

**Town of Montreat
Board of Commissioners Meeting Agenda – Public Forum
March 14, 2019 – 6:30 p.m.
Walkup Building**

I. Call to Order

- Welcome
- Moment of Silence

II. Agenda Adoption

III. Public Comments

IV. Adjournment

**Town of Montreat
Board of Commissioners
Town Council Meeting
March 14, 2019 – 7:00 p.m.
Walkup Building**

I. Call to Order

- Pledge of Allegiance
- Moment of Silence

II. Agenda Adoption

III. Presentations & Reports:

- A. Jennifer Rice-Fiscal Year 2018 Comprehensive Annual Financial Report Presentation
- B. Alice Lentz – Montreat Addressing Issue

IV. Mayor's Communications

V. Consent Agenda

- A. Meeting Minutes Adoption
 - February 13, 2019, Special Meeting Minutes
 - February 14, 2019. Special Meeting Minutes
 - February 14, 2019, Public Forum Minutes
 - February 14, 2019, Town Council Minutes

All items on the Consent Agenda are considered routine, to be enacted by one motion with the adoption of the agenda and without discussion. If a member of the governing body requests discussion of an item, it will be removed from the Consent Agenda and considered separately.

VI. Town Administrator's Communications

- Consent Agenda Review
- Capital Projects Update
- Other Items

VII. Administrative Reports

- Administration
- Planning and Zoning
- Police
- Public Works and Water
- Sanitation
- Streets

VIII. Public Comment

Public comments will be heard during this period for any and all items.

IX. Old Business

X. New Business

A. Re-appointment of Hugh Alexander to the Audit Committee

- **Suggested Motion:** Move to re-appoint Hugh Alexander to the Audit Committee for a term of two years to expire on January 31, 2021.

B. Appointment of Martha Chastain as an Alternate Member to the Board of Adjustment

- **Suggested Motion:** Move to appoint Martha Chastain as an Alternate Member to the Board of Adjustment for a term of three years to expire on January 31, 2022.

C. Appointment of Margaret Waterstradt as an Alternate Member to the Board of Adjustment

- **Suggested Motion:** Move to appoint Margaret Waterstradt as an Alternate Member to the Board of Adjustment for a term of three years to expire on January 31, 2022.

D. Re-appointment of Philip Arnold to Open Spaces Conservation Committee

- **Suggested Motion:** Move to re-appoint Philip Arnold to the Open Spaces Conservation Committee for a term of three years to expire on January 31, 2022.

E. Appointment of Robert Sulaski as a Regular Member to the Board of Adjustment

- **Suggested Motion:** Move to appoint Robert Sulaski to the Board of Adjustment as a Regular Member for a term of three years to expire on January 31, 2022.

F. Re-appointment of AnnKelso Hewitt as a Regular Member to the Board of Adjustment

- **Suggested Motion:** Move to re-appoint AnnKelso Hewitt as a Regular Member to the Board of Adjustment for a term of three years to expire on January 31, 2022.

G. Resolution 18-03-001 Montreat Addressing Issue

- **Suggested Motion:** Move to approve Resolution #18-03-001 Regarding Montreat Address Issues and Problems Resulting from Confusion Between Town of Montreat Zip Code (28787) and Town of Black Mountain Zip Code (28711)

H. Call for Public Hearing

- **Suggested Motion:** Call for a Public Hearing G.S. 160A-20 on April 11, 2019 for installment financing contract for the construction of Town Hall.

G. Schedule 2019 Annual Board Retreat

- **Suggested Motion:** Move to schedule the 2019 Annual Board Retreat at a date to be determined.

I. Public Comment

Public comments will be heard during this period for any and all items.

II. Commissioner Communications

III. Meeting Dates

RFQ 2019-004 (Greybeard Wall)
Pre-Submittal Meeting:

Monday, March 18, 2019
Town Services Building
10:00 a.m.

Planning & Zoning Commission:

Thursday, March 21, 2019
Walkup Building
5:00 p.m.

Montreat Tree Board:

Tuesday, March 26, 2019
Town Services Building
9:30 a.m.

Board of Adjustment:

Thursday, March 28, 2019
Walkup Building
7:00 p.m.

RFQ 2019-004 (Greybeard Wall)
Bid Opening:

Monday, April 1, 2019
Town Services Building
11:00 a.m.

**Montreat Board of Commissioners
Town Council Meeting
March 14, 2019**

Montreat Landcare:

Wednesday, April 3, 2019
Allen Building
Swannanoa Room
9:00 a.m.

April Town Council Meeting:

Thursday, April 11, 2019
Walkup Building 7:00 p.m.
Public Forum begins at 6:30

Planning & Zoning Commission:

Thursday, April 18, 2019
Walkup Building
7:00 p.m.

Good Friday:

Friday, April 19, 2019
Office Closed

IV. Closed Session:

- **Suggested Motion: To enter into Closed Session in accordance with NCGS §143-318.11(6) for discussion of a personnel matter. (Documents pending)**

V. Adjournment

TOWN OF MONTREAT NORTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2018

TOWN OF MONTREAT NORTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2018

**PREPARED BY
THE FINANCE DEPARTMENT OF THE TOWN OF MONTREAT**

TOWN OF MONTREAT, NORTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2018

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FOR THE YEAR ENDED JUNE 30, 2018

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TOWN OF MONTREAT, NORTH CAROLINA

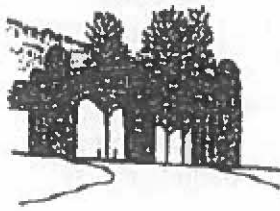
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INTRODUCTORY SECTION

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Town of Montreat

P.O. Box 423, Montreat, North Carolina 28757

Phone: (828) 669-8002 • Fax: (828) 669-3810

www.townofmontreat.org

February 28, 2019

The Honorable Mayor and Members of the Board of Commissioners
Town of Montreat
Montreat, North Carolina

The Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018 is hereby submitted. For readers that are unfamiliar with municipal CAFRs, a brief introduction is in order.

In the simplest possible terms, one could think of a CAFR as a financial reporting sandwich. The audited financial statements and notes could be thought of as the meat of the sandwich. In a CAFR, we add material to both ends of the audited material, just as there are slices of bread on each side of the meat. In the front end we add introductory materials such as a table of contents, this transmittal letter, an organization chart, and similar items. In the rear of this CAFR you will find a set of supplementary statistical information, providing additional data beyond what is presented in the audited financial statements. While virtually all governmental units (including all North Carolina local governments) must produce annual audited financial statements, a CAFR is considered to be a step beyond this minimal requirement. Local governments produce CAFRs in an attempt to better inform their elected officials and the general public about their financial condition. In some cases, lenders may also expect to see a CAFR for the sake of the additional information they provide.

The basic structure of this and all CAFRs conform to standards that have been established by the Government Finance Officers Association (GFOA). These standards are somewhat flexible, given that there are so many differences between governmental units at the state and local level. This CAFR reflects the attempt of the Town's administration to provide the reader with that information, which we believe to be most relevant to our particular situation and to the needs of our elected officials and our citizens.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation (including all disclosures within this report) rests with the administration of the Town of Montreat. To ensure reliability of the information, Town management has established a comprehensive framework of internal control. Internal controls protect the Town's assets from loss, theft, and misuse and help ensure that information is reliable for

the preparation of this report. The administration has gone to great lengths since our last CAFR to analyze and strengthen our internal controls to minimize any material misstatements in the financial statements. We believe that this financial report is accurate and reliable in all material respects. The financial statements and supplemental schedules contained herein have been audited by the independent certified public accounting firm of Martin Starnes and Associates, CPAs, P.A. Their unmodified opinion is included in the financial section of this CAFR.

In this CAFR and the audited financial statements contained herein, we are reporting on the financial accounts and activities considered to be controlled by or dependent upon the Town's Board of Commissioners, as defined by the Governmental Standards Accounting Board (GASB). The Town of Montreat is a small municipality, and provides a substantial but limited range of services to our citizens. Our General Fund accounts for the police, building inspections and zoning, streets, sanitation, and Open Space programs undertaken by the Town, as well as its general governmental activities. Our Water Fund accounts for the activities associated with operating, maintaining, and expanding the Town's water system. Some other functions that might be typically provided by municipal governments, such as fire protection or wastewater treatment, are provided in Montreat by other governmental entities (i.e., the East Buncombe Fire District and the Metropolitan Sewer District of Buncombe County), which service a wider region and thus are not included within the purview of this CAFR.

An obvious question that any reader of a document such as this one will ask immediately is: How are we doing? What is the financial condition of the Town? The administration of the Town of Montreat can confidently report that our Town is in good financial condition. Our revenues and expenditures have been roughly in balance with each other, remaining relatively steady from year to year, and remaining adequate to meet our highest priorities. Our fund balances and cash assets are ample, and our indebtedness is prudently low. We provide a more complete review of the Town's financial condition in the Management's Discussion and Analysis (MD&A) section of the audited financial statements, immediately following the auditor's opinion letter below. That document and this letter are intended to be read together. Combined, it is hoped that the reader will derive a comprehensive overview of the Town's present situation.

Profile of the Town

The Town of Montreat is situated on the Southern slopes of the Black Mountains of the Blue Ridge range, including Mt. Mitchell, the tallest peak East of the Mississippi, and the Eastern Continental Divide. Our community is placed entirely within a narrow box canyon bisected by the rapidly running clear water of Flat Creek, a tributary of the Swannanoa River. It is a heavily wooded, rugged mountainous terrain and enjoys four distinct seasons of natural beauty. Our healthy natural environment teams with wildlife, including the black bears that are symbolic of our community and are commonly seen by our residents and visitors.

Montreat is a small community with an official population of only 868 people according to the U.S. Census Bureau and N.C. Office of State Budget and Management. This figure

is somewhat deceptive as far more people than that abide in Montreat temporarily over the course of the year, especially during the summer months, while there is a different population of Montreat College students during the school year. Only a few hundred people are actual year-round residents.

While the community of Montreat is over a century old, the Town has only been incorporated since 1967. Montreat is predominantly a residential community. While some of our residents live here year-round, many have their primary residence elsewhere and come here only seasonally or for vacation. There are also a mix of single family, multi-family, and group seasonal rental units in Montreat. Our community is home to two large institutions: The Montreat Conference Center and Montreat College. These two institutions, along with the town's residences and the Town government, all have an intertwined history and continue to cooperate together to the present day. The Town exercises direct jurisdiction over 2.78 square miles, and exercises limited extraterritorial jurisdiction for land use regulation over much of the remaining territory within our cove up to the ridgelines.

There are no industrial and only minimal commercial entities within the Montreat Town limits, although there are a wider range of such entities within the immediately adjacent Town of Black Mountain. While a large portion of our population (disregarding conferees and vacationers) are either college students or retirees, many of our working-age population commute to employment in Black Mountain, Asheville, or other nearby communities.

Montreat operates under a mayor-council form of government. The Town Board of Commissioners consists of a mayor and five commissioners, all elected at large to staggered four year terms. The Town provides police, water, solid waste collection, streets, and code enforcement services to its residents. Fire protection, sewers, and public education are provided by other governmental entities serving part or all of Buncombe County.

Local Economic Conditions

As indicated above, Montreat is a small residential community with no industry and – excepting the two large not-for-profit institutions - a trivial commercial sector. Most of our residents are either college students or retirees living here for part or all of the year. Only a minority of our population is employed, and most of these people commute to jobs in Black Mountain, Asheville, or other nearby communities. In turn, most of the employees of the Town, the Montreat Conference Center, and Montreat College do not live in Montreat but rather commute in from other nearby communities. A total of 340 people were employed in Montreat, earning a total of \$8,767,000 in wages and salaries in 2010, according to Census Bureau data. Most of the income received by Montreat residents thus comes from either wages and salaries earned elsewhere, or from pension, investment, and government transfer payments that all derive from outside the community. With the exception of the payment of property taxes, water bills, and – in the case of college students – tuition, most of the income received by Montreat residents is expended outside of our town limits. The Montreat Conference Center also receives fees paid by conferees that live outside of the area. In consequence of all of this, the local Montreat economy is extremely

integrated with and dependent upon the wider regional and national economy, and there is very little that can or does happen here that has an impact upon the flow of funds through our community.

The Asheville Metropolitan Statistical Area and the entire Southern Highlands region have become an attractive destination for retirees over the past few decades. As a consequence, the median age for the Asheville MSA is 42.2 years vs. 36.9 years nationally, according to Census Bureau data. The source of household income within the entire region is skewed more toward unearned income (investment income, rents, pensions, government transfer payments) and away from earned income (salaries and wages) than the national average. The advantage of this is that the unearned income tends to be more stable than is the case with earned income subject to cyclical fluctuations in employment. This in turn means that the regional economy has been more stable and less vulnerable to the extremes of the boom and bust cycles that have been inflicted upon the national economy as a whole. The unemployment rate in the Asheville MSA has generally remained somewhat below national averages, and stood at 3.9% vs. 4.9% in June of 2016. Regional employment continues the same national trend of a slow recovery.

While we have largely recovered from the recent recession, the regional employment market has nevertheless offered limited opportunities for job seekers even during good times, especially for those who are highly educated or skilled, and as a consequence individual and household incomes in this area have generally been below national averages. For example, the median household income in the Asheville MSA in 2015 was \$44,826 vs. a national median of \$56,516, according to the Economic Development Coalition of Asheville-Buncombe County. Montreat is a more affluent community than is typical for our area, and our residents thus enjoy higher incomes: a 2010 household median of \$48,430, and a household average of \$60,893, according to CLRsearch.com.

Overall non-farm employment in the Asheville MSA has increased by 9.4% from 2010 to 2015, according to the Economic Development Coalition of Asheville-Buncombe County. The best performing sectors in our region have been: professional and business services (with an increase of 20.0% from 2010-2015); leisure and hospitality (with an increase of 19.8% from 2010-2015); transportation & utilities (with an increase of 18.2% from 2010-2015); and health care and education (with an employment increase of 14.0% from 2010-2015). In contrast, the area has experienced sustained declines in the government (-8.8%); information (-5.3%), and wholesale trade (-2.1%) sectors between 2010 and 2015.

The Asheville region has had a history of being a center for healthcare going back to the large concentration of tuberculosis sanitariums located in the area over a century ago. More recently, the large influx of retirees settling in the region, with their increasing needs for health care as part of the natural aging process, has led to the development of an extensive health care industry serving the local population, mostly located in Asheville and Black Mountain.

In addition to Montreat College, whose main campus is located within our Town's boundaries, the area is also served by several other institutions of higher learning. The famous Black Mountain College closed a half-century ago, but Warren Wilson College is still operating nearby. Asheville is home to both the Asheville-Buncombe Technical

Community College and the University of North Carolina at Asheville. In addition to the Buncombe County and Asheville City public school systems, several private primary and secondary schools operate in the area; none of these have facilities within the boundaries of the Town of Montreat, and all of our K-12 students must be transported to schools in Black Mountain or elsewhere.

The growth of the professional and business services sector in our area mirrors the nationwide trend and the U.S. continues its transition to a post-industrial economy. In our area, this trend appears to be driven not by a few large employers but rather by the growth of a myriad of smaller firms. The area, with its exceptional quality of life, is an attractive location for entrepreneurs to set up small businesses, especially ones that are able to deliver services nationally and even globally over the internet.

Tourism has been a strong regional industry going back for over a century. People have always been drawn to the beautiful scenery, comfortable climate, and abundant recreational opportunities offered by our mountains. Tourism is an industry in which Montreat participates directly through the Montreat Conference Center. Because most of our visitors come from North Carolina and other nearby states rather than internationally, our area is seen as a relatively inexpensive vacation destination and an affordable value for many people living in the eastern half of the nation.

Local government, represented by the Town of Montreat, is itself an important industry in the local economy. Our general and water fund budgets (excluding extraordinary grant-funded activities) have remained relatively stable over the past five years. The Town of Montreat employs a full-time staff of 14 individuals.

Long-Term Financial Planning & Major Initiatives

The Town's Board of Commissioners and staff are dedicated to managing the Town's financial affairs in a professional and prudent manner, and to maintaining the Town in sound financial condition. To this end, we generally maintain fund balances that are in excess of annual operating expenditures. We avoid running operating deficits and funding them with appropriated fund balance unless absolutely necessary for the internal funding of extraordinary expenditures to avoid taking on additional debt. Our indebtedness is far below the maximums mandated by North Carolina state law. We strive to manage the Town's operations efficiently and to avoid the need to resort to increases in the ad valorem tax rate. The Water Fund is operated as much as possible on a self-supporting basis, and we attempt to set water rates that are fair to all users.

The Board of Commissioners, in collaboration with the Town staff, establishes a set of goals as a part of the annual budget and Capital Improvement Plan (C.I.P) process. Both documents may be found on the Town's website (<https://townofmontreat.org/>.) Two large projects were under consideration throughout FYE 18 but remain in a preliminary planning stage: the building of a new town hall and public works building. The Town Hall is in the Design phase and construction is expected to begin in the summer of 2019.

Awards and Acknowledgements

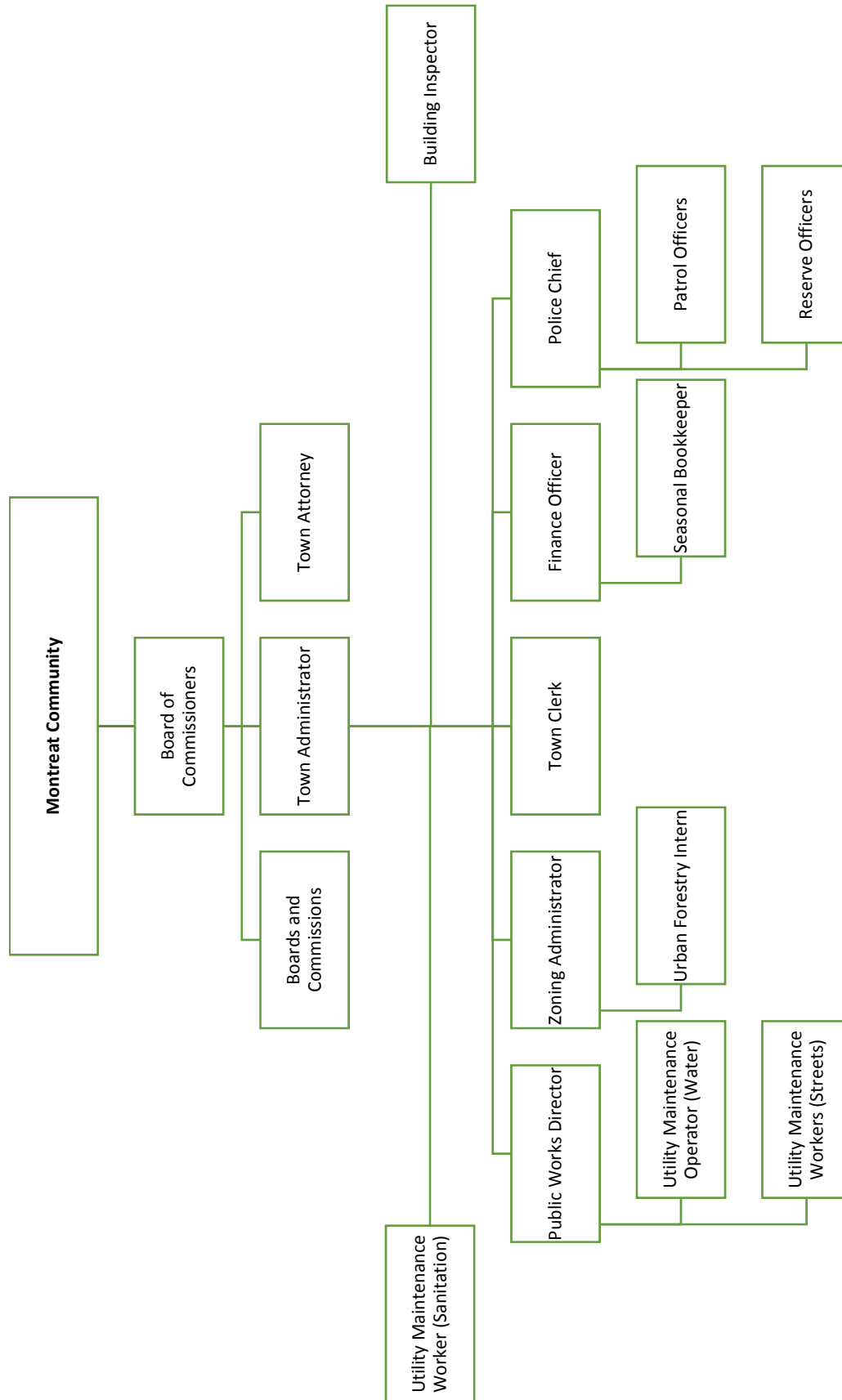
The previous fiscal year that ended on June 30, 2017 was our sixth year that the Town has participated in the Certificate of Achievement for Excellence in Financial Reporting program of the Government Finance Officers Association. Due to staffing turnover, we were not able to submit our application for the award last year, however it is our intention to submit this CAFR to the GFOA program.

The preparation of this comprehensive annual financial report was made possible with the assistance of Martin Starnes & Associates, CPAs, P.A., and with the assistance of the Town of Montreat staff members, to whom we express our appreciation. We also acknowledge the support of the Mayor, Board of Commissioners, and members of the Audit Committee of the Town of Montreat in our efforts to improve the professionalism and quality of our management and reporting of the Town's financial affairs.



Alex Carmichael
Town Administrator

Darlene Carrisquillo
Finance Officer



TOWN COUNCIL

Honorable Tim Helms, Mayor
Kent Otto, Mayor Pro Tem
Kathryn Fouche
William Gilliland
Alice Lentz
Tom Widmer

ADMINISTRATION

Alex Carmichael, Town Administrator
Erin Marie Wheeler, Finance Officer
Angela Murphy, Town Clerk
David Arrant, Interim Chief of Police
Barry Creasman, Interim Director of Public Works

AUDIT COMMITTEE

William Gilliland, Chair
Hugh Alexander, Vice Chair
Phillip Arnold, Secretary
Kent Otto
Tom Widmer

FINANCIAL SECTION

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MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

INDEPENDENT AUDITOR'S REPORT

To The Honorable Mayor
And Members of the Board of Commissioners
Montreat, 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 Montreat, North Carolina, as of and for the year ended June 30, 2018, 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.

Auditor's 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

Opinions

In our opinion, 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 Montreat, North Carolina, as of June 30, 2018, 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, 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, and the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Asset (Liability) and Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Town of Montreat, North Carolina. The introductory section, combining and individual fund financial statements, budgetary schedules, supplemental ad valorem tax schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary schedules, and supplemental ad valorem tax 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, the combining and individual fund financial statements, budgetary schedules, and supplemental ad valorem tax schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and the statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have issued our report dated February 28, 2019 on our consideration of the Town of Montreat's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of the report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Montreat's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Montreat's internal control over financial reporting and compliance.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
February 28, 2019

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Management's Discussion and Analysis

As management of the Town of Montreat, we offer readers of the Town of Montreat's financial statements this narrative overview and analysis of the financial activities of the Town of Montreat for the fiscal year ended June 30, 2018. 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

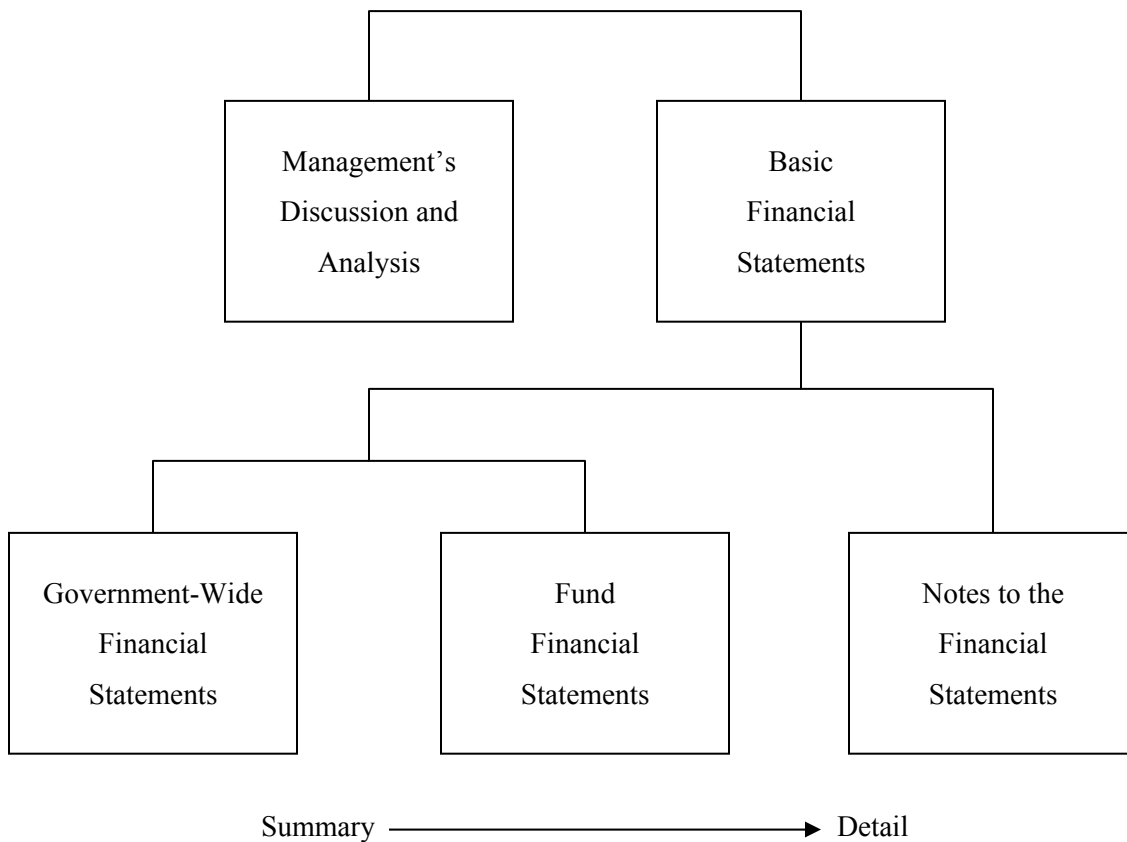
- The assets and deferred outflows of resources of the Town of Montreat exceed its liabilities and deferred inflows of resources at the close of the fiscal year by \$7,533,785 (*net position*).
- The government's total net position increased by \$245,434, primarily due to increased assets and decreased long and short-term liabilities.
- As of the close of the current fiscal year, the Town of Montreat's General Fund reported ending fund balance of \$1,762,860 with a net decrease of \$160,260 in fund balance. Approximately 22.3% of this total amount, or \$393,649, is non-spendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,316,220, or 72.0%, of total General Fund expenditures and transfers out for the fiscal year.
- The Town of Montreat's total long-term liabilities decreased by \$221,741 (-18.3%) during the current fiscal year. The key factor in this decrease was the reduction in Law Enforcement Officers pension liabilities, installment purchase and bond debt liabilities and compensated absences during the year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Montreat'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 Montreat.

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

The first two statements (Exhibits A and B) 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 C - J) 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 General Statutes also can be found in this part of the statements.

Government-Wide Financial Statements

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

The two government-wide statements report the Town's net position and how they have changed. Net position is the difference between the Town's total assets and total liabilities and deferred outflows 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 general government, public safety, transportation, and general administration. Property taxes and federal and State 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 Montreat.

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 Montreat, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of the Town of Montreat 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 governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The Town of Montreat 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 Montreat has one 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 Montreat uses enterprise funds to account for its water activity. These funds are the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The Town of Montreat has one fiduciary fund, which is an agency fund.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 25 of this report.

Other Information - In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Town of Montreat's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 53 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.

