10-4200-5700	Miscellaneous	(2,000)	2,500	500
10-4200-6500	Staff Development	(2,000)	12,750	10,750
NET CHANGE ADMIN		-		

POLICE		CHANGE	FROM	TO
10-5100-1600	Maintenance/Repair - Equipment	(5,000)	11,250	6,250
10-5100-1700	Maintenance/Repair - Vehicles	(5,000)	15,000	10,000
10-5100-3600	Uniforms	(5,000)	11,250	6,250
10-5100-5800	Physical Exams	500	3,000	3,500
10-5100-1500	Capital Equipment Purchases	5,000	90,000	95,000
10-5100-3800	Technology	4,500	23,425	27,925
10-5100-5700	Miscellaneous	5,000	2,500	7,500
NET CHANGE POLICE		-		

PUBLIC WORKS		CHANGE	FROM	TO
10-5600-1000	Outside Services	1,000	5,000	6,000
10-5600-1500	Maintenance/Repair - Building Grounds	3,000	5,000	8,000
10-5600-3600	Uniforms	2,500	7,500	10,000
10-5600-3800	Technology	5,000	-	5,000
10-5600-5800	Physical Exams	250	-	250
10-5600-1600	Maintenance/Repair - Streetlights	(5,000)	15,000	10,000
10-5600-1700	Maintenance/Repair - Vehicles	(5,000)	25,000	20,000
10-5600-6000	Capital Outlay	(1,750)	10,000	8,250
NET CHANGE PUB WKS		-		

STREETS & TRANSPORTATION		CHANGE	FROM	TO
10-5700-7500	Engineering	5,000	37,500	42,500
10-5700-3800	Technology	5,000	-	5,000
10-5700-1700	Maintenance/Repair - Vehicles	(5,000)	18,750	13,750
10-5700-2400	Traffic Signs	(3,000)	5,000	2,000
10-5700-7400	Capital Equipment Purchases	(2,000)	10,000	8,000
NET CHANGE STREETS		-		

SANITATION & RECYCLING		CHANGE	FROM	TO
10-5800-3300	Supplies	1,000	500	1,500
10-5800-3800	Technology	1,000	-	1,000
10-5800-1700	Maintenance/Repair - Vehicles	(2,000)	25,000	23,000
NET CHANGE SANITATION		-		

GENERAL GOVERNMENT		CHANGE	FROM	TO
10-6600-6303	Holiday Lighting	5,000	5,000	10,000
10-6600-6304	Arbor Day Event	(3,000)	3,000	-
10-6600-6400	Wildlife Management	(2,000)	5,000	3,000
NET CHANGE GEN GOV		-		

WATER DEPARTMENT		CHANGE	FROM	TO
30-8100-0400	Professional Services	2,000	4,000	6,000
30-8100-3800	Technology	5,000	-	5,000
30-8100-5700	Miscellaneous	(1,000)	-	(1,000)
30-8100-1500	General Repairs	(1,000)	12,707	11,707
30-8100-7400	Capital Improvement	(5,000)	55,000	50,000
NET CHANGE WATER		-		

REVENUE & EXPENDITURE STATEMENT

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Account	Budget (\$)	Current Period (\$)	YTD With Encumbrance (\$)	Encumbrance (\$)	Remaining Balance (\$)	% Used
<b>3010 Ad Valorem Tax</b>						
<b>Revenue</b>						
<b>3010 Ad Valorem Tax</b>						
10-3010-0000 AD VALOREM TAXES (PROPERTY)	2,638,767.00	2,670,639.12	2,670,639.12	0.00	-31,872.12	101
10-3010-0100 AD VALOREM TAXES (DMV)	101,460.00	60,903.64	60,903.64	0.00	40,556.36	60
10-3010-0200 TAX INTEREST & PENALTIES	3,000.00	12,433.04	12,433.04	0.00	-9,433.04	414
<b>3010 Ad Valorem Tax Subtotal</b>	<b>\$2,743,227.00</b>	<b>\$2,743,975.80</b>	<b>\$2,743,975.80</b>	<b>\$0.00</b>	<b>-\$748.80</b>	<b>100</b>
<b>Revenue Subtotal</b>	<b>\$2,743,227.00</b>	<b>\$2,743,975.80</b>	<b>\$2,743,975.80</b>	<b>\$0.00</b>	<b>-\$748.80</b>	<b>100</b>
After Transfers	<b>Excess Of Revenue Subtotal</b>	<b>\$2,743,227.00</b>	<b>\$2,743,975.80</b>	<b>\$2,743,975.80</b>	<b>\$0.00</b>	<b>100</b>
<b>3020 Unrestricted Intergovernm</b>						
<b>Revenue</b>						
<b>3020 Unrestricted Intergovernm</b>						
10-3020-0000 FRANCHISE & UTILITIES TAX DIST.	177,778.00	99,317.41	99,317.41	0.00	78,460.59	56
10-3020-0100 ALCOHOL BEVERAGE TAX	6,000.00	0.00	0.00	0.00	6,000.00	0
10-3020-0200 BUNCOMBE COUNTY 1% TAX	492,564.00	225,855.62	225,855.62	0.00	266,708.38	46
10-3020-0300 1/2 CENT SALES TAX A.40	191,837.00	100,991.76	100,991.76	0.00	90,845.24	53
10-3020-0400 1/2 CENT SALES TAX A.42	257,554.00	119,689.38	119,689.38	0.00	137,864.62	46
10-3020-0600 SALES TAX REFUND	10,000.00	58,022.42	58,022.42	0.00	-48,022.42	580
10-3020-0700 GASOLINE TAX REFUND	3,000.00	0.00	0.00	0.00	3,000.00	0
<b>3020 Unrestricted Intergovernm Subtotal</b>	<b>\$1,138,733.00</b>	<b>\$603,876.59</b>	<b>\$603,876.59</b>	<b>\$0.00</b>	<b>\$534,856.41</b>	<b>53</b>
<b>Revenue Subtotal</b>	<b>\$1,138,733.00</b>	<b>\$603,876.59</b>	<b>\$603,876.59</b>	<b>\$0.00</b>	<b>\$534,856.41</b>	<b>53</b>
After Transfers	<b>Excess Of Revenue Subtotal</b>	<b>\$1,138,733.00</b>	<b>\$603,876.59</b>	<b>\$603,876.59</b>	<b>\$0.00</b>	<b>53</b>
<b>3030 Restricted Intergovernmen</b>						
<b>Revenue</b>						
<b>3030 Restricted Intergovernmen</b>						
10-3030-0000 SOLID WASTE DISPOSAL TAX	950.00	493.91	493.91	0.00	456.09	52
10-3030-0100 POWELL BILL	62,500.00	56,403.28	56,403.28	0.00	6,096.72	90
10-3030-0300 COVID REIMBURSEMENTS	79,867.00	22,857.73	22,857.73	0.00	57,009.27	29
<b>3030 Restricted Intergovernmen Subtotal</b>	<b>\$143,317.00</b>	<b>\$79,754.92</b>	<b>\$79,754.92</b>	<b>\$0.00</b>	<b>\$63,562.08</b>	<b>56</b>
<b>Revenue Subtotal</b>	<b>\$143,317.00</b>	<b>\$79,754.92</b>	<b>\$79,754.92</b>	<b>\$0.00</b>	<b>\$63,562.08</b>	<b>56</b>
After Transfers	<b>Excess Of Revenue Subtotal</b>	<b>\$143,317.00</b>	<b>\$79,754.92</b>	<b>\$79,754.92</b>	<b>\$0.00</b>	<b>56</b>
<b>3040 Permits &amp; Fees</b>						
<b>Revenue</b>						
<b>3040 Permits &amp; Fees</b>						
10-3040-0000 BUILDING PERMITS	20,000.00	23,293.00	23,293.00	0.00	-3,293.00	116
10-3040-0100 DOG LICENSE FEE	1,400.00	1,290.10	1,290.10	0.00	109.90	92
<b>3040 Permits &amp; Fees Subtotal</b>	<b>\$21,400.00</b>	<b>\$24,583.10</b>	<b>\$24,583.10</b>	<b>\$0.00</b>	<b>-\$3,183.10</b>	<b>115</b>
<b>Revenue Subtotal</b>	<b>\$21,400.00</b>	<b>\$24,583.10</b>	<b>\$24,583.10</b>	<b>\$0.00</b>	<b>-\$3,183.10</b>	<b>115</b>
After Transfers	<b>Excess Of Revenue Subtotal</b>	<b>\$21,400.00</b>	<b>\$24,583.10</b>	<b>\$24,583.10</b>	<b>\$0.00</b>	<b>115</b>
<b>3050 Investment Earnings</b>						
<b>Revenue</b>						
<b>3050 Investment Earnings</b>						
10-3050-0000 INTEREST EARNED	30,000.00	641.99	641.99	0.00	29,358.01	2

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<b>3050 Investment Earnings Subtotal</b>	<b>\$30,000.00</b>	<b>\$641.99</b>	<b>\$641.99</b>	<b>\$0.00</b>	<b>\$29,358.01</b>	<b>2</b>
<b>Revenue Subtotal</b>	<b>\$30,000.00</b>	<b>\$641.99</b>	<b>\$641.99</b>	<b>\$0.00</b>	<b>\$29,358.01</b>	<b>2</b>
After Transfers	<b>Excess Of Revenue Subtotal</b>	<b>\$30,000.00</b>	<b>\$641.99</b>	<b>\$641.99</b>	<b>\$0.00</b>	<b>2</b>
<b>3060 Miscellaneous</b>						
<b>Revenue</b>						
<b>3060 Miscellaneous</b>						
10-3060-0100 AMERICAN TOWER AGREEMENT	37,645.00	28,419.61	28,419.61	0.00	9,225.39	75
10-3060-0200 MISCELLANEOUS	15,000.00	17,661.54	17,661.54	0.00	-2,661.54	118
<b>3060 Miscellaneous Subtotal</b>	<b>\$52,645.00</b>	<b>\$46,081.15</b>	<b>\$46,081.15</b>	<b>\$0.00</b>	<b>\$6,563.85</b>	<b>88</b>
<b>Revenue Subtotal</b>	<b>\$52,645.00</b>	<b>\$46,081.15</b>	<b>\$46,081.15</b>	<b>\$0.00</b>	<b>\$6,563.85</b>	<b>88</b>
After Transfers	<b>Excess Of Revenue Subtotal</b>	<b>\$52,645.00</b>	<b>\$46,081.15</b>	<b>\$46,081.15</b>	<b>\$0.00</b>	<b>88</b>
<b>3290</b>						
<b>Revenue</b>						
<b>3290</b>						
30-3290-0000 INTEREST EARNED	1,000.00	12.02	12.02	0.00	987.98	1
<b>3290 Subtotal</b>	<b>\$1,000.00</b>	<b>\$12.02</b>	<b>\$12.02</b>	<b>\$0.00</b>	<b>\$987.98</b>	<b>1</b>
<b>Revenue Subtotal</b>	<b>\$1,000.00</b>	<b>\$12.02</b>	<b>\$12.02</b>	<b>\$0.00</b>	<b>\$987.98</b>	<b>1</b>
After Transfers	<b>Excess Of Revenue Subtotal</b>	<b>\$1,000.00</b>	<b>\$12.02</b>	<b>\$12.02</b>	<b>\$0.00</b>	<b>1</b>
<b>3350 Commissions, Sw Chg Coll</b>						
<b>Revenue</b>						
<b>3350 Commissions, Sw Chg Coll</b>						
30-3350-0000 COMMISSIONS, SEWER CHARGE COLL	8,000.00	6,510.85	6,510.85	0.00	1,489.15	81
<b>3350 Commissions, Sw Chg Coll Subtotal</b>	<b>\$8,000.00</b>	<b>\$6,510.85</b>	<b>\$6,510.85</b>	<b>\$0.00</b>	<b>\$1,489.15</b>	<b>81</b>
<b>Revenue Subtotal</b>	<b>\$8,000.00</b>	<b>\$6,510.85</b>	<b>\$6,510.85</b>	<b>\$0.00</b>	<b>\$1,489.15</b>	<b>81</b>
After Transfers	<b>Excess Of Revenue Subtotal</b>	<b>\$8,000.00</b>	<b>\$6,510.85</b>	<b>\$6,510.85</b>	<b>\$0.00</b>	<b>81</b>
<b>3500 Other Financing</b>						
<b>Other Financing Source</b>						
<b>3500 Other Financing</b>						
10-3500-0000 SALE OF PERSONAL PROPERTY	15,000.00	6,238.00	6,238.00	0.00	8,762.00	42
10-3500-0700 INTERGOVERNMENTAL LOAN (RESTRIC	300,000.00	0.00	0.00	0.00	300,000.00	0
<b>3500 Other Financing Subtotal</b>	<b>\$315,000.00</b>	<b>\$6,238.00</b>	<b>\$6,238.00</b>	<b>\$0.00</b>	<b>\$308,762.00</b>	<b>2</b>
<b>Other Financing Source Subtotal</b>	<b>\$315,000.00</b>	<b>\$6,238.00</b>	<b>\$6,238.00</b>	<b>\$0.00</b>	<b>\$308,762.00</b>	<b>2</b>
After Transfers	<b>Excess Of Revenue Subtotal</b>	<b>\$315,000.00</b>	<b>\$6,238.00</b>	<b>\$6,238.00</b>	<b>\$0.00</b>	<b>2</b>
<b>3710 Water Sales</b>						
<b>Revenue</b>						
<b>3710 Water Sales</b>						
30-3710-0000 WATER CHARGES	434,271.00	215,263.27	215,263.27	0.00	219,007.73	50
30-3710-0100 MSD CHARGES	343,446.00	170,381.80	170,381.80	0.00	173,064.20	50
30-3710-0200 AMI TRANSMITTER CHARGES	7,700.00	4,158.08	4,158.08	0.00	3,541.92	54
<b>3710 Water Sales Subtotal</b>	<b>\$785,417.00</b>	<b>\$389,803.15</b>	<b>\$389,803.15</b>	<b>\$0.00</b>	<b>\$395,613.85</b>	<b>50</b>
<b>Revenue Subtotal</b>	<b>\$785,417.00</b>	<b>\$389,803.15</b>	<b>\$389,803.15</b>	<b>\$0.00</b>	<b>\$395,613.85</b>	<b>50</b>
After Transfers	<b>Excess Of Revenue Subtotal</b>	<b>\$785,417.00</b>	<b>\$389,803.15</b>	<b>\$389,803.15</b>	<b>\$0.00</b>	<b>50</b>
<b>3730 Water Tap &amp; Connect Fees</b>						

