

**Town of Montreat
Board of Commissioners Meeting – Public Forum
August 11, 2022 – 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
August 11, 2022 – 7:00 p.m.
In person and Zoom software**

I. Call to Order

- Pledge of Allegiance
- Moment of Silence

II. Agenda Adoption

III. Mayor's Communications

IV. Consent Agenda

A. Meeting Minutes Adoption

- July 14th Town Council Public Forum Meeting Minutes
- July 14th Town Council Meeting 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
- Other Items

VII. Administrative Reports

- Administration
- Finance
- 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. Presentation of FY 2020-2021 Financial Statements

- See Agenda Materials on pages 25-131
- Presenter: Levonia Reese

B. Consideration of Resolution #22-08-0001

- See Agenda Materials on pages 133-134
- Suggested Motion: Move to approve/deny Resolution #22-08-0001 Affirming The Town of Montreat Council Support Regarding Implementation of a Compliant NPDES MS4 Stormwater Program
- Presenter: Ben Blackburn

C. Consideration of Public Hearing regarding Closing and Removing from Dedication a portion of North Carolina Terrace

- See Agenda Materials on pages 135-163
- Suggested Motion: Move to open/close Public Hearing

D. Consideration of Closing and Removing from Dedication a portion of North Carolina Terrace

- See Agenda Materials on pages 135-162
- Suggested Motion: Move to approve/deny the closing and removing from dedication a portion of North Carolina Terrace
- Presenters: Ben Blackburn and Kayla DiCristina

E. Consideration of Revisions and Additions of Ordinances Relating to Bear Hunting Dog Incidents

- See Agenda Materials on pages 163-169
- Suggested Motion: Move to approve/deny revisions and additions to the ordinances as presented
- Presenters: Commissioner Mason Blake

XI. Public Comment

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

XII. Commissioner Communications

XIII. Dates to Remember

- **Planning & Zoning Sub-Committee Meeting, Signage, Tuesday August 16th at 10:30 a.m. in Town Hall.**
- **Bridge Aesthetics Committee Meeting, Tuesday August 16th at 2:00 p.m. in Town Hall and by Zoom Software**
- **Tree Board, Tuesday August 23rd at 9:30 a.m. in Town Hall and by Zoom Software**
- **Tentative Board of Adjustment, Thursday August 25th at 5:00 p.m. in Town Hall and by Zoom Software**
- **Town Offices Closed, Monday September 5th due to Labor Day Holiday. Sanitation Services will resume on Tuesday September 6th**
- **Landcare, Wednesday, September 7th at 9:00 a.m. in Town Hall and by Zoom Software**
- **September Town Council Meeting, Thursday September 8th at 7:00 p.m. in Town Hall and by Zoom Meeting Software. Public Forum begins at 6:30 p.m.**

XIV. Adjournment

**Town of Montreat
Board of Commissioners
Public Forum Meeting Minutes
July 14, 2022 – 6:30 p.m.
Town Hall & Zoom**

Board members present: Mayor Tim Helms
Mayor Pro Tem Tom Widmer
Commissioner Kitty Fouche
Commissioner Mason Blake
Commissioner Kent Otto

Board members absent: Commissioner Jane Alexander

Town staff present: Ben Blackburn, Interim Town Administrator
Angie Murphy, Town Clerk

Approximately five members of the public were present. Mayor Tim Helms called the meeting to order at 6:30 p.m., and led the group in a moment of silence.

Agenda Approval

Mayor Pro Tem Tom Widmer moved to adopt the agenda as presented. Commissioner Mason Blake seconded and the motion carried 4/0.

Public Forum

Ms. Laurie Morgan of 130 Kanawha Drive asked for the total spent to date on the Montreat Lodge lawsuit. Interim Town Administrator Ben Blackburn advised that it was approximately \$140,000.

Adjournment

Commissioner Kitty Fouche moved to adjourn the meeting. Commissioner Kent Otto seconded and the motion carried 4/0. The meeting was adjourned at 6:32 p.m.

Tim Helms, Mayor

Angie Murphy, Town Clerk

**Town of Montreat
Board of Commissioners
Meeting Minutes
July 14, 2022 – 7:00 p.m.
Zoom Meeting with in person attendance**

Board members present: Mayor Tim Helms
Mayor Pro Tem Tom Widmer
Commissioner Mason Blake
Commissioner Kitty Fouche
Commissioner Kent Otto

Board members present via
Zoom: None

Board members absent: Commissioner Jane Alexander

Town staff present: Ben Blackburn, Interim Town Administrator
Angie Murphy, Town Clerk
David Arrant, Chief of Police
Barry Creasman, Public Works Director
Darlene Carrasquillo, Finance Officer

Town staff present via Zoom: None

Approximately twelve members of the public were present at Town Hall and several more were watching via Zoom. Mayor Tim Helms called the meeting to order at 7:00 p.m., and led the group in the pledge of allegiance and a moment of silence.

Agenda Approval

Commissioner Kitty Fouche moved to adopt the agenda as presented. Mayor Pro Tem Tom Widmer seconded and the motion carried 4/0.

Mayor's Communications

Mayor Tim Helms advised that Commissioner Jane Alexander was doing well after a hip replacement earlier that day. Mayor Helms thanked Commissioner Kent Otto and Matt Ashley for organizing the 4th of July Montreat Gate Gait. Mayor Helms also expressed appreciation to the Montreat Police Department and the Public Works crews for all their hard work leading up to and on the 4th of July. Mayor Helms then took a moment to apologize to the Montreat Stewards for a misstatement that he

made at the June 9th Town Council Meeting. At the meeting Mayor Helms stated that all members of the Board of Adjustment had been deposed when in actuality the plaintiffs attorneys have simply submitted discovery questions to the Board of Adjustment members. No one has been deposed at this time.

Meeting Minutes Adoption

- May 26th Town Council Special Meeting Minutes – Budget Workshop
- June 9th Town Council Public Forum Meeting Minutes
- June 9th Town Council Meeting Minutes

Interim Town Administrator's Communications

Interim Town Administrator Ben Blackburn had no communications at this time.

Administrative Reports

- Administration – This report was given in written format.
- Finance – This report was given in written format.
- Planning & Zoning – This report was given in written format.
- Police – This report was given in written format.
- Public Works and Water – This report was given in written format.
- Sanitation – This report was given in written format.
- Streets – This report was given in written format.

Mayor Pro Tem Tom Widmer expressed his gratitude to Town Staff for keeping expenses down to the point that the Town is \$200,000 under budget in year-to-date expenses.

Commissioner Kent Otto asked Police Chief David Arrant if police call logs were public record. Chief Arrant stated that for the most part they would be although some details would be redacted. Commissioner Otto asked Chief Arrant to talk about the type of calls that officers generally receive this time of year. Chief Arrant stated that usually there were EMS and fire calls, alarms, parking issues and traffic stops. Chief Arrant also mentioned that a summary of the calls could be found in the monthly Administrative Reports under Police.

Public Comment

Ms. Kate Hayner of 319 Assembly Drive thanked Mayor Helms for meeting with members of the Montreat Stewards and for publicly correcting his misstatement about the depositions.

Mr. Harry T. Jones of 300 North Carolina Terrace also thanked Mayor Helms for his earlier misstatements. Mr. Jones stated that the plaintiffs are equally committed to a fair and just process

with open communication. Mr. Jones also read a statement in which he and others involved stated that they greatly respect the community members who serve on Montreat's volunteer boards and are thankful for each who are working to make Montreat a better place.

Dr. Mary Standaert thanked the Town Council and the Planning & Zoning Commission for adopting the Conditional Zoning Process as an alternative to variances.

Old Business

There was no Old Business to discuss.

New Business

A. Public Hearing RE: Conditional Zoning Request: Lot 1185, Mississippi Road: Commissioner Mason Blake moved to open the Public Hearing. Commissioner Kent Otto seconded and the motion carried 4/0. Mr. Ben Blackburn stated that this was a Conditional Zoning Request by Mr. and Mrs. Mader for a five foot reduction into the fifteen yard side setback.

- Mark Oliver of 161 Mississippi Road requested an additional condition be added by Town Council before acting on the recommendation this evening. Mr. Oliver requested that in the event that the applicant's proposed build causes any damage or need to repair or replace the electrical service to his home or driveway that they would be responsible for the payment for the damage or repair.
- John Noor, Attorney for Mr. and Mrs. Mader stated that the Mader's very much wanted to build a single family residence similar in character to the neighboring properties. Mr. Noor stated that a three story home is allowed by right but the Mader's felt a three story home would look out of place on Mississippi Road. Mr. Noor stated that the Mader's have gone the extra mile by hiring numerous experts to design a house and landscaping plan to meet all of the concerns with their proposed build. Mr. Noor also briefly reviewed the conditions that were set out by the Planning & Zoning Commission which the Mader's have agreed to as well.
- Dr. Mary Standaert of 118 Shenandoah Terrace questioned how the conditions in the Conditional Zoning request will be monitored and enforced. Mr. Noor responded that it would be the job of the Montreat Zoning Administrator.

Mayor Pro Tem Tom Widmer moved to close the Public Hearing. Commissioner Mason Blake seconded and the motion carried 4/0.

B. Consideration of Conditional Zoning Request: Commissioner Mason Blake moved to approve the Conditional Zoning Request with all suggested conditions from the Planning & Zoning Commission. Commissioner Kent Otto seconded and the motion carried 4/0.

- C. Consideration of Amendments to the Code of General Ordinances: Mr. Blackburn made mention of some typographical errors and some renumbering of sections that still needed to be completed. Mayor Pro Tem Tom Widmer moved to adopt the amendments to the Montreat Code of General Ordinances as proposed with typos corrected. Commissioner Kitty Fouche seconded and the motion carried 4/0.
- D. Consideration of Setting a Public Hearing re: Closing and Removing from Dedication a portion of North Carolina Terrace: Commissioner Mason Blake moved to set a Public Hearing on August 11, 2022 at 7:00 p.m. or soon thereafter with regards to closing and removing from dedication a portion of North Carolina Terrace. Mayor Pro Tem Tom Widmer seconded and the motion carried 4/0.

Public Comment

There was no public comment at this time.

Commissioner Communications

Commissioner Mason Blake provided an update on the Hunting Dog Issue. Commissioner Blake and Mayor Pro Tem Tom Widmer have been looking at several approaches including:

1. New and revised ordinances
2. Public information and public involvement
3. Communication with bear hunters
4. Increased Police Enforcement

Commissioner Mason Blake hopes to provide more information about the plan at the August meeting.

Commissioner Kitty Fouche reminded everyone to attend next week's Montreat Summer Club gathering which will feature Montreat's own astronaut, John Casper. Mr. Casper will be discussing his new book.

Commissioner Kent Otto said that this year he has seen the most bear activity this year than in the 15 years he's lived in Montreat. Commissioner Otto asked residents and guests to remember to tie their trash bags and place in bear proof containers.

Dates to Remember

- Tree Board, Tuesday July 26th at 9:30 a.m. in Town Hall and by Zoom Software

- Montreat Tomorrow Community Workshops, Tuesday July 26th at 10:00 a.m. – 12:00 p.m. and 6:00 p.m. – 8:00 p.m. in Town Hall
- Comprehensive Plan Steering Committee, Thursday July 28th at 10:00 a.m. in Town Hall and by Zoom Software
- Board of Adjustment, Thursday July 28th at 5:00 p.m. in Town Hall and by Zoom Software
- Landcare, Wednesday, August 3rd at 9:00 a.m. in Town Hall and by Zoom Software
- August Town Council Meeting, Thursday August 11th at 7:00 p.m. in Town Hall and by Zoom Meeting Software. Public Forum begins at 6:30 p.m.
- Bridge Aesthetics Committee Meeting, Tuesday August 16th at 2:00 p.m. in Town Hall and by Zoom Meeting Software
- Tree Board, Tuesday August 23rd at 9:30 a.m. in Town Hall and by Zoom Meeting Software

Adjournment

Commissioner Kitty Fouche moved to adjourn the meeting. Commissioner Kent Otto seconded and the motion carried 4/0. The meeting was adjourned at 7:55 p.m.

Tim Helms , Mayor

Angie 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 month of July 2022

Monthly Statistics	2021	2022
Public Meetings	5	6
Inter-Organizational /Intergovernmental Meetings	3	0
Agendas Prepared	4	4
Minutes Transcribed	4	4
Resolutions Drafted	0	0
Public Records Requests Processed	0	5
Water Bills Processed	674	675
Leak Adjustments	10	4
New Water Accounts Established	1	0
Purchase Orders	69	97
Professional Development Hours	0	0
Sunshine List Messages		16
Website Posts	9	16
Social Media Posts	0	0
Code Red Alerts	1	0
Workers Compensation Claims	0	0

Upcoming Events and Schedule Changes

Comments

N/A

Staff Communications

N/A



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ADMINISTRATIVE REPORTS: BUILDINGS AND INSPECTIONS

Buildings and Inspections report for the month of July 2022

Monthly Statistics	2021	2022
Building Permits Issued	7	6
Pending Building Permits	0	0
Building Inspections Performed	26	26
Stop Work Orders Issued	0	0
Defective Building Posted	0	0
Denied Building Permits	0	0
Fire Inspections Performed	0	0
Fire Re-Inspections Performed	0	0
Fire Permits Issued	0	0

Comments

Staff Communications



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ADMINISTRATIVE REPORTS: STREETS

Streets Department report for the month of July , 2022

Monthly Statistics	2021	2022
Miles of Road Maintained	15.46	17.12
Miles of New Road Constructed	0	0
Public Trees Removed	3	0
Sand Applied to Roads (tons)	0	0
Ice Melt Applied to Roads (pounds)	0	0
Monthly Fuel Costs	319.05	364.23
Contracted Employee Staff Hours	0	0
Road Closures	0	0

Comments



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ADMINISTRATIVE REPORTS: POLICE DEPARTMENT

Police Department report for the month of

July , 2022

Monthly Statistics	2021	2022
Mileage	2,558	2,975
Dispatched Calls	52	44
Officer-Initiated Calls	545	805
Fire Assistance Calls	3	2
EMS Assistance Calls	1	0
Motorist/Other Assistance Calls	39	16
Traffic Stops	45	33
Parking Issues	4	5
Burglar Alarm Responses	0	0
Fire Alarm Responses	3	0
Residential/Building Checks	425	0
Ordinance Violations	1	0
Law Enforcement Agency Assistance Calls	9	20
Animal Control Calls	0	5
Larcenies	2	0
Breaking & Entering Calls	1	3
Suspicious Person Investigations	11	6
Suspicious Vehicle Investigations	9	6
Disturbance Calls	14	8
Accident Responses	1	5
Auxiliary Hours Worked (Regular)	16	40
Auxiliary Hours Worked (Addittional)	180	16
Truck Turns at Gate	18	2
MPD Fuel Cost	\$ -	\$0.00
Professional Development Hours	0	0
Town Service	541	673
MRA Service	316	256
College Service	5	22

Comments

A reminder, our non-emergency number has changed. You can reach the MPD Officer on duty through Buncombe County Dispatch. 828-250-6670.



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ADMINISTRATIVE REPORTS: WATER AND PUBLIC WORKS

Water and Public Works report for the month of July , 2022

Monthly Statistics	2021	2022
Calls for Service	42	64
Water Leaks Repaired	1	0
New Water Lines Installed	0	0
Water Meters Read	674	674
Water Meter Replacements	0	16
Gallons of Water Produced	3736581	3,720,547
Monthly Fuel Cost	324.79	\$ 436.72
Hours Pumped (11 wells combined)	1818	1,883

Comments

0



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ADMINISTRATIVE REPORTS: SANITATION

Sanitation Department report for the month of July , 2022

Monthly Statistics	2021	2022
Tons of Curbside Trash Collected	46.07	54.34
Pay-As-You-Throw Trash Bags Collected	127	190
Tons of Curbside Recycling Collected	8.31	6.28
Pay-As-You-Throw Recycling Bags Collected	108	165
Cardboard Recycling Collected	0.83	0.76
Unique Curbside Sanitation Stops	1683	1,800
Bagged Leaf Pickup	98	110.00
Brush Pickup (cubic yards)	4 Loads	4 Loads
Hauling Fees	2847.28	\$2,398.80
Tipping Fees	938.77	\$1,914.79
Dumpster Rental Fees	203.92	\$214.63
Sanitation Fuel	213.23	\$ 425.45

Comments:

0



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ADMINISTRATIVE REPORTS: ZONING ADMINISTRATION

Zoning Administration report for the month of July , 2022

Monthly Statistics	2021	2022
Approved Zoning Permits	0	1
Denied Zoning Permits	0	0
Pending Zoning Permits	0	1
Variance/Interpretation Granted	0	0
Conditional Use Permits Granted	0	1
Permit Extensions Granted	0	0
Sign Permits Issued	0	0
Notices of Violation	0	0

Comments

JUNE 2022 - MONTH 12 OF FISCAL YEAR 2021-2022

REVENUES

Fund	Fund #	Budget	YTD Budget	YTD Collected	Difference
GENERAL FUND	10	1,838,055.28	1,838,055.28	1,845,494.95	7,439.67
WATER FUND	30	344,041.00	344,041.00	350,952.07	6,911.07
TOTAL REVENUES GENERAL & WATER FUNDS		2,182,096.28	2,182,096.28	2,196,447.02	14,350.74

EXPENSES

Dept Name	Fund #	Budget	YTD Budget	YTD Exp	Difference
GOVERNING BODY	10	40,471.00	40,471.00	35,885.48	4,585.52
ADMINISTRATION	10	542,432.28	542,432.28	473,944.30	68,487.98
PUBLIC BUILDINGS	10	95,067.00	95,067.00	70,805.48	24,261.52
POLICE	10	436,072.42	436,072.42	375,062.03	61,010.39
BUILDING AND ZONING	10	117,506.00	117,506.00	102,507.28	14,998.72
PUBLIC WORKS	10	219,574.00	219,574.00	207,126.56	12,447.44
STREET	10	233,796.00	233,796.00	206,543.47	27,252.53
SANITATION	10	128,896.58	128,896.58	119,117.15	9,779.43
ENVIRON,CONS,REC	10	24,240.00	24,240.00	22,683.86	1,556.14
TOTAL EXPENSES GENERAL FUND		1,838,055.28	1,838,055.28	1,613,675.61	224,379.67

Dept Name	Fund #	Budget	YTD Budget	YTD Exp	Difference
WATER	30	344,041.00	344,041.00	305,434.73	38,606.27
TOTAL EXPENSES WATER FUND		344,041.00	344,041.00	305,434.73	38,606.27

TOTAL EXPENSES GENERAL & WATER FUNDS	\$2,182,096.28	\$2,182,096.28	\$1,919,110.34	\$262,985.94
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GENERAL FUND INCOME/LOSS - YTD **\$231,819.34**

WATER FUND INCOME/LOSS - YTD **\$45,517.34**

NET INCOME - YTD 2022 **\$277,336.68**

SPECIAL PROJECTS					
Project	Fund #	Budget	This Month Actual	Amount Spent To Date	% Spent
TOWN HALL	13	2,389,579.77	0.00	2,223,150.46	93.04%
PUBLIC WORKS BLDG	14	403,888.86	822.92	398,004.49	98.54%
FEMA-GREYBEARD	15	242,760.00	0.00	242,684.30	99.97%
FEMA-TEXAS ROAD	16	38,272.00	0.00	38,071.55	99.48%
FEMA-PROVIDENCE TERR	17	15,883.00	0.00	15,683.00	98.74%
FEMA-CALVIN TRAIL	20	13,691.00	0.00	13,490.57	98.54%
FEMA-CULVERT PROJECT	21	47,491.00	0.00	39,274.83	82.70%
FEMA-URBAN FORESTRY 2018	23	10,000.00	0.00	841.28	8.41%
FEMA-URBAN FORESTRY 2019	24	10,114.00	0.00	2,352.41	23.26%
FEMA-MISC	25	214,747.00	0.00	57,060.03	26.57%
LANDCARE	26	1,560.00	860.00	909.95	58.33%
CARES ACT GRANT	27	9,697.06	0.00	5,135.53	52.96%
AMERICAN RESCUE PLAN ACT	28	138,633.39	0.00	55,423.00	39.98%
TOTAL SPECIAL PROJECTS		\$ 3,536,317.08	\$ 1,682.92	\$ 3,092,081.40	87.44%

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JUNE 2021 - MONTH 12 OF FISCAL YEAR 2020-2021

REVENUES

Fund	Fund #	Budget	YTD Budget	YTD Collected	Difference
GENERAL FUND	10	1,917,820.92	1,917,820.92	1,934,204.14	16,383.22
WATER FUND	30	311,250.00	311,250.00	335,397.52	24,147.52
TOTAL REVENUES GENERAL & WATER FUNDS		2,229,070.92	2,229,070.92	2,269,601.66	40,530.74

EXPENSES

Dept Name	Fund #	Budget	YTD Budget	YTD Exp	Difference
GOVERNING BODY	10	53,562.00	53,562.00	28,542.89	25,019.11
ADMINISTRATION	10	451,465.00	451,465.00	415,759.08	35,705.92
PUBLIC BUILDINGS	10	250,985.10	250,985.10	222,915.95	28,069.15
POLICE	10	438,298.82	438,298.82	410,862.59	27,436.23
BUILDING AND ZONING	10	76,310.00	76,310.00	63,277.62	13,032.38
PUBLIC WORKS	10	249,157.00	249,157.00	241,261.38	7,895.62
STREET	10	252,346.00	252,346.00	224,777.86	27,568.14
SANITATION	10	123,597.00	123,597.00	118,622.71	4,974.29
ENVIRON,CONS,REC	10	22,100.00	22,100.00	9,583.78	12,516.22
TOTAL EXPENSES GENERAL FUND		1,917,820.92	1,917,820.92	1,735,603.86	182,217.06

Dept Name	Fund #	Budget	YTD Budget	YTD Exp	Difference
WATER	30	311,250.00	311,250.00	269,711.29	41,538.71
TOTAL EXPENSES WATER FUND		311,250.00	311,250.00	269,711.29	41,538.71

TOTAL EXPENSES GENERAL & WATER FUNDS	\$2,229,070.92	\$2,229,070.92	\$2,005,315.15	\$223,755.77
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GENERAL FUND INCOME/LOSS - YTD **\$198,600.28**

WATER FUND INCOME/LOSS - YTD **\$65,686.23**

NET INCOME - YTD 2021 **\$264,286.51**

SPECIAL PROJECTS					
Project	Fund #	Budget	This Month Actual	Amount Spent To Date	% Spent
TOWN HALL	13	2,294,425.77	0.00	2,222,293.91	96.86%
PUBLIC WORKS BLDG	14	403,888.86	1,892.30	394,053.92	97.56%
FEMA-GREYBEARD	15	242,684.30	0.00	242,684.30	100.00%
FEMA-TEXAS ROAD	16	50,000.00	0.00	38,071.55	76.14%
FEMA-PROVIDENCE TERR	17	21,000.00	0.00	15,683.00	74.68%
FEMA-CALVIN TRAIL	20	30,000.00	0.00	13,490.57	44.97%
FEMA-CULVERT PROJECT	21	39,800.00	0.00	39,274.83	98.68%
FEMA-DEBRIS PROJECTS	22	3,200.00	0.00	0.00	0.00%
FEMA-URBAN FORESTRY 2018	23	10,000.00	0.00	841.28	8.41%
FEMA-URBAN FORESTRY 2019	24	10,114.00	0.00	2,352.41	23.26%
FEMA-MISC	25	183,943.00	7,705.90	43,510.61	23.65%
LANDCARE	26	750.00	0.00	49.95	6.66%
CARES ACT GRANT	27	9,697.06	0.00	3,962.04	40.86%
TOTAL SPECIAL PROJECTS		\$ 3,299,502.99	\$ 9,598.20	\$ 3,016,268.37	91.42%

Date of Deposit	Jul-21	Jul-22	% +/-	Aug-21	Aug-22	% +/-	Sep-21	Sep-22	% +/-	Oct-21	Oct-22	% +/-	Nov-21
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AdVal/RMV 2,920.94 2,467.17 **-18%**

(Includes Sp Assess&Ded Fees)

Sales 40,374.75 48,247.41 **16%**

Solid Waste
(Quarterly)

Utility Fran
(Quarterly)

Wine/Beer
(Annual-May)

NOTES:

AdVal Tax is received the month after the tax is collected

RMV Tax is received two months after the tax is collected

Sales Tax is received three months after the tax is collected

Nov-22	% +/-
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TOWN OF MONTREAT, NORTH CAROLINA

Annual Comprehensive Financial Report

Year Ended June 30, 2021



TOWN OF MONTREAT, NORTH CAROLINA

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TOWN OF MONTREAT, NORTH CAROLINA



Town of Montreat

P.O. Box 423, Montreat, North Carolina 28757
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www.townofmontreat.org

June 2, 2022

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

The Comprehensive Annual Financial Report ("Annual Report") for the fiscal year ended June 30, 2021 is hereby submitted. For readers that are unfamiliar with municipal Annual Reports, a brief introduction is in order.