Government-Wide Financial Analysis

Town of Montreat's Net Position

Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Assets and Deferred Outflows of Resources:						
Current and other assets	\$ 2,202,298	\$ 2,134,011	\$ 891,586	\$ 848,000	\$ 3,093,884	\$ 2,982,011
Capital assets	3,831,821	3,915,657	1,591,451	1,668,915	5,423,272	5,584,572
Deferred outflows of resources	133,656	186,757	-	-	133,656	186,757
Total assets and deferred outflows of resources	<u>6,167,775</u>	<u>6,236,425</u>	<u>2,483,037</u>	<u>2,516,915</u>	<u>8,650,812</u>	<u>8,753,340</u>
Liabilities and Deferred Inflows of Resources:						
Long-term liabilities outstanding	439,726	577,540	552,769	636,696	992,495	1,214,236
Other liabilities	93,808	211,369	9,718	25,359	103,526	236,728
Deferred inflows of resources	21,006	14,025	-	-	21,006	14,025
Total liabilities and deferred inflows of resources	<u>554,540</u>	<u>802,934</u>	<u>562,487</u>	<u>662,055</u>	<u>1,117,027</u>	<u>1,464,989</u>
Net Position:						
Net investment in capital assets	3,695,360	3,749,519	1,038,682	1,032,219	4,734,042	4,781,738
Restricted	390,961	330,586	-	-	390,961	330,586
Unrestricted	1,526,914	1,353,386	881,868	822,641	2,408,782	2,176,027
Total net position	<u>\$ 5,613,235</u>	<u>\$ 5,433,491</u>	<u>\$ 1,920,550</u>	<u>\$ 1,854,860</u>	<u>\$ 7,533,785</u>	<u>\$ 7,288,351</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 Montreat exceeded liabilities and deferred inflows by \$7,533,785 as of June 30, 2018. The Town's net position increased by \$245,434 for the fiscal year ended June 30, 2018. However, the largest portion (62.8%) reflects the Town's investment in capital assets (e.g. land, buildings, machinery, and equipment). The Town of Montreat uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Montreat's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town of Montreat's net position, \$390,961, or 5.2%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$2,408,782 is unrestricted.

Several particular aspects of the Town's financial operations positively influenced the total unrestricted governmental and business-type net position:

- The net position in governmental activities increased by \$179,744. As compared to the previous fiscal year, the Town had more cash in Accounts Receivables. Assets increased (such as through the purchase of property at 1210 Montreat Road) and liabilities decreased (such as through payments made towards bond debt and installment financing).

- The net position in business-type activities increased by \$65,690. As compared to the previous fiscal year, the Town's liabilities decreased (such as payments on bond debt and paying off the backhoe note).

Town of Montreat Changes in Net Position

Figure 3

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 94,784	\$ 98,987	\$ 333,751	\$ 351,697	\$ 428,535	\$ 450,684
Operating grants and contributions	152,413	147,450	-	-	152,413	147,450
Capital grants and contributions	2,787	3,694	-	-	2,787	3,694
General revenues:						
Property taxes	1,000,700	974,695	-	-	1,000,700	974,695
Other taxes	406,038	402,651	-	-	406,038	402,651
Other	9,848	9,758	3,886	244	13,734	10,002
Total revenues	<u>1,666,570</u>	<u>1,637,235</u>	<u>337,637</u>	<u>351,941</u>	<u>2,004,207</u>	<u>1,989,176</u>
Expenses:						
General government	337,182	604,294	-	-	337,182	604,294
Public safety	358,436	439,093	-	-	358,436	439,093
Transportation	473,469	380,618	-	-	473,469	380,618
Environmental protection	117,305	96,173	-	-	117,305	96,173
Culture and recreation	26,265	20,419	-	-	26,265	20,419
Interest on long-term debt	3,278	6,221	-	-	3,278	6,221
Water and sewer	-	-	271,947	272,343	271,947	272,343
Total expenses	<u>1,315,935</u>	<u>1,546,818</u>	<u>271,947</u>	<u>272,343</u>	<u>1,587,882</u>	<u>1,819,161</u>
Increase in net position before special item	350,635	90,417	65,690	79,598	416,325	170,015
Special item:						
Loss on disposal of asset	(170,891)	-	-	-	(170,891)	-
Change in net position	<u>179,744</u>	<u>90,417</u>	<u>65,690</u>	<u>79,598</u>	<u>245,434</u>	<u>170,015</u>
Net position, beginning of year	5,433,491	5,269,195	1,854,860	1,775,262	7,288,351	7,044,457
Restatement	-	73,879	-	-	-	73,879
Beginning of year - July 1 as restated	<u>5,433,491</u>	<u>5,343,074</u>	<u>1,854,860</u>	<u>1,775,262</u>	<u>7,288,351</u>	<u>7,118,336</u>
Net position, June 30	<u>\$ 5,613,235</u>	<u>\$ 5,433,491</u>	<u>\$ 1,920,550</u>	<u>\$ 1,854,860</u>	<u>\$ 7,533,785</u>	<u>\$ 7,288,351</u>

Governmental Activities. Governmental activities increased the Town's net position by \$179,744, thereby accounting for 73.2% of the total growth in the net position of \$245,434 for the Town of Montreat. This compares to an increase of \$170,015 in the previous fiscal year, a difference of \$75,419.

Key elements of this increase are as follows:

- Program revenues decreased by about \$147 over the previous year.
- Government activity revenues increased by \$11,140 from the previous year.
- Governmental activity expenses decreased by \$230,883 compared to the previous fiscal year.

Business-Type Activities. Business-type activities in the Water Fund increased the Town of Montreat's net position by \$65,690, accounting for 26.8% of the total growth in the government's net position.

Key elements of this increase are as follows:

- Business-type revenues decreased by \$17,946 from the previous year.
- Business-type activity expenses remained consistent with the prior year and decreased by \$396.

Financial Analysis of the Town's Funds

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

Governmental Funds. The focus of the Town of Montreat'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 Montreat's financing requirements.

The General Fund is the chief operating fund of the Town of Montreat. At the end of the current fiscal year, the Town of Montreat's fund balance available in the General Fund was \$1,656,888, while total fund balance reached \$1,762,860. The governing body of the Town of Montreat has determined that the Town should maintain at least 35% of General Fund budgeted expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the Town. The Town currently has available fund balance of 90.70% of total General Fund expenditures and transfers out, while total fund balance represents 96.50% of the same amount.

At June 30, 2018, the governmental funds of the Town of Montreat reported a combined fund balance of \$2,108,741, with a net increase in fund balance of \$185,621. During fiscal year 2018, the Town identified its need to construct a Town Hall and Public Works Building and adopted project ordinances for the construction of these buildings. The Town Hall Capital Project Fund had an increase in fund balance and an ending fund balance at June 30, 2018 of \$74,340, while the Public Works Capital Project Fund had an increase in fund balance and an ending fund balance of \$295,200.

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.

The Town ended the fiscal year with actual revenues in most categories below the final budgeted amounts and our total revenues were \$219,682 less than budgeted. Our actual General Fund expenditures in all departments (appropriation is by departmental level) were below budget by a total of \$312,140. Transfers to establish the capital project funds for the Town Hall and Public Works Building were equal to the budgeted amount of \$525,000.

Proprietary Funds. The Town of Montreat's proprietary funds provide 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 \$881,868. The total change in net position for the Water Fund was \$65,690.

The Town's Proprietary (Water) Fund brought in actual revenues below budget of \$30,966. This was due to lower water fees being received than expected. We also expended \$91,235 less than budgeted due to some projects being reduced and deferred. Overall, the Water Fund ended with a surplus over the original balanced budget of \$60,269.

Capital Asset and Debt Administration

Capital Assets. The Town of Montreat's investment in capital assets for its governmental and business-type activities as of June 30, 2018 totals \$5,423,272 (net of accumulated depreciation). These assets include land, buildings, building improvements, equipment, infrastructure, vehicles, and water system.

Major capital asset transactions during the year include the following:

- Two new capital project funds for the Town Hall and Public Works Building projects which totaled \$155,460 included in construction in progress.
- A new bucket truck for \$27,248
- New police radios totaling \$38,273

Town of Montreat's Capital Assets (net of depreciation)

Figure 4

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 1,355,224	\$ 1,355,224	\$ 367,968	\$ 367,968	\$ 1,723,192	\$ 1,723,192
Construction in progress	323,471	337,006	-	-	323,471	337,006
Buildings	1,777	1,825	74,626	78,179	76,403	80,004
Building improvements	14,480	17,895	497,719	517,628	512,199	535,523
Equipment	40,320	4,342	-	14,949	40,320	19,291
Infrastructure	1,952,370	2,033,383	651,138	690,191	2,603,508	2,723,574
Vehicles	144,179	165,982	-	-	144,179	165,982
Total	<u>\$ 3,831,821</u>	<u>\$ 3,915,657</u>	<u>\$ 1,591,451</u>	<u>\$ 1,668,915</u>	<u>\$ 5,423,272</u>	<u>\$ 5,584,572</u>

Additional information on the Town's capital assets can be found in Note 2 of the basic financial statements.

Long-Term Debt. As of June 30, 2018, the Town of Montreat had total bonded debt outstanding of \$90,000 and \$559,230 of installment debt.

Outstanding Liabilities

Figure 5

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Bonds payable	\$ -	\$ -	\$ 90,000	\$ 118,000	\$ 90,000	\$ 118,000
Installment debt	136,461	166,138	462,769	518,696	599,230	684,834
Compensated absences	102,266	133,027	-	-	102,266	133,027
Pension related debt (LGERS)	141,467	200,773	-	-	141,467	200,773
Pension related debt (LEO)	59,532	77,602	-	-	59,532	77,602
Total	<u>\$ 439,726</u>	<u>\$ 577,540</u>	<u>\$ 552,769</u>	<u>\$ 636,696</u>	<u>\$ 992,495</u>	<u>\$ 1,214,236</u>

Town of Montreat's Outstanding Debt

The Town of Montreat's total long-term obligations decreased by \$221,741 (-18.26%) during the past fiscal year, primarily due to scheduled debt payments and the decrease in pension related debt and compensated absences.

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 Montreat is \$20,088,319.

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

Economic Factors and Next Year's Budgets and Rates

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

- The population of Montreat is estimated to have grown by 15% over the last 10-year census period, from 630 in 2000 to 724 in 2010. The most recent estimate for 2017 is 868. This represents a recovery from the past few years, during which it had experienced some decline. (Source: US Census Bureau and NC State Demographics Unit)
- While Montreat is mainly a residential community, there are two large institutions located within our town limits: the Mountain Retreat Association d/b/a Montreat Conference Center and Montreat College. The number of full-time equivalent employees at the Montreat Conference Center has increased to 87 in the past year. The operating budget for Montreat Conference Center has held steady at approximately \$7.5 million in 2017 and 2018. The total headcount enrollment of full and part-time students on the Montreat College main campus increased from 509 in 2017 to 538 in 2018. The number of employees at the Montreat campuses increased slightly from 127 in 2017 to 128 in 2018. The operating budget for Montreat College increased from \$20.5 million in 2017 to \$20.9 in 2018. (Source: Montreat Conference Center and Montreat College)
- The total valuation of real property within the jurisdiction of the Town of Montreat for calendar year 2017 was \$238,989,117. (Source: Buncombe County).
- A total of 87 building permits were issued by the Town. This is an increase of 35 over the previous fiscal year. (Source: Town of Montreat)
- The Town delivered a total of 33,875,260 gallons of water through fiscal year ended 2018, an increase of 5,475,144 gallons, or 20% from the previous year. (Source: Town of Montreat)

Budget Highlights for the Fiscal Year Ending June 30, 2019

Governmental Activities:

- Budgeted General Fund revenues for the fiscal year ending June 30, 2019 have been estimated at \$1,886,447. This represents an increase of \$219,877, or 11%, from the final actual revenues of \$1,666,570 for the fiscal year ended June 30, 2018. This increase is mostly due to minor changes in the expected amounts to be received in several revenue accounts.
- Budgeted expenditures in the General Fund for the fiscal year ending June 30, 2019 have been estimated at \$1,886,447. This represents an increase of \$584,617, or 30%, from the final actual expenditures of \$1,301,830 for fiscal year ended June 30, 2018. Most of the increase is due to anticipated expenditures for capital projects in fiscal year 2018 were deferred to fiscal 2019.
- Other financing sources (appropriated fund balance) for the General Fund for fiscal year ending 2019 are budgeted at \$0. This compares with actual other financing sources (debt issued) for the fiscal year ended 2018 of \$-0-, which shows no increase and/or decrease. Note that the Town routinely budgets an appropriation of fund balance in excess of what it ultimately uses. In the fiscal year ended 2018, an appropriation of fund balance of \$127,718 was left entirely unused.

Business-Type Activities:

- Budgeted Water Fund revenues for the fiscal year ending June 30, 2019 have been estimated at \$356,611. This represents an increase of \$18,974, or 5%, from the final actual revenues of \$337,637 for the fiscal year ended June 30, 2018. This difference is primarily due to a significant reduction in water access fees from fiscal year 2018 to fiscal year 2019.
- Budgeted Water Fund expenditures and debt service for the fiscal year ending June 30, 2019 equal \$354,311. This is an increase of \$82,364, or 23%, from the final actual expenditures of \$271,947 for fiscal year ended June 30, 2018. This is due to budgeting for additional capital projects.

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 Alex Carmichael, Town Administrator, P.O. Box 423, Montreat, North Carolina 28757, or call (828) 669-8002.

BASIC FINANCIAL STATEMENTS

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TOWN OF MONTREAT, NORTH CAROLINA

STATEMENT OF NET POSITION
JUNE 30, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 1,823,516	\$ 833,600	\$ 2,657,116
Taxes receivable, net	1	-	1
Accounts receivable, net	103,284	33,212	136,496
Inventories	-	17,279	17,279
Prepaid items	2,688	-	2,688
Restricted cash and cash equivalents	272,809	7,495	280,304
Total current assets	2,202,298	891,586	3,093,884
Non-current assets:			
Capital assets:			
Land and construction in progress	1,678,695	367,968	2,046,663
Other capital assets, net of depreciation	2,153,126	1,223,483	3,376,609
Total non-current assets	3,831,821	1,591,451	5,423,272
Total assets	6,034,119	2,483,037	8,517,156
Deferred Outflows of Resources:			
Pension deferrals	133,656	-	133,656
Liabilities:			
Current liabilities:			
Accounts payable and accrued expenses	93,808	2,223	96,031
Liabilities payable from restricted assets	-	7,495	7,495
Current portion of long-term liabilities	23,061	69,086	92,147
Current portion of compensated absences	10,227	-	10,227
Total current liabilities	127,096	78,804	205,900
Long-term liabilities:			
Total pension liability (LEOSSA)	59,532	-	59,532
Net pension liability (LGRERS)	141,467	-	141,467
Due in more than one year	205,439	483,683	689,122
Total long-term liabilities	406,438	483,683	890,121
Total liabilities	533,534	562,487	1,096,021
Deferred Inflows of Resources:			
Pension deferrals	19,506	-	19,506
Prepaid taxes	1,500	-	1,500
Total deferred inflows of resources	21,006	-	21,006
Net Position:			
Net investment in capital assets	3,695,360	1,038,682	4,734,042
Restricted for:			
Stabilization by state statute	103,284	-	103,284
Streets	272,809	-	272,809
Cultural and recreation	14,868	-	14,868
Unrestricted	1,526,914	881,868	2,408,782
Total net position	\$ 5,613,235	\$ 1,920,550	\$ 7,533,785

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

TOWN OF MONTREAT, NORTH CAROLINA

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

		Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
	Expenses			
Functions/Programs:				
Primary Government:				
Governmental Activities:				
General government	\$ 337,182	\$ 88,002	\$ 105,009	\$ -
Public safety	358,436	1,673	-	-
Transportation	473,469	-	40,875	-
Environmental protection	117,305	5,109	6,529	2,787
Cultural and recreation	26,265	-	-	-
Interest on long-term debt	3,278	-	-	-
Total governmental activities	<u>1,315,935</u>	<u>94,784</u>	<u>152,413</u>	<u>2,787</u>
Business-Type Activities:				
Water	<u>271,947</u>	<u>333,751</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>271,947</u>	<u>333,751</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 1,587,882</u>	<u>\$ 428,535</u>	<u>\$ 152,413</u>	<u>\$ 2,787</u>

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

TOWN OF MONTREAT, NORTH CAROLINA

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2018

	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Functions/Programs:			
Primary Government:			
Governmental Activities:			
General government	\$ (144,171)	\$ -	\$ (144,171)
Public safety	(356,763)	-	(356,763)
Transportation	(432,594)	-	(432,594)
Environmental protection	(102,880)	-	(102,880)
Cultural and recreation	(26,265)	-	(26,265)
Interest on long-term debt	(3,278)	-	(3,278)
Total governmental activities	<u>(1,065,951)</u>	<u>-</u>	<u>(1,065,951)</u>
Business-Type Activities:			
Water	-	61,804	61,804
Total business-type activities	<u>-</u>	<u>61,804</u>	<u>61,804</u>
Total primary government	<u>(1,065,951)</u>	<u>61,804</u>	<u>(1,004,147)</u>
General Revenues:			
Taxes:			
Property taxes, levied for general purposes	1,000,700	-	1,000,700
Local option sales tax	406,038	-	406,038
Investment earnings, unrestricted	4,395	284	4,679
Miscellaneous	<u>5,453</u>	<u>3,602</u>	<u>9,055</u>
Total general revenues, excluding special item	<u>1,416,586</u>	<u>3,886</u>	<u>1,420,472</u>
Special item: loss on disposal of asset	<u>(170,891)</u>	<u>-</u>	<u>(170,891)</u>
Change in net position	179,744	65,690	245,434
Net Position:			
Beginning of year - July 1	<u>5,433,491</u>	<u>1,854,860</u>	<u>7,288,351</u>
End of year - June 30	<u>\$ 5,613,235</u>	<u>\$ 1,920,550</u>	<u>\$ 7,533,785</u>

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

TOWN OF MONTREAT, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2018

	Major			Other	
	General	Town Hall	Public Works	Governmental	
	Fund	Capital	Capital	Funds	Total
		Project Fund	Project Fund		
Assets:					
Cash and cash equivalents	\$ 1,453,976	\$ 74,340	\$ 295,200	\$ -	\$ 1,823,516
Taxes receivable, net	1	-	-	-	1
Accounts receivable, net	103,284	-	-	-	103,284
Prepaid items	2,688	-	-	-	2,688
Restricted cash	272,809	-	-	-	272,809
Total assets	<u>\$ 1,832,758</u>	<u>\$ 74,340</u>	<u>\$ 295,200</u>	<u>\$ -</u>	<u>\$ 2,202,298</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable	\$ 68,397	\$ -	\$ -	\$ 23,659	\$ 92,056
Deferred Inflows of Resources:					
Property tax receivable	1	-	-	-	1
Prepaid taxes	1,500	-	-	-	1,500
Total deferred inflows of resources	<u>1,501</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,501</u>
Fund Balances:					
Non-spendable:					
Prepays	2,688	-	-	-	2,688
Restricted:					
Stabilization by state statute	103,284	-	-	-	103,284
Streets	272,809	-	-	-	272,809
Open space	14,868	-	-	-	14,868
Committed	20,115	74,340	295,200	-	389,655
Assigned:					
Public safety	32,876	-	-	-	32,876
Unassigned	1,316,220	-	-	(23,659)	1,292,561
Total fund balances	<u>1,762,860</u>	<u>74,340</u>	<u>295,200</u>	<u>(23,659)</u>	<u>2,108,741</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,832,758</u>	<u>\$ 74,340</u>	<u>\$ 295,200</u>	<u>\$ -</u>	
Amounts reported for governmental activities in the Statement of Net Position (Exhibit A) are different because:					
Capital assets, net of accumulated depreciation, used in governmental activities are not current financial resources and, therefore, are not reported in the funds.					3,831,821
Deferred outflows of resources related to pensions are not reported in the funds.					133,656
Long-term liabilities, compensated absences, and interest payable are not due and payable in the current period and, therefore, are not reported in the funds.					(240,479)
Net pension liability - LGERS					(141,467)
Total pension liability - LEOSSA					(59,532)
Deferred inflows of resources related to pensions are not reported in the funds.					(19,506)
Deferred inflows in the governmental funds are used to offset accounts receivable not expected to be received within 90 days of year-end. These receivables are a component of net position in the Statement of Net Position.					<u>1</u>
Net position of governmental activities					<u>\$ 5,613,235</u>

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

TOWN OF MONTREAT, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Major			Other	
	General	Town Hall	Public Works	Governmental	Total
	Fund	Capital	Capital	Funds	
		Project Fund	Project Fund		
Revenues:					
Ad valorem taxes	\$ 1,000,700	\$ -	\$ -	\$ -	\$ 1,000,700
Other taxes and licenses	406,038	-	-	-	406,038
Unrestricted intergovernmental revenues	93,385	-	-	-	93,385
Restricted intergovernmental revenues	46,875	-	-	-	46,875
Permits and fees	88,002	-	-	-	88,002
Sales and services	18,935	-	-	-	18,935
Investment earnings	4,395	-	-	-	4,395
Miscellaneous	8,240	-	-	-	8,240
Total revenues	<u>1,666,570</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,666,570</u>
Expenditures:					
Current:					
General government	363,348	150,660	-	-	514,008
Public safety	397,494	-	-	-	397,494
Transportation	389,954	-	4,800	23,659	418,413
Environmental protection	104,362	-	-	-	104,362
Cultural and recreation	13,490	-	-	-	13,490
Debt service:					
Principal	29,677	-	-	-	29,677
Interest	3,505	-	-	-	3,505
Total expenditures	<u>1,301,830</u>	<u>150,660</u>	<u>4,800</u>	<u>23,659</u>	<u>1,480,949</u>
Revenues over (under) expenditures	<u>364,740</u>	<u>(150,660)</u>	<u>(4,800)</u>	<u>(23,659)</u>	<u>185,621</u>
Other Financing Sources (Uses):					
Transfers from other funds	-	225,000	300,000	-	525,000
Transfers to other funds	<u>(525,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(525,000)</u>
Total other financing sources (uses)	<u>(525,000)</u>	<u>225,000</u>	<u>300,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(160,260)	74,340	295,200	(23,659)	185,621
Fund Balances:					
Beginning of year - July 1	<u>1,923,120</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,923,120</u>
End of year - June 30	<u>\$ 1,762,860</u>	<u>\$ 74,340</u>	<u>\$ 295,200</u>	<u>\$ (23,659)</u>	<u>\$ 2,108,741</u>

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

TOWN OF MONTREAT, NORTH CAROLINA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2018

Amounts reported for governmental activities in the Statement of Activities (Exhibit B) are different due to the following items:

Net change in fund balances - total governmental funds (Exhibit D)	\$	185,621
Expenses related to interest expense that do not require current financial resources are not reported as expenditures.		227
Capital outlays are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, capital outlay is not an expense, rather it is an increase in capital assets.		222,547
Loss on disposal of asset		(170,891)
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.		(135,492)
Principal repayments are reported as expenditures in the governmental funds statement. However, in the Statement of Activities, these transactions are not an expense, rather they are a decrease in liabilities.		29,677
Expenses related to compensated absences and pension obligations in the Statement of Activities that do not pay for current financial obligations are not reported as expenditures in the governmental funds. This adjustment is the amount of net change in these balances in the current year.		
Compensated absences	30,761	
Pension expense - LGERS	(6,471)	
Pension expense - LEOSA	<u>23,765</u>	<u>48,055</u>
Change in net position of governmental activities per Exhibit B	\$	<u>179,744</u>

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

TOWN OF MONTREAT, NORTH CAROLINA

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Over/Under
Revenues:				
Ad valorem taxes	\$ 981,843	\$ 981,843	\$ 1,000,700	\$ 18,857
Other taxes and licenses	411,600	411,600	406,038	(5,562)
Unrestricted intergovernmental revenues	105,983	105,983	93,385	(12,598)
Restricted intergovernmental revenues	39,446	45,446	46,875	1,429
Permits and fees	93,480	93,480	88,002	(5,478)
Sales and services	238,100	238,100	18,935	(219,165)
Investment earnings	6,800	6,800	4,395	(2,405)
Miscellaneous	3,000	3,000	8,240	5,240
Total revenues	<u>1,880,252</u>	<u>1,886,252</u>	<u>1,666,570</u>	<u>(219,682)</u>
Expenditures:				
General government	804,882	411,132	363,348	47,784
Public safety	462,374	426,204	397,494	28,710
Transportation	600,527	583,725	389,954	193,771
Environmental protection	100,037	110,621	104,362	6,259
Cultural and recreation	<u>7,000</u>	<u>13,540</u>	<u>13,490</u>	<u>50</u>
Debt service:				
Principal	29,550	65,148	29,677	35,471
Interest	<u>3,600</u>	<u>3,600</u>	<u>3,505</u>	<u>95</u>
Total debt service	<u>33,150</u>	<u>68,748</u>	<u>33,182</u>	<u>35,566</u>
Total expenditures	<u>2,007,970</u>	<u>1,613,970</u>	<u>1,301,830</u>	<u>312,140</u>
Revenues over (under) expenditures	<u>(127,718)</u>	<u>272,282</u>	<u>364,740</u>	<u>92,458</u>
Other Financing Sources (Uses):				
Fund balance appropriated	127,718	252,718	-	(252,718)
Transfer to other funds	<u>-</u>	<u>(525,000)</u>	<u>(525,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>127,718</u>	<u>(272,282)</u>	<u>(525,000)</u>	<u>(252,718)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(160,260)</u>	<u>\$ (160,260)</u>
Fund Balance:				
Beginning of year - July 1			<u>1,923,120</u>	
End of year - June 30			<u>\$ 1,762,860</u>	

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

TOWN OF MONTREAT, NORTH CAROLINA

STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2018

	<u>Water Fund</u>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 833,600
Accounts receivable, net	33,212
Inventory	17,279
Restricted cash and cash equivalents	<u>7,495</u>
Total current assets	<u>891,586</u>
Non-current assets:	
Land and construction in process	367,968
Other capital assets, net	<u>1,223,483</u>
Total capital assets	<u>1,591,451</u>
Total assets	<u>2,483,037</u>
Liabilities:	
Current liabilities:	
Accounts payable and accrued liabilities	2,223
Bonds payable, current	28,000
ARRA debt, current	27,286
Note payable, current	13,800
Liabilities payable from restricted assets:	
Customer deposits	<u>7,495</u>
Total current liabilities	<u>78,804</u>
Non-current liabilities:	
Bonds payable	62,000
ARRA debt	325,083
Note payable	<u>96,600</u>
Total non-current liabilities	<u>483,683</u>
Total liabilities	<u>562,487</u>
Net Position:	
Net investment in capital assets	1,038,682
Unrestricted	<u>881,868</u>
Total net position	<u>\$ 1,920,550</u>

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

TOWN OF MONTREAT, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Water Fund</u>
Operating Revenues:	
Charges for services	\$ 285,901
Other	<u>47,850</u>
Total operating revenues	<u>333,751</u>
 Operating Expenses:	
Water operations	182,357
Depreciation	<u>77,464</u>
Total operating expenses	<u>259,821</u>
 Operating income (loss)	 <u>73,930</u>
 Non-Operating Revenues (Expenses):	
Investment earnings	284
Sales of capital assets	3,602
Interest expense	<u>(12,126)</u>
Total non-operating revenues (expenses)	<u>(8,240)</u>
 Change in net position	 65,690
 Net Position:	
Beginning of year - July 1	<u>1,854,860</u>
 End of year - June 30	 <u>\$ 1,920,550</u>

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

TOWN OF MONTREAT, NORTH CAROLINA

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

FOR THE YEAR ENDED JUNE 30, 2018

	<u>Water Fund</u>
Cash Flows from Operating Activities:	
Cash received from customers	\$ 376,905
Cash paid for goods and services	(164,877)
Cash paid to employees for services	<u>(34,305)</u>
Net cash provided (used) by operating activities	<u>177,723</u>
Cash Flows from Capital and Related Financing Activities:	
Proceeds from sale of capital assets	3,602
Principal payment on long-term debt	(83,927)
Interest payment on long-term debt	<u>(12,869)</u>
Net cash provided (used) by capital and related financing activities	<u>(93,194)</u>
Cash Flows from Investing Activities:	
Interest received	<u>284</u>
Net increase (decrease) in cash, cash equivalents, and investments	84,813
Cash and Cash Equivalents:	
Beginning of year - July 1	<u>756,282</u>
End of year - June 30	<u><u>\$ 841,095</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:	
Operating income (loss)	\$ 73,930
Depreciation	77,464
Change in assets and liabilities:	
Accounts receivables	38,568
Prepays	860
Inventories	1,799
Accounts payable and accrued liabilities	(19,484)
Customer deposits	<u>4,586</u>
Net cash provided (used) by operating activities	<u><u>\$ 177,723</u></u>

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

TOWN OF MONTREAT, NORTH CAROLINA

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUND

JUNE 30, 2018

	<u>Agency Fund</u>
Assets:	
Cash and cash equivalents	\$ 20,461
Receivables	<u>31,997</u>
Total assets	<u>\$ 52,458</u>
 Liabilities	
Accounts payable	<u>\$ 52,458</u>

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

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TOWN OF MONTREAT, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

I. Summary of Significant Accounting Policies

The accounting policies of the Town of Montreat (the “Town”) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Town is a municipal corporation that is governed by an elected Mayor and a five-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 particular function. Indirect expense allocations that have been made in the funds have been reversed for the Statement of Activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Town’s funds. Separate statements for each fund category – *governmental, proprietary, and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

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.