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<b>Revenue</b>						
<b>3730 Water Tap &amp; Connect Fees</b>						
30-3730-0000 WATER TAP AND CONNECTION FEES	9,000.00	4,720.00	4,720.00	0.00	4,280.00	52
<b>3730 Water Tap &amp; Connect Fees Subtotal</b>	<b>\$9,000.00</b>	<b>\$4,720.00</b>	<b>\$4,720.00</b>	<b>\$0.00</b>	<b>\$4,280.00</b>	<b>52</b>
<b>Revenue Subtotal</b>	<b>\$9,000.00</b>	<b>\$4,720.00</b>	<b>\$4,720.00</b>	<b>\$0.00</b>	<b>\$4,280.00</b>	<b>52</b>
After Transfers	<b>Excess Of Revenue Subtotal</b>	<b>\$9,000.00</b>	<b>\$4,720.00</b>	<b>\$4,720.00</b>	<b>\$0.00</b>	<b>52</b>
<b>4200 Administration</b>						
<b>Expenditure</b>						
<b>4200 Administration</b>						
10-4200-0200 SALARIES	218,357.00	160,696.77	160,696.77	0.00	57,660.23	74
10-4200-0300 OVERTIME	5,000.00	3,417.27	3,417.27	0.00	1,582.73	68
10-4200-0500 FICA	16,704.00	11,388.03	11,388.03	0.00	5,315.97	68
10-4200-0600 HEALTH INSURANCE (MEDICAL)	27,145.00	15,267.48	15,267.48	0.00	11,877.52	56
10-4200-0650 DENTAL, VISION, LIFE INSURANCE	4,470.00	2,220.00	2,220.00	0.00	2,250.00	50
10-4200-0675 HEALTH REIMBURSEMENT ACC	3,750.00	2,250.00	2,250.00	0.00	1,500.00	60
10-4200-0700 LGERS RETIREMENT	36,457.00	26,138.91	26,138.91	0.00	10,318.09	72
10-4200-0800 401K SUPP RETIREMENT	10,918.00	7,719.21	7,719.21	0.00	3,198.79	71
10-4200-1000 ACCOUNTING & TAXES	45,000.00	14,581.75	14,581.75	0.00	30,418.25	32
10-4200-1200 POSTAGE, PRINTING, STATIONARY	6,000.00	3,409.17	3,409.17	0.00	2,590.83	57
10-4200-1400 MILEAGE & BOARD SALARY	22,000.00	14,400.00	14,400.00	0.00	7,600.00	65
10-4200-3300 SUPPLIES AND EQUIPMENT	7,000.00	3,049.93	3,049.93	0.00	3,950.07	44
10-4200-5300 DUES & FEES	5,000.00	1,432.51	1,710.01	277.50	3,289.99	34
10-4200-5700 MISCELLANEOUS	500.00	485.61	485.61	0.00	14.39	97
10-4200-6500 STAFF DEVELOPMENT	10,750.00	2,774.00	3,644.00	870.00	7,106.00	34
<b>4200 Administration Subtotal</b>	<b>\$419,051.00</b>	<b>\$269,230.64</b>	<b>\$270,378.14</b>	<b>\$1,147.50</b>	<b>\$148,672.86</b>	<b>65</b>
<b>Expenditure Subtotal</b>	<b>\$419,051.00</b>	<b>\$269,230.64</b>	<b>\$270,378.14</b>	<b>\$1,147.50</b>	<b>\$148,672.86</b>	<b>65</b>
Before Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$419,051.00</b>	<b>-\$269,230.64</b>	<b>-\$269,230.64</b>	<b>-\$1,147.50</b>	<b>64</b>
After Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$419,051.00</b>	<b>-\$269,230.64</b>	<b>-\$269,230.64</b>	<b>-\$1,147.50</b>	<b>64</b>
<b>5100 Police Department</b>						
<b>Expenditure</b>						
<b>5100 Police Department</b>						
10-5100-0200 SALARIES	837,914.00	551,591.79	551,591.79	0.00	286,322.21	66
10-5100-0300 OVERTIME	42,000.00	17,993.43	17,993.43	0.00	24,006.57	43
10-5100-0400 SEPARATION ALLOWANCE	30,617.00	18,841.44	18,841.44	0.00	11,775.56	62
10-5100-0500 FICA	67,313.00	40,468.45	40,468.45	0.00	26,844.55	60
10-5100-0550 UNEMPLOYMENT INSURANCE	0.00	437.16	437.16	0.00	-437.16	0
10-5100-0600 HEALTH INSURANCE (MEDICAL)	146,349.00	62,807.24	62,807.24	0.00	83,541.76	43
10-5100-0650 DENTAL, VISION, LIFE INSURANCE	19,842.00	7,889.04	7,889.04	0.00	11,952.96	40
10-5100-0675 HRA HEALTH REIMB ACCT	24,000.00	12,000.00	12,000.00	0.00	12,000.00	50
10-5100-0700 LGERS RETIREMENT	146,508.00	88,862.48	88,862.48	0.00	57,645.52	61
10-5100-0800 401K SUPP RETIREMENT	42,721.00	25,824.83	25,824.83	0.00	16,896.17	60
10-5100-1500 MAINT/REPAIR - BLDG/GROUNDS	25,000.00	17,355.55	17,355.55	0.00	7,644.45	69
10-5100-1600 MAINT/REPAIR - EQUIPMENT	6,250.00	1,572.92	1,656.92	84.00	4,593.08	27

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10-5100-1700 MAINT/REPAIR - VEHICLES	10,000.00	5,762.25	7,039.43	1,277.18	2,960.57	70
10-5100-3100 MOTOR FUELS	13,650.00	6,851.36	6,851.36	0.00	6,798.64	50
10-5100-3300 SUPPLIES	10,000.00	6,283.66	6,434.72	151.06	3,565.28	64
10-5100-3600 UNIFORMS	6,250.00	2,686.94	3,273.19	586.25	2,976.81	52
10-5100-3700 SOFTWARE	34,000.00	7,212.41	10,860.85	3,648.44	23,139.15	32
10-5100-3800 TECHNOLOGY	27,925.00	26,833.12	26,833.12	0.00	1,091.88	96
10-5100-5700 MISCELLANEOUS	7,500.00	6,120.23	6,120.23	0.00	1,379.77	82
10-5100-5800 PHYSICAL EXAMS	1,000.00	1,575.78	2,903.68	1,327.90	-1,903.68	290
10-5100-6500 STAFF DEVELOPMENT	7,500.00	1,245.86	1,245.86	0.00	6,254.14	17
10-5100-7400 CAPITAL EQUIPMENT PURCHASES	95,000.00	92,904.43	100,193.19	7,288.76	-5,193.19	105
<b>5100 Police Department Subtotal</b>	<b>\$1,601,339.00</b>	<b>\$1,003,120.37</b>	<b>\$1,017,483.96</b>	<b>\$14,363.59</b>	<b>\$583,855.04</b>	<b>64</b>
<b>Expenditure Subtotal</b>	<b>\$1,601,339.00</b>	<b>\$1,003,120.37</b>	<b>\$1,017,483.96</b>	<b>\$14,363.59</b>	<b>\$583,855.04</b>	<b>64</b>
Before Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$1,601,339.00</b>	<b>-\$1,003,120.37</b>	<b>-\$1,003,120.37</b>	<b>-\$14,363.59</b>	<b>63</b>
After Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$1,601,339.00</b>	<b>-\$1,003,120.37</b>	<b>-\$1,003,120.37</b>	<b>-\$14,363.59</b>	<b>63</b>
<b>5200 Fire Services</b>						
<b>Expenditure</b>						
<b>5200 Fire Services</b>						
10-5200-0000 FIRE CONTRACT	425,000.00	318,750.00	318,750.00	0.00	106,250.00	75
<b>5200 Fire Services Subtotal</b>	<b>\$425,000.00</b>	<b>\$318,750.00</b>	<b>\$318,750.00</b>	<b>\$0.00</b>	<b>\$106,250.00</b>	<b>75</b>
<b>Expenditure Subtotal</b>	<b>\$425,000.00</b>	<b>\$318,750.00</b>	<b>\$318,750.00</b>	<b>\$0.00</b>	<b>\$106,250.00</b>	<b>75</b>
Before Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$425,000.00</b>	<b>-\$318,750.00</b>	<b>-\$318,750.00</b>	<b>\$0.00</b>	<b>75</b>
After Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$425,000.00</b>	<b>-\$318,750.00</b>	<b>-\$318,750.00</b>	<b>\$0.00</b>	<b>75</b>
<b>5600 Public Works</b>						
<b>Expenditure</b>						
<b>5600 Public Works</b>						
10-5600-0200 SALARIES	256,719.00	154,694.92	154,694.92	0.00	102,024.08	60
10-5600-0300 OVERTIME	10,000.00	5,189.85	5,189.85	0.00	4,810.15	52
10-5600-0500 FICA	20,404.00	11,339.56	11,339.56	0.00	9,064.44	56
10-5600-0550 UNEMPLOYMENT INSURANCE	0.00	437.15	437.15	0.00	-437.15	0
10-5600-0600 HOSPITAL INSURANCE (MEDICAL)	41,609.00	17,653.44	17,653.44	0.00	23,955.56	42
10-5600-0650 DENTAL, VISION, LIFE INSURANCE	5,616.00	2,543.00	2,543.00	0.00	3,073.00	45
10-5600-0675 HRA HEALTH REIMB ACCT	7,500.00	3,625.00	3,625.00	0.00	3,875.00	48
10-5600-0700 LGERS RETIREMENT	44,329.00	25,363.28	25,363.28	0.00	18,965.72	57
10-5600-0800 401K SUPP RETIREMENT	13,336.00	7,546.86	7,546.86	0.00	5,789.14	57
10-5600-1000 OUTSIDE SERVICES	6,000.00	5,500.00	5,500.00	0.00	500.00	92
10-5600-1300 STREETLIGHTS ELECTRIC	7,000.00	3,967.29	3,967.29	0.00	3,032.71	57
10-5600-1500 MAINT/REPAIR - BLDG/GROUNDS	8,000.00	6,905.28	6,905.28	0.00	1,094.72	86
10-5600-1600 MAINT/REPAIR- STREETLIGHTS	10,000.00	618.76	618.76	0.00	9,381.24	6
10-5600-1700 MAINT/REPAIR - VEHICLES	20,000.00	2,565.77	3,543.66	977.89	16,456.34	18
10-5600-3100 MOTOR FUELS	11,250.00	5,837.99	5,837.99	0.00	5,412.01	52
10-5600-3300 SUPPLIES	10,000.00	4,034.42	4,544.20	509.78	5,455.80	45
10-5600-3400 STREET SIGNS & NUMBERS	1,000.00	178.00	178.00	0.00	822.00	18
10-5600-3600 UNIFORMS	10,000.00	4,799.00	8,310.93	3,511.93	1,689.07	83

REVENUE & EXPENDITURE STATEMENT

Town of Biltmore Forest

07/01/2020 To 02/05/2021

FY 2020-2021

Account	Budget (\$)	Current Period (\$)	YTD With Encumbrance (\$)	Encumbrance (\$)	Remaining Balance (\$)	% Used
10-5600-3800 TECHNOLOGY	5,000.00	4,201.59	4,201.59	0.00	798.41	84
10-5600-5200 PARKS	15,000.00	847.09	1,184.07	336.98	13,815.93	8
10-5600-5202 GREENWOOD PARK STREAM RESTORA	300,000.00	28,660.00	28,660.00	0.00	271,340.00	10
10-5600-5800 PHYSICAL EXAMS	250.00	130.00	130.00	0.00	120.00	52
10-5600-5900 MISCELLANEOUS	1,000.00	745.33	745.33	0.00	254.67	75
10-5600-6000 CAPITAL OUTLAY	8,250.00	0.00	0.00	0.00	8,250.00	0
10-5600-6500 STAFF DEVELOPMENT	5,000.00	3,817.00	3,817.00	0.00	1,183.00	76
<b>5600 Public Works Subtotal</b>	<b>\$817,263.00</b>	<b>\$301,200.58</b>	<b>\$306,537.16</b>	<b>\$5,336.58</b>	<b>\$510,725.84</b>	<b>38</b>
<b>Expenditure Subtotal</b>	<b>\$817,263.00</b>	<b>\$301,200.58</b>	<b>\$306,537.16</b>	<b>\$5,336.58</b>	<b>\$510,725.84</b>	<b>38</b>
Before Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$817,263.00</b>	<b>-\$301,200.58</b>	<b>-\$301,200.58</b>	<b>-\$5,336.58</b>	<b>37</b>
After Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$817,263.00</b>	<b>-\$301,200.58</b>	<b>-\$301,200.58</b>	<b>-\$5,336.58</b>	<b>37</b>
<b>5700 Streets &amp; Transportation</b>						
<b>Expenditure</b>						
<b>5700 Streets &amp; Transportation</b>						
10-5700-0200 SALARIES	50,533.00	28,586.23	28,586.23	0.00	21,946.77	57
10-5700-0300 OVERTIME	5,000.00	0.00	0.00	0.00	5,000.00	0
10-5700-0500 FICA	3,866.00	2,055.97	2,055.97	0.00	1,810.03	53
10-5700-0600 HEALTH INSURANCE (MEDICAL)	7,440.00	3,494.16	3,494.16	0.00	3,945.84	47
10-5700-0650 DENTAL, VISION, LIFE INSURANCE	681.00	258.00	258.00	0.00	423.00	38
10-5700-0675 HRA HEALTH REIMB ACCT	1,500.00	750.00	750.00	0.00	750.00	50
10-5700-0700 LGERS RETIREMENT	8,399.00	4,468.01	4,468.01	0.00	3,930.99	53
10-5700-0800 401K SUPP RETIREMENT	2,527.00	1,343.68	1,343.68	0.00	1,183.32	53
10-5700-1700 VEHICLE REPAIRS - STREET DEPT.	13,750.00	1,639.83	1,960.83	321.00	11,789.17	14
10-5700-2200 CONTRACTS- PAVING & STRIPING	35,000.00	10,600.00	10,600.00	0.00	24,400.00	30
10-5700-2300 SUPPLIES	10,250.00	6,991.68	6,991.68	0.00	3,258.32	68
10-5700-2400 TRAFFIC SIGNS	2,000.00	4.14	4.14	0.00	1,995.86	0
10-5700-2500 STORM WATER DRAINAGE	25,000.00	37,884.36	38,489.03	604.67	-13,489.03	154
10-5700-3800 TECHNOLOGY	5,000.00	2,175.13	2,175.13	0.00	2,824.87	44
10-5700-6500 STAFF DEVELOPMENT	1,000.00	220.00	220.00	0.00	780.00	22
10-5700-7400 CAPITAL EQUIPMENT PURCHASES	8,000.00	1,460.00	1,460.00	0.00	6,540.00	18
10-5700-7500 ENGINEERING	42,500.00	31,772.50	31,772.50	0.00	10,727.50	75
<b>5700 Streets &amp; Transportation Subtotal</b>	<b>\$222,446.00</b>	<b>\$133,703.69</b>	<b>\$134,629.36</b>	<b>\$925.67</b>	<b>\$87,816.64</b>	<b>61</b>
<b>Expenditure Subtotal</b>	<b>\$222,446.00</b>	<b>\$133,703.69</b>	<b>\$134,629.36</b>	<b>\$925.67</b>	<b>\$87,816.64</b>	<b>61</b>
Before Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$222,446.00</b>	<b>-\$133,703.69</b>	<b>-\$133,703.69</b>	<b>-\$925.67</b>	<b>60</b>
After Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$222,446.00</b>	<b>-\$133,703.69</b>	<b>-\$133,703.69</b>	<b>-\$925.67</b>	<b>60</b>
<b>5800 Sanitation &amp; Recycling</b>						
<b>Expenditure</b>						
<b>5800 Sanitation &amp; Recycling</b>						
10-5800-0200 SALARIES	118,318.00	74,245.75	74,245.75	0.00	44,072.25	63
10-5800-0300 OVERTIME	10,000.00	600.07	600.07	0.00	9,399.93	6
10-5800-0500 FICA	9,815.00	5,380.94	5,380.94	0.00	4,434.06	55
10-5800-0600 HEALTH INSURANCE (MEDICAL)	32,762.00	10,482.48	10,482.48	0.00	22,279.52	32
10-5800-0650 DENTAL, VISION, LIFE INSURANCE	4,170.00	774.00	774.00	0.00	3,396.00	19