An Annual Report is a set of financial statements for a state, municipality or other governmental entity that comply with the accounting requirements established by the Governmental Accounting Standards Board (GASB). It must be audited by an independent auditor using generally accepted government auditing standards.

Generally, the Annual Report consists of three sections: Introductory, Financial, and Statistical

- The introductory section guides the reader through the report
- The financial section presents the entity's basic financial statements as well as notes to the statements and the independent auditor's report
- The statistical section provides additional financial and statistical data, including data about financial trends that may better inform the reader about the government's activities

While virtually all governmental units (including all North Carolina local governments) must produce annual audited financial statements, a Comprehensive Annual Financial Report is considered to be a step beyond this minimal requirement. Local governments produce Annual Reports 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 an Annual Report for the sake of the additional information they provide.

The basic structure of this and all Comprehensive Annual Financial Reports 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 Annual Report 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.

TOWN OF MONTREAT, NORTH CAROLINA

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation (including all disclosures within this Annual 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 to analyze and strengthen our internal controls to minimize any material misstatements in the financial statements. We believe that this Annual 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 Carter, P.C. Their unmodified opinion is included in the financial section of this Annual Report.

In this Annual Report 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. Our Capital Projects funds include the new buildings and infrastructure storm repair. 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 Annual Report.

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. With the measures taken by the Board of Commissioners to counteract the effects of the pandemic, our revenues and expenditures have been roughly in balance with each other, remaining adequate to meet our operational needs. 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 anticipated 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

TOWN OF MONTREAT, NORTH CAROLINA

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 901 people according to the state demographer in the NC 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. An estimate of 298 people over the age of 16 were employed in Montreat, with a median income of \$99,583 in 2021, according to Census Bureau data. Most of the income received by Montreat residents thus

TOWN OF MONTREAT, NORTH CAROLINA

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 44.4 years vs. 38.6 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 reached 2.6% in December 2021.

The regional employment market offers 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 Buncombe County is \$54,970 vs. a national median of \$79,900 according to the Census Bureau. Montreat is a more affluent community than is typical for our area, and our residents thus enjoy higher incomes: the median income of Montreat of \$99,583.

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 healthcare as part of the natural aging process, has led to the development of an extensive healthcare industry serving the local population, mostly 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

TOWN OF MONTREAT, NORTH CAROLINA

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. Though the tourism industry was hit hard by the pandemic, we are already seeing signs of early recovery.

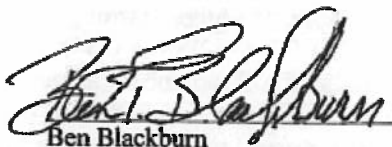
Local government, represented by the Town of Montreat, is itself an important industry in the local economy, both because of our general and water fund budgets, and because the Town employs a full-time staff of 13 individuals.


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 avoid running operating deficits and funding operations with appropriated fund balance unless absolutely necessary. Our indebtedness is far below the maximums mandated by North Carolina state law. We strive to manage the Town's operations efficiently. The Water Fund is operated as much as possible on a self-supporting basis, with general funds subsidizing capital expenditures, 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/>).

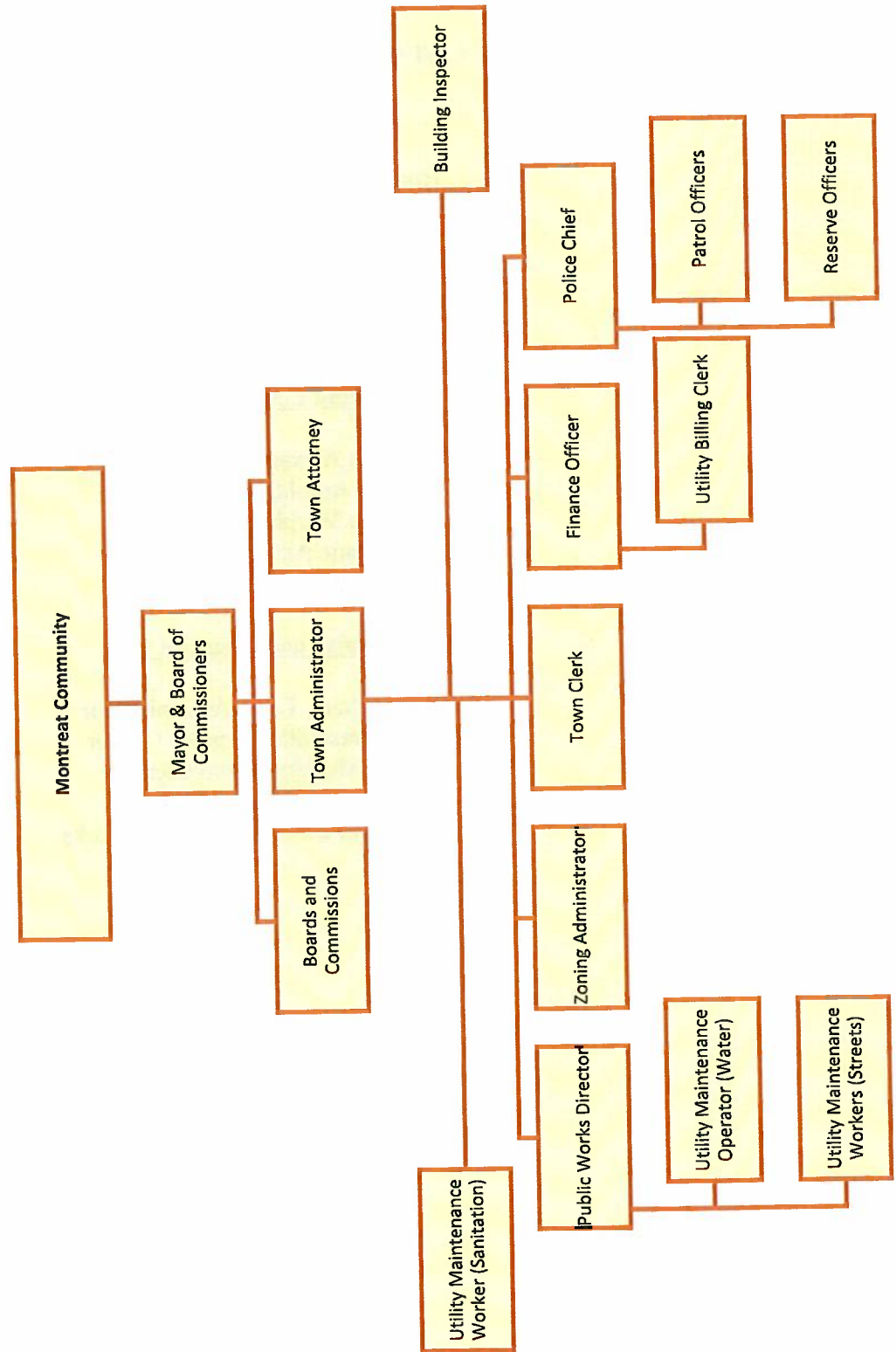
The preparation of this Comprehensive Annual Financial Report was made possible with the assistance of Carter, P.C., and with the assistance of the Town of Montreat staff members, to whom we express our appreciation. We also acknowledge the support of the Mayor, Board of Commissioners, and members of 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.


Ben Blackburn
Interim Town Administrator


Darlene Carrasquillo
Finance Officer

TOWN OF MONTREAT, NORTH CAROLINA

ORGANIZATIONAL CHART



TOWN OF MONTREAT, NORTH CAROLINA

LIST OF PRINCIPAL OFFICIALS

Town Council Members

Honorable Tim Helms, Mayor
Tom Widmer, Mayor Pro Tem
Jane Alexander
Katheryn Fouche
Alice Lentz
Kent Otto

Audit Committee

Hugh Alexander, Chair
Philip Arnold, Vice Chair
Angela Murphy, Secretary
Jane Alexander
Katheryn Fouche

Administrative and Financial Staff

Alex Carmichael, Town Administrator
Darlene Carrasquillo, Finance Officer
Angela Murphy, Town Clerk
David Arrant, Chief of Police
Barry Creasman, Director of Public Works

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor
and Members of the Board of Commissioners
Town of 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 (the "Town"), North Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Montreat, North Carolina as of June 30, 2021, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

Supplementary and Other Information (continued)

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

The introductory section and statistical section 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.

CARTER, P.C.

Asheville, North Carolina
June 16, 2022

TOWN OF MONTREAT, NORTH CAROLINA

Management's Discussion and Analysis

As management of the Town of Montreat (the Town), 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, 2021. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

Financial Highlights

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$7,925,799 (*net position*).
- The government's total net position increased by \$327,604, primarily due to increases in operating grants and contributions and increased water revenues.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$875,470, with a net increase of \$117,005 in fund balance. Approximately 25.62% of this total amount, or \$239,171, is non-spendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$465,950, or 24.16% of total general fund expenditures and transfers out for the fiscal year.
- The Town's total debt decreased by \$65,622 (3.32%) during the current fiscal year, primarily due to scheduled debt service payments.

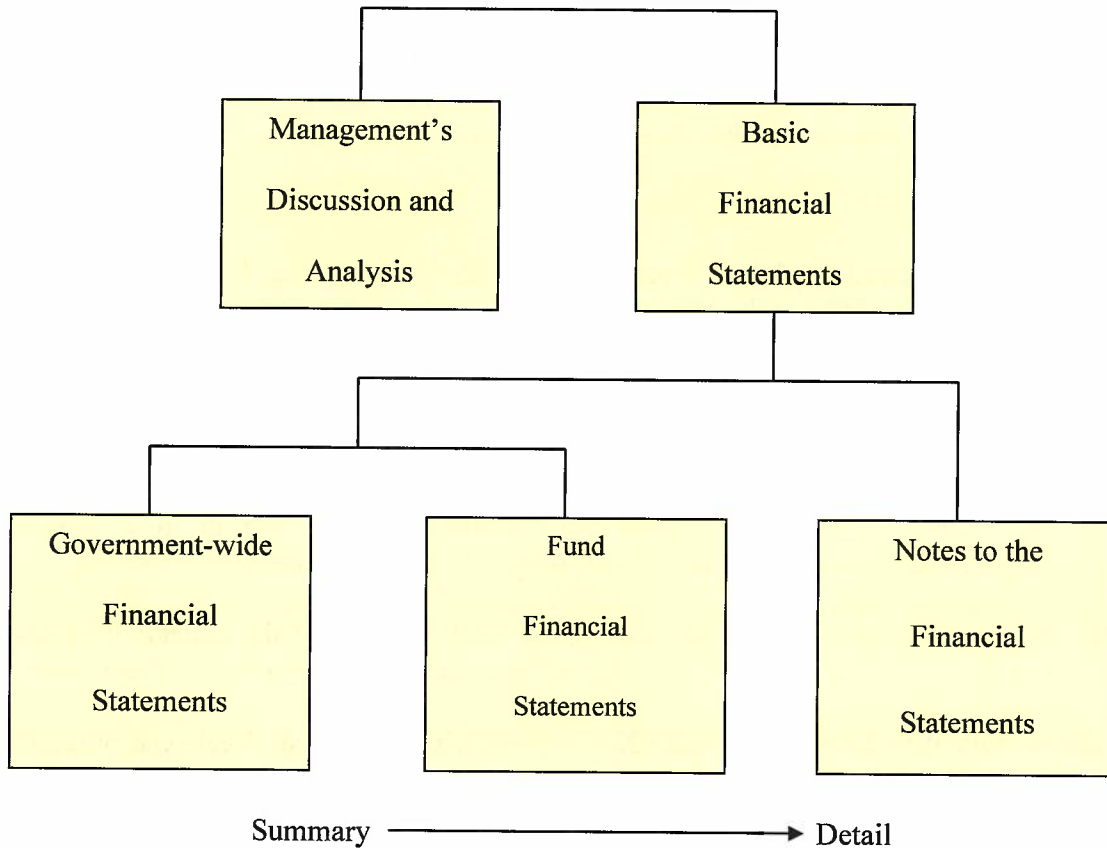
Overview of the Financial Statements

This discussion and analysis are 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.

TOWN OF MONTREAT, NORTH CAROLINA

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **government-wide financial statements**. They provide both short and long-term information about the Town's financial status.

The next statements (Exhibits 3 through 9) 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 four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; and 3) the proprietary fund statements.

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

TOWN OF MONTREAT, NORTH CAROLINA

Government-Wide Financial Statements

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

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

The government-wide statements are divided into two categories: 1) governmental activities and 2) business-type activities. The governmental activities include most of the Town's basic services such as public safety, transportation, and general administration. Property taxes and State and federal grant funds finance most of these activities. The business-type activities are those that the Town charges customers to provide. These include the water services offered by the Town.

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 can be divided into three categories: governmental funds, and proprietary funds.

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

TOWN OF MONTREAT, NORTH CAROLINA

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 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 kind of proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town of Montreat uses an enterprise fund to account for its water activity. The fund is the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities. In accordance with *GASB 84 Fiduciary Activities*, the Town of Montreat reports custodial assets and the related liability in its proprietary 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 24 of this report.

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

TOWN OF MONTREAT, NORTH CAROLINA

Government-Wide Financial Analysis

Town of Montreat's Net Position
Figure 2

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 933,475	\$ 791,717	\$ 885,537	\$ 814,910	\$ 1,819,012	\$ 1,606,627
Capital assets	<u>6,392,562</u>	<u>6,266,603</u>	<u>1,432,032</u>	<u>1,498,513</u>	<u>7,824,594</u>	<u>7,765,116</u>
Total assets	<u>7,326,037</u>	<u>7,058,320</u>	<u>2,317,569</u>	<u>2,323,423</u>	<u>9,643,606</u>	<u>9,371,743</u>
Total deferred outflows of resources	<u>268,590</u>	<u>252,542</u>	<u>13,053</u>	<u>5,607</u>	<u>281,643</u>	<u>258,149</u>
Long-term liabilities outstanding	1,454,190	1,466,306	325,493	356,998	1,779,683	1,823,304
Other liabilities	<u>143,018</u>	<u>117,837</u>	<u>54,743</u>	<u>76,453</u>	<u>197,761</u>	<u>194,290</u>
Total liabilities	<u>1,597,208</u>	<u>1,584,143</u>	<u>380,236</u>	<u>433,451</u>	<u>1,977,444</u>	<u>2,017,594</u>
Total deferred inflows of resources	<u>20,621</u>	<u>13,876</u>	<u>1,385</u>	<u>227</u>	<u>22,006</u>	<u>14,103</u>
Net position:						
Net investment in capital assets	5,444,896	5,236,070	1,084,229	1,082,388	6,520,866	6,318,458
Restricted	239,171	212,689			239,171	212,689
Unrestricted	<u>292,731</u>	<u>264,084</u>	<u>864,772</u>	<u>802,964</u>	<u>1,172,799</u>	<u>1,067,048</u>
Total net position	<u>\$ 5,976,798</u>	<u>\$ 5,712,843</u>	<u>\$ 1,949,001</u>	<u>\$ 1,885,352</u>	<u>\$ 7,925,799</u>	<u>\$ 7,598,195</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 \$7,925,799 as of June 30, 2021. The Town's net position increased by \$327,604 for the fiscal year ended June 30, 2021. However, the largest portion reflects the Town's net 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 net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town's net position, \$239,171, represents resources that are subject to external restrictions on how they may be used.

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

- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 99.90%. The statewide average in fiscal year 2021 was 98.96%.
- Continued efforts in cost savings by Town management.
- Increase in tax rate from \$0.41 to \$0.43 during the year ending June 30, 2021.

TOWN OF MONTREAT, NORTH CAROLINA

Town of Montreat's Changes in Net Position
Figure 3

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues:						
Program revenues:						
Charges for services	\$ 68,427	\$ 106,809	\$ 340,336	\$ 325,553	\$ 408,763	\$ 432,362
Operating grants and contributions	257,147	48,479			257,147	48,479
Capital grants and contributions	2,705	2,600			2,705	2,600
General revenues:						
Property taxes	1,079,096	1,015,155			1,079,096	1,015,155
Sales taxes	457,847	412,785			457,847	412,785
Other taxes	93,117	95,091			93,117	95,091
Investment earnings	487	1,582	35	251	522	1,833
Other	5,133	33,471			5,133	33,471
Total revenues	<u>1,963,959</u>	<u>1,715,972</u>	<u>340,371</u>	<u>325,804</u>	<u>2,304,330</u>	<u>2,041,776</u>
Expenses:						
General government	539,937	563,874			539,937	563,874
Public safety	460,939	491,583			460,939	491,583
Transportation	505,964	511,804			505,964	511,804
Environmental protection	134,919	129,150			134,919	129,150
Cultural and recreation	26,657	43,774			26,657	43,774
Interest on long-term debt	31,588	34,037			31,588	34,037
Water			<u>276,722</u>	<u>336,603</u>	<u>276,722</u>	<u>336,603</u>
Total expenses	<u>1,700,004</u>	<u>1,774,222</u>	<u>276,722</u>	<u>336,603</u>	<u>1,976,726</u>	<u>2,110,825</u>
Increase (decrease) in net position	263,955	(58,250)	63,649	(10,799)	327,604	(69,049)
Net position, beginning	<u>5,712,843</u>	<u>5,771,093</u>	<u>1,885,352</u>	<u>1,896,151</u>	<u>7,598,195</u>	<u>7,667,244</u>
Net position, ending	<u>\$5,976,798</u>	<u>\$5,712,843</u>	<u>\$1,949,001</u>	<u>\$1,885,352</u>	<u>\$7,925,799</u>	<u>\$7,598,195</u>

Governmental activities. Governmental activities increased the Town's net position by \$263,955, accounting for 81% of the total increase in the net position of the Town of Montreat. The increase net position was the result of additional grants received by the Town. The Town continued efforts to control costs and manage expenditures and Town management continued to reduce non-essential programs to a minimum and implemented cost saving strategies across departments. Town management believes that healthy investment in the Town will result in additional revenues, adding to the Town's net position. Capital projects over the past few years, which were largely funded by governmental activities, resulted in negative impacts on net position of governmental activities. Town management acknowledges that 2020 was a difficult year but plans on improving operations as a long-term strategy to realize continued fiscal health.

Business-type activities. Business-type activities increased the Town of Montreat's net position by \$63,649 accounting for 19% of the total increase of the government's net position. A key element of this increase was reduction in water fund expenses. Cost-saving measures have been taken to continue reducing operating costs in the Water Fund and improve fiscal health.

TOWN OF MONTREAT, NORTH CAROLINA

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. At the end of the current fiscal year, the Town's fund balance available in the General Fund was \$548,777, while total fund balance reached \$725,236. The Governing Body of the Town of Montreat has determined that the Town should maintain an available fund balance of 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 an available fund balance of 31.55% of general fund expenditures, and total fund balance represents 49.10% of the same amount.

At June 30, 2021, governmental funds reported a combined fund balance of \$875,470, with a net increase in fund balance of \$117,005. Included in this change in fund balance is an increase in fund balance in the general fund of \$30,056.

General Fund Budgetary Highlights. During the fiscal year, the Town revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

There were several reasons the Town revised its budget throughout the year. Amendments were made for unplanned expenses and additional transfers to other funds. Expenditures were not held in line with budget in all of the Town's functions, see note 2.

Proprietary Fund. The Town of Montreat's proprietary fund provides the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water Fund at the end of the fiscal year amounted to \$864,772. The total change in net position for the Water Fund was \$63,649. The change in net position in the Water Fund is primarily a result increased water billings in the fund. Custodial assets and liabilities in the proprietary fund total \$63,808 as of June 30, 2021.

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, 2021, totals \$7,824,594 (net of accumulated depreciation). These assets include land, construction on progress, buildings, building improvements, infrastructure, equipment, IT equipment, and vehicles. Major capital asset transactions during the year include the following: construction on a new Public Works building, construction of a new Town Hall, and a construction project on Greybeard. There was no construction in progress at June 30, 2021.

TOWN OF MONTREAT, NORTH CAROLINA

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

Figure 4

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 1,057,505	\$ 1,057,505	\$ 367,968	\$ 367,968	\$ 1,425,473	\$ 1,425,473
Construction in progress		2,199,178				2,199,178
Buildings	2,379,140	1,681	63,968	67,520	2,443,108	69,201
Building improvements	5,710	8,408	437,993	457,902	443,703	466,310
Infrastructure	2,753,640	2,816,684	549,352	605,123	3,302,992	3,421,807
Equipment	108,988	49,877	12,751		121,739	49,877
Vehicles	87,579	133,270			87,579	133,270
Total	<u>\$ 6,392,562</u>	<u>\$ 6,266,603</u>	<u>\$ 1,432,032</u>	<u>\$ 1,498,513</u>	<u>\$ 7,824,594</u>	<u>\$ 7,765,116</u>

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

Long-term Debt. As of June 30, 2021, the Town of Montreat had total bonded debt outstanding of \$6,000. The installment debt is backed by security interest in the property for which it was issued. The Town's other debt consisted of installment notes, compensated absences, and pension related debt.

Town of Montreat's Outstanding Debt

Figure 5

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Bonds payable	\$	\$	\$ 6,000	\$ 34,000	\$ 6,000	\$ 34,000
Installment purchases	947,666	1,030,533	341,803	382,125	1,289,469	1,412,658
Compensated absences	86,217	95,580			86,217	95,580
Pension related debt (LGERS)	306,530	277,824	24,012	9,196	330,542	287,020
Pension related debt (LEOSSA)	196,644	145,236			196,644	145,236
Total	<u>\$ 1,537,057</u>	<u>\$ 1,549,173</u>	<u>\$ 371,815</u>	<u>\$ 425,321</u>	<u>\$ 1,908,872</u>	<u>\$ 1,974,494</u>

Town of Montreat's Outstanding Debt. The Town of Montreat's total long-term obligations decreased by \$65,622 (3.32%) during the current fiscal year. The key factors in the decrease were planned debt service principal payments.

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 \$18,641,140.

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

TOWN OF MONTREAT, NORTH CAROLINA

Economic Factors and Next Year's Budgets and Rates

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

- Consistent property values in the current fiscal year.
- Continued effort by the Town to limit excess costs.
- Completion of two large capital projects.

Budget Highlights for the Fiscal Year Ending June 30, 2022

Governmental Activities: Property taxes and other tax revenues are expected to increase during 2022. Revenues from fees and permits are expected to decline slightly during the next fiscal year. Town will use these increases in revenues to finance programs currently in place. Management has seen some improvement in areas that were affected by COVID-19 and anticipates more growth in coming years.

Budgeted expenditures in the General Fund are expected to increase approximately 11% to \$1,810,952. The budgeted increases are in response to an overall general increase in costs.