TOWN OF MONTREAT, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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 administration, public safety, and street maintenance.

Town Hall Capital Project Fund. This fund is used to account for the expenditures for the new Town Hall in the Town of Montreat.

Public Works Building Capital Project Fund. This fund is used to account for the expenditures for the new Public Works Building in the Town of Montreat.

The Town reports the following major enterprise fund:

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

The Town reports the following nonmajor governmental funds:

Special Revenue Funds. The special revenue funds accounts for specific revenue sources (other than capital projects) that are legally restricted to expenditures for specified purposes. The special revenue funds maintained by the Town are the Calvin Trail Fund, Culvert Project Fund and Miscellaneous Project Fund.

Capital Project Funds. The capital project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The nonmajor capital projects maintained by the Town is the Providence Terrace Project Fund.

The Town reports the following fund types:

Agency Funds. Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the Town holds on behalf of others. The Town maintains one agency fund: Metropolitan Sewer District of Buncombe County.

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, Proprietary and Fiduciary Fund Financial Statements. The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus except for the agency funds, which have no measurement focus. The government-wide, proprietary and fiduciary 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

TOWN OF MONTREAT, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

place. Non-exchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes and grants. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants 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 principle ongoing operations. The principle 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 the enterprise fund 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.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The Town considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as 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 the 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 or limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

TOWN OF MONTREAT, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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 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. Project ordinances are adopted for all capital project funds and special revenue funds. 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. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$2,500. All amendments must be approved by the governing board and the Board must adopt an interim budget that covers that time until the annual ordinance can be adopted. During the year, several amendments to the original budget were necessary.

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 as determined by quoted market prices. The securities of the NCCMT Government Portfolio, an SEC-registered (2a-7) government money market fund, is measured at amortized cost, which is the NCCMT's share price. The NCCMT-Term Portfolio's securities are valued at fair value.

TOWN OF MONTREAT, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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.

3. Restricted Assets

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

Restricted cash at June 30, 2018 consists of the following:

Governmental Activities:

General Fund:

Powell Bill	\$ 272,809
Total governmental activities	<u>272,809</u>

Business-Type Activities:

Water Fund:

Customer deposits	<u>7,495</u>
Total business-type activities	<u>7,495</u>

Total restricted cash	<u><u>\$ 280,304</u></u>
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4. Ad Valorem Taxes Receivable

In accordance with state law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1st (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2017. As allowed by state law, the Town has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

5. Allowances for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

TOWN OF MONTREAT, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

6. Inventory and Prepaid Items

The inventories of the Town are valued at cost (first-in, first-out), which approximates market.

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

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

7. 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; building and improvements, \$5,000; infrastructure, \$20,000; equipment and furniture, \$5,000; vehicles and motorized equipment, \$10,000; \$5,000 computer software and computer equipment \$500. Purchased or constructed capital assets are reported at cost or estimated historical cost. 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 roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems 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:

Asset Class	Estimated Useful Lives
Infrastructure	30 years
Buildings	50 years
Improvements	25 years
Furniture and equipment	10 years
Vehicles	6 years
Computer equipment	3 years

TOWN OF MONTREAT, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

8. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net 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 one item that meets this criteria: pension related deferrals for the 2018 fiscal year. In addition to liabilities, the Statement of Net 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 until then. The Town has two items that meet the criteria for this category - prepaid taxes and pension deferrals.

9. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the debt.

In fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

10. Compensated Absences

The vacation policy of the Town provides for the accumulation of up to thirty 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 is considered a current liability in the government-wide financial statements.

TOWN OF MONTREAT, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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 actually taken, no accrual for sick leave has been made.

11. Net Position/Fund Balances

Net Position

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets, restricted, and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

Fund Balances

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

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

Prepays – portion of fund balance that is not an available resource because it represents the year-end balance of prepaid items, which are not spendable resources.

Restricted Fund Balance - This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for Stabilization by State Statute – portion of fund balance that is restricted by state statute [G.S. 159-8(a)].

Restricted for Streets – portion of fund balance that is restricted by revenue source for street construction and maintenance expenditures. This amount represents the balance of the total unexpended Powel Bill funds.

Restricted for Open Space – portion of fund balance that donors have contributed to the Town for conservation program efforts.

TOWN OF MONTREAT, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

Committed Fund Balance - portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of Town of Montreat's governing body (highest level of decision-making authority). The governing board 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.

Committed for Open Space – portion of fund balance that the Board of Commissioners has assigned for conservation program efforts.

Committed for General Government – portion of fund balance that is committed by the Board for the Town Hall building project.

Committed for Transportation – portion of fund balance that is committed by the Board for the Public Works building project.

	General Fund	Town Hall Capital Project Fund	Public Works Capital Project Fund
Committed Fund Balance:			
Town contribution - open space	\$ 20,115	\$ -	\$ -
General government	-	74,340	-
Transportation	-	-	295,200
Total	<u>\$ 20,115</u>	<u>\$ 74,340</u>	<u>\$ 295,200</u>

Assigned Fund Balance - portion of fund balance that the Town of Montreat intends to use for specific purposes.

Assigned for Public Safety – portion of total fund balance that the Board of Commissioners has budgeted for employee benefits.

Unassigned Fund Balance - the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. The General Fund is the only governmental fund that reports a positive unassigned fund balance.

The Town of Montreat has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, state funds, local non-Town funds, and 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 Finance Officer has the authority to deviate from this policy if it is in the best interest of the Town.

TOWN OF MONTREAT, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

The Town of Montreat 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 remaining fund balance is at least equal to or greater than 35% of final 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.

Fund Balance Available for Appropriation

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

Total fund balance - General Fund	\$ 1,762,860
Less:	
Stabilization by state statute	(103,284)
Non-spendable	<u>(2,688)</u>
Available fund balance	1,656,888
Fund balance policy	<u>(564,890)</u>
Remaining fund balance	<u><u>\$ 1,091,999</u></u>

12. Defined Benefit Cost-Sharing Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows or resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LGERs) and additions to/deductions from LGERs' fiduciary net position have been determined on the same basis as they are reported by LGERs. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Town of Montreat's employer contributions are recognized when due and the Town of Montreat has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERs. Investments are reported at fair value.

II. Detail Notes On All Funds

A. Assets

1. Deposits

All of 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 agents 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 agents in their names. The amount of the

TOWN OF MONTREAT, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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 amount 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, 2018, the Town's deposits had a carrying amount of \$2,944,255 and a bank balance of \$2,951,552. Of the bank balance, \$500,000 was covered by federal depository insurance and the remainder was covered by collateral held under the Pooling Method. At June 30, 2018, the Town's petty cash fund totaled \$250.

2. Investments

At June 30, 2018, the Town of Montreat had \$13,376 invested with the North Carolina Capital Management Trust's Government Portfolio.

Interest Rate Risk. The Town has no formal investment policy regarding interest rate risk.

Credit Risk. The Town has no formal policy regarding credit risk, but has internal management procedures that limit the Town's investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The Town's investment in NC Capital Management Trust Government Portfolio carried a credit rating of AAAm by Standard & Poor's as of June 30, 2018.

3. Receivables – Allowance for Doubtful Accounts

The amounts presented in the balance sheet and the Statement of Net Position for the year ended June 30, 2018 are net of the following allowances for doubtful accounts:

Water Fund - accounts receivable	<u>\$ 1,748</u>
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The Town of Montreat has no allowance for doubtful accounts for its governmental funds.

TOWN OF MONTREAT, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

4. Capital Assets

Primary Government

Capital asset activity for the primary government for the year ended June 30, 2018 was as follows:

	<u>July 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2018</u>
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 1,355,224	\$ -	\$ -	\$ 1,355,224
Construction in progress	<u>337,006</u>	<u>157,356</u>	<u>(170,891)</u>	<u>323,471</u>
Total capital assets not being depreciated	<u>1,692,230</u>	<u>157,356</u>	<u>(170,891)</u>	<u>1,678,695</u>
Capital Assets Being Depreciated:				
Buildings	1,921	-	-	1,921
Building improvements	59,507	-	-	59,507
Infrastructure	2,430,395	-	-	2,430,395
Equipment	97,418	37,943	(28,498)	106,863
IT equipment	73,254	-	(21,647)	51,607
Vehicles	<u>420,354</u>	<u>27,248</u>	<u>-</u>	<u>447,602</u>
Total capital assets being depreciated	<u>3,082,849</u>	<u>65,191</u>	<u>(50,145)</u>	<u>3,097,895</u>
Less Accumulated Depreciation:				
Buildings	96	48	-	144
Building improvements	41,612	3,415	-	45,027
Infrastructure	397,012	81,013	-	478,025
Equipment	93,076	1,965	(28,498)	66,543
IT equipment	73,254	-	(21,647)	51,607
Vehicles	<u>254,372</u>	<u>49,051</u>	<u>-</u>	<u>303,423</u>
Total accumulated depreciation	<u>859,422</u>	<u>\$ 135,492</u>	<u>\$ (50,145)</u>	<u>944,769</u>
Total capital assets being depreciated	<u>2,223,427</u>			<u>2,153,126</u>
Governmental activity capital assets, net	<u>\$ 3,915,657</u>			<u>\$ 3,831,821</u>

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

General government	\$ 2,901
Public safety	20,312
Transportation	86,943
Environmental protection	12,561
Cultural and recreation	<u>12,775</u>
Total depreciation expense	<u>\$ 135,492</u>

TOWN OF MONTREAT, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

Proprietary Capital Assets

The capital asset activity of the proprietary fund for the year ended June 30, 2018 was as follows:

	<u>July 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2018</u>
Business-Type Activities:				
Capital Assets Not Being Depreciated:				
Land	<u>\$ 367,968</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 367,968</u>
Capital Assets Being Depreciated:				
Buildings	142,110	-	-	142,110
Improvements	601,155	-	-	601,155
Infrastructure	2,001,392	-	-	2,001,392
Equipment	98,938	-	-	98,938
IT equipment	23,776	-	-	23,776
Vehicles	<u>39,807</u>	<u>-</u>	<u>(13,293)</u>	<u>26,514</u>
Total capital assets being depreciated	<u>2,907,178</u>	<u>-</u>	<u>(13,293)</u>	<u>2,893,885</u>
Less Accumulated Depreciation:				
Buildings	63,931	3,553	-	67,484
Improvements	83,527	19,909	-	103,436
Infrastructure	1,311,201	39,053	-	1,350,254
Equipment	83,989	14,949	-	98,938
IT equipment	23,776	-	-	23,776
Vehicles	<u>39,807</u>	<u>-</u>	<u>(13,293)</u>	<u>26,514</u>
Total accumulated depreciation	<u>1,606,231</u>	<u>\$ 77,464</u>	<u>\$ (13,293)</u>	<u>1,670,402</u>
Total capital assets being depreciated, net	<u>1,300,947</u>			<u>1,223,483</u>
Business-type activities capital assets, net	<u>\$ 1,668,915</u>			<u>\$ 1,591,451</u>

Net Investment in Capital Assets

The total net investment in capital assets at June 30, 2018 is composed of the following elements:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Capital assets	<u>\$ 3,831,821</u>	<u>\$ 1,591,451</u>
Long-term debt	<u>(136,461)</u>	<u>(552,769)</u>
Net investment in capital assets	<u>\$ 3,695,360</u>	<u>\$ 1,038,682</u>

TOWN OF MONTREAT, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2018 were as follows:

	<u>Salaries and Benefits</u>	<u>Vendors</u>	<u>Accrued Interest</u>	<u>Total</u>
Governmental Activities:				
General Fund	\$ 10,229	\$ 58,168	\$ 1,752	\$ 70,149
Other governmental funds	-	23,659	-	23,659
Total	<u>\$ 10,229</u>	<u>\$ 81,827</u>	<u>\$ 1,752</u>	<u>\$ 93,808</u>
Business-Type Activities:				
Water Fund	<u>\$ -</u>	<u>\$ 2,223</u>	<u>\$ -</u>	<u>\$ 2,223</u>

2. Pension Plan and Postemployment Obligations

a. Local Government Employees' Retirement System

Plan Description. The Town of Montreat is a participating employer in the state-wide 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.

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters).

TOWN OF MONTREAT, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Montreat 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 Montreat's contractually required contribution rate for the year ended June 30, 2018 was 8.25% of compensation for law enforcement officers and 7.50% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Town of Montreat were \$42,845 for the year ended June 30, 2018.

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.

TOWN OF MONTREAT, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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

At June 30, 2018, the Town reported a liability of \$141,467 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2017, the Town's proportion was 0.00926%, which was a decrease of 0.00020% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the Town recognized pension expense of \$49,314. At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,150	\$ 4,004
Changes of assumptions	20,203	-
Net difference between projected and actual earnings on pension plan investments	34,348	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	5,327	3,079
Town contributions subsequent to the measurement date	42,845	-
Total	<u>\$ 110,873</u>	<u>\$ 7,083</u>

\$42,845 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 ending June 30, 2019. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2019	\$ 8,474
2020	42,770
2021	20,190
2022	(10,489)
2023	-
Thereafter	-
Total	<u>\$ 60,945</u>

TOWN OF MONTREAT, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

Actuarial Assumptions. The total pension liability in the December 31, 2016 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 7.75 percent, including inflation and productivity factor
Investment rate of return	7.20 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, 2016 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 weighting 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, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term
		Expected Real Rate of Return
Fixed income	29.0%	1.4%
Global equity	42.0%	5.3%
Real estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation protection	6.0%	4.0%
Total	100%	

TOWN OF MONTREAT, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

The information above is based on 30-year expectations developed with the consulting actuary for the 2017 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 7.20%. 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 7.20%, 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 (6.20%) or one percentage point higher (8.20%) than the current rate:

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
Town's proportionate share of the net pension liability (asset)	<u>\$ 424,688</u>	<u>\$ 141,467</u>	<u>\$ (94,933)</u>

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 five or more years of creditable service. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or

TOWN OF MONTREAT, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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. A separate report was not issued for the plan.

All full-time law enforcement officers of the Town are covered by the Separation Allowance. At December 31, 2016, the Separation Allowance's membership consisted of:

Retirees receiving benefits	-
Terminated plan members entitled to, but not yet receiving, benefits	-
Active plan members	<u>5</u>
Total	<u><u>5</u></u>

2. Summary of Significant Accounting Policies

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

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

3. Actuary Assumptions

The entry age normal actuarial cost method was used in the December 31, 2016 valuation. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increase	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.16 percent

The discount rate used to measure the total pension liability is the S&P Municipal Bond 20-Year High Grade Rate Index.

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

TOWN OF MONTREAT, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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

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

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

4. Contributions

The Town is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay-as-you-go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The Town's obligation to contribute to this Plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The Town paid \$18,657 as benefits came due for the reporting period.

5. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of resources Related to Pensions

At June 30, 2018, the Town reported a total pension liability of \$59,532. The total pension liability was measured as of December 31, 2017 based on a December 31, 2016 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2017 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2018, the Town recognized pension expense of \$6,875.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 12,042
Changes of assumptions	6,068	381
Town benefit payments and plan administrative expense made subsequent to the measurement date	16,715	-
Total	<u>\$ 22,783</u>	<u>\$ 12,423</u>

TOWN OF MONTREAT, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

\$16,715 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ending June 30, 2019. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2019	\$ (1,672)
2020	(1,672)
2021	(1,672)
2022	(1,339)
2023	-
Thereafter	-
Total	<u>\$ (6,355)</u>

Sensitivity of the Town's Total Pension Liability to Changes in the Discount Rate. The following presents the Town's total pension liability calculated using the discount rate of 3.16%, 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 (2.16%) or 1-percentage-point higher (4.16%) than the current rate:

	1% Decrease (2.16%)	Discount Rate (3.16%)	1% Increase (4.16%)
Total pension liability	<u>\$ 62,343</u>	<u>\$ 59,532</u>	<u>\$ 56,759</u>

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

	2018
Beginning balance	\$ 77,602
Service cost	5,494
Interest on the total pension liability	2,635
Differences between expected and actual experience	(15,203)
Changes of assumptions or other inputs	7,661
Benefit payments	<u>(18,657)</u>
Ending balance of the total pension liability	<u>\$ 59,532</u>

TOWN OF MONTREAT, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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, 2016 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	\$ 49,314	\$ 6,875	\$ 56,189
Pension liability	141,467	59,532	200,999
Proportionate share of the net pension liability	0.00926%	n/a	-

Deferred Outflows of Resources:

Differences between expected and actual experience	\$ 8,150	\$ -	\$ 8,150
Changes of assumptions	20,203	6,068	26,271
Net difference between projected and actual earnings on plan investments	34,348	-	34,348
Changes in proportion and differences between Town contributions and proportionate share of contributions	5,327	-	5,327
Benefit payments and administrative costs paid subsequent to the measurement date	42,845	16,715	59,560
Total deferred outflows of resources	<u>\$ 110,873</u>	<u>\$ 22,783</u>	<u>\$ 133,656</u>

Deferred Inflows of Resources:

Differences between expected and actual experience	\$ 4,004	\$ 12,042	\$ 16,046
Changes of assumptions	-	381	381
Changes in proportion and differences between Town contributions and proportionate share of contributions	3,079	-	3,079
Total deferred inflows of resources	<u>\$ 7,083</u>	<u>\$ 12,423</u>	<u>\$ 19,506</u>

TOWN OF MONTREAT, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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 5% of each officer's salary, and all amounts contributed are vested immediately. The law enforcement officers may also make voluntary contributions to the plan. Contributions for the year ended June 30, 2018 were \$14,490, which consisted of \$9,495 from the Town and \$4,995 from law enforcement officers. No amounts were forfeited.

d. Supplemental Retirement Income Plan for Employees Not Engaged in Law Enforcement

Funding Policy. The Town also contributes each month an amount equal to 5% of each non-law enforcement employee's salary, and all amounts contributed are vested immediately. Also, the employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2018 were \$28,388, which consisted of \$16,784 from the Town and \$11,604 from the employees. No amounts were forfeited.

3. 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.

TOWN OF MONTREAT, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

4. Deferred Outflows and Inflows of Resources

Deferred outflows of resources are comprised of the following:

<u>Source</u>	<u>Amount</u>
Pension deferrals	<u>\$ 133,656</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>
Property taxes receivable (General Fund)	\$ -	\$ 1
Prepaid taxes not yet earned	1,500	1,500
Pension deferrals	<u>19,506</u>	<u>-</u>
Total	<u>\$ 21,006</u>	<u>\$ 1,501</u>

5. 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, workers' compensation coverage up to statutory limits, and employee health coverage. The liability of property exposures are reinsured through commercial carriers for claims in excess of retentions as selected by the Board of Trustees each year. Stop loss insurance is purchased by the Board of Trustees to protect against large medical claims that exceed certain dollar cost levels. 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 in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years.

The Town does not carry flood insurance due to its geographic location.

TOWN OF MONTREAT, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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 Administration and the Finance Officer are each individually bonded for \$50,000. The Town Clerk is bonded for \$10,000.

6. Long-Term Obligations

a. Installment Purchase

The Town's installment purchases at June 30, 2018 are comprised of the following individual issues:

In November 2015, the Town entered into a note with a private banking institution for \$162,000 to finance the construction of the Upper Kentucky Road Water Extension Project. The note is payable in 10 annual installments beginning in November 2016 with an interest rate of 2.12%. \$ 129,600

In December 2015, the Town entered into a note with a private banking institution for \$39,875 to finance the purchase of a vehicle. The note is payable in 36 monthly installments beginning in January 2016 with an interest rate of 2.731%. 6,861

Total installment debt - General Fund \$ 136,461

Annual debt service payments of the installment purchases as of June 30, 2018 are as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2019	\$ 23,061	\$ 2,828
2020	16,200	2,404
2021	16,200	2,061
2022	16,200	1,717
2023	16,200	1,374
2024-2026	48,600	2,061
Total	<u>\$ 136,461</u>	<u>\$ 12,445</u>

TOWN OF MONTREAT, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

In November 2015, the Town entered into a note with a private banking institution for \$138,000 to finance the construction of the Upper Kentucky Road water extension project. The note is payable in 10 annual installments beginning in November 2016 with an interest rate of 2.12%.

\$ 110,400

ARRA principal forgiveness loan for the construction of two water-related projects. The loan has a maximum amount of \$492,995 of which \$246,947 could be debt. The loan is payable in 20 annual installments beginning at the time the project is completed. The H-ARRA-09-1289 and H-ARRA-09-1290A are interest free. The H-LRXF-08-1290A is at a 2.2% interest rate.

352,369

Total installment debt - Water Fund

\$ 462,769

Annual debt service payments of the installment purchases as of June 30, 2018 are as follows:

Year Ending June 30	Business-Type Activities	
	Principal	Interest
2019	\$ 41,086	\$ 4,485
2020	41,239	4,040
2021	41,393	3,594
2022	41,549	3,145
2023	41,707	2,695
2024-2028	183,359	6,952
2029-2032	<u>72,436</u>	<u>1,138</u>
Total	<u>\$ 462,769</u>	<u>\$ 26,049</u>

b. General Obligation Indebtedness

The Town's general obligation bond was issued to finance the construction of facilities utilized in the operations of the water and sewer system and which are being retired by its resources are reported as long-term debt in the Water Fund. All general obligation bonds are collateralized by the full faith, credit, and taxing power of the Town. Principal and interest requirements are appropriated when due.

The Town's bond payable at June 30, 2018 is as follows:

Water bond, Series A general obligation bond, for \$609,000 was issued on August 22, 1983 to finance the purchase and construction of facilities utilized in the operations of the water system. The bond is due in annual payments, with accelerating principal maturities, plus interest at 5%.

\$ 90,000

Total general obligation debt - Water Fund

\$ 90,000

TOWN OF MONTREAT, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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

Year Ending June 30	Business-Type Activities	
	Principal	Interest
2019	\$ 28,000	\$ 4,500
2020	28,000	3,100
2021	28,000	1,700
2022	6,000	300
2023	-	-
Total	<u>\$ 90,000</u>	<u>\$ 9,600</u>

c. Changes in Long-Term Liabilities

	July 1, 2017	Increases	Decreases	June 30, 2018	Current Portion
Governmental Activities:					
Installment purchase	\$ 166,138	\$ -	\$ 29,677	\$ 136,461	\$ 23,061
Total pension liability (LEO)	77,602	-	18,070	59,532	-
Net pension liability (LGERS)	200,773	-	59,306	141,467	-
Compensated absences	<u>133,027</u>	<u>54,219</u>	<u>84,980</u>	<u>102,266</u>	<u>10,227</u>
Governmental activity long-term liabilities	<u>\$ 577,540</u>	<u>\$ 54,219</u>	<u>\$ 192,033</u>	<u>\$ 439,726</u>	<u>\$ 33,288</u>
Business-Type Activities:					
Bonds payable	\$ 118,000	\$ -	\$ 28,000	\$ 90,000	\$ 28,000
Installment purchase	<u>518,696</u>	<u>-</u>	<u>55,927</u>	<u>462,769</u>	<u>41,086</u>
Business-type activity long-term liabilities	<u>\$ 636,696</u>	<u>\$ -</u>	<u>\$ 83,927</u>	<u>\$ 552,769</u>	<u>\$ 69,086</u>

At June 30, 2018, the Town had a legal debt margin of \$20,088,319.

7. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2018, consist of the following:

From	To	Amount	Purpose
General Fund	Town Hall Capital Project Fund	\$ 225,000	Fund capital project
General Fund	Public Works Building Capital Project Fund	<u>300,000</u>	Fund capital project
		<u>\$ 525,000</u>	

TOWN OF MONTREAT, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

III. Summary of 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.

IV. Special Item

Loss on Disposal of Asset

Officials from the Town and its engineering firm approached representatives of the N.C. Department of Transportation and Federal Highway Administration regarding the Texas Road Bridge Project with respect to issues with the build alternative option and decided they were not going to continue with the project. The Town submitted certain documentation to the department and the Town has satisfied the requirements to close the project. The N.C. Department of Transportation approved for the project to be closed and discontinued indefinitely, with no return of the federal funding expenditures. No payable is booked as a result. The loss on disposal of asset is reflected on the government-wide statements as a special item because it is unusual in nature but under the control of management. The construction in progress had a book value of \$170,891.

V. Related Party Transactions

The Town has transactions with a local company that is owned by one of its Director's family member. During fiscal year 2018, the Town was invoiced \$8,714 for services rendered, of which \$585 is outstanding at June 30, 2018.

REQUIRED SUPPLEMENTARY INFORMATION

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TOWN OF MONTREAT, NORTH CAROLINA
SCHEDULES OF CHANGES IN TOTAL PENSION LIABILITY
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
LAST TWO FISCAL YEARS

	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 77,602	\$ 70,293
Service cost	5,494	5,389
Interest on the total pension liability	2,635	2,509
Differences between expected and actual experience in the measurement of the total pension liability	(15,203)	-
Changes of assumptions or other inputs	7,661	(589)
Benefit payments	<u>(18,657)</u>	<u>-</u>
Ending balance of the total pension liability	<u>\$ 59,532</u>	<u>\$ 77,602</u>

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

This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

TOWN OF MONTREAT, NORTH CAROLINA

**SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
LAST TWO FISCAL YEARS**

	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 59,532	\$ 77,602
Covered payroll	240,642	227,806
Total pension liability as a percentage of covered payroll	24.74%	34.06%

Notes to the Schedules:

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

This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

TOWN OF MONTREAT, NORTH CAROLINA**PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST FIVE FISCAL YEARS ***

LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM					
	2018	2017	2016	2015	2014
Town's proportion of the net pension liability (asset) (%)	0.00926%	0.00946%	0.01067%	0.00934%	0.00133%
Town's proportion of the net pension liability (asset) (\$)	\$ 141,467	\$ 200,773	\$ 47,886	\$ (55,082)	\$ 124,155
Town's covered-employee payroll	\$ 595,751	\$ 623,948	\$ 631,711	\$ 587,628	\$ 614,739
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	23.75%	32.18%	7.58%	(9.37%)	20.20%
Plan fiduciary net position as a percentage of the total pension liability**	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 ended June 30.