REVENUE & EXPENDITURE STATEMENT

Town of Biltmore Forest

07/01/2020 To 02/05/2021

FY 2020-2021

Account	Budget (\$)	Current Period (\$)	YTD With Encumbrance (\$)	Encumbrance (\$)	Remaining Balance (\$)	% Used
10-5800-0675 HRA HEALTH REIMB ACCT	4,500.00	2,250.00	2,250.00	0.00	2,250.00	50
10-5800-0700 LGERS RETIREMENT	21,326.00	11,714.60	11,714.60	0.00	9,611.40	55
10-5800-0800 401K SUPP RETIREMENT	6,416.00	3,581.02	3,581.02	0.00	2,834.98	56
10-5800-1700 MAINT/REPAIRS - VEHICLES	23,000.00	7,048.09	8,173.61	1,125.52	14,826.39	36
10-5800-3100 MOTOR FUELS	13,125.00	8,010.96	8,010.96	0.00	5,114.04	61
10-5800-3300 SUPPLIES	1,500.00	711.87	711.87	0.00	788.13	47
10-5800-3600 UNIFORMS	500.00	340.90	340.90	0.00	159.10	68
10-5800-3800 TECHNOLOGY	1,000.00	291.42	291.42	0.00	708.58	29
10-5800-8000 TIPPING FEES & BRUSH REMOVAL	49,500.00	29,438.38	29,438.38	0.00	20,061.62	59
10-5800-8100 RECYCLING	11,250.00	5,716.41	5,716.41	0.00	5,533.59	51
<b>5800 Sanitation &amp; Recycling Subtotal</b>	<b>\$307,182.00</b>	<b>\$160,586.89</b>	<b>\$161,712.41</b>	<b>\$1,125.52</b>	<b>\$145,469.59</b>	<b>53</b>
<b>Expenditure Subtotal</b>	<b>\$307,182.00</b>	<b>\$160,586.89</b>	<b>\$161,712.41</b>	<b>\$1,125.52</b>	<b>\$145,469.59</b>	<b>53</b>
Before Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$307,182.00</b>	<b>-\$160,586.89</b>	<b>-\$160,586.89</b>	<b>-\$1,125.52</b>	<b>52</b>
After Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$307,182.00</b>	<b>-\$160,586.89</b>	<b>-\$160,586.89</b>	<b>-\$1,125.52</b>	<b>52</b>
<b>6600 General Government</b>						
<b>Expenditure</b>						
<b>6600 General Government</b>						
10-6600-0401 LEGAL SERVICES	40,000.00	11,923.30	11,923.30	0.00	28,076.70	30
10-6600-1100 TECHNOLOGY	90,000.00	44,785.22	44,785.22	0.00	45,214.78	50
10-6600-1300 MUNICIPAL UTILITIES	18,569.00	8,746.99	8,746.99	0.00	9,822.01	47
10-6600-1500 GE. REPS. AND MAINT.	20,000.00	15,533.27	16,075.94	542.67	3,924.06	80
10-6600-2800 ELECTIONS	6,000.00	150.33	150.33	0.00	5,849.67	3
10-6600-3300 SUPPLIES & EQUIPMENT	0.00	25.27	25.27	0.00	-25.27	0
10-6600-5400 INSURANCE	90,000.00	77,607.82	77,607.82	0.00	12,392.18	86
10-6600-6000 CONTINGENCY	13,252.00	0.00	0.00	0.00	13,252.00	0
10-6600-6100 MISCELLANEOUS	5,000.00	2,792.02	2,792.02	0.00	2,207.98	56
10-6600-6201 COVID EXPENDITURES	79,867.00	38,551.26	38,884.72	333.46	40,982.28	49
10-6600-6301 4TH OF JULY	7,500.00	0.00	0.00	0.00	7,500.00	0
10-6600-6302 NATIONAL NIGHT OUT	2,500.00	196.01	196.01	0.00	2,303.99	8
10-6600-6303 HOLIDAY LIGHTING	10,000.00	10,708.22	10,708.22	0.00	-708.22	107
10-6600-6400 WILDLIFE MANAGEMENT	3,000.00	446.46	446.46	0.00	2,553.54	15
10-6600-6500 FOREST MANAGEMENT	60,000.00	15,300.00	15,300.00	0.00	44,700.00	26
<b>6600 General Government Subtotal</b>	<b>\$445,688.00</b>	<b>\$226,766.17</b>	<b>\$227,642.30</b>	<b>\$876.13</b>	<b>\$218,045.70</b>	<b>51</b>
<b>Expenditure Subtotal</b>	<b>\$445,688.00</b>	<b>\$226,766.17</b>	<b>\$227,642.30</b>	<b>\$876.13</b>	<b>\$218,045.70</b>	<b>51</b>
Before Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$445,688.00</b>	<b>-\$226,766.17</b>	<b>-\$226,766.17</b>	<b>-\$876.13</b>	<b>51</b>
After Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$445,688.00</b>	<b>-\$226,766.17</b>	<b>-\$226,766.17</b>	<b>-\$876.13</b>	<b>51</b>
<b>6700 Debt Service</b>						
<b>Expenditure</b>						
<b>6700 Debt Service</b>						
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
10-6700-0400 2017 Garbage Truck-Principal	34,327.00	34,327.22	34,327.22	0.00	-0.22	100
10-6700-0500 Public Works Building-Principal	84,211.00	42,105.26	42,105.26	0.00	42,105.74	50

REVENUE & EXPENDITURE STATEMENT

Town of Biltmore Forest

07/01/2020 To 02/05/2021

FY 2020-2021

Account	Budget (\$)	Current Period (\$)	YTD With Encumbrance (\$)	Encumbrance (\$)	Remaining Balance (\$)	% Used
10-6700-0600 2020 POLICE CARS-PRINCIPAL	29,506.00	28,326.38	28,326.38	0.00	1,179.62	96
10-6700-1100 Police Dept Renovations-Interest	3,223.00	2,500.32	2,500.32	0.00	722.68	78
10-6700-1200 Street Improvements-Interest	921.00	714.37	714.37	0.00	206.63	78
10-6700-1400 2017 Garbage Truck-Interest	821.00	1,625.30	1,625.30	0.00	-804.30	198
10-6700-1500 Public Works Building-Interest	23,343.00	12,025.26	12,025.26	0.00	11,317.74	52
10-6700-1600 2020 POLICE CARS-INTEREST	0.00	1,579.38	1,579.38	0.00	-1,579.38	0
<b>6700 Debt Service Subtotal</b>	<b>\$206,353.00</b>	<b>\$145,703.49</b>	<b>\$145,703.49</b>	<b>\$0.00</b>	<b>\$60,649.51</b>	<b>71</b>
<b>Expenditure Subtotal</b>	<b>\$206,353.00</b>	<b>\$145,703.49</b>	<b>\$145,703.49</b>	<b>\$0.00</b>	<b>\$60,649.51</b>	<b>71</b>
Before Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$206,353.00</b>	<b>-\$145,703.49</b>	<b>-\$145,703.49</b>	<b>\$0.00</b>	<b>71</b>
After Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$206,353.00</b>	<b>-\$145,703.49</b>	<b>-\$145,703.49</b>	<b>\$0.00</b>	<b>71</b>
<b>8100 Water Dept.</b>						
<b>Expenditure</b>						
<b>8100 Water Dept.</b>						
30-8100-0200 SALARIES	68,050.00	0.00	0.00	0.00	68,050.00	0
30-8100-0400 PROFESSIONAL SERVICES	6,000.00	2,630.00	4,730.00	2,100.00	1,270.00	79
30-8100-0500 FICA	5,206.00	0.00	0.00	0.00	5,206.00	0
30-8100-0600 HEALTH INSURANCE (MEDICAL)	17,977.00	0.00	0.00	0.00	17,977.00	0
30-8100-0650 DENTAL, VISION, LIFE INSURANCE	2,718.00	0.00	0.00	0.00	2,718.00	0
30-8100-0675 HRA HEALTH REIMBURSEMENT ACCT	2,250.00	0.00	0.00	0.00	2,250.00	0
30-8100-0700 LGERS RETIREMENT	11,310.00	0.00	0.00	0.00	11,310.00	0
30-8100-0800 401K SUPP RETIREMENT	3,403.00	0.00	0.00	0.00	3,403.00	0
30-8100-1200 POSTAGE, PRINTING, & STATIONARY	5,000.00	1,265.21	1,265.21	0.00	3,734.79	25
30-8100-1500 GENERAL REPAIRS	11,707.00	502.62	502.62	0.00	11,204.38	4
30-8100-3300 SUPPLIES & EQUIPMENT	20,000.00	593.35	3,093.22	2,499.87	16,906.78	15
30-8100-3800 TECHNOLOGY	5,000.00	2,175.13	2,175.13	0.00	2,824.87	44
30-8100-4800 WATER PURCHASES	237,275.00	83,486.25	83,486.25	0.00	153,788.75	35
30-8100-4900 SEWER PURCHASES	344,823.00	170,869.40	170,869.40	0.00	173,953.60	50
30-8100-5000 AMI TRANSMITTER FEES	7,700.00	3,697.95	3,697.95	0.00	4,002.05	48
30-8100-5700 MISCELLANEOUS	0.00	145.92	145.92	0.00	-145.92	0
30-8100-6500 STAFF DEVELOPMENT	5,000.00	1,056.14	1,086.96	30.82	3,913.04	22
30-8100-7400 CAPITAL IMPROVEMENT	50,000.00	0.00	0.00	0.00	50,000.00	0
<b>8100 Water Dept. Subtotal</b>	<b>\$803,419.00</b>	<b>\$266,421.97</b>	<b>\$271,052.66</b>	<b>\$4,630.69</b>	<b>\$532,366.34</b>	<b>34</b>
<b>Expenditure Subtotal</b>	<b>\$803,419.00</b>	<b>\$266,421.97</b>	<b>\$271,052.66</b>	<b>\$4,630.69</b>	<b>\$532,366.34</b>	<b>34</b>
Before Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$803,419.00</b>	<b>-\$266,421.97</b>	<b>-\$266,421.97</b>	<b>-\$4,630.69</b>	<b>33</b>
After Transfers	<b>Deficiency Of Revenue Subtotal</b>	<b>-\$803,419.00</b>	<b>-\$266,421.97</b>	<b>-\$266,421.97</b>	<b>-\$4,630.69</b>	<b>33</b>

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

## MEMORANDUM

To: Mayor & Board of Commissioners  
From: Jonathan Kanipe, Town Manager  
Re: Agenda Item Number D-1 – FY20 Audit Presentation – Carter, P.C.  
Date: February 3, 2021

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### Background

The fiscal year 2019-2020 audit was completed and sent to the Local Government Commission in late January. Representatives from Carter, P.C. will attend the meeting virtually to provide the Board a review of the audit and answer any questions.



**TOWN OF BILTMORE FOREST,  
NORTH CAROLINA**

Financial Statements and  
Supplementary Information

Year Ended June 30, 2020

**TOWN OF BILTMORE FOREST, NORTH CAROLINA**

Board of Commissioners

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

Administrative and Financial Staff

Jonathan Kanipe, Town Manager and Finance Officer  
Helen Stephens, Tax Collector and Assistant to Town Manager  
Laura Jacobs, Assistant 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

### Report on the Financial Statements

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, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements.

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



To the Honorable Mayor  
and Members of the Board of Commissioners  
Town of Biltmore Forest, North Carolina  
Page 2

## **Opinions**

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, 2020, 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.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 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 and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Town of Biltmore Forest, North Carolina. 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.

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

*Supplementary and Other Information (continued)*

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

*CARROLL, P.C.*

Asheville, North Carolina  
January 21, 2021

## 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, 2020. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

#### Financial Highlights

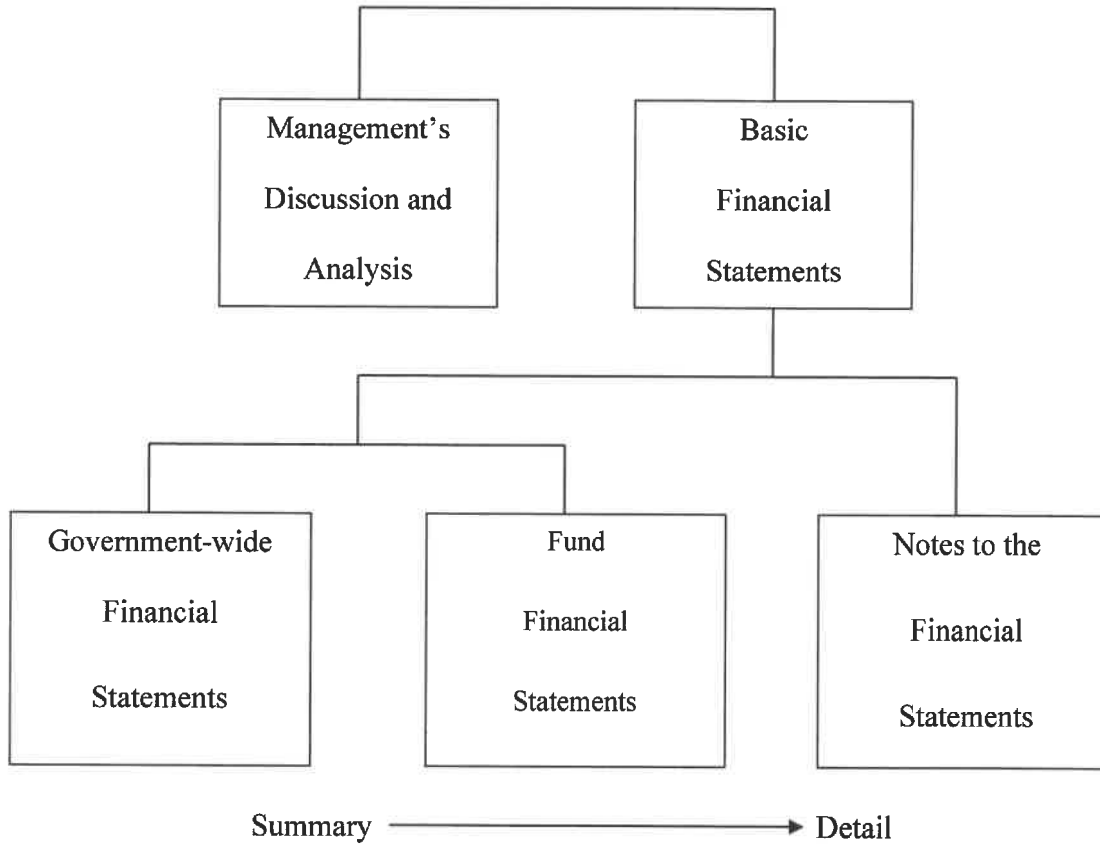
- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$5,742,460 (*net position*).
- The government's total net position increased by \$68,146, primarily due to property tax collection rates, returns on Town investments, 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 \$3,535,872, with a net decrease of \$383,934 in fund balance. Approximately 10.17% of combined ending fund balances, or \$359,639, is non-spendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$3,072,907, or 67.76% of total general fund expenditures.
- The Town's total debt increased by \$202,635 (4.64%) during the current fiscal year. The key factors in this increase were the issuance of \$85,005 in installment debt for the purchase of new police vehicles and increases in pension and OPEB related liabilities. Increases were offset by planned debt service principal payments of \$148,538.

#### 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 Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Town's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Town's financial status as a whole.

The two government-wide statements report the Town's net position and how it has changed. Net position is the difference between the Town's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the Town's financial condition.

The government-wide statements are divided into 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 of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

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

## 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 or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

**Proprietary Funds** - The Town of 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**

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 3,631,389	\$ 4,486,751	\$ 463,664	\$ 306,543	\$ 4,095,053	\$ 4,793,294
Capital assets	<u>4,108,167</u>	<u>3,633,912</u>	<u>2,248,362</u>	<u>2,415,331</u>	<u>6,356,529</u>	<u>6,049,243</u>
Total assets	<u>7,739,556</u>	<u>8,120,663</u>	<u>2,712,026</u>	<u>2,721,874</u>	<u>10,451,582</u>	<u>10,842,537</u>
Total deferred outflows of resources	<u>1,063,673</u>	<u>1,108,780</u>	<u>13,132</u>	<u>14,948</u>	<u>1,076,805</u>	<u>1,123,728</u>
Long-term liabilities outstanding	4,347,930	4,123,724	45,465	43,605	4,393,395	4,167,329
Other liabilities	<u>271,226</u>	<u>763,963</u>	<u>16,433</u>	<u>3,146</u>	<u>287,659</u>	<u>767,109</u>
Total liabilities	<u>4,619,156</u>	<u>4,887,687</u>	<u>61,898</u>	<u>46,751</u>	<u>4,681,054</u>	<u>4,934,438</u>
Total deferred inflows of resources	<u>1,088,652</u>	<u>1,336,837</u>	<u>16,221</u>	<u>20,676</u>	<u>1,104,873</u>	<u>1,357,513</u>
Net position:						
Net investment in capital assets	3,152,242	2,614,454	2,248,362	2,415,331	5,400,604	5,029,785
Restricted	357,410	368,486			357,410	368,486
Unrestricted	<u>(414,231)</u>	<u>21,979</u>	<u>398,677</u>	<u>254,064</u>	<u>(15,554)</u>	<u>276,043</u>
Total net position	<u>\$ 3,095,421</u>	<u>\$ 3,004,919</u>	<u>\$ 2,647,039</u>	<u>\$ 2,669,395</u>	<u>\$ 5,742,460</u>	<u>\$ 5,674,314</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 \$5,742,460 as of June 30, 2020. The Town's net position increased by \$68,146 for the fiscal year ended June 30, 2020. 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, \$357,410, 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 99.67%. The statewide average in fiscal year 2020 was 99.07%.
- 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	
	2020	2019	2020	2019	2020	2019
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 21,626	\$ 37,993	\$ 783,275	\$ 763,439	\$ 804,901	\$ 801,432
Operating grants and contributions	62,549	63,338			62,549	63,338
General revenues:						
Property taxes	2,734,085	2,579,978			2,734,085	2,579,978
Sales taxes	1,069,918	1,055,341			1,069,918	1,055,341
Franchise and utilities taxes	212,016	225,184			212,016	225,184
Alcohol beverage tax	5,885	5,992			5,885	5,992
Gasoline tax	4,050	3,891			4,050	3,891
Investment earnings	48,250	80,248	1,262	1,824	49,512	82,072
Miscellaneous	43,178	50,578			43,178	50,578
<b>Total revenues</b>	<u>4,201,557</u>	<u>4,102,543</u>	<u>784,537</u>	<u>765,263</u>	<u>4,986,094</u>	<u>4,867,806</u>
<b>Expenses:</b>						
General government	819,951	724,753			819,951	724,753
Public safety	2,143,041	1,918,544			2,143,041	1,918,544
Transportation	223,728	247,927			223,728	247,927
Physical development	877,437	833,253			877,437	833,253
Interest on long-term debt	46,898	9,546			46,898	9,546
Water			806,893	750,256	806,893	750,256
<b>Total expenses</b>	<u>4,111,055</u>	<u>3,734,023</u>	<u>806,893</u>	<u>750,256</u>	<u>4,917,948</u>	<u>4,484,279</u>
Increase (decrease) in net position	90,502	368,520	(22,356)	15,007	68,146	383,527
Net position, beginning	<u>3,004,919</u>	<u>2,636,399</u>	<u>2,669,395</u>	<u>2,654,388</u>	<u>5,674,314</u>	<u>5,290,787</u>
Net position, ending	<u>\$ 3,095,421</u>	<u>\$ 3,004,919</u>	<u>\$ 2,647,039</u>	<u>\$ 2,669,395</u>	<u>\$ 5,742,460</u>	<u>\$ 5,674,314</u>

**Governmental activities.** Governmental activities increased the Town's net position by \$90,502. 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 2020 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 \$22,356. The key elements of this decrease were 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 \$3,072,907 while total fund balance reached \$3,432,546. 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 68% of budgeted general fund expenditures, and total fund balance represents 76% of the same amount.