Business-type Activities: Budgeted Water Fund revenues for the fiscal year ending June 30, 2022, have been estimated at \$344,041. This represents an increase of \$3,670, or 1%, from the final actual revenues of \$340,371 for the fiscal year ended June 30, 2021. Generally, water revenues are expected to be consistent for the next fiscal year.

Budgeted Water Fund expenditures and debt service for the fiscal year ending June 30, 2022, equal \$344,041. This is an increase of \$67,319, or 24%, from the final actual expenditures of \$276,722 for fiscal year ended June 30, 2021. This is primarily due an increase in residents and rentals during 2021, hence more water usage.

Requests for Information

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Town Administrator, Town of Montreat, P.O. Box 423 Montreat, North Carolina, 28757. One can also call (828) 669-8002, visit our website www.townofmontreat.org, or send an email to bblackburn@townofmontreat.org <mailto:biltmoreforest@charter.net> for more information.

BASIC FINANCIAL STATEMENTS

Exhibit 1**TOWN OF MONTREAT, NORTH CAROLINA**Statement of Net Position
June 30, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 708,062	\$ 827,925	\$ 1,535,987
Taxes receivable, net	177,569		177,569
Accounts receivable, net		35,049	35,049
Inventories		16,540	16,540
Restricted cash and cash equivalents	47,844	6,023	53,867
Total current assets	<u>933,475</u>	<u>885,537</u>	<u>1,819,012</u>
Noncurrent assets:			
Capital assets:			
Land, non-depreciable improvements, and constructions in process	1,057,505	367,968	1,425,473
Other capital assets, net of depreciation	<u>5,335,057</u>	<u>1,064,064</u>	<u>6,399,121</u>
Total non-current assets	<u>6,392,562</u>	<u>1,432,032</u>	<u>7,824,594</u>
Total assets	<u>\$ 7,326,037</u>	<u>\$ 2,317,569</u>	<u>\$ 9,643,606</u>
Deferred outflows of resources	<u>\$ 268,590</u>	<u>\$ 13,053</u>	<u>\$ 281,643</u>
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 60,151	\$ 2,398	\$ 62,549
Liabilities payable from restricted assets		6,023	6,023
Current portion of long-term liabilities	<u>82,867</u>	<u>46,322</u>	<u>129,189</u>
Total current liabilities	<u>143,018</u>	<u>54,743</u>	<u>197,761</u>
Long-term liabilities:			
Total Pension liability	196,644		196,644
Net pension liability	306,530	24,012	330,542
Due in more than one year	<u>951,016</u>	<u>301,481</u>	<u>1,252,497</u>
Total long-term liabilities	<u>1,454,190</u>	<u>325,493</u>	<u>1,779,683</u>
Total liabilities	<u>\$ 1,597,208</u>	<u>\$ 380,236</u>	<u>\$ 1,977,444</u>
Deferred inflows of resources	<u>\$ 20,621</u>	<u>\$ 1,385</u>	<u>\$ 22,006</u>
Net position			
Net investment in capital assets	\$ 5,444,896	\$ 1,084,229	\$ 6,529,125
Restricted:			
Stabilization by State Statute	176,459		176,459
Streets	47,844		47,844
Open Space	14,868		14,868
Unrestricted	<u>292,731</u>	<u>864,772</u>	<u>1,157,503</u>
Total net position	<u>\$ 5,976,798</u>	<u>\$ 1,949,001</u>	<u>\$ 7,925,799</u>

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

TOWN OF MONTREAT, NORTH CAROLINA

Statement of Activities
For the Year Ended June 30, 2021

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Govern- mental Activities	Business- type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 539,937	\$ 54,549	\$ 213,641	\$ 2,705	\$ (269,042)	\$	\$ (269,042)
Public safety	460,939	3,371	3,420		(454,148)		(454,148)
Transportation	505,964		40,086		(465,878)		(465,878)
Environmental protection	134,919	10,507			(124,412)		(124,412)
Cultural and recreation	26,657				(26,657)		(26,657)
Interest on long-term debt	31,588				(31,588)		(31,588)
Total governmental activities	<u>1,700,004</u>	<u>68,427</u>	<u>257,147</u>	<u>2,705</u>	<u>(1,371,725)</u>		<u>(1,371,725)</u>
Business-type activities:							
Water	276,722	340,336				63,614	63,614
Total business-type activities	<u>276,722</u>	<u>340,336</u>				<u>63,614</u>	<u>63,614</u>
Total primary government	<u>\$ 1,976,726</u>	<u>\$ 408,763</u>	<u>\$ 257,147</u>	<u>\$ 2,705</u>	<u>(1,371,725)</u>	<u>63,614</u>	<u>(1,308,111)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purpose							
Sales taxes							
Other taxes							
Unrestricted investment earnings							
Gain on sale of capital assets							
Miscellaneous							
Total general revenues							
Change in net position							
Net position, beginning							
Net position, ending							

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

Exhibit 3

TOWN OF MONTREAT, NORTH CAROLINA

Balance Sheet
Governmental Funds
June 30, 2021

	Major Funds			Total	Total
	General	Town Hall	Texas Road	Nonmajor	Governmental
	Fund	Capital	Capital	Funds	Funds
		Project Fund	Project Fund		
Assets					
Cash and cash equivalents	\$ 556,073	\$	\$ 129,656	\$ 22,333	\$ 708,062
Taxes receivable, net	177,569				177,569
Other receivables, net					
Restricted cash	47,844				47,844
Total assets	<u>\$ 781,486</u>	<u>\$</u>	<u>\$ 129,656</u>	<u>\$ 22,333</u>	<u>\$ 933,475</u>
Liabilities					
Accounts payable and					
accrued liabilities	\$ 55,140	\$	\$	\$ 1,755	\$ 56,895
Deferred inflows of resources	1,110				1,110
Fund balances					
Restricted:					
Stabilization by State statute	176,459				176,459
Streets	47,844				47,844
Open Space	14,868				14,868
Committed	20,115		129,656	20,578	170,349
Unassigned	465,950				465,950
Total fund balances	<u>725,236</u>	<u></u>	<u>129,656</u>	<u>20,578</u>	<u>875,470</u>
Total liabilities, deferred inflows of					
resources, and fund balances	<u>\$ 781,486</u>	<u>\$</u>	<u>\$ 129,656</u>	<u>\$ 22,333</u>	

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

Capital assets used in governmental activities are not financial
resources and therefore are not reported in the funds.

Gross capital assets at historical cost 7,778,008
Accumulated depreciation (1,385,446)

Deferred outflows of resources related to pensions are not
reported in the funds 268,590

Long-term liabilities used in governmental activities are not
financial uses and therefore are not reported in the funds:

Long-term debt included as net position below (includes the addition
of long-term debt and principal payments during the year) (82,867)

Net pension liability (306,530)

Total pension liability (196,644)

Installment purchases (951,016)

Deferred inflows of resources related to pensions are not
reported in the funds (19,511)

Other long-term liabilities (accrued interest) are not due and payable
in the current period and therefore are not reported in the funds (3,256)

Net position of governmental activities \$ 5,976,798

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

Exhibit 4

TOWN OF MONTREAT, NORTH CAROLINA

**Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021**

	<u>Major Funds</u>			<u>Total</u>	<u>Total</u>
	<u>General</u>	<u>Town Hall</u>	<u>Texas Road</u>	<u>Nonmajor</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Capital</u>	<u>Capital</u>	<u>Funds</u>	<u>Funds</u>
		<u>Project Fund</u>	<u>Project Fund</u>		
Revenues					
Ad valorem taxes	\$ 1,079,524	\$	\$	\$	\$ 1,079,524
Other taxes and licenses	457,847				457,847
Unrestricted intergovernmental	93,117				93,117
Restricted intergovernmental	242,986			3,420	246,406
Permits and fees	68,427				68,427
Investment earnings	486	1			487
Miscellaneous	14,081	2,705			16,786
Total revenues	<u>1,956,468</u>	<u>2,706</u>		<u>3,420</u>	<u>1,962,594</u>
Expenditures					
Current:					
General government	517,869	183,439		318	701,626
Public safety	432,316			5,136	437,452
Transportation	374,265		39,927	41,389	455,581
Environmental protection	119,678				119,678
Cultural and recreation	14,584			4,324	18,908
Debt service:					
Principal	16,200	66,667			82,867
Interest and other charges	2,095	29,493			31,588
Total expenditures	<u>1,477,007</u>	<u>279,599</u>	<u>39,927</u>	<u>51,167</u>	<u>1,847,700</u>
Excess (deficiency) of revenues over expenditures	<u>479,461</u>	<u>(276,893)</u>	<u>(39,927)</u>	<u>(47,747)</u>	<u>114,894</u>
Other financing sources					
Sale of capital assets	2,111				2,111
Transfers from (to) other funds	(451,516)	276,893	168,583	6,040	
Total other financing sources (uses)	<u>(449,405)</u>	<u>276,893</u>	<u>168,583</u>	<u>6,040</u>	<u>2,111</u>
Net change in fund balance	30,056		128,656	(41,707)	117,005
Fund balances, beginning	<u>695,180</u>		<u>1,000</u>	<u>62,285</u>	<u>758,465</u>
Fund balances, ending	<u>\$ 725,236</u>	<u>\$</u>	<u>\$ 129,656</u>	<u>\$ 20,578</u>	<u>\$ 875,470</u>

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

Exhibit 4 (cont.)**TOWN OF MONTREAT, NORTH CAROLINA**

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2021

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

Net changes in fund balances - total governmental funds	\$ 117,005
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period	
Capital outlay expenditures which were capitalized	343,228
Depreciation expense for governmental assets	(217,269)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	58,227
Benefit payments paid and administrative expense for the LEOSSA are not included on the Statement of Activities	16,715
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	
Decrease in unavailable revenue for tax revenues	(428)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net affect of these differences in the treatment of long-term debt and related items	
Principal payments on long-term debt	82,867
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Compensated absences	9,363
Pension expense	<u>(145,753)</u>
Total changes in net position of governmental activities	<u>\$ 263,955</u>

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

Exhibit 5

TOWN OF MONTREAT, NORTH CAROLINA

General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual Amounts	Variance with final budget- positive (negative)
Revenues				
Ad valorem taxes	\$ 1,049,036	\$ 1,049,036	\$ 1,079,524	\$ 30,488
Other taxes and licenses	375,900	375,900	457,847	81,947
Unrestricted intergovernmental	99,722	99,722	93,117	(6,605)
Restricted intergovernmental	33,642	33,642	242,986	209,344
Permits and fees	74,714	74,714	68,427	(6,287)
Investment earnings	2,300	2,300	486	(1,814)
Miscellaneous	1,450	1,450	14,081	12,631
Total revenues	<u>1,636,764</u>	<u>1,636,764</u>	<u>1,956,468</u>	<u>319,704</u>
Expenditures				
Current:				
General government	559,305	545,604	449,247	83,969
Public safety	443,872	438,299	426,789	11,510
Transportation	418,760	413,737	374,265	39,472
Environmental protections	122,982	128,620	119,678	8,942
Cultural and recreation	22,100	22,100	14,584	7,516
Debt service:				
Principal	16,200	16,200	16,200	
Interest and other charges	2,100	2,100	2,095	5
Capital outlay	49,000	59,000	74,149	(2,761)
Total expenditures	<u>1,634,319</u>	<u>1,625,660</u>	<u>1,477,007</u>	<u>148,653</u>
Revenues over (under) expenditures	<u>2,445</u>	<u>11,104</u>	<u>479,461</u>	<u>468,357</u>
Other financing sources (uses)				
Sale of capital assets	3,000	3,000	2,111	(889)
Transfer to other funds	(140,753)	(292,161)	(451,516)	(159,355)
Total other financing sources (uses)	<u>(137,753)</u>	<u>(289,161)</u>	<u>(449,405)</u>	<u>(160,244)</u>
Fund balance appropriated	<u>135,308</u>	<u>278,057</u>		<u>(278,057)</u>
Net change in fund balance	<u>\$</u>	<u>\$</u>	30,056	<u>\$ 30,056</u>
Fund balance, beginning			695,180	
Fund balance, ending			<u>\$ 725,236</u>	

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

Exhibit 6**TOWN OF MONTREAT, NORTH CAROLINA**

Statement of Fund Net Position
 Proprietary Fund
 June 30, 2021

	Major Enterprise Fund <u>Water Fund</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 827,925
Accounts receivable (net)	35,049
Inventories	16,540
Restricted cash and cash equivalents	<u>6,023</u>
Total current assets	<u>885,537</u>
Noncurrent assets:	
Land and construction in process	367,968
Capital assets, net of depreciation	<u>1,064,064</u>
Total noncurrent assets	<u>1,432,032</u>
Total assets	<u>\$ 2,317,569</u>
Deferred outflows of resources	<u>\$ 13,053</u>
Liabilities	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 2,398
Installment purchases, current	40,322
Bond payable, current	6,000
Liabilities payable from restricted assets:	
Customer deposits	<u>6,023</u>
Total current liabilities	<u>54,743</u>
Noncurrent liabilities:	
Installment purchases	301,481
Net pension liability	<u>24,012</u>
Total noncurrent liabilities	<u>325,493</u>
Total liabilities	<u>\$ 380,236</u>
Deferred inflows of resources	<u>\$ 1,385</u>
Net position	
Net investment in capital assets	\$ 1,084,229
Unrestricted	<u>864,772</u>
Total net position	<u>\$ 1,949,001</u>

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

TOWN OF MONTREAT, NORTH CAROLINA

Statement of Revenues, Expenses, and Changes in Fund Net Position
 Proprietary Fund
 For the Year Ended June 30, 2021

	Major Enterprise Fund <u>Water Fund</u>
Operating revenues	
Charges for services	\$ 288,880
Other operating revenues	<u>51,456</u>
Total operating revenues	<u>340,336</u>
Operating expenses	
Water operations	190,089
Depreciation	<u>79,658</u>
Total operating expenses	<u>269,747</u>
Operating income	<u>70,589</u>
Nonoperating revenues (expenses)	
Investment earnings	35
Interest expense	<u>(6,975)</u>
Total non-operating expenses	<u>(6,940)</u>
Change in net position	63,649
Beginning net position	<u>1,885,352</u>
Total net position, ending	<u>\$ 1,949,001</u>

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

TOWN OF MONTREAT, NORTH CAROLINA

Statement of Cash Flows
 Proprietary Fund
 For the Year Ended June 30, 2021

	Major Enterprise Fund <u>Water Fund</u>
Cash flows from operating activities	
Cash received from customers	\$ 327,873
Cash paid for goods and services	(114,247)
Cash paid to or on behalf of employees for services	<u>(67,739)</u>
Net cash provided by operating activities	<u>145,887</u>
Cash flows from capital and related financing activities	
Acquisition and construction of capital assets	(13,177)
Principal payment on long-term debt	(68,322)
Interest payment on long-term debt	<u>(6,975)</u>
Net cash used by capital and related financing activities	<u>(88,474)</u>
Cash flows from investing activities	
Interest received	<u>35</u>
Net decrease in cash and cash equivalents	575,448
Balances, beginning	<u>776,500</u>
Balances, ending	<u>\$ 833,948</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating income	\$ 70,589
Depreciation	79,658
Changes in assets and liabilities:	
Increase in accounts receivable	(13,179)
Decrease in accounts payable and accrued liabilities	(425)
Increase in customer deposits	716
Increase in net pension liability	14,816
Increase in deferred outflows of resources - pensions	(7,446)
Increase in deferred inflows of resources - pensions	<u>1,158</u>
Net cash provided by operating activities	<u>\$ 145,887</u>

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

TOWN OF MONTREAT, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

Note 1 - Summary of Significant Accounting Policies

The accounting policies of the Town of Montreat 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 of Montreat (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 specific function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a 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 and proprietary* - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, result from non-exchange transactions. Other non-operating revenues are ancillary activities such as investment earnings.

Note 1 - Summary of Significant Accounting Policies (continued)

The Town reports the following major governmental funds:

General Fund. The General Fund is the general operating fund of the Town. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, State grants, and various other taxes and licenses. The primary expenditures are for 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.

Texas Road Capital Project Fund. This fund is used to account for the expenditures for the construction of Texas Road in the Town of Montreat.

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 Special Revenue Fund, Culvert Project Special Revenue Fund, Miscellaneous Project Fund, Urban Forestry 2018 Special Revenue Fund, Urban Forestry 2019 Special Revenue Fund, and the Landscape Special Revenue 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 are the Providence Terrace Capital Project Fund, Lower Greybeard Wall Capital Project Fund, and the Public Works Building Capital Project Fund.

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 custodial assets and liabilities within the water fund. The Town collects sewer charges that are required to be remitted to the Metropolitan Sewerage District (MSD). These funds are typically held for less than three months.

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.

Note 1 - Summary of Significant Accounting Policies (continued)

Government-wide and Proprietary Financial Statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources 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 place. Non-exchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's 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 and sewer 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. Issuance of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The Town considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, state law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when the vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received.

Note 1 - Summary of Significant Accounting Policies (continued)

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.

Note 1 - Summary of Significant Accounting Policies (continued)

State law [G.S. 159-30I] 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 generally reported at fair value. The NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, it are presented as an investment with a maturity of less than 6 months.

2. Cash and Cash Equivalents

The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income and considers all cash and investments to be cash and cash equivalents.

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 outlined in G.S. 136-41.1 through 136-41.4.

Restricted cash at June 30, 2021 consists of the following:

Governmental activities:

General Fund:

Streets

\$ 47,844

Business-type activities:

Water Fund:

Customer deposits

6,023

Total restricted cash

\$ 53,867

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, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2020. 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.

Note 1 - Summary of Significant Accounting Policies (continued)

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.

6. Inventory and Prepaid Items

The inventories of the Town are valued at cost (first-in, first-out), which approximates market. The Town's General Fund inventory consists of expendable supplies that are recorded as expenditures as used rather than when purchased. The inventories of the Town's enterprise fund consist of materials and supplies held for subsequent use. The cost of these inventories is expensed when consumed rather than when purchased.

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

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; buildings, improvements, substations, lines, and other plant and distribution systems, \$15,000; infrastructure, \$20,000; equipment and furniture, \$5,000; vehicles and motorized equipment, \$10,000; \$5,000 computer software and computer equipment \$500. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. General infrastructure assets acquired prior to July 1, 2003, consist of the road network and water system assets that were acquired or that received substantial improvements subsequent to July 1, 1980, and are reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	30
Buildings	50
Improvements	25
Equipment and furniture	10
Vehicles	6
Computer equipment	3

Note 1 - Summary of Significant Accounting Policies (continued)

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has one item that meets this criterion, pension deferrals for the 2021 fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town has several items that meet the criterion for this category - prepaid taxes, property taxes receivable, and pension 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 withheld from the actual debt proceeds received or not, 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 governmentwide 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 Town's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Town does not have any obligation for the accumulated sick leave until it is taken, no accrual for sick leave has been made.

Note 1 - Summary of Significant Accounting Policies (continued)

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:

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

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

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

Restricted for Stabilization by State Statute - North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute." Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget. Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as non-spendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

Note 1 - Summary of Significant Accounting Policies (continued)

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

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 body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

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 road projects.

Committed for Culture and Recreation - portion of fund balance that is committed by the Board for forestry and landscape projects.

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

Subsequent year's expenditures - the portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however, the budget ordinance authorizes the manager to modify the appropriations by resource or appropriations within funds up to \$2,500.

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

The Town of 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, 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.

Note 1 - Summary of Significant Accounting Policies (continued)

The Town of Montreat has also adopted a minimum fund balance policy for the General Fund, which instructs management to conduct the business of the Town in such a manner that remaining fund balance is at least equal to or greater than 35% of budgeted expenditures. Any portion of the General Fund balance in excess of 35% of budgeted expenditures may be appropriated for one-time expenditures and may not be used for any purpose that would obligate the Town in a future budget.

12. Defined Benefit Cost-Sharing Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LGERS) and 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 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.

Note 2 - Stewardship, Compliance, and Accountability

A. Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2021, the transfers to other funds made in the Town's General Fund exceeded the authorized appropriations made by the governing board by \$159,355. This over-expenditure occurred primarily because capital expenditures made in another fund exceeded available funds and General Fund funds were needed to cover those capital expenditures.

Corrective Action Plan

Management believes this error was made due to a deficit in the financial controls of the Town's antiquated financial software. A number of expenses came due at the end of the year FY21 but were paid out in FY22. It appears that the software did not automatically block the expenses as it should, perhaps due to the crossing of fiscal years.

In FY22, the Town has bid out and purchased a new financial software that we believe will help alleviate this problem. Training on the new software system will begin the July 2022. Management will work with the new software company to ensure that the appropriate checks are in place and will more closely monitor expenditures requests, especially those that cross fiscal years.

Note 2 - Stewardship, Compliance, and Accountability (continued)

B. Noncompliance with Minimum Fund Balance Policy

For the fiscal year ended June 30, 2021, the unassigned fund balance of the General Fund was equal to 28.6% of budgeted expenditures. The Town's minimum fund balance policy for the General Fund 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 budgeted expenditures. Management and the Board will more closely review the budget and financial reports to ensure compliance in future years.

Corrective Action Plan

The Town's unassigned fund balance in the General Fund was equal to 16.81% of budgeted expenditures in fiscal year ended June 20, 2020, falling well below the minimum fund balance policy of 35%. In FY21, the General Fund's fund balance was equal to 28.6% of budgeted expenditures. While not quite at the 35% requirement, the unassigned fund balance has significantly increased from FY20 to FY21.

It is the goal of the Town to continue to increase fund balance and bring the unassigned fund balance to the 35 % requirement. A property tax increase was enforced in FY21, and FY22 was a revaluation year in Buncombe County. Both the rate increase and the property revaluation will help increase fund balance.

In addition, the Town was awarded funding through the American Rescue Plan Act that will allow the Town to pursue needed expenses without using the General Fund.

C. Late Audit

The Town's audit for the fiscal year ended June 30, 2021, was due on October 31, 2021, but was not finalized until June 16, 2022.

Corrective Action Plan

As a result of the late audit in FY20, the Town has made every effort to adhere to a timeline agreed upon with the LGC and the Town auditors. The FY20 Financial Statements were submitted to the LGC on December 31, 2021. The FY21 Financial Statements will be submitted to the LGC on or before June 30, 2022. The FY22 Financial Statements will be submitted to the LGC on or before October 31, 2022.

Moving forward, the Town will continue to prioritize completion of the Financial Statements on a timely basis in order to prevent this situation from re-occurring.

Note 3 - Detail Notes on All Funds

A. Assets

1. Deposits

All the deposits of the Town are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Town's 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 Town's name. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town or the escrow agent. Because of the inability to measure the exact 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, 2021, the Town's deposits had a carrying amount of \$1,653,662 and a bank balance of \$1,676,839. Of the bank balance, \$513,843 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. At June 30, 2021, the Town's petty cash fund totaled \$250.

2. Investments

At June 30, 2021, the Town had \$13,843 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAM by Standard and Poor's. The Town has no policy regarding credit risk.