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

TOWN OF MONTREAT, NORTH CAROLINA**CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST FIVE FISCAL YEARS**

LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM					
	2018	2017	2016	2015	2014
Contractually required contribution	\$ 42,845	\$ 45,161	\$ 43,897	\$ 45,387	\$ 41,947
Contributions in relation to the contractually required contribution	<u>42,845</u>	<u>45,161</u>	<u>43,897</u>	<u>45,387</u>	<u>41,947</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 546,381	\$ 595,751	\$ 623,948	\$ 631,711	\$ 587,628
Contributions as a percentage of covered-employee payroll	7.84%	7.58%	7.04%	7.18%	7.14%

This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

GENERAL FUND

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TOWN OF MONTREAT, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad Valorem Taxes:			
Taxes		\$ 1,000,700	
Total	\$ 981,843	1,000,700	\$ 18,857
Other Taxes and Licenses:			
Local option sales taxes		404,640	
Penalties and interest		1,398	
Total	411,600	406,038	(5,562)
Unrestricted Intergovernmental Revenues:			
Utility franchise tax		89,411	
Solid waste disposal tax		529	
Beer and wine tax		3,445	
Total	105,983	93,385	(12,598)
Restricted Intergovernmental Revenues:			
Powell Bill allocation		40,875	
Local grant		6,000	
Total	45,446	46,875	1,429
Permits and Fees:			
Community service fees		51,291	
Building permits		35,026	
Zoning permits		1,685	
Total	93,480	88,002	(5,478)
Sales and Services:			
Public safety charges		1,673	
Sanitation fees		5,109	
Other		12,153	
Total	238,100	18,935	(219,165)
Other:			
Investment earnings		4,395	
Miscellaneous		5,453	
Contributions		2,787	
Total	9,800	12,635	2,835
Total revenues	1,886,252	1,666,570	(219,682)

TOWN OF MONTREAT, NORTH CAROLINA

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures:			
General Government:			
Governing Body:			
Salaries and employee benefits		4,900	
Operating expenses		37,183	
Total	<u>71,900</u>	<u>42,083</u>	<u>29,817</u>
Administration:			
Salaries and employee benefits		156,630	
Operating expenses		146,481	
Total	<u>318,287</u>	<u>303,111</u>	<u>15,176</u>
Public Buildings:			
Operating expenses		18,154	
Total	<u>20,945</u>	<u>18,154</u>	<u>2,791</u>
Total general government	<u>411,132</u>	<u>363,348</u>	<u>47,784</u>
Public Safety:			
Police Department:			
Salaries and employee benefits		238,650	
Operating expenses		81,500	
Capital outlay		38,273	
Total	<u>377,855</u>	<u>358,423</u>	<u>19,432</u>
Planning and Zoning:			
Salaries and employee benefits		4,910	
Operating expenses		34,161	
Total	<u>48,349</u>	<u>39,071</u>	<u>9,278</u>
Total public safety	<u>426,204</u>	<u>397,494</u>	<u>28,710</u>
Transportation:			
Public Works:			
Salaries and employee benefits		65,409	
Operating expenses		4,344	
Capital outlay		27,248	
Total	<u>108,311</u>	<u>97,001</u>	<u>11,310</u>

TOWN OF MONTREAT, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Street:			
Salaries and employee benefits		139,336	
Operating expenses		153,617	
Total	<u>475,414</u>	<u>292,953</u>	<u>182,461</u>
Total transportation	<u>583,725</u>	<u>389,954</u>	<u>193,771</u>
Environmental Protection:			
Sanitation:			
Salaries and employee benefits		36,378	
Operating expenses		67,984	
Total	<u>110,621</u>	<u>104,362</u>	<u>6,259</u>
Total environmental protection	<u>110,621</u>	<u>104,362</u>	<u>6,259</u>
Cultural and Recreation:			
Recreation Commission:			
Operating expenses		13,490	
Total cultural and recreation	<u>13,540</u>	<u>13,490</u>	<u>50</u>
Debt Service:			
Principal retirement		29,677	
Interest and fees		3,505	
Total debt service	<u>68,748</u>	<u>33,182</u>	<u>35,566</u>
Total expenditures	<u>1,613,970</u>	<u>1,301,830</u>	<u>312,140</u>
Revenues over (under) expenditures	<u>272,282</u>	<u>364,740</u>	<u>92,458</u>
Other Financing Sources (Uses):			
Transfer to other funds	(525,000)	(525,000)	
Fund balance appropriated	<u>252,718</u>	<u>-</u>	
Total other financing sources (uses)	<u>(272,282)</u>	<u>(525,000)</u>	<u>(252,718)</u>
Net change in fund balance	<u>\$ -</u>	<u>(160,260)</u>	<u>\$ (160,260)</u>
Fund Balance:			
Beginning of year - July 1		<u>1,923,120</u>	
End of year - June 30		<u>\$ 1,762,860</u>	

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**MAJOR
CAPITAL PROJECT
FUNDS**

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TOWN OF MONTREAT, NORTH CAROLINA

TOWN HALL MAJOR CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Expenditures:					
Operating expenditures	\$ 300	\$ -	\$ 223	\$ 223	\$ 77
Professional services	85,000	-	16,989	16,989	68,011
Capital outlay	139,700	-	133,448	133,448	6,252
Total expenditures	<u>225,000</u>	<u>-</u>	<u>150,660</u>	<u>150,660</u>	<u>74,340</u>
Revenues over (under) expenditures	(225,000)	-	(150,660)	(150,660)	74,340
Other Financing Sources (Uses):					
Transfer from General Fund	<u>225,000</u>	<u>-</u>	<u>225,000</u>	<u>225,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	74,340	<u>\$ 74,340</u>	<u>\$ 74,340</u>
Fund Balance:					
Beginning of year - July 1			<u>-</u>		
End of year - June 30			<u>\$ 74,340</u>		

TOWN OF MONTREAT, NORTH CAROLINA

PUBLIC WORKS MAJOR CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

		Actual			
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Over/Under</u>
Expenditures:					
Professional services	\$ 10,000	\$ -	\$ 3,100	\$ 3,100	\$ 6,900
Capital outlay	<u>290,000</u>	<u>-</u>	<u>1,700</u>	<u>1,700</u>	<u>288,300</u>
Total expenditures	<u>300,000</u>	<u>-</u>	<u>4,800</u>	<u>4,800</u>	<u>295,200</u>
Revenues over (under) expenditures	(300,000)	-	(4,800)	(4,800)	295,200
Other Financing Sources (Uses):					
Transfer from General Fund	<u>300,000</u>	<u>-</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>295,200</u>	<u>\$ 295,200</u>	<u>\$ 295,200</u>
Fund Balance:					
Beginning of year - July 1			<u>-</u>		
End of year - June 30			<u>\$ 295,200</u>		

**NONMAJOR
GOVERNMENTAL
FUNDS**

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TOWN OF MONTREAT, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2018

	<u>Special Revenue Funds</u>			<u>Capital Project Fund</u>	
	<u>Calvin Trail</u>	<u>Culvert Project</u>	<u>Miscellaneous Projects</u>	<u>Providence Terrace</u>	<u>Total</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable and accrued liabilities	\$ 10,503	\$ 903	\$ 10,358	\$ 1,895	\$ 23,659
Fund Balances:					
Unassigned	(10,503)	(903)	(10,358)	(1,895)	(23,659)
Total liabilities and fund balances	\$ -	\$ -	\$ -	\$ -	\$ -

TOWN OF MONTREAT, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2018

	<u>Special Revenue Funds</u>			<u>Capital Project Fund</u>	
	<u>Calvin Trail</u>	<u>Culvert Project</u>	<u>Miscellaneous Projects</u>	<u>Providence Terrace</u>	<u>Total</u>
Expenditures:					
Transportation	\$ 10,503	\$ 903	\$ 10,358	\$ 1,895	23,659
Net change in fund balances	(10,503)	(903)	(10,358)	(1,895)	(23,659)
Fund Balances:					
Beginning of year - July 1	-	-	-	-	-
End of year - June 30	<u>\$ (10,503)</u>	<u>\$ (903)</u>	<u>\$ (10,358)</u>	<u>\$ (1,895)</u>	<u>\$ (23,659)</u>

TOWN OF MONTREAT, NORTH CAROLINA

CAPITAL PROJECT FUND - PROVIDENCE TERRACE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

		<u>Actual</u>			
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Over/Under</u>
Revenues:					
Restricted intergovernmental	\$ 21,000	\$ -	\$ -	\$ -	\$ (21,000)
Expenditures:					
Capital outlay	21,000	-	1,895	1,895	19,105
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(1,895)	<u>\$ (1,895)</u>	<u>\$ (1,895)</u>
Fund Balance:					
Beginning of year - July 1			-		
End of year - June 30			<u>\$ (1,895)</u>		

TOWN OF MONTREAT, NORTH CAROLINA

SPECIAL REVENUE FUND - CALVIN TRAIL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted intergovernmental	\$ 30,000	\$ -	\$ (30,000)
Expenditures:			
Transportation	30,000	10,503	19,497
Net change in fund balance	\$ -	(10,503)	\$ (10,503)
Fund Balance:			
Beginning of year - July 1		-	
End of year - June 30		<u>\$ (10,503)</u>	

TOWN OF MONTREAT, NORTH CAROLINA

SPECIAL REVENUE FUND - CULVERT PROJECT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted intergovernmental	\$ 39,800	\$ -	\$ (39,800)
Expenditures:			
Transportation	39,800	903	38,897
Net change in fund balance	\$ -	(903)	\$ (903)
Fund Balance:			
Beginning of year - July 1		-	
End of year - June 30		\$ (903)	

TOWN OF MONTREAT, NORTH CAROLINA

SPECIAL REVENUE FUND - MISCELLANEOUS PROJECTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted intergovernmental	\$ 15,360	\$ -	\$ (15,360)
Expenditures:			
Transportation	15,360	10,358	5,002
Net change in fund balance	\$ -	(10,358)	\$ (10,358)
Fund Balance:			
Beginning of year - July 1		-	
End of year - June 30		<u>\$ (10,358)</u>	

ENTERPRISE FUND

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TOWN OF MONTREAT, NORTH CAROLINA

ENTERPRISE FUND - WATER FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Charges for services	\$ 317,500	\$ 285,901	\$ (31,599)
Other	50,910	47,850	(3,060)
Total operating revenues	<u>368,410</u>	<u>333,751</u>	<u>(34,659)</u>
Non-operating revenues:			
Investment earnings	193	284	91
Sales of capital assets	-	3,602	3,602
Total non-operating revenues	<u>193</u>	<u>3,886</u>	<u>3,693</u>
Total revenues	<u>368,603</u>	<u>337,637</u>	<u>(30,966)</u>
Expenditures:			
Operating expenditures:			
Repairs and maintenance		34,305	
Operating expenditures		<u>148,052</u>	
Total operating expenditures	<u>281,392</u>	<u>182,357</u>	<u>99,035</u>
Debt Service:			
Interest and fees		11,084	
Principal retirement		<u>83,927</u>	
Total debt service	<u>87,211</u>	<u>95,011</u>	<u>(7,800)</u>
Total expenditures	<u>368,603</u>	<u>277,368</u>	<u>91,235</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 60,269</u>	<u>\$ 60,269</u>
Reconciliation from Modified Accrual Basis to Full Accrual Basis:			
Revenues over (under) expenditures		\$ 60,269	
Reconciling items:			
Payment of debt principal		83,927	
Change in accrued interest payable		(1,042)	
Depreciation		<u>(77,464)</u>	
Change in net position		<u>\$ 65,690</u>	

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AGENCY FUNDS

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TOWN OF MONTREAT, NORTH CAROLINA**AGENCY FUNDS****COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
Metropolitan Sewer District:				
Assets:				
Cash and cash equivalents	\$ -	\$ 31,380	\$ 10,919	\$ 20,461
Receivables	-	302,948	270,951	31,997
Total assets	<u>\$ -</u>	<u>\$ 334,328</u>	<u>\$ 281,870</u>	<u>\$ 52,458</u>
Liabilities:				
Accounts payable	<u>\$ -</u>	<u>\$ 334,328</u>	<u>\$ 281,870</u>	<u>\$ 52,458</u>

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SUPPLEMENTAL FINANCIAL DATA

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TOWN OF MONTREAT, NORTH CAROLINA**SCHEDULE OF AD VALOREM TAXES RECEIVABLE
JUNE 30, 2018**

Fiscal Year	Uncollected Balance July 1, 2017	Additions	Collections and Credits	Uncollected Balance June 30, 2018
2017-2018	\$ -	\$ 1,036,520	\$ 1,036,520	\$ -
2016-2017	-	-	-	-
2015-2016	-	-	-	-
2014-2015	-	-	-	-
2013-2014	-	-	-	-
2012-2013	1	-	-	1
2011-2012	-	-	-	-
2010-2011	-	-	-	-
2009-2010	-	-	-	-
2008-2009	-	-	-	-
Total	<u>\$ 1</u>	<u>\$ 1,036,520</u>	<u>\$ 1,036,520</u>	<u>1</u>

Ad valorem taxes receivable - net \$ 1

Reconciliation with Revenues:

Ad valorem taxes	\$ 1,000,700
Ad valorem taxes - special assessment	33,073
Interest and penalties	1,398
Miscellaneous	<u>1,349</u>
Total collections and credit	<u>\$ 1,036,520</u>

TOWN OF MONTREAT, NORTH CAROLINA

ANALYSIS OF CURRENT YEAR LEVY
TOWN-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2018

	Town-Wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate	\$ 244,740,488	\$ 0.41	\$ 1,003,436	\$ 983,831	\$ 19,605
Special assessment	8,066,585	0.41	33,073	33,073	-
Penalties	2,683	0.41	11	11	-
Total	<u>252,809,756</u>		<u>1,036,520</u>	<u>1,016,915</u>	<u>19,605</u>
Total property valuation	<u>\$ 252,809,756</u>				
Net Levy			1,036,520	1,016,915	19,605
Uncollected taxes as of June 30, 2018			<u>-</u>	<u>-</u>	<u>-</u>
Current Year's Taxes Collected			<u>\$ 1,036,520</u>	<u>\$ 1,016,915</u>	<u>\$ 19,605</u>
Current Levy Collection Percentage			<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

STATISTICAL SECTION

Town of Montreat
Net Position by Activity
Governmental and Business-Type Functions

	FYE 2018	FYE 2017	FYE 2016	FYE 2015
Governmental Activities				
Net Position:				
Net Investment in				
Capital Assets	\$ 3,695,360	\$ 3,749,519	\$ 3,707,773	\$ 3,731,572
Restricted	390,961	330,586	294,400	267,742
Unrestricted	1,526,914	1,353,386	1,267,022	910,515
Subtotal, Governmental Net Position	<u>\$ 5,613,235</u>	<u>\$ 5,433,491</u>	<u>\$ 5,269,195</u>	<u>\$ 4,909,829</u>
Business Type Activities				
Net Position:				
Net Investment in				
Capital Assets	\$ 1,038,682	\$ 1,032,219	\$ 1,020,541	\$ 1,180,864
Restricted	-	-	-	-
Unrestricted	881,868	822,641	754,721	391,634
Subtotal, Business Type Net Position	<u>\$ 1,920,550</u>	<u>\$ 1,854,860</u>	<u>\$ 1,775,262</u>	<u>\$ 1,572,498</u>
Total Primary Government				
Net Position:				
Net Investment in				
Capital Assets	\$ 4,734,042	\$ 4,781,738	\$ 4,728,314	\$ 4,912,436
Restricted	390,961	330,586	294,400	267,742
Unrestricted	2,408,782	2,176,027	2,021,743	1,302,149
Total Net Position	<u><u>\$ 7,533,785</u></u>	<u><u>\$ 7,288,351</u></u>	<u><u>\$ 7,044,457</u></u>	<u><u>\$ 6,482,327</u></u>

Table 1

FYE 2014	FYE 2013	FYE 2012	FYE 2011	FYE 2010	FYE 2009
\$ 3,394,389	\$ 2,794,719	\$ 1,887,129	\$ 1,144,711	\$ 878,624	\$ 676,603
255,216	249,671	269,501	283,792	180,577	192,666
1,016,240	990,917	1,132,305	1,332,931	1,470,348	1,450,376
<u>\$ 4,665,845</u>	<u>\$ 4,035,307</u>	<u>\$ 3,288,935</u>	<u>\$ 2,761,434</u>	<u>\$ 2,529,549</u>	<u>\$ 2,319,645</u>
\$ 1,036,410	\$ 982,912	\$ 959,327	\$ 1,089,073	\$ 772,709	\$ 575,217
-	-	-	-	-	-
597,996	595,469	866,473	583,502	505,627	531,157
<u>\$ 1,634,406</u>	<u>\$ 1,578,381</u>	<u>\$ 1,825,800</u>	<u>\$ 1,672,575</u>	<u>\$ 1,278,336</u>	<u>\$ 1,106,374</u>
\$ 4,430,799	\$ 3,777,631	\$ 2,846,456	\$ 2,233,784	\$ 1,651,333	\$ 1,251,820
255,216	249,671	269,501	283,792	180,577	192,666
1,614,236	1,586,386	1,998,778	1,916,433	1,975,975	1,981,533
<u>\$ 6,300,251</u>	<u>\$ 5,613,688</u>	<u>\$ 5,114,735</u>	<u>\$ 4,434,009</u>	<u>\$ 3,807,885</u>	<u>\$ 3,426,019</u>

Town of Montreat
Change in Net Position
Governmental Functions

	FYE 2018	FYE 2017	FYE 2016	FYE 2015
Revenues:				
Program Revenues:				
Charges for Services:				
General Government	\$ 88,002	\$ 89,095	\$ 86,153	\$ 79,484
Public Safety	1,673	3,371	3,371	3,090
Environmental Protection	5,109	6,521	14,472	447
Total Charges for Services	<u>\$ 94,784</u>	<u>\$ 98,987</u>	<u>\$ 103,996</u>	<u>\$ 83,021</u>
Operating Grants and Contributions	152,413	147,450	164,985	135,379
Capital Grants and Contributions	2,787	3,694	155,346	36,977
General Revenues:				
Taxes:				
Property Taxes	1,000,700	974,695	962,972	968,042
Other Taxes & Licenses	406,038	402,651	390,699	356,952
Grants & Contributions, non-program	-	-	-	-
Investment earnings, unrestricted	4,395	3,643	1,709	1,073
Miscellaneous	5,453	6,115	2,116	10,362
Total Revenues	<u>\$ 1,666,570</u>	<u>\$ 1,637,235</u>	<u>\$ 1,781,823</u>	<u>\$ 1,591,806</u>
Expenses:				
General Government	337,182	\$ 604,294	\$ 479,543	\$ 551,016
Public Safety	358,436	439,093	450,926	415,119
Transportation	473,469	380,618	362,962	107,255
Environmental Protection	117,305	96,173	12,343	1,587
Cultural & Recreation	26,265	20,419	116,083	109,206
Interest on Long Term Debt	3,278	6,221	600	-
Total Expenses	<u>\$ 1,315,935</u>	<u>\$ 1,546,818</u>	<u>\$ 1,422,457</u>	<u>\$ 1,184,183</u>
Increase/(decrease) in net position				
before transfers and special item	\$ 350,635	\$ 90,417	\$ 359,366	\$ 407,623
Special item: loss on disposal of asset	(170,891)	-	-	-
Transfers	-	-	-	-
Increase/(decrease) in net position	<u>\$ 179,744</u>	<u>\$ 90,417</u>	<u>\$ 359,366</u>	<u>\$ 407,623</u>

Table 2

FYE 2014	FYE 2013	FYE 2012	FYE 2011	FYE 2010	FYE 2009
\$ 102,254	\$ 94,897	\$ -	\$ -	\$ 1,390	\$ -
3,846	3,396	39,701	47,610	41,793	49,806
388	325	494	473	498	41,278
<hr/>					
\$ 106,488	\$ 98,618	\$ 40,195	\$ 48,083	\$ 43,681	\$ 91,084
108,380	105,034	134,045	132,343	139,196	48,276
360,088	584,932	385,151	5,550	60,272	12,800
970,716	892,839	886,345	873,863	875,331	868,213
332,403	313,951	307,211	280,616	277,467	300,486
-	-	-	-	-	146,242
1,629	1,850	5,915	7,921	14,591	21,996
194	20	15,931	1,134	1,891	7,628
<hr/>					
\$ 1,879,898	\$ 1,997,244	\$ 1,774,793	\$ 1,349,510	\$ 1,412,429	\$ 1,496,725
\$ 347,272	\$ 403,785	\$ 411,493	\$ 348,601	\$ 400,771	\$ 372,544
418,288	417,698	450,064	418,103	398,889	400,467
214,513	137,836	338,622	317,661	374,792	333,633
162,683	203,889	17,779	27,743	63,120	105,353
60,993	102,532	96,161	90,850	54,052	2,340
-	-	-	467	2,201	2,266
<hr/>					
\$ 1,203,749	\$ 1,265,740	\$ 1,314,119	\$ 1,203,425	\$ 1,293,825	\$ 1,216,603
\$ 676,149	\$ 731,504	\$ 460,674	\$ 146,085	\$ 118,604	\$ 280,122
-	-	-	-	-	-
(45,614)	14,868	66,827	85,800	91,300	87,600
<hr/>					
\$ 630,535	\$ 746,372	\$ 527,501	\$ 231,885	\$ 209,904	\$ 367,722
<hr/>					

Town of Montreat
Change in Net Position
Business-Type Functions

	FYE 2018	FYE 2017	FYE 2016	FYE 2015
Revenues:				
Program Revenues:				
Charges for Services:				
Water	\$ 333,751	\$ 351,697	\$ 450,882	\$ 320,392
Capital Grants and Contributions	-	-	-	-
General Revenues:				
Investment earnings, unrestricted	284	244	152	75
Miscellaneous	3,602	-	-	-
	<hr/>			
Total Revenues	\$ 337,637	\$ 351,941	\$ 451,034	\$ 320,467
Expenses:				
Water	\$ 271,947	\$ 272,343	\$ 251,345	\$ 382,375
	<hr/>			
Total Expenses	\$ 271,947	\$ 272,343	\$ 251,345	\$ 382,375
Increase/(decrease) in net position before transfers	\$ 65,690	\$ 79,598	\$ 199,689	\$ (61,908)
Transfers & Other Financing Sources	-	-	3,075	-
	<hr/>			
Increase/(decrease) in net position	\$ 65,690	\$ 79,598	\$ 202,764	\$ (61,908)
	<hr/>			

Table 3

FYE 2014	FYE 2013	FYE 2012	FYE 2011	FYE 2010	FYE 2009
\$ 346,006	\$ 281,712	\$ 270,153	\$ 348,989	\$ 289,188	\$ 288,512
-	-	-	281,797	158,309	-
102	231	1,324	1,081	1,128	2,916
-	-	-	-	-	8,213
<hr/>					
\$ 346,108	\$ 281,943	\$ 271,477	\$ 631,867	\$ 448,625	\$ 299,641
<hr/>					
\$ 335,697	\$ 171,006	\$ 223,169	\$ 151,828	\$ 185,363	\$ 164,352
<hr/>					
\$ 335,697	\$ 171,006	\$ 223,169	\$ 151,828	\$ 185,363	\$ 164,352
<hr/>					
\$ 10,411	\$ 110,937	\$ 48,308	\$ 480,039	\$ 263,262	\$ 135,289
45,614	(14,868)	(66,827)	(85,800)	(91,300)	(87,600)
<hr/>					
\$ 56,025	\$ 96,069	\$ (18,519)	\$ 394,239	\$ 171,962	\$ 47,689
<hr/>					

Town of Montreat
Change in Net Position
Total Primary Government

	FYE 2018	FYE 2017	FYE 2016	FYE 2015
Revenues:				
Program Revenues:				
Charges for Services:				
General Government	\$ 88,002	\$ 89,095	\$ 86,153	\$ 79,484
Public Safety	1,673	3,371	3,371	3,090
Environmental Protection	5,109	6,521	14,472	447
Water	333,751	351,697	450,882	320,392
Operating Grants and Contributions	152,413	147,450	164,985	135,379
Capital Grants and Contributions	2,787	3,694	155,346	36,977
General Revenues:				
Taxes:				
Property Taxes	1,000,700	974,695	962,972	968,042
Other Taxes & Licenses	406,038	402,651	390,699	356,952
Grants & Contributions, non-program	-	-	-	-
Investment earnings, unrestricted	4,679	3,887	1,861	1,148
Miscellaneous	9,055	6,115	2,116	10,362
	<hr/>			
Total Revenues	\$ 2,004,207	\$ 1,989,176	\$ 2,232,857	\$ 1,912,273
Expenses:				
General Government	\$ 337,182	\$ 604,294	\$ 479,543	\$ 551,016
Public Safety	358,436	439,093	450,926	415,119
Transportation	473,469	380,618	362,962	107,255
Environmental Protection	117,305	96,173	12,343	1,587
Cultural & Recreation	26,265	20,419	116,083	109,206
Interest on Long Term Debt	3,278	6,221	600	-
Water	271,947	272,343	251,345	382,375
	<hr/>			
Total Expenses	\$ 1,587,882	\$ 1,819,161	\$ 1,673,802	\$ 1,566,558
Increase/(decrease) in net position				
before transfers and special item	\$ 416,325	\$ 170,015	\$ 559,055	\$ 345,715
Special item: loss on disposal of asset	(170,891)	-	-	-
Transfers	-	-	3,075	-
	<hr/>			
Increase/(decrease) in net position	\$ 245,434	\$ 170,015	\$ 562,130	\$ 345,715
	<hr/>			

Table 4

FYE 2014	FYE 2013	FYE 2012	FYE 2011	FYE 2010	FYE 2009
\$ 102,254	\$ 94,897	\$ -	\$ -	\$ 1,390	\$ -
3,846	3,396	39,701	47,610	41,793	49,806
388	325	494	473	498	41,278
346,006	281,712	270,153	348,989	289,188	288,512
108,380	105,034	134,045	132,343	139,196	48,276
360,088	584,932	385,151	287,347	218,581	12,800
970,716	892,839	886,345	873,863	875,331	868,213
332,403	313,951	307,211	280,616	277,467	300,486
-	-	-	-	-	146,242
1,731	2,081	7,239	9,002	15,719	24,912
194	20	15,931	1,134	1,891	15,841
<hr/>					
\$ 2,226,006	\$ 2,279,187	\$ 2,046,270	\$ 1,981,377	\$ 1,861,054	\$ 1,796,366
\$ 347,272	\$ 403,785	\$ 411,493	\$ 348,601	\$ 400,771	\$ 372,544
418,288	417,698	450,064	418,103	398,889	400,467
214,513	137,836	338,622	317,661	374,792	333,633
162,683	203,889	17,779	27,743	63,120	105,353
60,993	102,532	96,161	90,850	54,052	2,340
-	-	-	467	2,201	2,266
335,697	171,006	223,169	151,828	185,363	164,352
<hr/>					
\$ 1,539,446	\$ 1,436,746	\$ 1,537,288	\$ 1,355,253	\$ 1,479,188	\$ 1,380,955
\$ 686,560	\$ 842,441	\$ 508,982	\$ 626,124	\$ 381,866	\$ 415,411
-	-	-	-	-	-
-	-	-	-	-	-
<hr/>					
\$ 686,560	\$ 842,441	\$ 508,982	\$ 626,124	\$ 381,866	\$ 415,411
<hr/>					

Town of Montreat
Fund Balances/Net Position
All Funds

	FYE 2018	FYE 2017	FYE 2016	FYE 2015
Governmental Activities				
Nonspendable	\$ 2,688	\$ 10,767	\$ 15,394	\$ 9,986
Restricted	390,961	330,586	294,400	267,742
Committed	389,655	34,983	34,932	34,710
Assigned (Designated pre-2011)	32,876	182,297	177,192	382,322
Unassigned	1,292,561	1,364,487	1,309,516	762,256
Total General Fund Balance	2,108,741	1,923,120	1,831,434	1,457,016
Reconcile to Net Position	3,504,494	3,510,371	3,437,761	3,452,813
Governmental Net Position	<u>\$ 5,613,235</u>	<u>\$ 5,433,491</u>	<u>\$ 5,269,195</u>	<u>\$ 4,909,829</u>
Business-Type Activities				
Unrestricted	\$ 881,868	\$ 822,641	\$ 754,721	\$ 391,634
Total Water Fund Balance	881,868	822,641	754,721	391,634
Net investment in capital assets	1,038,682	1,032,219	1,020,541	1,180,864
Business-Type Net Position	<u>\$ 1,920,550</u>	<u>\$ 1,854,860</u>	<u>\$ 1,775,262</u>	<u>\$ 1,572,498</u>