At June 30, 2020, governmental funds reported a combined fund balance of \$3,535,872, with a net decrease in fund balance of \$383,934. Included in this change in fund balance is a decrease in fund balance in the Capital Project Fund.

**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 exceeded budgeted amounts for the year ended June 30, 2020, for some of the Town's functions.

**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 \$398,677. The total change in net position for the Water Fund was (\$22,356). The change in net position in the Water Fund is primarily a result of an increase in the net OPEB liability.

### 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, 2020, totals \$6,356,529 (net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, and vehicles.

Major capital asset transactions during the year were completion of construction on a new Public Works building and purchase of new vehicles for the police department.

## TOWN OF BILTMORE FOREST, NORTH CAROLINA

### Town of Biltmore Forest's Capital Assets (net of depreciation)

**Figure 4**

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 161,650	\$ 161,650	\$	\$	\$ 161,650	\$ 161,650
Construction in progress	253,617	1,510,895			253,617	1,510,895
Buildings and systems	2,194,999	755,729	2,245,676	2,412,305	4,440,675	3,168,034
Improvements other than buildings	70,496	52,183			70,496	52,183
Equipment and furniture	21,470	13,738			21,470	13,738
Vehicles and motorized equipment	804,992	475,538	2,686	3,026	807,678	478,564
Infrastructure	600,943	664,179			600,943	664,179
Total	<u>\$ 4,108,167</u>	<u>\$ 3,633,912</u>	<u>\$ 2,248,362</u>	<u>\$ 2,415,331</u>	<u>\$ 6,356,529</u>	<u>\$ 6,049,243</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, 2020, the Town of Biltmore Forest had total debt outstanding of \$4,570,304. 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	
	2020	2019	2020	2019	2020	2019
Installment debt	\$ 955,925	\$ 1,019,458	\$	\$	\$ 955,925	\$ 1,019,458
OPEB	2,405,013	2,204,001	36,378	34,633	2,441,391	2,238,634
Pension related debt (LGERS)	530,783	548,875	8,028	8,625	538,811	557,500
Pension related debt (LEO)	560,077	489,859			560,077	489,859
Compensated absences	73,041	60,149	1,059	2,069	74,100	62,218
Total	<u>\$ 4,524,839</u>	<u>\$ 4,322,342</u>	<u>\$ 45,465</u>	<u>\$ 45,327</u>	<u>\$ 4,570,304</u>	<u>\$ 4,367,669</u>

The Town's total debt increased by \$202,635 (4.64%) during the current fiscal year. The key factors in this increase were the issuance of \$85,005 in installment debt for the purchase of new police vehicles and increases in pension and OPEB related liabilities. Increases were offset by planned debt service principal payments of \$148,538.

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 \$63,286,284.

Additional information regarding the Town of Biltmore Forest's long-term debt can be found in Note 3.B.6 of this report.

## TOWN OF BILTMORE FOREST, NORTH CAROLINA

### **Economic Factors and Next Year's Budgets and Rates**

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

- Consistent property values in the current fiscal year as well as several building permits issued relating to new construction, improvements, additions, and other enhancements to properties should result in higher property valuations in subsequent years.
- Continued effort by the Town to limit excess costs.
- COVID-19 is expected to impact future revenues and those expected impacts have been reflected, to the best of the Town's abilities, in the budget for the fiscal year ending June 30, 2021.

### **Budget Highlights for the Fiscal Year Ending June 30, 2021**

**Governmental Activities:** Property taxes and sales taxes are budgeted to account for 63% and 26% of General Fund revenues, respectively. The Town will use expected increases in these revenues to finance programs currently in place.

Budgeted expenditures in the General Fund are expected to decrease approximately 4% to \$4,364,455. The largest increment is in public works.

The Town has chosen not to appropriate fund balance in the fiscal year 2021 budget. Management believes that increased revenues and continued restrictions on spending will maintain the Town's financial position. Though management believes current growth will generate enough revenue to support Town operations, a careful analysis of property tax revenue will be considered in future years' budgets.

**Business-type Activities:** Expenditures in the Water Fund are budgeted to increase by 12% to \$803,417. There were no budgeted increases in water and sewer rates for the next fiscal year.

### **Requests for Information**

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Town Manager, Town of Biltmore Forest, 355 Vanderbilt Road, Biltmore Forest, North Carolina 28803. One can also call (828) 274-0824, visit our website [www.biltmoreforest.org](http://www.biltmoreforest.org), or send an email to [townhall@biltmoreforest.org](mailto:townhall@biltmoreforest.org) for more information.

## **BASIC FINANCIAL STATEMENTS**

## TOWN OF BILTMORE FOREST, NORTH CAROLINA

Statement of Net Position  
June 30, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 3,252,316	\$ 361,314	\$ 3,613,630
Taxes receivable (net)	783		783
Accounts receivable (net)		91,250	91,250
Due from other governments	376,061		376,061
Inventories	2,229	11,100	13,329
Total current assets	<u>3,631,389</u>	<u>463,664</u>	<u>4,095,053</u>
Noncurrent assets:			
Capital assets:			
Land and construction in progress	415,267		415,267
Other capital assets, net of depreciation	3,692,900	2,248,362	5,941,262
Total capital assets	<u>4,108,167</u>	<u>2,248,362</u>	<u>6,356,529</u>
Total assets	<u>\$ 7,739,556</u>	<u>\$ 2,712,026</u>	<u>\$ 10,451,582</u>
<b>Deferred outflows of resources</b>	<u>\$ 1,063,673</u>	<u>\$ 13,132</u>	<u>\$ 1,076,805</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 94,317	\$ 16,433	\$ 110,750
Current portion of long-term liabilities	176,909		176,909
Total current liabilities	271,226	16,433	287,659
Long-term liabilities:			
Due in more than one year	4,347,930	45,465	4,393,395
Total liabilities	<u>\$ 4,619,156</u>	<u>\$ 61,898</u>	<u>\$ 4,681,054</u>
<b>Deferred inflows of resources</b>	<u>\$ 1,088,652</u>	<u>\$ 16,221</u>	<u>\$ 1,104,873</u>
<b>Net position</b>			
Net investment in capital assets	\$ 3,152,242	\$ 2,248,362	\$ 5,400,604
Restricted:			
Stabilization by State Statute	357,410		357,410
Unrestricted	(414,231)	398,677	(15,554)
Total net position	<u>\$ 3,095,421</u>	<u>\$ 2,647,039</u>	<u>\$ 5,742,460</u>

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

Exhibit 2

TOWN OF BALTIMORE FOREST, NORTH CAROLINA

Statement of Activities  
For the Year Ended June 30, 2020

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Govern- mental Activities	Business- type Activities	Total
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 819,951	\$ 21,626	\$	\$	\$ (798,325)	\$	\$ (798,325)
Public safety	2,143,041				(2,143,041)		(2,143,041)
Transportation	223,728		61,501		(162,227)		(162,227)
Physical development	877,437		1,048		(876,389)		(876,389)
Interest on long-term debt	46,898				(46,898)		(46,898)
Total governmental activities (See Note 1)	4,111,055	21,626	62,549		(4,026,880)		(4,026,880)
Business-type activities:							
Water	806,893	783,275				(23,618)	(23,618)
<b>Total primary government</b>	<b>\$ 4,917,948</b>	<b>\$ 804,901</b>	<b>\$ 62,549</b>	<b>\$</b>	<b>(4,026,880)</b>	<b>(23,618)</b>	<b>(4,050,498)</b>
General revenues:							
Taxes:							
Property taxes, levied for general purpose					2,734,085		2,734,085
Sales taxes					1,069,918		1,069,918
Franchise and utilities taxes					212,016		212,016
Alcohol beverage tax					5,885		5,885
Gasoline tax					4,050		4,050
Unrestricted investment earnings					48,250	1,262	49,512
Miscellaneous					43,178		43,178
Total general revenues					4,117,382	1,262	4,118,644
Change in net position					90,502	(22,356)	68,146
Net position, beginning					3,004,919	2,669,395	5,674,314
Net position, ending					<u>\$ 3,095,421</u>	<u>\$ 2,647,039</u>	<u>\$ 5,742,460</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, 2020

	Major Funds		Total
	General Fund	Capital Project Fund	
<b>Assets</b>			
Cash and cash equivalents	\$ 3,178,810	\$ 73,506	\$ 3,252,316
Taxes receivable (net)	783		783
Due from other governments	346,241	29,820	376,061
Inventories	2,229		2,229
<b>Total assets</b>	<b>\$ 3,528,063</b>	<b>\$ 103,326</b>	<b>\$ 3,631,389</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$ 94,317		\$ 94,317
<b>Deferred inflows of resources</b>	<b>1,200</b>		<b>1,200</b>
<b>Fund balances</b>			
Nonspendable:			
Inventories	2,229		2,229
Restricted:			
Stabilization by State statute	357,410		357,410
Unassigned	3,072,907	103,326	3,176,233
<b>Total fund balances</b>	<b>3,432,546</b>	<b>103,326</b>	<b>3,535,872</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 3,528,063</b>	<b>\$ 103,326</b>	<b>\$ 3,631,389</b>

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, 2020

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

Total Fund Balances, Governmental Funds		\$ 3,535,872
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical cost	\$ 6,896,149	
Accumulated depreciation	<u>(2,787,982)</u>	4,108,167
Deferred outflows of resources related to pensions are not reported in the funds		536,599
Deferred outflows of resources related to OPEB are not reported in the funds		527,074
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds		
Gross long-term debt	(955,925)	
Accrued compensated absences	(73,041)	
Net pension liability	(560,077)	
Total pension liability	(530,783)	
OPEB liability	<u>(2,405,013)</u>	(4,524,839)
Deferred inflows of resources related to pensions are not reported in the funds		(34,009)
Deferred inflows of resources related to OPEB are not reported in the funds		<u>(1,053,443)</u>
Net position of governmental activities		<u>\$ 3,095,421</u>

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



**Exhibit 4**

**TOWN OF BILTMORE FOREST, NORTH CAROLINA**

Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds

For the Year Ended June 30, 2020

	Major Funds		Total
	General Fund	Capital Project Fund	
<b>Revenues</b>			
Ad valorem taxes	\$ 2,734,085	\$	\$ 2,734,085
Unrestricted intergovernmental	1,291,869		1,291,869
Restricted intergovernmental	62,621		62,621
Permits and fees	21,626		21,626
Investment earnings	48,250		48,250
Miscellaneous	52,335		52,335
Total revenues	<u>4,210,786</u>		<u>4,210,786</u>
<b>Expenditures</b>			
Current:			
General government	756,938		756,938
Public safety	2,425,391		2,425,391
Transportation	270,152		270,152
Physical development	887,147	160,550	1,047,697
Debt service:			
Principal	148,538		148,538
Interest and other charges	46,898		46,898
Total expenditures	<u>4,535,064</u>	<u>160,550</u>	<u>4,695,614</u>
Deficiency of revenues over expenditures	<u>(324,278)</u>	<u>(160,550)</u>	<u>(484,828)</u>
<b>Other financing sources</b>			
Sales of capital assets	15,889		15,889
Installment purchase obligations issued	85,005		85,005
Total other financing sources	<u>100,894</u>		<u>100,894</u>
Net change in fund balance	(223,384)	(160,550)	(383,934)
Fund balance, beginning	<u>3,655,930</u>	<u>263,876</u>	<u>3,919,806</u>
Fund balance, ending	<u>\$ 3,432,546</u>	<u>\$ 103,326</u>	<u>\$ 3,535,872</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, 2020

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

Net changes in fund balances - total governmental funds		\$ (383,934)
<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	\$ 772,069	
Depreciation expense for governmental assets	<u>(272,696)</u>	499,373
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		144,204
Benefit payments paid and administrative expense for the LEOSSA are not included on the Statement of Activities		15,309
OPEB benefit payments and administrative costs made in the current fiscal year are not included on the Statement of Activities		99,902
<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>		
New long-term debt issued	(85,005)	
Principal payments on long-term debt	<u>148,538</u>	63,533
<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>		
Pension expense	(330,230)	
OPEB plan expense	<u>(17,655)</u>	<u>(347,885)</u>
Total changes in net position of governmental activities		<u>\$ 90,502</u>

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

## 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, 2020

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with final budget- positive (negative)</u>
<b>Revenues</b>				
Ad valorem taxes	\$ 2,697,389	\$ 2,739,689	\$ 2,734,085	\$ (5,604)
Unrestricted intergovernmental	1,367,252	1,367,252	1,291,869	(75,383)
Restricted intergovernmental	63,450	63,450	62,621	(829)
Permits and fees	26,500	26,500	21,626	(4,874)
Investment earnings	59,953	59,953	48,250	(11,703)
Miscellaneous	304,000	304,000	52,335	(251,665)
Total revenues	<u>4,518,544</u>	<u>4,560,844</u>	<u>4,210,786</u>	<u>(350,058)</u>
<b>Expenditures</b>				
Current:				
General government	814,943	837,944	756,938	81,006
Public safety	1,964,625	2,370,625	2,425,391	(54,766)
Transportation	351,679	389,678	270,152	119,526
Physical development	1,206,861	1,524,361	887,147	637,214
Debt service:				
Principal retirement	148,538	148,538	148,538	
Interest and other charges	46,898	46,898	46,898	
Total expenditures	<u>4,533,544</u>	<u>5,318,044</u>	<u>4,535,064</u>	<u>782,980</u>
Revenues over (under) expenditures	<u>(15,000)</u>	<u>(757,200)</u>	<u>(324,278)</u>	<u>432,922</u>
<b>Other financing sources (uses)</b>				
Sales of capital assets	15,000	15,000	15,889	889
Installment purchase obligations issued		<u>385,000</u>	<u>85,005</u>	<u>(299,995)</u>
Total other financing sources (uses)	15,000	400,000	100,894	(299,106)
Fund balance appropriated		<u>357,200</u>		<u>(357,200)</u>
Net change in fund balance	<u>\$</u>	<u>\$</u>	(223,384)	<u>\$ (223,384)</u>
Fund balance, beginning			<u>3,655,930</u>	
Fund balance, ending			<u>\$ 3,432,546</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, 2020