3. Receivables - Allowances for Doubtful Accounts

The amounts presented in the Balance Sheet and the Statement of Net Position for the year ended June 30, 2021 are net of the following allowances for doubtful accounts:

Water fund - accounts receivable	\$ <u>1,748</u>
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Note 3 - Detail Notes on All Funds (continued)**4. Capital Assets**

Capital asset activity for the Primary Government for the year ended June 30, 2021, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,057,505	\$	\$	\$ 1,057,505
Construction in progress	<u>2,199,178</u>		<u>2,199,178</u>	
Total capital assets not being depreciated	<u>3,256,683</u>		<u>2,199,178</u>	<u>1,057,505</u>
Capital assets being depreciated:				
Buildings	1,921	2,424,006		2,425,927
Improvements	59,507			59,507
Infrastructure	3,472,933	44,251		3,517,184
Equipment	126,240	61,761		188,001
IT equipment	51,607	12,388		63,995
Vehicles	<u>465,889</u>			<u>465,889</u>
Total capital assets being depreciated	<u>4,178,097</u>	<u>\$ 2,542,406</u>	<u>\$</u>	<u>6,720,503</u>
Less accumulated depreciation for:				
Buildings	240	\$ 46,547	\$	46,787
Improvements	51,099	2,698		53,797
Infrastructure	656,249	107,295		763,544
Equipment	76,966	10,457		87,423
IT equipment	51,004	4,581		55,585
Vehicles	<u>332,619</u>	<u>45,691</u>		<u>378,310</u>
Total accumulated depreciation	<u>1,168,177</u>	<u>\$ 217,269</u>	<u>\$</u>	<u>1,385,446</u>
Total capital assets being depreciated, net	<u>3,009,920</u>			<u>5,335,057</u>
Governmental activity capital assets, net	<u>\$ 6,266,603</u>			<u>\$ 6,392,562</u>

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

General government	\$ 57,871
Public safety	12,231
Transportation	122,533
Environmental protection	12,561
Cultural and recreation	<u>12,073</u>
Total depreciation expense	<u>\$ 217,269</u>

Note 3 - Detail Notes on All Funds (continued)

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 367,968	\$	\$	\$ 367,968
Capital assets being depreciated:				
Buildings	142,110			142,110
Improvements	601,155			601,155
Infrastructure	2,064,611			2,064,611
Equipment	98,938	7,500		106,438
IT equipment	23,776	5,677		29,453
Vehicles	26,514			26,514
Total capital assets being depreciated	<u>2,957,104</u>	<u>\$ 13,177</u>	<u>\$</u>	<u>2,970,281</u>
Less accumulated depreciation for:				
Buildings	74,590	\$ 3,552	\$	78,142
Improvements	143,253	19,909		163,162
Infrastructure	1,459,488	55,771		1,515,259
Equipment	98,938	268		99,206
IT equipment	23,776	158		23,934
Vehicles	26,514			26,514
Total accumulated depreciation	<u>1,826,559</u>	<u>\$ 79,658</u>	<u>\$</u>	<u>1,906,217</u>
Total capital assets being depreciated, net	<u>1,130,545</u>			<u>1,064,064</u>
Water fund capital assets, net	<u>\$ 1,498,513</u>			<u>\$ 1,432,032</u>

B. Liabilities

1. Pension Plan and Postemployment Obligations

a. Local Governmental 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.

Note 3 - Detail Notes on All Funds (continued)

The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The state's ACFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined at 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters or rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

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

Contributions Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of 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, 2021 was 10.90% of compensation for law enforcement officers and 10.15% 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 \$62,244 for the year ended June 30, 2021.

Note 3 - Detail Notes on All Funds (continued)

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.

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

At June 30, 2021, the Town reported a liability of \$330,542 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 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, 2020 (measurement date), the Town's proportion was 0.00925%, which was a decrease of 0.00126% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Town recognized pension expense of \$109,019. At June 30, 2021, 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	\$ 41,742	\$
Changes of assumptions	20,582	
Net difference between projected and actual earnings on pension plan investments	46,515	
Changes in proportion and differences between Town contributions and proportionate share of contributions	8,609	19,071
Town contributions subsequent to the measurement date	62,244	
Total	<u>\$ 179,692</u>	<u>\$ 19,071</u>

\$62,244 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2022.

Note 3 - Detail Notes on All Funds (continued)

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

Year ended June 30:

2022	\$	27,659
2023		38,135
2024		22,833
2025		13,766
2026		
Thereafter		

Actuarial Assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the December 31, 2019 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.

Note 3 - Detail Notes on All Funds (continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2020, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	100%	

This information above is based on 30-year expectations developed with the consulting actuary for the 2019 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

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

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

	<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Town's proportionate share of the net pension liability (asset)	\$ 670,634	\$ 330,542	\$ 47,902

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

Note 3 - Detail Notes on All Funds (continued)

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 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.

All full time Town law enforcement officers are covered by the Separation Allowance. At December 31, 2019, the Separation Allowance's membership consisted of:

Retirees receiving benefits	2
Active plan members	<u>5</u>
Total	<u>7</u>

(2) Summary of Significant Accounting Policies

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

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

(3) Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2019 valuation. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.25 to 7.75 percent, including inflation and productivity factor
Discount rate	1.93 percent

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

Note 3 - Detail Notes on All Funds (continued)

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

(4) Contributions

The Town is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The Town's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The Town paid \$16,715 as benefits became due for the reporting period.

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

At June 30, 2021, the Town reported a total pension liability of \$196,644. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the Town recognized pension expense of \$62,300.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 38,737	\$ 2,559
Changes of assumptions	46,499	376
Town benefit payments and plan administrative expense made subsequent to the measurement date	16,715	
Total	<u>\$ 101,951</u>	<u>\$ 2,935</u>

\$16,715 paid as benefits came due subsequent to the measurement date have been reported as deferred outflows of resources. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2022	\$ 31,007
2023	18,325
2024	17,689
2025	15,280
2026	
Thereafter	

Note 3 - Detail Notes on All Funds (continued)

Sensitivity of the Town's total pension liability to changes in the discount rate. The following presents the Town's total pension liability calculated using the discount rate of 2.98 percent, as well as what the Town's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.98 percent) or 1-percentage-point higher (3.98 percent) than the current rate:

	1% Decrease (0.93%)	Discount Rate (1.93%)	1% Increase (2.93%)
Total pension liability	\$ 207,317	\$ 196,644	\$ 186,443

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

	2021
Beginning balance	\$ 145,236
Service Cost	4,244
Interest on the total pension liability	4,190
Difference between expected and actual experience	21,634
Changes of assumptions or other inputs	54,770
Benefit payments	(33,430)
Ending balance of the total pension liability	<u>\$ 196,644</u>

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

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

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

	LGERS	LEOSSA	Total
Pension Expense	\$ 109,019	\$ 62,300	\$ 171,319
Pension Liability	330,542	196,644	527,186
Proportionate share of net pension liability	0.00925%	n/a	

Note 3 - Detail Notes on All Funds (continued)

	<u>LGERS</u>	<u>LEOSSA</u>	<u>Total</u>
Deferred Outflows of Resources:			
Differences between expected and actual experience	\$ 41,742	\$ 38,737	\$ 80,479
Changes of assumptions	20,582	46,499	67,081
Net difference between projected and actual earnings on plan investments	46,515		46,515
Changes in proportion and differences between contributions and proportionate share of contributions	8,609		8,609
Benefit payments and administrative costs paid subsequent to the measurement date	62,244	16,715	78,959
Deferred Inflows of Resources:			
Differences between expected and actual experience		2,559	2,559
Changes of assumptions		376	376
Changes in proportion and differences between contributions and proportionate share of contributions	19,071		19,071

c. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The Town contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the Town. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's ACFR 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. The Town made contributions of \$11,398 for the reporting year. No amounts were forfeited.

d. Supplemental Retirement Income Plan for General Employees

Plan Description. 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. The Town made contributions of \$20,509 for the reporting year. No amounts were forfeited.

Note 3 - Detail Notes on All Funds (continued)

2. Other Employment Benefits

Plan Description. 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.

3. Deferred Outflows and Inflows of Resources

Deferred outflows of resources in the Statement of Net Position are comprised of the following:

Contributions to pension plan in the current fiscal year	\$	62,244
Benefit payments and administrative expense for		
LEOSSA made subsequent to the measurement date		16,715
Differences between expected and actual experience		80,479
Changes of assumptions		67,081
Net difference between projected and actual		46,515
Changes in employer contributions and proportionate		
share of contributions		8,609
Total	\$	<u>281,643</u>

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

	Statement of Net Position	General Fund Balance Sheet
Property tax receivable	\$	\$ 1,110
Differences between expected and actual experience	2,559	
Changes of assumptions	376	
Changes in employer contributions and proportionate		
share of contributions	19,071	
Total	<u>\$ 22,006</u>	<u>\$ 1,110</u>

Note 3 - Detail Notes on All Funds (continued)

4. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town participates in three self-funded risk-financing pools administered by the North Carolina League of Municipalities. Through these pools, the Town obtains general liability and auto liability coverage of \$1 million per occurrence, property coverage up to the total insured values of the property policy, 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. Excess insurance coverage is purchased by the Board of Trustees to protect against large workers' compensation claims that exceed certain dollar cost levels. Medical 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.

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

5. Claims, Judgments, and Contingent Liabilities

At June 30, 2021, the Town was not a defendant to any lawsuits.

Note 3 - Detail Notes on All Funds (continued)

6. Long-Term Obligations

a. Installment Purchases

The Town's installment purchases serviced by the General Fund at June 30, 2021 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 bears interest at 2.12% and is payable in 10 annual installments beginning in November 2016. Secured by a deed of trust. \$ 81,000

In June 2019, the Town entered into a note with a private banking institution for \$1,000,000 to finance the construction of a Town Hall. The note bears interest at 3.16% and is payable in 15 annual installments beginning in June 2020. Secured by a deed of trust. 866,666

Total installment purchases - General Fund \$ 947,666

Annual debt service requirements to maturity for installment purchases serviced by the General Fund are as follows:

Years Ending June 30	Governmental Activities	
	Principal	Interest
2022	\$ 82,867	\$ 29,128
2023	82,867	26,673
2024	82,867	24,218
2025	82,867	21,765
2026	82,867	19,308
2027-2031	333,331	63,548
2032-2036	<u>200,000</u>	<u>12,640</u>
Total	<u>\$ 947,666</u>	<u>\$ 197,280</u>

Note 3 - Detail Notes on All Funds (continued)

The Town's installment purchases serviced by the Water Fund at June 30, 2021 are comprised of the following individual issues:

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 bears interest at 2.12% and is payable in 10 annual installments beginning in November 2016. Secured by a deed of trust. \$ 69,000

Drinking Water State Revolving Loan 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 has three parts: parts one and two are interest free, and part three bears interest at a 2.22%. The notes are payable in 20 annual installments beginning at the time the project is completed. Unsecured. 272,803

Total installment purchases - Water Fund \$ 341,803

Annual debt service requirements to maturity for installment purchases serviced by the Water Fund are as follows:

<u>Years Ending June 30</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 40,322	\$ 4,683
2023	40,322	4,096
2024	40,322	3,508
2025	40,322	2,922
2026	40,322	2,333
2027-2031	127,088	5,818
2032-2036	<u>13,105</u>	<u>291</u>
Total	<u>\$ 341,803</u>	<u>\$ 23,651</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.

Note 3 - Detail Notes on All Funds (continued)

Bonds payable at June 30, 2021 is comprised of the following individual issue, serviced by the Water Fund:

\$609,000 Series A General Obligation Bond, issued in August 1983 to finance the purchase and construction of water system facilities. The bond bears interest at 5% and is due in 37 annual payments beginning in August 1986, with accelerating principal maturities.

\$ 6,000

Annual debt service requirements to maturity for general obligation bonds serviced by the Water Fund are as follows:

<u>Years Ending June 30</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2022	<u>\$ 6,000</u>	<u>\$ 300</u>

c. Changes in Long-Term Liabilities

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Current Portion of Balance</u>
Governmental activities:					
Installment purchases	\$ 1,030,533	\$	\$ 82,867	\$ 947,666	\$ 82,867
Total pension liability (LEO)	145,236	51,408		196,644	
Net pension liability (LGRS)	277,824	28,706		306,530	
Compensated absences	<u>95,580</u>		<u>9,363</u>	<u>86,217</u>	
Governmental activities long-term liabilities	<u>\$ 1,549,173</u>	<u>\$ 80,114</u>	<u>\$ 92,230</u>	<u>\$ 1,537,057</u>	<u>\$ 82,867</u>
Business-type activities:					
Bonds payable	\$ 34,000	\$	\$ 24,000	\$ 6,000	\$ 6,000
Installment purchases	382,125		40,322	341,803	40,322
Net pension liability (LGRS)	<u>9,196</u>	<u>14,816</u>		<u>24,012</u>	
Business-type activities long-term liabilities	<u>\$ 425,321</u>	<u>\$ 14,816</u>	<u>\$ 64,322</u>	<u>\$ 371,815</u>	<u>\$ 46,322</u>

At June 30, 2021, the Town had a legal debt margin of \$18,641,140.

Note 3 - Detail Notes on All Funds (continued)

C. Interfund Balances and Activity

Transfers to/from other funds for the year ended June 30, 2021, consist of the following:

From the General Fund to the Town Hall Capital Project Fund for capital project expenditures	\$ 276,893
From the General Fund to the Texas Road Capital Project Fund for capital project expenditures	168,583
From the General Fund to the Lower Graybeard Wall Capital Project Fund for capital project expenditures	4,324
From the General Fund to Cares Act Special Revenue Fund for current year expenditures	1,716
Total	<u>\$ 451,516</u>

D. Net Investment in Capital Assets

The Town's net investment in capital assets at June 30, 2021 is calculated as follows:

	<u>Governmental</u>	<u>Business-type</u>
Capital assets	\$ 6,392,562	\$ 1,432,032
Less: bonds payable		6,000
Less: installment purchases	947,666	341,803
Net investment in capital assets	<u>\$ 5,444,896</u>	<u>\$ 1,084,229</u>

E. Fund Balance

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

Total fund balance - General Fund	\$ 725,236
Less:	
Stabilization by State Statute	(176,459)
Restricted for streets	(47,844)
Restricted for open space	(14,868)
Committed	(20,115)
Working capital / fund balance policy	(568,981)
Remaining fund balance	<u>\$ (103,031)</u>

The Town has adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the Town in such a manner that available fund balance is at least equal to or greater than 35% of final budgeted expenditures. The Town is not in compliance with this policy at June 30, 2021, see Note 2.

Note 4 - Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

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

Note 5 - Significant Effects of Subsequent Events

The Town has paid legal fees of approximately \$112,000 during the fiscal year ended June 30, 2022. These fees have been incurred in responding to issues related to the construction of a new hotel within town limits. Management has evaluated the risk of loss and has determined that the Town is not a risk.

Management has evaluated subsequent events through June 16, 2022, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF MONTREAT, NORTH CAROLINA

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

	2021	2020	2019	2018	2017	2016	2015	2014
Montreat's proportion of the net pension liability (asset) (%)	0.00925%	0.01051%	0.00797%	0.00926%	0.00946%	0.01067%	0.00934%	0.00133%
Montreat's proportion of the net pension liability (asset) (\$)	\$ 330,542	\$ 287,020	\$ 189,076	\$ 141,467	\$ 200,773	\$ 47,886	\$ (55,082)	\$ 124,155
Montreat's covered payroll	\$ 656,341	\$ 537,596	\$ 546,381	\$ 595,751	\$ 623,948	\$ 631,711	\$ 587,628	\$ 614,739
Montreat's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	50.36%	53.39%	34.61%	23.75%	32.18%	7.58%	(9.37%)	20.20%
Plan fiduciary net position as a percentage of the total pension liability**	90.86%	91.63%	94.18%	91.47%	98.09%	99.07%	102.64%	94.35%

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

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

TOWN OF MONTREAT, NORTH CAROLINA

	Schedule of Contributions							
	Local Government Employees' Retirement System							
	Last Eight Fiscal Years*							
	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 62,244	\$ 60,543	\$ 43,456	\$ 42,845	\$ 45,161	\$ 43,897	\$ 45,387	\$ 41,947
Contributions in relation to the contractually required contribution	<u>62,244</u>	<u>60,543</u>	<u>43,456</u>	<u>42,845</u>	<u>45,161</u>	<u>43,897</u>	<u>45,387</u>	<u>41,947</u>
Contribution deficiency	\$	\$	\$	\$	\$	\$	\$	\$
Covered payroll	<u>\$ 605,136</u>	<u>\$ 656,351</u>	<u>\$ 537,596</u>	<u>\$ 546,381</u>	<u>\$ 595,751</u>	<u>\$ 623,948</u>	<u>\$ 631,711</u>	<u>\$ 587,628</u>
Contributions as a percentage of covered payroll	10.29%	9.22%	8.08%	7.84%	7.58%	7.04%	7.18%	7.14%

TOWN OF MONTREAT, NORTH CAROLINA

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 145,236	\$ 154,885	\$ 59,532	\$ 77,602	\$ 70,293
Service cost	4,244	4,168	2,736	5,494	5,389
Interest on the total pension liability	4,190	5,029	1,353	2,635	2,509
Difference between expected and actual experience	21,634	12,192	127,434	(15,203)	
Changes of assumptions or other inputs	54,770	2,392	(2,740)	7,661	(589)
Benefit payments	<u>(33,430)</u>	<u>(33,430)</u>	<u>(33,430)</u>	<u>(18,657)</u>	
Ending balance of the total pension liability	<u>\$ 196,644</u>	<u>\$ 145,236</u>	<u>\$ 154,885</u>	<u>\$ 59,532</u>	<u>\$ 77,602</u>

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

TOWN OF MONTREAT, NORTH CAROLINA

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 196,644	\$ 145,236	\$ 154,885	\$ 59,532	\$ 77,602
Covered payroll	233,551	237,346	181,374	240,642	227,806
Total pension liability as a percentage of covered payroll	84.20%	61.19%	85.40%	24.74%	34.06%

Notes to the schedule

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.

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

**INDIVIDUAL FUND STATEMENTS
AND SCHEDULES**

TOWN OF MONTREAT, NORTH CAROLINA

General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Ad valorem taxes:			
Current year taxes	\$ 1,049,036	\$ 1,077,689	\$ 28,653
Interest		<u>1,835</u>	<u>1,835</u>
Total	<u>1,049,036</u>	<u>1,079,524</u>	<u>30,488</u>
Other taxes and licenses:			
Local sales tax	<u>375,900</u>	<u>457,847</u>	<u>81,947</u>
Unrestricted intergovernmental			
Utility franchise tax	95,400	88,363	(7,037)
Solid waste disposal	672	724	52
Beer and wine tax	<u>3,650</u>	<u>4,030</u>	<u>380</u>
Total	<u>99,722</u>	<u>93,117</u>	<u>(6,605)</u>
Restricted intergovernmental:			
Grant proceeds		202,900	202,900
Powell Bill allocation	<u>33,642</u>	<u>40,086</u>	<u>6,444</u>
Total	<u>33,642</u>	<u>242,986</u>	<u>209,344</u>
Permits and fees:			
Community service fees	21,373	4,529	(16,844)
Building permits	40,000	49,556	9,556
Public safety charges	3,371	3,371	
Sanitation fees	3,360	4,971	1,611
Zoning permits	800	455	(345)
Other	<u>5,810</u>	<u>5,545</u>	<u>(265)</u>
Total	<u>74,714</u>	<u>68,427</u>	<u>(6,287)</u>
Investment earnings	<u>2,300</u>	<u>486</u>	<u>(1,814)</u>
Other income:			
Miscellaneous		3,022	3,022
Contributions	<u>1,450</u>	<u>11,059</u>	<u>9,609</u>
Total	<u>1,450</u>	<u>14,081</u>	<u>12,631</u>
Total revenues	<u>1,636,764</u>	<u>1,956,468</u>	<u>319,704</u>
Expenditures			
General government:			
Governing Body:			
Salaries and employee benefits	20,710	10,550	10,160
Operating expenses	34,225	18,907	15,318
Reimbursement - proprietary funds	<u>(1,373)</u>	<u>(1,373)</u>	
Total	<u>53,562</u>	<u>28,084</u>	<u>25,478</u>

TOWN OF MONTREAT, NORTH CAROLINA

General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (continued) For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Administration:			
Salaries and employee benefits	\$ 308,959	\$ 294,550	\$ 14,409
Operating expenses	154,177	120,092	34,085
Capital outlay		12,388	(12,388)
Reimbursement - proprietary funds	<u>(11,671)</u>	<u>(11,671)</u>	
Total	<u>451,465</u>	<u>415,359</u>	<u>36,106</u>
Public Buildings:			
Operating expenses	50,500	28,115	22,385
Capital outlay	59,000	56,234	2,766
Reimbursement - proprietary funds	<u>(9,923)</u>	<u>(9,923)</u>	
Total	<u>99,577</u>	<u>74,426</u>	<u>25,151</u>
Total general government	<u>604,604</u>	<u>517,869</u>	<u>86,735</u>
Public safety:			
Police Department:			
Salaries and employee benefits	376,041	385,658	(9,617)
Operating expenses	62,258	41,131	21,127
Capital outlay		<u>5,527</u>	<u>(5,527)</u>
Total public safety	<u>438,299</u>	<u>432,316</u>	<u>5,983</u>
Transportation:			
Planning and zoning:			
Operating expenses	<u>76,310</u>	<u>63,278</u>	<u>13,032</u>
Public Works:			
Salaries and employee benefits	92,000	90,176	1,824
Operating expenses	21,900	15,897	6,003
Reimbursement - proprietary funds	<u>(5,496)</u>	<u>(5,496)</u>	
Total	<u>108,404</u>	<u>100,577</u>	<u>7,827</u>
Streets:			
Salaries and employee benefits	116,500	113,766	2,734
Operating expenses	127,577	111,698	15,879
Reimbursement - proprietary funds	<u>(15,054)</u>	<u>(15,054)</u>	
Total	<u>229,023</u>	<u>210,410</u>	<u>18,613</u>
Total transportation	<u>413,737</u>	<u>374,265</u>	<u>39,472</u>

TOWN OF MONTREAT, NORTH CAROLINA

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (continued) For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Environmental protection:			
Sanitation:			
Salaries and employee benefits	\$ 75,985	\$ 69,852	\$ 6,133
Operating expenses	<u>52,635</u>	<u>49,826</u>	<u>2,806</u>
Total environmental protection	<u>128,620</u>	<u>119,678</u>	<u>8,942</u>
Cultural and recreation:			
Recreation Commission:			
Operating expenses	<u>22,100</u>	<u>14,584</u>	<u>7,516</u>
Debt service			
Principal retirement	16,200	16,200	
Interest and fees	<u>2,100</u>	<u>2,095</u>	<u>5</u>
Total debt services	<u>18,300</u>	<u>18,295</u>	<u>5</u>
Total expenditures	<u>1,625,660</u>	<u>1,477,007</u>	<u>148,653</u>
Revenues over (under) expenditures	<u>11,104</u>	<u>479,461</u>	<u>468,357</u>
Other financing sources (uses)			
Sale of capital assets	3,000	2,111	(889)
Transfer to other funds	<u>(292,161)</u>	<u>(451,516)</u>	<u>(159,355)</u>
Total other financing sources (uses)	<u>(289,161)</u>	<u>(449,405)</u>	<u>(160,244)</u>
Fund balance appropriated	<u>278,057</u>		<u>(278,057)</u>
Net change in fund balance	<u>\$</u>	30,056	<u>\$ 30,056</u>
Fund balance, beginning		<u>695,180</u>	
Fund balance, ending		<u>\$ 725,236</u>	

TOWN OF MONTREAT, NORTH CAROLINA

Town Hall Major Capital Project Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual From Inception and for the Year Ended June 30, 2021

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Investment earnings	\$ 38	\$ 38	\$ 38	\$ 38	\$
Contributions	81,880	79,175	2,706	81,881	
Total revenues	81,918	79,213	2,706	81,919	
Expenditures					
General Government:					
Operating expenditures	1,515	1,515		1,515	
Professional services	172,648	171,599		171,599	1,049
Debt service:					
Principal payments	133,333	66,667	66,667	133,334	
Interest payments	61,093	31,600	29,493	61,093	
Capital outlay	1,925,836	1,671,314	183,439	1,854,753	71,083
Total expenditures	2,294,425	1,942,695	279,599	2,222,294	72,132
Revenues over (under) expenditures	(2,212,507)	(1,863,482)	(276,893)	(2,140,375)	(72,132)
Other financing sources					
Transfers from other funds:					
From General Fund	1,212,507	863,482	276,893	1,140,375	(72,132)
Proceeds from long-term debt	1,000,000	1,000,000		1,000,000	
Total other financing sources	2,212,507	1,863,482	276,893	2,140,375	(72,132)
Net change in fund balance	\$	\$	\$	\$	\$
Fund balance, beginning					
Fund balance, ending				\$	