Table 5

FYE 2014	FYE 2013	FYE 2012	FYE 2011	FYE 2010	FYE 2009
\$ 4,872	\$ -	\$ -	\$ 9,300	\$ -	\$ -
255,216	249,671	269,501	283,792	280,575	312,119
30,193	26,854	52,675	24,005	-	-
419,290	54,177	53,923	683,744	717,435	667,435
697,978	1,115,891	1,222,858	810,104	834,992	820,455
1,407,549	1,446,593	1,598,957	1,810,945	1,833,002	1,800,009
3,258,293	2,588,714	1,689,978	950,489	696,547	519,636
\$ 4,665,842	\$ 4,035,307	\$ 3,288,935	\$ 2,761,434	\$ 2,529,549	\$ 2,319,645
\$ 597,996	\$ 595,469	\$ 522,985	\$ 583,502	\$ 505,627	\$ 531,157
597,996	595,469	522,985	583,502	505,627	531,157
1,036,410	982,912	959,327	1,089,073	772,709	575,217
\$ 1,634,406	\$ 1,578,381	\$ 1,482,312	\$ 1,672,575	\$ 1,278,336	\$ 1,106,374

Town of Montreat
Changes in Fund Balance
General Fund

	FYE 2018	FYE 2017	FYE 2016	FYE 2015
Revenues				
Ad valorem taxes	\$ 1,000,700	\$ 974,703	\$ 966,124	\$ 968,685
Other taxes and licenses	406,038	402,651	390,699	356,952
Unrestricted intergovernmental revenues	93,385	94,995	98,336	86,869
Restricted intergovernmental revenues	46,875	47,438	205,259	76,307
Permits and fees	88,002	89,095	86,153	79,467
Sales and services	18,935	14,909	29,879	12,158
Investment earnings	4,395	3,643	1,709	1,073
Miscellaneous	8,240	9,809	6,816	10,939
Total revenues	1,666,570	1,637,243	1,784,975	1,592,450
Expenditures				
General government	363,348	409,101	479,832	560,520
Public Safety	397,494	449,767	434,507	432,969
Transportation	389,954	486,518	576,811	452,875
Environmental protection	104,362	158,977	103,308	96,431
Cultural and recreation	13,490	7,644	10,945	188
Debt Service:				
Principal	29,677	29,308	6,429	-
Interest	3,505	4,242	600	-
Total expenditures	1,301,830	1,545,557	1,612,432	1,542,983
Other Financing Sources (Uses)				
Transfers from Enterprise Fund	-	-	-	-
Transfers to Enterprise Fund	-	-	-	-
Transfers to Capital Project Funds	(525,000)	-	-	-
Debt/Installment purchase obligations issued		-	201,875	-
Total other financing uses	(525,000)	-	201,875	-
Net Change in Fund Balance	(160,260)	91,686	374,418	49,467
Prior Period Adjustment	-	-	-	-
Fund Balance:				
Beginning of Year - July 1	1,923,120	1,831,434	1,457,016	1,407,549
End of Year - June 30	\$ 1,762,860	\$ 1,923,120	\$ 1,831,434	\$ 1,457,016

Table 6

FYE 2014	FYE 2013	FYE 2012	FYE 2011	FYE 2010	FYE 2009
\$ 973,858	\$ 895,333	\$ 879,659	\$ 873,310	\$ 877,564	\$ 865,993
332,403	313,951	307,211	280,616	277,467	298,781
59,392	41,756	55,856	56,934	60,802	71,242
300,024	97,902	49,160	37,609	45,907	60,945
102,255	94,898	36,003	35,626	39,412	39,884
13,784	28,129	43,518	50,257	45,028	52,685
1,629	1,850	5,915	7,921	14,591	22,347
1,396	2,020	21,772	7,592	53,891	7,628
1,784,741	1,475,839	1,399,094	1,349,865	1,414,662	1,419,505
652,473	393,828	391,258	343,836	379,835	390,142
390,135	468,435	424,235	391,460	393,707	397,414
478,599	477,526	750,075	603,850	535,851	367,653
95,994	101,260	96,161	90,044	89,127	90,520
160,970	202,022	16,177	12,910	48,287	9,300
-	-	-	15,156	23,961	24,854
-	-	-	466	2,201	2,266
1,778,171	1,643,071	1,677,906	1,457,722	1,472,969	1,282,149
-	66,000	82,100	85,800	91,300	87,600
(45,614)	(51,132)	(15,273)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(45,614)	14,868	66,827	85,800	91,300	87,600
(39,044)	(152,364)	(211,985)	(22,057)	32,993	224,956
-	-	(3)	-	-	-
1,446,593	1,598,957	1,810,945	1,833,002	1,800,009	1,575,053
\$ 1,407,549	\$ 1,446,593	\$ 1,598,957	\$ 1,810,945	\$ 1,833,002	\$ 1,800,009

Town of Montreat
General Governmental Expenditure by Function
(GAAP basis, Table 2)

Table 7

Fiscal Year Ended June 30	General Government	Public Safety	Transportation	Environmental Protection	Cultural & Recreation	Interest on Long-Term Debt	Total
2018	\$ 337,182	\$ 358,436	\$ 473,469	\$ 117,305	\$ 26,265	\$ 3,278	\$ 1,315,935
2017	604,294	439,093	380,618	96,173	20,419	6,221	1,546,818
2016	479,543	450,926	362,962	12,343	116,083	600	1,422,457
2015	551,016	415,119	107,255	1,587	109,206	-	1,184,183
2014	347,272	418,288	214,513	162,683	60,993	-	1,203,749
2013	403,785	417,698	137,836	203,889	102,532	-	1,265,740
2012	411,493	450,064	338,622	17,779	96,161	-	1,314,119
2011	348,601	418,103	317,661	27,743	90,850	467	1,203,425
2010	400,771	398,889	374,792	63,120	54,052	2,201	1,293,825
2009	372,544	400,467	333,633	105,353	2,340	2,266	1,216,603

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Town of Montreat
General Governmental Revenue by Source
(GAAP basis, Table 2)

Fiscal Year Ended June 30	Ad Valorem Taxes	Other Taxes & Licenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions
2018	\$ 1,000,700	\$ 406,038	\$ 94,784	\$ 152,413	\$ 2,787
2017	974,695	402,651	98,987	147,450	3,694
2016	962,972	390,699	103,996	164,985	155,346
2015	968,042	356,952	83,021	135,379	36,977
2014	970,716	332,403	106,488	108,380	360,088
2013	892,839	313,951	98,618	105,034	584,932
2012	886,345	307,211	40,195	134,045	385,151
2011	873,863	280,616	48,083	132,343	5,550
2010	875,331	277,467	43,681	139,196	60,272
2009	868,213	300,486	91,084	48,276	12,800

Table 8

Non-Program Grants & Contributions	Investment Earnings	Miscellaneous	Total
\$ -	\$ 4,395	\$ 5,453	\$ 1,666,570
-	3,643	6,115	1,637,235
-	1,709	2,116	1,781,823
-	1,073	10,362	1,591,806
-	1,629	194	1,879,898
-	1,850	20	1,997,244
-	5,915	15,931	1,774,793
-	7,921	1,134	1,349,510
-	14,591	1,891	1,412,429
146,242	21,996	7,628	1,496,725

Town of Montreat
Property Tax Levies & Collections - General Fund

Table 9

Fiscal Year Ended June 30	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections, Credits & Write- offs	Total Tax Collections	Ratio of Total Tax Collections to Tax Levy	Total Direct Tax Rate
2018	\$ 1,036,520	\$ 1,036,520	100.00%	\$ -	\$ 1,036,520	100.00%	0.41
2017	1,007,190	1,007,190	100.00%	-	1,007,190	100.00%	0.41
2016	961,948	961,941	100.00%	3,159	965,100	100.33%	0.41
2015	963,203	961,143	99.79%	2,703	963,846	100.07%	0.41
2014	972,675	969,735	99.70%	6,083	975,818	100.32%	0.41
2013	905,262	898,808	99.29%	2,262	901,070	99.54%	0.37
2012	905,282	896,135	98.99%	2,461	898,596	99.26%	0.37
2011	875,507	874,635	99.90%	319	874,954	99.94%	0.37
2010	872,786	871,997	99.91%	(38,433)	833,564	95.51%	0.37
2009	867,101	863,797	99.62%	234	864,031	99.65%	0.37

Note: Ratio of Total Collections to Levy sometimes exceeds 100% due to receipt of delinquent prior year taxes.

Town of Montreat
Assessed Value of Taxable Property

Table 10

Fiscal Year Ended June 30	TR-2 Calendar Tax Year	Real Property	Personal Property	Public Service Company Property	Total Assessed Value
2018	2017	\$ 250,837,992	\$ 700,059	\$ 1,271,705	\$ 252,809,756
2017	2016	243,527,907	815,827	1,312,364	245,656,098
2016	2015	232,735,307	877,970	1,008,186	234,621,463
2015	2014	230,269,600	1,289,222	939,831	232,498,653
2014	2013	230,421,550	1,082,225	932,493	232,436,268
2013	2012	236,135,700	898,184	955,716	237,989,600
2012	2011	233,103,700	689,425	982,902	234,776,027
2011	2010	231,794,950	621,110	1,009,996	233,426,056
2010	2009	230,968,650	698,437	977,045	232,644,132
2009	2008	228,962,700	776,315	854,451	230,593,466

Town of Montreat

Table 11

**Property Tax Rates - Town of Montreat and Overlapping Jurisdictions
(Per \$100.00 of Assessed Value)**

Fiscal Year Ended	Town of Montreat	Black Mountain Fire District	Buncombe County	Total Tax Rate
2018	0.4100	0.1200	0.5290	1.0590
2017	0.4100	0.0990	0.6040	1.1130
2016	0.4100	0.0990	0.6040	1.1130
2015	0.4100	0.0990	0.6040	1.1130
2014	0.4100	0.0990	0.6040	1.1130
2013	0.3700	0.0900	0.5250	0.9850
2012	0.3700	0.0900	0.5250	0.9850
2011	0.3700	0.0900	0.5250	0.9850
2010	0.3700	0.0900	0.5250	0.9850
2009	0.3700	0.0900	0.5250	0.9850

Source: Buncombe County Tax Department

**Ratio of Net General Obligation Bonded Debt to Assessed Value and
Net General Obligation Bonded Debt per Capita**

Fiscal Year Ended June 30	Assessed Value	General Obligation Bonded Debt	Ratio of Net General Obligation Bonded Debt to Assessed Value	Population	Net General Obligation Bonded Debt per Capita
2018	\$ 252,809,756	\$ -	0.00%	868	0.00%
2017	245,656,098	-	0.00%	798	0.00%
2016	234,621,463	-	0.00%	792	0.00%
2015	232,498,653	-	0.00%	728	0.00%
2014	232,436,268	-	0.00%	704	0.00%
2013	237,989,600	-	0.00%	690	0.00%
2012	234,776,027	-	0.00%	688	0.00%
2011	233,426,056	-	0.00%	723	0.00%
2010	232,644,132	-	0.00%	701	0.00%
2009	230,593,466	-	0.00%	714	0.00%

Town of Montreat
Computation of Legal Debt Margin
June 30, 2018

Table 13

Assessed value of taxable property	\$ 252,809,756
times	0.08
Debt limit (8% of assessed value)	<u>20,224,780</u>
Gross debt:	
Bonds Payable	90,000
Authorized & unissued bonds	-
Installment Purchase	<u>599,230</u>
Gross Debt	<u>689,230</u>
Less: Water Fund debts	<u>552,769</u>
Total amount of debt applicable to debt limit	<u>136,461</u>
Legal debt margin	<u><u>\$ 20,088,319</u></u>

Note: Bonds Payable are Water Fund, not General Obligation

**Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt
to Total General Governmental Expenditures**

Fiscal Year Ended June 30	Principal	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio, Debt Service to Total General Governmental Expenditures
2018	\$ -	\$ -	\$ -	\$ 1,315,935	0.00%
2017	-	-	-	1,546,818	0.00%
2016	-	-	-	1,422,457	0.00%
2015	-	-	-	1,184,183	0.00%
2014	-	-	-	1,203,749	0.00%
2013	-	-	-	1,265,740	0.00%
2012	-	-	-	1,314,119	0.00%
2011	-	-	-	1,203,425	0.00%
2010	-	-	-	1,293,825	0.00%
2009	-	-	-	1,216,603	0.00%

Note: The Town of Montreat has no General Obligation Bonded Debt at present.

**Town of Montreat
Demographic Statistics**

Table 15

Fiscal Year Ended	Population	Per Capita Income	Median Age	School Enrollment	Unemployment Rate % (June)*
2018	868	N/A	N/A	18	3.5
2017	798	N/A	N/A	6	3.9
2016	792	N/A	N/A	6	4.1
2015	728	N/A	N/A	6	5.0
2014	704	N/A	N/A	6	5.3
2013	690	\$ 20,075	24.3	6	6.7
2012	688	N/A	N/A	10	9.4
2011	723	N/A	24.2	N/A	10.6
2010	701	N/A	N/A	N/A	10.8
2009	714	N/A	N/A	N/A	10.6

N/A = Data not available

* Unemployment rate data is for all of Buncombe County, Montreat-only data not available.

Source: NC Office of State Budget and Management, State Data Center,
Buncombe County Schools, Employment Security Commission

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**Town of Montreat
Ten Largest Taxpayers
June 30, 2018**

2018			
Taxpayer	Classification	2017 Assessed Valuation	Percentage of Total Assessed Valuation
Mountain Retreat Center	Institutional	****	****
NEALE, HENRY W & MARGARET C	Residential	1,772,800	0.70%
SCHEU, WILLIAM E	Residential	1,169,700	0.46%
CLARK, JACQUELINE F	Residential	1,168,200	0.46%
SLOOP GROUP, LLC	Residential	1,087,600	0.43%
HANNAH, WALTER W	Residential	979,000	0.39%
MCCASKILL, WM C	Residential	974,630	0.39%
SHORTRIDGE, KENNETH W JR	Residential	924,700	0.37%
TOPPLE, STANLEY C	Residential	846,500	0.33%
BURRISS, FRANCIS M	Residential	792,950	0.31%

**** Mountain Retreat Association holds the largest assessed valuation of property, but is a tax exempt entity and, thus, is not one of the largest taxpayers.

* Note: Comparative data from ten years ago not available

Source: Buncombe County Tax Department.

Table 16

2017		
Classification	2016 Assessed Valuation	Percentage of Total Assessed Valuation
Institutional	****	****
Residential	1,367,200	0.58%
Residential	1,306,600	0.56%
Residential	834,500	0.36%
Residential	1,377,800	0.59%

**Town of Montreat
Largest Employers
June 30, 2018**

Table 17

Montreat is a predominantly residential community. There are only two major employers, the Town of Montreat, and a few smaller organizations. The following is the data that is available:

Year	Montreat College	Montreat Conference Center	Town of Montreat	Total
2018	128	87	13	228
2017	127	60	14	201
2016	125	60	14	199
2015	127	60	13	200
2014	187	60	14	261
2013	194	70	14	278
2012	149	70	14	233
2011	202	70	14	286
2010	233	70	15	318
2009	221	70	15	306

Source: Montreat College, Montreat Conference Center

Town of Montreat
Miscellaneous Statistics
June 30, 2018

Table 18

Date of establishment	1967
Form of Government	Mayor-Council
Employees	
Full-time permanent	13
Vacancies	0
Other (Police Reserve)	3
Area	2.78 sq. miles
Town Facilities & Services	
Miles of Streets	15.6
Number of Street Lights	0
Police Protection:	
Number of full-time officers	5
Number of reserve officers	3
Inspections:	
Building permits issued	87
Water Service:	
Number of customers	679
Average daily consumption	91,400 gal
Miles of water mains	18
Number of wells	11
Facilities and Services provided by other entities:	
Fire Protection:	
Provided by Black Mountain/East Buncombe Fire District	
Education:	
Public K-12 school system operated by	
Buncombe County Schools	
Cultural and Recreational:	
All recreational facilities owned and operated by	
Montreat Conference Center	
Sewers:	
Sanitary sewer system operated by the	
Municipal Sewer District of Buncombe County	

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COMPLIANCE SECTION

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MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards

Independent Auditor's Report

To The Honorable Mayor and
Members of the Board of Commissioners
Montreat, North Carolina

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Montreat, North Carolina, as of and for the year ended June 30, 2018, and the related notes to the financial statements which collectively comprises the Town of Montreat's basic financial statements, and have issued our report thereon dated February 28, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Montreat's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Montreat's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings and Responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described as Findings 2018-002 and 2018-003 in the accompanying Schedule of Findings and Responses to be material weaknesses.

A *significant deficiency* is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described as Finding 2018-001 in the accompanying Schedule of Findings and Responses to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Montreat's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Town of Montreat's Responses to Findings

The Town of Montreat's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. The Town's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
February 28, 2019

TOWN OF MONTREAT, NORTH CAROLINA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2018

1. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance to GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes
- Significant deficiency(ies) identified? Yes

Noncompliance material to financial statements noted? No

TOWN OF MONTREAT, NORTH CAROLINA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2018

2. Financial Statement Findings

Finding 2018-001

Significant Deficiency

Criteria: Management should have a system in place to reduce the likelihood of errors in financial reporting.

Condition: The external auditor prepared a draft of the basic financial statements, all required note disclosures, and supplemental schedules. Financial reporting under the accounting standards promulgated by the Financial Accounting Standards Board and the Governmental Accounting Standards Board requires a level of technical expertise not possessed by the Town's personnel with regards to drafting full accrual, full disclosure financial statements. Although management of the Town does not possess expertise to draft full accrual, full disclosure financial statements, they do have the skills and knowledge to adequately oversee and perform a detail review of the drafted full accrual, full disclosure financial statements and reconcile the financial statements to the records of the Town.

Effect: Errors in financial reporting could occur.

Cause: There are limited Town resources as it relates to the preparation of full accrual, full disclosure year-end financial statements.

Identification of a Repeat Finding: This is a repeat finding from the immediate previous audit 2017-002.

Recommendation: The cost of acquiring the technical expertise to comply with the financial reporting requirements discussed above appears prohibitive. Therefore, the Town should exercise due care in reviewing the financial statements drafted by the external auditor and overseeing the drafting services as the Town is responsible for the accuracy of the audited financial statements.

Views of Responsible Officials and Corrective Action Plan: Management concurs with this finding and will adhere to the Corrective Action Plan in this audit report.

TOWN OF MONTREAT, NORTH CAROLINA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2018

2. Financial Statement Findings (continued)

Finding 2018-002

Material Weakness

Criteria: Management should have a system in place to reduce the likelihood of errors in financial reporting.

Condition: A significant audit adjustment is a proposed correction of the basic financial statements that, in our judgement, may not have been detected except through our auditing procedures. The existence of such material adjustments indicates that the Town's system of controls did not detect and prevent such errors. We have provided management with a report of these adjustments.

Effect: Adjustments not posted could cause misstatement of the account balances.

Cause: There are limited Town resources as it relates to the preparation of some year-end adjustments for financial reporting purposes.

Identification of a Repeat Finding: This is a repeat finding from the immediate previous audit 2017-003.

Recommendation: Management should examine the adjustments required as a result of our audit and assess the cost/benefit of improving the internal control system to prevent the adjustments in the future, given the unit's available financial resources. Management should acknowledge inherent limitations in the internal control system caused by limited resources and modify their oversight function accordingly.

Views of Responsible Officials and Corrective Action Plan: Management concurs with this finding and will adhere to the Corrective Action Plan in this audit report.

TOWN OF MONTREAT, NORTH CAROLINA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2018

2. Financial Statement Findings (continued)

Finding 2018-003

Material Weakness

Criteria: Management should have a system in place to reduce the likelihood of errors in financial reporting and to safeguard assets.

Condition: Bank reconciliations were not prepared and balanced to the general ledger in a timely manner during the year.

Effect: Lack of timely reconciliations greatly increases the risk of improper financial reporting.

Cause: There are a limited number of personnel for operating functions. Staff turnover has occurred during the year.

Recommendation: Management should require that bank reconciliations be prepared and balanced to the general ledger accounts on a monthly basis as the bank statements come in.

Views of Responsible Officials and Corrective Action Plan: Management concurs with this finding and will adhere to the Corrective Action Plan in this audit report.



**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2018**

Financial Statement Findings

Significant Deficiencies

Finding 2018-001

Name of Contact Person: Alex Carmichael, Town Administrator

Correction Action: Management has evaluated the cost benefit of engaging the external auditor to perform this function. Though the Town exercises due care in reviewing the financial statements drafted by the external auditor and reconciles the statements to the Town's financial records, the Town will continue to analyze this practice and its alternatives. The Town remains responsible for the accuracy of the audited financial statements.

Proposed Completion Date: Immediately

Material Weaknesses

Finding 2018-002

Name of Contact Person: Alex Carmichael, Town Administrator

Corrective Action: Management is aware that year-end audit adjustments are typically required. Management has strengthened internal controls throughout the year and continues to do so. Additionally, with the recent hiring of the Town's new Finance Officer, management expects a reduction in the number of audit adjustments required at year-end.

Proposed Completion Date: Immediately

Finding 2018-003

Name of Contact Person: Alex Carmichael, Town Administrator

Corrective Action: With the recent hiring of the Town's new Finance Officer, end of month bank reconciliations are possible again. Once caught up in the current fiscal year, management will ensure that bank reconciliation will be prepared and balanced to the general ledger accounts on a monthly basis as the bank statements come in.

Proposed Completion Date: Immediately

TOWN OF MONTREAT, NORTH CAROLINA

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2018

Finding 2017-001

Status: Corrected.

Finding 2017-002

Status: Repeated as Finding 2018-001. Management has evaluated the cost benefit and has chosen to engage the external auditor to perform this function.

Corrective Action: Management continues to evaluate the cost benefit of engaging the external auditor to perform this function. Though the Town exercises due care in reviewing the financial statements drafted by the external auditor and reconciles the statements to the Town's financial records, the Town will continue to analyze this practice and its alternatives. The Town remains responsible for the accuracy of the audited financial statements

Finding 2017-003

Status: Repeated as Finding 2018-002.

Corrective Action: Management is aware that year-end audit adjustments are typically required. Management has strengthened internal controls throughout the year and continues to do so. Additionally, with the recent hiring of the Town's new Finance Officer, management expects a reduction in the number of audit adjustments required at year-end

Finding 2017-004

Status: Corrected.

Finding 2017-005

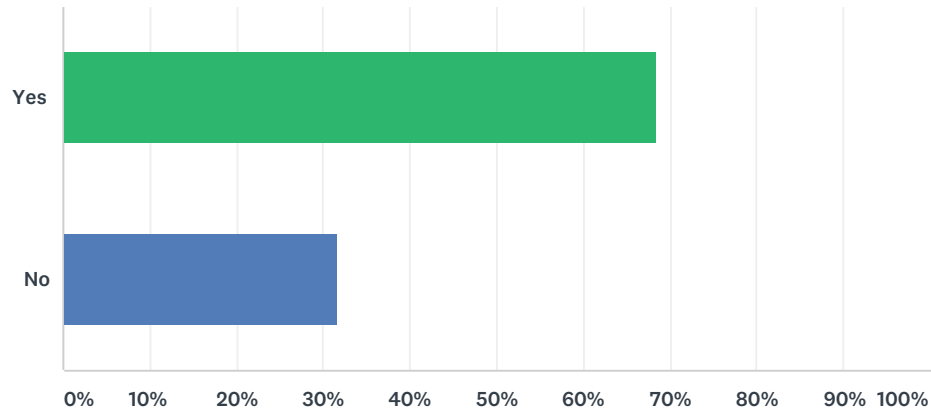
Status: Corrected.

Finding 2017-006

Status: Corrected.

Q5 Have you experienced problem(s) caused by the "Black Mountain, NC 28711" designation of your Montreat street address?

Answered: 101 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	68.32%	69
No	31.68%	32
TOTAL		101

Q6 If you answered "Yes," please describe the problem(s).

Answered: 78 Skipped: 23

#	RESPONSES	DATE
1	I have to take the Black Mountain off the put Montreat address and put in Montreat	2/6/2019 6:44 PM
2	-delivery to home address delivered to Post office	2/6/2019 12:55 PM
3	Online merchants have indicated to us that they cannot locate our street address in Montreat because it does not exist in the USPS database. Also, we do not like having to certify to elections officials that our street address is in Black Mountain 28711, when it is clearly in Montreat 28757.	2/4/2019 6:34 PM
4	Package Delivery	2/4/2019 9:46 AM
5	It has caused confusion for an appliance delivery and some visitors.	2/2/2019 6:56 PM
6	Friends GPS can't find us, Uber had trouble finding us, sometimes Amazon orders won't take bc they are USPS	2/2/2019 5:50 PM
7	1. For some online vendors, have to telephone to clarify that the delivery address is valid and correct. 2. Address is incorrect on some official documents, such as voter registration. 3. Wonder if fire and ambulance calls ever get delayed by the confusion.	2/2/2019 1:26 PM
8	UPS and FEDEX sometimes say it is not a correct address	2/2/2019 12:21 PM
9	n/a	2/2/2019 11:47 AM
10	Pkgs went to Black Mtn post office	2/2/2019 10:07 AM
11	During our 27 years at this address we had two major problems. 1) GPS directions often directed people to a Virginia Road in Black Mountain and (2). Our voter identification cards listed our address as Black Mountain - year after year, and we were told there was nothing that could be done about it.	2/1/2019 11:48 PM
12	Each time I vote I am asked to sign a document that contains an incorrect address and thus to verify an untruth.	2/1/2019 7:58 PM
13	MAPS doesn't recognize it and UPS or FedX doesn't either	2/1/2019 7:09 PM
14	Na	2/1/2019 4:28 PM
15	"Black Mountain" is incorrectly listed on voter verification form at voting booth as my home town. Occasionally problems with ordering online and having vendor respond "No PO address accepted." Extra hoops required (essentially my searching home files) to secure NC REAL ID.	1/29/2019 5:08 PM
16	Voter rolls list the ZIP and address as being Black Mountain, and anytime I try to purchase things to be sent, they have to go either to the PO Box, or to the post office Assembly Drive address.	12/13/2018 7:55 PM
17	1. In some satellite guidance programs people can't find our house and often we have trouble with deliveries from Asheville companies as well as courier services like Fedex and UPS. My son also had problems when filling out employment forms with major companies like Best Buy when he lived with us because they couldn't locate the address. On some maps, our street comes up as Frosty Hollow. I had problems with ATT because they couldn't locate our address. Sometimes our road is listed with a Black Mountain zip code and sometimes with the Montreat zip code.	12/9/2018 8:13 PM
18	They are annoying, but mostly minor. Since a lot of commerce is conducted via online resources, when we moved here 1 1/2 year ago we quickly learned that many companies use databases to confirm customer addresses. They use USPS, usually, but sometimes something. The USPS users will sometimes reject an order when the the tow soes Black mountain, instead of Montreat. We have learned that including the 4 digit zip extension, in our case - 0100 often helps So we have learned work-arounds. But it is a significant worry thar in NC with voting affect by Republican efforts supress voting, the address issue could result in depriving us of our right to vote.	12/8/2018 1:50 PM
19	I have had numerous packages returned although our proper address was on the shipping label. I suspect it has something to do with this matter.	12/8/2018 7:19 AM