<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 361,314
Accounts receivable (net)	91,250
Inventories	<u>11,100</u>
Total current assets	463,664
Noncurrent assets:	
Capital assets, net of depreciation	<u>2,248,362</u>
Total assets	<u>\$ 2,712,026</u>
<b>Deferred outflows of resources</b>	<u>\$ 13,132</u>
<b>Liabilities</b>	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 16,433
Noncurrent liabilities:	
Compensated absences	1,059
Net pension liability	8,028
Total OPEB liability	<u>36,378</u>
Total noncurrent liabilities	<u>45,465</u>
Total liabilities	<u>\$ 61,898</u>
<b>Deferred inflows of resources</b>	<u>\$ 16,221</u>
<b>Net position</b>	
Net investment in capital assets	\$ 2,248,362
Unrestricted	<u>398,677</u>
Total net position	<u>\$ 2,647,039</u>

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

**Exhibit 7****TOWN OF BILTMORE FOREST, NORTH CAROLINA**Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Fund

For the Year Ended June 30, 2020

<b>Operating revenues</b>	
Water sales	\$ 756,276
Water tap and connection fees	8,870
AMI transmitter charges	8,275
Commissions, sewer charge collection	<u>9,854</u>
Total operating revenues	<u>783,275</u>
<b>Operating expenses</b>	
Salaries	28,121
Employee benefits	11,505
Maintenance and supplies	28,921
Water and sewer purchases	566,529
Professional services	2,890
Depreciation	166,969
Training and education	<u>1,958</u>
Total operating expenses	<u>806,893</u>
Operating loss	(23,618)
<b>Nonoperating revenues</b>	
Investment earnings	<u>1,262</u>
Change in net position	(22,356)
Net position, beginning	<u>2,669,395</u>
Total net position, ending	<u>\$ 2,647,039</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, 2020

<b>Cash flows from operating activities</b>	
Cash received from customers	\$ 806,331
Cash paid for goods and services	(585,289)
Cash paid to or on behalf of employees for services	<u>(42,127)</u>
Net cash provided by operating activities	<u>178,915</u>
<b>Cash flows from investing activities</b>	
Interest	<u>1,262</u>
Net increase in cash and cash equivalents	180,177
Balances, beginning	<u>181,137</u>
Balances, ending	<u>\$ 361,314</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (23,618)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	166,969
Changes in assets, and deferred outflows, liabilities, and deferred inflows of resources:	
Decrease in accounts receivable	23,056
Decrease in accrued compensated absences	(1,010)
Decrease in deferred outflows of resources - pensions	1,821
Increase in deferred outflows of resources - OPEB	(5)
Decrease in net pension liability	(597)
Increase in OPEB liability	1,745
Increase in deferred inflows of resources - pensions	242
Decrease in deferred inflows of resources - OPEB	(4,697)
Increase in accounts payable and accrued liabilities	<u>15,009</u>
Total adjustments	<u>202,533</u>
Net cash provided by operating activities	<u>\$ 178,915</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, 2020

### 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 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.

**Capital Project Fund.** This fund is used to account for the construction of a new Public Works building.

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. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the beer and wine tax, collected and held by the State at year-end on behalf of the Town are recognized as revenue. Sales taxes are considered a shared revenue for the Town of 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. The NCCMT - Term Portfolio is a bond fund, has no rating and is measured at fair value. As of June 30, 2020, the Term portfolio has a duration of .15 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are 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 1<sup>st</sup>, the beginning of the fiscal year. The taxes are due on September 1<sup>st</sup> (lien date); however, interest does not accrue until the following January 6<sup>th</sup>. These taxes are based on the assessed values of January 1, 2019.

**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

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.

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 2020 fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town has several items that meet the criterion for this category - prepaid taxes and OPEB and pension 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, 2020, was \$425,000.

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

**Excess of Expenditures over Appropriations**

For the Fiscal year ended June 30, 2020, the expenditures made in the Town's General Fund exceeded the authorized appropriations made by the governing board for public safety by \$54,766. This over-expenditure occurred because of excess capital expenditures for new police vehicles, a payout from the Law Enforcement Officers Separation Allowance for an early retirement, and unplanned maintenance and repairs.

For the Fiscal year ended June 30, 2020, the expenditures made in the Town's Water Fund exceeded the authorized appropriations made by the governing board for salaries and benefits by \$1,735 and for sewer purchases by \$31,855. These over-expenditures occurred because of approved mid-year raises for personnel due to completion of a certification program and increased sewer revenues which corresponded to higher-than-expected sewer purchases.

***Corrective Action Plan***

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

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

A. Assets

1. Deposits

All the deposits of the Town are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Town's agent in the Town's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town, these deposits are considered to be held by the Town's agent in the Town's name. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town under the Pooling Method, the potential exists for under-collateralization. This risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Town complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2020, the Town's deposits had a carrying amount of \$288,499 and a bank balance of \$426,787. Of the bank balance, \$250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. At June 30, 2020, the Town's petty cash fund totaled \$185

2. Investments

At June 30, 2020, the Town had \$3,324,946 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, 2020 are net of the following allowances for doubtful accounts:

General fund - Taxes receivable	\$	9,081
Water fund - Accounts receivable		<u>1,339</u>
Total	\$	<u>10,420</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, 2020, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 161,650	\$	\$	\$ 161,650
Construction in progress	<u>1,510,895</u>	<u>238,681</u>	<u>1,495,959</u>	<u>253,617</u>
Total capital assets not being depreciated	<u>1,672,545</u>	<u>238,681</u>	<u>1,495,959</u>	<u>415,267</u>
Capital assets being depreciated:				
Buildings	1,209,243	1,495,959		2,705,202
Other improvements	145,392	22,813		168,205
Equipment and furniture	241,222	8,830	13,455	236,597
Vehicles and motorized equipment	1,439,873	501,745	157,239	1,784,379
Infrastructure	<u>1,586,499</u>			<u>1,586,499</u>
Total capital assets being depreciated	<u>4,622,229</u>	<u>\$ 2,029,347</u>	<u>\$ 170,694</u>	<u>6,480,882</u>
Less accumulated depreciation for:				
Buildings	453,514	56,689		510,203
Other improvements	93,209	4,500		97,709
Equipment and furniture	227,484	6,670	19,027	215,127
Vehicles and motorized equipment	964,335	141,601	126,549	979,387
Infrastructure	<u>922,320</u>	<u>63,236</u>		<u>985,556</u>
Total accumulated depreciation	<u>2,660,862</u>	<u>\$ 272,696</u>	<u>\$ 145,576</u>	<u>2,787,982</u>
Total capital assets being depreciated, net	<u>1,961,367</u>			<u>3,692,900</u>
Governmental activity capital assets, net	<u>\$ 3,633,912</u>			<u>\$ 4,108,167</u>

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

General government	\$ 63,013
Public safety	70,038
Transportation	67,359
Physical development	<u>72,286</u>
Total depreciation expense	<u>\$ 272,696</u>

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

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<b>Business-type activities:</b>				
Capital assets being depreciated:				
Water system	\$ 4,791,369	\$	\$	\$ 4,791,369
Other 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	2,379,064	166,629		2,545,693
Other equipment	<u>84,181</u>	<u>340</u>	<u>                    </u>	<u>84,521</u>
Total accumulated depreciation	<u>2,463,245</u>	<u>\$ 166,969</u>	<u>\$</u>	<u>2,630,214</u>
Total capital assets being depreciated, net	<u>2,415,331</u>			<u>2,248,362</u>
Water fund capital assets, net	<u>\$ 2,415,331</u>			<u>\$ 2,248,362</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 Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

### **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, 2020, was 9.70% of compensation for law enforcement officers and 8.95% 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 \$144,204 for the year ended June 30, 2020.

*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, 2020, the Town reported a liability of \$538,811 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 utilizing 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, 2019 (measurement date), the Town's proportion was 0.0197%, which was a decrease of 0.0038% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the Town recognized pension expense of \$246,872. At June 30, 2020, 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	\$ 92,258	\$
Changes of assumptions	87,817	
Net difference between projected and actual earnings on pension plan investments	13,143	
Changes in proportion and differences between Town contributions and proportionate share of contributions	8,882	19,924
Town contributions subsequent to the measurement date	144,204	
Total	<u>\$ 346,304</u>	<u>\$ 19,294</u>

\$144,204 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2021	\$ 96,106
2022	28,028
2023	48,566
2024	10,106
2025	
Thereafter	

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

*Actuarial Assumptions.* The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 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, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

The projected long-term investment returns 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, 2019 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 2018 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

*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:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Town’s proportionate share of the net pension liability (asset)	\$ 1,232,359	\$ 538,811	\$ (37,668)

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

b. Law Enforcement Officers Special Separation Allowance

(1) *Plan Description*

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

Inactive members currently receiving benefits	2
Active plan members	<u>13</u>
Total	<u>15</u>

*(2) Summary of Significant Accounting Policies*

*Basis of Accounting.* The Town has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meets the criteria which are outlined in GASB Statement 73.

*(3) Actuarial Assumptions*

The entry age normal actuarial funding method was used in the December 31, 2018 valuation. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.26 percent

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

Mortality rates are based on the RP-2014 mortality tables base rates projected to the valuation date using MP-2015.

*(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 \$55,617 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, 2020, the Town reported a total pension liability of \$560,077. The total pension liability was measured as of December 31, 2019 based on a December 31, 2018 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2019 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2020, the Town recognized pension expense of \$83,358.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 154,098	\$
Changes of assumptions	26,048	15,002
Town benefit payments and plan administrative expense made subsequent to the measurement date	15,309	
Total	<u>\$ 195,455</u>	<u>\$ 15,002</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:

2021	\$ 46,980
2022	46,980
2023	45,740
2024	25,444
2025	
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 3.26 percent, as well as what the Town's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.26 percent) or 1-percentage-point higher (4.26 percent) than the current rate:

	<u>1% Decrease (2.26%)</u>	<u>Discount Rate (3.26%)</u>	<u>1% Increase (4.26%)</u>
Total pension liability	\$ 602,794	\$ 560,077	\$ 520,567



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

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

	<u>2020</u>
Beginning balance	\$ 489,859
Service Cost	19,649
Interest on the total pension liability	16,819
Difference between expected and actual experience	73,982
Changes of assumptions or other inputs	15,385
Benefit payments	<u>(55,617)</u>
Ending balance of the total pension liability	<u>\$ 560,077</u>

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

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

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

	<u>LGERS</u>	<u>LEOSSA</u>	<u>Total</u>
Pension Expense	\$ 246,872	\$ 83,358	\$ 330,230
Pension Liability	538,811	560,077	1,098,888
Proportionate share of net pension liability	0.0197%	n/a	

**Deferred Outflows of Resources:**

Contributions to pension plan in current fiscal year	144,204		144,204
Differences between expected and actual experience	92,258	154,098	246,356
Changes of assumptions	87,817	26,048	113,865
Net difference between projected and actual earnings on plan investments	13,143		13,143
Changes in proportion and differences between contributions and proportionate share of contributions	8,882		8,882
Benefit payments and administrative costs paid subsequent to the measurement date		15,309	15,309

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

	<u>LGERS</u>	<u>LEOSSA</u>	<u>Total</u>
Deferred Inflows of Resources:			
Changes in proportion and differences between contributions and proportionate share of contributions	\$ 19,294	\$	\$ 19,294
Changes of assumptions		15,002	15,002

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 Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

*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 \$40,175 for the reporting year. No amounts were forfeited.

d. Supplemental Retirement Income Plan for General Employees

*Plan Description.* 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 \$38,807 for the reporting year. No amounts were forfeited.

e. 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 135-7, 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 CAFR, 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 135-7, 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 6.47% of covered payroll which amounted to \$99,902.

At June 30, 2020, the Town reported a liability of \$2,441,391 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. The total OPEB liability was then rolled forward to the measurement date of June 30, 2019 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, 2019, the Town's proportion was 0.00772%.

At June 30, 2020, 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	\$	\$ 123,077
Changes of assumptions	117,345	733,989
Net difference between projected and actual earnings on OPEB plan investments	1,626	
Changes in proportion and differences between Town contributions and proportionate share of contributions	316,173	212,311
Town contributions subsequent to the measurement date	<u>99,902</u>	
Total	<u>\$ 535,046</u>	<u>\$ 1,069,377</u>

\$99,902 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, 2021.

**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:

2021	\$ 179,348
2022	179,348
2023	179,113
2024	109,115
2025	(12,691)
Thereafter	

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

Inflation	3.00%
Salary increases	Teachers: 7.55% grading down to 3.50%; Law Enforcement Officers: 8.10% grading down to 3.50%; General Employees 5.50% grading down to 3.50%
Investment rate of return	7.00%
Healthcare cost trend rates:	
Medical	6.50% grading down to 5.00% by 2024 for non-MA and MA coverage
Prescription drug	9.50% grading down to 5.00% by 2028
Administrative costs	3.00%
Post-Retirement Mortality Rates	RP-2014 Healthy Annuitant Mortality Table for males and females, adjusted for Collar for some Participants, further adjusted with scaling factors varying before and after age 78, and projected for mortality improvement using Scale MP-2015

*Discount rate.* The discount rate used to measure the total OPEB liability for the RHBF was 3.5%. The projection of cash flow used to determine the discount rate assumed that contributions from employers would be made at the current statutorily determined contribution rate. Based on the above assumptions, the plan's fiduciary net position was not projected to be available to make projected future benefit payments of current plan members. As a result, a municipal bond rate of 3.5% was used as the discount rate used to measure the total OPEB liability. The 3.5% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2018.

*Sensitivity of the Town's proportionate share of the net OPEB liability to changes in the discount rate.* The following presents the Town's proportionate share of the net OPEB liability, as well as what the Town's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage point higher (4.50 percent) than the current discount rate:

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

	1% Decrease <u>(2.50%)</u>	Discount Rate <u>(3.50%)</u>	1% Increase <u>(4.50%)</u>
Net OPEB liability	\$ 2,902,656	\$ 2,441,391	\$ 2,074,176

*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 - 4.00-5.50%, Pharmacy - 4.00-8.50%, Medicare Advantage - 4.00-5.50%, <u>Administrative - 2.00%</u> )	Healthcare Trend Rates (Medical - 5.00-6.50%, Pharmacy - 5.00-9.50%, Medicare Advantage - 5.00-6.50%, <u>Administrative - 3.00%</u> )	1% Increase (Medical - 6.00-7.50%, Pharmacy - 6.00-10.5%, Medicare Advantage - 6.00-7.50%, <u>Administrative - 4.00%</u> )
Net OPEB liability	\$ 2,011,271	\$ 2,441,391	\$ 3,009,659

*OPEB plan fiduciary net position.* Detailed information about the OPEB plan's fiduciary net position is available in the separately issued CAFR 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	\$ 244,106
Benefit payments subsequent to the measurement date	15,309
Differences between expected and actual experience	246,356
Changes of assumptions	231,210
Net difference between projected and actual	14,769
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>325,055</u>
Total	<u>\$ 1,076,805</u>

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

	<u>Statement of Net Position</u>	<u>General Fund Balance Sheet</u>
Prepaid taxes (General Fund)	\$ 1,200	\$ 1,200
Differences between expected and actual experience	123,077	
Changes in assumptions	748,991	
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>231,605</u>	
Total	<u>\$ 1,104,873</u>	<u>\$ 1,200</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.

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.