TOWN OF MONTREAT, NORTH CAROLINA

Texas Road Capital Project Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Grant proceeds	\$ 27,650	\$	\$	\$	\$ (27,650)
Expenditures					
Capital outlay	\$ 183,943	\$	\$ 39,927	\$ 39,927	\$ 144,016
Revenues over (under) expenditures	(156,293)		(39,927)	(39,927)	116,366
Other financing sources					
Transfers from other funds:					
From General Fund	156,293		168,583	168,583	12,290
Net change in fund balance	\$	\$	128,656	\$ 128,656	\$ 128,656
Fund balance, beginning			1,000		
Fund balance, ending			\$ 129,656		

TOWN OF MONTREAT, NORTH CAROLINA

Nonmajor Governmental Funds Combining Balance Sheet For the Year Ended June 30, 2021

	Culvert Project	Public Works	Urban Forestry 2018	Urban Forestry 2019	Landscape	CARES Act	Total
Assets							
Cash and cash equivalents	\$ 525	\$ 9,505	\$ 4,159	\$ 7,762	\$ 382	\$	\$ 22,333
Liabilities and fund balances							
Liabilities:							
Accounts payable and accrued expenses	\$	\$ 1,755	\$	\$	\$	\$	\$ 1,755
Fund balances:							
Committed:							
Culture and recreation			4,159	7,762	382		12,303
Transportation	525	7,750					8,275
Total fund balances	525	7,750	4,159	7,762	382		20,578
Total liabilities and fund balances	\$ 525	\$ 9,505	\$ 4,159	\$ 7,762	\$ 382	\$	\$ 22,333

TOWN OF MONTREAT, NORTH CAROLINA

Nonmajor Governmental Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balance For the Year Ended June 30, 2021

	Culvert Project	Public Works	Urban Forestry 2018	Urban Forestry 2019	Landscape	CARES Act	Total
Revenues							
Restricted intergovernmental	\$	\$	\$	\$	\$	\$ 3,420	\$ 3,420
Miscellaneous							
Total revenues						<u>3,420</u>	<u>3,420</u>
Expenditures							
Transportation		41,389					41,389
Public safety					318	5,136	5,136
Cultural and recreation					<u>318</u>	<u>5,136</u>	<u>318</u>
Total expenditures		<u>41,389</u>			<u>318</u>	<u>5,136</u>	<u>46,843</u>
Revenues over (under) expenditures		(41,389)			(318)	(1,716)	(43,423)
Other financing sources (uses)							
Transfers from General Fund						<u>1,716</u>	<u>1,716</u>
Net change in fund balances		(41,389)			(318)		(41,707)
Fund balances							
Beginning of year - July 1	<u>525</u>	<u>49,139</u>	<u>4,159</u>	<u>7,762</u>	<u>700</u>		<u>62,285</u>
End of year - June 30	<u>\$ 525</u>	<u>\$ 7,750</u>	<u>\$ 4,159</u>	<u>\$ 7,762</u>	<u>\$ 382</u>	<u>\$</u>	<u>\$ 20,578</u>

TOWN OF MONTREAT, NORTH CAROLINA

Public Works Capital Projects Fund Schedule of Revenues and Expenditures and Changes in Fund Balances - Budget and Actual From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Expenditures					
Transportation:					
Professional services	\$ 82,975	\$ 27,243		27,243	55,732
Capital outlay	320,914	327,507	41,389	368,896	(47,982)
Total expenditures	<u>403,889</u>	<u>354,750</u>	<u>41,389</u>	<u>396,139</u>	<u>7,750</u>
Other financing sources					
Transfers from General Fund	<u>403,889</u>	<u>403,889</u>		<u>403,889</u>	
Net change in fund balance	\$ <u> </u>	\$ <u>49,139</u>	(41,389)	\$ <u>7,750</u>	\$ <u>7,750</u>
Fund balance, beginning			<u>49,139</u>		
Fund balance, ending			\$ <u>7,750</u>		

TOWN OF MONTREAT, NORTH CAROLINA

Culvert Project Special Revenue Fund Schedule of Revenues and Expenditures and Changes in Fund Balances - Budget and Actual From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Expenditures					
General Government	\$ 865	\$ 865	\$	\$ 865	\$
Transportation	38,935	38,410		38,410	525
Total expenditures	39,800	39,275		39,275	525
Revenues over (under) expenditures	(39,800)	(39,275)		(39,275)	525
Other financing sources (uses)					
Transfers from General Fund	39,800	39,800		39,800	
Net change in fund balance	\$	\$ 525		\$ 525	\$ 525
Fund balance, beginning			525		
Fund balance, ending			\$ 525		\$ 525

TOWN OF MONTREAT, NORTH CAROLINA

CARES Act Special Revenue Fund Schedule of Revenues and Expenditures and Changes in Fund Balances - Budget and Actual From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental	\$ 9,697	\$	3,420	\$ 3,420	\$ (6,277)
Expenditures					
Public safety	\$ 9,697	\$	5,136	\$ 5,136	\$ 4,561
Revenues over (under) expenditures			(1,716)	(1,716)	(1,716)
Other financing sources (uses)					
Transfers from General Fund			1,716	1,716	1,716
Net change in fund balance	\$	\$		\$	\$
Fund balance, beginning					
Fund balance, ending				\$	\$

TOWN OF MONTREAT, NORTH CAROLINA

Urban Forestry 2018 Special Revenue Fund
 Schedule of Revenues and Expenditures and Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental	\$ 7,397	\$ 6,131	\$	\$ 6,131	\$ (1,266)
Expenditures					
Environmental Projection:					
Salaries and employee benefits	5,433				5,433
Operating	2,317	841		841	1,476
Professional services	2,250				2,250
Total expenditures	10,000	841		841	9,159
Revenues over (under) expenditures	(2,603)	5,290		5,290	7,893
Other financing sources (uses)					
Transfers (to) from General Fund	2,603	(1,131)		(1,131)	(3,734)
Net change in fund balance	\$	\$ 4,159		\$ 4,159	\$ 4,159
Fund balance, beginning			4,159		
Fund balance, ending			\$ 4,159		

TOWN OF MONTREAT, NORTH CAROLINA

Urban Forestry 2019 Special Revenue Fund Schedule of Revenues and Expenditures and Changes in Fund Balances - Budget and Actual From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental	\$ (18,081)	\$	\$	\$	\$ 18,081
Expenditures					
Environmental Projection:					
Salaries and employee benefits	4,113	1,589		1,589	2,524
Operating	5,112	763		763	4,349
Professional services	889				889
Total expenditures	10,114	2,352		2,352	7,762
Revenues over (under) expenditures	(28,195)	(2,352)		(2,352)	25,843
Other financing sources (uses)					
Transfers (to) from General Fund	28,195	10,114		10,114	(18,081)
Net change in fund balance	\$	\$ 7,762		\$ 7,762	\$ 7,762
Fund balance, beginning			7,762		
Fund balance, ending			\$ 7,762		\$ 7,762

TOWN OF MONTREAT, NORTH CAROLINA

Landscape Special Revenue Fund Schedule of Revenues and Expenditures and Changes in Fund Balances - Budget and Actual From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental	\$ 1,475	\$ 1,475	\$	\$ 1,475	\$
Expenditures					
Culture and recreation:					
Operating	750	50	318	368	382
Revenues over (under) expenditures	725	1,425	(318)	1,107	382
Other financing sources (uses)					
Transfers (to) from General Fund	(725)	(725)		(725)	
Net change in fund balance	\$	\$ 700	(318)	\$ 382	\$ 382
Fund balance, beginning			700		
Fund balance, ending		-	\$ 382		

TOWN OF MONTREAT, NORTH CAROLINA

Water Fund Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP) For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Operating revenues:			
Charges for services	\$ 262,730	\$ 288,880	\$ 26,150
Other	<u>48,290</u>	<u>51,456</u>	<u>3,166</u>
Total operating revenues	311,020	340,336	29,316
Non-operating revenues:			
Investment earnings	<u>230</u>	<u>35</u>	<u>(195)</u>
Total revenues	<u>311,250</u>	<u>340,371</u>	<u>29,121</u>
Expenditures			
Operating expenditures:			
Salaries and related	69,009	67,739	1,270
Repairs and maintenance	45,332	13,517	31,815
Other operating expenditures	<u>114,112</u>	<u>100,305</u>	<u>13,807</u>
Total expenditures	<u>228,453</u>	<u>181,561</u>	<u>46,892</u>
Debt services:			
Principal retirement	68,322	68,322	
Interest and fees	<u>6,975</u>	<u>6,975</u>	
Total debt services	<u>75,297</u>	<u>75,297</u>	
Capital outlay	<u>7,500</u>	<u>7,500</u>	
Total expenditures	<u>311,250</u>	<u>264,358</u>	<u>46,892</u>
Revenues over (under) expenditures	<u>\$</u>	76,013	<u>\$ 76,013</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling items:			
Principal retirement		68,322	
Capital outlay		7,500	
Increase in deferred outflows of resources - pensions		7,446	
Increase in deferred inflows of resources - pensions		(1,158)	
Increase in net pension liability		(14,816)	
Depreciation		<u>(79,658)</u>	
Total reconciling items		<u>(12,364)</u>	
Change in net position		<u>\$ 63,649</u>	

OTHER SCHEDULES

TOWN OF MONTREAT, NORTH CAROLINA

Schedule of Ad Valorem Taxes Receivable June 30, 2021

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2020</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2021</u>
2020 - 2021	\$	\$ 1,078,912	\$ 1,077,802	\$ 1,110
2019 - 2020	1,436		1,436	
2018 - 2019	102		102	
2017 - 2018				
2016 - 2017				
2015 - 2016				
2014 - 2015				
2013 - 2014				
2012 - 2013				
2011 - 2012				
2010 - 2011				
	<u>\$ 1,538</u>	<u>\$ 1,078,912</u>	<u>\$ 1,079,340</u>	<u>1,110</u>
Ad valorem taxes receivable - net				<u>\$ 1,110</u>
<u>Reconciliation to revenues:</u>				
Ad valorem taxes - General Fund				\$ 1,079,524
Reconciling items:				
Interest collected				(1,835)
Prior years' collections				1,538
Taxes written off				<u>113</u>
Total tax collections and credits				<u>\$ 1,079,340</u>

TOWN OF MONTREAT, NORTH CAROLINA

Analysis of Current Tax Levy Town-Wide Levy June 30, 2021

	Town-Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current rate	\$ 321,011,771	0.43	\$ 1,091,712	\$ 1,066,502	\$ 25,210
Exemptions	(67,125,259)				
Discoveries	63,953		275	275	
Releases	(3,040,698)		(13,075)	(13,075)	
Total property valuation	<u>\$ 250,909,767</u>				
Net levy			1,078,912	1,053,702	25,210
Uncollected taxes at June 30, 2021			(1,110)	(1,105)	(5)
Current year's taxes collected			<u>\$ 1,077.802</u>	<u>\$ 1,052.597</u>	<u>\$ 25.205</u>
Current levy collection percentage			<u>99.90%</u>	<u>99.90%</u>	<u>99.98%</u>

STATISTICAL SECTION

TOWN OF MONTREAT, NORTH CAROLINA

Statistical Section

This part of the Town of Montreat's Annual Comprehensive Financial Report presents detailed and historical information as a context for understanding what the information in the financial statements, notes, and disclosures, and required supplementary information says about the Town's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends Information	72
These tables contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time	
Revenue Capacity Information	79
These tables contain information to help the reader assess the Town's most significant local revenue source, the property tax.	
Debt Capacity Information	83
These tables present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.	
Demographic and Economic Information	86
These tables offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.	
Operating Information	89
These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.	

Sources: unless otherwise noted, the information in these tables is derived from the financial reports for the relevant year.

TOWN OF MONTREAT, NORTH CAROLINA

Table 1

Net Position by Activity Governmental and Business-Type Functions

	<u>FYE 2021</u>	<u>FYE 2020</u>	<u>FYE 2019</u>	<u>FYE 2018</u>	<u>FYE 2017</u>	<u>FYE 2016</u>	<u>FYE 2015</u>	<u>FYE 2014</u>	<u>FYE 2013</u>	<u>FYE 2012</u>
Governmental Activities										
Net position:										
Net investment in										
capital assets	\$ 5,444,896	\$ 5,236,070	\$ 3,933,973	\$ 3,695,360	\$ 3,749,519	\$ 3,707,773	\$ 3,731,572	\$ 3,394,389	\$ 2,794,719	\$ 1,887,129
Restricted	239,171	212,689	405,906	390,961	330,586	294,400	267,742	255,216	249,671	269,501
Unrestricted	292,731	264,084	1,355,034	1,526,914	1,353,386	1,267,022	910,515	1,016,240	990,917	1,132,305
Subtotal, Governmental										
net position	<u>5,976,798</u>	<u>5,712,843</u>	<u>5,694,913</u>	<u>5,613,235</u>	<u>5,433,491</u>	<u>5,269,195</u>	<u>4,909,829</u>	<u>4,665,845</u>	<u>4,035,307</u>	<u>3,288,935</u>
Business-Type Activities										
Net position:										
Net investment in										
capital assets	1,084,229	1,082,388	1,070,467	1,038,682	1,032,219	1,020,541	1,180,864	1,036,410	982,912	959,327
Restricted	864,772	802,964	825,684	881,868	822,641	754,721	391,634	597,996	595,469	866,473
Unrestricted										
Subtotal, Business-Type										
net position	<u>1,949,001</u>	<u>1,885,352</u>	<u>1,896,151</u>	<u>1,920,550</u>	<u>1,854,860</u>	<u>1,775,262</u>	<u>1,572,498</u>	<u>1,634,406</u>	<u>1,578,381</u>	<u>1,825,800</u>
Total Primary Government										
Net position:										
Net investment in										
capital assets	6,529,125	6,318,458	5,004,440	4,734,042	4,781,738	4,728,314	4,912,436	4,430,799	3,777,631	2,846,456
Restricted	239,171	212,689	405,906	390,961	330,586	294,400	267,742	255,216	249,671	269,501
Unrestricted	1,157,503	1,067,048	2,180,718	2,408,782	2,176,027	2,021,743	1,302,149	1,614,236	1,586,386	1,998,778
Total net position	<u>\$ 7,925,799</u>	<u>\$ 7,598,195</u>	<u>\$ 7,591,064</u>	<u>\$ 7,533,785</u>	<u>\$ 7,288,351</u>	<u>\$ 7,044,457</u>	<u>\$ 6,482,327</u>	<u>\$ 6,300,251</u>	<u>\$ 5,613,688</u>	<u>\$ 5,114,735</u>

TOWN OF MONTREAT, NORTH CAROLINA

Table 2

	FYE 2021	FYE 2020	FYE 2019	FYE 2018	FYE 2017	FYE 2016	FYE 2015	FYE 2014	FYE 2013	FYE 2012
Change in Net Position										
Governmental Functions										
Revenues										
Program revenues:										
Charges for services:										
General government	\$ 54,549	\$ 92,100	\$ 99,068	\$ 88,002	\$ 89,095	\$ 86,153	\$ 79,484	\$ 102,254	\$ 94,897	\$ 39,701
Public safety	3,371	4,218	3,408	1,673	3,371	3,371	3,090	3,846	3,396	494
Environmental	10,507	10,491	7,516	5,109	6,521	14,472	447	388	325	40,195
Charges for services	68,427	106,809	109,992	94,784	98,987	103,996	83,021	106,488	98,618	134,045
Operating grants and contributions	257,147	48,479	262,302	152,413	147,450	164,985	135,379	108,380	105,034	385,151
Capital grants and contributions	2,705	2,600	79,504	2,787	3,694	155,346	36,977	360,088	584,932	
General revenues:										
Taxes:										
Property taxes	1,079,096	1,015,155	1,008,941	1,000,700	974,695	962,972	968,042	970,716	892,839	886,345
Sales taxes	457,847	412,785								
Other taxes and licenses	93,117	95,091	414,136	406,038	402,651	390,699	356,952	332,403	313,951	307,211
Gain on sale of assets	2,111	33,417	4,263	4,395	3,643	1,709	1,073	1,629	1,850	5,915
Investment earnings	487	1,582	2,212	5,453	6,115	2,116	10,362	194	20	15,931
Miscellaneous	3,022	54								
Total revenues	1,963,959	1,715,972	1,881,350	1,666,570	1,637,235	1,781,823	1,591,806	1,879,898	1,997,244	1,774,793
Expenses										
General government	539,937	563,874	552,607	337,182	604,294	479,543	551,016	347,272	403,785	411,493
Public safety	460,939	491,583	440,675	358,436	439,093	450,926	415,119	418,288	417,698	450,064
Transportation	505,964	511,804	549,008	473,469	380,618	362,962	107,255	214,513	137,836	338,622
Environmental protection	134,919	129,150	126,867	117,305	96,173	12,343	1,587	162,683	203,889	17,779
Cultural and recreation	26,657	43,774	17,685	26,265	20,419	116,083	109,206	60,993	102,532	96,161
Interest on long-term debt	31,588	34,037	2,021	3,278	6,221	600				
Total expenses	1,700,004	1,774,222	1,688,863	1,315,935	1,546,818	1,422,457	1,184,183	1,203,749	1,265,740	1,314,119
Increase (decrease) in net position before transfers and special items	263,955	(58,250)	192,487	350,635	90,417	359,366	407,623	676,149	731,504	460,674
Special item				(170,891)				(45,614)	14,868	66,827
Transfers										
Increase (decrease) in net position	\$ 263,955	\$ (58,250)	\$ 192,487	\$ 179,744	\$ 90,417	\$ 359,366	\$ 407,623	\$ 630,535	\$ 746,372	\$ 527,501

TOWN OF MONTREAT, NORTH CAROLINA

Table 3

Change in Net Position Business-Type Functions

	<u>FYE 2021</u>	<u>FYE 2020</u>	<u>FYE 2019</u>	<u>FYE 2018</u>	<u>FYE 2017</u>	<u>FYE 2016</u>	<u>FYE 2015</u>	<u>FYE 2014</u>	<u>FYE 2013</u>	<u>FYE 2012</u>
Revenues										
Program revenues:										
Charges for services:										
Water	\$ 340,336	\$ 325,553	\$ 346,654	\$ 333,751	\$ 351,697	\$ 450,882	\$ 320,392	\$ 346,006	\$ 281,712	\$ 270,153
Capital grants and contributions										
General revenues:										
Investment earnings	35	251	321	284	244	152	75	102	231	1,324
Miscellaneous				3,602						
Total revenues	<u>340,371</u>	<u>325,804</u>	<u>346,975</u>	<u>337,637</u>	<u>351,941</u>	<u>451,034</u>	<u>320,467</u>	<u>346,108</u>	<u>281,943</u>	<u>271,477</u>
Expenses										
Water	276,722	336,603	313,067	271,947	272,343	251,345	382,375	335,697	171,006	223,169
Total expenses	<u>276,722</u>	<u>336,603</u>	<u>313,067</u>	<u>271,947</u>	<u>272,343</u>	<u>251,345</u>	<u>382,375</u>	<u>335,697</u>	<u>171,006</u>	<u>223,169</u>
Increase (decrease) in net position before transfers	63,649	(10,799)	33,908	65,690	79,598	199,689	(61,908)	10,411	110,937	48,308
Transfers						3,075		45,614	(14,868)	(66,827)
Increase (decrease) in net position	<u>\$ 63,649</u>	<u>\$ (10,799)</u>	<u>\$ 33,908</u>	<u>\$ 65,690</u>	<u>\$ 79,598</u>	<u>\$ 202,764</u>	<u>\$ (61,908)</u>	<u>\$ 56,025</u>	<u>\$ 96,069</u>	<u>\$ (18,519)</u>

TOWN OF MONTREAT, NORTH CAROLINA

Table 4

		Change in Net Position									
		Total Primary Government									
		FYE 2021	FYE 2020	FYE 2019	FYE 2018	FYE 2017	FYE 2016	FYE 2015	FYE 2014	FYE 2013	FYE 2012
Revenues											
Program revenues:											
Charges for services:											
General government	\$	54,549	\$ 92,100	\$ 99,068	\$ 88,002	\$ 89,095	\$ 86,153	\$ 79,484	\$ 102,254	\$ 94,897	\$ 39,701
Public safety		3,371	4,218	3,408	1,673	3,371	3,371	3,090	3,846	3,396	494
Environmental protection		10,507	10,491	7,516	5,109	6,521	14,472	447	388	325	270,153
Water		340,336	325,553	346,654	333,751	351,697	450,882	320,392	346,006	281,712	310,348
Charges for services		408,763	432,362	456,646	428,535	450,684	554,878	403,413	452,494	380,330	
Operating grants and contributions		257,147	48,479	262,302	152,413	147,450	164,985	135,379	108,380	105,034	134,045
Capital grants and contributions		2,705	2,600	79,504	2,787	3,694	155,346	36,977	360,088	584,932	385,151
General revenues:											
Taxes:											
Property taxes		1,079,096	1,015,155	1,008,941	1,000,700	974,695	962,972	968,042	970,716	892,839	886,345
Sales taxes		457,847	412,785								
Other taxes and licenses		93,117	95,091	414,136	406,038	402,651	390,699	356,952	332,403	313,951	307,211
Gain on sale of assets		2,111	33,417								
Investment earnings		522	1,833	4,584	4,679	3,887	1,861	1,148	1,731	2,081	7,239
Miscellaneous		3,022	54	2,212	9,055	6,115	2,116	10,362	194	20	15,931
Total revenues		<u>2,304,330</u>	<u>2,041,776</u>	<u>2,228,325</u>	<u>2,004,207</u>	<u>1,989,176</u>	<u>2,232,857</u>	<u>1,912,273</u>	<u>2,226,006</u>	<u>2,279,187</u>	<u>2,046,270</u>
Expenses											
General government		539,937	563,874	552,607	337,182	604,294	479,543	551,016	347,272	403,785	411,493
Public safety		460,939	491,583	440,675	358,436	439,093	450,926	415,119	418,288	417,698	450,064
Transportation		505,964	511,804	549,008	473,469	380,618	362,962	107,255	214,513	137,836	338,622
Environmental protection		134,919	129,150	126,867	117,305	96,173	12,343	1,587	162,683	203,889	17,779
Cultural and recreation		26,657	43,774	17,685	26,265	20,419	116,083	109,206	60,993	102,532	96,161
Interest on long-term debt		31,588	34,037	2,021	3,278	6,221	600				
Water		276,722	336,603	313,067	271,947	272,343	251,345	382,375	335,697	171,006	223,169
Total expenses		<u>1,976,726</u>	<u>2,110,825</u>	<u>2,001,930</u>	<u>1,587,882</u>	<u>1,819,161</u>	<u>1,673,802</u>	<u>1,566,558</u>	<u>1,539,446</u>	<u>1,436,746</u>	<u>1,537,288</u>
Increase (decrease) in net position before transfers and special items											
Special item		327,604	(69,049)	226,395	416,325	170,015	559,055	345,715	686,560	842,441	508,982
Transfers					(170,891)		3,075				
Increase (decrease) in net position	\$	<u>327,604</u>	<u>(69,049)</u>	<u>226,395</u>	<u>245,434</u>	<u>170,015</u>	<u>562,130</u>	<u>345,715</u>	<u>686,560</u>	<u>842,441</u>	<u>508,982</u>