Montreat Addresses - Share Your Experiences

20	A few guests get confused by it.	12/7/2018 5:50 PM
21	No problems thus far.	12/7/2018 5:21 PM
22	some visitors cannot find us on GPS and organizations cannot register us	11/26/2018 4:20 PM
23	Delivery services (UPS, fedex, etc) and service providers can't verify the address. Online providers day invalid address and won't accept an order. Some delivery services drop packages at the post office and they are sometimes returned to vendor.	11/26/2018 12:43 PM
24	People did not believe it.	11/26/2018 12:31 PM
25	problems getting mail	11/26/2018 10:37 AM
26	GPS won't find the 28757 zip code and online shippers like Amazon also do not recognize it and will not deliver packages to it.	11/26/2018 10:21 AM
27	When making an online purchase, some retailers system won't recognize the address and therefore I can't process the transaction	11/26/2018 10:16 AM
28	when placing order the confirmation will change the address to Black Mt. 28711. I then have to call and have the address corrected.	11/25/2018 6:02 PM
29	If you look up the address in either Google or Apple maps it returns Black Mountain as the city and 28711 as the zip code	11/25/2018 2:26 AM
30	Mainly in deliveries, with the zip code not registering or company saying it could not find the address in its system; also in voting. Montreat is apparently not recognized for registration, and we voted at the Black Mountain library once and the Black Mountain First Baptist Church another.	11/23/2018 5:15 PM
31	I went to get my driver's license and could not use my voter registration card as a second address. I had to wait for more mail to get my One card. I could get a DL but not the One card.	11/23/2018 2:35 PM
32	UPS said the address did not exist. I had to go pick up the package - in Black Mountain, but still not delivered as described (i.e., to my door)	11/23/2018 1:23 PM
33	Inability to get Montreat accepted as place name, esp in some online situations. eg weather app gives reports for Black mMountaint, not Montreat.	11/23/2018 12:43 PM
34	Service companies have lots of trouble finding the house...for instance, just yesterday the plumber was showing Black Mountain instead. You have to verbally explain over and over that's not our zip code, and also explain how to find the house. Additionally, since 1997 I've never been able to have a FedEx or UPS delivery here which is very frustrating.	11/23/2018 11:53 AM
35	1) Often we cannot order items online because some sites refuse to deliver to a post office and can't detect our physical address (even when we try to "trick" the site with the Black Mountain zip). 2) In the past we have tried to contact a government official and were required to input our street & zip in order to send an email, but even though we try both zips NEITHER worked and we were blocked from sending our emails to OUR representative...very frustrating. 3) When applying for our "REAL ID" at the DMV this year, it was extremely difficult to round up enough acceptable documentation to prove our NC residency. The only documents we had that were on the list of acceptable documents and that had both the street address and correct Montreat zip were our current NC driver's licenses and our home owners insurance coverage form from State Farm... Our Buncombe tax statements, car registrations and voter cards won't work because they don't list the street address WITH the Montreat zip!!!! If we didn't own our home and insure through a company that happens to include the Montreat zip with the street address, and if we did not have driver's licenses (or they were expired, as many of our no-longer driving elderly neighbors use as acceptable ID for most things), then we would not have been able to acquire our REAL IDs, and flying in the USA would become very problematic in the near future. I'm not sure what people will use if they are not fortunate enough to own their home and insure it through a company that lists BOTH street address and Montreat zip together, or do not have a current driver's license.	11/23/2018 11:43 AM
36	N/A	11/23/2018 10:07 AM
37	Occasionally Services can't find the street address when I call with a billing question.	11/23/2018 8:44 AM
38	Some Online retailers will not deliver to Montreat, because system does not recognize anything besides 301 Assembly Dr.	11/23/2018 8:34 AM
39	Not listed as Montreat	11/22/2018 5:00 PM
40	package delivery	11/22/2018 1:40 PM

Montreat Addresses - Share Your Experiences

41	Confusion with postal deliveries and friends trying to drive to my house.	11/22/2018 9:59 AM
42	Home deliveries, voter registration and voting itself. The delivery companies believe it is not a valid address and when I vote, I am counted among Black Mountain voters when I LIVE in Montreat	11/22/2018 9:38 AM
43	Connecting to satellite, tv cable, couldn't recognize Montreat zipcode	11/21/2018 8:32 PM
44	Person went to Knox Rd in Black Mountain instead of John Knox Rd in Montreat because of zip code 28711	11/21/2018 3:16 PM
45	Our Congressman's (now discontinued) online email system did not recognize the Montreat address (with 28757 or with 28711)	11/21/2018 3:15 PM
46	Getting medicine delivered when my Dad was sick.	11/21/2018 12:41 PM
47	Package shipping to physical address is sometimes a problem. Also home repair people can't locate us, electricians etc.	11/21/2018 12:20 PM
48	No	11/21/2018 10:40 AM
49	Google and auto fills want to say I'm in Black Mountain and it is not my physical address for guests to know where I am truly located and for deliveries on mail orders.	11/21/2018 1:06 AM
50	Newspaper subscription, ordering items online, friends looking up my address	11/20/2018 10:32 PM
51	Packages couldn't be delivered and were sent to Black Mountain post office	11/20/2018 9:48 PM
52	When ordering on Amazon and other vendors our street address is not in their data base	11/20/2018 9:36 PM
53	When someone types the address in Google Maps, it often comes up with the Black Mountain city and zip. The map shows it in the right place. I have the same issue with online shopping and entering this as the shipping address.	11/20/2018 9:17 PM
54	Several times switched to Black Mountain zip	11/20/2018 9:07 PM
55	1.Fed Ex often does not deliver to my house. 2. Last month a new employee of White and Williams Heating Co. called from Black Mountain and could not find the town of Montreat - much less my house. I told him to check Montreat Conference Center and he found it and found his way to the gate and then he found my house on his GPS. 3. My voting information at the voting polls is always incorrect because it has my address as 229 NC Terrace, BLACK MOUNTAIN, NC	11/20/2018 8:55 PM
56	Delivery person could not locate house although he was inside the Montreat Gate	11/20/2018 8:36 PM
57	I have had problems not with my Montreat address but I have searched properties for sale in Montreat and they come back with a Black Mt. Address	11/20/2018 7:59 PM
58	Tried multiple times to change the address for my driver's license but it would not allow me to do so saying the address was not valid. Had to go to DMV and sit for almost 3 hours to do it instead.	11/20/2018 7:47 PM
59	Deliveries, gps for visitors, repair people	11/20/2018 7:41 PM
60	DMV!!! I have been frustrated in renewing because I can't do it online and it is a several hour endeavor to go in to the DMV and wait. AND getting the Real ID has also been problematic because so much of my "proof" has my PO Box. The DMV workers can't seem to use common sense.	11/20/2018 7:32 PM
61	Besides the voting issue, I've had shipping issues with mail order items saying that they can't locate our 28757 zip code	11/20/2018 7:19 PM
62	Inaccurate on maps	11/20/2018 7:09 PM
63	they say I live in Bl.Mtn., & I don't.	11/20/2018 7:09 PM
64	28757 displays as "Black Mountain" for many vendors creating confusion.	11/20/2018 7:07 PM
65	It is a yes if you mean mailing package to my P.O. box as they will not deliver to my home address	11/20/2018 6:55 PM
66	GPS reports Black Mountain	11/20/2018 6:53 PM
67	Must go to montreat post office to get UPS, LL BEAN, etc. Home delivery one-fourth of the time.	11/20/2018 6:46 PM
68	Voter registration card (North Dakota) is the main issue. Delivery of packages, what do I put on my drivers license? Explaining it to relatives for letters/packages and they still can't get it. It's weird, it's horrible, please resolve.	11/20/2018 6:37 PM
69	Voting, UPS delivery and numerous other shipping orders like Lands End.	11/20/2018 6:21 PM

Montreat Addresses - Share Your Experiences

70	most responses are "address not recognized." When that happens I have package sent to my church. Problem seems to be with the vendor(s), not the carrier. This happens approximately two or three times a year. Once I tracked down a package to the Black Mountain P.O. after I received a delivery confirmation email.	11/20/2018 6:07 PM
71	confusion, missed deliveries, billing address zip did not match billing address zip for my credit card for purchases	11/20/2018 6:07 PM
72	Bills, ID, GPS, deliveries and work people, and just simply not having a normal home address to give people.	11/20/2018 6:05 PM
73	We never know whether to use Road or Terrace when giving our address for shipments. Also, there is a Westminster in Black Mountain and sometimes that is the only one that pops up on a website.	11/20/2018 5:59 PM
74	Waze doesn't work	11/20/2018 5:48 PM
75	Several years ago, our GPS pulled up Blk Mt or Asheville instead of Montreat. In recent years, that has been remedied.	11/20/2018 5:44 PM
76	My problem is that our physical address is not verifiable to the DMV or other offices. Therefore we can't get our home address on our drivers license	11/20/2018 5:42 PM
77	Service people are confused when they use their GPS. I tell them to come to me through the gate and provide directions. Also, it is a potential problem when voting. Local poll workers understand the issue, but it is a potential problem.	11/20/2018 5:30 PM
78	No problems	11/20/2018 5:24 PM

Q7 When did this first become a problem for you? (Estimate month/year.)

Answered: 78 Skipped: 23

#	RESPONSES	DATE
1	Missing mail since 9/87 when sent to Marion NC or West Asheville (Virginia Ave) This is a hassle and seems to me we are penalized for livin	2/6/2019 6:44 PM
2	Approximately 15 years ago	2/6/2019 12:55 PM
3	January 2015	2/4/2019 6:34 PM
4	11/2018	2/4/2019 9:46 AM
5	February 2017	2/2/2019 6:56 PM
6	2013	2/2/2019 5:50 PM
7	Immediately upon moving here, about June 28th 2016	2/2/2019 1:26 PM
8	2015 approx	2/2/2019 12:21 PM
9	n/a	2/2/2019 11:47 AM
10	Jan 2017?	2/2/2019 10:07 AM
11	I cannot remember. More than a decade - maybe 2.	2/1/2019 11:48 PM
12	At least the last three major elections. Nov 2011?	2/1/2019 7:58 PM
13	Five years	2/1/2019 7:09 PM
14	NA	2/1/2019 4:28 PM
15	2015, when I moved to Montreat.	1/29/2019 5:08 PM
16	When we moved to Montreat in 2015.	12/13/2018 7:55 PM
17	Around 2014 I began to notice it (maybe because we started having things delivered to us and started using GPS and my son began applying for jobs.	12/9/2018 8:13 PM
18	Imediately, when we moved here. July 2017.	12/8/2018 1:50 PM
19	Years ago but it has definitely increased in frequency as we order more things online than before.	12/8/2018 7:19 AM
20	?	12/7/2018 5:50 PM
21	N/A	12/7/2018 5:21 PM
22	2016 ??	11/26/2018 4:20 PM
23	When began building this house 4/2015	11/26/2018 12:43 PM
24	Not a problem since we began using the post office address.	11/26/2018 12:31 PM
25	2015	11/26/2018 10:37 AM
26	09/21/2018 which is when we purchased this property.	11/26/2018 10:21 AM
27	When I moved here in May 2018	11/26/2018 10:16 AM
28	It has happened several times. Two weeks ago when placing an order it happened again	11/25/2018 6:02 PM
29	At least in 2016	11/25/2018 2:26 AM
30	2014	11/23/2018 5:15 PM
31	2+ years ago	11/23/2018 2:35 PM
32	Fall 2016	11/23/2018 1:23 PM
33	July 2017, immediately afte we moved here.	11/23/2018 12:43 PM
34	1997	11/23/2018 11:53 AM

Montreat Addresses - Share Your Experiences

35	1) Since we started ordering anything using the internet (OH... we've also had problems with customer service with Charter trying to find our account even though we've used their service since 2005!!!!). ...I am unable to estimate when we first began to notice the issue... but we've had issues with it for at least 10 years. Plus, I have NEVER been comfortable signing that the address listed is correct when I've gone in to vote... It feels like I'm being required to lie in order to perform my civic duty, and this produces a strange feeling of forced to behave dishonorably.	11/23/2018 11:43 AM
36	Several years ago	11/23/2018 8:44 AM
37	no problem	11/23/2018 8:41 AM
38	5+ yrs	11/23/2018 8:34 AM
39	2017	11/22/2018 5:00 PM
40	March 2015	11/22/2018 1:40 PM
41	August 2014	11/22/2018 9:59 AM
42	July/2013	11/22/2018 9:38 AM
43	When we became residents summer 2016	11/21/2018 8:32 PM
44	May 2018	11/21/2018 3:16 PM
45	9/2-14	11/21/2018 3:15 PM
46	2016	11/21/2018 12:41 PM
47	2010	11/21/2018 12:20 PM
48	None	11/21/2018 10:40 AM
49	05/2016 ?	11/21/2018 1:06 AM
50	July 2011	11/20/2018 10:32 PM
51	July 2017 (first time I noticed)	11/20/2018 9:48 PM
52	2017	11/20/2018 9:36 PM
53	January 2018, when we bought the house	11/20/2018 9:17 PM
54	May. 2024	11/20/2018 9:07 PM
55	Not sure - maybe 5 years ago	11/20/2018 8:55 PM
56	June 2017	11/20/2018 8:36 PM
57	Not sure	11/20/2018 7:59 PM
58	Can't remember but at least 2 years ago, maybe more.	11/20/2018 7:47 PM
59	5/2016	11/20/2018 7:41 PM
60	I got my first drivers license in 1985. It was a problem then and has been since	11/20/2018 7:32 PM
61	As long as i can remember, 10 years ago	11/20/2018 7:19 PM
62	01/2012	11/20/2018 7:09 PM
63	1/2018	11/20/2018 7:09 PM
64	August 2016 when I moved to Montreat.	11/20/2018 7:07 PM
65	2017	11/20/2018 6:55 PM
66	2 years ago(?)	11/20/2018 6:53 PM
67	The year that Moses crossed the Red Sea!!	11/20/2018 6:46 PM
68	When we moved here - june 2016	11/20/2018 6:37 PM
69	2008	11/20/2018 6:21 PM
70	About 2008 I think.	11/20/2018 6:07 PM
71	june 2016	11/20/2018 6:07 PM

Montreat Addresses - Share Your Experiences

72	Since buying the house, 6/2016	11/20/2018 6:05 PM
73	Last September 2017 when we bought our house	11/20/2018 5:59 PM
74	July/2017	11/20/2018 5:48 PM
75	Don't remember, several years ago.	11/20/2018 5:44 PM
76	10/17	11/20/2018 5:42 PM
77	2 years ago, when I moved here.	11/20/2018 5:30 PM
78	Hasn't been a problem	11/20/2018 5:24 PM

Q8 Have visitors to your home experienced difficulty finding your house or verifying its location? ["Visitors" include personal -- friends, family, other guests – and service professionals like a) plumbers, HVAC, internet technicians, electricians, FedEx, UPS, Uber, and b) airline-ticket sales agents confirming by phone your address and other companies shipping packages to you.]

Answered: 98 Skipped: 3

#	RESPONSES	DATE
1	YES- many times	2/6/2019 6:44 PM
2	Yes	2/6/2019 12:55 PM
3	No, except as noted in the answer to Question 6 above.	2/4/2019 6:34 PM
4	Yes	2/4/2019 9:46 AM
5	Yes	2/2/2019 6:56 PM
6	Yes	2/2/2019 5:50 PM
7	Yes	2/2/2019 1:26 PM
8	shippers yes but people coming to the house for services call or to visit have not had a problem	2/2/2019 12:21 PM
9	not any that I know of	2/2/2019 11:47 AM
10	Absolutely-deliveries and ordering online or with representatives on phone orders	2/2/2019 10:07 AM
11	No	2/2/2019 6:40 AM
12	Yes this happened often	2/1/2019 11:48 PM
13	Yes	2/1/2019 10:44 PM
14	No	2/1/2019 10:18 PM
15	YES	2/1/2019 7:58 PM
16	Yes no one can get to the house using GPS	2/1/2019 7:09 PM
17	No	2/1/2019 4:28 PM
18	Not that I know of, however my own navigation system which does take me to the correct address takes me there in a roundabout way (which I don't follow).	2/1/2019 4:27 PM
19	Yes. Friends are confused as to whether or not Montreat is a town. Vendors are confused as to whether or not Montreat is a town. GPS directions that friends and service providers use say "Black Mountain," and I regularly have to remember to alert folks that the directions still work.	1/29/2019 5:08 PM
20	yes	12/13/2018 7:55 PM
21	No	12/11/2018 5:44 PM
22	Yes, often!	12/9/2018 8:13 PM
23	Nobody has told us of trouble, but we always make sure 1st time visitors know how to get here, and the major companies know what to do.	12/8/2018 1:50 PM
24	Absolutely.	12/8/2018 7:19 AM
25	not all	12/7/2018 5:50 PM
26	Yes	12/7/2018 5:41 PM
27	No	12/7/2018 5:21 PM

Montreat Addresses - Share Your Experiences

28	not recently There were some problems about 3 years ago	11/28/2018 8:24 PM
29	No	11/28/2018 11:25 AM
30	yes, on occasion	11/26/2018 4:20 PM
31	Yes! Yes! yes!	11/26/2018 12:43 PM
32	No	11/26/2018 12:31 PM
33	not much	11/26/2018 10:37 AM
34	Yes	11/26/2018 10:21 AM
35	Yes, I have to explain that the GPS will say Black Mountain but it's actually Montreat.	11/26/2018 10:16 AM
36	Charter does not recognize Montreat and I am sure I have had other issues	11/25/2018 6:02 PM
37	We have give them directions because the map programs carry them through a wrong route to get to our house	11/25/2018 2:26 AM
38	No	11/23/2018 5:32 PM
39	yes	11/23/2018 5:15 PM
40	Not to my knowledge.	11/23/2018 2:35 PM
41	Yes - UPS; also, i frequently have to "talk in" repair people	11/23/2018 1:23 PM
42	Not sure.	11/23/2018 12:43 PM
43	Yes	11/23/2018 11:53 AM
44	Yes. Constantly. This is a hit or miss issue. Sometimes they have over-rides that allow them to put in our address. Sometimes they have space to give the delivery person specific directions. BUT, sometimes, we were unable to order things because the site's system was unable to locate us using any means...and therefore we don't exist in their minds.	11/23/2018 11:43 AM
45	No	11/23/2018 10:07 AM
46	Yes	11/23/2018 8:44 AM
47	no problem	11/23/2018 8:41 AM
48	Yes	11/23/2018 8:34 AM
49	Yes	11/22/2018 5:00 PM
50	Yes	11/22/2018 1:40 PM
51	Yes	11/22/2018 9:59 AM
52	Yes	11/22/2018 9:38 AM
53	Yes	11/21/2018 11:14 PM
54	All of the above	11/21/2018 8:32 PM
55	np	11/21/2018 5:24 PM
56	Yes	11/21/2018 3:16 PM
57	Yes	11/21/2018 3:15 PM
58	Servicemen	11/21/2018 1:57 PM
59	Yes	11/21/2018 12:41 PM
60	Yes	11/21/2018 12:20 PM
61	Yes	11/21/2018 10:40 AM
62	Yes	11/21/2018 8:53 AM
63	YES	11/21/2018 1:06 AM
64	Yes	11/20/2018 10:32 PM
65	Yes - companies shipping packages to me	11/20/2018 9:48 PM

Montreat Addresses - Share Your Experiences

66	Yes	11/20/2018 9:36 PM
67	no	11/20/2018 9:36 PM
68	No. I explain that if it says in BM, ignore that, because its really in Montreat.	11/20/2018 9:17 PM
69	Yes	11/20/2018 9:07 PM
70	Definitely yes	11/20/2018 8:55 PM
71	Not that I know of.	11/20/2018 8:41 PM
72	Yes	11/20/2018 8:36 PM
73	Yes- people use gps to get to my house, only to find that they must go the wrong way on the one-way portion of SC Terrace.	11/20/2018 7:59 PM
74	Not to my knowledge	11/20/2018 7:47 PM
75	Yes	11/20/2018 7:41 PM
76	Yes!	11/20/2018 7:32 PM
77	Yes	11/20/2018 7:19 PM
78	No	11/20/2018 7:14 PM
79	Yes	11/20/2018 7:09 PM
80	Yes	11/20/2018 7:07 PM
81	no	11/20/2018 7:02 PM
82	sometimes it directs them over the bridge that is not there	11/20/2018 6:55 PM
83	guests were confused when they were advised to go to Blk Mt.	11/20/2018 6:53 PM
84	Yes....my children and grandchildren	11/20/2018 6:46 PM
85	No	11/20/2018 6:45 PM
86	No	11/20/2018 6:38 PM
87	When we moved in it took weeks to get utilities and cable set up. When i would try to ipen an account, national software could not recognize that the house existed. It was compounded by not a year round resident never living in my house.	11/20/2018 6:37 PM
88	Just companies shipping. Haven't used Uber here.	11/20/2018 6:21 PM
89	yes, rarely.	11/20/2018 6:07 PM
90	YES!	11/20/2018 6:07 PM
91	Yes!	11/20/2018 6:05 PM
92	Yes	11/20/2018 5:59 PM
93	Yes	11/20/2018 5:48 PM
94	no	11/20/2018 5:46 PM
95	Not recently	11/20/2018 5:44 PM
96	Yes!	11/20/2018 5:42 PM
97	I provide directions for people coming to my house. I have all packages shipped to the post office.	11/20/2018 5:30 PM
98	No	11/20/2018 5:24 PM

Q9 If you have experienced problems with service professionals not being able to find your home or verify your home's location, what communications, if any, did you receive from the service professionals?

Answered: 79 Skipped: 22

#	RESPONSES	DATE
1	A phone call and sometimes the work doesn't get done on designated day due to lack of directions	2/6/2019 6:44 PM
2	Yes , Uber drivers said Montreat would not work but black Mountain would	2/6/2019 12:55 PM
3	See answer to Question 6 above.	2/4/2019 6:34 PM
4	N/A	2/4/2019 9:46 AM
5	I received a phone call to confirm address location.	2/2/2019 6:56 PM
6	The address would not pull up on GPS	2/2/2019 5:50 PM
7	Mail orders are sometimes delayed because of "invalid address".	2/2/2019 1:26 PM
8	not a problem	2/2/2019 12:21 PM
9	n/a	2/2/2019 11:47 AM
10	Can't find that. Or "our system cannot verify your address"	2/2/2019 10:07 AM
11	No	2/2/2019 6:40 AM
12	Phone calls or no shows.	2/1/2019 11:48 PM
13	Phone call requesting directions	2/1/2019 10:44 PM
14	Uncertain	2/1/2019 7:58 PM
15	Phone calls	2/1/2019 7:09 PM
16	No	2/1/2019 4:28 PM
17	No problems that I can recall.	2/1/2019 4:27 PM
18	Questions as to what Montreat is -- a town? a neighborhood of Black Mountain?	1/29/2019 5:08 PM
19	They call for directions, and we usually have to meet people on Graybeard to direct them in.	12/13/2018 7:55 PM
20	No	12/11/2018 5:44 PM
21	They told us and we had to give directions or explain that there was a problem even though 98 Frist Rd. really was our home address.	12/9/2018 8:13 PM
22	There vhave been some such issues, but, again we have taken the EXTRA effort to avoid such problems. We would rather not havetdo that.	12/8/2018 1:50 PM
23	That their GPS would continue to re-route.	12/8/2018 7:19 AM
24	n/a	12/7/2018 5:50 PM
25	N/A	12/7/2018 5:21 PM
26	no problems	11/28/2018 8:24 PM
27	N/A	11/28/2018 11:25 AM
28	can't remember	11/26/2018 4:20 PM
29	Phone calls for directions, denial of services, online rejection of orders	11/26/2018 12:43 PM
30	I gave really specific directions	11/26/2018 12:31 PM
31	I just had to explain about the problem	11/26/2018 10:37 AM

Montreat Addresses - Share Your Experiences

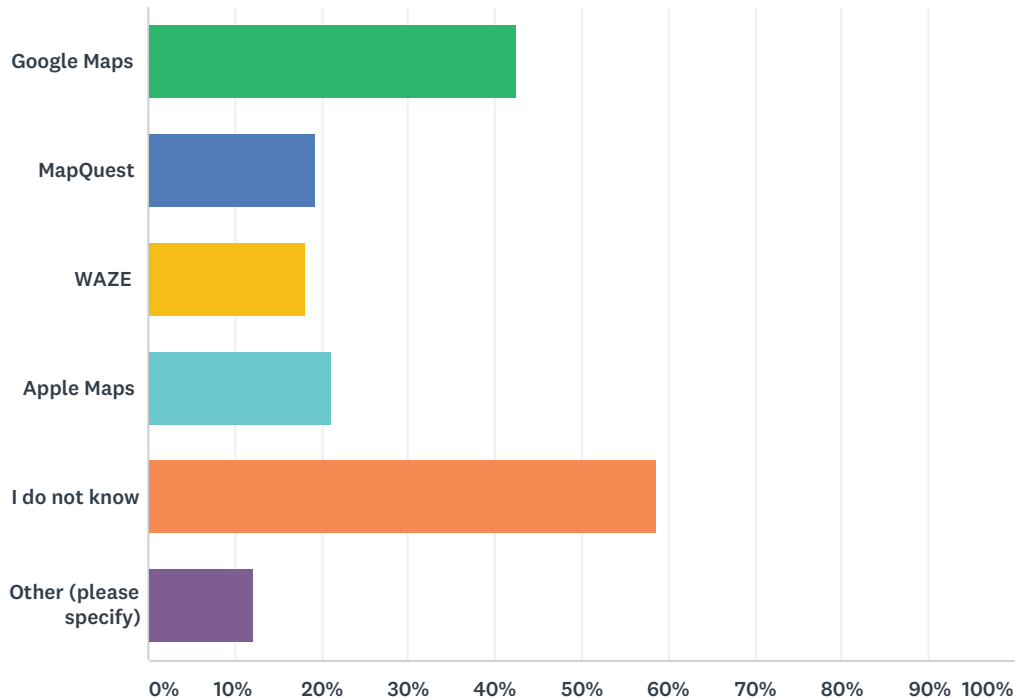
32	Amazon 's system does not recognize it as an address they can deliver to.	11/26/2018 10:21 AM
33	na	11/25/2018 6:02 PM
34	Not a problem lately since we provide directions and avoid deliveries	11/25/2018 2:26 AM
35	Phone	11/23/2018 5:15 PM
36	They usually call and I talk them through the directions to my house.	11/23/2018 1:23 PM
37	Lots of phone calls.	11/23/2018 11:53 AM
38	If the system is an automated one, we're usually just out of luck. If we can talk to a person, we can usually make things work... but we've noticed more and more automation, making it more difficult to even get through initially.	11/23/2018 11:43 AM
39	Trouble finding it. We are often confused with 215 Va Ter because their drive goes off of NC Ter	11/23/2018 8:44 AM
40	N/A	11/23/2018 8:34 AM
41	phone call	11/22/2018 1:40 PM
42	None	11/22/2018 9:59 AM
43	Confusion, frustration and embarrassment	11/22/2018 9:38 AM
44	They would call our cellphone for directions	11/21/2018 8:32 PM
45	no	11/21/2018 5:24 PM
46	They called me on my phone and I directed them to my house.	11/21/2018 3:16 PM
47	I don't recall	11/21/2018 3:15 PM
48	Phone call	11/21/2018 1:57 PM
49	Phone call	11/21/2018 12:41 PM
50	Phone call	11/21/2018 12:20 PM
51	Phone	11/21/2018 10:40 AM
52	NA	11/21/2018 8:53 AM
53	No	11/20/2018 10:32 PM
54	No	11/20/2018 9:48 PM
55	Packages are sometimes left at the Post Office, but we never know	11/20/2018 9:36 PM
56	Did not have that problem.	11/20/2018 9:17 PM
57	GPS routed driver down the wrong way on West Virginia Tr. one way street.	11/20/2018 9:07 PM
58	Either a cell phone call for directions, or asking the Post Office if they could leave a heavy package there	11/20/2018 8:55 PM
59	Phone call	11/20/2018 8:36 PM
60	They called on my cell and I redirected them or I just tell them to go past the Lake before turning right.	11/20/2018 7:59 PM
61	Calling to get specific directions.	11/20/2018 7:41 PM
62	Most call as they are driving around and I have to verbally direct them. UPS and FedEx never even bother to deliver	11/20/2018 7:32 PM
63	Cell phone calls saying they were lost	11/20/2018 7:19 PM
64	It was listed as Black mountain	11/20/2018 7:09 PM
65	Phone calls	11/20/2018 7:07 PM
66	They email me to ask where my home is. I don't think it has anything to do with the zip code	11/20/2018 6:55 PM
67	People would call me to verify city location.	11/20/2018 6:53 PM
68	Most often, no notification. Packages delivered to the Montreat PO and I had a notice in my box for a parcel post.	11/20/2018 6:46 PM

Montreat Addresses - Share Your Experiences

69	They always call and I direct them in. I tell them up front to do that because I know they will be lost. Waste of my time and their times.	11/20/2018 6:37 PM
70	I give them directions before they come.	11/20/2018 6:21 PM
71	cell phone call.	11/20/2018 6:07 PM
72	sometimes they give up, sometimes they understand that this is a common problem	11/20/2018 6:07 PM
73	It's an issue every time.	11/20/2018 6:05 PM
74	Some Mapping apps can get people here. If not they usually call and ask for the address again and we have to tell them we are in Montreat and not Black Mountain or give them directions.	11/20/2018 5:59 PM
75	No	11/20/2018 5:48 PM
76	no	11/20/2018 5:46 PM
77	N/a	11/20/2018 5:42 PM
78	Phone call	11/20/2018 5:30 PM
79	No problems	11/20/2018 5:24 PM

Q10 Which map services do visitors use to reach your house? (Check all that apply.)