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

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, 2020, 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.	\$ 715,789
Note payable, bearing interest at 2.34% per annum, due in 3 annual payments of \$35,953 beginning November 2018 and ending November 2020, collateralized by a garbage truck.	35,131
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.	26,666
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.	93,334
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>85,005</u>
Total installment purchases	955,925
Less, current portion	<u>176,909</u>
Noncurrent portion of installment purchases	<u>\$ 779,016</u>



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

Annual debt service payments for installment purchases as of June 30, 2020, including \$123,483 of interest, are as follows:

Years Ending June 30	Governmental Activities	
	Principal	Interest
2021	\$ 176,909	\$ 30,647
2022	142,536	25,094
2023	143,321	20,342
2024	114,210	15,569
2025	84,210	12,025
2026-2030	<u>294,739</u>	<u>19,806</u>
	<u>\$ 955,925</u>	<u>\$ 123,483</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
<b>Governmental activities:</b>					
Installment purchases	\$ 1,019,458	\$ 85,005	\$ 148,538	\$ 955,925	\$ 176,909
Compensated absences	60,149	60,456	47,564	73,041	
Total OPEB liability	2,204,001	201,012		2,405,013	
Net pension liability (LGERS)	548,875		18,092	530,783	
Total pension liability (LEO)	<u>489,859</u>	<u>70,218</u>		<u>560,077</u>	
Governmental activities long-term liabilities	<u>\$ 4,322,342</u>	<u>\$ 416,691</u>	<u>\$ 214,194</u>	<u>\$ 4,524,839</u>	<u>\$ 176,909</u>
<b>Business-type activities:</b>					
Compensated absences	\$ 2,069	\$ 3,190	\$ 4,200	\$ 1,059	\$
Total OPEB liability	34,633	1,745		36,378	
Net pension liability (LGERS)	<u>8,625</u>		<u>597</u>	<u>8,028</u>	
Business-type activities long-term liabilities	<u>\$ 45,327</u>	<u>\$ 4,935</u>	<u>\$ 4,797</u>	<u>\$ 45,465</u>	<u>\$</u>

**C. Interfund Balances and Activity**

There are no balances due to/from other funds at June 30, 2020, and no transfers to/from other funds for the year ended June 30, 2020.

**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, 2020 is calculated as follows:

	<u>Governmental</u>	<u>Business-type</u>
Capital assets	\$ 4,108,167	\$ 2,248,362
Less: long-term debt	955,925	
Net investment in capital assets	<u>\$ 3,152,242</u>	<u>\$ 2,248,362</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:

<u>Total fund balance - General Fund</u>	\$ 3,432,546
Less:	
Inventories	2,229
Stabilization by State Statute	357,410
Working capital / fund balance policy	<u>1,091,114</u>
Remaining fund balance	<u>\$ 1,981,793</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>Non-Major Funds</u>
	\$11,586	\$0

**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**

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States. COVID-19 has caused unprecedented business and economic disruption through mandated closings or reduced capacity of certain businesses and industries, which included some of the Town's operations. The extent of the impact of COVID-19 will depend on certain developments, including the duration and spread of the outbreak, as well as the impact on the Town's citizens, grantors, employees, and vendors. At this point, it is unclear the extent COVID-19 will impact the Town's financial position.

Management has evaluated subsequent events through January 21, 2021, 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 Seven Fiscal Years\*

	2020	2019	2018	2017	2016	2015	2014
Biltmore Forest's proportion of the net pension liability (asset) (%)	0.01973%	0.02350%	0.02272%	0.02236%	0.02205%	0.01902%	0.02010%
Biltmore Forest's proportionate share of the net pension liability (asset) (\$)	\$ 538,811	\$ 557,500	\$ 347,099	\$ 474,554	\$ 98,960	\$ (112,170)	\$ 242,282
Biltmore Forest's covered payroll	\$ 1,486,508	\$ 1,453,664	\$ 1,462,980	\$ 1,397,262	\$ 1,321,703	\$ 1,222,192	\$ 1,212,016
Biltmore Forest's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	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**	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

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

\*\* 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 Seven Fiscal Years						
	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 144,204	\$ 121,448	\$ 114,994	\$ 112,193	\$ 96,833	\$ 95,936	\$ 89,522
Contributions in relation to the contractually required contribution	<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)	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Biltmore Forest's covered payroll	<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	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  
June 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 489,859	\$ 397,011	\$ 309,509	\$ 302,518
Service cost	19,649	22,786	18,555	17,337
Interest on the total pension liability	16,819	12,062	11,490	10,547
Differences between expected and actual experience in the measurement of the total pension liability	73,982	107,940	52,926	
Changes of assumptions or other inputs	15,385	(19,323)	28,191	(6,721)
Benefit payments	<u>(55,617)</u>	<u>(30,617)</u>	<u>(23,660)</u>	<u>(14,172)</u>
Ending balance of the total pension liability	<u>\$ 560,077</u>	<u>\$ 489,859</u>	<u>\$ 397,011</u>	<u>\$ 309,509</u>

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

**TOWN OF BILTMORE FOREST, NORTH CAROLINA**

Schedule of Total Pension Liability as a Percentage of Covered Payroll  
Law Enforcement Officers' Special Separation Allowance  
June 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 560,077	\$ 489,859	\$ 397,011	\$ 309,509
Covered payroll	832,387	835,067	853,284	791,135
Total pension liability as a percentage of covered payroll	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 Three Fiscal Years\*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Town's proportion of the net OPEB liability	0.00772%	0.00786%	0.00845%
Town's proportionate share of the net OPEB liability	\$ 2,441,391	\$ 2,238,634	\$ 2,769,848
Town's covered payroll	\$ 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	164.24%	154.00%	189.33%
Plan Fiduciary net position as a percentage of the total OPEB liability**	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 Three Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 99,902	\$ 93,204	\$ 87,947
Contributions in relation to the contractually required contribution	<u>99,902</u>	<u>93,204</u>	<u>87,947</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>
Town's covered payroll	<u>\$ 1,544,077</u>	<u>\$ 1,486,508</u>	<u>\$ 1,453,664</u>
Contributions as a percentage of the covered payroll	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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Ad valorem taxes:			
Taxes	\$ 2,737,189	\$ 2,729,898	\$ (7,291)
Interest	2,500	4,187	1,687
Total	<u>2,739,689</u>	<u>2,734,085</u>	<u>(5,604)</u>
Unrestricted intergovernmental:			
Local option sales taxes	1,145,764	1,073,968	(71,796)
Franchise tax	215,488	212,016	(3,472)
Beer and wine tax	6,000	5,885	(115)
Total	<u>1,367,252</u>	<u>1,291,869</u>	<u>(75,383)</u>
Restricted intergovernmental:			
Solid waste disposal tax	950	1,048	98
Illicit substance tax		72	72
Powell Bill allocation	62,500	61,501	(999)
Total	<u>63,450</u>	<u>62,621</u>	<u>(829)</u>
Permits and fees:			
Dog license fee	1,500	1,400	(100)
Building permits	25,000	20,226	(4,774)
Total	<u>26,500</u>	<u>21,626</u>	<u>(4,874)</u>
Investment earnings	<u>59,953</u>	<u>48,250</u>	<u>(11,703)</u>
Miscellaneous:			
American Tower	28,000	29,434	1,434
Grants and donations	261,000		(261,000)
Other	15,000	22,901	7,901
Total	<u>304,000</u>	<u>52,335</u>	<u>(251,665)</u>
Total revenues	<u>4,560,844</u>	<u>4,210,786</u>	<u>(350,058)</u>
<b>Expenditures</b>			
General government:			
Administration:			
Salaries and benefits	309,816	318,434	(8,618)
Professional services	48,000	46,277	1,723
Other operating expenditures	33,000	26,304	6,696
Board salary	22,000	21,600	400
Capital outlay	20,000	6,500	13,500
Total	<u>\$ 432,816</u>	<u>\$ 419,115</u>	<u>\$ 13,701</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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Planning	\$ 36,728	\$ 38,090	\$ (1,362)
Other:			
Outside professional services	40,000	27,321	12,679
Electricity and utilities	101,881	105,786	(3,905)
General repairs	20,000	31,303	(11,303)
Insurance	90,000	81,620	8,380
Other operating expenditures	<u>116,519</u>	<u>53,703</u>	<u>62,816</u>
Total	<u>368,400</u>	<u>299,733</u>	<u>68,667</u>
Total general government	<u>837,944</u>	<u>756,938</u>	<u>81,006</u>
Public safety:			
Police:			
Salaries and benefits	1,382,625	1,367,654	14,971
Vehicle maintenance	85,000	94,520	(9,520)
Other operating expenditures	143,000	130,417	12,583
Capital outlay	<u>335,000</u>	<u>407,800</u>	<u>(72,800)</u>
Total	<u>1,945,625</u>	<u>2,000,391</u>	<u>(54,766)</u>
Contracted fire services	<u>425,000</u>	<u>425,000</u>	
Total public safety	<u>2,370,625</u>	<u>2,425,391</u>	<u>(54,766)</u>
Transportation:			
Salaries and benefits	78,178	66,724	11,454
Vehicle maintenance	25,000	20,797	4,203
Resurfacing contracts	130,000	117,992	12,008
Storm water drainage	100,000	11,315	88,685
Other operating expenditures	26,500	14,520	11,980
Capital outlay	<u>30,000</u>	<u>38,804</u>	<u>(8,804)</u>
Total transportation	<u>389,678</u>	<u>270,152</u>	<u>119,526</u>
Physical development:			
Public works:			
Salaries and benefits	446,207	422,703	23,504
Vehicle maintenance	30,000	15,449	14,551
Other operating expenditures	100,000	52,366	47,634
Street lighting	18,000	15,033	2,967
Capital outlay	<u>629,950</u>	<u>130,829</u>	<u>499,121</u>
Total	<u>\$ 1,224,157</u>	<u>\$ 636,380</u>	<u>\$ 587,777</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, 2020

	Budget	Actual	Variance Positive (Negative)
Sanitation and recycling:			
Salaries and benefits	\$ 188,204	\$ 154,562	\$ 33,642
Tipping fees	77,500	64,061	13,439
Recycling	15,000	11,828	3,172
Other operating expenditures	19,500	20,316	(816)
Total	300,204	250,767	49,437
Total physical development	1,524,361	887,147	637,214
Debt service:			
Principal retirement	148,538	148,538	
Interest	46,898	46,898	
Total debt service	195,436	195,436	
Total expenditures	5,318,044	4,535,064	782,980
Revenues over (under) expenditures	(757,200)	(324,278)	432,922
Other financing sources (uses):			
Sale of capital assets	15,000	15,889	889
Installment notes issued	385,000	85,005	(299,995)
Total	400,000	100,894	(299,106)
Fund balance appropriated	357,200		(357,200)
Net change in fund balance	\$	(223,384)	\$ (223,384)
Fund balances, beginning		3,655,930	
Fund balances, ending		\$ 3,432,546	

**TOWN OF BILTMORE FOREST, NORTH CAROLINA**

Capital Project Fund

Schedule of Revenues and Expenditures - Budget and Actual  
From Inception and for the Fiscal Year Ended June 30, 2020

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
<b>Revenues</b>					
Investment earnings	\$	\$ 35	\$	\$ 35	\$ 35
<b>Expenditures</b>					
Design and architectural services	22,000	17,600	2,200	19,800	2,200
Construction	1,497,250	1,289,236	121,692	1,410,928	86,322
Equipment		28,573	36,658	65,231	(65,231)
Total expenditures	1,519,250	1,335,409	160,550	1,495,959	23,291
<b>Other financing sources</b>					
Transfers from other funds:					
From General Fund	719,250	799,250		799,250	80,000
Proceeds from long-term debt	800,000	800,000		800,000	
Total other financing sources	1,519,250	1,599,250		1,599,250	80,000
Other financing sources over (under) expenditures	\$	\$ 263,876	\$ (160,550)	\$ 103,326	\$ 103,326

**TOWN OF BILTMORE FOREST, NORTH CAROLINA**

Water Fund  
 Schedule of Revenues and Expenditures  
 Budget and Actual (Non-GAAP)  
 For the Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Operating revenues:			
Water sales	\$ 691,204	\$ 756,276	\$ 65,072
Water tap and connection fees	6,000	8,870	2,870
AMI transmitter charges	7,700	8,275	575
Commissions, sewer charge collections	8,000	9,854	1,854
Total operating revenues	712,904	783,275	70,371
Non-operating revenues:			
Investment earnings	1,500	1,262	(238)
Total revenues	714,404	784,537	70,133
<b>Expenditures</b>			
Operating expenditures:			
Salaries and benefits	40,392	42,127	(1,735)
Professional services	4,000	2,890	1,110
Repairs and maintenance	10,000	4,043	5,957
Other operating expenditures	29,199	26,836	2,363
Water purchases	239,636	225,415	14,221
Sewer purchases	309,259	341,114	(31,855)
Capital outlay	81,918		81,918
Total expenditures	714,404	642,425	71,979
Revenues over expenditures	\$	142,112	\$ 142,112
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
Reconciling items:			
Depreciation		(166,969)	
Decrease in accrued vacation pay		1,010	
Decrease in deferred outflows of resources - pensions		(1,821)	
Decrease in net pension liability		597	
Increase in deferred inflow of resources - pensions		(242)	
Increase in deferred outflows of resources - OPEB		5	
Increase in net OPEB liability		(1,745)	
Decrease in deferred inflows of resources - OPEB		4,697	
Total reconciling items		(164,468)	
Change in net position		\$ (22,356)	



## **OTHER SCHEDULES**

**TOWN OF BILTMORE FOREST, NORTH CAROLINA**

Schedule of Ad Valorem Taxes Receivable  
June 30, 2020

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2019</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2020</u>
2019-2020	\$	\$ 2,729,221	\$ 2,720,129	\$ 9,092
2018-2019	1,355		1,355	
2017-2018				
2016-2017	1			1
2015-2016	242			242
2014-2015	13			13
2013-2014				
2012-2013	107			107
2011-2012	21			21
	<u>\$ 1,739</u>	<u>\$ 2,729,221</u>	<u>\$ 2,721,484</u>	9,476
Less: allowance for uncollectible accounts General Fund				<u>9,081</u>
Ad valorem taxes receivable - net				<u>\$ 395</u>
 <u>Reconciliation with revenues:</u>				
Ad valorem taxes - General Fund				<u>\$ 2,734,085</u>
Reconciling items:				
Taxes written off				(8,414)
Interest collected				<u>(4,187)</u>
Total collections and credits				<u>\$ 2,721,484</u>

**TOWN OF BILTMORE FOREST, NORTH CAROLINA**

Analysis of Current Tax Levy  
Town-Wide Levy  
June 30, 2020

	<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	\$ 786,109,369	\$ .345	\$ 2,712,077	\$ 2,617,902	\$ 94,175
Discoveries:					
Current year taxes	<u>4,969,176</u>	.345	<u>17,144</u>	<u>17,144</u>	<u>          </u>
Total property valuation	<u>\$ 791,078,545</u>				
Net levy			2,729,221	2,635,046	94,175
Unpaid (by taxpayer) taxes at June 30, 2020			<u>(9,092)</u>	<u>(9,081)</u>	<u>(11)</u>
Current year's taxes collected			<u>\$ 2,720,129</u>	<u>\$ 2,625,965</u>	<u>\$ 94,164</u>
Current levy collection percentage			<u>99.67%</u>	<u>99.66%</u>	<u>99.99%</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

## MEMORANDUM

To: Mayor & Board of Commissioners  
From: Jonathan Kanipe, Town Manager  
Re: Agenda Item Number D-2 – Consideration of Ordinance 2021-02  
An Ordinance to Amend the Town Code  
Date: February 3, 2021

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### Background

The Board has reviewed potential amendments to the Town Code, specifically related to the existing sign ordinance, over the past several months. During the January meeting, several Commissioners asked for clarifying language regarding definitions and ensuring that “images” were included for the purposes of this ordinance. The Town Attorney has made these changes on the attached clean copy. Additional edits were made that reflects formatting changes as well. A redline version showing the existing sign ordinance is provided for comparison purposes.

A public hearing is not required before the Board may consider amending this ordinance since this ordinance falls under the Town Code and not a land development ordinance.

### Attachment

- (1) Redline copy of existing sign ordinance with proposed changes
- (2) Clean copy of Ordinance 2021-02 for review and consideration

**ORDINANCE 2021-02**  
**AN ORDINANCE TO AMEND SECTION 93 OF THE TOWN CODE**  
**OF THE TOWN OF BILTMORE FOREST**

**§93.02. POLICY REGARDING SIGNS.**

This section sets forth the Town of Biltmore Forest policies and regulations regarding the size, type and location of signs. The ordinance is intended to regulate size, type and location of signs to ensure that signs are not located in the public right of way, do not pose a threat to public safety, do not unreasonably interfere with aesthetic quality and are consistent with the nature of a primarily residential community. It is not the intent of this ordinance to regulate the content of signs or to limit the right of free speech.