TOWN OF MONTREAT, NORTH CAROLINA

Table 5

Fund Balances / Net Position All Funds

	<u>FYE 2021</u>	<u>FYE 2020</u>	<u>FYE 2019</u>	<u>FYE 2018</u>	<u>FYE 2017</u>	<u>FYE 2016</u>	<u>FYE 2015</u>	<u>FYE 2014</u>	<u>FYE 2013</u>	<u>FYE 2012</u>
Governmental Activities										
Nonspendable	\$	\$	\$ 7,098	\$ 2,688	\$ 10,767	\$ 15,394	\$ 9,986	\$ 4,872	\$	\$
Restricted	239,171	212,689	1,400,012	390,961	330,586	294,400	267,742	255,216	249,671	269,501
Committed	170,349	83,400	299,712	389,655	34,983	34,932	34,710	30,193	26,854	52,675
Assigned		135,308		32,876	182,297	177,192	382,322	419,290	54,177	53,923
Unassigned	465,950	327,068	1,319,196	1,292,561	1,364,487	1,309,516	762,256	697,978	1,115,891	1,222,858
Total governmental funds	875,470	758,465	3,026,018	2,108,741	1,923,120	1,831,434	1,457,016	1,407,549	1,446,593	1,598,957
Reconcile to net position	5,101,328	4,954,378	2,668,895	3,504,494	3,510,371	3,437,761	3,452,813	3,258,293	2,588,714	1,689,978
Governmental net position	<u>\$ 5,976,798</u>	<u>\$ 5,712,843</u>	<u>\$ 5,694,913</u>	<u>\$ 5,613,235</u>	<u>\$ 5,433,491</u>	<u>\$ 5,269,195</u>	<u>\$ 4,909,829</u>	<u>\$ 4,665,842</u>	<u>\$ 4,035,307</u>	<u>\$ 3,288,935</u>
Business-Type Activities										
Unrestricted	\$ 864,772	\$ 802,964	\$ 825,684	\$ 881,868	\$ 822,641	\$ 754,721	\$ 391,634	\$ 597,996	\$ 595,469	\$ 522,985
Total water fund balance	864,772	802,964	825,684	881,868	822,641	754,721	391,634	597,996	595,469	522,985
Net investment in capital assets	1,084,229	1,082,388	1,070,467	1,038,682	1,032,219	1,020,541	1,180,864	1,036,410	982,912	959,327
Business-type net position	<u>\$ 1,949,001</u>	<u>\$ 1,885,352</u>	<u>\$ 1,896,151</u>	<u>\$ 1,920,550</u>	<u>\$ 1,854,860</u>	<u>\$ 1,775,262</u>	<u>\$ 1,572,498</u>	<u>\$ 1,634,406</u>	<u>\$ 1,578,381</u>	<u>\$ 1,482,312</u>

TOWN OF MONTREAT, NORTH CAROLINA

Table 6

Changes in Fund Balance General Fund

	FYE 2021	FYE 2020	FYE 2019	FYE 2018	FYE 2017	FYE 2016	FYE 2015	FYE 2014	FYE 2013	FYE 2012
Revenues										
Ad valorem taxes	\$ 1,079,524	\$ 1,013,719	\$ 1,008,840	\$ 1,000,700	\$ 974,703	\$ 966,124	\$ 968,685	\$ 973,858	\$ 895,333	\$ 879,659
Other taxes and licenses	457,847	412,785	414,136	406,038	402,651	390,699	356,952	332,403	313,951	307,211
Unrestricted intergovernmental revenues	93,117	95,091	99,793	93,385	94,995	98,336	86,869	59,392	41,756	55,856
Restricted intergovernmental revenues	242,986	42,053	41,699	46,875	47,438	205,259	76,307	300,024	97,902	49,160
Permits and fees	68,427	106,809	99,068	88,002	89,095	86,153	79,467	102,255	94,898	36,003
Sales and services			127,908	18,935	14,909	29,879	12,158	13,784	28,129	43,518
Investment earnings	486	1,550	4,257	4,395	3,643	1,709	1,073	1,629	1,850	5,915
Miscellaneous	14,081	2,700	5,141	8,240	9,809	6,816	10,939	1,396	2,020	21,772
Total revenues	<u>1,956,468</u>	<u>1,674,707</u>	<u>1,800,842</u>	<u>1,666,570</u>	<u>1,637,243</u>	<u>1,784,975</u>	<u>1,592,450</u>	<u>1,784,741</u>	<u>1,475,839</u>	<u>1,399,094</u>
Expenditures										
General government	517,869	553,453	451,845	363,348	409,101	479,832	560,520	652,473	393,828	391,258
Public safety	432,316	454,198	428,067	397,494	449,767	434,507	432,969	390,135	468,435	424,235
Transportation	374,265	774,971	658,186	389,954	486,518	576,811	452,875	478,599	477,526	750,075
Environmental protection	119,678	112,602	109,040	104,362	158,977	103,308	96,431	95,994	101,260	96,161
Cultural and recreation	14,584	31,701	2,633	13,490	7,644	10,945	188	160,970	202,022	16,177
Debt service:										
Principal	16,200	16,200	23,061	29,677	29,308	6,429				
Interest	2,095	2,437	517	3,505	4,242	600				
Total expenditures	<u>1,477,007</u>	<u>1,945,562</u>	<u>1,673,349</u>	<u>1,301,830</u>	<u>1,545,557</u>	<u>1,612,432</u>	<u>1,542,983</u>	<u>1,778,171</u>	<u>1,643,071</u>	<u>1,677,906</u>
Other financing sources										
Transfers from Water Fund									66,000	82,100
Transfers to Water Fund								(45,614)	(51,132)	(15,273)
Transfers to Capital Funds	(451,516)	(970,887)	(138,038)	(525,000)						
Sale of capital assets	2,111	145,917								
Debt/installment purchase obligations issued						201,875				
Total other financing sources (uses)	<u>(449,405)</u>	<u>(824,970)</u>	<u>(138,038)</u>	<u>(525,000)</u>		<u>201,875</u>		<u>(45,614)</u>	<u>14,868</u>	<u>66,827</u>
Net change in fund balance	30,056	(1,095,825)	(10,545)	(160,260)	91,686	374,418	49,467	(39,044)	(152,364)	(211,985)
Prior period adjustment		38,690								(3)
Fund balance, beginning	695,180	1,791,005	1,762,860	1,923,120	1,831,434	1,457,016	1,407,549	1,446,593	1,598,957	1,810,945
Fund balance, ending	<u>\$ 725,236</u>	<u>\$ 695,180</u>	<u>\$ 1,752,315</u>	<u>\$ 1,762,860</u>	<u>\$ 1,923,120</u>	<u>\$ 1,831,434</u>	<u>\$ 1,457,016</u>	<u>\$ 1,407,549</u>	<u>\$ 1,446,593</u>	<u>\$ 1,598,957</u>

TOWN OF MONTREAT, NORTH CAROLINA

Table 7

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

Fiscal Year Ended June 30	General Government	Public Safety	Transportation	Environmental Protection	Cultural and Recreation	Interest on Long-term Debt	Total
2021	\$ 539,937	\$ 460,939	\$ 505,964	\$ 134,919	\$ 26,657	\$ 31,588	\$ 1,700,004
2020	563,874	491,583	511,804	129,150	43,774	34,037	1,774,222
2019	552,607	440,675	549,008	126,867	17,685	2,021	1,688,863
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

TOWN OF MONTREAT, NORTH CAROLINA

Table 8

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

Fiscal Year Ended June 30	Ad Valorem Taxes	Other Taxes and Licenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Investment Earnings	Miscellaneous	Total
	\$	\$	\$	\$	\$	\$	\$	\$
2021	1,079,096	550,964	68,427	257,147	2,705	487	5,133	1,963,959
2020	1,015,155	507,879	106,806	48,479	2,600	1,582	33,471	1,715,975
2019	1,008,941	414,136	109,992	262,302	79,504	4,263	2,212	1,881,350
2018	1,000,700	406,038	94,784	152,413	2,787	4,395	5,453	1,666,570
2017	974,695	402,651	98,987	147,450	3,694	3,643	6,115	1,637,235
2016	962,972	390,699	103,996	164,985	155,346	1,709	2,116	1,781,823
2015	968,042	356,952	83,021	135,379	36,977	1,073	10,362	1,591,806
2014	970,716	332,403	106,488	108,380	360,088	1,629	194	1,879,898
2013	892,839	313,951	98,618	105,034	584,932	1,850	20	1,997,244
2012	886,345	307,211	40,195	134,045	385,151	5,915	15,931	1,774,793

TOWN OF MONTREAT, NORTH CAROLINA

Table 9

Property Tax Levies and Collections General Fund

Fiscal Year Ended June 30	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Collections, Credits and Write-offs	Total Tax Collections	Ratio of Total Tax Collections to Tax Levy	Total Direct Tax Rate
2021	\$ 1,078,912	\$ 1,077,082	99.90%	\$ 2,258	\$ 1,079,340	100.04%	0.43
2020	1,014,714	1,013,278	99.86%		1,013,278	99.86%	0.41
2019	1,037,530	1,037,428	99.99%	1	1,037,429	100.00%	0.41
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

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

TOWN OF MONTREAT, NORTH CAROLINA

Table 10

Assessed Value of Taxable Property

Fiscal Year Ended June 30	TR-2 Calendar Tax Year	Real Property	Personal Property	Public Service Company Property	Total Assessed Value
2021	2020	\$ 242,828,141	\$ 566,967	\$ 1,464,981	\$ 244,860,089
2020	2019	245,114,091	593,736	1,682,253	247,390,080
2019	2018	251,082,413	700,741	1,272,944	253,056,098
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

TOWN OF MONTREAT, NORTH CAROLINA

Table 11

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

Fiscal Year Ended June 30	Town of Montreat	East Buncombe Fire District	Buncombe County	Total Tax Rate
2021	0.4300	0.1200	.05290	1.0790
2020	0.4100	0.1200	0.5290	1.0590
2019	0.4100	0.1200	0.5290	1.0590
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

Source: Buncombe County Tax Department

TOWN OF MONTREAT, NORTH CAROLINA

Table 12

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

Fiscal Year Ended June 30	Ratio of Net General		Ratio of Net General		Population	Net General Obligation Bonded Debt per Capita
	Assessed Value	General Obligation Bonded Debt	Bonded Debt to Assessed Value	Bonded Debt to Assessed Value		
2021	\$ 244,860,089	-	0.00%	0.00%	868	0.00%
2020	247,390,080	-	0.00%	0.00%	870	0.00%
2019	253,056,098	-	0.00%	0.00%	903	0.00%
2018	252,809,756	-	0.00%	0.00%	868	0.00%
2017	245,656,098	-	0.00%	0.00%	798	0.00%
2016	234,621,463	-	0.00%	0.00%	792	0.00%
2015	232,498,653	-	0.00%	0.00%	728	0.00%
2014	232,436,268	-	0.00%	0.00%	704	0.00%
2013	237,989,600	-	0.00%	0.00%	690	0.00%
2012	234,776,027	-	0.00%	0.00%	688	0.00%

TOWN OF MONTREAT, NORTH CAROLINA

Table 13

Computation of Legal Debt Margin June 30, 2021

Assesed value of taxable property	\$ 244,860,089
Multiplied by 8% of assessed value	<u>0.08</u>
Debt limit	<u>19,588,807</u>
Gross debt:	
Bonds payable	6,000
Installment purchases	<u>1,289,470</u>
Gross debt	<u>1,295,470</u>
Less: Water Fund debts	<u>347,803</u>
Total amount of debt applicable to debt limit	<u>947,667</u>
Legal debt margin	<u>\$ 18,641,140</u>

Note: Bonds payable are Water Fund, not general obligation.

TOWN OF MONTREAT, NORTH CAROLINA

Table 14

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 of Debt Service to Total General Governmental Expenditures
2021	\$ -	\$ -	\$ -	\$ 1,700,004	0.00%
2020	-	-	-	1,774,222	0.00%
2019	-	-	-	1,688,863	0.00%
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%

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

TOWN OF MONTREAT, NORTH CAROLINA

Table 15

Demographic Statistics

Fiscal Year Ended June 30	Population	Per Capita Income	Median Age	School Enrollment	Unemployment Rate % (June)*
2021	868	N/A	N/A	18	4.9
2020	870	N/A	N/A	18	8.0
2019	903	N/A	N/A	18	3.2
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

N/A = Data not available

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

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

TOWN OF MONTREAT, NORTH CAROLINA

Table 16

Ten Largest Tax Payers
June 30, 2021

<u>Taxpayer</u>	<u>Classification</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
<u>2021</u>			
MOUNTAIN RETREAT ASSOCIATION	Institutional	\$ 2,208,472	0.78%
BURNS, WADE F	Residential	1,485,800	0.52%
CLARK, JACQUELINE F	Residential	1,403,700	0.50%
SHORTIDGE, KENNETH W JR	Residential	1,217,400	0.43%
SCHEU, WILLIAM E REVOCABLE TRUES	Residential	1,178,900	0.42%
GREGORY, H SCOTT	Residential	1,168,000	0.41%
BES-LU LLC	Residential	1,136,400	0.40%
MCCASKILL, WM C	Residential	1,121,030	0.38%
MANDEVILLE LLC	Residential	1,089,100	0.38%
EVANS, E CRAIG	Residential	1,080,600	0.38%
<u>2020</u>			
MOUNTAIN RETREAT ASSOCIATION	Institutional	\$ 2,558,924	1.03%
NEALE, HENRY W & MARGARET C	Residential	1,772,800	0.72%
LEGERTON, CLARENCE W	Residential	1,194,100	0.48%
CLARK, JACQUELINE F	Residential	1,168,200	0.47%
SCHEU, WILLIAM E	Residential	1,068,500	0.43%
BURRISS, FRANCIS M	Residential	1,054,900	0.43%
SHORTIDGE, KENNETH W JR	Residential	1,023,000	0.41%
HANNAH, WALTER W	Residential	979,000	0.40%
MCCASKILL, WM C	Residential	968,400	0.39%
COLLIE, MICHAEL R	Residential	950,900	0.38%
<u>2019</u>			
MOUNTAIN RETREAT ASSOCIATION	Institutional	\$ 2,669,270	1.05%
NEALE, HENRY W & MARGARET C	Residential	1,825,984	0.72%
SCHEU, WILLIAM E	Residential	1,204,791	0.48%
CLARK, JACQUELINE F	Residential	1,203,246	0.48%
SLOOP GROUP, LLC	Residential	1,120,228	0.44%
HANNAH, WALTER W	Residential	1,008,370	0.40%
MCCASKILL, WM C	Residential	1,003,869	0.38%
SHORTIDGE, KENNETH W JR	Residential	952,441	0.34%
TOPPLE, STANLEY C	Residential	871,895	0.32%
BURRISS, FRANCIS M	Residential	816,739	0.32%

Note: Comparative data from ten years ago is not available.

Source: Buncombe County Tax Department.

TOWN OF MONTREAT, NORTH CAROLINA

Table 17

Largest Employers June 30, 2021

Montreat is a predominately 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:

<u>Year</u>	<u>Montreat College</u>	<u>Montreat Conference Center</u>	<u>Town of Montreat</u>	<u>Total</u>
2021	200	59	13	272
2020	131	50	15	196
2019	129	67	13	209
2018	128	60	13	201
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

Source: Montreat College, Montreat Conference Center.

TOWN OF MONTREAT, NORTH CAROLINA

Table 18

Miscellaneous Statistics June 30, 2021

Date of establishment	1967
Form of Government	Mayor-Council
Employees:	
Full-time permanent	13
Vacancies	0
Other (police reserve)	7
Area	2.78 sq. miles
<u>Town Facilities and Services:</u>	
Miles of streets	15.6
Number of street lights	0
Police Protection:	
Number of full-time officers	5
Number of reserve officers	7
Inspections:	
Building permits issued	99
Water Service:	
Number of customers	676
Average daily consumption	100,320 gal
Miles of water mains	18
Number of wells	11
<u>Facilities and Services Provided by Other Entities:</u>	
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	

Resolution No.: 22-08-0001

Date Adopted:

**RESOLUTION AFFIRMING THE TOWN OF MONTREAT COUNCIL'S SUPPORT
REGARDING IMPLEMENTATION OF A COMPLIANT NPDES MS4 STORMWATER PROGRAM**

A RESOLUTION to develop and implement a compliant stormwater management program that meets the requirements of the TOWN OF MONTREAT National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm Sewer System (MS4) Permit number NCS000430 to discharge stormwater, inclusive of the required Stormwater Management Plan to be prepared by the TOWN OF MONTREAT and approved by the North Carolina Department of Environmental Quality.

WHEREAS, Section 402(p) of the federal Clean Water Act requires NPDES permits for stormwater discharges from municipal separate storm sewer systems; and

WHEREAS, in North Carolina, NPDES Permits are issued by the North Carolina Department of Environmental Quality; and

WHEREAS, the North Carolina Department of Environmental Quality issued the TOWN OF MONTREAT its NPDES MS4 Permit for discharge of stormwater on February 20, 2017; and

WHEREAS, the TOWN OF MONTREAT was issued Notice of Violation number NOV-2022-PC-0352 on June 27, 2022 for noncompliance with the issued NPDES MS4 Permit; and

WHEREAS, the TOWN OF MONTREAT acknowledges the specific Notice of Violation requirement to obtain a new individual NPDES MS4 Permit; and

WHEREAS, the TOWN OF MONTREAT acknowledges the specific Notice of Violation requirement to conduct a self-audit of permit compliance for the balance of permit requirements not specifically audited by the North Carolina Department of Environmental Quality, and to develop a draft Stormwater Management Plan to comply with Section 402(p)(3)(B)(iii) of the Clean Water Act, 40 CFR 122.34(b) and NPDES MS4 Permit requirements, and to submit its draft Stormwater Management Plan to the North Carolina Department of Environmental Quality no later than **October 25, 2022** for review and approval; and

WHEREAS, the TOWN OF MONTREAT acknowledges the specific Notice of Violation requirement to adopt a Council Resolution to implement a compliant and enforceable stormwater management program as defined by both the NPDES MS4 Permit number NCS000430 and the required new Stormwater Management Plan, and said resolution is to be submitted to the North Carolina Department of Environmental Quality no later than **August 26, 2022**; and

WHEREAS, the TOWN OF MONTREAT acknowledges the requirement to provide adequate funding and staffing to implement a Stormwater Management Program that complies with its NPDES MS4 Permit and approved Stormwater Management Plan; and

WHEREAS, the TOWN OF MONTREAT acknowledges that North Carolina Department of Environmental Quality enforcement action and penalties could result from non-compliance with the specific requirements in Notice of Violation number NOV-2022-PC-0352 and

WHEREAS, the TOWN OF MONTREAT acknowledges that any North Carolina Department of Environmental Quality enforcement action and penalties may not prohibit the U.S. Environmental Protection Agency from taking its own enforcement action for non-compliance with the issued NPDES MS4 Permit.

NOW, THEREFORE, BE IT RESOLVED that the Council of the TOWN OF MONTREAT hereby affirms its support for development and implementation of a compliant NPDES MS4 Stormwater Program.

Timothy R. Helms, Mayor

Ben Blackburn, Town Administrator
(Interim)

Barry Creasman, Stormwater Program
Administrator (Public Works Director)

Angela Murphy, Town Clerk

ADOPTED BY the City Council of the TOWN OF MONTREAT, North Carolina the ____ day of _____, 2022 and signed in authentication thereof the ____ day of _____, 2022.



TOWN OF MONTREAT

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

RESOLUTION OF INTENT TO CLOSE A PUBLIC STREET (PORTION)

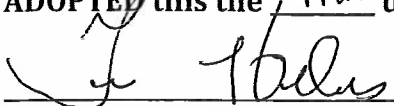
WHEREAS, a petition has been filed, pursuant to NCGS 160A-299, requesting the Town of Montreat Board of Commissioners to close and remove from dedication a portion of the following described street in the Town of Montreat:

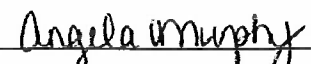
BEGINNING at a No. 5 rebar set in the southern edge of the right-of-way of North Carolina Terrace, said rebar marking the northwest corner of that Tract "B" shown on that plat recorded in Plat Book 97 at Page 46, Buncombe County Registry; thence with the southern edge of said right-of-way North 58 degrees 07' 40" East 129.82 feet to northeast corner of the aforesaid Tract "B"; thence continuing with the southern edge of said right-of-way North 69 degrees 49' 18" East 112.69 feet to a one inch iron pin set in the northeast corner of the property described in Book 6023 at Page 1643, Buncombe County Registry; thence leaving the southern edge of the aforesaid right-of-way and running South 80 degrees 54' 55" West 106.86 feet to a point; thence South 50 degrees 40' 01" West 142.86 to the BEGINNING, being approximately 0.0842 acres (2,363 square feet).

WHEREAS, a map of the proposed street closure (portion) is available for public inspection with the Town Clerk at Town of Montreat Town Hall;

NOW, THEREFORE, BE IT RESOLVED, that it is the intent of this Board to consider the closing of said street (portion) to the public use, and that a Public Hearing on this question will be held on the 11th day of August, 2022, at 7:00 p.m. in the Town Hall of the Town of Montreat, North Carolina, at which time the Board of Commissioners will hear all interested persons and make a final determination as to whether a portion of North Carolina Terrace shall be closed and removed from dedication.

ADOPTED this the 14th day of July, 2022.


Tim Helms, Mayor


Angela Murphy, Town Clerk

KIRKLAND JONES INVESTMENTS, LLC
PO Box 1639
Thomasville, Georgia 31799

PETITION TO THE TOWN OF MONTREAT TO
CLOSE A PORTION OF NORTH CAROLINA TERRACE

Now comes Harry Jones in his capacity as manager of Kirkland Jones Investments, LLC, petitioning the Town of Montreat to close a portion of North Carolina Terrace described as follows:

LYING AND BEING in the Town of Montreat, Black Mountain Township, Buncombe County, North Carolina:

BEGINNING at a No.5 rebar set in the southern edge of the right of way of North Carolina Terrace, said rebar marking the northwest corner of that Tract "B" shown on that plat recorded in Plat Book 97 at Page 46, Buncombe County Registry; thence with the southern edge of said right of way North 58° 07' 40" East 129.82 feet to northeast corner of the aforesaid Tract B"; thence continuing with the southern edge of said right of way North 69° 49' 18" East 112.69 feet to a one inch iron pin set in the northeast corner of the property described in Book 6023 at Page 1643, Buncombe County Registry; thence leaving the southern edge of the aforesaid right of way and running South 80° 54' 55" West 106.86 feet to a point; thence South 50° 40' 01" West 142.86 to the BEGINNING, being approximately 0.0842 acres (2,363 square feet).

The described portion of North Carolina Terrace is a strip along the south edge of North Carolina Terrace beginning and ending at points in the southern edge of North Carolina Terrace and being 22 feet wide near its center, adjoining those parcels shown on the tax maps of Buncombe County, North Carolina, as PIN Numbers 0710-86-9650-00000 and 0710-86-8546-00000, both of said parcels being owned by the petitioner.

A copy of a survey of the adjoining properties with the area of the proposed street closing outlined in red is attached.

In support of this petition, the undersigned does state that the remains of a house that for many years occupied a portion of the property described above, and the petitioner hopes to build back in the same location and to salvage some of the architectural features of the old house.

The right of way for North Carolina Terrace is unusually wide for town streets at the location where this partial closing is requested, and there will be more than sufficient space for the street known as North Carolina Terrace after the requested portion is closed, and the geographic characteristics of this area of Montreat will limit the need for any significant widening of North Carolina Terrace in the future.

The configuration of the proposed area to be closed was selected so that the southern edge of the right of way of North Carolina Terrace will be approximately parallel to northern edge of the right of way.