Answered: 99 Skipped: 2



ANSWER CHOICES	RESPONSES	
Google Maps	42.42%	42
MapQuest	19.19%	19
WAZE	18.18%	18
Apple Maps	21.21%	21
I do not know	58.59%	58
Other (please specify)	12.12%	12
Total Respondents: 99		

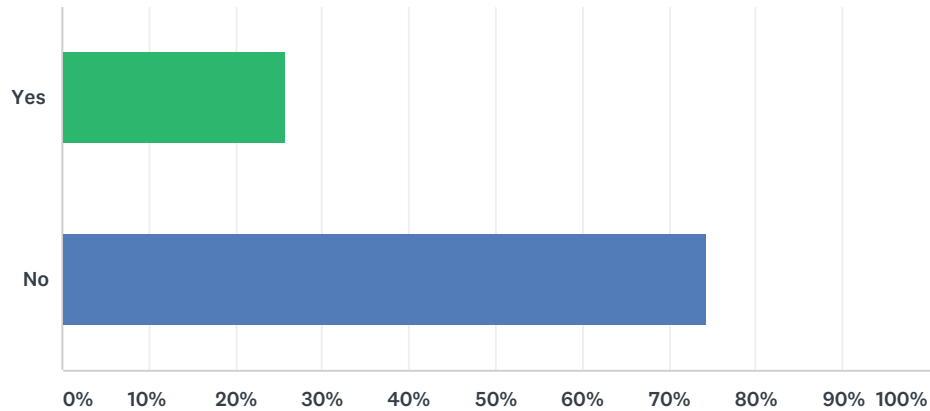
#	OTHER (PLEASE SPECIFY)	DATE
1	Delivery companies	2/6/2019 12:55 PM
2	Toyota CD-based map	2/2/2019 1:26 PM
3	I presume that it varies	2/1/2019 10:44 PM
4	Phone calls and written directions from me	2/1/2019 7:09 PM
5	Maps (the app on Iphone) -- this one has Frosty Hollow. None of them have 98 Frist Rd. that I know. Those that work, one has to put in 100 Frist Rd.	12/9/2018 8:13 PM
6	We don't need services, but sometimes engage apple maps for the early part of a trip. It works pretty well.	12/8/2018 1:50 PM
7	I know we show up on Google Maps, but I don't know what others use.	11/23/2018 11:43 AM

Montreat Addresses - Share Your Experiences

8	You'll have to ask them	11/23/2018 8:34 AM
9	Car navigation systems	11/21/2018 8:32 PM
10	No idea	11/20/2018 7:47 PM
11	gps	11/20/2018 7:09 PM
12	GPS	11/20/2018 6:07 PM

Q11 Has the address issue in Montreat caused any difficulty for you in verifying your identity?

Answered: 101 Skipped: 0



ANSWER CHOICES		RESPONSES	
Yes		25.74%	26
No		74.26%	75
TOTAL			101

Q12 If so, how?

Answered: 52 Skipped: 49

#	RESPONSES	DATE
1	I have not been able to order from several websites because it isn't recognized in their software	2/6/2019 6:44 PM
2	Having credit cards mailed to me	2/6/2019 12:55 PM
3	N/A	2/4/2019 6:34 PM
4	It was a problem getting deliveries made at our house by UPS and FedEx initially. Now they know where our house is.	2/4/2019 11:29 AM
5	N/A	2/2/2019 6:56 PM
6	N/a	2/2/2019 5:50 PM
7	Not yet. Have not tried to renew passport yet, or to get federal ID version of driver's license.	2/2/2019 1:26 PM
8	n/a	2/2/2019 11:47 AM
9	They say it's not in their computers	2/2/2019 10:07 AM
10	Voting...zip code discrepancy	2/1/2019 10:44 PM
11	See answer about voting problems.	2/1/2019 7:58 PM
12	NA	2/1/2019 7:09 PM
13	NA	2/1/2019 4:28 PM
14	NA	1/29/2019 5:08 PM
15	Voter registration	12/13/2018 7:55 PM
16	For my son applying for jobs.	12/9/2018 8:13 PM
17	We were delayed in our ability to comply with statute. We had to askTheTown of Montreat, for example, to show street addressinthe waterbill, so that we could show it to DMV as proof of address. That sort of thing took longer than the statutory minimum for drivers license and registration.	12/8/2018 1:50 PM
18	It hasn't as far as I know but why wait until it does to resolve this issue? I'm disappointed that we as a township seem to have to build a case to get someone's attention to address the issue.	12/8/2018 7:19 AM
19	430 often is not shown - sometime 427 is last shown.	11/28/2018 11:26 AM
20	Confirming address as identifier. Mailing address different than shipping address on file. They can't find my address for verification for insurance purposes.	11/26/2018 12:43 PM
21	Not	11/26/2018 12:31 PM
22	I'm concerned about getting my Real ID	11/26/2018 10:37 AM
23	voter registration	11/25/2018 6:02 PM
24	n/a	11/25/2018 2:26 AM
25	It was minor, but I had to request documentation showing street address in Montreat soi that we could get documentation DMV would accept for drivers license and car registration, which delaye our compliance'	11/23/2018 12:43 PM
26	With Time Warner	11/23/2018 11:53 AM
27	See above answer for obtaining my REAL ID at the DMV this year. Also, see my later answer about how uncomfortable I feel being made to sign a statement that feels like a lie every time I vote.	11/23/2018 11:43 AM
28	N/A	11/23/2018 10:08 AM
29	N/A	11/23/2018 8:34 AM

Montreat Addresses - Share Your Experiences

30	NA	11/22/2018 9:59 AM
31	N/A	11/22/2018 9:38 AM
32	We were unable to obtain the special driver's license which would facilitate flying without a passport since we had no mail with our street address	11/21/2018 11:14 PM
33	To verify for "real ID" on drivers license	11/21/2018 12:20 PM
34	None	11/21/2018 10:40 AM
35	NA	11/20/2018 9:48 PM
36	NA	11/20/2018 9:17 PM
37	NA	11/20/2018 8:36 PM
38	Credit card verification online, also driver's license	11/20/2018 7:47 PM
39	-	11/20/2018 7:41 PM
40	For the RealID	11/20/2018 7:32 PM
41	No	11/20/2018 7:09 PM
42	I want all of this consolidated!	11/20/2018 7:09 PM
43	N/A	11/20/2018 7:07 PM
44	N/A	11/20/2018 6:46 PM
45	I have not changed my drivers license because I can't do it online. I have to go stand in line with proof of residency and I just dread the dmv worked who will not know what to do. Discussed on phone with DMv multiple times, only way to get a license.	11/20/2018 6:37 PM
46	Voting had me in Black Mountain.	11/20/2018 6:21 PM
47	n/a	11/20/2018 6:07 PM
48	see above	11/20/2018 6:07 PM
49	Bills, IDs	11/20/2018 6:05 PM
50	NA	11/20/2018 5:59 PM
51	I can't update my drivers license and the IRS will not accept it as my businesses address (home business)	11/20/2018 5:42 PM
52	No problems	11/20/2018 5:24 PM

Q13 If so, how was this problem resolved?

Answered: 51 Skipped: 50

#	RESPONSES	DATE
1	I had to telephone instead of ordering online using more time	2/6/2019 6:44 PM
2	Delivered to post office, some not at all, some sent to a Black Mountain address	2/6/2019 12:55 PM
3	N/A	2/4/2019 6:34 PM
4	Repeated phone calls and emails were necessary initially. Now shippers and couriers know our house location.	2/4/2019 11:29 AM
5	N/A	2/2/2019 6:56 PM
6	N/a	2/2/2019 5:50 PM
7	Too much talk, so far.	2/2/2019 1:26 PM
8	n/a	2/2/2019 11:47 AM
9	Not sure but I kept repeating it was a real address	2/2/2019 10:07 AM
10	Explanation	2/1/2019 10:44 PM
11	I have had to ask for special attention at the polling place and seek assurances that my ballot would not be invalidated because I changed the incorrect address before signing.	2/1/2019 7:58 PM
12	NA	2/1/2019 7:09 PM
13	NA	2/1/2019 4:28 PM
14	NA	1/29/2019 5:08 PM
15	I have to agree that Black Mountain 28711 is my physical address.	12/13/2018 7:55 PM
16	Explain to a manager.	12/9/2018 8:13 PM
17	I described it above. Plus, we have learned how to show our address in a format most electronic entities can accept. We can deal, but it should not be necessary.	12/8/2018 1:50 PM
18	THIS problem needs to be resolved. Again, why would a township's citizens need to jump through these hoops of how they have been adversely affected and to what degree before remediation? A bit of proactivity would be appreciated and prudent to prevent a mishap rather than after the fact.	12/8/2018 7:19 AM
19	Intelligent persistence	11/28/2018 11:26 AM
20	Sometimes not resolved. For cable company, i had to take pictures of cable lines going by my house and show them they do provide service to this address. For Newspaper delivery, i had to show them address of neighbors who receive the paper. Couldnt find my address.	11/26/2018 12:43 PM
21	Not	11/26/2018 12:31 PM
22	don't know	11/26/2018 10:37 AM
23	it wasn't	11/25/2018 6:02 PM
24	n/a	11/25/2018 2:26 AM
25	It made us late in complying with state law,	11/23/2018 12:43 PM
26	Often it is not	11/23/2018 11:53 AM
27	1) I happen to own my home, insure it through a company that puts the Montreat zip by the street address on my coverage form, and I happen to drive. 2) I've gone ahead and dealt with signing a statement that I believe to be untrue for many years because I believe it's important to vote.	11/23/2018 11:43 AM
28	N/A	11/23/2018 10:08 AM
29	N/A	11/23/2018 8:34 AM

Montreat Addresses - Share Your Experiences

30	NA	11/22/2018 9:59 AM
31	N/A	11/22/2018 9:38 AM
32	Hasn't been resolved	11/21/2018 11:14 PM
33	Still a problem	11/21/2018 12:20 PM
34	NA	11/20/2018 9:48 PM
35	NA	11/20/2018 9:17 PM
36	NA	11/20/2018 8:36 PM
37	Hours wasted at the DMV and the bank	11/20/2018 7:47 PM
38	-	11/20/2018 7:41 PM
39	I gave up after 3 visits to the DMV, taking at least 2 hours every time, not including drive time... I just got a passport card instead which is acceptable.	11/20/2018 7:32 PM
40	What??!	11/20/2018 7:09 PM
41	the phone call got them to the correct address	11/20/2018 7:09 PM
42	N/A	11/20/2018 6:46 PM
43	Still not resolved, waiting on this to be fixed so I can move forward. I have no idea what other residents do.	11/20/2018 6:37 PM
44	Showing my voter registration card and drivers license.	11/20/2018 6:21 PM
45	n/a	11/20/2018 6:07 PM
46	i had to change how i ordered things that needed to be delivered, i had to remember to tell anyone coming to visit that they should not trust their gps	11/20/2018 6:07 PM
47	Using the Post Office's Assembly Dr address as my own.	11/20/2018 6:05 PM
48	NA	11/20/2018 5:59 PM
49	Not resolved	11/20/2018 5:48 PM
50	I can't resolve	11/20/2018 5:42 PM
51	No problems	11/20/2018 5:24 PM

Town of Montreat
Special Meeting
February 13, 2019
Town Services Building

Board members present: None

Board members absent: None

Town staff present: Alex Carmichael, Town Administrator
 Angie Murphy, Town Clerk
 Darlene Carrasquillo, Finance Officer
 Adrienne Isenhower, Zoning Administrator

Public Participants: Mason Blake

One member of the public was also present.

The meeting began at 11:00 a.m.

Mr. Carmichael explained that each scoring sheet would be considered a public record and would be collected and saved at the end of the meeting. He asked for each participant to initial each sheet of paper.

The first submitter was CDC (Civil Design Concepts). They only submitted six copies of their proposal nor was there a PDF version. The packet was reviewed and scored by each participant.

The second submitter was Mattern & Craig. The packet was reviewed and scored by each participant.

The third submitter was Vaughn & Melton. The packet was reviewed and scored by each participant.

Mr. Carmichael calculated all the individual scores and announced the final total scores for each firm. Each person could rank a total of 100 points for each firm. CDC had an average score of 84.2. Mattern & Craig had an average score of 89.6. Vaughn & Melton had an average score of 96. The highest score was Vaughn & Melton. There was no further discussion. The next step was to present the findings to the Town Commission the next evening and ask for authorization to move forward with negotiations with the chosen firm.

Angie Murphy, Town Clerk

Town of Montreat
Special Meeting
February 13, 2019
Town Services Building

Town of Montreat
Special Meeting
February 14, 2019
Town Services Building

Board members present: Mayor Tim Helms
Mayor Pro Tem Kent Otto
Kitty Fouche
Bill Gilliland
Alice Lentz
Tom Widmer

Board members absent: None

Town staff present: Alex Carmichael, Town Administrator
Angie Murphy, Town Clerk

Public Present: Three Members

Agenda Adoption

Commissioner Tom Widmer moved to adopt the agenda as presented. Commissioner Alice Lentz seconded and the motion carried 5/0.

Interviews with Planning & Zoning Candidates

A. John "Allen" Crawford: Mr. Crawford stated that he was grateful for the opportunity to volunteer because he has a vested interest in Montreat. Mr. Crawford owns three lots in the ETJ and has been an active part of Montreat his whole life. Mr. Crawford would like to see Montreat keep a lot of the natural aspects without going overboard with development. Mr. Crawford was an officer in the military for 27 ½ years and a defense contractor for an additional 3-4 years. Mr. Crawford currently does a lot of volunteering and is a Scout Master here in Montreat. Mayor Helms stated that Mr. Crawford would be representing the extra-territorial jurisdiction seat on the Planning & Zoning Commission.

B. Sarah "Sally" Stansill: Ms. Stansill has been a Montreat resident less than a year, so she does not have a lot of history, but she feels that could almost be a good thing. Ms. Stansill is interested in how the Town of Montreat develops as she is a former real estate agent. Ms. Stansill has read the Montreat Ordinances with respect to noise. Ms. Stansill is aware that the Planning & Zoning Commission is now reviewing the ordinances. Ms. Stansill appreciates this Board and the work they do for the Town of Montreat.

C. Wade Burns: Mr. Burns stated that zoning has been his core vocation for some 40 plus years. Mr. Burns does not see a conflict of interest with respect to his building and renovations in Town. In fact, he feels that his experience in building and renovations would be helpful to

Town of Montreat
Special Meeting
February 14, 2019
Town Services Building

the Planning & Zoning Commission. Mr. Burns reflected on conservation efforts in and around Montreat.

D. Lily Rogers: Ms. Rogers' interview was conducted via the telephone. Ms. Rogers stated that she is somewhat new to Montreat and she always likes to give back to the Town in which she lives. She is very interested to learn more about the ordinances. Ms. Rogers was a CPA for Ernest & Young and did a good bit of financial planning.

E. Mary Nell Todd: Ms. Todd has noticed non-buildable lots in Asheville, Black Mountain and Montreat and all of a sudden a home is constructed on that "non-buildable lot". She was startled by the regularity in which construction takes place on non-buildable lots. Ms. Todd is interested in how other communities have been able to retain the dignity of the place without impugning the residents' options.

Public Comment

Jean Norris of 192 Mississippi Road felt that it was interesting to see the diversity of people applying for a position on the Planning & Zoning Commission. Ms. Norris is concerned about the need for managing water.

F. Laura Wolfe: Ms. Wolfe has been coming to Montreat since the 1970s. She was an attorney for 10 years and did some work for the N.C. League of Municipalities. She currently works in Family Medicine. Ms. Wolfe is interested in the future development of the Town. Ms. Wolfe is hoping to build a house here when she retires. She feels there needs to be a balance between development and old traditions/culture.

Public Comment

None at this time.

Council Discussion

Mr. Carmichael stated that the ETJ vacant position would be eligible for any of tonight's applicants but Mr. Crawford would only be eligible for the ETJ seat because he lives outside Montreat. Commissioner Gilliland asked if it would be appropriate to do a paper ballot form of voting. Commissioner Fouche the other two alternate seats should go to women to represent the women of Montreat. Mr. Carmichael read the rules of procedures for written ballots. These ballots will be open to public inspection in the Town Clerk's office until the time at which the minutes are approved by Council.

Town of Montreat
Special Meeting
February 14, 2019
Town Services Building

Adjournment

Commissioner Bill Gilliland moved to adjourn the Special Meeting. Commissioner Kitty Fouche seconded and the motion carried 5/0.

Tim Helms, Mayor

Angie Murphy, Town Clerk

**Town of Montreat
Board of Commissioners
Town Council Meeting – Public Forum
February 14, 2019
Walkup Building**

Board members present: Mayor Tim Helms
Mayor Pro Tem Kent Otto
Commissioner Bill Gilliland
Commissioner Kitty Fouche
Commissioner Alice Lentz
Commissioner Tom Widmer

Board members absent: None

Town staff present: Alex Carmichael, Town Administrator
Angie Murphy, Town Clerk
Adrienne Isenhower, Zoning Administrator

Approximately 11 members of the public were also present. Mayor Helms called the Public Forum to order at 6:32 p.m., and held a moment of silence.

Agenda Approval

Commissioner Bill Gilliland moved to adopt the agenda as presented. Mayor Pro Tem Otto seconded and the motion carried 5/0.

Public Forum

Mr. Emory Underwood of 120 John Knox Road stated that he knew that the Town of Black Mountain had changed their election cycle and he was interested to know what the Town of Montreat had decided on this matter. Mayor Helms advised that the Commissioners of Montreat had decided to go with even year elections which would put the next election in 2020. Mr. Underwood stated that the Commission was essentially giving themselves another year without the peoples vote. Mr. Underwood thinks it could be looked at a little differently. Mr. Underwood also commented on an article he read in the Black Mountain News about the Town of Black Mountains website.

Mrs. Clare Frist of 98 Frist Road feels that those people who are unhappy about the switch to even year elections should speak to the Commission. She feels totally satisfied with their decision and they work they do for the Town.

Mr. Emory Underwood of 120 John Knox Road thinks it is a mistake to not give people the chance to vote. Mayor Pro Tem Otto pointed out that this was not something the Town of Montreat asked for but something the General Assembly had suggested the Town address based on recent changes with Asheville's election cycle. Mr. Underwood does not believe that all municipalities

are going along with even year election cycles. Mr. Widmer stated that Asheville, Black Mountain, Montreat and Biltmore Forest are all following the same procedures.

Mrs. Mary Standaert of 118 Shenandoah Terrace hoped each of the Commissioners had a moment to read her letter to the editor in the Black Mountain News about the even year election cycle signed by herself, Mary Nell Todd and two Black Mountain residents. Mrs. Standaert stated that she spoke with Representative John Ager and Terry Van Duyn and they agreed to delay introducing the bill to the General Assembly until this Town makes a decision. Mrs. Standaert feels that it's a huge difference to be mandated by the General Assembly like Asheville and choosing to give elected officials another year like Black Mountain, Montreat and Biltmore Forest. Mrs. Standaert feels that the financial piece is not a strong argument because the savings are only about \$1000 roughly. Mrs. Standaert feels this is not a policy issue but a disenfranchisement issue. Mrs. Standaert asked the Commission to rethink their decision and put this matter on the evening's agenda. Mayor Pro Tem Otto feels that the money piece is still important no matter the amount. Commissioner Fouche regrets that she said Montreat should go along with everyone else. Instead she should have stated Black Mountain and Biltmore Forest. Commissioner Widmer stated that the Town of Montreat did not ask for this change rather the Town was asked to do this by the General Assembly. Commissioner Widmer mentioned that Mrs. Standaert's letter in the Black Mountain News literally asked for a call to action to the citizens to come forward and voice their thoughts to their Commissioners. Commissioner Widmer received no such complaints.

Mrs. Clare Frist of 98 Frist Road stated that Mrs. Standaert referenced the 2015 election and that election showed that people were very unhappy with what was going on in Town. Mrs. Frist does not want the Commissioners to be discouraged or get upset when almost everyone is totally satisfied with the job they are doing.

Mr. Brad Hestir of 192 Mississippi Road stated he could not find the minutes for the Planning & Zoning Commission as well as other committees on the new Website. Mr. Carmichael advised that currently all minutes are available in Town Hall for inspection as the Website is still a work in progress right now. Mr. Hestir also mentioned that he was looking for applications for individual Board members and questioned whether they were public records. Mr. Carmichael stated that they were indeed public records and could be viewed at any time in Town Hall.

Mr. Wade Burns of 232 North Carolina Terrace stated that the Public Forum this evening was a little disorganized but so important for the Townspeople to speak and listen on what matters feel important to them.

Mr. Tom Frist of 98 Frist Road asked for an update on the Frist Road Paving Project. Mayor Helms stated that it would probably be spring due to the prohibitive weather. Mr. Carmichael stated that the contracts are in place and all we are waiting on are the asphalt plants.

Adjournment

**Montreat Board of Commissioners
Public Forum Minutes
February 14, 2019**

Commissioner Gilliland moved to adjourn the Public Forum. Mayor Pro Tem Otto seconded and the meeting was adjourned 5/0 at 6:58 p.m.

Tim Helms, Mayor

Angie Murphy, Town Clerk

**Town of Montreat
Board of Commissioners
Town Council Meeting
February 14, 2019
Walkup Building**

Board members present: Mayor Tim Helms
Mayor Pro Tem Kent Otto
Commissioner Kitty Fouche
Commissioner Bill Gilliland
Commissioner Alice Lentz
Commissioner Tom Widmer

Board members absent: None

Town staff present: Alex Carmichael, Town Administrator
Angie Murphy, Town Clerk
Dave Arrant, Chief of Police
Jarod McIntosh, Senior Water Operator
Darlene Carrasquillo, Finance Officer
Adrienne Isenhower, Zoning Administrator

Approximately 20 members of the public were also present. Mayor Helms called the meeting to order at 7:07 p.m., led the group in reciting the Pledge of Allegiance, and held a moment of silence.

Agenda Approval

Commissioner Widmer moved to strike items “G” and “H” from the agenda and then create a written ballot for the top two candidates to be appointed to the Planning & Zoning Commission for a term of three years to expire on January 31, 2022. Commissioner Gilliland seconded and the motion carried 5/0. Commissioner Widmer also asked for a minor change in the minutes of January 10th Town Council Meeting. He provided written documentation to the Town Clerk outlining this change. Commissioner Alice Lentz seconded and the motion carried 5/0. Commissioner Gilliland moved to adopt the agenda as amended. Commissioner Fouche seconded and the motion carried 5/0.

Presentations & Reports: Chief Dave Arrant’s Safety Update

Chief David Arrant stated that the Police Department would like to see pedestrians move toward Elizabeth’s Path and the walking trails to free up the bicycle lane for bicycles. This gets pedestrians a little further off the road and it is safer for all involved.

Mayor’s Communications

There were no communications at this time.

Consent Agenda Review

The proposed Consent Agenda will include the following items:

- January 10, 2019, Public Forum Meeting Minutes
- January 10, 2019, Regular Meeting Minutes

Town Administrator's Communications

- Mr. Carmichael stated that Town Staff continue to work with the architect and engineer moving toward the May deadline of final budget and cost estimates as well as architectural drawings and the final contract. Town Staff met with the builder, architect and interior design earlier today. Mr. Carmichael has seen an early draft of the mechanical, electrical and plumbing drawings which are not due until May so things are really moving along. The Town is finishing its fiscal audit from the previous fiscal year which will allow the Town to seek the financial services needed to finance the new Town Hall. Public Work Crews have removed three ornamental trees from the parking area on the Creekside Lot and replanted them elsewhere on town property. Next week the large tree in the middle of the Creekside Lot will be taken down.
- Mr. Carmichael stated that the Town has submitted its final cost estimate of \$900,000 plus for damages from Alberto and the Town hopes to be reimbursed for up to 75% of these costs. Mr. Carmichael estimates that the Town will be responsible for a portion in excess of \$200,000-\$225,000.
- Mr. Carmichael stated that staff is beginning to work on the Capital Improvement Plan process and the Commission will hear more about it at their upcoming retreat.
- Mr. Carmichael pointed out that the Administrative Reports were reported in a slightly different format this month.

Administrative Reports

Administration: Reports were in written form as requested by Council.

Planning and Zoning: Reports were in written form as requested by Council.

Police: Reports were in written form as requested by Council.

Public Works and Water: Reports were in written form as requested by Council.

Sanitation: Reports were in written form as requested by Council

Streets: Reports were in written form as requested by Council.

Public Comments

Mr. Emory Underwood of 120 John Knox Road thinks the most important item that the Planning & Zoning Commission should tackle is Stormwater Runoff and how it can be handled.

Mrs. AnnKelso Hewitt of 525 Suwannee Drive wanted to speak to what she feels is a calamity waiting to happen on Suwannee Drive. There is a three-story high disintegrating cinderblock wall and a deteriorating driveway threatening walkers and drivers alike. There is nothing subtle about this section of erosion. There was a mudslide several months ago in this section of Suwannee Drive. Mrs. Hewitt inquired if anyone official has thought ahead as to what may happen if this section of Suwannee gives way and leaves people trapped in their homes. Mrs. Hewitt states that she has gone to the Town Services Building several times but to no avail. She feels that there is a lot of finger pointing as to who actually owns the property. Mrs. Hewitt feels this is crucial area that needs to be addressed because full time residents and part time residents are walking children to clubs, walking to the Walk Jones Sanctuary and walking to the creeks. Mrs. Hewitt passed around an album of photos for the Commission to review.

Mr. Wade Burns of 232 North Carolina Terrace stated that the Planning & Zoning Commission is currently undergoing a review of the Ordinances. He was a member of the Planning & Zoning Commission in 2002 when they completed a series of forums over a period of several weeks in which they prepared a report with recommendations. Mr. Burns reprinted these reports and passed them out this evening to the Commission.

Mr. Tom Frist of 98 Frist Road spoke at length about the new Town Hall. Most importantly Mr. Frist feels that the building will be practical and beautiful and will reflect the character and style of our beloved Montreat. Mr. Frist stated that the Commission will build the building with frugality and practicality but will be willing to accept tax deductible donations to "Montreatize" the building by putting in the stonework and floors that Montreators are requesting. Mr. Frist stated that if \$50,000 could be raised by the end of February we will have the funds and the architect will have the time to make necessary changes without delaying construction. A committee of about ten people has been formed to see that this goal can be achieved. Any donators will be acknowledged at the dedication ceremony of the new Town Hall. Those donations totaling \$500 or more will be recognized on a plaque which will hang inside the building. Mr. Frist held up a pamphlet and pledge card for further information.

Mrs. Mary Standaert of 118 Shenandoah Terrace would like to propose that the reconciliation fund that was set up shortly after the end of the lawsuit be earmarked for the new Town Hall.

Old Business

There was no Old Business.