**§ 93.03 SIGNS AND POSTERS GENERALLY.**

Except as set forth herein, no sign of any kind, including posters, advertisements, billboards, announcements and like, shall be erected by any person in any district zoned R-1, R-2, R-3, R-4 or R-5 unless the sign, type, size and intended location comply with this ordinance or unless prior approval of the sign type, size, and intended location are first obtained from the Town Manager or Board of Commissioners. Any sign erected in violation of this section shall be promptly removed. (2013 Code, § 15-2)

**§93.04 DEFINITIONS**

The following definitions shall apply in this section

- (A) Sign – A temporary or permanent structure on a residential or commercial property with wording or images or both.
- (B) Real Estate signs – signs advertising the sale or lease of residential or commercial real property.
- (C) On Premises Commercial signs – signs located on or attached to buildings in the zoning districts in the Town where commercial businesses are allowed.
- (D) Political signs – Signs advocating support for a particular candidate for political office or political party.
- (E) Ideological signs – signs advocating support for a particular system of ideas and ideals which may form the basis of an economic or political theory and policy.
- (F) Construction signs – signs identifying a company or individual constructing or renovating a house or building on property in the Town.
- (G) Security Company signs – signs indicating that a security system has been installed on a property.
- (H) Signs advertising the location of underground (invisible) fencing on a property or the location of installed underground utilities.

**§ 93.05 SIGNS AND POSTERS; REQUIREMENTS.**

**(A) Real Estate Signs.** No person, either as owner or real estate agent, shall post any sign except as follows:

- (1) One sign per lot, not to exceed six square feet in size, not to contain any electrical component and not to be lighted in any way;
- (2) If the sign is posted by a real estate agency, the wording shall be limited appropriately to indicate that the property is for sale or rent, the name and telephone number of the agency, the listing firm website, and the multiple listing service number, texting code, or individual website assigned to the home for sale;
- (3) If the sign is posted by an owner, the wording shall be limited to appropriately indicate that the property is for sale or rent, the name of seller, if so desired, a telephone number, and individual website assigned to the home for sale;
- (4) Wording shall be the same on both sides of the sign if both sides are exposed to the roadway;
- (5) The sign shall be set back at least 20 feet from the nearest edge of the pavement of the public road on which the house fronts or faces and in no event shall the sign be located within any public road right-of-way;
- (6) No portion of the sign shall extend more than four feet above the ground;
- (7) The sign shall be removed no later than three days after the closing of the sale of the property;
- (8) If a sign is for commercial use in the R-4 or R-5 Residential Zoning District and does not comply with the limitations herein, application must be made to the Board of Commissioners for approval; and
- (9) The owner of a residential lot and the real estate agent placing a real estate sign on the residential lot shall each be responsible for any violation of this section.

**(B) Construction Signs.** Signs advertising the name of an individual or company constructing or renovating a house or other building on a property are allowed as follows:

- (1) On any residential lot on which construction or renovation has begun, neither the general contractor nor the owner of the residential lot shall post or permit to be posted more than one sign in addition to any sign required by law to be posted (i.e., building permits and the like);
- (2) The general contractor may place one sign on the residential lot on which construction or renovation has begun which sign shall not exceed six square feet in size and shall be limited in wording to the street number or address of the property and the name, address, and telephone number of the general contractor. The general contractor's sign shall also be subject to divisions (A) (1), (A) (4), (A) (5), and (A) (6) above. The general contractor's sign shall be removed from the property not later than three days from the completion of construction by the general contractor or occupancy by the owner of the property being constructed, whichever comes first; and
- (3) The sign shall be set back at least 20 feet from the nearest edge of pavement of the public road on which the house fronts or faces. The sign shall not be posted in the public right of way.
- (4) The owner of the residential lot and the general contractor shall be responsible for any

violation of this section.

**(C) *Political and Ideological Signs.*** Political and ideological signs are allowed on private property provided the signs are erected as follows.

- (1) Each sign shall not exceed four square feet in size and not contain any electrical component or lighted in any way;
- (2) The sign shall not be located within the Town owned public right of way or on Town property and must be set back at least twenty feet from the nearest edge of the paved road on which the house fronts or faces and shall not encroach on the public right of way;
- (3) No portion of the sign is to extend more than four feet above the ground;
- (4) A sign located on private property requires the owner's approval;
- (5) Up to four (4) political signs may be placed on private property beginning thirty days before the beginning of early voting for a primary or general election. Political signs should be removed within five days after the primary, general or special election; and
- (6) Political and ideological signs are not allowed on Town property.

**(D) *Security Company Signs.*** Security Company signs are allowed on private property as follows:

- (1) On any residential or business property with a commercial security system, up to two (2) signs bearing the name of the security company and appropriate contact information, may be posted;
- (2) The signs shall not exceed one (1) square foot in size, not contain electrical components and not be lighted in any way;
- (3) The signs shall be set back at least ten (10) feet from the nearest edge of the pavement on the public road or street.

**(E) *Invisible Fencing Signs.*** Signs indicating the presence and location of underground fencing are allowed as follows:

- (1) On any property with an underground "invisible fence," up to two signs noting the presence of the invisible fence and the name of the company providing the fence may be posted on the property;
- (2) The signs shall not exceed one (1) square foot in size, not contain electrical components and not be lighted in any way;
- (3) The signs shall be set back at least ten feet from the nearest edge of the pavement on the public road or street.
- (4) For the purpose of this ordinance, temporary flags indicating the installation of underground (invisible) fencing shall be removed no later than forty-five (45) days after installation.

**(F) *Flags for Underground Utilities.*** – Are allowed on a temporary basis to indicate the presence and location of underground utilities.

(G) *Signs Located in the R-4 and R-5 Zoning Districts.*

(1) On any lot occupied by a business in the R-4 and R-5 Districts, on-premises signs are allowed provided the following definitions and permit requirements are met.

(2) For the purpose of this division (G), the following definitions shall apply unless the context clearly indicates or requires a different meaning.

**ATTACHED SIGN.** Any sign attached to, applied on, or supported by the front wall or wall facing street of a building.

**CLEARANCE.** The vertical distance from the established finished grade to the lowest edge of the sign.

**DEVELOPMENT IDENTIFICATION SIGN.** A sign bearing only the name of the multiple tenant development.

**ERECT.** To construct, build, raise, assemble, install, place, replace, locate, affix, attach, display, alter, use, create, paint, draw, illuminate, or in any other way bring into being or establish.

**FREESTANDING POLE SIGN.** A sign which is permanently affixed to the ground by a pole or other structure and which is not part of the building.

**GRADE.** The lowest point at which a sign is attached to the ground.

**GROUND SIGN.** A freestanding sign flush to the ground and not elevated upon poles or stanchions and not attached to the building.

**HEIGHT.** The vertical distance between the highest part of the sign or its supporting structure, whichever is highest, and the base of the sign at grade.

**INTERNALLY ILLUMINATED.** Any sign designed to provide artificial light either through exposed lighting on the sign face or through transparent or translucent material, from a light source within the sign.

**LOT.** A parcel of land occupied or capable of being occupied by a building or group of buildings devoted to a common use.

**MULTIPLE TENANT DEVELOPMENT.** A development in which there exists a number of individual or separate activities and in which there are appurtenant-shared facilities (such as parking areas).

**NONCONFORMING SIGN.** Any sign, which was allowed when, erected or displayed but which does not conform with the standards of this ordinance and any sign, which was not allowed, but was nonetheless impermissibly created or displayed before the effective date of this ordinance and any amendments thereto.

**ON-PREMISES SIGN.** Any sign used for the purpose of displaying, advertising, identifying, or directing attention to a business, products, operations, or services sold or offered on the lots where the sign is located.

**SETBACK.** The horizontal distance between the leading face of the curb of a street and the closest point of a sign or sign structure on such lot. Where there is not a curb, the measurement shall be made from the edge of the pavement.

**SIGN.** Any words, lettering, numerals, parts of letters or numerals, figure, phrases, sentences, emblems, devices, designs, trade names, or trademarks by which anything is known, made of any material, except live vegetation, including any surface, fabric, or other material background structure designed to carry such devices, as are used to designate or attract attention.

**SIGN STRUCTURE.** Any structure, which supports, has supported or is capable of



supporting a sign.

**SINGLE TENANT.** A single business establishment, activity or use.

**WALL SIGN.** Any sign painted or attached flat against and parceled to the exterior wall or surface of a building or other structure and/or which projects from the wall or surface.

(3) *On-premises single-tenant signs.*

(a) Allowed within the R-4 and R-5 Zoning District may be either:

1. *Freestanding.* Pole or ground; or
2. *Attached.* Wall.

(b) Two business identification signs are allowed per lot, only one of which shall be a freestanding or ground sign. For freestanding or attached signs, the total allowable area per face of selected sign(s) shall not exceed 40 square feet per face, with two faces per freestanding or ground sign allowed. In the event the freestanding sign is less than the 40 square feet per face allowed, the size of the attached sign erected may be increased by that difference. Signs may be internally or externally illuminated.

(c) Additionally, the following requirements must be met based on the type of sign selected:

1. If freestanding pole or ground, then the sign shall be a maximum of eight feet in height with a minimum setback of ten feet; and
2. If wall, then the maximum projection from a wall shall be six inches.

(4) *On-premises multiple-tenant development signs.*

(a) On-premises multiple-tenant development signs allowed within the R-4 and R-5 zoning district may be either:

1. Freestanding; pole or ground attached; or
2. Wall.

(b) For a multiple-tenant development, the development itself is allowed one identification sign. For a freestanding sign, the total allowable area per face of selected sign shall not exceed 60 square feet with two faces per freestanding or ground sign allowed. If freestanding pole or ground, the sign shall be a maximum of 20 feet in height and minimum setback of 15 feet. Individual tenants within the development shall be allowed one attached wall sign not to exceed ten square feet, and at the due discretion of the Board of Commissioners, not more than two, not to exceed ten square feet. The maximum projection from a wall shall be six inches.

(H) The owner of the business establishment erecting a sign shall be responsible for any violation of this ordinance.

(I) Any sign removed by the Town for violation of (A) or (B) of this ordinance shall be disposed of by the Town within five days from the date the sign is removed from the residential lot unless the residential lot owner, real estate agent or general contractor, as the case may be, claims said sign within the five-day period.

(J) This chapter was duly adopted by the Town Board of Commissioners on September 15, 1987 and shall become effective on the October 1, 1987. This section as amended on December 18, 1990, shall become effective on the January 1, 1991. This section as amended on July 9, 2002,

shall become effective on September 1, 2002. This section as amended on February \_\_\_\_\_, 2021, shall become effective on \_\_\_\_\_, 2021.  
(2013 Code, § 15-2) (Ord. passed 9-15-1987; Ord. passed 12-8-1990; Ord. passed 9- -2002; Ord. passed 2/\_\_\_/2021.

This the 9th day of February, 2021.

---

George F. Goosmann, III  
Mayor

Attest:

---

Laura Jacobs  
Town Clerk

SEAL

## §93.01 PROTECTION OF PARKWAYS (not changed)

### §93.02 POLICY REGARDING SIGNS.

This section sets forth the Town of Biltmore Forest policies and regulations regarding the size, type and location of signs. The ordinance is intended to regulate size, type and location of signs to ensure that signs are not located in the public right of way, do not pose a threat to public safety, do not unreasonably interfere with aesthetic quality and are consistent with the nature of a primarily residential community. It is not the intent of this ordinance to regulate the content of signs or to limit the right of free speech.

### § 93.03 SIGNS AND POSTERS GENERALLY.

—  
Except as set forth herein, no sign of any kind, including posters, advertisements, billboards, announcements, and ~~the~~ like, shall be erected by any person in any district zoned R-1, R-2, R-3, R-4, or R-5 unless the sign, type, size and intended location comply with this ordinance or unless prior approval of the sign type, size, and its intended location are first obtained from the Town Manager or Board of Commissioners. Any sign erected in violation of this section shall be promptly removed ~~by the Police Department. Also, any sign allowed to remain for an unreasonable length of time may be removed by the Police Department.~~

(2013 Code, § 15-2)

§—

### §93.03-04 DEFINITIONS

The following definitions shall apply in this section

- (A) Sign – A temporary or permanent structure on a residential or commercial property with wording or images or both.
- (B) Real Estate signs – signs advertising the sale or lease of residential or commercial real property.
- (C) On Premises Commercial signs – signs located on or attached to buildings in the zoning districts in the Town where commercial businesses are allowed.
- (D) Political signs – Signs advocating support for a particular candidate for political office or political party.
- (E) Ideological signs – signs advocating support for a particular system of ideas and ideals which may form the basis of an economic or political theory and policy.
- (F) Construction signs – signs identifying a company or individual constructing or renovating a house or building on property in the Town.
- (G) Security Company signs – signs indicating that a security system has been installed on a property.
- (H) Signs advertising the location of underground (invisible) fencing on a property or the location of installed underground utilities.

### § 93.05 SIGNS AND POSTERS; REQUIREMENTS.

—  
**(A)– Real Estate Signs.** No person, either as owner or real estate agent, shall post any sign ~~on any residential lot to advertise the same for sale or rent or for any other purpose,~~ except as follows:

(1) ~~—~~ One sign per lot, not to exceed six square feet in size, not to contain any electrical component and not to be lighted in any way;

~~—~~(2) ~~—~~ If the sign is posted by a real estate agency, the wording shall be limited appropriately to indicate that the property is for sale or rent ~~and~~, the name and telephone number of the agency, the listing firm website, and the multiple listing service number, texting code, or individual website assigned to the home for sale;

~~—~~(3) ~~—~~ If the sign is posted by an owner, the wording shall be limited to appropriately indicate that the property is for sale or rent, the name of seller, if so desired, ~~and~~ a telephone number, and individual website assigned to the home for sale;

~~—~~(4) ~~—~~ Wording shall be the same on both sides of the sign if both sides are exposed to the roadway;

~~—~~(5) ~~—~~ The ~~only sign, per division (A)(1) above,~~ shall be set back at least ~~30~~20 feet from the nearest edge of the pavement of the public road on which the house fronts or faces and in no event shall the sign be located within any public road right-of-way;

(6) ~~—~~ No portion of the sign shall extend more than four feet above the ground;

~~—~~(7) ~~—~~ The sign shall be removed no later than three days after ~~a sales contract is signed on the closing of the sale of~~ the property ~~advertised for sale by such sign; and~~;

~~—~~(8) ~~—~~ If a sign is for commercial use in the R-4 or R-5 Residential Zoning District and does not comply with the ~~regulations above~~ limitations herein, application ~~is to~~ must be made to the Board of Commissioners for approval; and

~~—~~(9) ~~—~~ The owner of a residential lot and the real estate agent placing a real estate sign on the residential lot shall each be responsible for any violation of this section.

**(B)** ~~—~~ Construction Signs. Signs advertising the name of an individual or company constructing or renovating a house or other building on a property are allowed as follows:

(1) ~~—~~ On any residential lot on which construction or renovation has begun ~~by a general contractor,~~ neither the general ~~contract~~ contractor nor the owner of the residential lot shall post ~~nor~~ or permit to be posted more than one sign in addition to any sign required by law to be posted (i.e., building permits and the like);

~~—~~(2) ~~—~~ The general contractor may place one sign on the residential lot on which construction or renovation has begun which sign shall not exceed six square feet in size and shall be limited in wording to the street number or address of the property and the name, address, and telephone number of the general contractor. ~~The general contractor's sign shall also be subject to divisions (A)(1), (A)(4), (A)(5), and (A)(6) above.~~ The general contractor's sign shall be removed from the property not later than three days from the completion of construction by the general contractor or occupancy by the owner of the property being constructed, whichever comes first; and

~~—~~(3) ~~—~~ The sign shall be set back at least 20 feet from the nearest edge of pavement of the public road on which the house fronts or faces. The sign shall not be posted in the public right of way.

~~—~~(4) ~~—~~ The owner of the residential lot and the general contractor shall be responsible for any violation of this section.

**(C)** ~~—~~ Political and Ideological Signs. Political and ideological signs are allowed on ~~any residential lot prior to a primary election, general election,~~

~~or referendum~~ private property provided the signs are erected as follows.

~~—~~(1) ~~—~~ Signs may be posted 30 days prior to the day of an election and removed within five days after the day of the election.