To the knowledge of the undersigned, there are no utilities within the described area that street closing will endanger, and if there are, the future plans for the property will not include the construction in the described area other than where the old house footprint exists, as shown on the attached survey.

Date: _____

Respectfully submitted,

Harry Jones
Manager of Kirkland Jones Investments, LLC

Ben Blackburn

From: Harry T Jones <harryt@cultivatingimpact.biz>
Sent: Thursday, July 7, 2022 11:10 AM
To: Zoning
Cc: Ben Blackburn; Tim Helms
Subject: 304 NC Terrace, petition, survey, area of closure
Attachments: Kirkland Jones survey-closure area outlined.pdf; Full area of closure.pdf; Petition to close street.pdf

Mr. Adams

Here is the petition for 304 NC Terrace along with survey and measurement of area requested to close.

Additionally, here is an email of today from Ron Sneed to surveyor so all are in the loop.

Our goal is to eliminate this eyesore from our community by removing most of the structure.

I plan to be in Montreat next Thursday July 14th if you need me to appear before the Town Council.

Thanks, htj

Harry,

I have asked Don at High Country to prepare a survey to show the new property line and distance from the house to the new line that is yet to be established. He will provide a preliminary before the town council has its final hearing on the street closure, and submit it for recording as a recombination plat if the town approves the street closing. Once the new line is legally established, the setback variance can be pursued.

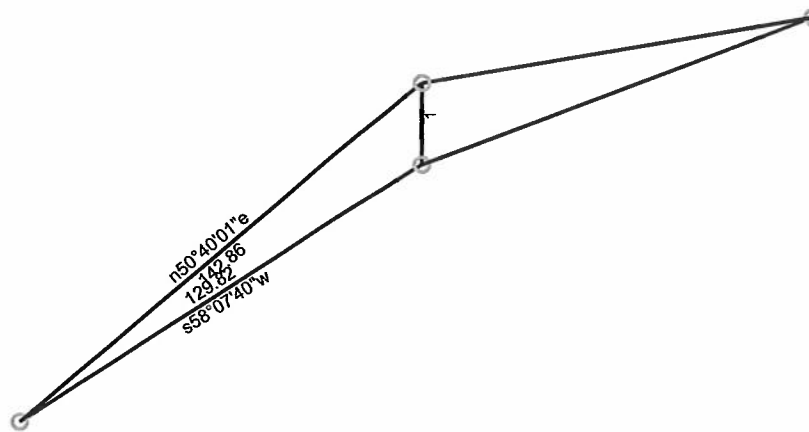
Ronald E. Sneed
Attorney at Law
P.O. Box 995
104 Church Street
Black Mountain, NC 28711

828/669-7953 phone
828/669-4322
ron@sneedlaw.com

Harry T Jones
<https://cultivatingimpact.biz/>

harryt@cultivatingimpact.biz
229-224-5281
Every Business Has An Impact, What's Yours?





7/6/2022

Scale: 1 inch= 50 feet

File: Combined parts of closure area.ndp

Tract 1: 0.0276 Acres (1204 Sq. Feet), Closure: n00.0000e 0.00 ft. (1/122453), Perimeter=295 ft.
Tract 2: 0.0266 Acres (1159 Sq. Feet), Closure: n00.0000e 0.00 ft. (1/60903), Perimeter=242 ft.

01 s00.3904w 22
02 s58.0740w 129.82
03 n50.4001e 142.86
04 @0
05 s00.3904w 22
06 n69.4918e 112.69
07 s80.5455w 106.86

215 ALABAMA TERRACE LLC	4707 CARTER HILL DR	COLUMBIA	SC	29206
MCNAIR JAMES A;MCNAIR MARION H	PO BOX 595	MONTREAT	NC	28757
WINDY RIDGE FARMS LLLP	PO BOX 1866	THOMASVILLE	GA	31799
CRAVEN JOHN W;CRAVEN ANN M	200 TABERNACLE RD UNIT L208	BLACK MTN	NC	28711
FITZHUGH M. LEGERTON REVOCABLE TRUST, U/A/D FEBRUARY 12, 2016	200 TABERNACLE RD UNIT D58	BLACK MTN	NC	28711
STONE WILLIAM H;STONE ANNE ELIZABETH L	PO BOX 1002	MONTREAT	NC	28757
SKINNER DAVID B;SKINNER ALEXANDRIA B	6111 SHAKESPEARE RD	COLUMBIA	SC	29223
STEWART JOHN CALVIN JR;STEWART LAURA MAULDIN	36 CHAPIN CIR	MYRTLE BEACH	SC	29572
ATKINSON LAEL	PO BOX 513	MONTREAT	NC	28757
MILLER DAISY;BAUER MARGARET	4707 CARTER HILL DR	COLUMBIA	SC	29206
HISSAM ELEANOR J	PO BOX 911	MONTREAT	NC	28757
EVANS HELEN HUGHES;SORSCHER ERIC JAY	1210 FAIRVIEW RD NE	ATLANTA	GA	30306
DOUGLAS ELIZABETH;DOUGLAS FRED	PO BOX 52	MONTREAT	NC	28757
KIRKLAND JONES INVESTMENTS LLC	PO BOX 1604	THOMASVILLE	GA	31799
MILLER-JETER MONTREAT, LLC	173 ALEXANDER CIR	COLUMBIA	SC	29206
ELIZABETH MILLER HARTMAN (ETAL) MIXSON MILLER)ETAL)	3505 PINE RIDGE RD	MOUNTAIN BRK	AL	35213
MOUNTAIN RETREAT ASSOC	PO BOX 969	MONTREAT	NC	28757
SALLY A EADS ET AL	5100 SHARON RD UNIT 104B	CHARLOTTE	NC	28210
KIRKLAND JONES INVESTMENTS LLC	PO BOX 1604	THOMASVILLE	GA	31799
RANSFORD FAMILY LLC	1200 SALEM DR	CHARLOTTE	NC	28209
BLACK KAITLIN;HOLBY CHAD	43 CROWDER RD	LEICESTER	NC	28748
GLENBURNIE LLC	PO BOX 141	DAVIDSON	NC	28036
DUDLEY WM E;LAKE JULIA	42 OLIVER CT	SIGNAL MTN	TN	37377
DAVIS MARY FORD DENNIS	6588 WILLOWBRIDGE DR	FAIRHOPE	AL	36532
ANNA D CANNON ET AL	PO BOX 566	MONTREAT	NC	28757
CANNON DAVID MARSHALL;COCHRAN GRISSSELLE LEBRON	2165 VAN BUREN ST APT 1102	HOLLYWOOD	FL	33020
HERBERT L RICHEY III (LE) JENNIFER RICHEY (LE) & ETAL	PO BOX 123	MONTREAT	NC	28757
ALEXANDER EMMIE HAY	5617 FAIRVIEW RD APT 12	CHARLOTTE	NC	28209
RICHEY JOSEPH PERRIN;RICHEY MARY ROBIN	4902 LOS ALAMITOS DR	MIDLAND	TX	79705
PHILLIPS ROBERT D JR;PHILLIPS JAMES DICKSON	529 CASWELL RD	CHAPEL HILL	NC	27514
MCCARLEY PROPERTIES LLC	4305 WALLACE LN	NASHVILLE	TN	37215

MOUNTAIN RETREAT ASSOC	PO BOX 969	MONTREAT	NC	28757
MOUNTAIN RETREAT ASSOC	PO BOX 969	MONTREAT	NC	28757

MILLER DAISY;BAUER MARGARET	NORTH CAROLINA	4707 CARTER HILL DR	COLUMBIA	SC	29206
HISSAM ELEANOR J	NISBETT	PO BOX 911	MONTREAT	NC	28757
EVANS HELEN HUGHES;SORSCHER ERIC JAY	ALABAMA	1210 FAIRVIEW RD NE	ATLANTA	GA	30306
DOUGLAS ELIZABETH;DOUGLAS FRED	ALABAMA	PO BOX 52	MONTREAT	NC	28757
KIRKLAND JONES INVESTMENTS LLC	NORTH CAROLINA	PO BOX 1604	THOMASVILLE	GA	31799
MILLER-JETER MONTREAT, LLC	WEST VIRGINIA	173 ALEXANDER CIR	COLUMBIA	SC	29206
ELIZABETH MILLER HARTMAN (ETAL) MIXSON MILLER)ETAL)	NORTH CAROLINA	3505 PINE RIDGE RD	MOUNTAIN BRK	AL	35213
SALLY A EADS ET AL	GEORGIA	5100 SHARON RD UNIT 104B	CHARLOTTE	NC	28210
KIRKLAND JONES INVESTMENTS LLC	NORTH CAROLINA	PO BOX 1604	THOMASVILLE	GA	31799
RANSFORD FAMILY LLC	NORTH CAROLINA	1200 SALEM DR	CHARLOTTE	NC	28209
BLACK KAITLIN;HOLBY CHAD	WEST VIRGINIA	43 CROWDER RD	LEICESTER	NC	28748
GLENBURNIE LLC	GEORGIA	PO BOX 141	DAVIDSON	NC	28036
DUDLEY WM E;LAKE JULIA	NORTH CAROLINA	42 OLIVER CT	SIGNAL MTN	TN	37377
DAVIS MARY FORD DENNIS	NORTH CAROLINA	6588 WILLOWBRIDGE DR	FAIRHOPE	AL	36532
ANNA D CANNON ET AL	GEORGIA	PO BOX 566	MONTREAT	NC	28757
CANNON DAVID MARSHALL;COCHRAN GRISSELLE LEBRON	GEORGIA	2165 VAN BUREN ST APT 1102	HOLLYWOOD	FL	33020
HERBERT L RICHEY III (LE) JENNIFER RICHEY (LE) & ETAL	GEORGIA	PO BOX 123	MONTREAT	NC	28757
ALEXANDER EMMIE HAY	GEORGIA	5617 FAIRVIEW RD APT 12	CHARLOTTE	NC	28209
RICHEY JOSEPH PERRIN;RICHEY MARY ROBIN	NORTH CAROLINA	4902 LOS ALAMITOS DR	MIDLAND	TX	79705
PHILLIPS ROBERT D JR;PHILLIPS JAMES DICKSON	NORTH CAROLINA	529 CASWELL RD	CHAPEL HILL	NC	27514
MCCARLEY PROPERTIES LLC	NORTH CAROLINA	4305 WALLACE LN	NASHVILLE	TN	37215
BROADFOOT HOLLIS	NORTH CAROLINA	214 DEVANE ST	FAYETTEVILLE	NC	28305
BROADFOOT HAL W. JR.	NORTH CAROLINA	2601 WESTCHESTER DR	FAYETTEVILLE	NC	28303
STEWART DANIEL C	GEORGIA	41 OPOSSUM PATH	BREVARD	NC	28712

HARRY T JONES III (ETAL)	NORTH CAROLINA	PO BOX 1604	THOMASVILLE	GA	31799
FRITH SISTERS LLC	NORTH CAROLINA	115 RAYMOND AVE	CHARLOTTESVLE	VA	22903
MOUNTAIN RETREAT ASSOC	COLLEGIATE	PO BOX 969	MONTREAT	NC	28757
MOUNTAIN RETREAT ASSOC	ASSEMBLY	PO BOX 969	MONTREAT	NC	28757

Notice of Hearing

The Town of Montreat Board of Commissioners will hold a Public Hearing as follows:

August 11, 2022 at 7:00 p.m. at Montreat Town Hall,
1210 Montreat Rd., Black Mountain, NC 28711. The meeting will also
be available via Zoom: <https://us02web.zoom.us/j/87450311110>

The purpose of this hearing is to consider a request to close a portion of public right-of-way on North Carolina Terrace (as show on site plan). The Applicant is requesting this partial closure in order to possibly rebuild a historic home entirely on private property. The current house footprint straddles private and public (right-of-way) property.

The subject properties are zoned R-2 Medium-Density Residential and further described as 304 North Carolina Terrace, PIN# 071086965000000 (proposed building site), and 300 North Carolina Terrace, PIN# 071086854600000 (existing home under construction). Both properties are owned by the same owner, Kirkland Jones Investments, LLC.

Ben Blackburn

From: Harry T Jones <harryt@cultivatingimpact.biz>
Sent: Monday, July 25, 2022 9:51 PM
To: Ben Blackburn
Subject: 304 nc terrace measurements for ROW closure request
Attachments: ROWhearingZoomedandLabeled072522.png; KJI 071222 304 NCT survey 2022-158 Preliminary.pdf; img20220720_20383622.pdf; Montreat GIS map NC Terrace area 071722_aggs_467219fabd6542a28347cbde59f995f0.pdf

Mr. Blackburn

Thanks for suggesting that we measure the area from edge of roadway to proposed ROW line and also across the street at 305 NC Terrace. Attached is a diagram showing the measurements 'ROW Hearing..'

The measurement from point A (current property line at current ROW) to point B (requested new property line after closing right of way) is 22', the widest area we are requesting closure. The distance from Point B to the drain stones is 12'10" and there is another 6 feet to the edge of the roadway.

Across the road at 305 NC Terrace, the distance from the edge of the roadway to a point at the bearbox beyond the drain stones is 13'6"

We also measured the distance from 'C' the corner of our property and Dr. Dudley's property at 306 NC Terrace to the edge of the roadway is 12'.

Three of our adjacent neighbors stated that they have sent letters in support of our request:

Dr. William Dudley
Clif and Mary F Davis
Wardie Martin

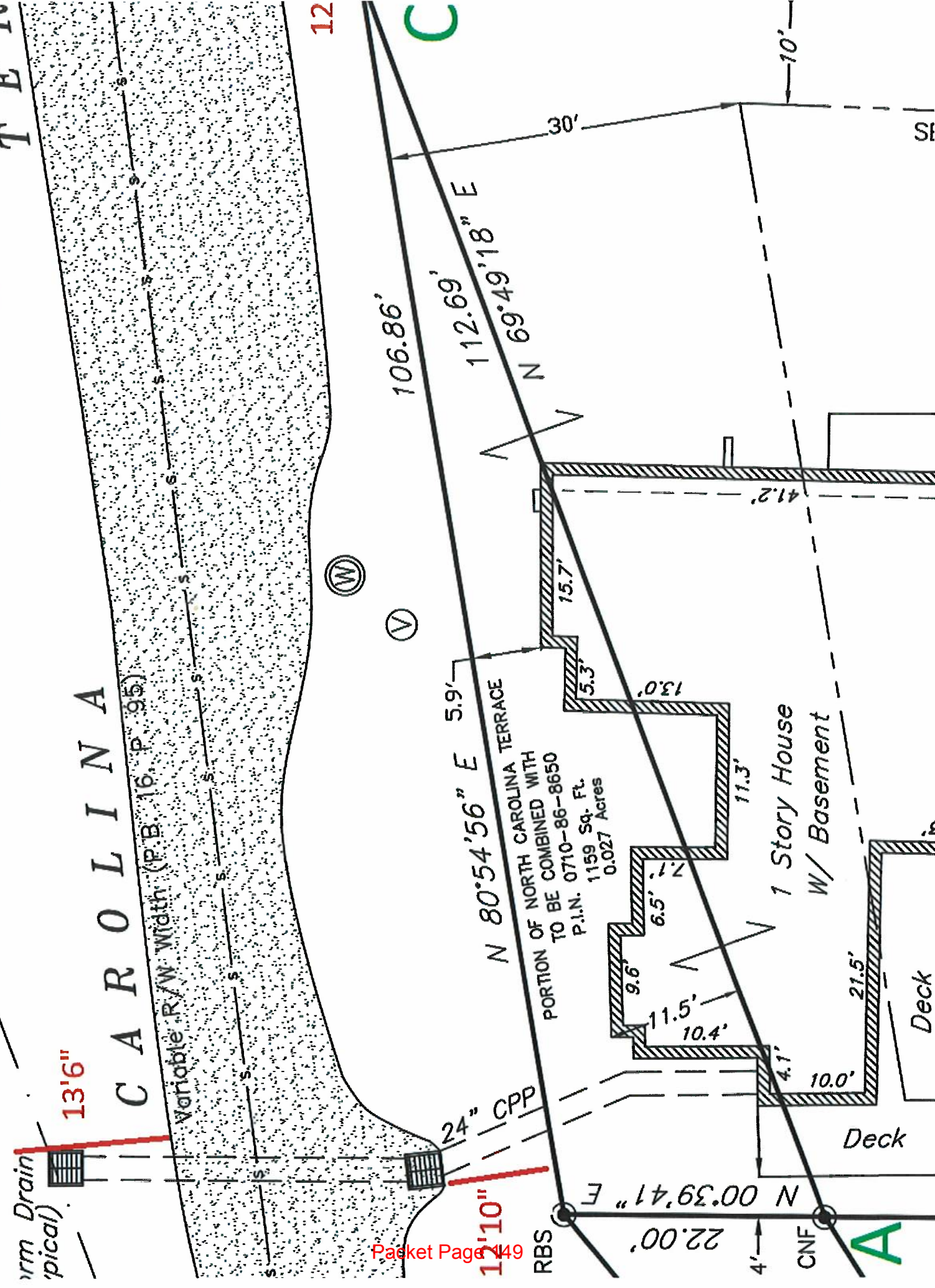
What other information would be helpful to you and the Commissioners in considering our request?

Do you have any other suggestions? Thanks, htj

Harry T Jones
<https://cultivatingimpact.biz/>

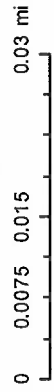
harryt@cultivatingimpact.biz
229-224-5281
Every Business Has An Impact, What's Yours?





[illegible]

1:1,128



Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand),

Ben Blackburn

From: Jeff Richey <richeyj@berea.edu>
Sent: Monday, August 1, 2022 10:28 AM
To: Ben Blackburn
Cc: Harry T Jones
Subject: Letter of support for Harry Jones' request to close street

Importance: High

Dear Mr. Blackburn,

I am writing to you in your capacity as Montreat's Town Administrator to express my support, as a Montreat property owner (305 Georgia Terrace, which adjoins North Carolina Terrace), for Mr. Harry Jones' petition to close a portion of North Carolina Terrace.

As Mr. Jones notes in his petition, the right of way for North Carolina Terrace is unusually wide for Montreat streets, and thus the closure of a portion of it will leave plenty of right of way for others. My understanding is the Mr. Jones seeks this closure in order to rebuild on the current footprint of the old Davis house, which would replace the current dilapidated structure at 304 North Carolina Terrace.

Living as we do in a time when construction projects in Montreat have become highly controversial, Mr. Jones' plan to build on an existing house footprint seems like a sensitive and less-disruptive strategy, especially in comparison to some other proposed construction in the town. As a neighbor with long-term a stake in Montreat, both past and future, I support his petition fully.

Sincerely,
Jeff Richey

J. L. Richey, Ph.D. • Professor of Asian Studies, Berea College • richeyj@berea.edu • (+1) 859-985-3186

Ben Blackburn

From: Eleanor Peters <efpnyc45@gmail.com>
Sent: Sunday, July 31, 2022 12:49 PM
To: Ben Blackburn
Cc: Harry T Jones
Subject: Letter of Support for Jones Request for Right-of-Way Closure

Dear Mr. Blackburn,

We received notification of the August 11 Public Meeting regarding a proposed change in right of way on the south side of NC Terrace at 304 North Carolina Terrace.

We wholeheartedly support this change in the hope that in the future this will allow a new home to be built on the footprint of the Old Davis house.

Michael and Eleanor Frith Peters
317/319 North Carolina Terrace

ABERNETHY COTTAGE
299 GEORGIA TERRACE
MONTREAT, NC 28747

July 20, 2022


Mr. Ben Blackburn
Town of Montreat
P.O. Box 423
Montreat, NC 28757

Dear Mr. Blackburn,

I am writing to you in support of a petition to the Town of Montreat submitted by Harry T. Jones regarding his property at 304 North Carolina Terrace. I am co-owner, with my niece Elizabeth Eads Parker, of the property immediately behind the North Carolina lot in question. His petition requests the Town to close the right of way where the front portion of the current house was built.

My niece and I would be grateful if the Town of Montreat would give positive approval to the petition submitted by Harry T. Jones. Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Margaret (Wardie) Martin".

Margaret (Wardie) Abernethy Martin



TOWN OF MONTREAT

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

July 20, 2022

Lael Atkinson
PO Box 513
Montreat, NC 28757

Re: Proposed Right-of-Way Closure – South edge of North Carolina Terrace

To Whom it May Concern:

Enclosed please find a copy of a Resolution of Intent to Consider Closing a Portion of Right-of-Way along the South edge of North Carolina Terrace and Directing Notice of Public Hearing. The Board of Commissioners unanimously adopted this resolution at their July 14, 2022 Town Council Meeting. A Public Hearing on this matter is set for Thursday, August 11, 2022 at 7:00 p.m. in the Town Hall, 1210 Montreat Road, Montreat, NC. Attached to this Resolution is a copy of a survey indicating the section of right-of-way proposed for closure.

North Carolina General Statutes and the Montreat Zoning Ordinance require that a copy of the Resolution of Intent and notice of the public hearing be sent to all owners of property adjoining the area of right-of-way considered for closure. Should you have questions or require any additional information, please do not hesitate to contact the Town Services Office during normal business hours at (828) 669-8002.

Sincerely,

Angie Murphy
Town Clerk

Enclosure: Copy of Resolution w/survey attachment

July 31, 2022

Michael and Eleanor Peters
500 Berkman's Lane
Greenville, SC 29605
AND
317/319 North Carolina Terrace
PO Box 567
Montreat, NC 28757

Mr. Ben Blackburn, Town Administrator
Town of Montreat
PO Box 423
Montreat, NC 28757

Dear Mr. Blackburn,

We received notification of the August 11 Public Hearing regarding a proposed change in right of way on the south side of NC Terrace at 304 North Carolina Terrace.

We wholeheartedly support this change in hopes that, in the future, this will allow a new home to be built on the footprint of the old Davis home.

Warm regards,

The block contains two handwritten signatures in blue ink. The signature on the left is 'Michael A. Peters' and the signature on the right is 'Eleanor Peters'. Both are written in a cursive, flowing style.

Michael and Eleanor Frith Peters

Mr. Ben Blackburn
Town of Montreat
P.O. Box 423
Montreat, NC 28757

Regarding:
Petition by Mr. Harry Jones
Owner: 304 North Carolina Terrace (formerly Rev. Tom Davis home)

Dear Mr. Blackburn,
This letter is in response and support of the petition by Mr. Harry Jones, to close the 'right of way' where the front portion of the house at 304 North Carolina Terrace is built.

My wife, Mary Ford (Dennis) Davis and I own the home directly across the street from the property in question. The Tom Davis House is an historic Montreat Heritage House. As close neighbors, it is our concern that because the current right of way moves into the the existing house footprint, that unless the right of way is closed, this will prohibit the property owner from rebuilding or improving the historic structure on the existing footprint of the Davis home.

Thank you for your consideration.

Clif and Mary Ford (Dennis) Davis
Owners: Kennerly Kottage
307 North Carolina Terrace
Montreat, NC 28757
(205) 393-6767

William E. Dudley

July 20, 2020

Mr. Ben Blackburn
Town of Montreat
P.O. Box 423
Montreat, North Carolina 28757

Dear Mr. Blackburn –

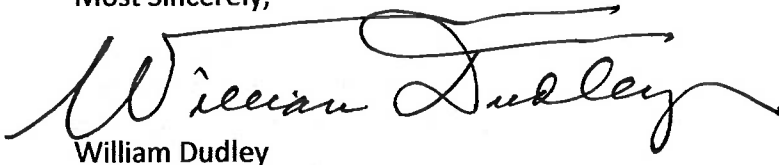
I write today to extend our support for the efforts of Harry Jones in his related property at 308 North Carolina Terrace. Our family's Montreat home is next door at 306 North Carolina Terrace, one which we have owned for the past 37 years. We are very familiar with the families who have owned this property (308) which Mr. Jones now owns. We have witnessed firsthand the aftermath of the house being crushed by the fallen tree, and the efforts of improving this property by Mr. Jones would be a wonderful improvement and addition to neighborhood and to the community of Montreat. His goal is the most attractive for our neighborhood.