New Business

- A. Budget Amendment #4: Group Health Insurance: Mr. Carmichael stated that Budget Amendment #4 and #5 go together. This year we have increased our professional services fees for our attorney due to multiple contracts. Also an error was made in the budget in which money was not allocated for the new Finance Officers Group Health Insurance. Mr. Carmichael stated that we want to move money from the Governing Body to the Administration account to pay the Group Health Insurance for the new Finance Officer. Commissioner Fouche moved to approve Budget Amendment #4 in the amount of \$9,252.40 to pay Group Health Insurance premiums for the remainder of FY 2019. Commissioner Widmer seconded and the motion carried 5/0.
- B. Budget Amendment #5: Professional Services: Commissioner Widmer moved to approve Budget Amendment #5 in the amount of \$35,167.60 to pay for professional service fees for the remainder of FY 2019. Commissioner Gilliland seconded and the motion carried 5/0.
- C. Budget Ordinance Amendment #6: Water Department: Mr. Carmichael stated that this request is for new appropriations of money from the General Fund for the cost of repairing Well #6. We had a complete failure of that well. Mayor Pro Tem Otto moved to approve Budget Ordinance Amendment #6 in the amount of \$8,500.00 to pay for repairs to Well #6. Commissioner Fouche seconded and the motion carried 5/0.
- D. Budget Ordinance Amendment #7: Streets Department: Mr. Carmichael stated that this was also a request for allocation of new money. This request is for trees. Forty trees need to be removed and while the majority can be completed in-house there are about ten trees that will need to be removed by a contractor due to sheer size and height. This allocation is for current and future unplanned tree removals. Commissioner Lentz moved to approve Budget Ordinance Amendment #7 in the amount of \$12,000 for tree removal. Commissioner Fouche seconded the motion and the motion carried 5/0.
- E. Professional Services Bid Selection: Texas Road Pedestrian Bridge: Mr. Carmichael stated that on January 14th the Town of Montreat reissued an RFQ for the Texas Road Pedestrian Bridge. The purpose of the project was to prepare design documents to convert Texas Road Bridge from a vehicular bridge to a pedestrian bridge. On February 11th three firms responded to the RFQ. A review committee opened and rated the firms on five weighted areas. The highest ranking firm was Vaughn & Melton with a score of 96, the second highest was Mattern & Craig with a score of 89.6 and Civil Design Concepts was third with a score of 84.2. Commissioner Bill Gilliland moved to rank the Statement of Qualifications from firms responding to RFQ 2019-002 in following order for purposes of Professional Services Bid evaluations: Rank 1, Vaughn & Melton, score 96; Rank 2, Mattern & Craig, score 89.6; Rank 3, Civil Design Concepts, disqualified. Mayor Pro Tem Otto seconded and the motion carried 5/0. Commissioner Gilliland moved to authorize the Mayor and Town Administrator to enter into negotiations with the highest scoring firm, pending positive reference checks, and if a mutually agreeable

contract cannot be negotiated with the highest-ranking firm then to enter into negotiations with the second highest-ranking firm. Commissioner Lentz seconded and the motion carried 5/0.

- F. Appointment of ETJ Representative for Planning & Zoning: Commissioner Fouche moved to appoint Allen Crawford to the Planning & Zoning Commission as the ETJ representative for a term of three years to expire on January 31, 2022. Mayor Pro Tem Otto seconded and the motion carried 5/0.
- G. Appointment of Alternate Representative for Planning & Zoning: Commissioner Widmer moves to take a written ballot to the top two candidates to appoint to the Planning & Zoning Commission for a term of three years to expire on January 21, 2022. Commissioner Gilliland seconded and the motion carried 5/0. The candidates are as follows: Sarah "Sally" Stansill, Lily Rogers, Mary Nell Todd, Laura Wolfe and Wade Burns. The Commissioners took a written ballot and they will remain in the Town Hall for review with the Town Clerk until such time as the minutes are approved. Town Clerk Angie Murphy announced the two highest vote receiving candidates: Sally Stansill with five votes and Wade Burns with three votes.
- H. Approval of Contract for Texas Road Waterline Project: Senior Water Operator Jarod McIntosh stated that he and Barry Creasman put out a bid at the beginning of the year for a stretch of waterline on Texas Road that they are planning on replacing. They received two out of four bids that were originally sent out. Mr. Carmichael added that this waterline project was included in the C.I.P in the amount of \$55,000 but is coming in under budget at \$32,140. Commissioner Fouche moved to approve contract from Hyatt Pipeline, LLC. In the amount of \$32,140 for the Texas Road Waterline Project. Commissioner Gilliland seconded and the motion carried 5/0.
- J. Approval of Contract for Pump Replacement at Well 6: Commissioner Gilliland moved to approve contract from Reuben Caldwell Well Drilling in the amount of \$13,826 for Pump Replacement repairs to Well 6. Mayor Pro Tem Otto seconded and the motion carried 5/0.

Public Comments

There was no public comment at this time.

Commissioner Communications

Commissioner Bill Gilliland thanked the public for all their service to the various boards and committees thru the years.

Commissioner Fouche stated that we have just been approved for another year as a Tree City USA community. Also a project, Streamwatch, through Montreat Landcare is beginning where people

**Montreat Board of Commissioners
Town Council Meeting Minutes
February 14, 2019**

can adopt a part of the stream. Professor Josh Holbrook from Montreat College is doing a project on hellbender which are native to Flat Creek. Professor Holbrook is writing a grant to obtain boxes for breeding.

Mayor Pro Tem Otto announced that on Saturday at 4:00 p.m. Montreat College will be hosting Montreat ranked #8 playing Union ranked #14 in basketball.

Upcoming Meeting Dates

Mayor Helms reviewed the following list of upcoming meeting dates and deadlines:

<u>Planning and Zoning Commission:</u>	Thursday, February 21, 2019 Walkup Building 7:00 p.m.
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<u>Montreat Tree Board:</u>	Tuesday, February 26, 2019 Town Services Building 9:30 a.m.
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<u>Montreat Landcare:</u>	Wednesday, March 6, 2019 Allen Building, Swannanoa Room 9:00 a.m.
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<u>March Town Council Meeting:</u>	Thursday, March 14, 2019 Walkup Building 7:00 p.m. Public Forum begins at 6:30 p.m.
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<u>Planning and Zoning Commission:</u>	Thursday, March 21, 2019 Walkup Building 5:00 p.m.
--	--

<u>Tree Board:</u>	Tuesday, March 26, 2019 Town Services Building 9:30 a.m.
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<u>Board of Adjustment:</u>	Thursday, March 28, 2019 Walkup Building, 7:00 p.m. Public Forum begins at 6:30 p.m.
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IV. Closed Session

Commissioner Alice Lentz moved to enter into Closed Session in accordance with NCGS 143-318.11(6) for discussion of a personnel matter. Commissioner Bill Gilliland seconded the motion and the motion carried 5/0. Closed session commenced.

No action was taken upon returning to open session.

Adjournment

There being no further business Commissioner Gilliland moved to adjourn the meeting and Mayor Pro Tem Otto seconded and the meeting was adjourned at 8:21 p.m.

Tim Helms, Mayor

Angela Murphy, Town Clerk



TOWN OF MONTREAT

P. O. Box 423, Montreat, NC 28757
Tel: (828) 669-8002 | Fax: (828) 669-3810
www.townofmontreat.org

ADMINISTRATIVE REPORTS: ADMINISTRATION

Town Administration report for the period of February 1 to February 28, 2019.

Monthly Statistics

Public Meetings	6
Inter-Organizational /Intergovernmental Meetings	5
Agendas Prepared	5
Minutes Transcribed	5
Resolutions Drafted	0
Public Records Requests Processed	6
Water Bills Processed	674
Leak Adjustments	7
New Water Accounts Established	3
Purchase Orders	105
Professional Development Hours	24
Sunshine List Messages	7
Website Posts	12
Social Media Posts	3
Code Red Alerts	1
Workers Compensation Claims	0

Upcoming Events and Schedule Changes

- Commission Retreat
-

Comments

- N/A
-

Staff Communications

- N/A
-



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ADMINISTRATIVE REPORTS: BUILDINGS AND INSPECTIONS

Buildings and Inspections report for the period of February 1 to February 28, 2019.

Monthly Statistics

Building Permits Issued	6
Pending Building Permits	2
Building Inspections Performed	42
Stop Work Order Issued	1
Defective Building Posted	0
Denied Building Permits	0
Fire Inspections Performed	0
Fire Re-Inspections Performed	0
Fire Permits Issued	0
Fuel Costs	92.78

Comments

-
-

Staff Communications

-
-



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ADMINISTRATIVE REPORTS: POLICE DEPARTMENT

Police Department report for the period of February 1 to February 28, 2019.

Monthly Statistics

Patrol Mileage	2,200
Dispatched Calls	82
Officer-Initiated Calls	418
Fire Assistance Calls	0
EMS Assistance Calls	0
Motorist/Other Assistance Calls	14
Traffic Stops	35
Parking Issues	1
Burglar Alarm Responses	1
Fire Alarm Responses	17
Residential/Building Checks	220
Ordinance Violations	44
Law Enforcement Agency Assistance Calls	2
Animal Control Calls	0
Larcenies	1
Breaking & Entering Calls	4
Suspicious Person Investigations	8
Suspicious Vehicle Investigations	8
Disturbance Calls	3
Accident Responses	1
Auxiliary Hours Worked (Regular)	32
Auxiliary Hours Worked (Addittional)	48
Truck Turns at Gate	0
MPD Fuel Cost	602.18
Professional Development Hours	64
Town Service	431
MRA Service	161
College Service	5

Comments

-
-

Staff Communications

-
-



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ADMINISTRATIVE REPORTS: SANITATION

Sanitation Department report for the period of February 1 to February 28, 2019.

Monthly Statistics

Curbside Trash Collected (tons)	6.23
Pay-As-You-Throw Trash Bags Collected	25
Curbside Recycling Collected (tons)	2.7
Pay-As-You-Throw Recycling Bags Collected	25
Cardboard Recycling Collected (tons)	0
Unique Curbside Sanitation Stops	1,168
Sanitation Diversion Rate	0.302352
Bagged Leaf Pickup	161
Bagged Leaf Pickup	161
Brush Pickup (cubic yards)	116.1481
Hauling Fees	\$668.02
Tipping Fees	\$1,001.79
Dumpster Rental Fees	\$203.62
Sanitation Fuel	\$333.00
Contracted Employee Staff Hours	59

Upcoming Events and Schedule Changes

- N/A
-

Comments

- N/A
-

Staff Communications

- Please remember that bagged leaves are only picked up every other week between now and October.
- As always, please remember to tie your trash bags before setting them out for curbside pickup.



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ADMINISTRATIVE REPORTS: STREETS

Streets Department report for the period of February 1 to February 28, 2019.

Monthly Statistics

Miles of Road Maintained	17.12
Miles of New Road Constructed	0
Public Trees Removed	13
Sand Applied to Roads (tons)	0
Ice Melt Applied to Roads (pounds)	0
Monthly Fuel Costs	0
Contracted Employee Staff Hours	0
Road Closures	2

Comments

- 11 Trees contracted out ,2 removed in house
-

Staff Communications

- We have removed the tree located on Town Hall Property and have cleaned the lot up.
- We have made good progress on the Public Works facility site preparations . The retaining wall is complete . We are now working with MSD.
- Please keep a watchful eye out for contractors and our crew while road repairs are being made.



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ADMINISTRATIVE REPORTS: WATER AND PUBLIC WORKS

Water and Public Works report for the period of February 1 to February 28, 2019.

Monthly Statistics

Calls for Service	23
Water Leaks Repaired	1
New Water Lines Installed	0
Water Meters Read	674
Water Meter Replacements	0
Gallons of Water Produced	2,507,600
Monthly Fuel Cost	0
Hours Pumped (11 wells combined)	1,135

Upcoming Events and Schedule Changes

- N/A
-

Comments

- N/A
-

Staff Communications

- Texas water line has begun we expect it to be completed before paving begins.
- The State has approved our LWSP that has to be updated and sent in every year .I would like to thank Jarod McIntosh and Marty Wilson with NCRWA for his assistance.
- The State has approved our LWSP that has to be updated and sent in every year .I would like to thank Jarod McIntosh and Marty Wilson with NCRWA for his assistance.
-



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ZONING ADMINISTRATION

Zoning administration report for the period of February 1 to February 28, 2019.

Monthly Statistics

Approved Zoning Permits	0
Denied Zoning Permits	0
Pending Zoning Permits	4
Variance/Interpretation Granted	0
Conditional Use Permits Granted	0
Permit Extensions Granted	0
Sign Permits Issued	0
Notice of Violations	0

Comments

- N/A
-

Staff Communications

- N/A
-
-



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BOARD OF COMMISSIONERS & ADVISORY BOARD/COMMITTEE MEMBERSHIP APPLICATION

Full Legal Name: Alexander Hugh Q, Jr.
(Last) (First) (Middle)

Physical Address: 388 South Carolina Terrace Spur

Mailing Address: PO Box 447, Montreat, NC 28757

A (252) 414-8237 **Alternate Phone:** (252) 714-4404

Email Contact Information: hugh.alexander60@hotmail.com

On which Board or Committee do you wish to serve?

☐ Board of Adjustment ☐ Planning and Zoning Commission
☐ Comprehensive Plan Steering Committee ☐ Board of Commissioners
☐ Montreat Landcare Committee ☐ Tree Board
☐ Open Space Conservation Committee ☒ Audit Committee

Please explain why you want to be a member of this board/committee:

Currently serving on the Audit committee and believe I can contribute if allowed to continue to serve.

Briefly explain what you believe are the three most important issues facing our community at this time and how you believe serving on the selected board/committee can play a role in addressing each issue:

- 1)
 - a. Issues surrounding the May, 2018 storm that have impacted the town's budget.
 - b. Building the Town Hall in 2019.
 - c. Setting priorities and goals in managing the town's assets.
- 2) The Board of Commissioners must address the above issues. The Audit Committee contributes by addressing the town's performance following their own policies and procedures, and those financial regulatory requirements of the State of NC. The Audit Committee also interacts with the Town's independent public accountants to get a better understanding of what is required of the Town's officers as they perform their duties complying with those regulatory requirements.

List any abilities, skills, specialized training or interest you have which are applicable to this board/committee:

Financial and regulatory background in banking; Mentored lending officers under my supervision in Financial Statement Analysis; Served as Chairman of Levy County Development Authority for nine years;

HUGH Q ALEXANDER JR

EXPERTISE AND RELEVANT SKILLS

Technical expert in underwriting, reviewing, analyzing and monitoring transactions relating to the management of assets in a community bank environment. Mentored lenders in the underwriting of complex commercial credit, mortgage warehouse agreements, conforming residential mortgages, investor owned mortgages and home equity loans. Areas of responsibility have included regulatory compliance in CRA, AML/ BSA, HMDA, and SBA. Most recently a team member of CCAR data aggregation for a multinational financial institution.

RELEVANT WORK EXPERIENCE

Cushman & Wakefield – Commercial Real Estate Solutions – New York, NY *October 2016 – Present*

- Captured loan level historical data for a multinational financial institution. The team participated in the development of capture procedures and consolidated the data across 40 quarters for 20,000+ loans.

Federal Deposit Insurance Corporation – Asset Management Specialist *January 2011 – April 2014*

- Managed acquiring financial institution relationships within Risk Share Asset Management (RSAM) of the FDIC. Analyzed and reviewed regulatory compliance of acquiring institutions pursuant to various FDIC Purchase and Assumption Agreements. Approve claims, monitor compliance, and propose resolution strategies relating to the relevant Purchase and Assumption Agreements.
- Monitored certain assigned banks for compliance of FDIC P&A agreements, attend compliance reviews of FDIC contractors, and participated in internal targeted reviews based on certificate anomalies.
- Reviewed and analyzed samplings of resolution actions of banks that acquired assets of FDIC RSAM. Reviewed proprietary loan modification programs for financial impact and compliance. Wrote cases that supported the proposed actions of acquiring institutions in order to resolve issues outside of the Agreements.
- Served as Lead for “Bank Closings” within Asset Management’s Contract and Lease Repudiation Unit (CRU). In the course of winding up the affairs of a Failed Institution, we took responsibility for terminating or repudiating, or otherwise resolving all contracts and leases not assumed by an Acquiring Institution.

Southern Bank and Trust Company - Greenville, North Carolina – EVP / Regional Exec *1998 – 2008*

- Active member of Senior Management Loan Committee, Credit Policy Committee, Strategic Planning Committee, Sales Incentive Committee, Personnel Committee and VP of the holding company [Southern Bancshares (NC)]
- Supervised Central Region while balancing asset quality, growth and profitability. Responsible for the safety and soundness of \$400 million in loans under \$5 million spread over 12 offices.
- Structured and executed workout and liquidation plans for troubled assets, including engaging counsel and specialist as necessary

Drummond Community Bank - Chiefland, Florida – EVP / Director *1989 - 1998*

- Orchestrated all preopening lending and marketing functions of this de novo community bank
- Served as the senior lender; compliance officer; and marketing officer

Levy County State Bank, a subsidiary of the Capital City Bank Group – Chiefland, FL – EVP *1985 – 1989*

- Served as the senior lender and marketing officer

Bank of Florida, N.A. - Chiefland, Florida – President, CEO and Director *1981 – 1985*

- Organized and obtained a charter for a new national bank in Chiefland, Florida
- Successful management resulted in being recruited for number two position at the largest and oldest bank in the area that had just been acquired by a multibank holding company

Wachovia Bank and Trust Company, N.A. – Various NC locations – VP *1971 - 1981*

- Served as Collector, Branch Manager, Retail Banking Manager, and City Executive

CERTIFICATIONS and SKILLS

- Various FDIC certifications
- Proficient in Microsoft Excel and Word

EDUCATION

East Carolina University - BS in Business Administration *June, 1971*

- Executive Bank Management at Emory University
- Post graduate banking and accounting
- Wachovia Bank’s Management Development Program

OUTSIDE ACTIVITIES – Past Chairman, Levy County Development Authority (nine years); Past Assistant District Governor of Rotary District 7720; Past President of Greenville Rotary Club; Elder and Active member of the Presbyterian Church; Past Moderator of Worship Ministry at First Presbyterian Church (two years); Other various civic and professional positions



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BOARD OF COMMISSIONERS & ADVISORY BOARD/COMMITTEE MEMBERSHIP APPLICATION

Full Legal Name: Chastain Martha Hicks
(Last) (First) (Middle)

Physical Address: 417 Appalachian Way

Mailing Address: P.O. Box 902

Home Phone: 828 357-5534 Alternate Phone: 843 250-0093

Email Contact Information: m.chastain1227@gmail.com

On which Board or Committee do you wish to serve?

- ☒ Board of Adjustment ☐ Planning and Zoning Commission
- ☐ Comprehensive Plan Steering Committee ☐ Board of Commissioners
- ☐ Montreat Landcare Committee ☐ Tree Board
- ☐ Open Space Conservation Committee

Please explain why you want to be a member of this board/committee:

I want to serve my community

Briefly explain what you believe are the three most important issues facing our community at this time and how you believe serving on the selected board/committee can play a role in addressing each issue:

I am only aware of the obvious issues
1) Texas Rd Bridge out
2) Play ground in need of repair (Conference Ctr issue?)
3) Unity of community after Town Hall placement conflict

List any abilities, skills, specialized training or interest you have which are applicable to this board/committee:

I have served in leadership capacities as
an administrator in a 5-K through 12th grade private
Christian school and as an elder in First Presbyterian, Florence, SC.

Have you ever attended a regularly scheduled meeting of the selected board/committee? NO

How much time are you able to devote to fulfill this obligation? I am retired and
have adequate discretionary time to serve.

Angela Murphy

From: noreply@townofmontreat.org
Sent: Thursday, February 28, 2019 7:55 PM
To: Info
Subject: New submission from Board Application Form

Full Legal Name

Margaret Newton Waterstradt

Physical Address

521 Suwannee Drive

P. O. Box 400, NC Montreat

United States

Map It <<http://maps.google.com/maps?q=521+Suwannee+Drive+P.+O.+Box+400%2C+NC+Montreat+United+States>>

Same as Mailing Address?

Yes

Phone

(828) 669-1177

Email

margstradt@yahoo.com <<mailto:margstradt@yahoo.com>>

On Which Committee Would You Like to Serve?

Board of Adjustment

Please Explain Why You Wish to Join This Committee

Honestly, I wasn't really aware of this committee until Kitty Fouche called me about it. It will be a learning experience for me.

Briefly explain what you believe are the three most important issues facing our community at this time and how you believe serving on the selected board/committee can play a role in addressing each issue:

My concern by serving on this committee is the possibility of upsetting any friend who needs a variance and it isn't granted. Since Montreat is so small and close knit I would regret any hard feelings.

I'm not sure of any important issues facing Montreat at this point. I'm happy about the new Town Hall and its location.

List any abilities, skills, specialized training or interest you have which are applicable to this board/committee:

I've not been involved with serving on community/town boards or committees before. I'm a good listener and can discern what is right or wrong.

Have you ever attended a regularly scheduled meeting of the selected board/committee?

Yes

How much time are you able to devote to fulfill this obligation?

We travel a lot so I would have to plan meetings around that.



TOWN OF MONTREAT

P. O. Box 423
Montreat, NC 28757
Tel: (828)669-8002 Fax: (828)669-3810
www.townofmontreat.org

BOARD OF COMMISSIONERS & ADVISORY BOARD/COMMITTEE MEMBERSHIP APPLICATION

Full Legal Name: ARNOLD Philip Scott
(Last) (First) (Middle)

Physical Address: 530 MAGILL DRIVE

Mailing Address: PO BOX 40

Home Phone: 828-669-6380 Alternate Phone: Cell: 404-606-1333

Email Contact Information: philip.arnold@earthlink.net

On which Board or Committee do you wish to serve?

- | | |
|---|---|
| <input type="checkbox"/> Board of Adjustment | <input type="checkbox"/> Planning and Zoning Commission |
| <input type="checkbox"/> Comprehensive Plan Steering Committee | <input type="checkbox"/> Board of Commissioners |
| <input type="checkbox"/> Montreat Landcare Committee | <input type="checkbox"/> Tree Board |
| <input checked="" type="checkbox"/> Open Space Conservation Committee | |

Please explain why you want to be a member of this board/committee:

I believe strongly in the mission of
this committee.

Briefly explain what you believe are the three most important issues facing our community at this time and how you believe serving on the selected board/committee can play a role in addressing each issue:

- ① Restoration of community cohesion.
 - ② Protection of this cove's natural environment.
 - ③ Maintenance of the infrastructure esp. roads.
- The act of Volunteering can insure
all 3 issues are resolved/accomplished over time.

List any abilities, skills, specialized training or interest you have which are applicable to this board/committee:

I have been a member of this
committee since its formation. Also a member
of the equivalent Cottagers committee over 12 years.

Have you ever attended a regularly scheduled meeting of the selected board/committee? Yes, many times

How much time are you able to devote to fulfill this obligation? As much time as needed

Angela Murphy

From: noreply@townofmontreat.org
Sent: Monday, March 04, 2019 4:01 PM
To: Info
Subject: New submission from Board Application Form

Full Legal Name

Robert L Sulaski, Jr.

Physical Address

285 Chapman Road

Montreat, NC 28757

United States

Map It <<http://maps.google.com/maps?q=285+Chapman+Road+Montreat%2C+NC+28757+United+States>>

Same as Mailing Address?

No

Mailing Address

P. O. Box 65

Montreat, NC 28757

United States

Map It <<http://maps.google.com/maps?q=P.+O.+Box+65+Montreat%2C+NC+28757+United+States>>

Phone

(828) 669-9207

Email

sulaski@att.net <<mailto:sulaski@att.net>>

On Which Committee Would You Like to Serve?

Board of Adjustment

Please Explain Why You Wish to Join This Committee

Requested/Recommended by Town resident

Experience writing and implementing subdivision ordinances and codes

Briefly explain what you believe are the three most important issues facing our community at this time and how you believe serving on the selected board/committee can play a role in addressing each issue:

The Town of Montreat could benefit from updating its land use ordinances and codes to encourage investment in residential homes and the construction of new homes on existing undeveloped single family lots. Such investment increases property tax revenues.

List any abilities, skills, specialized training or interest you have which are applicable to this board/committee:

Since 1997, I have been developing master planned communities and constructing commercial and residential structures in the Buncombe County.

Have you ever attended a regularly scheduled meeting of the selected board/committee?

Yes

How much time are you able to devote to fulfill this obligation?

As appropriate



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BOARD OF COMMISSIONERS & ADVISORY BOARD/COMMITTEE MEMBERSHIP APPLICATION

Full Legal Name: Hewitt Anneliso
(Last) (First) (Middle)

Physical Address: 525 Suwannee Dr

Mailing Address: PO BOX 176

Home Phone: 828-777-2807 Alternate Phone: _____

Email Contact Information: anneliso104@aol.com

On which Board or Committee do you wish to serve?

- ☒ Board of Adjustment ☐ Planning and Zoning Commission
- ☐ Comprehensive Plan Steering Committee ☐ Board of Commissioners
- ☐ Montreat Landcare Committee ☐ Tree Board
- ☐ Open Space Conservation Committee

Please explain why you want to be a member of this board/committee:

① My 1st term on the board has been an eye-opener. I appreciate the history of earlier efforts to govern fairly in the guidelines are clear & various members are well informed & all sides given a chance to be heard. Briefly explain what you believe are the three most important issues facing our community at this time and how you believe serving on the selected board/committee can play a role in addressing each issue:

I am thankful for the considerations & decisions made for the building of my house. I like being a part of the "accountability crew".

② I bring my experience from the past - am a good listener & appreciate other members views. (List any abilities, skills, specialized training or interest you have which are applicable to this board/committee:

Compliance with statute & personal considerations will keep Montreat's future secure & welcoming.

Have you ever attended a regularly scheduled meeting of the selected board/committee? yes

How much time are you able to devote to fulfill this obligation? as in my first term, as much as needed

RESOLUTION REGARDING MONTREAT ADDRESS ISSUES AND PROBLEMS

RESULTING FROM CONFUSION BETWEEN

TOWN OF MONTREAT ZIP CODE (28757)

AND

TOWN OF BLACK MOUNTAIN ZIP CODE (28711)

THAT WHEREAS, the Town of Montreat Post Office was first established in Montreat, NC, well over a century ago; and

WHEREAS, since its establishment, the Montreat Post Office has a long history of serving the mail delivery and postal service needs of the Montreat community in an efficient and friendly manner through post office boxes, receipt of packages, sale of stamps and supplies, and other services, such that it has become a critical and essential part of the life of the community; and

WHEREAS, the Montreat Post Office was assigned its unique Zip Code of 28757 many years ago; and

WHEREAS, mail delivery in Montreat has always been by post office box delivery only, with no street address or residential delivery; and

WHEREAS, in recent years it has become common knowledge that certain digital/online/internet services and apps, such as GPS mapping services, as well as certain governmental agencies, such as the Buncombe County GIS Department and pertinent service providers that rely on Buncombe County's GIS system, show Montreat street addresses as being located in and associated with the Town of Black Mountain, NC 28757, rather than the Town of Montreat, NC 28757 as they should be; and

WHEREAS, the widespread and growing use of the above-noted GPS mapping systems and other online apps and services by residents, visitors, and delivery services such as UPS and FedEx, as well as businesses serving the Montreat community, has created confusion, difficulties, unnecessary expenses and potential danger for these constituents; and

WHEREAS, it is the Board's desire:

- (1) To maintain the small town character of our community by preserving the existence of our local Post Office and its unique postal zip code 28757, with US Postal Service mail delivery to post office boxes only at the Post Office in Montreat, NC, and
- (2) To resolve and alleviate the confusion and problems caused by the association of Montreat street addresses with the Town of Black Mountain zip code (28711) rather than the Town of Montreat zip code (28757) as it should be.

NOW, THEREFORE, BE IT RESOLVED, that the Town of Montreat Board of Commissioners:

- (1) Deems and confirms the Montreat Post Office and its unique Zip Code (28757) to be an essential service and critical component to the Montreat community's economic, cultural, and social vitality through its provision of postal services in Montreat, including mail delivery to post office boxes; and
- (2) Endorses the continuation of mail delivery to post office boxes only at the Montreat Post Office (28757); and
- (3) Recognizes the existence of confusion and problems caused by the fact that street addresses in Montreat have become associated with the Town of Black Mountain (28711), especially by digital, online mapping apps and services such as GPS services, Google Maps, etc., as well as by certain governmental agencies and departments; and
- (4) Encourages discussion, cooperation and efforts by any and all involved and relevant agencies and entities, specifically including the Town of Montreat, in order to arrive at solutions to the difficulties, confusion, expenses, and potential danger caused by the association of Town of Montreal street addresses with the Town of Black Mountain 28711, rather than with the Town of Montreat 28757 as is correct and proper.

READ, APPROVED AND ADOPTED, this the 14th day of March, 2019.