~~—(2) Four signs are permitted per lot, with each sign representing one candidate, or one issue if a referendum.~~

~~—(3) —~~

(1) Each sign shall not exceed four square feet in size and not contain any electrical component or lighted in any way;

~~—(4) Wording shall be the same on both sides of the sign if both sides are exposed to the roadway.~~

~~—(5) (2) The sign shall be set back at least 20 feet from the nearest edge of the pavement of all public roads on which the house borders, and in no way shall signs not be located within the Town owned public right-of-way or on Town property and must be set back at least twenty feet from the nearest edge of the paved road on which the house fronts or faces and shall not encroach on the public right of way;~~

~~—(6) (3) No portion of the sign is to extend more than four feet above the ground;~~

~~—(7) (4) A sign located on private property requires the owner's approval;~~

~~—(8) The property owner shall be fined if the signs are not removed within five days of an election or referendum.~~

~~—(D) (1) —~~ (5) Up to four (4) political signs may be placed on private property beginning thirty days before the beginning of early voting for a primary or general election. Political signs should be removed within five days after the primary, general or special election; and

(6) Political and ideological signs are not allowed on Town property.

(D) Security Company Signs. Security Company signs are allowed on private property as follows:

(1) On any residential or business property with a commercial security system, up to two (2) signs bearing the name of the security company and appropriate contact information, may be posted;

(2) The signs shall not exceed one (1) square foot in size, not contain electrical components and not be lighted in any way;

(3) The signs shall be set back at least ten (10) feet from the nearest edge of the pavement on the public road or street.

(E) Invisible Fencing Signs. Signs indicating the presence and location of underground fencing are allowed as follows:

(1) On any property with an underground "invisible fence," up to two signs noting the presence of the invisible fence and the name of the company providing the fence may be posted on the property;

(2) The signs shall not exceed one (1) square foot in size, not contain electrical components and not be lighted in any way;

(3) The signs shall be set back at least ten feet from the nearest edge of the pavement on the public road or street.

(4) For the purpose of this ordinance, temporary flags indicating the installation of underground (invisible) fencing shall be removed no later than forty-five (45) days after installation.

(F) Flags for Underground Utilities. – Are allowed on a temporary basis to indicate the presence and location of underground utilities.

(G) Signs Located in the R-4 and R-5 Zoning Districts.

(1) On any lot occupied by a business in the R-4 and R-5 Districts, on-premises signs are allowed provided the following definitions and permit requirements are met.

(2) For the purpose of this division (~~D~~G), the following definitions shall apply unless the context clearly indicates or requires a different meaning.

— **ATTACHED SIGN.** Any sign attached to, applied on, or supported by the front wall or wall facing street of a building.

— **CLEARANCE.** The vertical distance from the established finished grade to the lowest edge of the sign.

— **DEVELOPMENT IDENTIFICATION SIGN.** A sign bearing only the name of the multiple tenant development.

— **ERECT.** To construct, build, raise, assemble, install, place, replace, locate, affix, attach, display, alter, use, create, paint, draw, illuminate, or in any other way bring into being or establish.

— **FREESTANDING POLE SIGN.** A sign which is permanently affixed to the ground by a pole or other structure and which is not part of the building.

— **GRADE.** The lowest point at which a sign is attached to the ground.

— **GROUND SIGN.** A freestanding sign flush to the ground and not elevated upon poles or stanchions and not attached to the building.

— **HEIGHT.** The vertical distance between the highest part of the sign or its supporting structure, whichever is highest, and the base of the sign at grade.

— **INTERNALLY ILLUMINATED.** Any sign designed to provide artificial light either through exposed lighting on the sign face or through transparent or translucent material, from a light source within the sign.

— **LOT.** A parcel of land occupied or capable of being occupied by a building or group of buildings devoted to a common use.

— **MULTIPLE TENANT DEVELOPMENT.** A development in which there exists a number of individual or separate activities and in which there are appurtenant-shared facilities (such as parking areas).

— **NONCONFORMING SIGN.** Any sign, which was allowed when, erected or displayed but which does not conform with the standards of this ~~division (D)~~ ordinance and any sign, which was not allowed, but was nonetheless impermissibly created or displayed before the effective date of this ~~division (D)~~ ordinance and any amendments thereto.

— **ON-PREMISES SIGN.** Any sign used for the purpose of displaying, advertising, identifying, or directing attention to a business, products, operations, or services sold or offered on the lots where the sign is located.

— **SETBACK.** The horizontal distance between the leading face of the curb of a street and the closest point of a sign or sign structure on such lot. Where there is not a curb, the measurement shall be made from the edge of the pavement.

— **SIGN.** Any words, lettering, numerals, parts of letters or numerals, figure, phrases, sentences, emblems, devices, designs, trade names, or trademarks by which anything is known, made of any material, except live vegetation, including any surface, fabric, or other material background structure designed to carry such devices, as are used to designate or attract attention.

— **SIGN STRUCTURE.** Any structure, which supports, has supported or is capable of supporting a sign.

— **SINGLE TENANT.** A single business establishment, activity or use.

— **WALL SIGN.** Any sign painted or attached flat against and parceled to the exterior wall or surface of a building or other structure and/or which projects from the wall or surface.

~~\_\_\_\_\_~~ (3) ~~\_\_\_\_\_~~ *On-premises single-tenant signs.*

~~\_\_\_\_\_~~ (a) ~~\_\_\_\_\_~~ Allowed within the R-4 and R-5 Zoning District may be either:

~~\_\_\_\_\_~~ 1. ~~\_\_\_\_\_~~ *Freestanding.* Pole or ground; or

~~\_\_\_\_\_~~ 2. ~~\_\_\_\_\_~~ *Attached.* Wall.

~~\_\_\_\_\_~~ (b) ~~\_\_\_\_\_~~ Two business identification signs are allowed per lot, only one of which shall be a freestanding or ground sign. For freestanding or attached signs, the total allowable area per face of selected sign(s) shall not exceed 40 square feet per face, with two faces per freestanding or ground sign allowed. In the event the freestanding sign is less than the 40 square feet per face allowed, the size of the attached sign erected may be increased by that difference. Signs may be internally or externally illuminated.

~~\_\_\_\_\_~~ (c) ~~\_\_\_\_\_~~ Additionally, the following requirements must be met based on the type of sign selected:

~~\_\_\_\_\_~~ 1. ~~\_\_\_\_\_~~ If freestanding pole or ground, then the sign shall be a maximum of eight feet in height with a minimum setback of ten feet; and

~~\_\_\_\_\_~~ 2. ~~\_\_\_\_\_~~ If wall, then the maximum projection from a wall shall be six inches.

~~\_\_\_\_\_~~ (4) ~~\_\_\_\_\_~~ *On-premises multiple-tenant development signs.*

~~\_\_\_\_\_~~ (a) ~~\_\_\_\_\_~~ On-premises multiple-tenant development signs allowed within the R-4 and R-5 zoning district may be either:

~~\_\_\_\_\_~~ 1. ~~\_\_\_\_\_~~ Freestanding; pole or ground attached; or

~~\_\_\_\_\_~~ 2. ~~\_\_\_\_\_~~ Wall.

~~\_\_\_\_\_~~ (b) ~~\_\_\_\_\_~~ For a multiple-tenant development, the development itself is allowed one identification sign. For a freestanding sign, the total allowable area per face of selected sign shall not exceed 60 square feet with two faces per freestanding or ground sign allowed. If freestanding pole or ground, the sign shall be a maximum of 20 feet in height and minimum setback of 15 feet. Individual tenants within the development shall be allowed one attached wall sign not to exceed ten square feet, and at the due discretion of the Board of Commissioners, not more than two, not to exceed ten square feet. The maximum projection from a wall shall be six inches.

~~\_\_\_\_\_~~ (E) ~~\_\_\_\_\_~~ The owner of a residential lot and the real estate agent placing a real estate sign on the residential lot shall each be responsible for any violation of division (A) above and the owner of the residential lot and the general contractor shall be responsible for any violation of division (B) above.

~~\_\_\_\_\_~~ (H) The owner of the business establishment erecting a sign shall be responsible for any violation of ~~division (C) above~~ this ordinance.

~~\_\_\_\_\_~~ (F) ~~\_\_\_\_\_~~

~~\_\_\_\_\_~~ (I) Any sign removed by the ~~Police Department~~ Town for violation of ~~(A) or (B) of this section~~ ordinance shall be disposed of by the ~~Police Department~~ Town within ~~ten~~ five days from the date the sign is removed from the residential lot unless the residential lot owner, real estate agent or general contractor, as the case may be, claims said sign within the ~~ten~~ five-day period.

~~\_\_\_\_\_~~ (G) ~~\_\_\_\_\_~~

~~\_\_\_\_\_~~ (J) This chapter was duly adopted by the Town Board of Commissioners ~~on the~~ September 15, 1987 and shall become effective on the October 1, 1987. This section as amended on December 18, 1990, shall become effective on the January 1, 1991. This section as amended on July 9, 2002, shall become effective on September 1, 2002. This section as amended on February \_\_\_\_\_, 2021, shall become effective on \_\_\_\_\_, 2021.

(2013 Code, § 15-2) (Ord. passed 9-15-1987; Ord. passed 12-8-1990; Ord. passed ~~9- -2002~~; Ord. passed 2/ /2021.)

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

## MEMORANDUM

To: Mayor & Board of Commissioners  
From: Jonathan Kanipe, Town Manager  
Re: Agenda Item Number D-3 – Consideration of Resolution 2021-02  
A Resolution Authorizing the Surplus of Personal Property  
Date: February 3, 2021

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### Background

The Town received delivery of two new patrol cars that were budgeted for FY21. As a result, we are now able to surplus two older police vehicles. In addition to this, the Public Works Director would like to surplus the Town's 2001 GMC truck with an aluminum flatbed on the back. This truck was previously used as a salt/sand/plow truck but has extensive rust and is unsafe to be continued in service.

Each item is listed individually on the attached resolution.

### Action Requested

Staff requests approval of the above items for disposal.



STATE OF NORTH CAROLINA )  
 )  
 COUNTY OF BUNCOMBE )

TOWN OF BILTMORE FOREST  
 BOARD OF COMMISSIONERS

\*\*\*\*\*

**RESOLUTION 2021-02**

\*\*\*\*\*

WHEREAS, the Board of Commissioners of the Town of Biltmore Forest desires to dispose of certain surplus property of the Town;

NOW, THEREFORE, BE IT RESOLVED by the Biltmore Forest Board of Commissioners that the following described property is hereby declared surplus to the needs of the Town of Biltmore Forest:

- (1) 2016 Ford Explorer Police Interceptor (Last Four of VIN – 9141)
- (2) 2015 Ford Explorer Police Interceptor (Last Four of VIN – 0740)
- (3) 2001 GMC C7500 (Last Four of VIN – 3395)

BE IT FURTHER RESOLVED that the Town Manager is authorized to receive on behalf of the Biltmore Forest Board of Commissioners bids at electronic auction for the purchase of the described property. The highest bid, if it complies with the terms of sale, may be accepted by the Town Manager and the sale consummated.

The Town Manager shall cause a notice of the electronic auction to be published in accordance with G.S. 160A-270(b).

This the 9th day of February, 2021.

George F. Goosmann, III  
 Mayor

Attest:

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

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

Jonathan B. Kanipe,  
Town Manager

## MEMORANDUM

To: Mayor & Board of Commissioners  
From: Jonathan Kanipe, Town Manager  
Re: Agenda Item Number D-4 – Consideration of FY21 Budget Amendment  
Date: February 3, 2021

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### Background

The Board approved the fiscal year 2020-2021 budget ordinance on June 10, 2020. During the course of each year, the Town may amend the ordinance to reflect revenues and expenditures as they accrue during the year. The Board has considered and approved one budget amendment earlier this year for coronavirus relief funding.

The attached budget amendment for the Board's consideration reflects amended revenues based on the actual receipts and trends thus far and amendments in expenditures. In terms of expenditure adjustments, the increase in storm water drainage reflects the completion of the Cedar Hill storm water project and the emergency repair made along Southwood Road. You may recall that the pre-bid construction estimate for the Cedar Hill stormwater project was approximately \$500,000. When the Town's engineers finalized design and bid the project, the cost was substantially less and we ended up approving the project for a not to exceed amount of \$150,000. Because the cost was so much less, the Town elected to pursue this project with Town funds and not via financing. This budget amendment reflects that change and incorporates the emergency repair into the revised totals for that line item.

On the revenue side, the FY20 property taxes have come in well, and I anticipate further revenues for Town zoning permits. One revenue item that is reduced in the amendment is the Powell Bill allotment. The Town has received both disbursements with the total amount roughly ten (10) percent less than anticipated. This is likely due to the significant reduction in driving during the Covid-19 pandemic, which in turn results in less gas consumption and a lower gasoline tax being provided to the state.

Please let me know if you have any questions regarding these proposed amendments.

**Section 1. To amend the General Fund Revenues as follows:**

Account #	Account Description	Original Budget Amt	Increase	Decrease	Revised Budget Amt
10-3010-0000	Ad Valorem Taxes	2,638,767.00	31,872.00	-	2,670,639.00
10-3010-0200	Tax Interest & Penalties	3,000.00	8,200.00	-	11,200.00
10-3040-0000	Building Permits	20,000.00	10,000.00	-	30,000.00
10-3040-0000	Zoning Permits	20,000.00	5,000.00	-	25,000.00
10-3030-1000	Powell Bill	62,500.00	-	(6,096.00)	56,404.00
10-3500-0300	Transfer from Fund Balance	-	88,429.00	-	88,429.00
<b>Net Increase in General Fund Revenues</b>			<b>143,501.00</b>	<b>(6,096.00)</b>	<b>137,405.00</b>

**Section 2. To amend the General Fund Expenditures as follows:**

Account #	Account Description	Original Budget Amt	Increase	Decrease	Revised Budget Amt
<b>Streets</b>					
10-5700-2500	Storm Water Drainage	25,000.00	135,000.00	-	160,000.00
<b>Debt Service</b>					
10-6700-1400	Garbage Truck Interest	821.00	805.00	-	1,626.00
10-6700-1600	Police Cars Interest	-	1,600.00	-	1,600.00
<b>Net Increase in General Fund Expenditures</b>			<b>137,405.00</b>	<b>-</b>	<b>137,405.00</b>

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Fran G. Cogburn, Commissioner  
E. Glenn Kelly, Commissioner

Jonathan B. Kanipe,  
Town Manager

## MEMORANDUM

To: Mayor & Board of Commissioners  
From: Jonathan Kanipe, Town Manager  
Re: Agenda Item Number D-5 – Potential Ordinance Amendment – Preliminary Discussion  
Date: February 3, 2021

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### Background

Police Chief Chris Beddingfield and I have discussed the Town's existing ordinance that covers sounds and other noises that impact residential life. Oftentimes, this ordinance is referred to as the Town's "noise ordinance", but in reality, it is effectively a construction and property maintenance ordinance. A copy of the existing ordinance verbiage is below.

#### § 130.02 SOUNDS IMPACTING RESIDENTIAL LIFE.

(A) (1) As a means of controlling and reducing noise levels in the town, all construction activities and property maintenance, including delivery of worker's material, machinery, or equipment to or from a work site, must be conducted from 7:30 a.m. until 6:00 p.m., on Monday thru Saturday.

(2) Such activities are prohibited on Sundays, New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. These restrictions apply on all properties within the town, except for clubs.

(B) Should conditions on any property within the town occur that have the potential of injury or damage to persons or property during prohibited hours, persons in charge or involved in such matters shall contact the town's police officer in charge, present the problem, and seek permission to take appropriate action.

(C) Any sound from radio, music, or other noises are not permitted to the extent that they disrupt the quiet enjoyment of property.

(Ord. passed 11-12-2006)

Chief Beddingfield has discussed suggestions that address *noise* more directly, including measuring whether a sound is audible from certain distances, such as 50 or 75 feet. These other ordinances do not take into account *what* the sound actually is, but rather that it can be heard from a certain distance. This distance allows a more objective measure and does not require the Town

to specify specific decibel levels as violations. Certainly, any specific noise ordinance may also take into account typical work hours and there is likely a need to have this ordinance in conjunction with the existing commercial activities ordinance.

Again, this information is for discussion only at this time and to gauge the Board's interest for embarking upon this review. We appreciate your thoughts and consideration regarding this issue.