We support the Jones' request for variance consideration in order to make this lot more attractive, but, moreso, to preserve the historical accents of the original house. His idea and intent is most creative and encouraging to those of us who would redeem these landmark homes or remnants. Any variance to provide for this improvement is a variance which has existed for many, many years and has not been a hindrance or obstacle for us.

The security we as neighbors feel about their request comes from the history of the Jones family in Montreat. Their family has lived in an exemplary manner in Montreat for several generations before Harry and Holly Jones. Their contributions to Montreat consistently reflect works of soundness, integrity, and excellence. This includes their contribution of quality in their family homes along North Carolina Terrace and in the larger space of Monkey Bottoms at the campground and other sites in this cove.

We join with them in affirming their plan, their effort, and their intent to maintain the quality and historical significance of Montreat.

Most Sincerely,



William Dudley

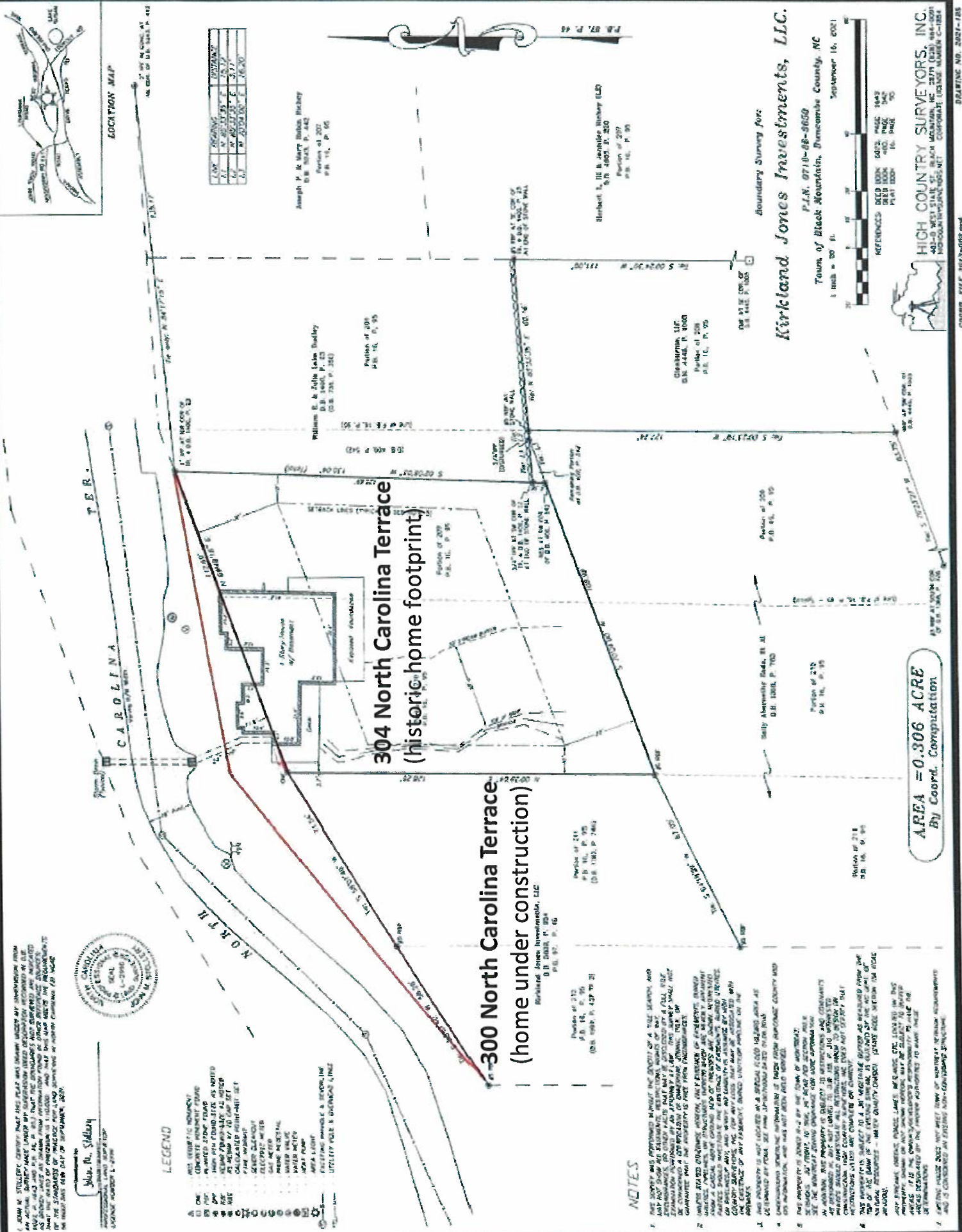
DSH Construction LLC

Jones Cost Summary

		IV#	V	VI	VII	VIII	IX	X	XI	IV#	XII	Total	O/U Budget
01-300	Surveying	\$	2,000.00	##								\$1,450.00	\$ 550.00
01-510	Temporary Utilities	\$	2,280.00	##	#	#	#	##	###	#		\$2,938.46	\$ (658.46)
01-690	Architctural & Engineering Fees	\$	-		#	#	#					\$3,080.00	\$ (3,080.00)
01-700	Site Cleanup	\$	1,800.00		#	#	#		####	#		\$1,934.48	\$ (134.48)
01-710	Trash Removal & Dumpster	\$	3,500.00		#	#	#	##	#####	#	\$618.53	\$4,764.66	\$ (1,264.66)
01-720	Final Cleaning	\$	1,850.00								\$650.00	\$650.00	\$ 1,200.00
01-730	Equipment Rental	\$	1,500.00							#		\$280.00	\$ 1,220.00
01-800	Insurance	\$	2,124.00		#							\$1,547.00	\$ 577.00
01-830	Permits & Fees	\$	5,600.00	##								\$5,172.00	\$ 428.00
01-835	MSD Sewer	\$	8,250.00	##			#					\$6,583.50	\$ 1,666.50
01-840	Water Line	\$	2,700.00						####			\$535.00	\$ 2,165.00
02-060	Aggregate (Gravel)	\$	6,000.00		#			##	#####			\$6,934.55	\$ (934.55)
02-230	Site Clearing	\$	12,000.00	##								\$11,966.96	\$ 33.04
02-300	Earthwork	\$	5,000.00	##								\$4,903.00	\$ 97.00
02-315	Excavation & Fill	\$	7,500.00	##	#							\$9,065.98	\$ (1,565.98)
02-360	Termite Soil Treatment	\$	800.00		#							\$605.00	\$ 195.00
02-370	Erosion & Sedimentation Control	\$	1,200.00	##								\$1,190.74	\$ 9.26
02-750	Concrete Paving	\$	2,500.00		#				####			\$980.35	\$ 1,519.65
02-900	Landscaping (Allowance)	\$	5,500.00								\$0.00	\$0.00	\$ 5,500.00
03-110	Foundation Walls	\$	43,200.00		#	#	#	##	##			\$64,937.26	\$ (21,737.26)
03-210	Reinforcement Steel	\$	2,850.00		#				##			\$4,654.49	\$ (1,804.49)
03-300	Cast-in-Place-Concrete Slabs	\$	13,448.00		#	#				####		\$20,691.38	\$ (7,243.38)

04-050	Footings	\$	24,400.00	##	##	\$34,755.73	\$	(10,355.73)
04-400	Stone & Stucco	\$	28,356.00	####	#	\$47,780.33	\$	(19,424.33)
04-880	Fireplace(Allowance)	\$	6,900.00	##	####	\$7,457.99	\$	(557.99)
05-510	Stairs & Railings	\$	8,248.00	##	####	\$9,206.18	\$	(958.18)
05-520	Handrails, Railings & Screen	\$	13,500.00	##	#	\$23,845.66	\$	(10,345.66)
06-100	Rough Carpentry (Labor)	\$	47,500.00	#	#	\$66,890.00	\$	(19,390.00)
06-110	Wood Framing (Material)	\$	62,785.87	#	#	\$90,116.97	\$	(27,331.10)
06-170	Prefabricated Structural Wood Trusses	\$	16,494.50	#	####	\$16,278.70	\$	215.80
06-210	Finish Carpentry Labor	\$	4,521.00		#	\$0.00	\$	(4,219.00)
06-220	Millwork	\$	7,535.00	####	#	\$10,381.07	\$	(2,846.07)
06-410	Custom Cabinetry & Counter Tops With Install (Allowance)	\$	53,955.40	##	####	\$32,987.00	\$	20,968.40
07-100	Damproofing & Waterproofing	\$	7,500.00	#	##	\$4,733.85	\$	2,766.15
07-210	Building Insulation	\$	9,414.13	##	##	\$9,123.01	\$	291.12
07-310	Roofing Shingles	\$	11,790.00	##	##	\$11,865.00	\$	(75.00)
07-460	Siding	\$	40,087.89	##	##	\$43,377.11	\$	(3,289.22)
07-710	Gutters & Downspouts	\$	5,190.00	##	##	\$5,470.00	\$	(280.00)
08-210	Interior Doors	\$	4,544.78	##	####	\$6,747.86	\$	(2,203.08)
08-500	Windows & Exterior Doors	\$	32,156.04	#	##	\$37,878.02	\$	(5,721.98)
08-710	Door Hardware (Allowance)	\$	2,500.00	##	##	\$3,883.77	\$	(1,383.77)
09-250	Gypsum Board	\$	21,776.00	##	#	\$14,417.29	\$	7,358.71
09-300	Tile (Allowance walls only)	\$	6,421.80	##	####	\$7,138.19	\$	(716.39)
09-640	Flooring (Allowance)	\$	19,495.00	##	#	\$17,024.49	\$	2,470.51
09-910	Interior & Exterior Paint	\$	28,000.00	####		\$37,752.00	\$	(9,752.00)
10-800	Toilet, Bath & Laundry Accessories (Allowance)	\$	2,000.00			\$557.22	\$	1,442.78
10-820	Shower Doors & Enclosures (Allowance)	\$	2,500.00			\$3,484.40	\$	(984.40)
10-900	Wardrobe & Closet Specialties (Allowance)	\$	3,000.00			\$4,671.77	\$	(1,671.77)
11-310	Appliances	\$	11,830.26		#	\$860.61	\$	2,015.94
15-210	Gas Piping & Connections	\$	2,000.00	##		\$3,436.63	\$	(1,436.63)
15-400	Plumbing	\$	41,669.36	#	##	\$40,479.35	\$	1,190.01
15-700	HVAC Equipment	\$	16,932.00	##	##	\$18,612.50	\$	(1,680.50)
16-100	Electrical Systems	\$	17,132.30	##	##	\$30,883.90	\$	(13,751.60)
16-500	Lighting Fixtures (Allowance)	\$	3,500.00	##	##	\$2,733.30	\$	766.70
	Storm Water			##	####	\$66,612.05	\$	(66,612.05)
	Landscaping					\$7,013.45	\$	(7,013.45)
						\$0.00	\$	-

Total	\$	695,237.33	# # # # #	# # # # #	\$93,951.96	\$797,062.06	\$	-	(101,824.73)
GC Fee	\$	97,333.23		# #	\$ 8,111.00	\$89,221.00	\$	-	
Total	\$	792,570.56	# # # # #	# # # # #	\$102,062.96	\$988,346.02	\$	-	(195,775.46)



Proposed Ordinance Revision and New Ordinances

Addressing Bear Hunting Dog Incidents

1. Revisions to Article III of Chapter I (proposed new language is underlined and deleted language is ~~crossed through~~):

Article III

Section 1. Dog control.

a) Collar and Tags. No Person or Entity shall own or keep any dog over the age of six (6) months in the Town unless that Person has provided a collar and tags for each dog as herein provided. The collar shall contain a current rabies vaccination tag and an identification tag with the owner's name and telephone number imprinted upon it.

b) Vaccination. It shall be unlawful for the owner of any dog to keep the dog unless it is vaccinated by a licensed veterinary surgeon with anti-rabies vaccine as required by the General Statutes of North Carolina. Proof of rabies inoculation must be attached to the collar of the dog.

c) Restraint. The owner or custodian of a dog shall keep the dog under restraint at all times and shall not permit the dog to be At Large.

d) Penalties. Penalties for violating or failing or refusing to comply with subsections 1(a) and 1(b) of this Article III are provided for in Chapter L. Any person violating any of the provisions of subsection 1(c) of this Article III or failing or refusing to comply with subsection 1(c) shall subject to the following penalties:

(1) Violations of subsection 1(c) shall be a class 3 misdemeanor and shall subject the offender to a fine not to exceed Five Hundred Dollars (\$500.00) or imprisonment not to exceed twenty (20) days or the maximum provided by NCGS section 15A-1340.23. The maximum fine is greater than \$50.00.

(2) Violations of subsection 1(c) shall subject the offender to a civil penalty upon the issuance of a citation for a violation. The Town may recover the civil penalty, if not paid to the Town within thirty (30) days after the citation is issued, in a civil action of the nature of a debt pursuant to NCGS section 160A-175. The civil penalty for each violation of subsection 1(c) shall be as follows:

(i) One dog involved in violation:

First violation – verbal warning;

Second violation – written warning;

Third violation - \$250.00;

Fourth and subsequent violations - \$500.00.

(ii) Two or more dogs involved in violation where violation occurs in either a woodland or conservation zoning district:

First violation – verbal warning;

Second violation – written warning;

Third violation - \$250.00;

Fourth and subsequent violations - \$500.00.

(ii) Two or more dogs involved in violation where violation occurs in any zoning district other than a woodland or conservation zoning district:

First violation – \$250.00 for each dog involved in the violation (for example, if four dogs are involved in the violation, the civil fine would total \$1,000.00);

Second and subsequent violations - \$500.00 for each dog involved in the violation (for example, if four dogs are involved in the violation, the civil fine would total \$2,000.00).

Second or subsequent violations of subsection 1(c) by the same person for the same activity occurring within five (5) years of the first such violation shall be subject to the higher penalties set forth above. The provisions of subsection 1(c) may be enforced by one or a combination of the remedies authorized in this subsection 1(d).

~~4 e~~ Impoundment. Any dog not displaying the proper tags as required in this Ordinance or any dog found running At Large shall be taken up by the police department Animal Control Officer, or authorized representative thereof, or a Montreat police officer, and impounded in the ~~Black Mountain~~ Buncombe County Animal Shelter or other animal shelter designated by the Town Administrator. All dogs not claimed within twenty-four (24) hours shall be turned over the Buncombe County Animal Shelter. Upon arrival at the Buncombe County Animal Shelter, dogs not claimed within seven (7) days may be put up for adoption or humanely euthanized.

(1) Notice to Owner. When a dog is taken into custody, provided contact information is on the tag of a dog, the Town will attempt to notify the owner by telephone. If reasonably possible under the circumstances in the discretion of the Town, the dog's owner will be provided a brief period of time during which the owner may regain custody of the dog prior to it being impounded. As soon as a dog has been impounded, the Town will attempt to notify the owner by telephone and inform the owner of the dog's impoundment and how custody of the dog may be regained.

(2) Impoundment Fees. An owner may reclaim an impounded dog by paying the necessary impoundment fees at the Buncombe County Animal Shelter and an impoundment fee to the town in the amount of \$100.00 ~~the temporary animal shelter in the Town of Black Mountain. If the dog has been turned over to Buncombe County~~

~~officials, the owner must first pay the Town's of Black Mountain's impoundment fee at the temporary animal shelter in the Town of Black Mountain, obtain a release for the dog from the Town of Black Mountain, and then pay the required Buncombe County fees at the Buncombe County Animal Sshelter. Dogs will not be released from the Buncombe County Animal Sshelter unless a release slip has been issued by the Town of Black Mountain showing that the appropriate Black Mountain fees have been paid.~~

(3) Records. ~~The police department Animal control personnel~~ shall keep, or cause to be kept, accurate and detailed records of the licensing, impoundment, and disposition of all dogs that come into its custody. Records shall also be kept of all moneys collected under this Section

Section 2. ~~Records~~ Previous Ordinances. All previous ordinances relating to the keeping, licensing, and restraining of dogs are hereby repealed. All other ordinances in conflict herewith are repealed to the extent of such conflict.

2. New Ordinance for Trespass – Article VI of Chapter I:

Article VI: Trespass

Section 1. Trespass. Any person who willfully goes on the lands or waters of another located in a residential, institutional, institutional residential, PUD and conditional zoning district to follow or retrieve two or more dogs without either (i) the written permission of the landowner, lessee or authorized agent thereof, or (ii) a police officer being present after notification of the police department by such person, as required by section 1 of article VIII **[(ii) the police department being notified by such person, as and in the manner required by section 1 of article VIII, that such person would be following or seeking to retrieve such dogs in Montreat]** that the dogs when the person goes onto such lands or waters of another, shall be guilty of a class 3 misdemeanor and shall subject the offender to a fine not to exceed Five Hundred Dollars (\$500.00) or imprisonment not to exceed twenty (20) days or the maximum provided by NCGS section 15A-1340.23. The maximum fine is greater than \$50.00. Violations of this section 1 shall also subject the offender to a civil penalty upon the issuance of a citation for the violation. The Town may recover the civil penalty, if not paid to the Town within thirty (30) days after the citation is issued, in a civil action of the nature of a debt pursuant to NCGS section 160A-175. The civil penalty for each violation of this section 1 shall be \$500. The provisions of this ordinance may be enforced by one or a combination of the remedies authorized in this section 1. Although the presence of a police officer after notification of the police department as required by section 1 of article VIII **[the notification of the police department as required by section 1 of article VIII]** shall prevent a violation of this trespass ordinance from occurring, such presence **[notification]** shall not constitute or be

deemed to be the permission of a landowner for any person to go upon the lands or waters of such landowner.

Section 2. Permission. Written permission shall be carried on one's person, signed by the landowner, lessee, or agent, and dated within the last 12 months. The written permission shall be displayed upon request of any law enforcement officer. A person shall have written permission for purposes of this ordinance if a landowner, lessee, or agent has granted permission to a club to follow or retrieve dogs on the land and the person is carrying both a current membership card demonstrating the person's membership in the club and a copy of written permission granted to the club that complies with the requirements of this section.

Section 3. Affirmative Defense. It is an affirmative defense to a prosecution or claim for civil penalty under this ordinance that the person had in fact obtained prior permission of the owner, lessee, or agent as required by section 1 but did not have on his or her person valid written permission at the time of citation or arrest.

3. New Ordinance Prohibiting the Release of Hunting Dogs – Article VII of Chapter I:

Article VII – Release of Hunting Dogs

Section 1. Release Prohibited. Any person who releases a hunting dog confined in a cage, or otherwise allows a hunting dog confined in or upon a vehicle to escape confinement, within the Town is guilty of a class 3 misdemeanor and shall subject the offender to a fine not to exceed \$500.00 or imprisonment not to exceed sixty (60) days or the maximum provided by NCGS section 15A-1340.23. The maximum fine is greater than \$50.00.

Section 2. Civil Penalty. Violations of this ordinance shall also subject the offender to a civil penalty upon the issuance of citation for violation. The Town may recover the civil penalty, if not paid to the Town within thirty (30) days after the citation is issued, in a civil action of the nature of a debt pursuant to NCGS section 160A-175. The civil penalty for each violation of this section 1 shall be \$2,500.00. The provisions of this ordinance may be enforced by one or a combination of the remedies authorized in this ordinance.

4. New Ordinance Requiring Notice to Police Department Prior to Following or Retrieving Hunting Dogs – Article VIII of Chapter I:

Article VIII – Notice Required Prior to Retrieving Hunting Dogs

Section 1. Notice Required. No person shall follow or seek to retrieve two or more dogs running at large in Montreat without, prior to commencing such activities, contacting the Town's police department by calling the department's non-emergency dispatch number and providing the following information: his/her name and address; the location and description of his/her vehicle; the location and a description of the dog(s); the location of any bear or other game being pursued by the dog(s); and the direction in which any such dog(s) and any game they are following are traveling.

Section 2. Violations. Any person violating any of the provisions of this ordinance or failing or refusing to comply with this ordinance shall subject to the following penalties:

- a) Violations of this ordinance shall be a class 3 misdemeanor and shall subject the offender to a fine not to exceed Five Hundred Dollars (\$500.00) or imprisonment not to exceed twenty (20) days or the maximum provided by NCGS section 15A-1340.23. The maximum fine is greater than \$50.00.
- b) Violations of this ordinance shall subject the offender to a civil penalty upon the issuance of a citation for a violation. The Town may recover the civil penalty, if not paid to the Town within thirty (30) days after the citation is issued, in a civil action of the nature of a debt pursuant to NCGS section 160A-175. The civil penalty for each violation of this ordinance shall be \$500 for the first violation and \$1,000 for each subsequent violation.

Second or subsequent violations of this ordinance by the same person for the same activity occurring within five (5) years of the first such violation shall be subject to the higher penalties set forth above. The provisions of this ordinance may be enforced by one or a combination of the remedies authorized in this ordinance.

Section 3. Compliance Not a Defense to Violations of Other Ordinances. Compliance with the provisions of this ordinance shall not be a defense to the violation of any provisions of the ordinances contained in Articles III, VI or VII of this Chapter I. This ordinance requires information to be provided to the Town's police department to assist it in initiating measures to protect the safety of the citizens of Montreat.

5. Ordinance Prohibiting Feeding of Bears

Section 1. Feeding Prohibited. No person shall:

- a) feed, give, place, expose, deposit, distribute or scatter any edible material or attractant with the intention of feeding, attracting or enticing a black bear; or

b) store pet food, garbage or other bear attractants in a manner that will result in bear feedings when black bear are known to frequent the area.

This section shall not apply in the case of an unintentional feeding of a black bear.

"Unintentional feeding" means using or placing any material for a purpose other than to attract or entice black bears but which results in the attraction or enticement of a black bear, and shall include but need not be limited to the feeding of a black bear as a result of the inadvertent failure to secure a bird feeder from access by a bear. "Unintentional feeding" does not include putting out or storing garbage or trash in a manner which does not comply with the requirements set forth in article II of chapter G.

Section 2. Violations. Any person violating any of the provisions of this ordinance or failing or refusing to comply with this ordinance shall subject to the following penalties:

- a) Violations of this ordinance shall be a class 3 misdemeanor and shall subject the offender to a fine not to exceed Five Hundred Dollars (\$500.00) or imprisonment not to exceed twenty (20) days or the maximum provided by NCGS section 15A-1340.23. The maximum fine is greater than \$50.00.
- b) Violations of this ordinance shall also subject the offender to a civil penalty upon the issuance of a citation for a violation. The Town may recover the civil penalty, if not paid to the Town within thirty (30) days after the citation is issued, in a civil action of the nature of a debt pursuant to NCGS section 160A-175. The civil penalty for each violation of this ordinance shall be \$100 for the first violation, \$250 for the second violation, and \$500 for the third and each subsequent violation. Notwithstanding anything in this subsection b) to the contrary, no person shall be assessed a civil penalty pursuant to this subsection b) unless the person has first been issued a prior written warning for a violation of section 1 of this ordinance.
- c) In the event of a violation of this ordinance, the Town may also institute a civil action in a court of competent jurisdiction for injunctive relief to prohibit and prevent such violation or violations and the court may proceed in the action in a summary manner.
- d) If the violation is of a continuing nature, each day during which it continues shall constitute an additional, separate and distinct offense.
- e) Second or subsequent violations of this ordinance by the same person for the same activity occurring within five (5) years of the first such violation shall be subject to the higher penalties set forth above.
- f) The provisions of this ordinance may be enforced by one or a combination of the remedies authorized in this ordinance.

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